

Forestry Legality Compendium

**DEPARTMENT OF FORESTRY INSPECTION (DOFI) and
DEPARTMENT OF FORESTRY (DOF)**

**Supported by
FAO/World Bank Cooperative Programme
GIZ / Pro-FLEGT VPA Support Programme
SUFORD – SU Project (DOF - Finland / World Bank)**

3 December 2015

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LIST OF ACRONYMS

ACDD	ASEAN Customs Declaration Document
ACIAR	Australian Centre for International Agricultural Research
BTT	Business Turnover Tax
CD	Customs Department
CoC	Chain of Custody
CoO	Certificate of Origin
DAA	District Administration Authority
DAEC	Department of Agriculture Extension and Cooperatives
DAFO	District Agricultural and Forestry Office
DBH	Diameter at Breast Height
DIMEX	Department of Import and Export
DLAD	District Land Administration Department
DOC	Department of Customs
DOF	Department of Forestry
DoF	Department of Finance
DOFI	Department of Forest Inspection
DOL	Department of Lands
EcPD	Economic Police Department
EnPD	Environmental Police Department
ESIA	Environmental and Social Impact Assessment
FAO	Food and Agriculture Organisation
FLEGT	Forest Law Enforcement Governance and Trade
FS2020	Forestry Strategy to 2020
FSC	Forest Stewardship Council
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GOL	Government of Lao PDR
ha	Hectare
ISIC	International Standard Industrial Classification
LADD	Land Allocation and Development Department
Lao PDR	Lao People's Democratic Republic
LFAP	Land Forest Allocation Policy
LMD	Land Management Department
LNCCI	Lao National Chamber of Commerce and Industry
M	million
m ³	Cubic metre
MAF	Ministry of Agriculture and Forestry
MEM	Ministry of Energy and Mines
MOF	Ministry of Finance
MOIC	Ministry of Industry and Commerce
MOJ	Ministry of Justice
MONRE	Ministry of Natural Resources and Environment
MOPI	Ministry of Planning and Investment

MoPS	Ministry of Public Security
NA	National Assembly
NAFRES	National Agriculture and Forestry Extension Service
NAFRI	National Agriculture and Forestry Research Institute
NES	National Export Strategy
NGO	Non-Government Organisation
NGPES	National Growth and Poverty Eradication Strategy
NLMA	National Land Administration Department
NPA	National Protected Area
NTFP	Non-timber Forest Product
NUOL	National University of Lao PDR
PA	Protected Area
PAFO	Provincial Agriculture and Forestry Office
PFA	Production Forest Area
PFO	Provincial Forestry Office
PFS	Provincial Forestry Section
PLAD	Provincial Land Management Agency
PLUP	Participatory land Use Planning
PM	Prime Minister
PMO	Prime Minister's Office
POIC	Provincial Industry and Commerce Division
<i>rai</i>	a unit of area, equal to 1,600 metres (40 m × 40 m), used for measuring land.
SUFORD	Sustainable Forestry for Rural Development Project
TLUC	Temporary Land Use Certificate
\$USD	United States Dollar
VAA	Village Administration Authority
VAT	Value Added Tax
VC	Village Committee
VDF	Village Development Funds
VFO	Village Forestry Organization
VUF	Village Use Forest
WPF	Wood processing Factory
WREA	Water Resource and Environment Administration
WWF	World Wildlife Fund

SECTION 1 INTRODUCTION

The regulatory framework governing the forestry sector in Lao PDR is diverse, affected by different legislation on natural resources and trade sectors, and is extensive in the number of legal instruments that apply. There is a lack of clarity as to: (i) the applicable legislation (implementing legislation in particular is not easily available); (ii) provisions that have been rendered inconsistent or redundant by subsequent additions to, or abrogation in, the legislative framework; and (iii) the responsibilities of the competent authority over a specific issue (both horizontally in terms of Departments or Ministries, or vertically at different levels (national, provincial, district and village). Provinces sometimes interpret and apply the legislation differently, or issue legislation or other instructions that are not always aligned with national legislation, preventing uniform application and implementation throughout the country. The responsible Ministries may issue internal instruction on the implementation of legislation, but this may occur in isolation from or without consultation with other relevant organisations.

In recent years there have been substantial reforms to the legal framework along the timber supply chain and there is a need for a systematic review of the legal framework for the forestry sector in Lao DPR that includes all legislation associated with forest land management and the supply and use of timber forest products arising from all sources: production forest, plantations, forest converted for other uses and from other areas such as village forests.

Rule of law, respect for hierarchy of legislation and legislative transparency are relatively new principles in the Lao PDR legal system and the country has made strides in legal reform in recent years owing to a number of factors, including the country's accession to the World Trade Organization (2012), and the Government's commitment to become a rule of law state by 2020.

Lao PDR is also preparing for the FLEGT/Voluntary Partnership Agreement (VPA) with the EU, participating in the REDD+ processes and other bilateral and international obligations that require clarity in the forestry legal framework.

To support these activities an analysed Compendium to the Forestry Law, which compiles and summarises all relevant provisions has been developed. This Compendium builds on and feeds into some existing initiatives such as:

- A participatory process to review of the Forestry Law which has been supported GIZ since 2012 under the lead of MONRE, with a view to present recommendations for adjustment to the National Assembly in December 2013;
- the published compilation of forestry related regulation (including resolutions, decrees, decisions and orders of different hierarchy and time order) in Lao language DOF (with JICA support) (two green books);
- A "Common Framework for Assessing Legality of Forestry Operations, Timber Processing and Trade" organized around Principles, Criteria and Indicators for Voluntary Forest Certification; and a spreadsheet listing more than 140 relevant legal documents translated into English, and 87 documents that have not been translated, produced by WWF/TRAFFIC RAFT Programme in 2013;
- A comprehensive review of laws and regulations for plantations and small growers undertaken through a project executed by ACIAR (Australian Centre for International Agricultural Research);

- A comprehensive guidance note for Environmental Impact Assessment for Agriculture and Forestry Projects undertaken by the United Nations Development Program (UNDP) on behalf of the Government of Lao PDR Department of Environmental and Social Impact Assessment, Ministry of Natural Resources and Environment in 2014.
- A Study for understanding timber flows and control in Khammoune and Sayaboury Provinces, undertaken for the Pro-FLEGT Project and the Department of Forest Inspection in 2015
- An interim report on logging in forest to be converted for concession areas including a review of the legal framework, and
- The development draft guidelines for village forestry and communal tenure, produced by the SUFORD SU project in 2015.

This Compendium to the Forestry Law has the following attributes:

- It is limited to forest and forestland: natural forest, land to be converted for concession and infrastructure, large investment plantations, smallholder and household plantations, and other areas such as village use forest and trees on farms. Forestland is described in further detail in Section 5.
- It is organized along the supply chain of timber and forest products from the source of timber to final market destination, through the following stages:
 - Land Classification, Allocation and Planning
 - Project Approval for Concessions and Plantation Investment
 - Forest management
 - Quota Development, Approval and allocation - including Annual Harvest Planning
 - Harvesting
 - Log Landing 1
 - Log Landing 2
 - Log Landing 3
 - Timber Processing
 - Transport
 - Trading
 - Export
- It is structured on the basis of the *Forestry Law No 06/NA 2007* ("Forestry Law") and follows the hierarchy of legal instruments as indicated in *the Law on Making Legislation No 19/NA 2012*.
- It identifies administrative roles and responsibilities of the different government institutions and other participants, presented in the flow diagrams within this report and in an accompanying database of information which can be updated periodically.
- It collated, where available, the current legislative texts and other documents relevant to the timber supply chain.
- It includes, in a supporting document, an analysis of the relevant legislation, identifying gaps, inconsistencies and conflicts.

THE HIERARCHY OF LAWS IN LAO PR

The Lao PDR the hierarchy of Laws is implied in the *Law on Making Legislation No 19/NA 2012* (Table 1 summarises the legal hierarchy). The Law on Making Legislation requires legislation be published in the [Official Lao Gazette](#). All promulgated legislation of general application at national, provincial and capital levels comes into legal force only after 15 days from the publication date in the Official Gazette.

Districts/Municipalities and villages have the option to bring their legislation into legal force by publishing legislation on the Official Gazette or by posting their approved legislation for 15 days in other local media or in a way that people can access it easily. In special cases where there are necessary or urgent conditions, legislation may be brought into legal force immediately, but in these cases, such legislation must be published in the Official Gazette as quickly as possible.

All legislation of general application existing before 29 January 2013 remained in force as previously determined until January 1, 2015. Such legislation must have been posted on the Official Gazette by January 1, 2015 to remain in legal force. After January 1, 2015, only legislation published in the Official Gazette is legally enforceable in Lao PDR, except for district/municipality and village legislation that has been posted in other local media or in a way that people can access it easily.

Legislation of General Application

Legislation of general application is legislation that governs the state, economy and society without focusing on a particular organization or individual, and is enforceable throughout the country or a certain region/area. Legislation of general application consists of:

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

Legislation of Specific Application

Legislation of specific application is legislation that governs administrative activities that focus on a certain organisations or individuals. Legislation of specific application includes:

- Presidential Decrees on the Promulgation of a Law;
- Presidential Decrees, Decrees or Decisions on the award or appointment of a certain person for a certain position or specific activity;
- Notices.

Table 1: Hierarchy of Laws

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

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

Where a contradiction exists, legislation of the higher level shall be applied. If a contradiction of legislation at the same level exists, the later (most recent) legislation shall be applied. If legislations at the same level contradict each other, the provisions of specific legislation shall prevail.

International treaties are legislation that is implemented in accordance with the provisions of specific legislation. If the provisions of existing legislation and newly adopted legislation are inconsistent with the provisions of international conventions or treaties that Lao PDR is party to, the provisions of the international convention or treaty prevails and [the provisions of] existing legislation or newly adopted legislation shall be revised in due time.

Other types of documents are issued to provide guidance or to clarify points in law. In many cases these are not legal instruments per se (although they may appear to be so) and are not legally binding, even though

sometimes the intention may have been to make it legally binding. These documents may contain a level of detail that is significant in terms of operational practice but they may be treated as essentially guidelines rather than legally enforceable documents.

SECTION 2 GOVERNANCE

The *Law on Government No 02/NA 2003* determines the organisation, operation and framework method of the government in order to make effective the State administration, socio-economic management, natural resource utilization, and environmental protection and in order to strengthen the rule of law and enrich the country, thereby improving the living conditions of the multi-ethnic people, and ensuring security and justice in the society.

There many references within legislation to “The Government. “The Government” is defined under the Law on Government as the executive branch of the State, approved by and responsible to the National Assembly and the President of the State. Members of the Government are: the Prime Minister, Deputy Prime Minister, the Prime Ministers’ Office, Ministers, Deputy Ministers, Ministries and Ministry-equivalent organisations which may act as the secretariat to the government.

Many Ministries have a function in forest management or are responsible for activities that may impact upon forest and the supply and management of timber and forest products including:

- The Ministry of Justice (MOJ)
- The Ministry of Agriculture and Forestry (MAF)
- The Ministry of Natural Resources and Environment (MONRE)
- The Ministry of Industry and Commerce (MOIC)
- The Ministry of Finance (MOF)
- The Ministry of Planning and Investment (MPI)
- The Ministry of Public Works and Transport (MPWT)

There are two Ministries which have cores responsibilities with respect to the management and use of forest and forestland – the Ministry of Agriculture and Forestry (MAF) and the Ministry of Natural Resources and Environment (MONRE). The mandates of these ministries are set out in specific decrees. MONRE is a relatively new ministry and its role continues to develop. Significantly it is not referred to in the *Law on Land No 04/NA 2003*, which assigns to MAF the responsibility for managing forest land, determining the different categories of forest land, studying and developing regulations on the management, protection, development and use of Forest Land including environmental protection. Furthermore it post-dates the current law on Forestry. Yet Decree No 435/PM on the Establishment and Activities of the Ministry of Natural Resources and Environment makes MONRE directly responsible for the management of the environment, land, forests, water, air, biodiversity, and minerals.

Decree No. 262/PM 2012 on the organization and function of the Ministry of Agriculture and Forestry refers only to the management of Production forest, Village forests, Non-Timber Forest Products (NTFP) in the areas of forest categories *under its responsibility* and thus appears to acknowledge the division in the responsibilities between the two Ministries. Nevertheless while the Law on Land and the Law on Forests are under review, discrepancies in the functions and responsibilities of the departments under these Ministries may continue.

MINISTRY OF AGRICULTURE AND FORESTRY

The Ministry of Agriculture and Forestry (MAF) is responsible to ensure food security; supplying raw materials for processing industries and sustainable, clean and modern commodity production; creation of permanent jobs for ethnic groups in order to stop shifting cultivation and eradicate poverty across the country.

Through its Departments MAF is responsible for implementing the national constitution, laws, resolutions of the National Assembly, Government orders, Presidential orders and other legislation issued by the Prime Minister. It may also propose improvements to existing legislation or the drafting new laws, decrees, and regulations and elaborating them into detailed instructions, notices, rules, procedures. The structure and functions of MAF are set out in *Decree No. 262/PM (2012) on organization and function of the Ministry of Agriculture and Forestry*.

Department of Forestry

As a Central Agency under MAF the duties of Department of Forestry (DOF)¹ are providing an advisory role to MAF at the macro level in relation to the management, conservation, protection, development, and use of forest resources within the areas of production forest, plantation forest and village forests within the zones under its responsibility and forestlands which are not yet classified.

The main functions of DOF are to:

- develop and implement strategies, programs and policies on forestry activities;
- carry out the survey and monitoring of the change in forest resources as well as management of information on forest resource over the country;
- delineate zones and survey forest resource and undertake management planning for the conservation, protection, development and use of forest and forestland, non-timber products, water and wildlife within the forest areas under its responsibility;
- formulate forestry laws and other legal instruments related to forestry and to operationalise these through regulations, policy and technical instructions;
- research and recommend policies, methods and measures on tree planting, forest regeneration, forest management, forest protection and forest resources;
- monitor, supervise and evaluate the implementation of forestry master plans, programs and projects; and
- inspect, monitor and evaluate the implementation and effectiveness of the forestry legal framework for the management, protection, use and sustainable development of forest resources.

Provincial Agriculture and Forestry Division

At the provincial level, the Provincial Agriculture and Forestry Division (PAFO) are responsible for implementing the functions of DOF. This includes developing the provincial harvesting quota for submission to MAF, issuing harvesting licenses, developing harvesting contracts, supervising harvesting operations, preparing log source documentation, including the scaling and grading of logs and creating the list of logs at Landing 2.

¹ These duties are specified in Ministry of Agriculture and Forestry (MAF) order No. 1887/MAF (2012).

District Agriculture and Forestry Office

Within each Province each District has a District Agricultural and Forestry Office (DAFO) reporting to the relevant PAFO. Its functions include the registration of plantations including plantation management planning, pre-harvest surveys, the monitoring of harvesting operations and preparing log origin documentation. DAFO measures harvested timber and compiles the logs lists for harvested material from all areas (Production Forest Areas, Infrastructure projects, Plantations, and Village Forests).

Department of Forestry Inspection

The Department of Forest Inspection (DOFI) was established in 2008. It is the primary agency responsible for investigation and enforcement activities under the *Forestry Law 2007 No06/NA* and the *Wildlife and Aquatic Law 2007 No07/NA*. It operates under the *Terms of Reference No 1894/MAF 2012* and is directly accountable to the secretary body to the Minister, with regard to forest, wildlife and aquatic laws and associated regulatory instruments. These functions are discussed further in Section 3.

MINISTRY OF NATURAL RESOURCES AND ENVIRONMENT

The Ministry of Natural Resources and Environment (MONRE) was established in 2012 by merging the Water Resource and Environment Administration (WREA) with the National Land Management Authority (NLMA) and the Geology Department, as well as with two Divisions previously located within DOF: Protection Conservation and Forest Protection and Regeneration (now Department of Forest Resource Management).

Within MONRE there are eleven Departments; including the Land Allocation and Development Department (LADD) which is responsible for the administration of land, land registration, surveys and the issuing of land titles, the Land Management Department (LMD) which is responsible for the participatory land use planning (PLUP) process during which it consults with stakeholders to propose and issue land use permits, land transfers, lands lease or land concession, and coordinates with related line agencies and local administration, the Department of Forest Resource Management (DFRM) which is responsible for the management of conservation and protection areas through *Decree No 134/PM on Protected Areas 2015* and has responsibilities under the *Wildlife and Aquatic Law No 07/NA 2007*.

Department of Forest Resource Management

Under Decision No3121/MONRE 2012 DFRM is responsible for conducting surveys and determining the areas and the measures on management, prevention, protection, development, restoration, and registration of forestry resources in protected and reserved forest areas, including prohibited forest areas, forest areas in which there are valuable, rare and endangered plants and wildlife species. They also monitor and inspect the use of forests, forest exploitation, and collection of non-timber forest products and biodiversity. These functions are discussed further in Section 3.17

Department of Environmental and Social Impact Assessment

Through the Department of Environmental and Social Impact Assessment MONRE plays a central role in the review, confirmation and approval of reports on the environmental and social impact assessment of investment projects before concession agreements are signed and monitors and inspects the implementation of environmental management plans, including the promotion of the participation of all stakeholders and people affected by investment projects.

MINISTRY OF INDUSTRY AND COMMERCE

The Ministry of Industry and Commerce (MOIC) regulates all types of industry and trade in Lao PDR. It oversees the sale, transport, processing and export of logs, processed timber and finished wood products.

The Departments that fall under the MOIC include

- Department of Industry
- Department of Production and Trade Promotion
- Department of Import and Export
- Department of Foreign Trade Policy
- Department of Domestic Trade
- Department of Inspection
- Lao National Chamber of Commerce and Industry
- Economic and Trade Research Institute

Through these Departments, MOIC is responsible for overseeing and implementing several relevant laws, including the *Law on Enterprise No 46/NA (2013)*, the *Law on Customs No. 05/NA (2005)* and the *Law on Industrial Processing No 48/NA (2013)*. The role of MOIC with respect to the forestry sector is set out *Prime Minister's Order on Strengthening Forest Management, protection and the Coordination of the management of Forest and Forestry Businesses No 17/PM, (2008)* which also clarifies its relationships with MAF.

Provincial Office of Industry and Commerce

A Provincial Industry and Commerce Division (POIC) Office is responsible for timber and forestry business in each Province. Its responsibilities commence after harvesting has occurred and logs have been transported to Log Landing 2 through to export.

Department of Import and Export

The Department of Import and Export (DIMEX) of MOIC is responsible for issuing import and export licenses for all products that require them, as well as Certificates of Origin for countries that are part of a preferential trade agreement. It collects and maintains national statistics on imports and exports and maintains the Lao PDR Trade Portal which is the Government of Lao PDR's website that provides a single reference point for all trade related information including laws, regulations, procedures and tariffs. The Lao PDR Trade Portal can be found at: <http://laotradeportal.gov.la>.

MINISTRY OF FINANCE

The Ministry of Finance (MOF) is responsible for the collection of taxes and royalty payments and for various laws including the *Law on Tax No. 04/NA, 2005*, the *Law on Value-Added Tax No. 04/NA, 2006* and the *Decree on Land Tax No.01/PO, 2007*. Within the Ministry of Finance the Department of Customs is the agency tasked with determining and collecting the duties on goods exported from Laos PDR.

MINISTRY OF PLANNING AND INVESTMENT

The Ministry of Planning and Investment (MPI) regulates foreign and domestic investment in Lao PDR. The Ministry has legislative responsibility for the *Law on Investment Promotion, No. 02/NA 2009* and its implementing *Decree No 119/PM, 2011*.

Investment Promotion Department

The Investment Promotion Department (IPD) of MPI administers the foreign investment system and reviews investment applications. The IPD's primary functions include promoting Lao PDR as an investment

destination, offering investment incentives, screening investment proposals, collecting investment data and monitoring investment practices. IPD is the lead agency in the process of assessing applications for investment activities seeking access to land through leases or concessions, and it coordinates the participation all other relevant sectoral agencies in the decision-making process such as the issuing of the concession registration certificates.

MINISTRY OF PUBLIC WORKS AND TRANSPORT

The Ministry of Public Works and Transport (MPWT) formerly the Ministry of Communications, Transport, Post and Construction is responsible for developing national and provincial roads, civil aviation, urban transport systems, river wharves, and river and road transport. MPWT consists of six departments:

- Department of Civil Aviation,
- Department of Housing and Urban Planning,
- Department of Inland Waterways,
- Department of Planning and Cooperation, Department of Roads (DOR), and
- Department of Transport.

The Ministry has legislative responsibility across a range of laws that are of particular relevance to this study including *The Law on Land Transport, No. 03-97/NA, 1997* and *Law on Land Traffic, No. 02/NA, 2012*. Since 2008 MPWT and MAF have had a Joint Agreement No. 0019/MAF - No. 2139/MoCT on the Transportation of Logs, Sawn timber, Stumps, Burl/wood gall and wood products.

MINISTRY OF JUSTICE

The Ministry of Justice (MOJ) has the primary role in the preparation of legislation for the Government of Lao PDR (GoL). It also carries out a number of legal support functions including in the overall dissemination of legislation, administering the lower courts, coordinating judgement enforcement, regulating and overseeing the legal profession and the Lao Bar Association (LBA), and monitoring the work of Village Mediation Units (VMUs). The MOJ has branch offices at the Provincial and District levels (UNDP 2011).

LOCAL ADMINISTRATION

The *Law on Local Administration No 47/NA 2003* establishes Provinces, Districts and Villages to which the government delegates responsibility “to manage the territory, natural resources and population in order to preserve and develop a modern, civil and prosperous society”. The law gives the local administration the authority:

- To implement the Constitution, laws, resolutions, orders, socioeconomic development plans and State budget plans within its area of responsibility;
- To prepare a strategic plan incorporating socio-economic development plans, State budget plans and defence and security plans based on national strategic plans;
- To manage political, socio-economic and cultural affairs, natural resources, the environment and national defence and security;
- To issue resolutions, decisions, orders, instructions and notifications regarding socio-economic and cultural management, and national defence and security within its area of responsibility in accordance with the laws and regulations;
- To supervise the performance of the organisations under its responsibility;
- To collaborate and cooperate with foreign countries as assigned by the government; [and]
- To exercise such other rights and to perform other duties as provided by the laws.

Local divisions are defined on the basis of geographic boundaries being Province, District and Village and headed by local authorities (Governor, District chief, Village head). At the local level offices of the line ministries are part of the organisational structure of the local administration and are required to manage their own sector's responsibilities as assigned by the line ministry and to implement legal acts of higher-level authorities and the socio-economic development plans for the province, capital city and district.

Decentralisation

In 2000 the Government of Lao PDR (GOL) initiated a policy of decentralization for its development efforts. Prime Ministerial Instruction No. 01/PM (2000) regarding the policies to building the province to become the strategic unit, the district as budget-planning unit and the village as the implementation unit sets out the general principles to build up "provinces as strategic units, districts as planning and budgeting units, and villages as implementation units." This was complemented by detailed recommendations by the State Planning Committee on the competence, functions, and responsibilities of the stakeholders regarding planning; and a MOF recommendation on establishing and implementing provincial budgets (OECD 2010). The decentralization policy enables the Provinces to formulate 5-year and annual socioeconomic plans and related budgets, and delegates the revenue collection tasks linked with these plans.

Through Politburo Resolution No. 03/CPP (2012) on the Formulation of Provinces as Strategic units, Districts as Comprehensively Strong Units and Villages as Development Units (known as the *Sam Sang* policy or 'three pillars' directive), the GOL aims to decentralize rights and administration to the local level, although a strong centralized democracy is seen as a precondition to effective decentralization. Resolution No 03/CPP aims to systematically reform the functions and capacity of administration at all levels. Included within this is a recognised need to review laws, norms and regulations as well as decision making power and administrative responsibilities.

The decentralization strategies are relevant in both administrative and operational aspects of the timber supply chain. In 2012 PM Ordinance No 19/PM on Piloting the Formulation of Provinces as Strategic Units, Districts as Enhanced Capacity Units and Villages as Development Units provided further detail as to the duties, rights and responsibilities of line ministries and local administration and collaboration between them.

Some agencies have introduced instructions or decisions on the implementation of the *Sam Sang* policy, such as Decision No 7536/MONRE 2012, for natural resources and Instruction No 2233 /MPI 2012 for planning and investment. The instructions clarify the roles, function and responsibilities within the Ministries and down the vertical structure to the local level.

The complexity of the governance frameworks for timber and forest products exposes critical points in administrative procedure and along the timber supply chain at which certain responsibilities remain unclear resulting in the potential for omission or duplication. These may be administrative - for example in the issuing of particular permits, operational - for example the requirements for pre-harvest inventory, or procedural - for example responsibility for monitoring or record keeping.

SECTION 3 LAW ENFORCEMENT

Responsibilities for monitoring, inspection, enforcement and prosecution with respect to forest resources and timber supply chain are distributed amongst the various government departments described above and roles are generally articulated in the implementation provision of the various relevant legal instruments/ although these are often non-specific.

Various Presidential and Prime Ministerial decrees cover aspects of the investigation and prosecution of crimes related to forest resources include, but may not be limited to:

- *Wildlife and Aquatic Law No 07/NA 2007*
- *The Forestry Law No 06/NA 2007;*
- *Penal Law No 142/PO 2005*
- *Customs Law No 05/NA 2005;*
- *The Environmental Protection Law, 1999;*
- *Anti-Corruption Law No 03/NA 2005;*

Under the Forestry Law, Article 79 establishes the Rights and Duties of the Investigation-Interrogation Organization of the Forest Officers, and states that “The investigation-interrogation organization of the forest officers shall have the rights and duties to conduct investigation-interrogation relating to the violations of the Penal Law, the Law on Forest and Law on Aquatic and Wild Animals, which are criminal offences”.

Articles 100, 101, 102, and 103 identify prohibitions for civil servants, forestry offices, businessmen, individuals, organisations and other individuals in relation to conduct and actions pertaining to logging, bribery, violence and document forgery. Articles 122 to 128 outline penalty provisions ranging from educational, disciplinary, fines, civil measures and penal measures. Article 127 addresses penal measures for cutting trees, harvesting NTFPs, or clearing forest in a way that does not comply with the forestry regulations, as well as for burning or destroying forest by any methods, , giving a log stamp hammer to someone who does not have authority/responsibility, unauthorized cutting, trading or transport natural timber of protected and special species without permission, suppressing justice procedures on forestry cases, granting an approval of natural forest conversion or issuing permission for unlawful logging. These offences are punished in accordance with Articles 139 of the Penal Law, 2005 which carries a penalty of six months to 2 years imprisonment and a fine of 100,000 and 3,000,000 kip and Article 143 of the Penal Law, 2005 which carries a penalty of 3 months to three years imprisonment and a fine of 500,000 to 5,000,000 kip.

DOFI, under MAF, is the primary, and largest, agency with responsibility for enforcement activities under the Forestry Law No 06/NA 2007 and it operates under specific terms of reference as set out in Agreement No 1984/MAF 2012. Similar agreements have been made for the Provincial offices of DOFI (POFI Agreement No 1041/MAF 2013) and the District offices of DOFI (doFI², Agreement No 1987 MAF 2013).

Additionally, *Ministerial Agreement No 0141/MAF 2010 on Forest and Forest Resource Inspection and Case Action* clearly sets out along the supply chain, the aspects that should be inspected by DOFI. It makes

² This agreement uses the acronym DAFO for District Office of Forest Inspection. However “DAFO” is also used for District Agriculture and Forestry Office (which is a vertical office under the Department of Forestry). To avoid confusion the acronym doFI is used for District Office of Forest Inspection in this compendium.

reference to specific documents and the agency/office responsible for administering or issuing these, however in some cases these are inconsistent with the authorising regulations. For example in Article 14 with respect to transport permits indicates that a transport permit must be issued by POIC where as other regulations indicate that this should be issued by PAFO (this is discussed further in the section on transport).

The authority to investigate, interrogate, enforce and undertake case action is, provided through specific agreements, some of which are dependent on the *Criminal Procedure Law No 17/NA 2012* and the Amended *Penal Law No 142/PO 2005*. Not all agencies involved in the timber supply chain have this authority. With regards to authority to Investigate, powers are vested under the *Criminal Procedure Law No 17/NA 2012*, Article 46: Investigation-Interrogation Organizations. This Article, and Article 47, defines investigating officer's rights and duties: Authority to investigate is restricted to six organisations:

- Investigation-Interrogation Organization of the police officers;
- Investigation-Interrogation Organization of the military officers;
- Investigation-Interrogation Organization of the custom officers;
- Investigation-Interrogation Organization of the forest officers;
- Investigation-Interrogation Organization of the anti-corruption officers;
- Investigation-Interrogation Organization of other parties as provided in the laws.

In regards to authority relating to Enforcement, powers are vested under the Amended *Penal Law No.142/PO 2005*:

- Article 139. Destruction of Forests
- Article 141. Illegal Hunting
- Article 142. Illegal Fishing
- Article 143. Unlawful Exploitation of Natural Resources
- Article 145. Sale of Prohibited Goods

Article 28 of the Penal Law defines the Categories of Punishment and the scope of actions associated with enforcement activities, and Chapter 6 (Prescription of Penalties) provides guidance and instructions relating to penalties, including circumstances where penalties should be reduced (Penal Law Article 40) or increased (Penal Law Article 41).

Other than "forest officers," officers in other agencies have the rights and responsibilities with respect to enforcement of forest resource crimes and investigate, including with respect to breaches of the laws associated with the timber supply chain. These include:

- Environmental Police Department under the Ministry of Public Security;

The Environmental Police Department (EnPD) is part of the General Police Department and operates under the Ministry of Public Security (MoPS). The EnPD was created as a Department in 2012 having previously been a section of the Economic Police Department. The EnPD has the duty of preventing, suppressing, investigating and arresting offenders who commit crimes related to natural resources and the environment. The EnPD shares jurisdiction over these crimes with other regulatory agencies across Lao PDR and participates in joint investigative teams if the need arises.

- Economic Police Department under the Ministry of Public Security;

The Economic Police Department (EcPD) is part of the General Police Department and operates under the Ministry of Public Security (MoPS). The EcPD has the duty of preventing, suppressing,

investigating and arresting offenders who commit economic related crimes including those pertaining to natural resources and the environment. The EcPD has jurisdiction over these crimes across Lao PDR and participates in joint investigative teams if the need arises. The EcPD is also the delegated agency responsible for investigating money laundering offences.

- Customs Department under the Ministry of Finance;

The Lao Customs Department (LCD) is responsible for revenue collection from dutiable goods imported into Laos. It is also responsible for identifying and seizing contraband smuggled to and from Laos. This includes illicit wildlife and timber trafficking. The LCD operates at twenty two international checkpoints and has a staff of approximately 950 employees. Yet, this is considered insufficient to cover the over 5,000 km's of land borders. The LCD has no dedicated investigation or intelligence units.

- Department of Inspection under Ministry of Natural Resources and Environment;

The Department of Inspection Unit is still in the formation stage and awaiting finalisation of its regulatory powers.

Under DFRM rangers undertake basic law enforcement roles within protected areas including patrolling, surveillance and interacting with suspects. Should they detect an offence rangers transfer suspects to the PoFI/DoFI or local police.

- The Government Inspection and Anti-Corruption Authority which is responsible for investigating cases of corruption across government, including those related to the forestry sector.³

The language used to define the roles of agencies in regards to functions such as monitoring, investigation, enforcement, inspection, interrogation, within specific legislation has some potential to cause confusion for both the agencies involved and the perpetrators of potentially illegal actions. This is particularly the case for multi-agency collaborative approaches across jurisdictions.

For example, *Decision No 3121/MONRE regarding the Organization and Activities of the Department of Forest Resource Management 2012* includes, under the Duties and Scope of Rights of the Protection forest and Conservation forest Inspection Service,

- Article 14.4 (In collaboration with parties concerned), undertaking the inspection, confiscating illegal timber, NTFP, wildlife, harvested and hunted in the Protection forest areas, Conservation forest areas, Corridor zones, Specific conservation areas, areas of native species of timber and other areas under its own responsibilities;
- Article 14.5 (In collaboration with parties concerned), undertaking the interrogation-investigation, providing case-document set to parties concerned for justice procedures"

However the Protection Forest and Conservation Forest Inspection Service is not listed as an authority with rights to investigate under the *Criminal Procedure Law No 17/NA 2012*, nor is DOFI named as a collaborating agency in the MONRE Decision.

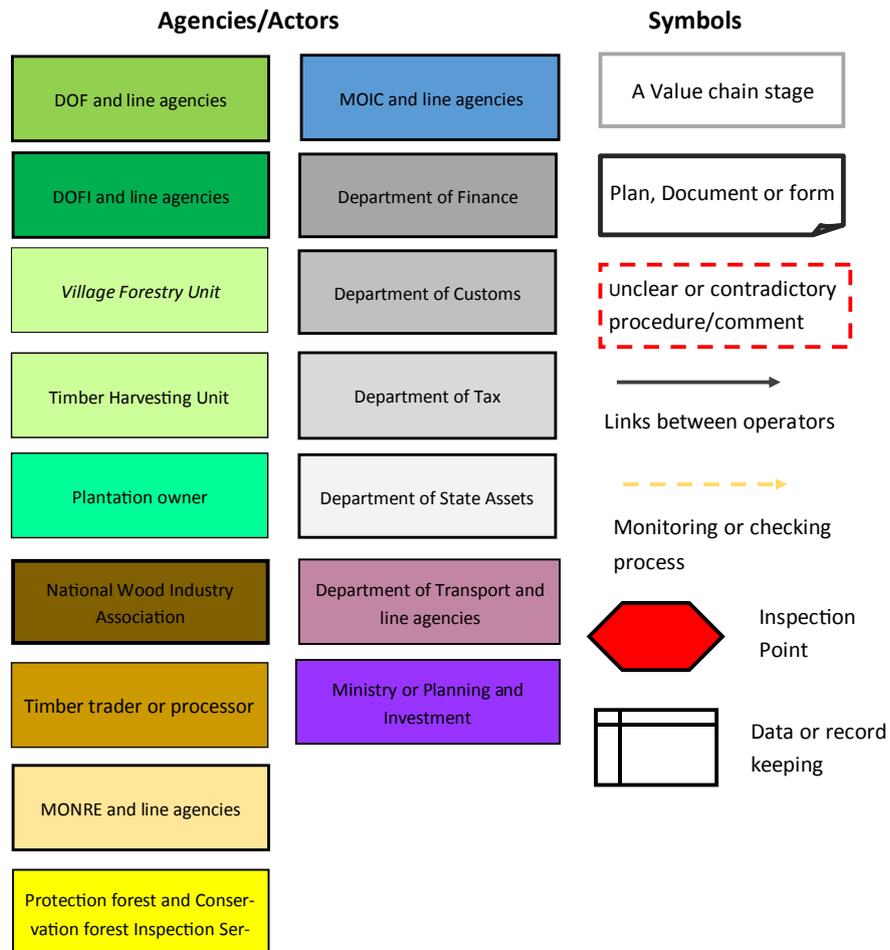
³ See UNODC 2014 Criminal Justice Response to Forest and Wildlife Crime in Lao PDR
https://www.unodc.org/documents/southeastasiaandpacific/2014/10/trade-timber/Criminal_Justice_Responses_to_the_Illegal_Trade_in_Timber_in_South_East_Asia_v7.pdf

The imprecise descriptions of the roles of agencies and the relationships between them that are provided for in legal instruments create a challenge for agencies to fully undertake their roles. They also provide for gaps and potential loop-holes in legal process.

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SECTION 4 KEY TO LEGAL MAPS

The legal maps (flow diagrams) presented in this compendium represent the roles of different agencies by colour. Other symbols used in the maps are also depicted.



SECTION 5 LAND AND FOREST ALLOCATION RELEVANT TO TIMBER PRODUCTION AND FOREST PRODUCTS

This compendium is limited in scope to forest and forestland. However these concepts, as they apply to timber production, are not straightforward. This section provides a general description of the way that land and forest are categorised, classified and allocated in Lao PDR.

Under The Constitution of Lao PDR (the Constitution) land is managed by the State on behalf of the people; “land is a national heritage, and the State ensures the rights to use, transfer and inherit it in accordance with the laws” (Constitution, Art. 17). The *Land Law 04/NA 2003* (under review) is the principle legislative instrument governing the management, protection and use of land in Lao PDR. Article 3 of the Land Law reaffirms Article 17 of the Constitution through which land is under the ownership of the national community, and the State is charged with the centralized and uniform management of land, including allocation. Land may be State land, State asset, public land/asset or land for which ‘ownership’ or land use rights are held by individuals, communities or other organisations. A National Land Policy for Lao PDR is currently being drafted.

Under the Land Law, all land is classified into a category for which boundaries must be determined. The Land Categories are:

- Agricultural Land;
- Forest Land;
- Water area Land;
- Industrial Land;
- Communication Land;
- Cultural Land;
- Land for national defence and security;
- Construction Land.

The category of land determines the scope of use, including allocation to the State, individuals or for lease, concessions or infrastructure development. The change of land from one Land Type to another Land Type can be made only if it is considered to be necessary to use the land for another purpose without having negative impact on the natural or social environment and must have the prior approval of the concerned management authorities (Article 14).

Agricultural Land and Forest Land (which may support forest but may also be cleared land) was assigned to the Ministry of Agriculture and Forestry (MAF) for management under the *Law on Agriculture No 01-98/NA 1998* and **Forestry Law No 06/NA 2007** (Forestry Law).

Other land categories may also support forest but may be allocated for other uses.

FOREST LAND

Under the Law on Land 04/NA 2003 MAF is charged with responsibility of managing Forest land and determining the different categories for management purposes (preservation and development) as

Protection Forests, Conservation Forests and Production Forests⁴. There may also be areas of unclassified forests. There are no regulations for the management of these areas.

The land within each of the three forest categories is further classified (Forestry Law Article 13) as dense forest, degraded forest, bare forestland and village use forest and a forest zoning plan should be developed which determines the types of uses that are permitted.

After forests and forestland have been categorised, classified and zoned, the government then allocates forests and forestland areas to the Provincial Administration Authorities (PAA), which then allocates them to District Administration Authorities (DAA) who further allocate them to Village Administration Authorities (VAA), who are responsible for their management. Through the development of a Forest Land Allocation Plan, forest land can be allocated for use by individuals, households and organisations. Use rights are provided for in the Law on Land 04/NA 2003 and subordinate regulations.

Protection and Conservation Forests

While National Protection and Conservation Forests are categories under the Forestry Law No 06/NA 2007 and are established by a Decree of the Prime Minister, the responsibility for the management of Protection and Conservation forests now rests with MONRE. Specific laws for the management of these forests have been made⁵. Limited harvesting of timber is permitted by individuals and villages within these categories for specific purposes, with approval.

Protection and Conservation Forests may be converted from Forest Land to another Land Type for the purposes of infrastructure development or commercial plantation or agriculture, with approvals as set out in the Law on Land No 04/NA 2003. This is described further in Section 7.

Production Forest Areas

MAF is responsible for the management of Production Forest Areas (PFAs).

Production Forests (Article 12) are “natural forests and planted forests” classified for the purposes of production and wood and forest product businesses to satisfy the requirements of national socio-economic development and people’s needs.

PFAs are a primary source of timber. To become available for timber harvesting PFAs should have a Forest Management Plan based on an inventory, which establishes a strategic harvesting cycle for the areas. Annual harvesting plans should be developed at the District level, which are consolidated by the Province and submitted to the national Department of Forestry for consideration and approval.

A Temporary Ban on the harvesting of timber from PFAs was put in place in 2013 (Decree No 31/PM 5/11/2013) prohibiting the issuing of logging permits and agreements by provinces that transfer forest rights to a company in exchange for a services. The Decree also requires all ministries and provinces to commence forest resources surveying for sustainable forest management, to be completed in the year 2015.

The timber supply chain from Production Forest Areas is described further below and in Section 6.

⁴ Although under Decree 262/PM 2012 DAOF is responsible for production forest and an unclassified areas and under Decree No 435/PM 2011 this is the responsibility of MONRE.

⁵ Decree on Protected Areas No 134/PM 2015; Decree on Protection Forests No 333/PM, 2010

Village Use Forests

Village Use Forests may be located within the boundaries of all three forest categories: Production, Protection and Conservation Forest. A management plan for Village Use Forests as well as village regulations may be developed for the harvesting and utilization of forest resources, including timber.

Access to forests resources by individuals, households and villages may also be permitted through broader forest management planning. The timber supply chain from Village Use Forests is described in Section 8.

Plantations

Plantations for timber production established on Forest Land may be included within the legal definition of Production Forest Areas (Forestry Law Article 35), and plantation development is promoted in areas demarcated for that purpose (Forestry Law Article 33), focusing on forest land classified as degraded or bare. In accordance with the Land Law (Article 21) up to 3 ha/labour force of these forest land classes may also be allocated to individuals, households or organization (and Forestry Law Article 32) for timber plantation development or agroforestry. These household or smallholder plantations are described further in Section 10. Allocation of areas greater than 3 hectares must be by way of land lease or concession (Forestry Law Articles 74, 75, 76). It is unclear whether plantations established on forest land under these arrangements remain part of the Production Forest Areas estate managed by MAF.

The Forestry Law deals only with the management of plantations within legally categorised forestland, and products and services coming from forestland. Plantations for timber may also be developed on land from outside the forestland area managed by MAF; land that is allocated in accordance with the legislation for leases and concessions. However, forestry agencies are also responsible for registering these plantations and managing the timber arising from them. This is a grey-area that needs to be addressed to allow for complete accounting of timber harvesting and trade.

The timber supply chain for Industrial Investment Plantations are is described in Section 9.

LAND CONVERSION

The Law on Land allows the lease or concession of land from the State for projects including infrastructure development, mining, or the establishment of agriculture projects or timber plantations. This land may initially support forest which needs to be harvested prior to the project being developed. The conversion of this land is a significant source of timber.

Article 14 of the Law on Land allows for the change of land from one land category to another land category only if it is considered to be necessary to use the land for another propose without having negative impacts on the natural or social environment and must have the prior approval of the concerned management authorities.

With respect to forest land the Law on Forestry (Article 70) allows for forest land to be converted into another land type either temporarily or permanently. However, the conversion of forest categories is prohibited under Decision 32/PM 2012 (Article 2.2); therefore, while Protection Forest cannot be converted into Production Forest, it could be converted into another Land Type and used for a purpose such as agriculture, infrastructure development or mining. Depending on the size of the area to be converted this may be approved at the District Provincial or National Level.

Projects that result in the removal of forest, whether temporarily or permanently require approvals from a number of agencies. However, once approval is provided many of the regulatory processes within the timber

supply chain are similar to those for timber harvested from Production Forest Areas. Timber produced as a result of forest conversion is discussed in Section 7.

In 2012 a temporary ban (Decree 13/PM 2012) on the approval on some types of new mining and plantation investment projects was put in place and in 2015 it was reiterated (Notice 790/GO 2015) that timber harvested from different projects, particularly the infrastructure development projects, hydro power dam construction projects, mining projects, wood harvested from the transmission line project and other development projects, should be sold to the domestic wood processing factories, rather than be exported.

FOREST PRODUCTS

Forest Products are defined in the Forestry Law as “all kinds of Non-Timber Forest Products (NTFPs) growing naturally and can include trunks, stems, vines, tubers, roots, buds, shoots, leaves, flowers, fruits, grains or seeds, bark, oil, resin, mushrooms, honey and so on”. Forest products therefore include a range of non-timber wood products and non-wood products. Forest products can be harvested from forests in accordance with various regulations.

Forest Products do not include wildlife. The protection and use of wildlife is regulated through the *Wildlife and Aquatic Law No 07/NA 2007*.

SECTION 6 PRODUCTION FOREST AREAS

SUMMARY

Production Forest Areas (PFAs) are forest and forestland areas allocated to the State for management and which are managed in accordance with the Forestry Law. National Production Forests are declared by Prime Minister's Decree. The forest in PFAs may be harvested for natural timber under the management of the Department of Forestry. Responsibility for the management of production forest is assigned vertically downwards through the Department of Forestry, with most operational activities being undertaken and the District level. Village Forest Units, which are the 'smallest' administrative level, also play a role. Timber harvesting operations are undertaken by timber harvesting units or timber harvesting enterprises, which are licenced by the Department of Forestry.

Planning, Quota and Harvesting

Planning, Inventory and Quota

In order to be harvested a PFA must first undergo a strategic planning process for the development of a long-term management plan. This plan establishes the harvesting cycle over a period of time, typically 15 years.

A Temporary Ban on the harvesting of timber from PFAs was put in place in 2013 (Decree No 31/PM 5/11/2013) prohibiting the issuing of logging permits and agreements by provinces that transfer forest rights to a company in exchange for a service. The Decree also requires all ministries and provinces to commence forest resources surveying for sustainable forest management, to be completed in the year 2015.

Annually, the areas that are scheduled to be harvested are identified at the District level (DAFO) which undertakes an inventory to determine the harvest volume. This volume is then proposed to the Provincial Office (PAFO), which consolidates all District annual plans into a submission to The Department of Forestry (DOF). DOF further consolidates all Provincial proposals into a National application to MAF.

Once consolidated into a National Harvesting Plan MAF consults with Ministry of Industry and Commerce (MOIC) which considers the application based on consultation with the wood processing sector in order to determine annual domestic wood demand.

The national quota application is then submitted to, and approved by, the National Assembly.

Following approval, provinces and districts are formally advised by DOF of their allocation and the harvesting process for the Annual Quota then proceeds.

In addition to the Annual Quota, Special Quotas may also be proposed by the Central Government, with approval from the National Assembly, which is allocated to provinces for harvesting. Local government, at the Provincial or District level can also issue special quotas, with approval from the Central Government, based on urgent financial needs. Neither of these resource allocations is included within the strategic planning process for forest management.

Timber Harvesting

Timber harvesting is managed at the district and provincial Level. In PFAs harvesting is undertaken by contractors as licenced timber harvest units or timber harvesting enterprises under the supervision of DAFO. In order to gain a timber harvesting contract, a timber harvesting unit or enterprise must obtain necessary

approvals to operate as a business enterprise, for timber harvesting equipment and vehicles, and must have a licence issued by PAFO based on their capacity and ability to undertake the harvesting operation.

Harvested logs may be trimmed in the forest (Log Landing 1) and must be marked and documented on a Log list (Form 1) before they can be moved from the forest. Guideline No 0962/DOF 2010 describes the processes for transporting and tracking timber from Log Landing 1.

Post-Harvesting assessments are made by DAFO and inspection and law enforcement activities are fulfilled by the Department of Forest Inspection (DOFI).

There are some inconsistencies in the requirements for Annual Harvesting. For example, Article 18 of the Forestry Law specifies that the minimum tree diameter for harvesting is specified in the regulations. At the time the current Forestry Law was made in 2007 Regulation No 0060/MAF 2003 specified the minimum diameter for natural species. Guideline No 2157/DOF 2006 on Timber harvested in Production Forests restricts the minimum diameter of trees to be harvested to those as prescribed in Regulation No 0060/MAF 2003. However, Regulation No 0060/MAF 2003 was replaced by Decision No 116/MAF in 2007. That decision does not specify minimum diameter.

Article 8.1 of Regulation No 0108/MAF 2005 on Forest Inventory and Forest Management Planning specifies as general principle the measurement of trees of 20cm diameter or greater, however in Article 8.3 on General Principles of Pre-harvest Inventory no minimum is specified, rather it states that a 100 % inventory for all species of a large trees that have a girth equal to or greater than an allowable girth for harvest defined in MAF regulation is required. The actual regulation is not specified.

The transport of timber

Once harvested, the movement of timber is tracked through various forms and delivery records.

As logs are distributed for haulage a log transport slip (Form II) must accompany the load, for which a delivery receipt (Form III) is provided on arrival at log landing 2. Form II and Form III should be reconciled with Form I, although there is no set procedure for this process.

At Log Landing 2, logs are measured, graded and marked by PAFO and a new list - Form IV, is made, which forms the basis of the information for log sales and royalty. Logs must be stamped "Por Mor" with an official forestry stamp.

Timber harvested from PFAs must also be registered with the Office of State Assets on the basis of Form IV.

A Log transport permit is required for the movement of logs from Log Landing 2. PAFO is responsible for issuing domestic transport permits, although there are some issues with respect to this process.

While the regulations are clear that the approvals for the transport of logs from Log Landing 1 to Log Landing II are the responsibility of the forest sector (Guideline 0962/MAF 2009) the regulations regarding the approvals and responsibility for the transport of logs from Log Landing II to Log Landing III are not clear because the responsibility for issuing log movement permits has been transferred between agencies several times.

Recent reforms have attempted to eliminate some of the requirements for timber transport permits and controlling licenses. However, the new regulations are not being applied consistently and in some cases applications for moving permits are still being required by both POIC and PAFO, with the permit fees paid twice.

Decree 17/PM 2008 (Article 16.1.6) refers to “the transport permit from the Ministry of Industry and Commerce” for transport from Log Landing II to Log Landing III and this was implemented through Notification 1601/MOIC 2008. A notice issued by MAF instructed the Forestry sector to cancel the use of domestic transport permits because they were transferred to MOIC.

In 2011 Notification 1601/MOIC 2008 was replaced by Notification 1904/MOIC which removed this responsibility from MOIC and Notification 2215/MOIC 2011 cancelled the issuing of commodity moving permits by MOIC.

Decision 32/PM 2012 (Article 5.7) made the Agriculture and Forestry Sector responsible for leading the management and monitoring for logging operations and transportation of all types of sawn timber and timber products that are stipulate in forestry law.

However, Minister’s Decision No 1887/MAF 2012 Regarding the organization and Activities of the Department of Forestry assigns to DOF the responsibility to “Manage and permit the use of timber stamping hammers, issue permits to log natural timber, planted timber and non-timber product, issue transport permits for timber and non-timber forest products within the country and for export”.

Edict No 003/PO on Service Fees and Charges 2012 specifies fees that can be charged by the Agriculture and Forest Sector for each transport permit and for the transport of special, controlled and planted timber from Log Landing II.

The use of vehicles and roads for log haulage are also regulated:

- By the Ministry of Public Works and Transport (MPWT) which responsible for vehicle standards and vehicle and driver registration. It also sets the regulations for the movement of goods on public roads, including setting load limits, travel restrictions and seasonal road closures. MPWT has the authority to establish checkpoints, inspect movement documents, fine drivers and offload goods. MPWT also approves the importation of wood transport vehicles, with prior approval from MAF.
- MAF is responsible for issuing and checking Log lists at Log Landing 1 and 2 as well as approving the importation of vehicles and wood transport plans.
- The Ministry of Finance, through the Department of Tax and the Department of State Assets also regulate wood transport through the collection fees and royalty payments and the tracking of wood on the State Assets Register.

Timber Sales

The sale of logs from PFAs is by way of government auction, conducted by a multi-agency bidding committee. Logs may be sold “standing” prior to harvesting or as logs at Log Landing 2.

Sales of standing tree (pre-selling) is undertaken to determine whether a market exists for the timber, if no bidding occurs for this wood, the harvesting does not occur.

The sale volume is determined on the basis of the Tree List compiled during pre-harvest inventory for standing trees, or Log List form IV. An estimation of royalty is made on the basis of the volume of wood plus costs and fees associated with inventory, resources fee and regeneration. The royalty value forms the minimum auction price against which bids are made.

Participants in the auction must meet specific pre-qualification requirements in order to participate. There is also a stated preference for sales to domestic wood processors.

For the sale of standing timber, adjustments are made to the payment requirements on the basis of actual harvested volume.

Once the successful bidder has met all payment requirements, the timber is removed from the State Assets register.

Guideline 0092/MOF 2009 gives State Assets a role in the inspection and monitoring of timber transport and sales procedures. Article 2.1 Assigns the Department of State Asset Management at the level to monitor and inspect the implementation of timer contracts by through participation in the auction or request for a buy-sell quote, the collection of revenue from the sale of timber and the issuing of certificates for the settlement of money before transporting from Log yard II to Log yard III.

Three flow diagrams show the main steps in the supply chain from Planning to Log Landing 3, as well as the legal sources from which those steps are indicated, for natural timber harvested from PFAs.

- Forest Planning, Quota and Harvesting
- Log Transport from Log Landing 1 - Log Landing 3
- Log Sales

The processing of timber harvested from Production Forest Areas is also described in Section 11 and the Export of timber is described in Section 12.

A list of legal instrument and document relevant to timber from Production Forest Areas is provided in Table 2 and further details on the regulatory steps as set out in the flow diagrams are provided in Table 3.

Note: Land within Production Forest Areas can also be allocated to individuals, households, organisations or villages. Areas of degraded or bare land may be allocated for timber plantation establishment. Large areas (>3ha) must be allocated through a lease or concession while small areas (<3ha) can be directly allocated.

- Timber from Forest Land that will be converted to other Land Types is described in Section 7.
- Timber harvested from Village Use forests is described in Section 8.
- Timber from large (>3ha) plantations are described in Section 9.
- Timber from smallholder (<3ha) plantations are described in Section 10.

Table 2: List of Legal Instruments and Documents relevant to Timber from Production Forest Areas

LEGAL INSTRUMENT	MINISTRY RESPONSIBLE	DEPARTMENT RESPONSIBLE
Law No. 24/NA on Transportation 2012	MPWT	
Law No. 01/NA on Contract and Tort 2008	All	
Law No. 46/NA on Enterprise 2012	MOIC	
Law No. 47/NA on Local Administration 2003	GOL	
Law No. 04/NA on Land 2003	MONRE	
Law No 02/NA on Land Traffic 2000	MPWT	
Decree No. 003/PO on Fees and Charges 2012	MOF	DoF
Decree No. 001/PR pertaining to the sharing of revenue from timber harvested in Production Forest Area 2012	MOF	DoF
Decree No. 270/PM on Declaration of 14 national production forest areas in 5 provinces 2008	MAF	DOF
Decree No. 27/PM on Declaration of 8 national production forest areas in 4 provinces 2006	MAF	DOF
Decree No. 321/PM on the Declaration of 29 national production forest areas in 8 provinces, 2007	MAF	DOF
Decree No. 59/PM On Sustainable Management Of Production Forest Areas 2002	MAF	DOF
Decree No. 134/PM on Protected Areas 2015	MONRE	DFRM
Decree No. 31/PM on temporary Ban on logging in the National Production Forest, 2012	MAF	DOF
Decree No. 333/PM On Protection Forests 2012	MAF	DOF
Order No. 57/PM Managing the collection of revenue from the sale of timbers and NTFPs 2014		
Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008	Various	Various
Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012	Various	Various
Decision No. 0080/MAF on procedures for importation, management and utilisation of chainsaws 2012	MAF	DOF
Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading 2007	MAF	DOF
Decision No. 3121/MONRE regarding the Organization and Activities of the Department of Forest Resource Management 2012	MONRE	DFRM
Instruction No. 0141/MAF on Forest and Forest resources Inspection and Case Action 2010	MAF	DOFI
Directive No. 0509/MOF for the calculation of taxes on timber and non-timber forest products 2009		DoF
Regulation No. 0204/MAF on the Establishment and sustainable Management of Production Forest 2002	MAF	DOF
Regulation No. 0221/MAF On the Management of Harvesting of Timber and Forest Products 2000	MAF	DOF
Regulation No. 0108/2005 MAF on Forest Inventory 2005,	MAF	DOF
Regulation No. 0710/MOIC.DIMEX on Wood Fees for Small Logs 2008	MOIC	DIMEX
Regulation No 1726/MOIC on the Sale and Purchase of Timber 2012	MOIC	Various
Instruction No 1813/MOIC.DIMEX on the implementation of PM 57/PM 2014 on managing the collection of revenue from the sale of timbers and NTFPs, 2015	MOIC	DIMEX
Instruction No 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015	MOF	
Notification No. 0992/MOIC on Royalty of the Logs at Landing II and the Royalty for logs export to foreign countries 2014	MOIC	

LEGAL INSTRUMENT	MINISTRY RESPONSIBLE	DEPARTMENT RESPONSIBLE
Notification No. 1440/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,	MOIC	DIMEX
Notification No. 0094/SA Guidance on The Implementation of Ministerial Guidance on the Management of wood exportation for the purpose of revenue collection in timely manner; 2013	MOF	SA
Notification No. 1904/MOIC.DIMEX 2011 on Procedure to issue import and export license for Timber and timber products, 2011	MOIC	DIMEX
Notification No. 1179/SS 2011 on the cancellation of inspection station - checkpoints		
Notification No. 2215/MOIC on the cancellation of the issuing Commodity Movement Permit by the industry and commerce sector 2011	MOIC	
Notification No. 1601/MOIC on the Management and movement of timber, timber products and non-timber products domestically and for exportation. 2008	MOIC	DIMEX
Agreement No. 0182/MAF 2009 on the Establishment and Management of Timber Harvest Units and Enterprises 2009	MAF	DOF
Agreement No 1984/MAF 2012 on The Terms of Reference Department of Forest Inspection (DOFI)	MAF	DOFI
Agreement No 1987/MAF on Terms of Reference for District Forest Inspection Office 2013	MAF	doFI
Agreement No. 0019/MAF-2008 No. 2139/2008 MPWT, 14 February 2008	MAF MPWT	
Agreement No. 0141/MAF Agreement Of the Minister On Forest and Forest resources Inspection and Case Action 2010	MAF	DOFI
Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs 2009	MOF	DoF
Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008	MAF	Various
Guideline No. 0962/MAF Concerning the management of timber log transport from cutting area to Log Landing 2 2010	MAF	DOF
Guideline No. 2298/MOF on Bidding Regulations for Buying Timber and Other Forest Resources from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings 2004	MOF	
Guideline No. 1035/DOF concerning the Provincial forestry section guideline to pay attention on directing the logging in order to reduce destruction 2010		DOF
Guideline No. 0396/2008 DOF on Monitoring the Implementation of Production Forest Management, 11 March 2008,		DOF
Guideline No. 2155/DOF on Participatory Forest Inventory 2006		DOF
Guideline No. 2156/DOF, on Sustainable Production Forest Management Planning 2006		DOF
Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest, 6 November 2006,		DOF

LEGAL FLOW DIAGRAMS FOR PRODUCTION FOREST AREAS

Draft

Figure 1: Production Forest Areas Planning, Quota and Harvesting

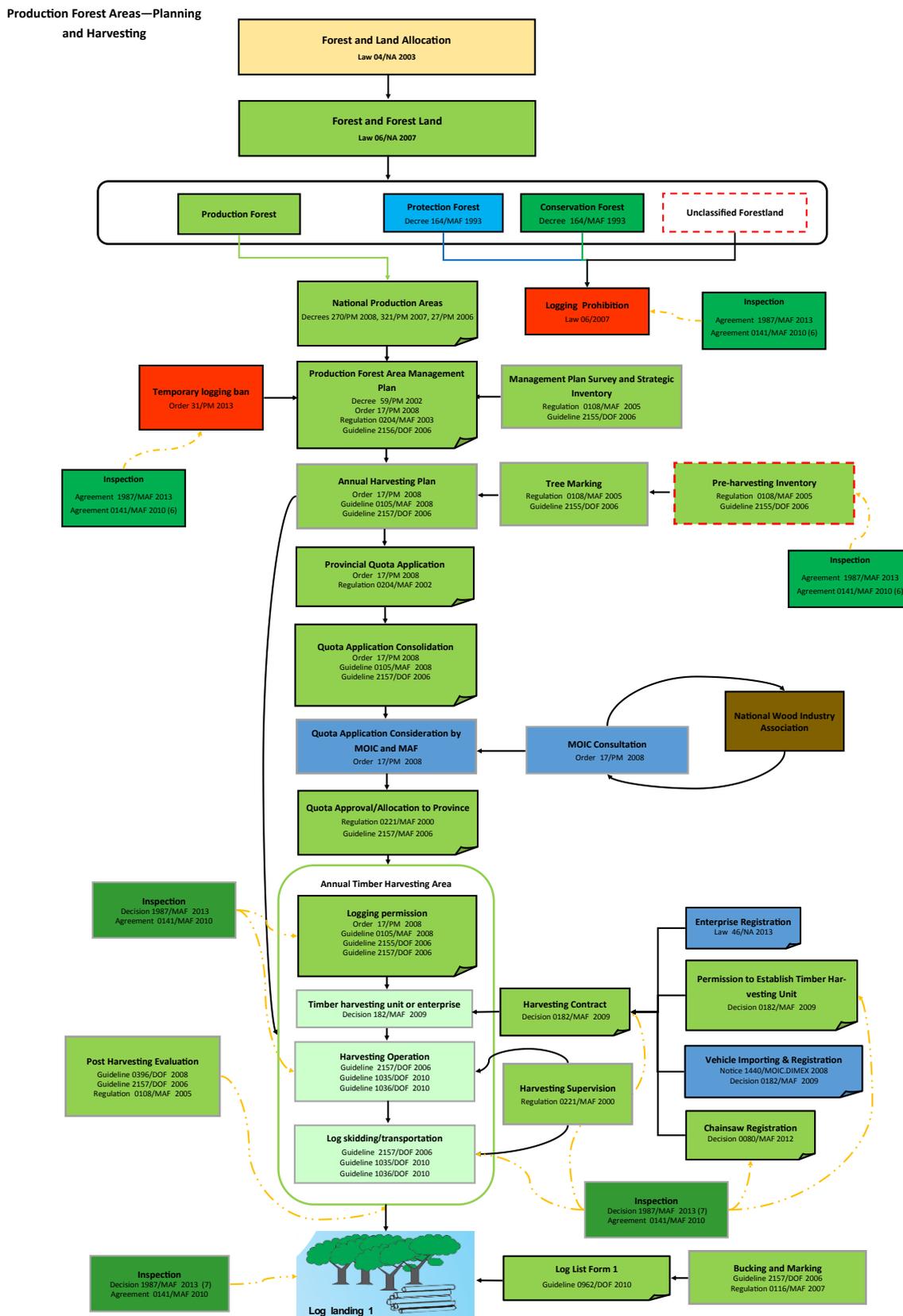


Figure 2: Production Forest Areas Log Transport from Log Landing 1 - Log Landing 3

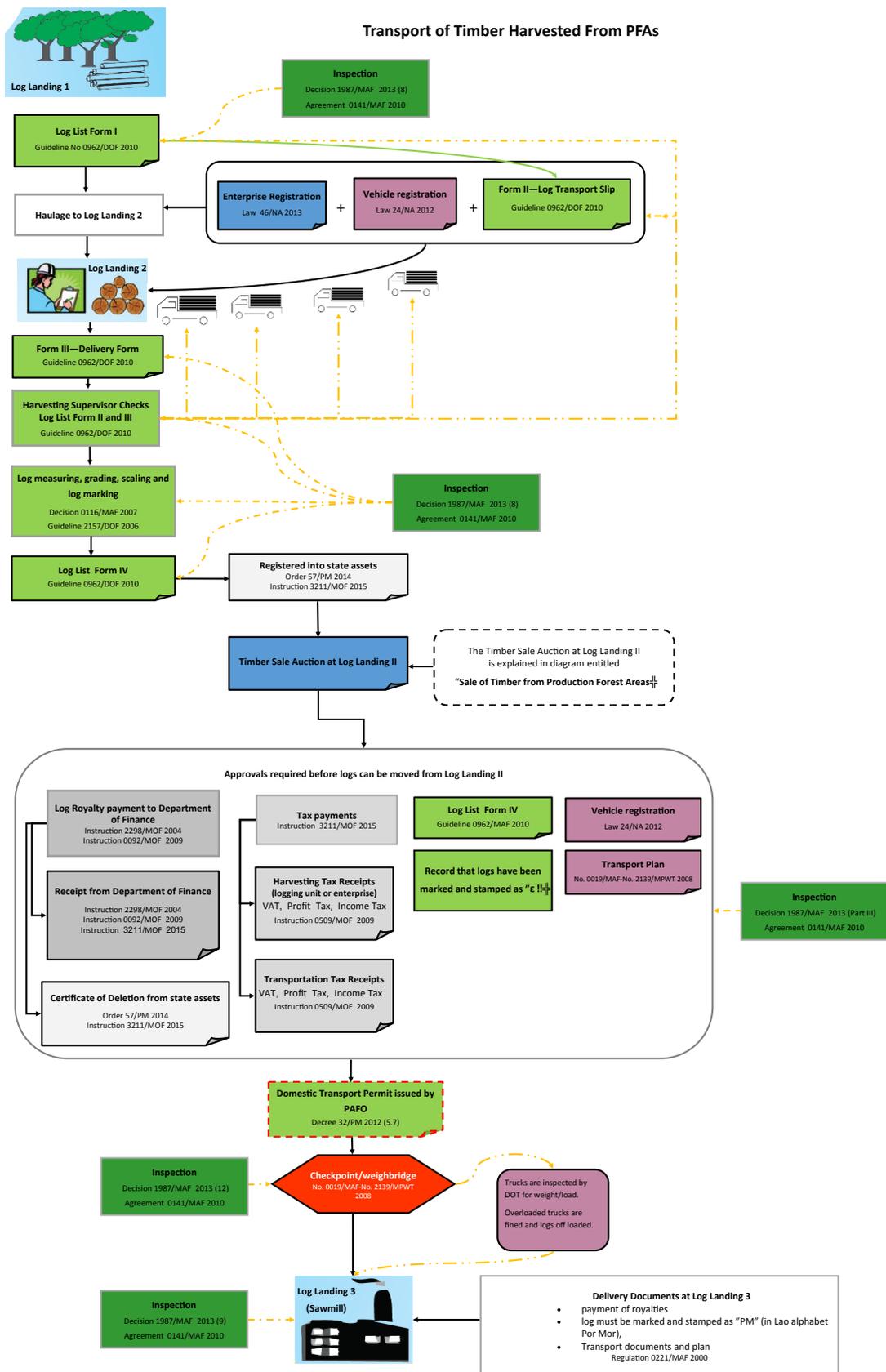


Figure 3: Production Forest Area Timber Sales

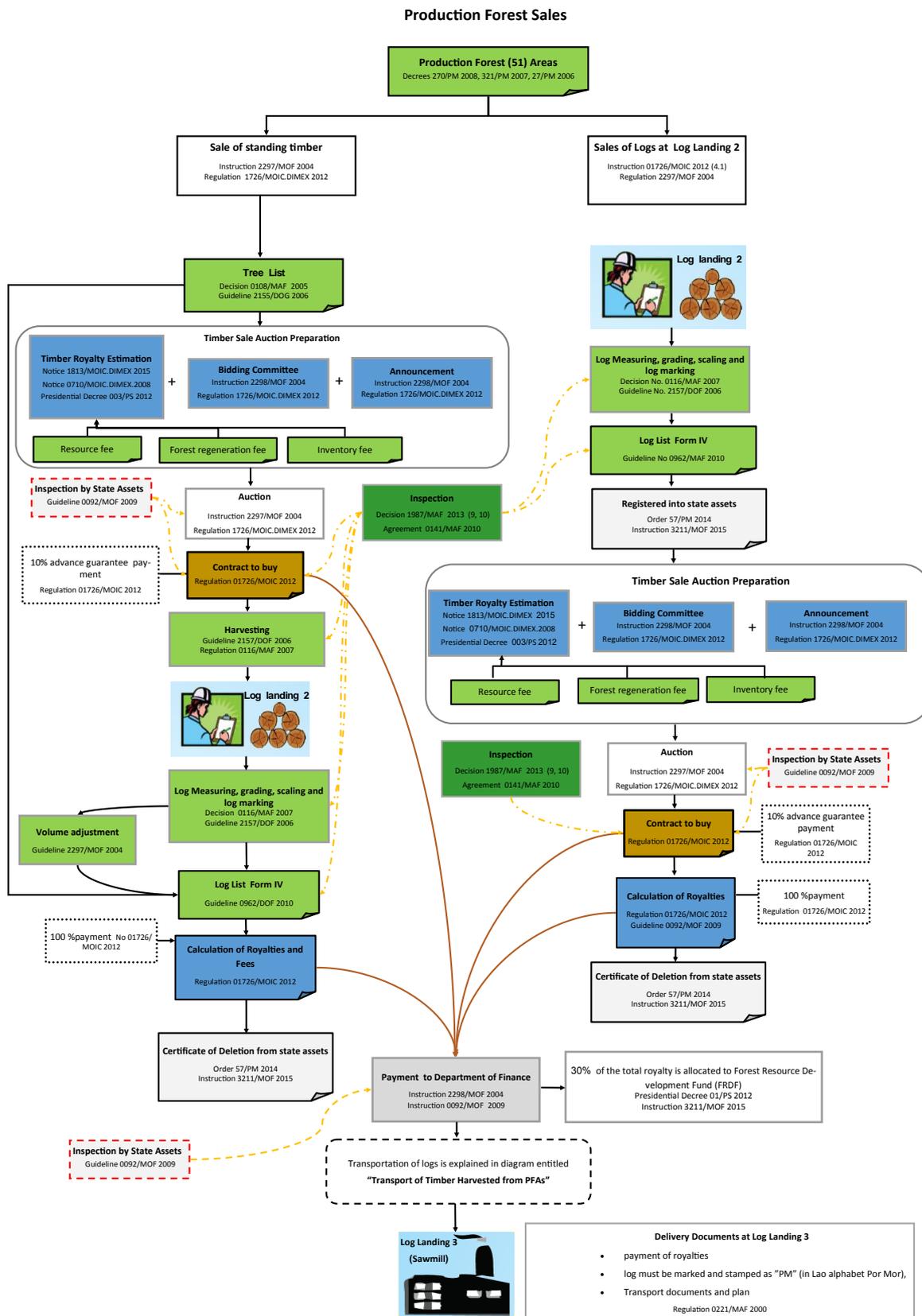


Table 3: Production Forest Areas – Legal Sources

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
PLANNING				
Forest and Land Allocation	Article 4. Ownership of forest and forestland	<p>Law No. 04/NA on Land 2003</p> <p>Article 9. Land Management: The State is charged with the management of land for the whole country in a centralized and uniform manner in which the government assigns management responsibilities to the national land management authority as prescribed in Article 10 of this law and it coordinates with concerned sectors and local administrations, assigns responsibility for the management of land use to concerned sectors</p> <p>Article 11. Classification of Land Regions and Land Categories:</p> <p>Article 12. Determination of Boundaries for each Land Category</p> <p>Article 20. Management of Forest land: MAF is charged with managing forest land, determining different categories of forest land, studying and developing regulations on the management, protection, development, and use of this category of land, including environmental protection, and, thereafter, to submit them to the Government for consideration and approval.</p>	MONRE allocates Land Types to agencies with approval from NA.	Forest Land is assigned to MAF for management. Not all land with forest is allocated to MAF.
	Article 79. Allocation of forest and Forestland areas to local administration authorities	<p>Law No. 47/NA on Local Administration 2003</p> <p>The government delegates responsibility to local administration authorities to manage the territory, natural resources and population in order to preserve and develop into a modern, civil and prosperous society.</p>	The Government allocates forests and forestland areas to the Provincial and Vientiane Capital, administration authorities, which allocates them to	Local administration has responsibility to manage natural resources and may issue regulations and instructions for management and use.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			District or Municipal Administration Authorities which allocate them to village administration authorities	
Forest and Forest land	Article 9. Forest categories Article 56. Categories of forestland	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008 Article 2: MAF is to collaborate with NLMA, concerned ministries and organizations and local Authorities across the country to redo the survey and clearly demarcate each different forest category	MAF an LMA are to collaborate on the survey and demarcation of forest categories.	Forestland is categorised into three categories for the purpose of preservation and development.
		Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 2: PAFO and DLPD are to survey and demarcate the three categories of forest	PAFO and LDP are to survey and demarcate the three categories of forest.	Forest categories should be surveyed and demarcated.
Protection Forest	Article 23. Preservation of Protection Forest	Decree No. 134/PM on Protected Areas 2015 Article 6: Criteria for classifying the level of Protected Area Article 8: Classifying the zone of Protected Area Article 14: The conversion of Protected Area Article 16: The survey of Protected Areas Article 17: Allocation planning and use of Protected Area Article 18: Boundary demarcation and installation of boundary signs Article 27: The use by family:	MONRE is responsible for the declaration and management of protected forests.	Protection Forest are established by Decree
		Decree No. 333/PM on Protection Forests 2010 Article 7. Zoning in the Protection Forests and the protection Forestry Lands - logging is prohibited.	DFRM is responsible for undertaking surveys, zoning and management planning.	Harvesting is prohibited in Protection Forests with the exception of cases in accordance with Article 44 and 70.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Guideline No. 0105/ MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM, 2008, 2008 Article 2.2 Protection Forest (all sub-articles)</p>	PAFO coordinates with Local Administration Authorities to undertake surveys and zoning.	This Guideline pre-dates the establishment of MONRE and is subordinate to the Decree 333/PM 2010
Conservation Forests	Article 24. Preservation of Conservation Forest	<p>Decree No. 134/PM on Protected Areas 2015 Article 6: Criteria for classifying the level of Protected Area Article 8: Classifying the zone of Protected Area Article 14: The conversion of Protected Area Article 16: The survey of Protected Areas Article 17: Allocation planning and use of Protected Area Article 18: Boundary demarcation and installation of boundary signs Article 27: The use by family:</p> <p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008 3.1. National Conservation Forest Areas: MAF is to take care of forestry technical matter, develop detailed management plans and regulations for each Conservation Forest Areas. Local Authorities at all levels have the duty to take part in the protection of Conservation Forest Areas through the prevention of illegal logging and harvesting of non-timber forest products, forbidding encroachment of Conservation Forest Area for production and resettlement land.</p> <p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM, 2008, 2008 2.1 Conservation Forest (all sub-articles)</p>	<p>MONRE is responsible for the declaration and management of conservation forests.</p> <p>MAF is to develop management plans and coordinates with Local Administration Authorities.</p> <p>PAFO coordinates with Local Administration Authorities to undertake surveys and zoning.</p>	<p>This Decree post-dates the Forest Law. The responsibility is provided for in Decree No 435/PM on the establishment of MONRE 2011</p> <p>Timber harvesting is prohibited in Conservation Forests. This Decree post-dates the Forest Law. The responsibility is provided for in Decree No 435/PM on the establishment of MONRE 2011</p> <p>This Guideline pre-dates the establishment of MONRE and is subordinate to the Decree 134/PM 2015 on Protected Areas</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
	Article 26. Preservation of water resources in forest zones	Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM, 2008, 2008 Article 2.2.3 DOF shall coordinate with PAFO to organize permanent closure of forest in the river source area, forest in the catchment area, forest in the area with high slope, forest area along the borderline.	DOF with PAFO undertake the closure of water resources protection areas.	Harvesting is prohibited in water resources protection areas This Guideline pre-dates the establishment of MONRE and is subordinate to the Decree 134/PM 2015
Production Forest	Article 9. Forest categories Article 56. Categories of forestland	Decree No. 59/PM On Sustainable Management of Production Forest Areas 2002 Article 4 Identification of a Production Forest Area 1.1 A forest area and forest land in an appropriate location not overlapping areas allocated for other purposes or area reserved for national strategic purposes; 1.2 High concentration of forest coverage suitable for the supply of wood and forest products for production purposes; and 1.3 Total size of area suitable for economically viable sustainable forest management.	MAF is responsible for the management and declaration of Production Forest Areas.	A Production Forest Area must meet key criteria
National Production Forest Areas	Article 9. Forest categories Article 56. Categories of forestland	Decree No 270/PM on Declaration of 14 national production forest areas in 5 provinces 2008 Decree No 27/PM on Declaration of 8 national production forest areas in 4 provinces 2006 Decree No 321/PM on the Declaration of 29 national production forest areas in 8 provinces, 2007	MAF is responsible for the declaration of Production Forest Areas.	PFAs are declared by Prime Minister's Decree
Production Forest Management Plan	Article 13. Forest areas Article 16. Forest classification and management planning	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008 Article 3.3 Production Forest: MAF is to collaborate with local Authorities to review the Production Forest areas	MAF is to collaborate with local authorities to develop sustainable forest management plans	Areas to be harvested must have a forest management plan.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>which have been established and urgently develop plans for sustainable management in strict compliance with technical principles; Areas for which management plans have not been developed and which have not been declared as Production Forest Areas, must be temporarily closed until the completion of management plans and official declaration as Production Forests by which logging can be carried out according to management plan.</p>		
	<p>Article 13. Forest areas Article 16. Forest classification and management planning</p>	<p>Decree No. 31/PM on temporary Ban on logging in the National Production Forest, 2013 Articles 2 and 3 require the completion of forest resources surveying and forest management planning by 2015.</p>	<p>MAF is to complete forest management planning by 2015</p>	<p>Areas that do not have a forest area zone plan should not be allocated for harvesting.</p>
		<p>Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 Article 4 Production Forest Management:</p>	<p>MAF is to complete forest management planning by 2015</p>	<p>Areas that do not have a forest area zone plan should not be allocated for harvesting.</p>
		<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 2.3 Production Forest: DOF must coordinate with the Provincial/Vientiane Capital City Agriculture and Forestry Office and local administrative authority to re-inspect the area of production forest and establish sustainable management and allocation plans based on technical rules. The area not yet classified as production forest shall be temporarily closed until an allocation plan has been developed</p>	<p>DOF and PAFO must re-inspect PFAs and establish sustainable forest management plans and allocation plans following procedures set in the regulations</p>	<p>Forest areas without an allocation plan should be closed (to harvesting) until a plan has been developed.</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Regulation No. 0204/MAF 2002 All Articles	DOF and PAF coordinate to identify forest and forest land areas to be proposed for establishment as PFA	This regulation covers the principles and procedures for establishment and sustainable management of Production Forest Areas throughout the country.
		Guideline No. 2156/DOF, on Sustainable Production Forest Management Planning 2006 All Articles.	DAFO, with the VAA identifies sub-forest management areas; PAFO/CAFO with FIPD endorses the sub-forest management area plan; PAFO/CAFO with FIPD consolidate sub-forest management areas plans into a Plan for a PFA. FPID submits the PFA plan to DOF for approval. DOF approved PFA management Plan.	This Guideline describes the purpose and process for development of forest management plans as required in regulation 0204/MAF 2002.
Management Plan Inventory	Article 15. Forest survey Article 16. Forest classification and management planning	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 25. Preservation of Production Forests; Preservation of Production Forest areas requires 1. Clear demarcation of the Production Forest areas 2. Surveying and classifying forests in the Production Forest areas into use zones	DOF and PAFO coordinate to identify forest and forest land areas.	Production Forest Demarcation Survey should be conducted of forest and forest resources for sustainable management planning

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		3. Planning and taking measures for preservation and development such as planning conservation and water resources protection zones including environmental protection, plans for forest regeneration and logging plans. 4. Managing Production Forests according to the plans and the measures with participation of the local people. 5. Logging and harvesting of NTFPs according to the procedures, laws and regulations. 6. Systematically conducting monitoring and evaluation on the plan implementation. 7. Implementing regulations and measures for preservation.		
	Article 15. Forest survey	Regulation No. 0108/MAF on Forest Inventory, 2005, Part II, Article 7 - criteria for Identification of Production Forest Area (all sub-articles) Article 8 - production forest inventory (all sub-articles)	DOF undertakes <ul style="list-style-type: none"> • Production Area Demarcation Survey • Production Forest Inventory • Post-harvest Inventory PAFO participates in the tasks assigned to DAFO, within the province and undertakes <ul style="list-style-type: none"> • Pre-harvest Inventory • Tree Marking • Forest Inventory with a proposed infrastructure construction 	
		Guideline No. 2155/DOF, on Participatory Forest Inventory 2006 All Articles	Village Forest Unit participates in forest inventory in their village areas.	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
QUOTA				
Annual Harvesting Plan	Article 43. Utilization and forest products for business operations	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008</p> <p>Article 4 on the requirement for compliance with annual logging quota and government annual logging plan in PFAs, 4.1. MAF has the duty to prepare an annual logging plan for submission to Government for approval.</p> <p>Article 5: MAF is to collaborate with concerned ministries, agencies and local authorities in ensuring that logging activities are carried out within the legal framework based on the annual logging plan which is approved by the Government.</p> <p>5.1 Specific rules must be issued regarding logging in Production Forests and logging permits must be granted only to Production Forest areas which have gone through inventory and had sustainable management plan.</p>	<p>MAF prepares annual logging plan for submission to Government</p> <p>MAF is to collaborate with other ministers and agencies</p>	<p>Harvesting can only be undertaken in production forest areas that have a management plan and a forest inventory</p>
	Article 19. Survey for harvesting forest products; Article 25. Preservation of Production Forests;	<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM, 2008</p> <p>Article 3.2 on Timber exploitation and NTFP collection</p> <p>3.2.1 PAFO shall summarize the figures for timber exploitation and NTFPs collection in each year by focusing on:</p> <p>1) The area of production forest where a sustainable allocation plan is available and the survey is complete before timber exploitation.</p>	<p>PAFO surveys the area to be planned for harvesting each year</p> <p>PAFO summarises the information on annual harvesting</p>	<p>Annual harvesting should be undertaken in accordance with the sustainable allocation plan.</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
	Article 18 Logging survey	<p>Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest, 2006 Part IV, on harvesting plan and approval</p> <p>Guideline No. 2155/DOF on Participatory Forest Inventory, 2006 All Articles</p>	<p>DAFO develops harvesting plan based on approved PFA management plan. PAFO summarises annual harvesting plan and submits to MAF</p> <p>Village Forest Unit participates in forest inventory in their village areas.</p>	<p>Harvesting should only occur in production forest that has a management plan in which an inventory has been completed and stocking is greater than 70m³/ha. Harvesting must be excluded from certain areas a prescribed in the regulations.</p> <p>A survey and inventory of standing trees of all species with circumference allowed for cutting together with maps showing the location of those standing trees is required.</p>
Pre-Harvesting Inventory	Article 43. Utilization and forest products for business operations	<p>Regulation No. 0108/MAF on Forest Inventory, 2005 Article 8.3 General Principles of Pre-harvest Inventory 8.3.1 Pre-harvest Inventory within Production Forest Area – Conduct a pre-harvest inventory only in a harvestable compartment one year before a harvest operation. – A 100 % inventory for all species of large trees that have a girth equals to or greater than the allowable girth for harvest as defined in MAF regulation. Article 9 - Approvals of Production Forest Management Plan and Forest Inventory Results</p> <ul style="list-style-type: none"> • A result of Forest Cover Study is approved by the Government. • A result of National Forest Inventory is approved by the Ministry of Agriculture and Forestry. 	<p>Government approves forest cover study MAF approves National Forest Inventory DOF approves Production Forest Management Plan PAFO approves pre-harvest inventory and tree marking</p>	<p>Survey and inventory of standing trees of all species with circumference allowed for cutting, together with maps showing the location of those standing trees according to the regulations</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<ul style="list-style-type: none"> A Production Forest Management Plan is approved by the Department of Forest Pre-harvest Inventory and Tree Marking is approved by Provincial Agriculture and Forestry Office. 		
Tree Marking	Article 18 Logging survey	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008</p> <p>Article 4 on the requirement for compliance with annual logging quota and government annual logging plan in FPAs, 16.1. Agriculture and Forestry authority:</p> <p>(1) Carry out forest survey and develop sustainable forest management plan and mark the trees to be harvested in production forest areas and survey the timber volume in development project areas.</p>	PAFO approves pre-harvest inventory and tree marking	Trees to be cut must be selected, marked and stamped to ensure regeneration and prevent negative impacts on the environment. Defining logging and hauling roads, and places for log landings or log yards.
		<p>Guideline No. 2155/DOF on Participatory Forest Inventory, 2006</p> <p>All Articles</p>	Local authorities and villagers must participate in forest inventory	Trees to be cut must be selected, marked and stamped to ensure regeneration and prevent negative impacts on the environment. Defining logging and hauling roads, and places for log landings or log yards.
Provincial Quota Application	Article 18 Logging survey	<p>Regulation No. 0204/MAF 2002</p> <p>Article 3 3. The annual allowable harvest of timber for each province shall not exceed the forest growth potential stated in the PFA Management Plan consistent with the annual operation plan(s).</p>	DAFO formulates district annual harvest plan and submits to PAFO	Districts formulate an annual harvest plan for submission to PAFO for consideration and approval.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Quota Application Consolidation		Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008	PAFO summarises District proposals for submission to MAF	Provinces formulate an annual harvest plan based on proposals from Districts for submission to MAF for consideration and approval.
		Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 3.2.1 PAFO shall summarise the figures of timber exploitation and NTFPs each year	PAFO summarises District proposals for submission to MAF	Provinces formulate an annual harvest plan for submission to MAF for consideration and approval.
		Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest, 2006 Part IV Article 2 Submission of Harvesting Plan: PAFOs summarize annual harvesting plan in their province and submit to MAF before 30 June of each year.	PAFO summarises District proposals for submission to MAF	Provinces formulate an annual harvest plan for submission to MAF for consideration and approval.
Quota Application Consideration	Article 18 Logging survey	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 4.1 MAF has the duty to prepare annual logging plan for submission to Government for approval. Annual logging plan must be prepared on the basis of forest capability to supply timber as defined in sustainable forest development strategy, at the same time it must be based on the need of internal consumption and the need of timber as raw material for processing finished products for export. Article 4.2 MOIC has the duty to find out the need for timber across the country and consolidate the need to submit to MAF for preparing the annual logging plan.	MAF prepares annual harvesting plan for submission to Government MOIC consults with Industry to determine timber supply needs	In consultation with MOIC, MAF consolidates Provincial annual harvesting plans into a national plan

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 4.3 MOIC has the duty to provide guidance and encourage the National Wood Processing Industry Association to consolidate the need for timber species, the number of wood processing factories which are members of the National Wood Industry Association, and submit to MOIC to further consolidate, then work with MAF in the preparation of annual logging plan prior submission for Government consideration.</p> <p>Article 20.2. It is prohibited for any agency and local authority to permit the harvest of any timber species in excess of government approved logging quota</p>	<p>MOIC consults with Industry MOIC works with MAF to prepare the annual plan for submission to Government</p>	<p>MOIC consults with National Wood processing Industry on annual wood supply needs.</p>
<p>MAF Approves an Allocation to Province</p>	<p>Article 18 Logging survey</p>	<p>Regulation No. 0221/MAF on the Management of Harvesting of Timber and Forest Products 2000 Article 7: Scope of Authorization for the timber harvest and the harvest of forest products</p>	<p>MAF allocates approved annual quota to Provinces</p>	<p>MAF allocates an annual quota to Provinces for harvesting</p>
		<p>Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest 2006 Article 3 MAF will issue the harvesting volume based on proposed harvesting plan of each province.</p>	<p>MAF allocates approved annual quota to Provinces</p>	<p>MAF allocates an annual quota to Provinces for harvesting</p>
<p>HARVESTING</p>				

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Logging Permission	Article 45. Business operations in the forest	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 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		Logging may only occur in approved areas
		Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008		Logging may only occur in approved areas
	Article 18 Logging survey	Guideline No. 2155/DOF on Participatory Forest Inventory 2006 Article VI Tree marking - all sub-articles	Village Forest Units participates in tree marking	Trees for harvesting must be marked on maps and in the forest
		Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest 2006 Part IV, on harvesting plan and approval, 4. Activity: <ul style="list-style-type: none"> • Select the tree to be cut in the tree map based on the pre-harvest inventory results. • Mark on the tree map and in the field the trees that are used for traditional medicinal purposes. 		Trees for harvesting must be marked on maps and in the forest
Timber Harvesting Unit	Article 45. Business operations in the forest	Agreement No. 0182/MAF on the Establishment and Management of Timber Harvest Units and Enterprises 2009 All Articles	The timber harvest unit is under the management of PAFO and CAFO and controlled by PFS and capital forestry section (CFS). PAFO registers timber harvesting	This agreement refers to State Owned harvesting Enterprises which no longer exist. Timber harvesting is undertaken under contract with commercial enterprises.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			MAF approves timber harvesting nits.	The operating standards for harvesting contractors in this Agreement still apply.
	Article 55. Logging unit	<p>Law No. 46/NA on Enterprise 2013</p> <p>Articles 12 and 13 on registration of enterprises, Articles 32, 33 and 34 on partnership enterprises, Articles 78, 79 and 81 on companies, Article 86 and 92 on limited companies, Articles 191, 192 and 193 on state-owned companies, and Article 224 on joint (state with non-state-owned) companies</p>	POIC approves Enterprise Registration in consultation with PAFO.	Logging Units must be registered under the Law on Enterprise
	Article 55. Logging unit Article 20. Management of vehicles and machinery for logging, processing, log hauling and transportation	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008</p> <p>Article 20.5 It is prohibited to import, sell, possess logging or processing machineries without approval from relevant line authorities. Should there be any case of hiding for illegal use, it must be confiscated then proceed with strict legal action against violators.</p>	MOIC is to issue specific instruction for POIC to implement with respect to the importing of machinery for logging. Approval of the Agriculture and Forestry authority is required.	Approval for importing machinery
		<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008</p> <p>Article 10. DOF shall coordinate with relevant sectors to implement the policy on the import, registration and use of timber exploitation and transport vehicle; transport of timber, stump, trunk, processed wood and wood products by complying with the joint agreement between MAF and MPWT No. 0019/MAF and No. 2139/MPWT, dated 14/02/2008.</p>	Not specified	Approval for importing machinery

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
	Article 20. Management of vehicles and machinery for logging, processing, log hauling and transportation	Agreement No. 0182/MAF on the Establishment and Management of Timber Harvest Units and Enterprises, 2009, Articles 11 and 21 on vehicles, and Article 27 on import permission requirements for timber cutting and transport machinery	Not specified	Approval for importing machinery
		Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations, 2008 1. The import and use of wood extraction vehicles and transport, and wood extraction machinery shall be first agreed by MAF before MOIC (Department of Import and export) is able to issue an import permit. 2. POIC are given the right to monitor a distribution of all categories of wood processing machinery, and a possession and utilization of the aforementioned equipment's and machinery on a basis of principles stated in a Decision No. 1140/MOIC-, dated 13 February 2007 concerning the Standard of Wood, Rattan and Bamboo Processing Industry Factories.	MOIC issues importing permit. POIC monitors the possession and use of machinery	This notification is made in response to Order No 17/PM 2008.
		Decision No. 0080/MAF on procedures for importation, management and utilisation of chainsaws 2012 All Articles	PAFO approved import of chainsaws. PAFO register chainsaws DAF must be notified regarding use of chainsaws.	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Harvesting Operation	Article 49. Logging and harvesting of forest products	Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest, 2006, Part X, on silvicultural system and operations, and Part XIII on restrictions	Not specified	Harvesting and silvicultural practices
		Guideline No. 1035/DOF concerning the Provincial forestry section guideline on the implementation and enforcement of Labour law and the attention on directing companies/Logging Division, 2010	Not specified	
		Guideline No. 1036/DOF Provincial Forestry Sector's Attention in Steering Timber Exploitation in the Way to Mitigate Damage 2010-	PFS – Timber Exploitation Division is responsible for the implementation of the harvesting plan	
Log skidding and transport	Article 53. Transport of timber and forest products Article 49. Logging and harvesting of forest products	Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest, 2006, Part X.5 on Skidding	Not specified	Instructions are provided to reduce damage caused by skidding.
		Guideline 1035/DOF concerning the Provincial forestry section guideline on the implementation and enforcement of Labour law and the attention on directing companies/Logging Division, 2010	Not specified	
		Guideline No. 1036/DOF Provincial Forestry Sector's Attention in Steering Timber Exploitation in the Way to Mitigate Damage 2010-	PFS – Timber Exploitation Division is responsible for the implementation of the harvesting plan	
Post-Harvest Evaluation	Article 49. Logging and harvesting of forest products	Regulation No. 0108/MAF on Forest Inventory, 2005, Part III, Article 11 on responsibilities of DOF	DOF is responsible for post-harvest inventory	Post-Harvest monitoring of logging areas is required
		Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008	DOF – PAFO is responsible for post-harvest monitoring	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Article 3.8 Monitoring and Evaluation of Post-Timber Exploitation and NTFP Harvest		
		Guideline No. 0396/DOF on Monitoring the Implementation of Production Forest Management, 2008, Article 4 on monitoring procedures	Not specified	This Guideline provides general instruction on procedures for monitoring.
		Guideline No. 1036/DOF Provincial Forestry Sector's Attention in Steering Timber Exploitation in the Way to Mitigate Damage 2010 Article 6	PFS carries out post harvesting assessment	This is an assessment of damage caused during harvesting for the purposes of determining whether compensation needs to be paid.
		Instruction No. 0141/MAF on Forest and Forest resources Inspection and Case Action 2010 Article 5. Forest and Forest Resource Inspection Article 6. Pre-harvesting survey	DOFI undertakes inspection of log landing 1 and documents: <ul style="list-style-type: none"> • allowable cut, • harvesting contract • tree marking • harvesting permit • vehicle approvals • chainsaw registration, • harvesting area • impacts 	
LOG LANDING 1				
Bucking and Marking	Article 49. Logging and harvesting of forest products	Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading 2007 All Articles	PAFO implements the decision.	Logs in PFAs must be measured, graded, scaled and marked according to the regulations.
		Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest, 2006, Part X on log marking requirements and documentation requirements	Not specified	This provides guidelines on the principles for timber harvesting including log marking

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Guideline No. 0962/DOF on the management of timber log transport from harvest area to log landing II, 2010 Log List Form I</p>	DOF and Village Forest Unit implement this Guideline	This is a guideline on the document require for the movement of timber from log landing 1
TRANSPORT TO LOG LANDING 2				
Haulage to Log Landing 2	<p>Article 49. Logging and harvesting of forest products</p>	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 11. MAF, in close collaboration with local authorities is to supervise the implementation of logging plan including the hauling to log landing I and transport from landing I to landing II, Article 16.1 (3) clarifies MAF is responsible for transport up to Log Landing II.</p> <p>Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport of all types' sawn timber and timber products that stipulate in forestry law.</p> <p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 3.8.1 hauling and transporting timber gathered at log landing 2 or hauling timber from log landing 1 to log landing 2 is prohibited from 01 June to 31 October every year.</p>	<p>PAFO is responsible for the transport of logs from Land Landing 1 to Log Landing</p> <p>MAF is responsible for the transport of logs</p> <p>MPWT is responsible for monitoring the movement of vehicles in prohibited periods.</p>	<p>2</p> <p>This Decree is clarifies responsibilities between MAF and MOIC.</p> <p>Haulage from Log Landing 1 to Log Landing 2 must not occur between 01 June and 31 October every year</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
	Article 53. Transport of timber and forest products	Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest, 2006, Part X.6 on Transport 1. The load must be consistent with the carrying capacity of roads and bridges. 4. In cases where it is necessary to transport logs from log landing 1 to log landing 2 landing by passing through a public road, the regulations of the Ministry of Communication, Transport, Post and Construction should be strictly respected.	MPWT is responsible for monitoring the movement of vehicles in prohibited periods.	Where public roads must be use the regulations of MoT must be followed.
Form II Log Transport Slip	Article 53. Transport of timber and forest products	Guideline No.0962/MAF Concerning the management of timber log transport from cutting area to Log Landing 2, 2010 4.3. The transport of timber to Log yard II 4.4. The listing of timber transported to Log yard II Form II Log transport slip from Log Landing 1 to Log landing 2	Not specified	A log transport slip is required for the movement of logs from Log Landing 1 to Log Landing 2
Form III Delivery Docket	Article 53. Transport of timber and forest products	Guideline No. 0962/MAF Concerning the management of timber log transport from cutting area to Log Landing 2, 2010 4.3. The transport of timber to Log yard II 4.4. The listing of timber transported to Log yard II Form III Log delivery docket (daily record) into Log Landing II	Not specified	A log transport Permit is required for the movement of logs from Log Landing 1 to Log Landing 2
LOG LANDING 2				
Form II Log Transport Slip from Log Landing I	Article 21. Measuring and quality grading	Guideline No. 0962/MAF Concerning the management of timber log transport from cutting area to Log Landing 2, 2010 Form II	Not specified	Logs arriving at Log Landing II must be accompanied by a Log Transport Slip from Log Landing I

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
From III Delivery Docket	Article 21. Measuring and quality grading	Guideline No. 0962/MAF Concerning the management of timber log transport from cutting area to Log Landing 2, 2010 Form III	Not specified	Logs arriving at Log Landing II must be accompanied by a Daily Record
Log Grading, Scaling and Marking	Article 21. Measuring and quality grading	Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008	PAFO is to give advice to the forestry sector regarding the marking of trees	Logs must be clearly marked with indications of PFA, SPFA, compartment, base line, strip line, tree number, and log number.
	Article 21. Measuring and quality grading	Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading, 2007 All Articles	Not specified	Logs must be clearly marked with indications of PFA, SPFA, compartment, base line, strip line, tree number, and log number.
	Article 21. Measuring and quality grading	Guideline No. 2157/DOF 2006 Guideline on Timber Harvesting in Production Forest, 6 November 2006, Part X on log marking requirements and documentation requirements	Not specified	Logs must be clearly marked with indications of PFA, SPFA, compartment, base line, strip line, tree number, and log number.
Log List Form IV	Article 21. Measuring and quality grading	Guideline No. 0962/MAF Concerning the management of timber log transport from cutting area to Log Landing 2, 2010 Form IV	Not specified	A log List must be issued and transferred to POIC
Logs Registered into State Assets	Article 21. Measuring and quality grading	Order No. 57/PM Managing the collection of revenue from the sale of timbers and NTFPs 2014		PFS must report on the transfer of the Log List at Log Landing 2

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
	Article 21. Measuring and quality grading	Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015		PFS must report on the transfer of the Log List at Log Landing 2
Inspection	Article 21. Measuring and quality grading	Instruction No. 0141/MAF on Forest and Forest resources Inspection and Case Action Article 8. 2nd landing inspection		DOFI Inspects at Log Landing 2
TRADING				
Timber Auction	Article 51: Distribution of NTFP and wood products	Decision No. 32/PM 20102 on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 Article 6.1. MOIC is responsible for sale of the logs which harvest from all sources in the procedure of auction sale or open bid by timber factories in Laos and outside countries to participate.	MOIC is responsible for sale of the logs	MOIC coordinates the sales process. Other agencies such as MAF participate in the auction committee.
		Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 6 The sale of timber harvested from Production Forest and infrastructure development project areas according to the government annual logging plan must be carried out in two forms as: (1) bidding or price consultation method and (2) allocation on higher efficiency priority order to processing factories which meet the required standards of the NWPIA. Article 6.2. The allocation of timber to wood processing factories must be based on purchase-sale contract with the State, which must be implemented as follows:	MOIC is responsible for sale of the logs	The sale of timber must be undertaken by MOIC. There are two methods of sale - auction and allocation to priority processing factories that meet the standards of the NWIA

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>- for timber harvested from Production Forest areas which have management plans, the bidding procedure based on approved timber species and quantity must be done applying the price laid down by the MOIC, the bidding excess amount on top of the state set price, must be shared by the people and local authorities in the area in accordance with the regulations in order for the people and local authorities gains benefit and participate in the protection of forests. After the bidding, the MOIC must enter sale contracts with winning companies and strictly respect the contracts in view to avoiding the incidence where harvested timber cannot be sold or sold with unreasonable price, resulting in damage to the State.</p>		
		<p>Regulations No. 1726/MOIC on the Sale and Purchase of Timber, 2012 Section I. Conditions and obligations on the Sale – Purchase of Timber Article 1. Conditions of the Bidders on purchasing timbers 1.1 wood processing factory/company located in Lao PDR and in foreign countries that holds Enterprise License for conducting the wood processing and production activities according to the regulations and laws of Lao PDR or the countries concerned which is certified by relevant agencies or the Embassy of such individuals; 1.2 In case of purchasing of timber from the Sustainable Management Forest as per the FSC, it shall be the wood processing factory with CoC Certificate. 1.3 Holds Bank Statement issued by the Bank;</p>	<p>Industry and Commerce</p> <ul style="list-style-type: none"> • Receive the log list of standing tress and other relevant documents from the Agriculture and Forestry sector; • Check and receive the timber at landing II; • Take the leading roles in arranging the bidding. • Arrange timber sale and purchase contract with the purchaser; • Calculate log royalties 	<p>The procedures for the purchasing of timber harvested from areas of development projects is specified in the regulations</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		1.4 Bidders residing in Lao PDR shall have the following additional conditions: <ul style="list-style-type: none"> • Be a member of the NWPIA or Lao Furniture Association; • - it shall have clear record on business operation and never owed the log royalty of the government; never be subject to legal action, accused or fined due to violation of forestry regulations and other laws; 		
Timber Royalty Estimation	Article 51: Distribution of NTFP and wood products	Instruction No. 1813/MOIC.DIMEX 2015D on the implementation of PM 57/PM 2014 on managing the collection of revenue from the sale of timbers and NTFPs 2015		
		Regulation No. 0710/MOIC.DIMEX on Wood Fees for Small Logs, 2008 All Articles	MOIC issues Minimum Log Price Notification for small logs	Fees and charges must be included in the Royalty estimation
		Decree No. 003/PO on Fees and Charges 2012	MOIC issues Minimum Log Price Notification for small logs	Fees and charges must be included in the Royalty estimation
Auction	Article 51: Distribution of NTFP and wood products	Regulation No. 1726/MOIC on the Sale and Purchase of Timber, 2012 Part II Procedures and methods on bidding of timber sale-purchase Article 1. Procedures of Bidding	MOIC undertakes the auction and Sales of timber at prior to harvesting or at Log Landing	
		Instruction No. 2298/MOF Guideline on Bidding Regulations for Buying Timber and Other Forest Resources from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings, 2004 Part III Organisation and Duty of Bidding Committee	Bidding Committee supervises the auction	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Volume Adjustment	Article 51: Distribution of NTFP and wood products	Instruction No. 2298/MOF Guideline on Bidding Regulations for Buying Timber and Other Forest Resources from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings, 2004 Article 6.1.1	PAFO adjusts timber volume after harvesting	The volume of timber purchased as standing timber is adjusted after harvesting on the basis of log list Form VI
Contract to Buy-Sell	Article 51: Distribution of NTFP and wood products	Law No. 01/NA on Contract and Tort 2008	MOIC makes the contract for sale-purchase	The Sale and Purchase of timber is by way of contract between the State and the seller
		Regulation No. 1726/MOIC on the Sale and Purchase of Timber, 2012 Part III Procedures on contract arrangements and payment of log royalties Article 1 Upon completion of bidding, within 5 working days the winning bidder shall be present in order to sign the timber sale –purchase contract with the POIC. And then register such contract with the Department of Finance. Later, the purchaser shall deliver such contract to DOF, DOIC, and Department of Finance 1 copy each for their acknowledgement and uniform in managing and monitoring the implementation.	MOIC makes the contract for sale-purchase and registers the contract with Department of Finance	Contract conditions
Calculation of Royalties and Fees	Article 51: Distribution of NTFP and wood products	Regulation No. 1726/MOIC on the Sale and Purchase of Timber, 2012 Part III Procedures on contract arrangements and payment of log royalties	DOIC calculates the royalties to be paid	All Royalties and fees must be paid before timber is Transported to Log Landing III
		Notification No. 0992/MOIC on Royalty of the Logs at Landing II and the Royalty for logs export to foreign countries (Issued annually), 2014	DOIC calculates the royalties to be paid	Timber Royalty Estimation

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Article 1. Royalty comprises 3 different prices: (1) Royalty of the log at landing II for the processing of finished products, (2) Royalty of the log/big sized sawn timber for export and (3) Royalty of sawed timber/semi-finished wood for export. Article 4. Royalty of logs comprises (1) cost of forest resource, (2) cost of forest inventory and (3) cost of tree re-planting. Such costs are not included the costs of harvesting and other taxes. Article 5. Calculations of inventory cost and tree re-planting cost described above are based on the Presidential Decree on Fees and Services cost no. 003/President 2012. Article 6. The royalty of logs for the purpose of processing of finished products and the royalty of logs/big sized sawed timbers for export purpose which is used as a basis for bidding shall depend on the grade of each category of wood, but the royalty of sawed timbers or semi-finished wood for export are graded so royalty shall be same as provided in the table of log royalty for 2013 – 2014 as a basis for bidding.</p>		
		<p>Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs, 2009 Article 2.4 Determination of sale price</p>	DOIC calculates the royalties to be paid	Timber Royalty Estimation
	<p>Article 51: Distribution of NTFP and wood products</p>	<p>Order No. 57/PM Managing the collection of revenue from the sale of timbers and NTFPs 2014</p>		Contract Management

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Certificate of Deletion from State Assets		Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015		Contract Management
Payment to Department of Finance	Article 51: Distribution of NTFP and wood products	Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs, 2009 Article 2.4 Determination of sale price	Buyer pays the royalties to Department of Finance.	
		Instruction No. 2298/MOF on Bidding Regulations for Buying Timber and Other Forest Resources from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings, 2004	Buyer pays the royalties to Department of Finance.	
Receipt for the payment royalties and fees	Article 51: Distribution of NTFP and wood products	Notification No. 0094/SA Guidance on The Implementation of Ministerial Guidance on the Management of wood exportation for the purpose of revenue collection in timely manner; 2013 Article 1 - To check and monitor the payment of the royalties and taxes of timber. In the case of lumber, semi-finished and finished wood products, the payment obligation shall include a newly issued certificate of origin of timber before the movement takes place as well as monitor the deduction to timber used for production.	State Assets supervises the contract and checks payments have been made and certificate of origin of timber has been issued (by PAFO)	
		Regulation No. 1726/MOIC on the Sale and Purchase of Timber , 2012 Part I Conditions and obligations on the Sale – Purchase of Timber Article 3.3 If the purchaser failed to make the payment within 15 days after receiving of pricelist of log royalties, it shall be fined 20% of the remainder payment and extend	Not specified	Failure to pay royalties will result in a fine followed by contract revocation and timber confiscation

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		the duration of another 5 working days. And if it is over such duration, it can be considered as the purchaser has intentionally violated the contract and that the seller can revoke the contract and the advance payment for contract guarantee shall be unconditionally seized to belong to the government.		
Benefit Distribution	Article 51: Distribution of NTFP and wood products	<p>Decree No. 001/PR pertaining to the sharing of revenue from timber harvested in Production Forest Areas, 2012</p> <p>Article 4 Division of Revenue gained from the sale of wood exploited in production forest areas:</p> <ul style="list-style-type: none"> • 70% of the total revenue is allocated to state budget • 30% is forest or village development <p>Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015</p>	Revenue from timber sales must be deposited with National Treasury; State Property Management Department distribute revenue.	Royalties from the sale of timber must be distributed according to the regulations
Monitoring of contracts	Section 2 Inspection of forest and forestland	<p>Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs, 2009</p> <p>Article 3.7 POF is to make a book for monitoring and inspecting the implementation of contracts at Log Landing II in collaboration with POIC</p> <p>Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs, 2009</p> <p>Article 4.6 50% of the revenue from the sale of confiscate timber shall be put in the central budget and 50% shall be allocated to the local budget. Fees from fines shall be allocated to the local budget after expenses have been deducted.</p>	POF is monitor and inspect the implementation of contracts at Log Landing II in collaboration with POIC	Contracts are to be submitted to and monitored by State Assets Department
			Not specified	Timber from unpaid contracts can be confiscated and sold. Revenue from the sale of confiscated timber must be distributed according to the regulations. Confiscated timber can be sold by the Government

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs, 2009 Article 3.4 violators are not permitted to participate in an auction for seized timber.</p>	Not specified	
TRANSPORT - ALL SECTORS				
Approvals required before logs can be moved	Article 45. Business operations in the forest	<p>Law No. 46/NA on Enterprise 2013</p>	Timber harvesting and haulage businesses must be registered by MOIC and approved by MAF	
	Article 20. Management of vehicles and machinery for logging, processing, log hauling and transportation	<p>Law No. 24/2012 NA on Transportation, 2012, Article 14 on requirements for vehicle drivers, Articles 16 on vehicle requirements, Articles 21 on establishment of transport enterprise and licence Article 12 on cross-border transport</p>	MPWT registers and monitors/inspects vehicles.	<p>Vehicle Registration is required for timber harvesting and extraction:</p> <ul style="list-style-type: none"> • Registration as transport vehicle • Vehicle use permit • Vehicle licence plate • Vehicle technical inspection document • Vehicle insurance • Driver's licence <p>If animals are used for moving logs, verify that registration documents are kept and correct</p>
		<p>Law No. 02/NA on Land Traffic 2000 Article 35. Standard of Vehicles: All types of mechanised vehicles imported to be registered and used permanently in the Lao PDR shall have structures in accordance with the technical standards of the production factories, steering wheels on the left hand side, and qualities in accordance with the technical standards issued by the MOT Article 17. Assembly and Modification of Vehicles The assembly and modification of mechanised vehicles shall</p>	MPWT registers and monitors/inspects vehicles	Vehicle must not be modified

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		comply with defined factory standards and with the technical standards issued by the Ministry of Communication, Transport, Post and Construction.		
		Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations 2008 Articles 1 and 3 on approval for importing and registration of wood extraction and transport vehicles	MPWT registers and monitors/inspects vehicles	Approval is required for Importing machinery associated with timber harvesting
		Guideline No. 0105/MAF 2008 Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008 Article 10 on agreement No 0019.MAF 2008 and No 2139/PWT 2008 between DOF and DoT	MPWT registers and monitors/inspects vehicles	Vehicle Registration are required for timber harvesting and extraction
		Agreement No. 0019/MAF-2008 No. 2139/2008 MPWT, 14 February 2008 All Articles	MPWT registers and monitors/inspects vehicles	Vehicle Registration are required for timber harvesting and extraction
TRANSPORT TO LOG LANDING 3, DOMESTIC MARKET OR EXPORT				
Approvals required before logs can be moved from Log Landing II	Article 53. Transport of timber and forest products	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 16 on agency responsibilities and documentation requirements Article 16.1 (6) clarifies MOIC issues Log Transport permit at Log landing 2.	MOIC is responsible for Log Transport permit from Log Landing 2	This is contradicted by Decree No 32/PM 2012

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport of all types' sawn timber and timber products that stipulate in forestry law.</p>	<p>MAF is responsible for the transport of logs. PAFO issue Domestic Transport permit</p>	<p>This Decree is clarifies responsibilities between MAF and MOIC.</p>
		<p>Guideline No. 0962/DOF on the management of timber log transport from harvest area to log landing II, 2010 4.6. The listing of timber in Log yard III Log List Form IV</p>	<p>Not specified</p>	<p>Logs transported from Log Landing 2 must be marked before transport is approved.</p>
		<p>Notification No. 1904/MOIC.DIMEX (or 1940) 2011 on Procedure to issue import and export license for Timber and timber products, 2011 Article 5. Inspection of the movement and exportation The Industry and Commerce sector through trade inspection officers shall coordinate with the relevant agencies to monitor the movement, exportation of timber and wooden products on transportation routes, wood processing factories, storage and other places where necessary. If informed by a reliable source, trade inspection officers shall coordinate with the relevant agencies to inspect and act according to the rights and authority as given by the Laws and regulations.</p>	<p>MOIC is responsible for inspecting logs in transit</p>	
		<p>Notification No. 0094/SA Guidance on The Implementation of Ministerial Guidance on the Management of wood exportation for the purpose of revenue collection in timely manner; 2013 Article 2 on movement approvals; Article 3 on the sealing of timber shipments</p>	<p>Approvals shall be obtained from concerned sectors and State Assets</p>	<p>Procedures for the transport of timber to the point of export.</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Notification No. 2215/MIC on the cancellation of the issuing Commodity Movement Permit by the industry and commerce sector 2011 All articles</p>	POIC do not issue transport permits	Cancels the need for issuing movement permits by POIC, with the exception of specific commodities as named
		<p>Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs 2009 Article 2.1 Department of State Asset Management and the Provincial Office of Finance (State Asset Management Office) must the issue a certificate for the settlement of money before transporting from Log yard II to Log yard III. Article 3.6 6) The transport of timber from Log yard II shall have a receipt from the sale of timber or if in the case of debt settlement, it shall have a reference paper in the attachment with the receipt. Article 4.3 If the obligation fees are not paid fully, it is definitely not allowed any officers from any sectors to issue a certificate document for the transport of timber out of Log yard II.</p>	A Receipt from the Department of Finance must be Issued	Royalties and fees must be paid. A sales receipt must be available.
		<p>Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015</p>	A Receipt from the Department of Finance must be Issued	
		<p>Order No. 57/PM Managing the collection of revenue from the sale of timbers and NTFPs 2014</p>	A Receipt from the Department of Finance must be Issued	
		<p>Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015</p>	State Assets delete timber from State Assets Register	A certificate of deletion from the State Assets Register

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Directive No. 0509/MOF for the calculation of taxes on timber and non-timber forest products 2009 Article 4 4. Transport of timber and sawn timber at each point	Buyer Pays Taxes MOF issues Tax receipt	Taxes must associated with harvesting and Transport must be
Domestic Transport Permit	Article 53. Transport of timber and forest products	Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport of all types' sawn timber and timber products that stipulate in forestry law.	PAFO issued Domestic Transport permit	MAF is responsible for the transport of logs
		Decree No. 003/PO on Fees and charges 2012 Article 41 (6) Fees for issuing transport permit for timber and NTFPs within the country, export permits for timber and NTFPs including certificate of plantation, certificate of planted timber.	Buyer pays transport permit fee to MAF	Transport Permit Fee must be paid to MAF and a receipt issued
Checkpoints	Article 53. Transport of timber and forest products	Law No. 02/NA on Land Traffic 2000 Article 13. Driving Regulations and Loading: It is prohibited to overload goods or passengers in respect of either their weight or the number of permitted passengers;	MPWT inspects logs at checkpoints	
		Law No. 24/NA on Transportation 2012	MPWT inspects logs at checkpoints	
		Notification No. 1179/SS on the cancellation of inspection station - checkpoints 2011		Cancels some checkpoints

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Inspection	Article 53. Transport of timber and forest products Article 114. Rights and duties of forestry officers	<p>Agreement No. 1041/MAF on Terms of Reference for Provincial Forest Inspection Office 2012</p> <p>Article 3.6: 6. Improve inspection system in high risk areas, especially at Border Checkpoints and at other areas as needed to cover for all relevant areas to the inspection for law enforcement in particularly, inspection of logging, forest management and forest monitoring for forest products transportations, forest certifications and etc.</p> <p>Article 5. Forest and Forest Resource Inspection: Inspect the transportation of products internally and for export</p> <p>Article 12.7 Logs -Inspect Legal documents as transport permit from second landing to third landing or timber processing factories</p> <p>Article 13. The inspection approaches to internal removal pass/transportation of sawn timber</p> <p>6. Inspection record and certification of products transported from Timber processing factories and the record of truck log docket for each shipments issued by POIC</p>	DOFI has the authority to inspect timber transport and establish checkpoints	
	Article 114. Rights and duties of forestry officers	<p>Agreement No. 1987/MAF on Terms of Reference for District Forest Inspection Office 2013</p> <p>Article 4.2 2. To inspect forest, forest land, Non timber forests, log landing I, II, III, warehouse, Sawmills, Wood processing factory, furniture, timber transportation, timber shops and other manufacturing to use wood as the energy, Aquatic and Wildlife farms and other places.</p>		DOFI has the authority to inspect timber transport and establish checkpoints
LOG LANDING 3				

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Approvals Required for logs can be transported from Log Landing II	Article 53. Transport of timber and forest products	Regulation No. 0221/MAF on the Management of Harvesting of Timber and Forest Products 2000 Article 2: Log Landing III	Not specified	Approvals at Log Landing III
PROCESSING	REFER TO SECTION 11 “TIMBER PROCESSING”			
REFER TO EXPORT	REFER TO SECTION 12 “EXPORT OF WOOD SOURCED FROM PRODUCTION FOREST AREAS, CONVERSION AREAS AND VILLAGE USE FORESTS”			

SECTION 7 TIMBER FROM CONVERSION LAND

Summary

“Conversion timber”, sometimes also termed “Salvage logging” originates on areas of land, including Forest Land, that are to be converted to other uses. Use rights may be granted through lease or concession from the State for projects including infrastructure development, mining, or the establishment of timber plantations or agricultural crops. This land may support forest cover which needs to be harvested prior to the project being developed. The conversion of land is a significant source of timber.

Article 14 of the Land Law allows for the change of land from one land type to another only if it is considered to be necessary to use the land for another purpose without having negative impacts on the natural or social environment and must have the prior approval of the concerned management authorities.

Any category of Forest Land, managed under the Forestry Law: Production, Protection, Conservation (and the unclassified areas), can be converted to another land type in accordance with the Land Law, where it is of ‘higher benefit’ (Forestry Law Article 70).

On this basis, Forest Land can be converted to other land types either “permanently”, such as for hydropower dams or “temporarily” such as for mines or plantations (Forestry Law Article 71). Forestland that is converted temporarily must be restored after the purpose for the conversion has been completed.

Timber harvested from Forest land or any State land through the process of conversion is the property of the State.

Planning, Quotas and Harvesting

Concessions or leases for land, including Forest Land are granted under agreements with National, Provincial or District authorities as detailed under the *Law on Investment Promotion No. 02/NA 2009*, the *Forestry Law No. 06/NA 2007*, and *Land Law 04/NA 2003*. The *Presidential Decree No 135/PM on State Land Leases and Concessions 2009* also establishes a set of general principles for the granting of leases or concessions of state lands, and Presidential Decree No. 02/NA provides a guide for land lease rates for concessions in the country. In line with the Prime Minister’s Decree No. 67/PM on the Organization and Function of the National Land Management Authority (2004) and Decree No. 135/PM on *State Land Leases and Concessions 2009*, approval for concessions of State land can be granted by the National Assembly, with agreement by the GoL, or at local level (Provincial Governors or Capital Mayor). A supervising committee has oversight of the concession or lease process.

After a concession or lease has been approved, but prior to the land being cleared, a survey, map and land use plan must be made and an inventory of all trees of >15cm dbh must be undertaken to determine the wood volume. However, this is inconsistent with Article 18 of the Forestry Law which requires that for the construction of infrastructure, surveying of all tree species with *circumference* over 15cm is required. This equates to trees with a diameter of < 5 cm. Article 8.3.2 Regulation 0108/MAF 2006, with respect to Hydro-Dam areas, is also inconsistent with the Forestry Law in that it requires a 100 % inventory of all species of trees that have a diameter equal to or greater than 10 cm.

The volume of wood from conversion activities may be included in provincial quota applications and then consolidated with the National quota. Alternatively, a Special quota may be applied for. Areas to be harvested for local infrastructure projects can be licenced for harvesting by PAFO with approval from the

Provincial Governor. The timber from these operations may not be included in recorded quota volumes nor follow the procedures for recording of logs at Log Landing 2 and beyond.

As a result there may be significant volume of wood within the supply chain for which the source cannot be identified. While the passage of this wood along the supply chains should be restricted by the absence of documentation particularly if it is to be exported, in reality it may be absorbed within domestic markets where systems of checking legal documentation are less stringent.

Timber harvesting is managed at the District and Provincial level but is under the oversight of the committee supervising the concession or lease. Timber harvesting is undertaken by contractors under the supervision of DAFO. In order to gain a Timber Harvesting Contract, Timber Harvesting Unit must obtain necessary approvals to operation as a business enterprise, for timber harvesting equipment and vehicles and has a licence issued by PAFO based on their capacity and ability to undertake the harvesting operation.

Specific regulations have only been developed to guide the harvesting and removal of trees from some infrastructure projects types, such as the reservoir areas of hydro-power projects.

Otherwise, it appears as if rules for the appointment of Timber harvesting Units for logging in PFAs also apply in Forest Land to be converted, such as Decision 0182/2009 MAF. However this is not specified in the legislation.

Some regulations are inconsistently applied. For example Forestry Law Article 49 states that there should be specific regulations for infrastructure construction areas. However, only specific rules for the harvesting of Hydro dam projects have been developed (No 112/MAF 2008) which require that forest be clear-felled.

However not all areas to be converted for other uses may require clear felling.

Regulation 0221/MAF 2000 on the Management of Harvesting of Timber and Forest Products makes specific reference to "Salvage Logging" and differentiates between PFAs and infrastructure development areas. It provides instructions with respect to harvest planning and preparation which may apply to conversion areas but only describes the requirements for timber harvesting operations in relation to PFAs (Article 9).

It is not clear whether the more recent legislation and guidelines developed for the harvesting of PFAs, such as *Guideline 2157/DOF On Timber Harvesting in Production Forest 2006* which is based on Regulation No 0221/MAF, applies to Forest Land that is to be converted to another land type. Generally, Guideline 2157/DOF 2006 is not applied to Conversion Areas.

Clear regulations for harvesting in areas to be converted are required.

Post-Harvesting assessments are made by DAFO as well as, in some cases, the Department of Forest Resource Management (DFRM), and inspection and law enforcement activities are fulfilled by the Department of Forest Inspection (DOFI).

Timber harvested from conversion areas must be registered with the Office of State Assets.

With respect to the instructions for the issuing of document for tracking logs from the project area to Log Landing 3, Guidelines such as No 0962/MAF 2010, that are used to track the movement of timber harvested from PFAs along the supply chain, do not apply. Logs harvested in areas to be converted apply a simpler recording system for internal checking.

All logs from areas to be converted should undergo log scaling, grading and marking procedures at Log Landing II by Agriculture and Forestry staff and this should generate the official log list for timber sales and royalty payments. However in practice this does not always follow the regulations (e.g. Decision 0116/MAF

on Principles for measuring and grading logs, stumps and swelling part of the trunk, 2007) and official forms are not used.

The absence of clear regulations with respect to the identification means that there is lack of traceability of timber from conversion areas. It also creates challenges further along the supply chain during sales, for the accurate collection of royalties and taxes, and the provision of certificates of origin.

Clear guidelines, equivalent to Guideline 0962/MAF 2010, should be developed for the tracking of logs cut from conversion areas.

The movement of timber

A log transport permit is required for the movement of logs from Log Landing 2. Both PAFO and The Provincial office of Industry and Commerce (POIC) have some authority issue transport permits, as described above for logs from PFAs.

The use of vehicles and roads for log haulage are regulated

- By the Ministry of Public Works and Transport (MPWT) which is responsible for vehicle standards and vehicle and driver registration. It also sets the regulations for the movement of goods on public roads, including setting load limits, travel restrictions and seasonal road closures. MPWT has the authority to establish checkpoints, inspect movement documents, fine drivers and offload goods. MPWT also approves the importation of wood transport vehicles, with prior approval from MAF.
- MAF is responsible for issuing and checking Log lists at Log Landing 1 and 2 as well as approving the importation of vehicles and wood transport plans.
- Under some regulations MOIC is responsible for the movement of wood from Log Landing 2 through the supply chain to export.
- The Ministry of Finance, through the Department of Tax and the Department of State Assets also regulate wood transport through the collection fees and royalty payments and the tracking of wood on the State Assets Register.

Timber Sales

The sale of logs from conversion areas is by way of government auction, conducted by a multi-agency bidding committee. Logs may be sold "standing" prior to harvesting or at Log Landing 2.

The sale volume is determined on the basis of the Tree List (compiled during pre-conversion inventory). An estimation of royalty is made on the basis of the volume of wood plus costs and fees associated with inventory, resources and regeneration. The royalty value forms the minimum auction price against which bids are made.

Article 2 of Guideline No 2297/MOF 2004 states that for the wood harvested from areas to be converted should be sold in the form of open bidding to domestic wood processing factories for domestic wood processing. Sales are to be prioritised to domestic processors. However wood is also sold to registered enterprises that do not have established wood processing facilities and the wood is then on-sold to processors at higher prices.

The sale of wood may also be agreed in concession contracts however the legal basis for these arrangements are not described.

The requirements for log tracking documents are not clearly articulated and this causes issues for data reconciliation with pre-harvest estimates. However all log lists are now required to be registered with State Assets at Log Landing 2, and later reconciled when sold (removed from the State assets register).

Participants in the auctions must meet specific pre-qualification requirements in order to participate. There is also a stated preference for domestic wood processors.

For the sale of standing timber, adjustments are made to the payment requirements on the basis of actual harvested volume.

Once the successful bidder has met all payment requirements, the timber is removed from the State Assets register.

Prime Minister's Order No. 13/PM (2012) regarding suspension of consideration and approval for new investment projects in connection to mineral ore exploration and survey, rubber and eucalyptus plantations prohibits the approval of some concessions and by association the removal of timber from those areas. Other development activities, such hydro-power projects and plantations for other species, can continue to be approved, hence there is an incomplete ban on the conversion of forest land, and this continues to be a source of timber from natural forests.

Other forest areas that may be "converted" are plantations and areas of village use forest, which may be subject to acquisition by the State for projects such as road construction. Where this occurs compensation is payable in accordance with specific regulations. How this timber is treated in terms of sales and tracking is not described in regulations. This wood may enter the supply chain unclassified.

Three Flow Diagrams show the main steps in supply chain and the legal sources for natural timber harvested from areas to be converted for other uses from Planning to Log Landing 3

1. Land Allocation, Project Approval, Quota and Harvesting
2. Log Transport from Log Landing 1 - Log Landing 3
3. Timber Sales

The processing of timber harvested from Conversion areas is described in Section 11 and the Export of timber from Village Forest Areas is described in Section 12.

A list of legal instrument and document relevant to timber from Conversion Areas is provided in Table 4 and further details on the regulatory steps set out in the legal maps are provided in Table 5.

Table 4: List of Legal Instruments and Documents relevant to Timber from Conversion Areas

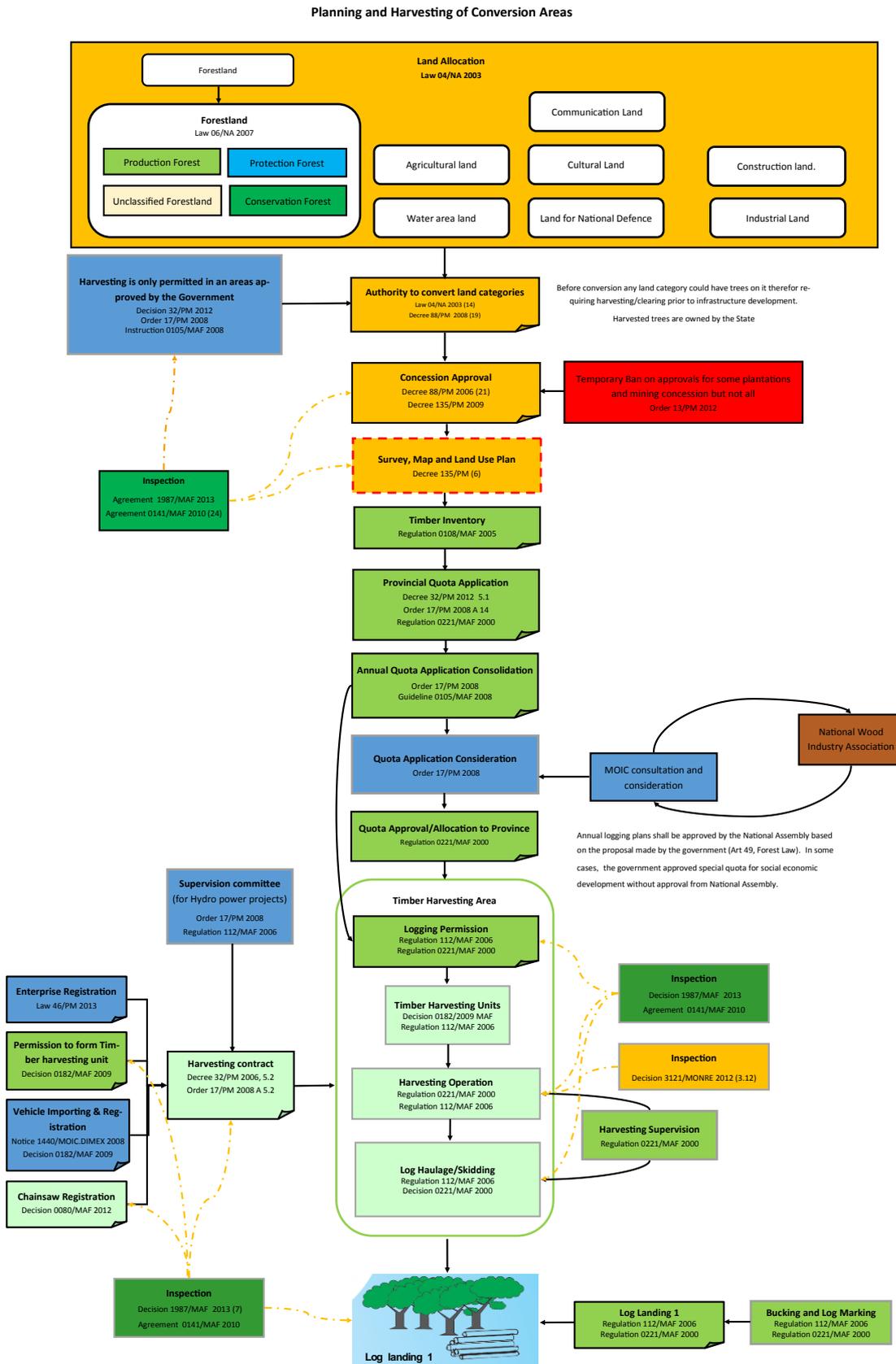
LEGAL INSTRUMENT	MINISTRY RESPONSIBLE	DEPARTMENT RESPONSIBLE
Law No. 01/NA on Contract and Tort 2008		
Law No. 46/NA on Enterprise 2013	MOIC	
Law No. 47/NA on Local Administration 2003		
Law No. 04/NA on Land 2003	MONRE	
Law No. 02/NA Investment Promotion 2009	MPI	
Law No. 24/NA on Transportation 2012	MPWT	
Law No. 02/NA on Land Traffic 2000	MPWT	
Decree No. 003/PO on Fees and Charges 2012	MOF	DoF
Decree No. 02/PO on Lease and Concession Rates of State Land 2009		All
Decree No. 134/PM on Protected Areas 2015	MONRE	DFRM
Decree No. 001/PR pertaining to the sharing of revenue from timber harvested in Production Forest Areas 2012	MOF	DoF
Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012	Various	Various
Decree No. 119/PM on the implementation of the Investment law	MPI	
Decree No. 192/PM on the Compensation and Resettlement of the Development Project 2005		
Decree No. 88/PM on the Implementation of the Land Law 2005	MONRE	
Decree No. 333/PM On Protection Forests 2010	MAF	DOF
Order No. 57/PM Managing the collection of revenue from the sale of timbers and NTFPs 2014		
Order No. 13/PM Regarding suspension of consideration and approval for new investment projects in connection to mineral ore exploration & survey, rubber and eucalyptus Plantation in whole country 2013	Various	Various
Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008	Various	Various
Decision No. 0080/MAF on procedures for importation, management and utilisation of chainsaws 2012	MAF	DOF
Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading 2007	MAF	DOF
Decision No. 3121/MONRE regarding the Organization and Activities of the Department of Forest Resource Management 2012	MONRE	DFRM
Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015	MOF	
Instruction No.. 0141/MAF On Forest and Forest resources Inspection and Case Action 2010	MAF	DOFI
Instruction No. 1813/MOIC.DIMEX 2015D on the implementation of PM 57/PM 2014 on managing the collection of revenue from the sale of timbers and NTFPs 2015	MOIC	DIMEX
Regulation No. 0221/MAF on the Management of Harvesting of Timber and Forest Products 2000	MAF	DOF
Regulation No. 0108/MAF on Forest Inventory 2005	MAF	DOF
Regulation No. 0710/MOIC.DIMEX on Wood Fees for Small Logs 2008	MOIC	DIMEX
Regulation No. 1726/MOIC on the Sale and Purchase of Timber 2012	MOIC	
Directive No. 0509/MOF for the calculation of taxes on timber and non-timber forest products 2009	MOF	

LEGAL INSTRUMENT	MINISTRY RESPONSIBLE	DEPARTMENT RESPONSIBLE
Notice No. 0086/MAF Ban on collection and buying of plants, seedlings and trees including its stumps and roots of the ornamental trees and small plants of the special and prohibited species taken from the natural forests 2010	MAF	DOF
Notification No. 0992/MOIC on Royalty of the Logs at Landing II and the Royalty for logs export to foreign countries (Issued annually) 2009	MOIC	
Notification No. 0094/SA Guidance on The Implementation of Ministerial Guidance on the Management of wood exportation for the purpose of revenue collection in timely manner; 2013	MOF	SA
Notification No. 1440/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,	MOIC	DIMEX
Notification No. 1904/MOIC.DIMEX on Procedure to issue import and export license for Timber and timber products, 2011	MOIC	DIMEX
Notification No. 1179/SS on the cancellation of inspection station - checkpoints 2011		
Notification No. 1601 MOIC.DIMEX on the Management and movement of timber, timber products and non-timber products in domestic and for exportation 2008	MOIC	DIMEX
Notification No. 2215/MIC on the cancellation of the issuing Commodity Movement Permit by the industry and commerce sector 2011		
Proposal No. 0133/MAF 2012 for the approval of tree plantation & forest regeneration plan and the timber logging and NTFP harvesting plan for 2012 – 2013	MAF	DOF
Agreement No. 0019/MAF and No 2139/MOCT Between Minister of Agriculture and Forestry And Minister of Civil Works and Transport On the Transportation of Log, Sawn timber, Stump, Burl/wood gall and wood products	MAF MPWT	
Agreement No. 0182/2009 MAF on the Establishment and Management of Timber Harvest Units and Enterprises, 23 February 2009,	MAF	DOF
Agreement No. 1984/MAF 2012 on The Terms of Reference Department of Forest Inspection (DOFI)	MAF	DOFI
Agreement No. 1987/MAF on Terms of Reference for District Forest Inspection Office 2013	MAF	doFI
Agreement No. 0141/MAF Agreement Of the Minister On Forest and Forest resources Inspection and Case Action 2010	MAF	DOFI
Guideline No. 2297/MOF on Bidding Regulations for Buying Timber and Other Forest Resources from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings 2004	MOF	
Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs 2009	MOF	
Guideline No. 0105/2008 MAF Concerning the Implementation of the Prime Minister's Order No 17/PM, dated 22/09/2008	MAF	DOF
Guideline No. 0962/MAF Concerning the management of timber log transport from cutting area to Log Landing 2 2010	MAF	DOF
Guidelines No. 20/PMONLMA on the implementation of decree on state-owned land approval for lease or concession 2010		NLMA
Guideline No. 0537/PM on the Rates of the State Land Lease and Concession 2009		

LEGAL FLOW DIAGRAMS FOR CONVERSION AREAS

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Figure 4: Land Allocation, Project Approval, Quota and Harvesting in Areas to be converted



No 32/PM 2012 (6.3) recognises the need to issue new regulations on logging operation in mining sites, hydropower dam construction sites, Road construction, transmission line, areas cleared for tree planting, economic crops and forest stands outside of production forest areas.

Figure 5: Log Transport from Log Landing 1 - Log Landing 3 in Conversion Areas

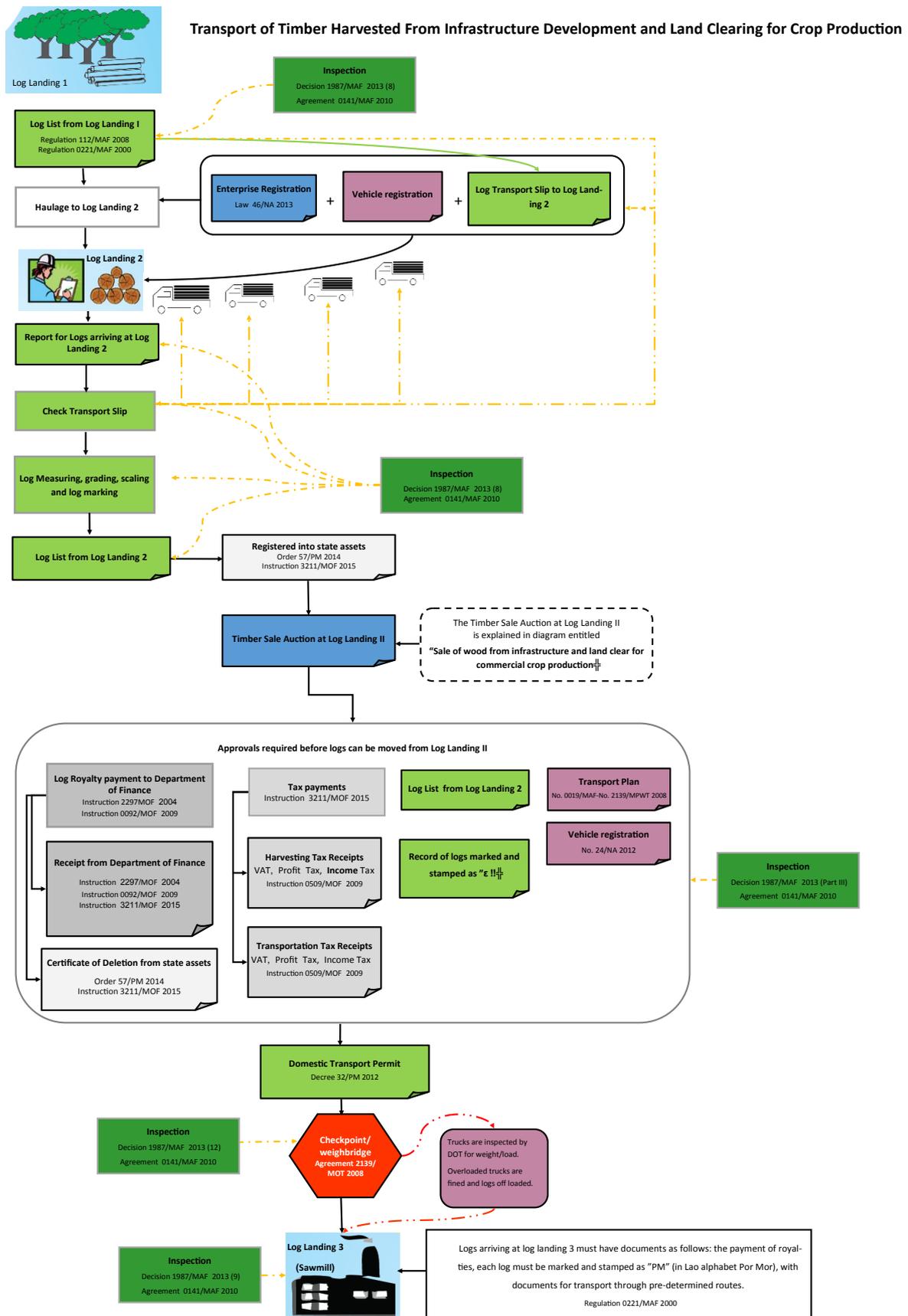


Figure 6: Sales of Timber from Conversion Areas

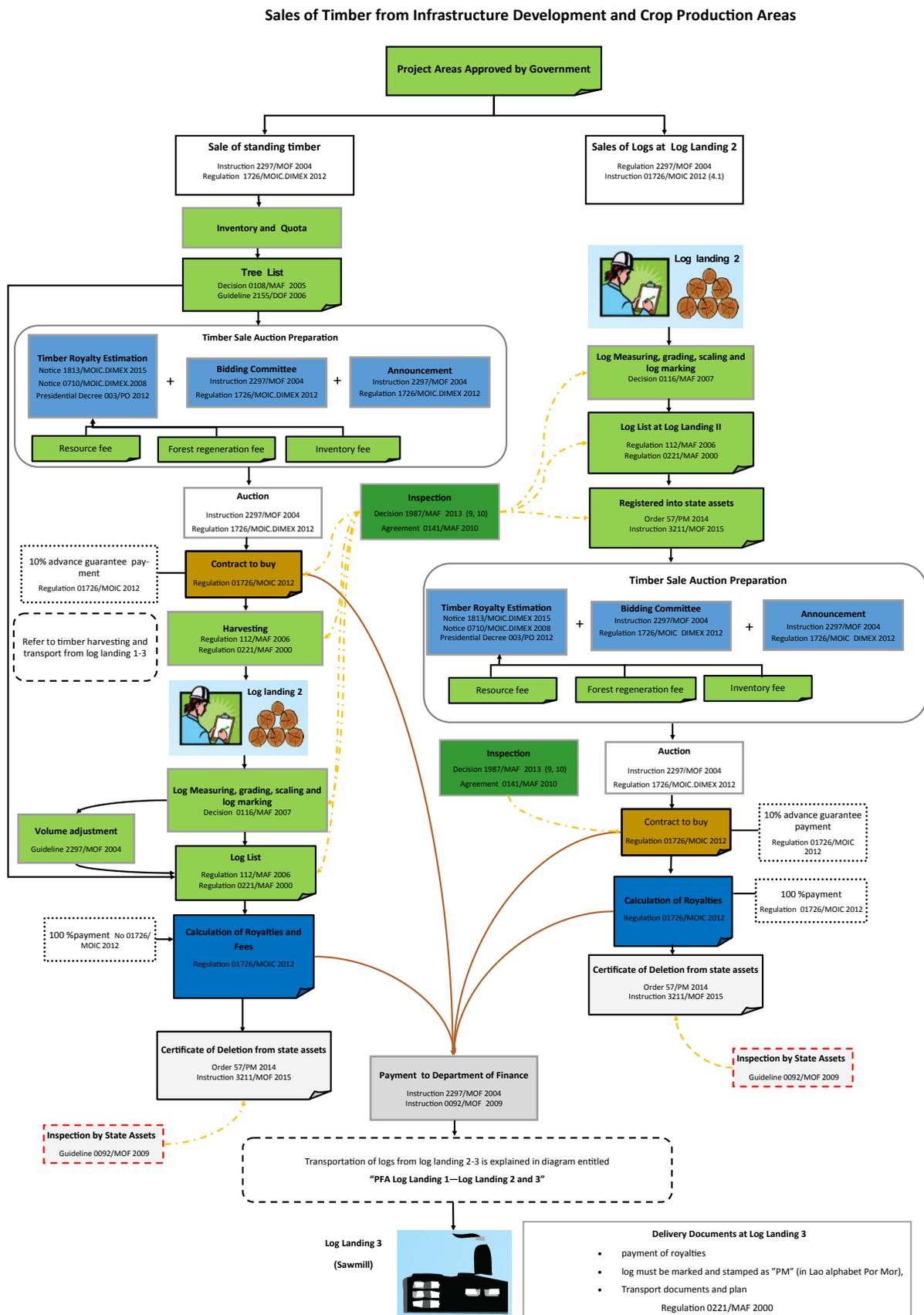


Table 5: Conversion Areas – Legal Sources

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
PLANNING				
<p>Forest and Land Allocation Forest and Land Allocation</p>	<p>Article 4. Ownership of forest and forestland</p>	<p>Law No. 04/NA on Land 2003 Article 9. Land Management: The State is charged with the management of land for the whole country in a centralized and uniform manner in which the government assigns management responsibilities to the national land management authority as prescribed in Article 10 of this law and it coordinates with concerned sectors and local administrations, assigns responsibility for the management of land use to concerned sectors such as the Ministry of Agriculture and Forestry, the Ministry of Industry and Handicrafts, the Ministry of Communication, Transport, Post and Construction, the Ministry of Information and Culture, the Ministry of National Defence, and the Ministry of Security. Article 11. Classification of Land Regions and Land Categories</p> <p>Law No. 47/NA on Local Administration 2003 Article 2. Local Administration Local administration refers to the State administration at the local level. There are three levels of local administration in the Lao People’s Democratic Republic: provincial, district and village levels. The government delegates responsibility to the local administration authorities to manage the territory, natural resources and population in order to preserve and develop into a modern, civil and prosperous society.</p>	<p>MONRE allocates Land Types to agencies with approval from NA.</p> <p>The Government allocates forests and forestland areas to the Provincial and Vientiane Capital, administration authorities, which allocates them to District or Municipal Administration Authorities which allocate them to village administration authorities</p>	<p>Land is classified at the national level and assigned to relevant agencies for management.</p> <p>Local administration has responsibility to manage natural resources and may issue regulations and instructions for management and use.</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Forestland	Article 9. Forest categories Article 56. Categories of forestland	Law No. 04/NA on Land 2003 Article 20. Management of Forest Land: MAF is charged with managing forest land, determining different categories of forest land, studying and developing regulations on the management, protection, development, and use of this category of land, including environmental protection, and, thereafter, to submit [them] to the Government for consideration and approval.	MAF is responsible for determining the different categories of forests and managing forest.	
		Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008 Article 2: MAF is to collaborate with NLMA, concerned ministries and organizations and local Authorities across the country to redo the survey and clearly demarcate each different forest type to best suit the reality, and complete putting up sign boards for three forest types as: Conservation Forest Areas (national and local) Protection Forest areas (national and local) and Production Forest Areas) in the year 2010.	MAF an LMA are to collaborate on the survey and demarcation of forest categories.	Forestland is categorised into three categories for the purpose of preservation and development.
		Guideline No. 0105/MAF 2008 Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 2: PAFO and DLPD are to survey and demarcate the three categories of forest	PAFO and LDP are to survey and demarcate the three categories of forest.	Forestland is categorised into three categories for the purpose of preservation and development. Legally only Production forest is available for timber harvesting, although categories can be converted.
Forestland	Article 23. Preservation of Protection Forest	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008 Article 3.2. Protection Forest:		Harvesting is prohibited in Protection Forests with the exception of cases

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
				in accordance with Article 44 and 70.
		<p>Guideline No. 0105/MAF 2008 Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 2.2 Protection Forest (all sub-articles)</p>		This Guideline pre-dates the establishment of MONRE and is subordinate to the Decree 333/PM 2010
		<p>Decree No. 134/PM on Protected Areas 2015 Article 6: Criteria for classifying the level of Protected Area Article 8: Classifying the zone of Protected Area Article 14: The conversion of Protected Area Article 16: The survey of Protected Areas Article 17: Allocation planning and use of Protected Area Article 18: Boundary demarcation and installation of boundary signs Article 27: The use by family: Local people, who resides in and around Protected Areas and contribute to the protection and regeneration of forest and Non-Timber Forest Products in the Protected Areas, have the rights to use forest and forest products as determined in the allocation plan of Protected Area and related regulation and law.</p>	MONRE is responsible for the declaration and management of conservation forests.	This Decree post-dates the Forest Law. The responsibility is provided for in Decree No 435/PM on the establishment of MONRE 2011
		<p>Decree No. 333/PM On Protection Forests 2010 Article 7. Zoning in the Protection Forests and the protection Forestry Lands - logging is prohibited.</p>	MONRE is responsible for the declaration and management of Protection forests.	This Decree post-dates the Forest Law. The responsibility is provided for in Decree No 435/PM on the establishment of MONRE 2011
Forestland	Article 24. Preservation of Conservation Forests	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008 3.1. National Conservation Forest Areas - Ministry of Agriculture and Forestry is to take care of forestry technical matter, develop detailed management plan and regulations for each Conservation Forest Area, undertake</p>	MAF is responsible for the management of Conservation Areas	This Decree post-dates the Forest Law. The responsibility is provided for in Decree No 435/PM on the establishment of MONRE 2011

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>research and development of plants varieties and biodiversity, and control the harvest of non-timber forest products for home use by pleuro ethnic people in buffer zone of Conservation Forest Areas.</p> <p>- Local Authorities at all levels have the duty to take part in the protection of Conservation Forest Areas through the prevention of illegal logging and harvesting of non-timber forest products, forbidding encroachment of Conservation Forest Area for production and resettlement land.</p>		
Forestland	Article 26. Preservation of water resources in forest zones	<p>Guideline No. 0105/MAF 2008 Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008</p> <p>2.1 Conservation Forest (all sub-articles)</p>	MAF is responsible for the management of Conservation Areas	This Decree post-dates the Forest Law. The responsibility is provided for in Decree No 435/PM on the establishment of MONRE 2011
Authority to Convert land categories	Article 70. Conversion of forestland	<p>Law No. 04/NA on Land 2003</p> <p>Article 14: The change of land from one category to another category can be made only if it is considered to be necessary to use the land for another purpose without having negative impact on the natural or social environment and must have the prior approval of the concerned management authorities.</p>	Land Management Authorities are responsible for approving the conversion of Land Types in consultation with other sectors.	Land types can be converted from one category to another

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Decree No. 88/PM on the Implementation of the Land Law 2005 Article 19: Change of Land Category The State authorizes the change of land category from one to another category of land if it considers necessary to use the land for another purpose which is in compliance with the socio-economic development plan of the state without detrimental effect on the national security, environment and society.</p>	<ul style="list-style-type: none"> • DAA < 3ha based on proposal of DLMA and concerned sectors • PAA 3-100 ha based on proposal of PLMA and concerned sectors • GOL 100-10,000 ha on the proposal of NLMA and the concerned sectors, the agreement with the local administrative authority, • NA > 10,000 ha based on the proposal of the NLMA, concerned sectors, and local administrative authority, and with the approval of the National Assembly. 	<p>Land types can be converted from one category to another</p>
		<p>Decree No. 134/PM on Protected Areas 2015 Article 14: The conversion of Protected Areas In the case when it is necessary to have a conversion of Protected Area or some parts of Protected Area in order to fulfil other aims where it is seen as having higher benefit.</p>	<ul style="list-style-type: none"> • The conversion of National and Provincial Protected Area shall be approved by the Standing Committee of National Assembly in response to the proposal from the Government; • The conversion of District and Urban Protected Area shall be approved by the government in response to the proposal from MONRE based on the agreement of the Provincial Governor; • The conversion of Village Protected Area shall be 	<p>Protected Forests and Protected areas can be converted to other land types.</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			approved by the Provincial or Capital City Authority in response to the proposal from PONRE based on the agreement of the District Governor.	
Forest Categories	Article 71. Types of converted forestland	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008</p> <p>Article 3.3. Production Forest: MAF is to collaborate with local Authorities to review the Production Forest areas which have been established and urgently develop plans for sustainable management in strict compliance with technical principles; Areas for which management plans have not been developed and which have not been declared as Production Forest Areas, must be temporarily closed until the completion of management plans and official declaration as Production Forests by which logging can be carried out according to management plan.</p> <p>Article 20.7. It forbidden to encroach, occupy and transform forest land into production area, tree planting or resettlement area without approval by related agencies and it is forbidden for line agencies and local authorities to approve any activities in three forest types beyond their respective right and responsibility scope as stipulated in the related laws and legislations.</p>	MAF is to designate areas that can be converted for other uses.	There are 2 types of converted forestland: temporary and permanent. Temporarily converted forestland is for uses such as mining, industry and plantations and must be re-converted back to its original forestland type. The permanent converted forestland is the conversion of forestland into another land type for long term use i.e. the conversion of forestland into transportation land for road construction or dam construction.
Authority to Convert land categories	Article 70. Conversion of forestland	<p>Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012</p> <p>Article 2.2 Conversion of forest categories in not permitted, Article 5.4 MAF and MONRE must comment on applications for land use change.</p>	MAF and MONRE must comment on applications for land use change.	Conversion of forest categories to other forest categories is prohibited

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Authority to Convert land categories	Article 71. Types of converted forestland	Guideline No. 0105/MAF 2008 Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008	Not specified	The timber and forest resources, which are cut or harvested in converted forestland areas, belong to the State.
Authority to Convert land categories	Article 69. Utilization of forestland for business operations	Decree No 135/PM on State Land Lease or Concession, 2009 Part III, Section 1 State Land Concession for Agricultural Business and Tree Plantation State land granted as concession for industrial tree plantation or cash crop and NTFPs should be carried out in the area of waste land or denuded land, degraded forest land which cannot rejuvenate naturally, which is allocated by the state as specified in Article 69 of the Law on Forestry (the amended version of 2007). The concession must be given out in the suburban and rural areas only.		Concession or leases for regenerating forests, planting trees, industrial trees plantations and NTFPs can only occur on degraded or barren forestland.
PROJECT/CONCESSION APPROVALS				
Concession or leases must be approved by the Government	Article 75. Approval scope of lease or concession of degraded forestland Article 76. Approval scope of lease or concession of barren forestland	Order No. 13/PM Regarding suspension of consideration and approval for new investment projects in connection to mineral ore exploration & survey, rubber and eucalyptus Plantation in whole country 2012	Not specified	Concession or leases must be approved by the Government.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Concession Approval	Article 75. Approval scope of lease or concession of degraded forestland Article 76. Approval scope of lease or concession of barren forestland	Decree No. 135/PM on State Land Lease or Concession, 2009 Article 28: Authorization of the Concession of Degraded Forest Land for Agricultural Business and Tree Plantation. Article 29: Authorization of the Concession of Barren Land for Agricultural Business and Tree Plantation.	Degraded land <ul style="list-style-type: none"> • <150 Ha PLMA with approval from PAFO • >150 <15,000 ha NLMA with consent of DOF and approval from NA • >15,000 ha NA Barren Land <ul style="list-style-type: none"> • <500 Ha PLMA with approval from PAFO • >500 <300,000 ha NLMA with consent of DOF and approval from NA • >30,000 ha NA 	The scope of agencies to approve the conversion of forestland are set for Degraded Forest Land and Barren Forestland
		Law No. 02/NA on Investment Promotion 2009 Ch. 3 Investment in concessions— process for concession registration	MPI registers concessions	Concession or leases must be approved by the Government.
		Decree No. 119/PM on the implementation of the investment law, 2011 Part 4 investment in concession activities - approvals Article 10 Investment Proposal Article 11: Documentation <ul style="list-style-type: none"> • Application form • Feasibility Study and Business Plan • Contracts as stipulated in the Law on Enterprise • Certificate of financial status • Resume • Identity • Memorandum of initial field inspection 	Documents required by investor	Concession or leases must be approved by the Government.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Decree No. 88/PM On the implementation of the Law on Land, 2008 Article 21: Land Lease or Land Concession Article 22: Rights Acquired from Land Lease or Land Concession</p>	Concession or leases must be approved by the Government.	Concession or leases must be approved by the Government.
		<p>Guidelines No. 20/PMO.NLMA on the implementation of decree on state-owned land approval for lease or concession 2010</p>		Concession or leases must be approved by the Government.
		<p>Decree No. 135/PM on State Land Lease or Concession 2009 Article 7 concession holders must pay concession fees and concessionaire who uses land in combination with the use of natural resources must pay for fee for natural resources (royalties), tax, custom fees, and other fees as specified in the law. Article 42: Settlement of Fees for State Land Lease and Concession</p>		Fees, royalties and taxes must be paid
		<p>Decree No. 02/PO On Lease and Concession Rates of State Land 2009 All Articles</p>	Investor pays land rent	Fees, royalties and taxes must be paid
		<p>Guideline No. 537/PM on the Rates of the State Land Lease and Concession 2009 All Articles</p>	Investor pays land rent	Concession or leases must be approved by the Government.
Concession Approval	No specific Article	<p>Decree No. 192/PM on the Compensation and Resettlement of the Development Project 2005 All Articles</p>	Investor pays land compensation	Compensation is payable to where forestland to be converted includes

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
				trees or land owned by individuals or communally
Concession Approval	No specific Article	Regulation No. 2342/STEA for Implementing Decree 192/PM on Compensation and Resettlement of People Affected by Development Projects 2005 All Articles Trees to be harvested in affected areas remain the property of the tree/plantation owner	Investor pays land compensation	Compensation is payable to where forestland to be converted includes trees or land owned by individuals or communally
QUOTA				
Survey, Map and Land Use Plan	Article 18. Logging survey Article 19. Survey for harvesting forest products	Decree No. 135/PM on State Land Lease or Concession 2009 Article 7.2: State Land Lease and Concession Method The lease and concession with commercial characteristics such as plantation land, agricultural land, hydropower land, mining land and other types of land as allocated by the state for business operation in accordance with the relevant laws and regulations.	MONRE undertakes Land Survey	For approval a concession requires a survey, plan and land use map
Tree List	Article 18. Logging survey	Regulation No. 0108/MAF on Forest Inventory 2005 Article 8.3 General Principles of Pre-harvest Inventory 8.3.2 Pre-harvest Inventory within Proposed Infrastructure Building Site – A 100 % inventory Tree coding and stamping based on harvest operation plan defined for all species of a tree that has a DBH equals to or greater than 10 cm.	PAFO approves pre-harvest inventory and tree marking	Survey and inventory of standing trees of all species with circumference allowed for cutting, together with maps showing the location of those standing trees according to the regulations

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Annual Harvesting Plan Annual Harvesting Plan	Article 18. Logging survey	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008</p> <p>Article 16.1. Agriculture and Forestry authority: (1) Carry out forest survey and develop sustainable forest management plan and mark the trees to be harvested in production forest areas and survey the timber volume in development project areas.</p>	PAFO approves pre-harvest inventory and tree marking	Trees to be cut must be selected, marked and stamped to ensure regeneration and prevent negative impacts on the environment. Defining logging and hauling roads, and places for log landings or log yards.
		<p>Guideline No. 0105/MAF 2008 Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008</p> <p>Article 3.2 on Timber exploitation and NTFP collection 3.2.1 PAFO shall summarize the figure of timber exploitation and NTFPs collection in each year by focusing on: 2) Development area approved by the Government through the process of survey and assessment of forest quantities.</p>	PAFO will survey the area to be planned for harvesting each year	PAFO will survey the area to be planned for harvesting each year
Provincial Quota Application	Article 49. Logging and harvesting of forest products	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008</p> <p>A 4 MAF and MOIC are to cooperate closely to work out government annual logging quota based on the figures of the logging plans submitted by the provinces, which have gone through the pre-logging survey in Production Forest Areas and in areas of various development projects such as hydropower development project, mining project, road or power line construction projects, resettlement and livelihood stabilization project and others which have been approved by the Government.</p>	PAFO summarises District proposals for submission to MAF	Timber from infrastructure projects is included in the annual quota for logging.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Quota Application Consolidation	Article 49. Logging and harvesting of forest products	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008</p> <p>Article 4.1 MAF has the duty to prepare annual logging plan for submission to Government for approval. Annual logging plan must be prepared on the basis of forest capability to supply timber as defined in sustainable forest development strategy, at the same time it must be based on the need of internal consumption and the need of timber as raw material for processing finished products for export.</p> <p>Article 4.2 MOIC has the duty to find out the need for timber across the country and consolidate the need to submit to MAF for preparing the annual logging plan.</p>	In consultation with MOIC, MAF consolidates Provincial annual harvesting plans into a national plan	
Quota Application Consideration	Article 49. Logging and harvesting of forest products	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008</p> <p>Article 4.3 MOIC has the duty to provide guidance and encourage the National Wood Processing Industry Association to consolidate the need for timber species, the number of wood processing factories which are members of the National Wood Industry Association, and submit to MOIC to further consolidate, then work with MAF in the preparation of annual logging plan prior submission for Government consideration.</p> <p>Article 20.2. It is prohibited for any agency and local authority to permit the harvest of any timber species in excess of government approved logging quota</p>	<p>MAF prepares annual harvesting plan for submission to Government</p> <p>MOIC consults with National Wood processing Industry on annual wood supply needs.</p>	In consultation with MOIC, MAF consolidates Provincial annual harvesting plans into a national plan

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Quota Approval/Allocation	Article 49. Logging and harvesting of forest products	Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 Article 5.1. The government allocates annual quota for logging within the production forests that have a management plan and the forest areas that is necessary to clear fell such as: Hydropower construction project, mining concession areas, transmission line, Road construction, the areas to clear for tree planting and economic crop on the concession areas that permission is issued by the government only.		Timber from infrastructure projects is included in the annual quota for logging.
Quota Approval/Allocation	Article 18 Logging survey	Regulation No. 0221/MAF on the Management of Harvesting of Timber and Forest Products 2000	MAF allocates approved annual quota to Provinces	MAF allocates an annual quota to Provinces for harvesting
HARVESTING				
Logging Permission Logging Permission	Article 45. Business operations in the forest	Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 Article 5.2. For the areas of infrastructure development sites, mining, the clearance areas for tree planting or economic crop that government permits, should conduct auction for logging that mean the company or enterprise will be able to provide the condition to ensure of technique quality to apply for logging operation. Article 5.3. Logging in the areas of hydropower construction dam must be followed the regulation on timber harvesting and post-harvesting in the water basin for hydropower electricity No 0112/MAF, dated 25/11/2008 Article 5.3 Logging in hydro areas must be according to No 112/MAF 2008	Not specified	Permission for logging in hydro dam areas

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Regulation No. 112/MAF regarding the logging and post logging cleaning in the reservoir area of a hydropower dam, 2008 All articles</p>	A committee is set up to supervise logging	Permission
Timber Harvesting Unit	<p>Article 45. Business operations in the forest</p>	<p>Agreement No. 0182/MAF on the Establishment and Management of Timber Harvest Units and Enterprises, 2009, All Articles</p>	<p>The timber harvest unit is under the management of PAFO and CAFO and controlled by PFS and capital forestry section (CFS). PAFO registers timber harvesting MAF approves timber harvesting nits.</p>	<p>This agreement refers to State Owned harvesting Enterprises which no longer exist. Timber harvesting is undertaken under contract with commercial enterprises. The operating standards for harvesting contractors in this Agreement still apply.</p>
Timber Harvesting Unit	<p>Article 55. Logging unit</p>	<p>Law No. 46/NA on Enterprise 2013 Articles 12 and 13 on registration of enterprises, Articles 32, 33 and 34 on partnership enterprises, Articles 78, 79 and 81 on companies, Article 86 and 92 on limited companies, Articles 191, 192 and 193 on state-owned companies, and Article 224 on joint (state with non-state-owned) companies</p>	POIC approves Enterprise Registration in consultation with PAFO.	Logging Units must be registered under the Law on Enterprise

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Harvesting Contract	Article 55. Logging unit	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008</p> <p>5.2 Harvesting timber from infrastructure development project areas must be carried out in accordance to regulations and in specific method as agreed by the Government as: A supervision Committee is to be set up to provide guidance and supervise the logging, consisting of concerned line agencies and local authorities or the control work is entrusted to any capable units; bidding or negotiation process is to be carried out for logging contract award.</p>	supervision Committee is to be set up to provide guidance and supervise the logging	Logging Unit contracts are to be appointed by the concession supervising committee based on a bidding process.
Harvesting Contract	Article 20. Management of vehicles and machinery for logging, processing, log hauling and transportation	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008</p> <p>Article 20.5 It is prohibited to import, sell, possess logging or processing machineries without approval from relevant line authorities. Should there be any case of hiding for illegal use, it must be confiscated then proceed with strict legal action against violators.</p>	MOIC is to issue specific instruction for POIC to implement with respect to the importing of machinery for logging. Approval of the Agriculture and Forestry authority is required.	Approval for importing machinery
		<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008</p> <p>Article 10. DOF shall coordinate with relevant sectors to implement the policy on the import, registration and use of timber exploitation and transport vehicle; transport of timber, stump, trunk, processed wood and wood products by complying with the joint agreement between MAF and MPWT No. 0019/MAF and No. 2139/MPWT, dated 14/02/2008.</p>		Approval for importing machinery
		<p>Agreement No. 0182/MAF on the Establishment and Management of Timber Harvest Units and Enterprises, 2009,</p> <p>Articles 11 and 21 on vehicles, and Article 27 on import permission requirements for timber cutting and transport machinery</p>		Approval for importing machinery
		<p>Agreement No. 0019/MAF and No 2139/MOCT Between Minister of Agriculture and Forestry And Minister of Civil</p>		Approval for importing machinery

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Works and Transport On the Transportation of Log, Sawn timber, Stump, Burl/wood gall and wood products Article 3. Authorization for the importation, registration and use of vehicles for timber harvesting and transporting purposes</p> <p>Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations, 2008, 1. The import and use of wood extraction vehicles and transport, and wood extraction machinery shall be first agreed by MAF before MOIC (Department of Import and export) is able to issue an import permit. 2. POIC are given the right to monitor a distribution of all categories of wood processing machinery, and a possession and utilization of the aforementioned equipment's and machinery on a basis of principles stated in a Decision No. 1140/MOIC-, dated 13 February 2007 concerning the Standard of Wood, Rattan and Bamboo Processing Industry Factories. 3. POIC shall work with related agencies in proceeding an inspection and registration of vehicles specific for hauling logs, wood extraction machinery, and all categories of equipment or wood cutting machinery that are already imported and existed prior to this Notification.</p> <p>Decision No. 0080/MAF on procedures for importation, management and utilisation of chainsaws, 2012 All articles</p>	<p>MOIC issues importing permit. POIC monitors the possession and use of machinery</p>	<p>This notification is made in response to Order No 17/PM 2008.</p> <p>Approval for importing machinery</p>
Harvesting Operation	Article 18 Logging survey	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008 Article 16.1. Agriculture and Forestry authority: (1) Carry out forest survey and develop sustainable forest management plan and mark the trees to be harvested in</p>	Agriculture and Forest sector undertake survey of timber volume in project area	Trees for harvesting do not need to marked in infrastructure project areas

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		production forest areas and survey the timber volume in development project areas.		
Harvesting Operation	Article 49. Logging and harvesting of forest products	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008 Article 11 Logging and hauling of wood must not occur between 1st June and 31st October, with some exception by permission only for the completion of infrastructure projects	Not specified	Harvesting in infrastructure project areas must not occur between 1st June and 31st October except with permissions
Harvesting Operation	Article 45. Business operations in the forest	Regulation No. 0108/MAF on Forest Inventory 2005 Article 8.2.3 the harvesting system for infrastructure projects is clear cutting	Not specified	The harvesting of trees in infrastructure areas is clear cutting
Harvesting Operation	Article 49. Logging and harvesting of forest products	Guideline No. 0105/MAF 2008 Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 3.8.1 timber exploitation in the area of production forest and in the area of infrastructure building must be completed before 31 May of each year, any activities of hauling-transporting of timber gathered in log-yard II or hauling timber from log-yard I to log-yard II are definitely prohibited, beginning from 01 June to 31 October (10) of every year.	Not specified	Harvesting in infrastructure project areas must not occur between 1st June and 31st October except with permissions
Harvesting Operation	Article 49. Logging and harvesting of forest products	Regulation No. 112/MAF regarding the logging and post logging cleaning in the reservoir area of a hydropower dam, 2008 Article 28 Rights, duties and roles of the field technical team The Logging management unit records daily tree felling list The Income management unit measures, makes the log list, calculates the log volume, releases the logs, monitors the removal of logs and checks logs at the last check point.	Logging Management Unit keeps a daily record of harvesting in hydro dam areas must be made.	

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Log skidding and transport	Article 53. Transport of timber and forest products	Agreement No. 0182/MAF on the Establishment and Management of Timber Harvest Units and Enterprises, 2009 , Articles 11 and 21 on vehicles, Article 27 on import permission requirements for timber cutting and transport machinery	Not specified	Machinery and transport approvals
Post-harvest monitoring	Article 70 Conversion of forestland Article 71. Types of converted forestland	There are no specific regulations for this	Not specified	Land issued for temporary conversion must be re-converted back to its original category There are instructions on reforestation and rehabilitation but they do not refer explicitly to areas converted.
Post-harvest monitoring	Article 49. Logging and harvesting of forest products	Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 3.8 Monitoring and Evaluation of Post-Timber Exploitation and NTFPs Harvest	DOF – PAFO is responsible for post-harvest monitoring	
		Instruction No. 0141/MAF On Forest and Forest resources Inspection and Case Action 2010 Part VI Inspection of forestland Article 22. Inspection of land lease or forestland concession Inspection of legal documents and field sites Field inspection at the site event as follows: 1. Area of land use permit 2. Location of land clearance 3. Environment impact assessment and socio impact assessment; 4. Objective of land use is correct to permission proposal or not; Article 24. Inspection of the land use in for infrastructure development area	DOFI undertakes post-clearing inspection	Post-harvest monitoring must be undertaken

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Field inspection at the site event as follows 1. The area of Land use permit 2. Location of land clearance 3. Objective of land use is correct to permission proposal or not;		
		Decision No. 3121/MONRE regarding the Organization and Activities of the Department of Forest Resource Management 2012 Article 3.12 Managing and following up logging activities, NTFP harvesting and waste cleaning from the areas susceptible to flood in the up-stream of hydropower dams, mining exploitation areas, infrastructure construction areas and other areas under its management responsibilities;	MONRE manages follows up post-clearing inspection	This does not specify which Land Types this is to occur on. MONRE has functions across all Land Types.
LOG LANDING 1				
Bucking and Marking	Article 49. Logging and harvesting of forest products	Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading 17 May 2007 All Articles	PAFO implements the decision.	
		Regulation No. 112/MAF regarding the logging and post logging cleaning in the reservoir area of a hydropower dam, 2008 All Articles	The Income management unit (of the supervising team from MAF) is responsible for measuring logs and making a log list	Log Measuring in Hyrdo-dam areas only
Inspection	Article 49. Logging and harvesting of forest products	Instruction No. 0141/MAF on Forest and Forest resources Inspection and Case Action 2010 Article7. 1st Landing Inspection	DOFI undertakes inspection of log landing 1 and documents: <ul style="list-style-type: none"> allowable cut, harvesting contract tree marking harvesting permit vehicle approvals chainsaw registration, harvesting area 	Inspection of document before transport

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			<ul style="list-style-type: none"> impacts 	
TRANSPORT TO LOG LANDING 2 (HAULAGE)				
Haulage to Log Landing 2	Article 49. Logging and harvesting of forest products	Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport of all types' sawn timber and timber products that stipulate in forestry law.	MAF is responsible for the transport of logs	This Decree is clarifies responsibilities between MAF and MOIC.
		Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008 Article 11. MAF, in close collaboration with local authorities is to supervise the implementation of logging plan including the hauling to log landing I and transport from landing I to landing II, Article 16.1 (3) clarifies MAF is responsible for transport up to Log Landing II.	PAFO is responsible for the transport of logs from Land Landing 1 to Log Landing	
		Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 3.8.1 hauling and transporting timber gathered at log landing 2 or hauling timber from log landing 1 to log landing 2 is prohibited from 01 June to 31 October every year.	MPWT is responsible for monitoring the movement of vehicles in prohibited periods	Haulage from Log Landing 1 to Log Landing 2 must not occur between 01 June and 31 October every year
LOG LANDING 2				

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Log Grading, Scaling and Marking	Article 21. Measuring and quality grading	Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading 17 May 2007 All Articles	PAFO implements the decision.	
Logs Registered into State Assets	Article 21. Measuring and quality grading	Order No. 57/PM Managing the collection of revenue from the sale of timbers and NTFPs 2014	PFS must report on the transfer of the Log List at Log Landing 2	
		Instruction No. 3211/MOF 2015. on Royalty of timbers for 2014-2015 and 2015-2016	PFS must report on the transfer of the Log List at Log Landing 2	
Inspection	Article 21. Measuring and quality grading	Instruction No. 0141/MAF on Forest and Forest resources Inspection and Case Action 2010 Article 8. 2nd landing inspection	DOFI Inspects at Log Landing 2	
TRADING				
Timber Auction	Article 51: Distribution of NTFP and wood products	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008 Article 6 The sale of timber harvested from Production Forest and infrastructure development project areas according to the government annual logging plan must be carried out in two forms as: (1) bidding or price consultation method and (2) allocation on higher efficiency priority order to processing factories which meet the required standards of the NWPIA. Article 6.2. The allocation of timber to wood processing factories must be based on purchase-sale contract with the State, which must be implemented as follows: - for timber harvested from Production Forest areas which have management plans, the bidding procedure based on approved timber species and quantity must be done applying the price laid down by the MOIC, the bidding excess amount on	MOIC is responsible for sale of the logs Industry and Commerce <ul style="list-style-type: none"> Receive the log list of standing tress and other relevant documents from the Agriculture and Forestry sector; Check and receive the timber at landing II; Take the leading roles in arranging the bidding. Arrange timber sale and purchase contract with the purchaser; 	The sale of timber must be undertaken by MOIC. There are two methods of sale - auction and allocation to priority processing factories that meet the standards of the NWIA

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		<p>top of the state set price, must be shared by the people and local authorities in the area in accordance with the regulations in order for the people and local authorities gains benefit and participate in the protection of forests. After the bidding, the MOIC must enter sale contracts with winning companies and strictly respect the contracts in view to avoiding the incidence where harvested timber cannot be sold or sold with unreasonable price, resulting in damage to the State.</p> <p>Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 Article 6.1. MOIC is responsible for sale of the logs which harvest from all sources in the procedure of auction sale or open bid by timber factories in Laos and outside countries to participate.</p>	<p>Calculate log royalties</p> <p>MOIC is responsible for sale of the logs</p>	<p>MOIC coordinates the sales process. Other agencies such as MAF participate in the auction committee.</p>
Timber Royalty Estimation	Article 51: Distribution of NTFP and wood products	Instruction No 1813/MOIC.DIMEX 2015D on the implementation of PM 57/PM 2014 on managing the collection of revenue from the sale of timbers and NTFPs 2015		
		Regulation No. 0710/MOIC.DIMEX on Wood Fees for Small Logs 2009 All Articles	MOIC issues Minimum Log Price Notification for small logs	
		Decree No. 003/PO on Fees and Charges 2012	MOIC issues Minimum Log Price Notification for small logs	Fees and charges must be included in the Royalty estimation
Auction	Article 51: Distribution of NTFP and wood products	Regulation No. 1726/MOIC on the Sale and Purchase of Timber, 2012 Part II Procedures and methods on bidding of timber sale-purchase Article 1. Procedures of Bidding	MOIC undertakes the auction and Sales of timber at prior to harvesting or at Log Landing II	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Instruction No. 2297/MOF Guideline on Bidding Regulations for Buying Timber and Other Forest Resources from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings, 2004 Part III Organisation and Duty of Bidding Committee	Bidding Committee supervises the auction	Bidding Committee
Volume Adjustment	Article 51: Distribution of NTFP and wood products	Instruction No. 2297/MOF Guideline on Bidding Regulations for Buying Timber and Other Forest Resources from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings, 2004 Article 6.1.1	PAFO adjusts timber volume after harvesting	The volume of timber purchased as standing timber is adjusted after harvesting
Contract to Buy	Article 51: Distribution of NTFP and wood products	Law No. 01/NA on Contract and Tort 2008	MOIC makes the contract for sale-purchase	The Sale and Purchase of timber is by way of contract between the State and the seller
		Regulation No. 1726/MOIC on the Sale and Purchase of Timber 2012 Part III Procedures on contract arrangements and payment of log royalties Article 1 Upon completion of bidding, within 5 working days the winning bidder shall be present in order to sign the timber sale –purchase contract with the POIC. And then register such contract with the Department of Finance. Later, the purchaser shall deliver such contract to DOF, DOIC, and Department of Finance 1 copy each for their acknowledgement and uniform in managing and monitoring the implementation.	MOIC makes the contract for sale-purchase and registers the contract with Department of Finance	Contract conditions

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Calculation of Royalties and Fees	<p>Article 51: Distribution of NTFP and wood products</p>	<p>Regulation No. 1726/MOIC on the Sale and Purchase of Timber 2012</p> <p>Part III Procedures on contract arrangements and payment of log royalties</p> <p>Article 2 Procedures on Payment of Log Royalties</p> <p>2.1 In case of the sale in logs at landing II: After signing the contract, the DOIC shall make the calculation of log royalties basing on the agreed price of sale, species, categories and quantities provided in the log list. And then immediately inform the purchaser to process the payment, as well as sending the delivery note of such calculation of log royalties to the Department of Finance in order to monitor the payment referring to the duration defined in section 3.1 and 3.2 of this Regulation. The purchaser shall make 100% payment for the log royalties as per the calculation of log royalties to the Department of Finance and send a copy to the DOF, and the DOIC for acknowledgement and monitoring the implementation.</p> <p>2.2 In the case of the sale of standing trees (timbers harvested from the sustainable forest management of production forest as per the standard of FSC) After the winning bidder entered into the contract with DOIC, the purchaser shall make advance payment of 10% of the total values for contract guarantee as defined in section 3.1 of this Regulation. Once the harvested timbers have been transported to the landing II, the Department of Agriculture and Forestry shall do the measurement, grading and accounting of the log list, and hand it to the DOIC to make calculation of log royalties according to the price agreed in the timber sale – purchase contract per its species, categories and quantities provided in the log list. And then immediately inform the purchaser to</p>	DOIC calculates the royalties to be paid	All Royalties and fees must be paid before timber is Transported to Log Landing III

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>process the payment, as well as sending the delivery note of such calculation of log royalties to the Department of Finance in order to monitor the payment referring to the duration defined in section 3.2 of this Regulation. The purchaser shall make 100% payment for the log royalties as per the calculation of log royalties to DF and send a copy to the DOF, and the DOIC for acknowledgement and monitoring the implementation.</p>		
		<p>Notification No. 0992/MOIC on Royalty of the Logs at Landing II and the Royalty for logs export to foreign countries (Issued annually), 2014</p> <p>Article 1. Royalty comprises 3 different prices: (1) Royalty of the log at landing II for the processing of finished products, (2) Royalty of the log/big sized sawn timber for export and (3) Royalty of sawed timber/semi-finished wood for export.</p> <p>Article 4. Royalty of logs comprises (1) cost of forest resource, (2) cost of forest inventory and (3) cost of tree re-planting. Such costs are not included the costs of harvesting and other taxes.</p> <p>Article 5. Calculations of inventory cost and tree re-planting cost described above are based on the Presidential Decree on Fees and Services cost no. 003/President 2012.</p> <p>Article 6. The royalty of logs for the purpose of processing of finished products and the royalty of logs/big sized sawed timbers for export purpose which is used as a basis for bidding shall depend on the grade of each category of wood, but the royalty of sawed timbers or semi-finished wood for export are graded so royalty shall be same as provided in the table of log royalty for 2013 – 2014 as a basis for bidding.</p>	<p>DOIC calculates the royalties to be paid</p>	<p>Timber Royalty Estimation</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs, 2009 Article 2.4 Determination of sale price	DOIC calculates the royalties to be paid	Timber Royalty Estimation
Certificate of Deletion from State Assets	Article 51: Distribution of NTFP and wood products	Order No. 57/PM Managing the collection of revenue from the sale of timbers and NTFPs 2014		Contract Management
		Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015		Contract Management
Payment to Department of Finance	Article 51: Distribution of NTFP and wood products	Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs, 2009 Article 2.4 Determination of sale price	Buyer pays the royalties to Department of Finance	Royalty Payment
Receipt for the payment royalties and fees	Article 51: Distribution of NTFP and wood products	Notification No. 0094/SA Guidance on The Implementation of Ministerial Guidance on the Management of wood exportation for the purpose of revenue collection in timely manner; 2013 Article 1 - To check and monitor the payment of the royalties and taxes of timber. In the case of lumber, semi-finished and finished wood products, the payment obligation shall be newly issued by identifying the origin of lumber, semi-finished and finished wood products before the movement takes place as well as monitor the deduction to timber used for production.	State Assets supervises the contract and checks payments have been made and certificate of origin of timber has been issued (by PAFO)	
		Regulation No. 1726/MOIC on the Sale and Purchase of Timber, 2012 Part I Conditions and obligations on the Sale – Purchase of Timber Article 3.3 If the purchaser failed to make the payment within 15 days after receiving of pricelist of log royalties, it shall be	Not specified	Failure to pay royalties will result in a fine followed by contract revocation and timber confiscation

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>fined 20% of the remainder payment and extend the duration of another 5 working days. And if it is over such duration, it can be considered as the purchaser has intentionally violated the contract and that the seller can revoke the contract and the advance payment for contract guarantee shall be unconditionally seized to belong to the government.</p>		
Benefit Distribution	Article 51: Distribution of NTFP and wood products	<p>Decree No. 001/PR pertaining to the sharing of revenue from timber harvested in Production Forest Areas, 2012</p> <p>Article 4 Division of Revenue gained from the sale of wood exploited in production forest areas:</p> <ul style="list-style-type: none"> • 70% of the total revenue is allocated to state budget • 30% is forest or village development 	Revenue from timber sales must be deposited with National Treasury; State Property Management Department distribute revenue.	Royalties from the sale of timber must be distributed according to the regulations
		<p>Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015</p>		Royalties from the sale of timber must be distributed according to the regulations
Monitoring of contracts	Section 2 Inspection of forest and forestland	<p>Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs, 2009</p> <p>Article 3.7 POF is to make a book for monitoring and inspecting the implementation of contracts at Log Landing II in collaboration with POIC</p>	POF is monitor and inspect the implementation of contracts at Log Landing II in collaboration with POIC	Contracts are to be submitted to and monitored by State Assets Department
		<p>Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs, 2009</p> <p>Article 4.6 50% of the revenue from the sale of confiscate timber shall be put in the central budget and 50% shall be allocated to the local budget. Fees from fines shall be allocated to the local budget after expenses have been deducted.</p>	Not specified	Timber from unpaid contracts can be confiscated and sold. Revenue from the sale of confiscated timber must be distributed according to the regulations

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs, 2009 Article 3.4 violators are not permitted to participate in an auction for seized timber.</p>	Not specified	Confiscated timber can be sold by the Government
TRANSPORT ALL SECTORS				
Approvals required before logs can be moved	Article 45. Business operations in the forest	Law No. 46/NA on Enterprise 2013	Timber harvesting and haulage businesses must be registered by MOIC and approved by MAF	
Approvals required before logs can be moved	Article 20. Management of vehicles and machinery for logging, processing, log hauling and transportation	<p>Law No. 24/NA on Transportation, 2012, Article 14 on requirements for vehicle drivers, Articles 16 on vehicle requirements, Articles 21 on establishment of transport enterprise and licence Article 12 on cross-border transport</p>	MPWT registers and monitors/inspects vehicles.	<p>Vehicle Registration is required for timber harvesting and extraction:</p> <ul style="list-style-type: none"> • Registration as transport vehicle • Vehicle use permit • Vehicle licence plate <ul style="list-style-type: none"> o Vehicle technical inspection document • Vehicle insurance • Driver's licence <p>If animals are used for moving logs, verify that registration documents are kept and correct</p>
		<p>Law No. 02/NA on Land Traffic 2000 Article 35. Standard of Vehicles: All types of mechanised vehicles imported to be registered and used permanently in the Lao PDR shall have structures in accordance with the technical standards of the production factories, steering wheels on the left hand side, and qualities in accordance with the technical standards issued by the MOT</p>	MPWT registers and monitors/inspects vehicles	Vehicle must not be modified

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Article 17. Assembly and Modification of Vehicles The assembly and modification of mechanised vehicles shall comply with defined factory standards and with the technical standards issued by the Ministry of Communication, Transport, Post and Construction.		
		Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations 2008 Articles 1 and 3 on approval for importing and registration of wood extraction and transport vehicles	MPWT registers and monitors/inspects vehicles	Vehicle Registration are required for timber harvesting and extraction
		Guideline No. 0105/MAF 2008 Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 10 on agreement No 0019.MAF 2008 and No 2139/PWT 2008 between DOF and DoT	MPWT registers and monitors/inspects vehicles	Vehicle Registration are required for timber harvesting and extraction
		Agreement No. 0019/MAF-2008 No. 2139/2008 MPWT, 14 February 2008 All Articles		Vehicle Registration are required for timber harvesting and extraction
TRANSPORT TO LOG LANDING 3, DOMESTIC MARKET OR EXPORT				
Approvals required before logs can be moved from Log Landing II	Article 53. Transport of timber and forest products	Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport of all types' sawn timber and timber products that stipulate in forestry law.	MAF is responsible for the transport of logs. PAFO issue Domestic Transport permit	This Decree is clarifies responsibilities between MAF and MOIC.
		Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008	MOIC is responsible for Log Transport permit from Log Landing 2	This is contradicted by Decree No 32/PM 2012

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Article 16 on agency responsibilities and documentation requirements Article 16.1 (6) clarifies MOIC issues Log Transport permit at Log landing 2.		
Log Measuring Grading and Scaling Log List Form IV	Article 53. Transport of timber and forest products	Guideline No. 0962/DOF on the management of timber log transport from harvest area to log landing II, 2010 4.6. The listing of timber in Log yard III Log List Form IV	Not Specified	Logs transported from Log Landing 2 must be marked before transport is approved.
Approvals required before logs can be moved from Log Landing II	Article 53. Transport of timber and forest products	Notification No. 1904/MOIC.DIMEX (or 1940) 2011 on Procedure to issue import and export license for Timber and timber products, 2011 Article 5. Inspection of the movement and exportation The Industry and Commerce sector through trade inspection officers shall coordinate with the relevant agencies to monitor the movement, exportation of timber and wooden products on transportation routes, wood processing factories, storage and other places where necessary. If informed by a reliable source, trade inspection officers shall coordinate with the relevant agencies to inspect and act according to the rights and authority as given by the Laws and regulations.	MOIC is responsible for inspecting logs in transit	
		Notification No. 0094/SA Guidance on The Implementation of Ministerial Guidance on the Management of wood exportation for the purpose of revenue collection in timely manner; 2013 Article 2 on movement approvals; Article 3 on the sealing of timber shipments	Approvals shall be obtained from concerned sectors and State Assets	Procedures for the transport of timber to the point of export. This may have been superseded by Order 57/PM 2015 or Instruction 3211/MOF 2015
		Notification No. 2215/MIC on the cancellation of the issuing Commodity Movement Permit by the industry and commerce sector 2011 All articles	POIC do not issue transport permits	Cancels the need for issuing movement permits by POIC, with the exception of specific commodities as named

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Guideline No. 2297/MOF on Bidding Regulations for Buying Timber and Other Forest Resources from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings 2004	Log Royalty Payment must be complete with a receipt from the Department of Finance	
		Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs 2009 Article 2.1 Department of State Asset Management and the Provincial Office of Finance (State Asset Management Office) must the issue a certificate for the settlement of money before transporting from Log yard II to Log yard III. Article 3.6 6) The transport of timber from Log yard II shall have a receipt from the sale of timber or if in the case of debt settlement, it shall have a reference paper in the attachment with the receipt. Article 4.3 If the obligation fees are not paid fully, it is definitely not allowed any officers from any sectors to issue a certificate document for the transport of timber out of Log yard II.	Royalties and Fees must be paid to MOF	Royalties and fees must be paid. A sales receipt must be available.
		Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs 2009	A Receipt from the Department of Finance must be Issued	
		Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015	A Receipt from the Department of Finance must be Issued	
		Order No. 57/PM Managing the collection of revenue from the sale of timbers and NTFPs 2014	A certificate of deletion from the State Assets Register	
		Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015	A certificate of deletion from the State Assets Register	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Directive No. 0509/MOF for the calculation of taxes on timber and non-timber forest products 2009 Article 4 4. Transport of timber and sawn timber at each point	Buyer Pays Taxes MOF issues Tax receipt	
Domestic Transport Permit	Article 53. Transport of timber and forest products	Decision No. 32/PM 20102 on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport of all types' sawn timber and timber products that stipulate in forestry law.	PAFO issued Domestic Transport permit	
		Decree No. 003/PO on Fees and charges 2012 Article 41 (6) Fees for issuing transport permit for timber and NTFPs within the country, export permit for timber and NTFPs including certificate of plantation, certificate of planted timber are as follows	Buyer pays transport permit fee to MAF	Transport Permit Fee must be paid to MAF and a receipt issued
Checkpoints	Article 53. Transport of timber and forest products	Law No. 02/NA on Land Traffic 2000 Article 13. Driving Regulations and Loading: It is prohibited to overload goods or passengers in respect of either their weight or the number of permitted passengers;	MPWT inspects logs at checkpoints	Movement and inspection of Wood
		Law No. 24/NA on Transportation, 2012	MPWT inspects logs at checkpoints	Movement and inspection of Wood
		Notification No. 1179/SS on the cancellation of inspection station - checkpoints 2011		Cancels some checkpoints
Inspection	Article 114. Rights and duties of forestry officers	Agreement No 1987/MAF on Terms of Reference for District Forest Inspection Office 2013 Article 4.2 2. To inspect forest, forest land, Non timber forests, log landing I, II, III, warehouse, Sawmills, Wood processing factory, furniture, timber transportation, timber shops and	DOFI has the authority to inspect timber transport and establish checkpoints	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		other manufacturing to use wood as the energy, Aquatic and Wildlife farms and other places.		
		<p>Agreement No 0141/MAF of the Minister On Forest and Forest resources Inspection and Case Action 2010</p> <p>Article 5. Forest and Forest Resource Inspection: Inspect the transportation of products internally and for export</p> <p>Article 12.7 Logs -Inspect Legal documents as transport permit from second landing to third landing or timber processing factories</p> <p>Article 13. The inspection approaches to internal removal pass/transportation of sawn timber</p> <p>6. Inspection record and certification of products transported from Timber processing factories and the record of truck log docket for each shipments issued by POIC</p>	DOFI has the authority to inspect timber transport and establish checkpoints	DOFI has the authority to inspect timber transport and establish checkpoints
REFER TO SECTION 11 “TIMBER PROCESSING”				
REFER TO SECTION 12 “EXPORT OF WOOD SOURCED FROM PRODUCTION FOREST AREAS, CONVERSION AREAS AND VILLAGE USE FORESTS”				

SECTION 8 VILLAGE USE FORESTS AND OTHER AREAS

SUMMARY

The Land Law, the Forestry Law and the *Law No 47/NA on Local Administration* progressively devolve management responsibility for forest and land down to the local level. The Village Administration is the smallest administration unit at the local level under the Law Local Administration through which the government delegates responsibility to manage the territory, natural resources and population in order to preserve and develop into a modern, civil and prosperous society. The Law allows local administration to make regulations (resolutions, decisions, orders, instructions and notifications) including at the village level. This law has facilitated the promulgations of local regulations with respect to the management of natural resources, including of forests and timber.

Village Use Forests may be located in all three categories of forest under the Forestry Law: Production, Protection and Conservation Forest. A management plan for Village Use Forests as well as village regulations may be developed for the harvesting and utilization of forest resources, including timber. For example, a Production Forest Area designated at the State level could have located within it a Village which has land zoned as Village Use Forest, Agricultural Land, Production Forest, Degraded forest, Spirit forest, plantations or protection forest. Access to forests resources by individuals, households and villages to other forests areas may also be permitted through broader forest management planning.

Within PFAs designated by the State commercial harvesting of timber and forest products can be undertaken with the approval of the Government in accordance with the regulations.

Villages that are located within PFAs have a right to participate in the harvesting processes (e.g. though inventory and planning) and benefit from the sale of timber.

The boundaries of the village are demarcated according to the Forest Land Allocation Program. Within the demarcated village boundaries the land is zoned according to its biophysical condition and current or future use. Land and forest may be allocated to individuals for use or it may be zoned for village use.

Timber and wood products may be harvested from the forests within the village boundary.

In Protection Forests and Conservation Forests (Protected Areas) villages may be demarcated and individuals and village have certain rights with respect to the harvesting of timber and forest products for their own consumption. A National Protection Area (Conservation Forest under the Article 11 of the Forestry Law), could have located within it (inside controlled use zones) one or more of five categories of village land:

- Village Conservation Forest: Strict controls are enforced, with few uses allowed.
- Village Protection Forest: Activities that contribute to soil erosion are prohibited, including the cutting of trees, and forest clearance.
- Village Use Forest (or Village Production Forest): Cutting of timber is permitted for domestic use following the approval of the village authorities, but timber cannot be extracted for commercial sale.
- Village Agricultural Land: This category includes all currently or recently cultivated land, and other intensive productive uses, such as fishponds and livestock areas.
- Village Settlement Land: This category includes private houses, public buildings and temples.

It is not clear whether timber can be harvested for public benefit from within Village Use Forests that are located inside Protected and Conservation Forest Areas.

Timber harvesting for village benefit (Forestry Law Article 40) can be undertaken with the authorisation of the District administration and DAFO, and the harvesting must be included in the annual harvesting plan of PAFO, which is approved by Government.

While the supply of timber from village forests and farms can be an important source of timber for village projects and household use the timber harvested from these sources cannot legally be sold. Despite this, the timber from these can be a vital source of timber for local small scale timber processors and furniture manufacturers and to ensure a sustainable supply there needs to be a vigorous system for managing these forests including clear maps as well as annual records of timber harvesting and production.

For individuals and households timber from natural forests may be harvested for domestic use from two sources:

- On village use forests the State allows individuals in the village to use non-prohibited timber species for constructing and repairing houses. Such use requires approval from the village administration authority and permission from DAFO, in accordance with specific regulations. From this it is not clear whether it is the harvesting that should be in accordance with regulations or just the approvals and it is not specified whether the harvesting of prohibited, special and controlled tree species is permitted in these areas.
- From fields and orchards under individual ownership (land allocated to individuals/households) natural trees of prohibited, special and controlled tree species may be harvested. The village forestry unit must be informed so that they can undertake an inspection and for management. Individuals and households have the right to use and enjoy the benefits from these trees according to regulations.

However it is not specified whether the rights and benefits include income from the sale of timber, although it is generally presumed no to be the case.

Regulation 535/MAF 2001 on the management and use of village forests states clearly that wood in Village Use Forest is the property of the state and commercial exploitation is not permitted (Article 7). Household consumption was set at a maximum of 5m³ in total (Article 8.1). This volume is cross referenced to Article 28 of the 1996 Forestry Law. However, the 1996 Forestry Law was repealed and the current Forestry Law does not include a volume per household.

Article 102 (4) makes it is illegal for people to claim trees (outside allocated land). People should not cut trees on land for which they do not have land use right, and individuals should not cut trees in land allocated to other people or villages.

With respect to prohibited species - two recent orders have been issued. Order 17/PM 2008 (Article 20.3) prohibits the harvesting of certain prohibited species as does *Additional Order No 10/PMO 2011 on Prevention and Suppression on harvesting, purchase-sale of prohibited species*. There are no exceptions provided for in these Orders and villagers and individuals should not be harvesting any of the species listed in these regulations. However this is contradictory to Article 41 of the Forestry Law.

Article 42 allows for customary utilisation of non-prohibited species for use by households in a way that practiced is in accordance with a designed plan and with village regulations and laws and regulations on forests. Customary utilization of forests is the use of forest and forest products in a way that has been practiced for a long time in accordance with laws and regulations. The State allows the use of timber and harvest of forest products in non-prohibited forests for household utilization without adverse impact on

forest resources, and the environment as well as reflecting the rights and interest of individuals or organizations.

Article 43 of the Forestry specifies that the harvesting of wood for construction poles and energy shall be undertaken only in the areas permitted by the State for infrastructure development and clearing for production activities.

Order 17/PM 2008 (Article 9), Decision 0105/MAF 2008 (Article 3.5) and Instruction 0088/MAF on for the Implementation of Decree 23/PM 2012 (3.7) encourage and regulate the harvesting of wood products such as firewood, wood for charcoal, scaffolding by individuals and villages. This includes the cutting and sale of these products. This appears to be in contradiction to Article 43 of the Forestry law.

Specific regulations have been issued for charcoal (No 0819/MAF 2011 regarding the use of wood for making charcoal) and provinces permit this by issuing licences and volumes are included in some annual harvesting proposals. There is also regulation for the cutting of firewood or scaffolding (No 0058/MAF 2012).

Since the Forestry Law was made in 2007 there have not been any new regulations with respect to individual, household or customary use of timber in Village Use Forests issued.

The supply chain for the harvesting of NTFPS and wood for fuel, charcoal and scaffolding is discussed separately.

Two Legal flow diagrams show the supply chain and legal sources for Village Use Forests and natural trees on individual land:

- Land Allocation, Planning and Harvesting
- Log Transport

The processing of timber harvested from village forests is described in Section 11.

Timber from village use forest cannot legally be sold or exported.

A list of legal instruments and documents relevant to timber from Village Forest Use Areas is provided in Table 4 and further details on the regulatory steps set out in the legal maps are provided in Table 7.

Table 6: List of Legal Instruments and Documents relevant to Village Forest Use and Individual Land

LEGAL INSTRUMENT OF DOCUMENT	MINISTRY RESPONSIBLE	DEPARTMENT RESPONSIBLE
Law No. 47/NA on Local Administration 2003		
Law No. 04/NA on Land 2003	MONRE	
Law No. 24/NA on Transportation 2012	MPWT	
Law No. 46/NA on Enterprise 2013	MOI	
Law on No. 02/NA Land Traffic 2000	MPWT	
Decree No. 003/PO on Fees and charges 2012	MOF	All
Decree No. 134/PM on Protected Areas 2015	MONRE	
Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012	Various	Various
Decree No. 333/PM on Protection Forests 2010	MAF MONRE	
Order No. 57/PM Managing the collection of revenue from the sale of timbers and NTFPs 2014		
Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008	Various	Various
Decision No. 0054/AF on Customary Use Rights of Forests 1995	MAF	DOF
Instruction No. 03/PM on Land-Forest Allocation for Management and Use 1996		
Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015	MOF	
Instruction No. 564/NLMA Adjudication of Land Occupation and Rights 2007		NLMA
Instruction No. 0822/AF on Land Forest Allocation for Management and Use 1996	MAF	DOF
Regulation No. 0535/MAF on the Management of Village Forests 2001		
Directive No. 0509/MOF for the calculation of taxes on timber and non-timber forest products 2009	MOF	DOT
Directive No. 0377/AF on Customary Use of Forest Resources 1997	MAF	DOF
Notification No. 1904/MOIC.DIMEX on Procedure to issue import and export license for Timber and timber products, 2011	MOIC	DIMEX
Notification No. 0094/SA Guidance on The Implementation of Ministerial Guidance on the Management of wood exportation for the purpose of revenue collection in timely manner; 2013	MOF	SA
Notification No. 1179/SS on the cancellation of inspection station – checkpoints 2011		
Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations 2008	MOIC	DIMEX
Notification No. 1601 MOIC.DIMEX on the Management and movement of timber, timber products and non-timber products in domestic and for exportation 2008	MOIC	DIMEX
Notification No. 2215/MOIC on the cancellation of the issuing Commodity Movement Permit by the industry and commerce sector 2011	MOIC	
Agreement No. 1984/MAF on The Terms of Reference Department of Forest Inspection (DOFI) 2012	MAF	DOFI
Agreement No. 1987/MAF on Terms of Reference for District Forest Inspection Office 2013	MAF	doFI
Agreement No. 0019/MAF-2008 No. 2139/2008 MPWT, 14 February 2008	MAF MPWT	DOF DPWT
Agreement No. 0141/MAF Agreement Of the Minister On Forest and Forest resources Inspection and Case Action 2010	MAF	DOFI

LEGAL INSTRUMENT OF DOCUMENT	MINISTRY RESPONSIBLE	DEPARTMENT RESPONSIBLE
Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs 2009	MOF	
Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008	MAF	DOF
Guideline No. 2152/DOF on Village Boundary Demarcation 2006		DOF
Guideline No. 2297/MOF on Bidding Regulations for Buying Timber and Other Forest Resources from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings 2004	MOF	
Guideline No. 2156/DOF on Sustainable Production Forest Management Planning 2006	MAF	DOF
Guidelines on Participatory Land Use Planning 2010	MONRE	

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LEGAL FLOW DIAGRAMS FOR VILLAGE USE FORESTS AND TREES ON INDIVIDUAL LAND

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Figure 7: Land Allocation, Planning and Harvesting from Village Use Forests and Other Areas

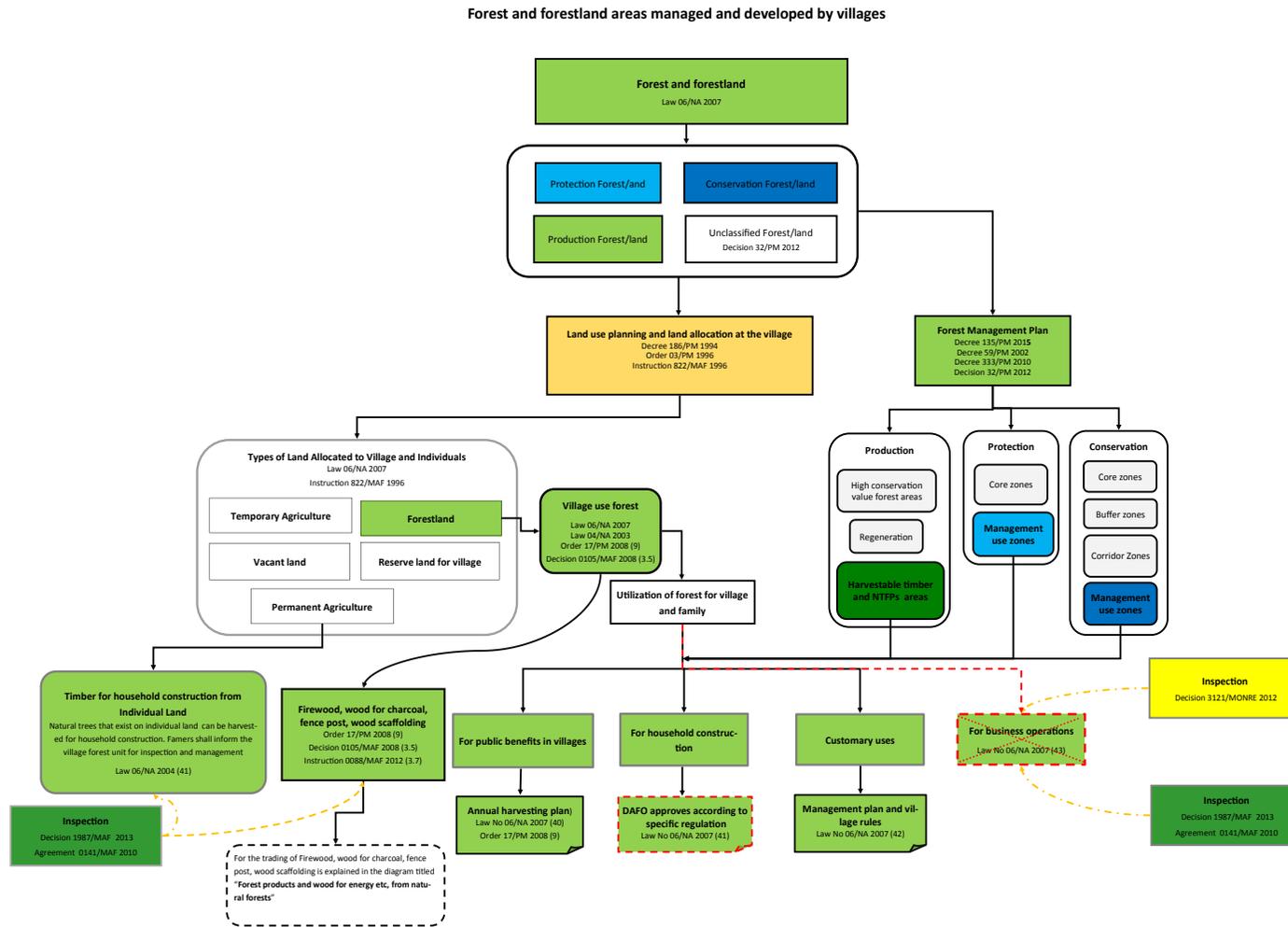


Figure 8: Transport of Logs from Village Use Forest and Other Areas

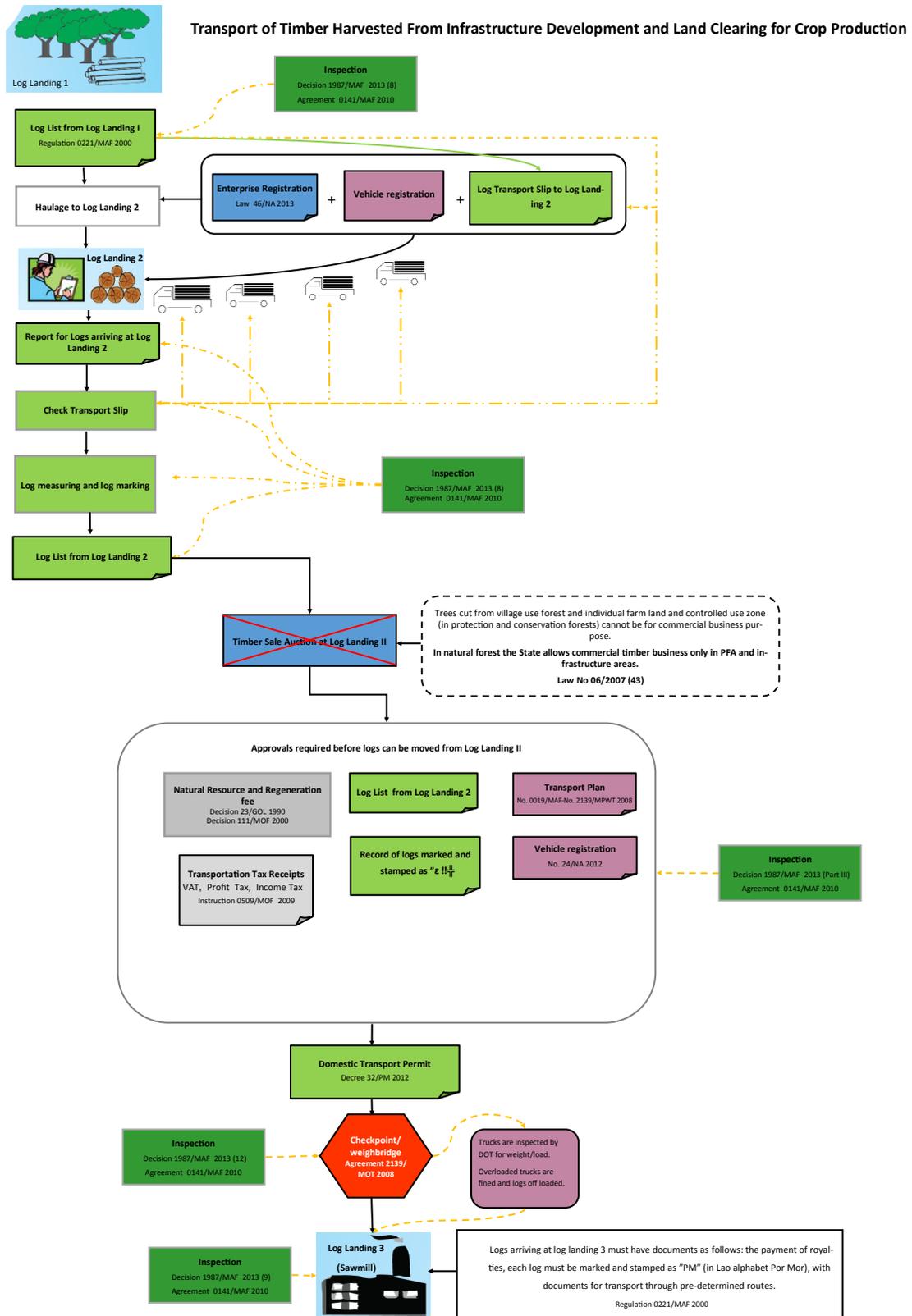


Table 7: Village Use Forest and Individual Land – legal sources

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
PLANNING				
Forest and Forestland	Article 4. Ownership of forest and forestland	<p>Law No. 04/NA on Land 2003</p> <p>Article 9. Land Management: The State is charged with the management of land for the whole country in a centralized and uniform manner in which the government assigns management responsibilities to the national land management authority as prescribed in Article 10 of this law and it coordinates with concerned sectors and local administrations, assigns responsibility for the management of land use to concerned sectors such as the Ministry of Agriculture and Forestry</p> <p>Article 11. Classification of Land Regions and Land Categories:</p> <p>2. Classification of land categories:</p>	MONRE allocates Land Types to agencies with approval from NA.	Forest Land is assigned to MAF for management. Not all land with forest is allocated to MAF.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Forest and Forestland	Article 4. Ownership of forest and forestland Article 9. Forest categories Article 56. Categories of forestland	Law No. 04/NA on Land 2003 Article 11. Classification of Land Regions and Land Categories Article 12. Determination of Boundaries for each Land Category Chapter 3: Management of Forest Land Article 19. Forest Land: Forest land is the area of all land which is covered by forest or the land which is not covered by forest but is determined by the State to be forest land as prescribed in the Law on Forestry. Article 20. Management of Forest Land: MAF is charged with managing forest land, determining different categories of forest land, studying and developing regulations on the management, protection, development, and use of this category of land, including environmental protection, and, thereafter, to submit [them] to the Government for consideration and approval.	MAF is responsible for managing forest and forestland assigned under the Land law.	Forestland is assigned to MAF for management. Forestland is categorised into three categories for the purpose of preservation and development.
	Article 4. Ownership of forest and forestland Article 79. Allocation of forest and Forestland areas to local administration authorities	Law No. 47/NA on Local Administration 2003 The government delegates responsibility to local administration authorities to manage the territory, natural resources and population in order to preserve and develop into a modern, civil and prosperous society.	The Government allocates forests and forestland areas to the Provincial and Vientiane Capital, administration authorities, which allocates them to District or Municipal Administration Authorities which allocate them to village administration authorities	Local administration has responsibility to manage natural resources and may issue regulations and instructions for management and use.
	Article 9. Forest categories Article 56. Categories of forestland	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008	MAF and LMA are to collaborate on the survey	Forestland is categorised into three categories for the purpose

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Article 2 MAF is to collaborate with National Land Management Authority, concerned ministries and organizations and local Authorities across the country to redo the survey and clearly demarcate each different forest type to best suit the reality, and complete putting up sign boards for three forest types as: Conservation Forest Areas (national and local) Protection Forest areas (national and local) and Production Forest Areas) in the year 2010.	and demarcation of forest categories.	of preservation and development.
	Article 9. Forest categories Article 56. Categories of forestland	Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 2: PAFO and DLPD are to survey and demarcate the three categories of forest	PAFO and LDP are to survey and demarcate the three categories of forest.	Forest categories should be surveyed and demarcated.
Forest Management Plan	Article 25. Preservation of Production Forests	Decree No. 31/PM on temporary stop for logging at the National Production Forest, 2013 Articles 2 and 3 requires the completion of forest resources surveying and forest management planning by 2015. Article 2 requires all ministries and provinces to commence forest resources surveying and forest management for sustainable to complete in the year 2015, then planning for forest management for the entire country and report to the government for taking consideration and approval logging for the next Process. During surveying and planning should follow as below		Only Forest Areas with a Forest Management Plan may be harvested
	Article 16. Forest classification and management planning Article 23 Preservation of protection forests Article 24. Preservation of conservation forests	Decree No. 134/PM on Protected Areas 2015 Article 6: Criteria for classifying the level of Protected Area Article 8: Classifying the zone of Protected Area Article 14: The conversion of Protected Area Article 16: The survey of Protected Areas	MONRE is responsible for the declaration and management of conservation forests	Protection Forest are established by Decree. In protection and conservation forests, people (villagers) are allowed to use wood and forest products in the Controlled Use

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Article 17: Allocation planning and use of Protected Area</p> <p>Article 18: Boundary demarcation and installation of boundary signs</p> <p>Article 27: The use by family: Local people, who reside in and around Protected Areas and contribute to the protection and regeneration of forest and Non-Timber Forest Products in the Protected Areas, have the rights to use forest and forest products as determined in the allocation plan of Protected Area and related regulation and law.</p>		Zone according to the management plan.
	<p>Article 16. Forest classification and management planning</p>	<p>Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012</p> <p>Article 4. Production Forest management</p> <p>4.2 Promotion of Village forest management in the three categories of forest.</p>	Not specified	Forest Management Plans are to ensure the sustainable use of wood and NTFPs
		<p>Decree No. 59/PM On Sustainable Management of Production Forest Areas 2002</p> <p>Article 1.3 To create a framework for sustainable management of PFAs based on the participation of villagers in forest management planning, management and receipt of revenues.</p> <p>Article 9: Harvesting of timber and forest products shall be conducted only in demarcated management areas under official approval of required management plans focusing on sustainable management and based on regeneration rates and baseline data of pre-harvest inventories.</p>	Villagers participate in forest management planning	Forest Management Plans are to ensure the sustainable use of wood and NTFPs

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
	<p>Article 16. Forest classification and management planning Article 23 Preservation of protection forests Article 24. Preservation of conservation forests</p>	<p>Decree No. 333/PM on Protection Forests 2010 Article 3, 16. Management areas means the forest and forestry land within the protection forest areas and the protection forest land classified and allocated for the local people to be able using the forests and the forest products in the traditionally sustainable manners without the negative impact to natural forest structure. Utility of forest can proceed only in the managed areas which consist of production forest, protection forest, sacred forest, cemetery etc. Article 7. Zoning in the Protection Forests and the Protection Forestry Lands - logging is prohibited.</p>	<p>MONRE is responsible for the declaration and management of conservation forests</p>	<p>In protection and conservation forests, people (villagers) are allowed to use wood and forest products in the Controlled Use Zone according to the management plan.</p>
	<p>Article 39. Categories of utilization of the forest and forest products</p>	<p>Guideline No. 2156/DOF, on Sustainable Production Forest Management Planning 2006 6.2.1 Management planning in protected area or protection forest: Protected area consists of buffer zone along the water stream, important water source, forest of religious and cultural importance, biodiversity area etc...of conservation significance. Protection forest is the area of steep slope and erosion prone area. Logging is not permitted in protected and protection forest with a sub-forest management area. Article 6.3 Management planning in areas which cannot produce timber commercially. 6.3.1 Forest area allocated for village use must be managed with annual logging regime of the same 15-year cutting cycle as the productive forest area.</p>		<p>This guideline prohibits logging in protected and protection forest with a sub-forest management area. This has been superseded by Decree No 333/PM 2010 and Decree No 134/PM 2015 Areas of village use forest must be managed according to a management plan</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Land Use Planning and Land Allocation to the Village	Article 9. Forest categories Article 56. Categories of forestland	Law No. 06/NA on Forestry 2007 Article 3, 13. Village use forests are the forest areas located within village areas and allocated to be under the village management, preservation and utilization according to the land and forest allocation plan.		Village use forests are forest areas located within village areas and allocated to be under the village management, preservation and utilization according to the land and forest allocation plan.
Types of Land Allocated to the Village	Article 13. Forest Areas	Guideline No. 2152/DOF on Village Boundary Demarcation 2006	DAFO approves village management plan	Village use forests are located inside the three forest categories.
Types of Land Allocated to the Village	Article 82. Forest and forestland areas preserved and developed by villages	Instruction No. 0822/AF on Land Forest Allocation for Management and Use 1996	Not specified	Land is allocated to villages for use under the Land Forest Allocation Program
Types of Land Allocated to the Village	Article 83. Approval of forest and forestland areas for preservation and development at local levels.			
Types of Land Allocated to the Village		Instruction No. 03/PM on Land-Forest Allocation for Management and Use 1996		Land is allocated to villages for use under the Land Forest Allocation Program

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Instruction No. 564/NLMA Adjudication of Land Occupation and Rights, 2007	Defines various functions with respect to land allocation and adjudication at the village level.	Land is allocated to villages for use under the Land Forest Allocation Program
		Guidelines on Participatory Land Use Planning 2010		Land is allocated to villages for use under the Land Forest Allocation Program
Village Use Forest	Article 39. Categories of utilization of the forest and forest products Article 40. Utilization of forest and forest products for village benefit	Guideline No. 2156/DOF on Sustainable Production Forest Management Planning 2006 Article 6.3.1 The village managed forest area in the sub-forest management area should consist of dry dipterocarp forest, except the forest type which is included in the productive forest area. Each village which participates in the management of sub-forest management area must develop rules for management and use of village-managed forest area, the so developed rule should be included in the annexes of the sub-forest management area management plan.		Village Use forests that are available for timber harvesting should consist of dry dipterocarp forest and the forest types which are included in the productive forest area.
QUOTA				

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Annual Harvesting Plan	Article 39. Categories of utilization of the forest and forest products Article 40. Utilization of forest and forest products for village benefit	Guideline No. 2156/DOF, on Sustainable Production Forest Management Planning 2006 Article 6.3 Management planning in area which cannot produce timber commercially. 6.3.1 Logging in the village managed forest area should be restricted by the volume increment rate of dry dipterocarp forest and other forest type with volume at least 50 cum/ha. Forest area allocated for village use must be managed with annual logging regime of the same 15-year cutting cycle as the productive forest area.	DAFO includes volume of timber from Village Use Forest in annual logging plan.	Timber for village forest use must be included in the annual harvest plan
Harvesting of timber and products for Households	Article 40. Utilization of forest and forest products for village benefit	Refer to NT2 agreement,		Special Quotas can be approved for village associations
HARVESTING				
Harvesting Timber for Village Benefit	Article 40. Utilization of forest and forest products for village benefit		DAA approved harvesting based on recommendation of DAFO in accordance with the Provincial or Vientiane Capital annual logging plan which has been approved by the government.	Timber harvesting on village land may be undertaken for village use. Timber harvesting for commercial use must be undertaken in accordance with Article 43. It is not clear if this allows for commercial harvesting on Village Land if it is undertaken in accordance with Article 43.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
<p>Harvesting of timber and products for Households</p>	<p>Article 41. Utilization of forests for households Article 42. Customary utilization of forests.</p>	<p>Decree No. 134/PM on Protected Areas 2015 Article 8: Classifying the zone of Protected Area 2. Controlled Use Zone is a forest zone that connects or is near the Total Protected Zone. This zone shall be protected similar to the Total Protected Zone but allows local people to use timber and forest products based on the regulation and the allocated plan Article 25: The utilization of protected areas The government allows to use Protected Areas only in a allocated zone and must use in accordance with related regulation and law and ensure that there is no negative impacts on forest, quality of soil, natural and social environment. The use of Protected Areas is classified into 3 categories as below: 1. The use for public benefit; 2. The use of family; 3. The use for business. Article 27: The use by family: Local people, who reside in and around Protected Areas and contribute to the protection and regeneration of forest and Non-Timber Forest Products in the Protected Areas, have the rights to use forest and forest products as determined in the allocation plan of Protected Area and related regulation and law.</p>	<p>Village Forest Unit takes the lead in monitoring the use of Protected Areas.</p>	<p>In Conservation Forests (Protected Areas), people (villagers) are allowed to use wood and forest products in the Controlled Use Zone according to the management plan.</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Harvesting of timber and products for Customary Use	Article 41. Utilization of forests for households Article 42. Customary utilization of forests.	Decree No. 333/PM on Protection Forests 2010 Article 17: The Use of forestry and forest products in the management areas for the use of protection forests is particularly authorized for non-prohibited trees and forestry products, NTFPs, medicinal crops and plants of traditional use. However the implementation must be in accordance with the allocation plans and procedures related to the protection forests and protection forestry procedures in a way that is consistent with the forestry law.	Village Forest Unit monitors activities including illegal logging	In Preservation forests, people (villagers) are allowed to use wood and forest products in the Controlled Use Zone according to the management plan.
Harvesting of Timber on Individual Land	Article 41. Utilization of forests for households		For prohibited species the village forest unit must be informed for inspection and management	Harvesting of timber on individual land is permitted.
Harvesting of Timber on Village Use Forest, Household and Individual Land	Article 102. Prohibition for people	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008 Article 20.3 prohibits the harvesting of certain prohibited species	Village Forest Unit monitors activities	It is prohibited for people to cut, purchase, sell and remove or harvest natural timber prohibited species and special trees without permission from the government such as: May Dou Lai (Pterocarpus macrocarpus sp.), May Kha Nhoung (Dalbergia cochinchinensis), May Padong (Shorea hippocras), May khamphi (Dalbergia bariensis), May Longleng (Cunninghamia Sinensis), May Champa Pa (Michelia Champaca); It is illegal for people to claim trees outside the land allocated to them.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
				This may contradict Article 41 of the Forestry Law
Harvesting of Timber on Village Use Forest, Household and Individual Land	Article 102. Prohibition for people	Additional Order No. 10/PMO 2011 on Prevention and Suppression on harvesting, purchase-sale of prohibited species Amends Order No 17/PM 2008 to include Mai Kha Yung (<i>Dalbergia cochinchinensis</i>) to the list of prohibited species.		It is prohibited for people to cut, purchase, sell and remove or harvest natural timber prohibited species and special trees without permission from the government such as: May Dou Lai (<i>Pterocarpus macrocarpus</i> sp.), May Kha Nhung (<i>Dalbergia cochinchinensis</i>), May Padong (<i>Shorea hippocras</i>), May khamphi (<i>Dalbergia bariensis</i>), May Longleng (<i>Cunninghamia Sinensis</i>), May Champa Pa (<i>Michelia Champaca</i>); It is illegal for people to claim trees outside the land allocated to them. This may contradict Article 41 of the Forestry Law
Firewood, wood for charcoal fence posts and wood scaffolding	Article 41. Utilization of forests for households Article 43. Utilization and forest products for business operations	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008 Article 9 Timber harvesting for energy and commodity such as: firewood, wood for charcoal, fence post, wood scaffolding (props), is allowed specifically in individual areas and village management forest areas allocated through the land-forest land allocation scheme.	Not specified	Non timber wood products harvested in village forest use areas or forest owned by individuals must be included in the annual logging plan

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Firewood, wood for charcoal fence posts and wood scaffolding	Article 41. Utilization of forests for households Article 43. Utilization and forest products for business operations	Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 3.5 Management of Exploitation of Wood for Energy Sources and Wood as merchandise		The commercial harvesting of wood for energy sources and wood as merchandise is permitted on village and individual land, however this may be inconsistent with the Forestry Law.
Inspection	Article 49. Logging and harvesting of forest products	Decision No. 3121/MONRE regarding the Organization and Activities of the Department of Forest Resource Management 2012 Article 4.5 Undertaking the management, inspection, monitoring of natural touristic operations, wildlife raising farms, wildlife and wild plant import, export, returning and passing through activities; tree seed stands and wildlife breeding habitats; logging and NTFP harvesting activities and waste cleaning from areas susceptible to be flooded in the upstream of hydropower dams, infrastructure construction areas and other areas;	DFRM undertakes monitoring and inspection of logging in Village Use Forests within Protection and Conservation Areas.	
LOG LANDING 1				
Log List	Article 49. Logging and harvesting of forest products	Regulation No. 0221/MAF On the Management of Harvesting of Timber and Forest Products 2000	Not specified	A list of logs harvested should be made
Inspection	Article 49. Logging and harvesting of forest products	Instruction No. 0141/MAF on Forest and Forest resources Inspection and Case Action 2010 Article 7. 1st Landing Inspection	DOFI may undertake inspection of logs harvested in Village Use Forests and from Individual land I coordination with VAA	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
TRANSPORT TO LOG LANDING 2				
Haulage to Log Landing 2	Article 53. Transport of timber and forest products	<p>Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012</p> <p>5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport of all types' sawn timber and timber products that stipulate in forestry law.</p>	MAF is responsible for the transport of logs	This Decree is clarifies responsibilities between MAF and MOIC.
		<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008</p> <p>Article 11. MAF, in close collaboration with local authorities is to supervise the implementation of logging plan including the hauling to log landing I and transport from landing I to landing II, Article 16.1 (3) clarifies MAF is responsible for transport up to Log Landing II.</p>	PAFO is responsible for the transport of logs from Land Landing 1 to Log Landing 2	
		<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008</p> <p>Article 3.8.1 hauling and transporting timber gathered at log landing 2 or hauling timber from log landing 1 to log landing 2 is prohibited from 01 June to 31 October every year.</p>	MPWT is responsible for monitoring the movement of vehicles in prohibited periods	Haulage from Log Landing 1 to Log Landing 2 must not occur between 01 June and 31 October every year
LOG LANDING 2				

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Log measuring and marking	Article 21. Measuring and quality grading	Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008	PAFO is to give advice to the forestry sector regarding the marking of trees	Logs must be clearly marked with indications of PFA, SPFA, compartment, base line, strip line, tree number, and log number.
		Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading, 2007 All Articles	Not specified	Logs must be clearly marked
		Guideline No. 2157/DOF 2006 Guideline on Timber Harvesting in Production Forest, 6 November 2006, Part X on log marking requirements and documentation requirements	Not specified	Logs must be clearly marked
TRADING				
Sales		There are no regulations for this.		It is not clear whether timber from Village Use Forests and Individual Land can be sold
Taxes must be paid for wood sold	Article 97. Obligations of forest and forestland users	Law No. 05/NA on Tax 2012	Forest and Forest users must pay taxes in accordance with the regulations	It is not clear whether timber from Village Use Forests and Individual Land can be sold If not, there should be no taxes payable.
		Directive No. 0509/MF for the calculation of taxes on timber and non-timber forest products 2009	Forest and Forest users must pay taxes in accordance with the regulations	It is not clear whether timber from Village Use Forests and Individual Land can be sold If not, there should be no taxes payable.
TRANSPORT ALL SECTORS				

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Approvals required before logs can be moved	Article 45. Business operations in the forest	Law No. 46/NA on Enterprise 2013	Timber harvesting and haulage businesses must be registered by MOIC and approved by MAF	
	Article 20. Management of vehicles and machinery for logging, processing, log hauling and transportation	Law No. 24/NA on Transportation, 2012 Article 14 on requirements for vehicle drivers, Articles 16 on vehicle requirements, Articles 21 on establishment of transport enterprise and licence Article 12 on cross-border transport	MPWT registers and monitors/inspects vehicles	Vehicle Registration is required for timber harvesting and extraction: <ul style="list-style-type: none"> • Registration as transport vehicle • Vehicle use permit • Vehicle licence plate • Vehicle technical inspection document • Vehicle insurance • Driver's licence If animals are used for moving logs, verify that registration documents are kept and correct
		Law No. 02/NA on Land Traffic 2000 Article 35. Standard of Vehicles: All types of mechanised vehicles imported to be registered and used permanently in the Lao PDR shall have structures in accordance with the technical standards of the production factories, steering wheels on the left hand side, and qualities in accordance with the technical standards issued by the MOT Article 17. Assembly and Modification of Vehicles The assembly and modification of mechanised vehicles shall comply with defined factory standards and with the technical standards issued by the Ministry of Communication, Transport, Post and Construction.	MPWT registers and monitors/inspects vehicles	Vehicles must not be modified

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations 2008 Articles 1 and 3 on approval for importing and registration of wood extraction and transport vehicles</p>	MPWT registers and monitors/inspects vehicles	Approval is required for Importing machinery associated with timber harvesting
		<p>Guideline No. 0105/MAF 2008 Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008 Article 10 on agreement No 0019.MAF 2008 and No 2139/PWT 2008 between DOF and DoT</p>	MPWT registers and monitors/inspects vehicles	Vehicle Registration are required for timber harvesting and extraction
		<p>Agreement No. 0019/MAF-2008 No. 2139/2008 MPWT, 14 February 2008 All Articles</p>	MPWT registers and monitors/inspects vehicles	Approval is required for Importing machinery associated with timber harvesting
TRANSPORT TO LOG LANDING 3, DOMESTIC MARKET OR EXPORT				
Approvals required before logs can be moved from Log Landing II	Article 53. Transport of timber and forest products	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 16 on agency responsibilities and documentation requirements Article 16.1 (6) clarifies MOIC issues Log Transport permit at Log landing 2.</p>	MOIC is responsible for Log Transport permit from Log Landing 2	This is contradicted by Decision No 32/PM 2012
		<p>Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport</p>	MAF is responsible for the transport of logs. PAFO issue Domestic Transport permit	This Decree is clarifies responsibilities between MAF and MOIC.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		of all types' sawn timber and timber products that stipulate in forestry law.		
		Guideline No. 0962/DOF on the management of timber log transport from harvest area to log landing II, 2010 4.6. The listing of timber in Log yard III Log List Form IV	Not specified	Logs transported from Log Landing 2 must be marked before transport is approved.
		Notification No. 1904/MOIC.DIMEX (or 1940) 2011 on Procedure to issue import and export license for Timber and timber products, 2011 Article 5. Inspection of the movement and exportation The Industry and Commerce sector through trade inspection officers shall coordinate with the relevant agencies to monitor the movement, exportation of timber and wooden products on transportation routes, wood processing factories, storage and other places where necessary. If informed by a reliable source, trade inspection officers shall coordinate with the relevant agencies to inspect and act according to the rights and authority as given by the Laws and regulations.	MOIC is responsible for inspecting logs in transit	MOIC is responsible for inspecting logs in transit
		Notification No. 2215/MIC on the cancellation of the issuing Commodity Movement Permit by the industry and commerce sector 2011 All articles	POIC do not issue transport permits	Cancels the need for issuing movement permits by POIC, with the exception of specific commodities as named
		Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs 2009 Article 2.1 Department of State Asset Management and the Provincial Office of Finance (State Asset Management Office) must the issue a certificate for the settlement of money before transporting from Log yard II to Log yard III.	Royalties and Fees must be paid to MOF	Royalties and fees must be paid.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Article 3.6 6) The transport of timber from Log yard II shall have a receipt from the sale of timber or if in the case of debt settlement, it shall have a reference paper in the attachment with the receipt.</p> <p>Article 4.3 If the obligation fees are not paid fully, it is definitely not allowed any officers from any sectors to issue a certificate document for the transport of timber out of Log yard II.</p>		
		<p>Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs 2009</p>	A Receipt from the Department of Finance must be Issued	
		<p>Directive No. 0509/MOF for the calculation of taxes on timber and non-timber forest products 2009</p> <p>Article 4 4. Transport of timber and sawn timber at each point</p>	Fee for transport Permit must be paid	
Domestic Transport Permit	Article 53. Transport of timber and forest products	<p>Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business, 2012</p> <p>5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport of all types' sawn timber and timber products that stipulate in forestry law.</p>	PAFO issued Domestic Transport permit	MAF is responsible for the transport of logs
		<p>Decree No. 003/PO on Fees and charges 2012</p> <p>Article 41 (6) Fees for issuing transport permit for timber and NTFPs within the country, export permit for timber and NTFPs including certificate of plantation, certificate of planted timber are as follows</p>	Transport Permit Fee must be paid to MAF and a receipt issued	
Checkpoints	Article 53. Transport of timber and forest products	<p>Law No. 02/NA on Land Traffic 2000</p> <p>Article 13. Driving Regulations and Loading: It is prohibited to overload goods or passengers in respect</p>	MPWT inspects logs at checkpoints	Movement and inspection of Wood

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		of either their weight or the number of permitted passengers;		
		Law No. 24/NA on Transportation, 2012	MPWT inspects logs at checkpoints	Movement and inspection of Wood
		Notification No. 1179/SS on the cancellation of inspection station - checkpoints 2011		Cancels some checkpoints
Inspection	Article 114. Rights and duties of forestry officers	<p>Agreement No. 1987/MAF on Terms of Reference for District Forest Inspection Office 2013 Article 4.2 2. To inspect forest, forest land, Non timber forests, log landing I, II, III, warehouse, Sawmills, Wood processing factory, furniture, timber transportation, timber shops and other manufacturing to use wood as the energy, Aquatic and Wildlife farms and other places.</p> <p>Agreement No.0141/MAF of the Minister On Forest and Forest resources Inspection and Case Action 2010 Article 5. Forest and Forest Resource Inspection: Inspect the transportation of products internally and for export Article 12.7 Logs -Inspect Legal documents as transport permit from second landing to third landing or timber processing factories Article 13. The inspection approaches to internal removal pass/transportation of sawn timber 6. Inspection record and certification of products transported from Timber processing factories and the record of truck log docket for each shipments issued by POIC</p>	DOFI has the authority to inspect timber transport and establish checkpoints	
			DOFI has the authority to inspect timber transport and establish checkpoints	DOFI has the authority to inspect timber transport and establish checkpoints
REFER TO SECTION 11 "TIMBER PROCESSING"				

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
REFER TO SECTION 12 "EXPORT OF WOOD SOURCED FROM PRODUCTION FOREST AREAS, CONVERSION AREAS AND VILLAGE USE FORESTS"				

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SECTION 9 TIMBER PLANTATION INVESTMENT PROJECTS

SUMMARY

Investment Plantations are those tree plantations established for wood production⁶ on land parcels greater than 3 hectares in size. They may be approved either by way of a lease or concession agreement with the government or through the accumulation of small plantations by one owner.

Land Allocation, Plantation Development and Registration

Tree plantations for timber production may be established on:

- Production Forest Areas classified as 'degraded' or 'bare'
- Other land types

Under the Forestry Law 'plantations' are included within the legal definition of Production Forest Areas (Article 35), and plantation development is promoted in areas demarcated for that purpose (Article 33), focussing on forest land classified as degraded or barren.

In accordance with the Land Law (Article 21) allocation of forestland areas greater than 3 hectares⁷ for plantation must be by way of lease or concession following Articles 74, 75 and 76 of the Forestry Law. This land should not support forest that contain commercial timber because it should either be bare of trees, heavily denuded such that the standing volume is less than 30 m³/ha or is on degraded soil in which trees are not able to grow resulting in low standing volume (refer to definitions under Article 3). Consequently there should be no (or limited) sales procedure for timber from the clearing of any trees/forest on the project area in the phase preceding plantation establishment.

Where plantations are established on degraded or barren PFA it is not clear whether land remains within the Production Forest Category and/or whether the regulations for PFAs apply. Regulations for PFA tend to be interpreted as only applying to Natural forest, but as plantations can be established on PFA and there no alternative forest category applying only to plantations, these regulations could theoretically be applied. Guideline 2156/DOF 2006 on Sustainable Production Forest Management Planning (Article 6.1.4) also refers to Management Planning in plantations and requires that plantation forest areas, and areas for tree plantation which lie within a forest management area or sub-forest management area, and are individually or collectively owned are managed in collaboration with the production forest management unit. It then refers to the regulations for promoting long term tree plantation for further instructions.

Plantations for timber may also be developed on land from outside of the Forest Land area assigned to MAF; i.e. other Land Types that are allocated in accordance with the legislation for leases and concessions. Land of this type, that is approved for plantation establishment, may have natural forest cover that must be cleared prior to plantation establishment. The process of conversion and the management of that timber is included in Section 7 - Timber from Conversion Areas.

⁶ The Forestry Law also refers to 'planted forests' which refer to trees planted for environmental purposes.

⁷ Land up to 3 ha/labour force may be allocated to individuals, households or organization (Article 32) for timber plantation development or agroforestry. These smallholder plantations are described further in Section 10.

Forestry agencies, together with MONRE and MPI have responsibilities for approving plantation investment projects, registering these plantations and managing the timber arising from them.

Plantation Investment Projects developed under a lease or concession require approvals associated with that process, such as the identification and management environmental and social impacts, socio-economic studies, feasibility assessments and environmental certification. Fees associated with concessions and leases must also be paid.

Once established, and after a period of three years, plantations must be registered with the Department of Forestry. The Plantation Registration Certificate forms the basis of the information that allows the source of the timber harvested to be tracked through the supply chain.

Exemptions from land tax have been used to encourage plantation registration. However there are inconsistencies in the rules that determine the size and nature of plantations that can be registered and whether all are eligible for the exemptions. There is also conflicting information about which government agencies can grant the land tax exemptions and which documents are need. In some cases, the tax exemptions are not seen as worthwhile compared to the costs of the plantation registration process.

There are also some inconsistencies in the legislation regarding spacing of trees in plantations that are eligible for land tax exemptions. Presidential Decree 01/PO 2007, for example, specifies spacing of 1100 tree/ha but this is not consistent with the forestry regulations which specify various spacing arrangements. There is a need to tax exemptions to reflect the diversity of appropriate plantation arrangement for different species and products.

Quota and Harvesting

The volume of timber to be harvested from plantations should be included in annual harvesting plans, provincial quota applications and consolidated national Quota approvals. Plantation management plans developed by the plantation owner, guide the harvesting cycles, however it is the responsibility of DAFO to undertake plantation surveys so that volumes can be incorporated in quota proposals.

Timber harvesting is the responsibility of the plantation owner however permission for harvesting must still be obtained from PAFO. Obtaining a harvesting permit requires the submission of various documents including a sales contract, the Plantation Registration Certificate and Tree inventory list, showing the volume to be harvested. Other approvals such as vehicle registrations, chainsaw licences and business registration are also required.

While the inclusion of plantation harvesting and timber volume information in the annual quota consideration process may be useful for promoting this source and gauging the needs of industry, it is not relevant for the purpose of ensure sustainable harvesting.

The regulations regarding the harvesting of plantation wood are limited. The Forestry Law, Article 48 on the Felling of planted trees specifies that “Felling and transport of planted trees for commercial commodities shall report to the village forestry unit except prohibited tree species and special trees which require permission from the Provincial or Vientiane Capital Agriculture and Forestry Office by proposal made by the District Agriculture and Forestry Office”.

Under Instruction 115/MAF 2003 (Article 7) only Registered Plantations may be harvested.

Regulation No 1862/MOIC 2008 on the Sale and Purchase of Timber from Tree Plantations requires the seller to have a licence for timber harvesting in tree plantations.

Consideration on the approval of the cutting of planted trees should be based on the registration of tree plantation registration certificate and should adhere to the procedures provided in Regulation No. 0196/MAF 2000 on the long term development and promotion of tree planting.

The harvesting of plantations may be undertaken by:

- the plantation owner (either a smallholder or a plantation company),
- groups of smallholders
- timber harvesting enterprises under contract either to the owner or to the buyer of the wood.

Regulation No 196/PM 2000 Article 14 (1), requires that the logging and transportation of planted trees for commercial purposes is to be undertaken in accordance with the logging period as stated in the plantation management plan, however it does not define the content of a plantation management plan. Definitions are not provided in subordinate or pre-existing regulations. This leaves a general gap in guidance for plantation owners, PAFO, DAFO and Village Forest Units; and the “fall back” is sometimes way of reference to practices applied to Production Forest Areas.

Many regulations that are in force (or which are being applied) make reference to Regulation No 0221/MAF on the Management of Harvesting of Timber and Forest products 2000, however this regulation does not specifically refer to plantation forests and is assumed not to apply. It is however used as the basis of other regulations which do apply to plantations (for example Guideline No 2157/MAF on Timber Harvesting in Production Forests 2006).

Regulation 0182/MAF 2009 on the Establishment and management of Timber Harvesting Units and Enterprises defines a Timber Harvesting Unit includes Production Forest Areas, tree plantation, forestry management by participation by the people, under the management of PAFO and Capital agriculture and forestry office (CAFO). This regulation covers timber harvesting units, enterprises and contractor all of which require, (under Article 24), approval from the forestry sector and registration with POIC.

Instruction 115/MAF 2003 (Article 8) requires that after a harvesting licence for a plantation has been issued the license should be forwarded to the commerce and finance sectors for acknowledgement and implement according to roles of the relevant sectors. It is not clear whether this occurs in practice.

Plantation owners are required to undertake (or have undertaken) pre-harvest measurements of the timber to be harvested including for harvesting, thinning and pruning, and there is an expectation, in some areas, that these assessments must be made with DAFO and paid for by the farmer (or buyer of the wood). However it is not always the case that DAFO undertakes these assessments (farmers often undertake the assessments themselves), but anecdotally, the payment must still be made in order to obtain the necessary approvals and permits for harvesting.

Tax incentives exist for plantation owners that undertake their own harvesting. However the requirements movement and tracking of logs from the plantation are not clearly specified. As log lists are required for the sale of timber, the marking logs by PAFO as a precursor for issuing the Log List, is indicated. However it is also evident that logs may be sold standing and may enter the supply chain directly from the forest.

Notice 0032/MAF PAFO authorise the transport of logs and sawn timber from plantations - small logs should be measured by weight.

The Forestry law requires “Por Mor” be stamp on all types of wood and does not differentiate between plantation wood and natural wood or wood just used for domestic processing.

DAFO may supervise plantation harvesting and check that volume actually harvested is consistent with the harvesting permit.

Recording the areas of all types of forest that are to be harvested, including plantations, is important from the strategic perspective of monitoring rates of deforestation and degradation and the success of reforestation policies and socio-economic strategies.

The transport of timber

Recent reforms have attempted to eliminate some of the requirements for timber transport permits and controlling licenses however the new regulations are being applied inconsistently and in some cases application for moving permits are still being required at Log Landing 2 by both DOIC and PAFO, with the permit paid for an issued twice. In other situations, as is the case in Khammoune Province, the responsibility for issuing transport permits has been taken on by PAFO with PFS, based on an “Agreement” with DOIC. This has removed the duplication but is nevertheless not consistent with the notifications that cancel the requirement for movement permits.

There continues to be lack of certainty around whether transport/moving permissions are required and, if they are which agency is responsible for issuing them. For example:

- Under the Forestry Law 06/NA 2007 Article 53 on the transport of timber and forest products, does not specify who should issue movement permits.
- In accordance with Article 16.1 (6) Order No 17/PM 2008 MOIC issues Log Transport permit at Log Landing 2. However Notification No. 2215/MOIC 2011 cancels the issuing of commodity movement permits by MOIC.
- Decision 32/PM 2012 Article 5.7 states that Agriculture and Forestry Sector is responsible to the management and monitoring of logging operations and transportation
- Under Agreement No 1887/MAF 2012) it is a function of DOF to “Manage and permit the use of timber stamping hammers, issue permit to log natural timber, planted timber and non-timber product, issue transport permit for timber and non-timber forest products within the country and for export”
- Regulations No 0196/MAF 2000, Article 14 regarding the Logging and transportation of planted trees specifies that approval can be provided by the Village Forest Unit for transport within the province, or by DAFO for transport between Provinces.
- Fees can be charged for the issuing of transport permit by MOIC and MAF.

In the absence of transport permits it is unclear how source of origin can be tracked. The Department of Transport also relies on these permits to monitor truck movements.

The use of vehicles and roads for log haulage are regulated

- By the Ministry of Public Works and Transport (MPWT) which responsible for vehicle standards and vehicle and driver registration. It also sets the regulations for the movement of goods on public roads, including setting load limits, travel restrictions and seasonal road closures. MPWT has the authority to establish checkpoints, inspect movement documents, fine drivers and offload goods. MPWT also approves the importation of wood transport vehicles, with prior approval from MAF.
- MAF is responsible for issuing and checking Log lists at Log Landing 1 and 2 as well as approving the importation of vehicles and wood transport plans.
- Under some regulations MOIC is responsible the movement of wood from Log Landing 2 through the supply chain to export.

- The Ministry of Finance, through the Department of Tax and the Department of State Assets also regulate wood transport through the collection fees and royalty payments and the tracking of wood on the State Assets Register.

Timber Sales

For plantations, the sale of timber is by direct negotiation between the seller (typically the plantation owner) and the buyer. Each party must meet specific requirements to enter into log sale-purchase contracts.

Logs may be sold standing or after harvesting.

Sales are made on the basis of the volume recorded in a Tree list (standing) or Log List (harvested) which is also used to calculate the taxes payable by the plantation owner. PAFO undertakes the measurement and grading of logs for which the seller must pay service fees. Taxes must also be paid.

Some plantation grown wood may be sold under contractual wood-supply agreements, or already be the property of a processor.

For the purchase of timber from Production Forests contracts must be reported to Finance and are used for tracking the sale of timber volumes against annual volumes and quotas. There is no similar obligation for the sale of plantation timber, despite the requirement that plantation timber volumes are included in annual planning. While this is likely due to the low financial value of plantation contracts to the State this limits the capacity for monitoring and tracking this component of the timber supply chain.

Three Legal Maps show the supply chain and legal sources for industrial plantations:

1. Land Allocation, Plantation Investment and Approval
2. Plantation Cutting and Transport
3. Timber Sales

The processing of timber harvested from Industrial plantations is described in Section 11 and the Export of timber from plantations is described in Section 12.

A list of legal instrument and document relevant to timber from Industrial Plantations is provided in Table 8 and further details on the regulatory steps set out in the legal maps are provided in Table 9.

Table 8: List of Legal Instruments and Documents relevant to Industrial (Large Scale) Plantations

LEGAL INSTRUMENTS	MINISTRY RESPONSIBLE	DEPARTMENT RESPONSIBLE
Law No. 01/NA on Contract and Tort 2008		
Law No. 02/NA Investment Promotion 2009	MPI	
Law No. 04/NA on Land 2003	MONRE	
Law No. 29/NA on Environmental Protection 2012	MONRE	
Law No. 46/NA on Enterprise 2013	MOIC	
Law No 47/NA on Local Administration 2003		
Law No. 24/2012 NA on Transportation, 2012	MPWT	
Law No. 02/NA on Land Traffic 2000	MPWT	
Decree No. 003/PO on Service fees and Charges 2012		
Order No. 13/PM Regarding suspension of consideration and approval for new investment projects in connection to mineral ore exploration & survey, rubber and eucalyptus Plantation in whole country 2013		
Decree No. 119/PM on the Implementation of the Investment Promotion law, 2011	MPI	
Decree No. 135/PM on State Land Lease or Concession 2009		
Decree No. 192/PM Decree on the Compensation and Resettlement of the Development Project 2005		
Decree No. 88/PM on the Implementation of the Land Law 2005		
Decree No. 96/PM on Industrial Tree Plantations and Environmental Protection, 2003		
Statute No. 02/PM on Concession Rental 2009		
Order No. 57/PM Managing the collection of revenue from the sale of timbers and NTFPs 2014		
Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008		
Decision No. 32/PM On adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012		
Decision No. 8056/MONRE on Endorsement and Promulgation of a List of Investment Projects and Activities Requiring for Conducting Initial Environmental Examination or Environmental Impact Assessment 2013	MONREA	
Decision No. 0080/MAF on procedures for importation, management and utilisation of chainsaw, 2012	MAF	
Decision No. 0221/MOIC the Standard of Wood, Rattan and Bamboo Industrial Processing Factories (Processing Manufacture), 2007	MOIC	
Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading 2007	MAF	DOF
Directive No. 0509/MF for the calculation of taxes on timber and non-timber forest products, 2009	MOF	DoF
Directive No. 0564/NLMA on the adjudication of land occupation rights for the issuing of land titles 2007	MONRE	NLMA
Directive No. 1849/MAF concerning the registration of tree planting parcels 1999	MAF	DOF
Instruction No. 8029/MONRE on Initial Environmental Examination of the Investment Projects and Activities 2013	MONRE	
Instruction No. 8030/MONRE on Environmental and Social Impact Assessment of the Investment Projects and Activities	MONRE	
Instruction No. 115/MAF regarding the investment on tree planting as a source of raw material for the wood processing factories,	MAF	DOF

LEGAL INSTRUMENTS	MINISTRY RESPONSIBLE	DEPARTMENT RESPONSIBLE
registration of tree plantation, licensing for cutting and exporting of planted trees, 2003		
Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015	MOF	
Notice No. 1374/MCAF regarding application for registering tree planting parcels and grown timber certificate 2010		DOF
Notification No. 1904/MOIC.DIMEX (or 1940) 2011 on Procedure to issue import and export license for Timber and timber products, 2011	MOIC	DIMEX
Notification No. 0094/SA Guidance on The Implementation of Ministerial Guidance on the Management of wood exportation for the purpose of revenue collection in timely manner; 2013	MOF	SA
Notification No. 1179/SS on the cancellation of inspection station - checkpoints 2011		
Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations, 2008	MOIC	DIMEX
Notification No. 1601 MOIC.DIMEX on the Management and movement of timber, timber products and non-timber products in domestic and for exportation 2008	MOIC	DIMEX
Notification No. 2215/MIC on the cancellation of the issuing Commodity Movement Permit by the industry and commerce sector 2011	MOIC	DIMEX
Instruction No. 1643/DOF 2007 on development of a feasibility study of industrial trees and NTFP investment		DOF
Regulation No. 2432/STEA for Implementing Decree 192/PM on Compensation and Resettlement of People Affected by Development Projects 2005		
Regulation No. 0196/MAF concerning the development and promotion of long-term plantations 2000	MAF	DOF
Regulation No. 1862/MOIC on the Sale and Purchase of Timber from Tree Plantation, 2008	MOIC	
Regulations No. 0196/MAF 2000 concerning the development and promotion of long-term plantations	MAF	
Agreement No. 0141/MAF on Terms of Reference for Provincial Forest Inspection Office 2010	MAF	DOFI
Agreement No. 1984/MAF on The Terms of Reference Department of Forest Inspection (DOFI) 2012	MAF	DOFI
Agreement No. 1987/MAF on Terms of Reference for District Forest Inspection Office 2013	MAF	DOFI
Agreement No. 0019/MAF-2008 No. 2139/2008 MPWT, 14 February 2008	MAF MPWT	DOF DPWT
Guideline No. 0032/MAF 2010	MAF	
Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs 2009	MOF	
Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM, dated 22/09/2008, 2008	MAF	DOF
Guideline No. 2156/MAF 2006 on Sustainable Production Forest Management Planning	MAF	DOF
Guideline No. 2297/MOF on Bidding Regulations for Buying Timber and Other Forest Resources from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings 2004	MOF	

LEGAL INSTRUMENTS	MINISTRY RESPONSIBLE	DEPARTMENT RESPONSIBLE
Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest, 2006		DOF
Guideline No. 0962/MAF Concerning the management of timber log transport from cutting area to Log Landing 2 2010	MAF	DF
Proposal No. 0133/MAF 2012 for the approval of tree plantation & forest regeneration plan and the timber logging and NTFP harvesting plan for 2012 – 2013		PAFO

Draft

Draft

Figure 9: Industrial Plantation Development and Investment Approval

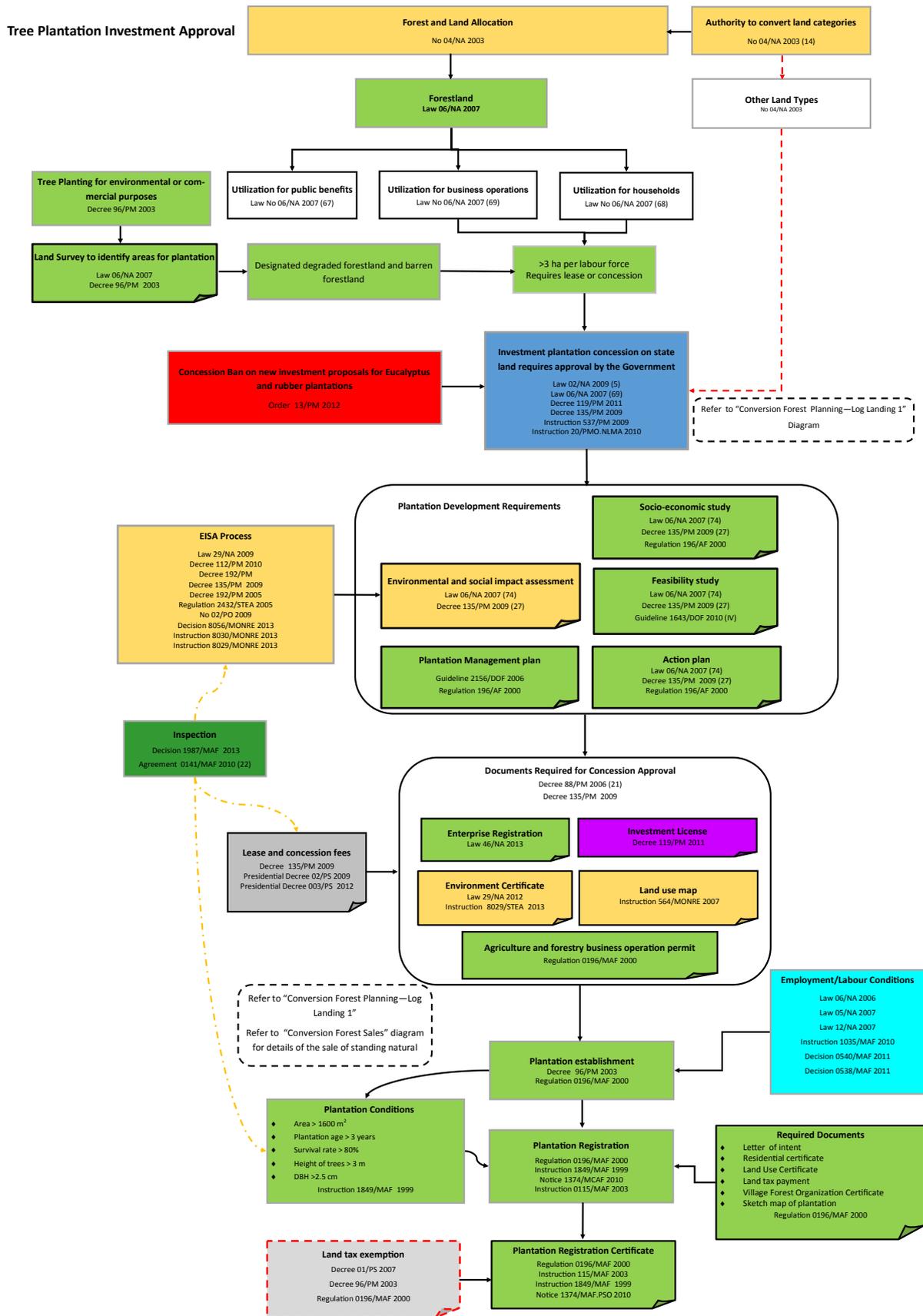


Figure 10: Industrial Plantations Cutting and Transport

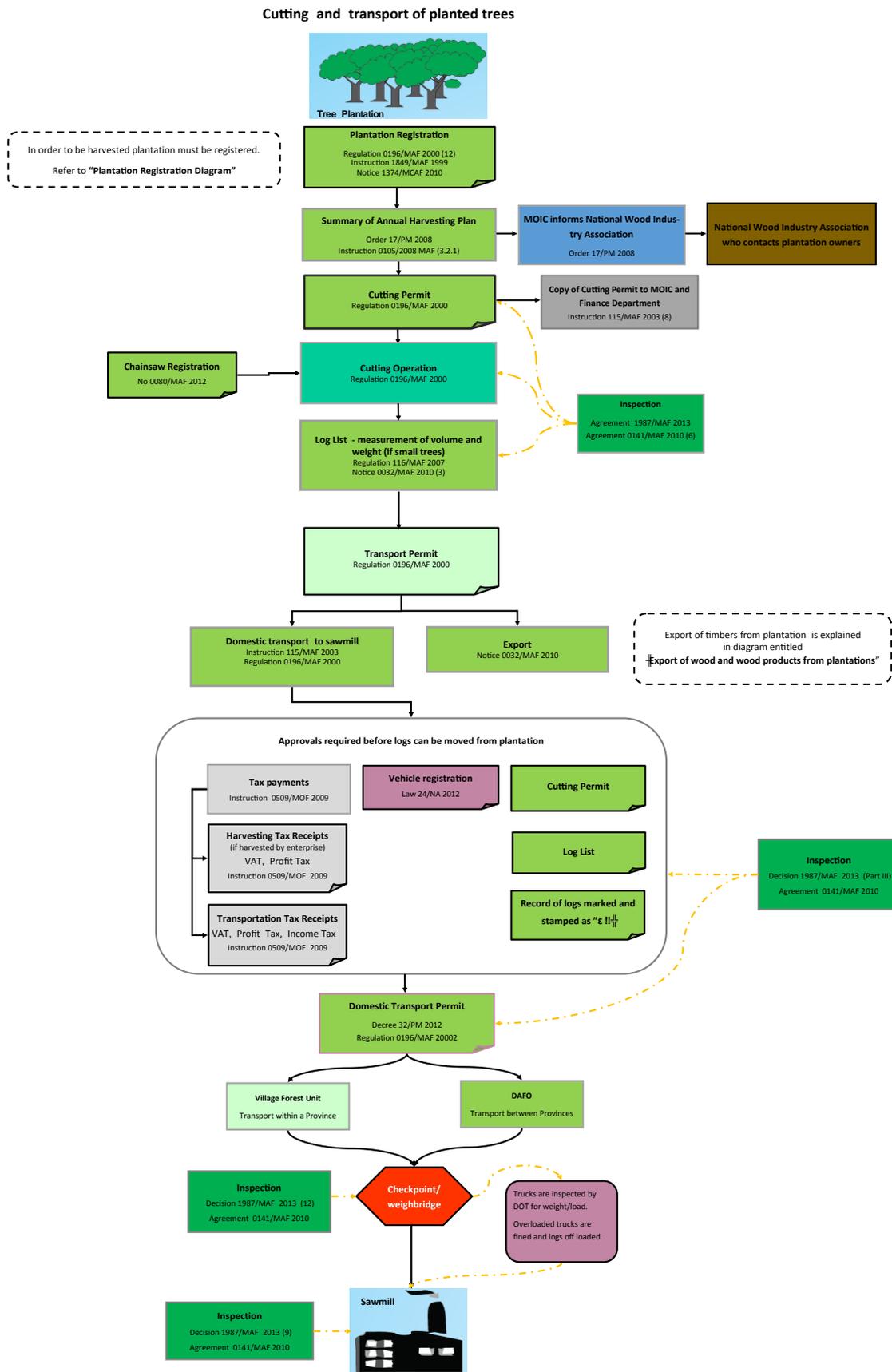


Figure 11: Industrial Plantations Timber Sales

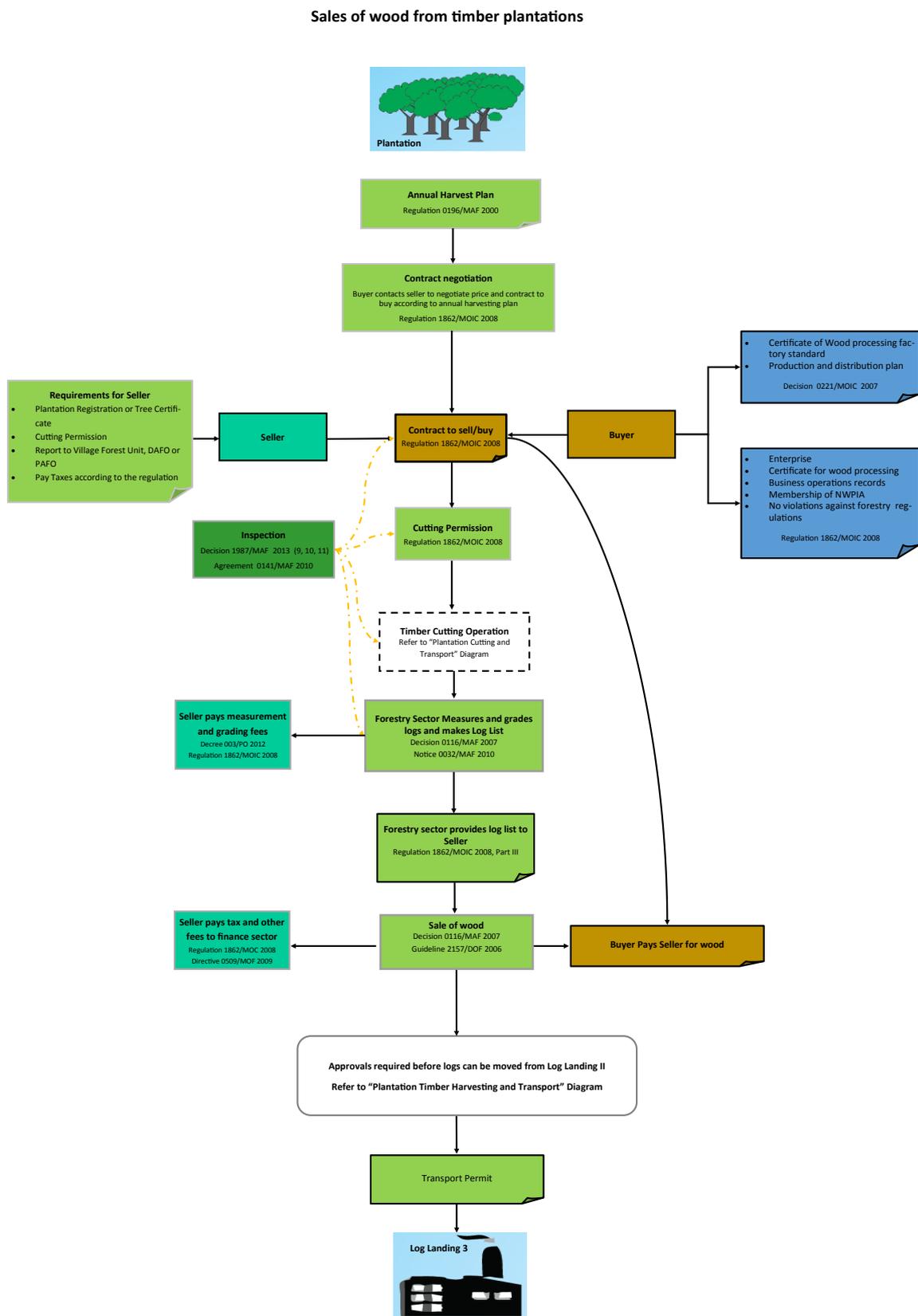


Table 9 Industrial Plantations – legal sources

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
PLANNING				
Forest and Land Allocation	Article 4. Ownership of forest and forestland	<p>Law No. 04/NA on Land 2003</p> <p>Article 9. Land Management: The State is charged with the management of land for the whole country in a centralized and uniform manner in which the government assigns management responsibilities to the national land management authority as prescribed in Article 10 of this law and it coordinates with concerned sectors and local administrations, assigns responsibility for the management of land use to concerned sectors such as the Ministry of Agriculture and Forestry, the Ministry of Industry and Handicrafts, the Ministry of Communication, Transport, Post and Construction, the Ministry of Information and Culture, the Ministry of National Defence, and the Ministry of Security.</p> <p>Article 11. Classification of Land Regions and Land Categories.</p> <p>Article 17. Determination of the Scope of Agricultural Land Use Rights</p> <p>The State authorises individuals and families to use agricultural land in accordance with the allocation plan and objectives, for the long term and in an effective manner, according to areas determined as follows:</p> <p>For those using land for industrial plantation and growing crops, the maximum area is three hectares per labour force in the family;</p> <p>An individual who wishes to use agricultural land in an area larger than the amount determined for the category of land for which he has land use rights may apply to receive a lease or concession from the State.</p>	MONRE allocates Land Types to agencies with approval from NA.	Forest Land is assigned to MAF for management. Not all land with forest is allocated to MAF.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Law No. 47/NA on Local Administration 2003 Article 2. Local Administration Local administration refers to the State administration at the local level. There are three levels of local administration in the Lao People's Democratic Republic: provincial, district and village levels. At the provincial level, there are provinces, cities and, if required, a special zone; At the district level, there are districts and municipalities; At the village level, there are villages.</p>	<p>The Government allocates forests and forestland areas to the Provincial and Vientiane Capital, administration authorities, which allocates them to District or Municipal Administration Authorities which allocate them to village administration authorities</p>	<p>Local administration has responsibility to manage natural resources and may issue regulations and instructions for management and use.</p>
<p>Authority to convert land categories</p>	<p>Article 4. Ownership of forest and forestland</p>	<p>Law No. 04/NA 2003 on Land. Article 14: The change of land from one category to another category can be made only if it is considered to be necessary to use the land for another purpose without having negative impact on the natural or social environment and must have the prior approval of the concerned management authorities.</p>	<p>Land Management Authorities can approve the conversion of Land Types.</p>	<p>Land can be converted from one category to another</p>
<p>Authority to convert land categories</p>	<p>Article 4. Ownership of forest and forestland</p>	<p>Decree No. 88/PM on the Implementation of the Land Law 2005 Article 19: Change of Land Category The State authorizes the change of land category from one to another category of land if it considers necessary to use the land for another purpose which is in compliance with the socio-economic development plan of the state without detrimental effect on the national security, environment and society.</p>	<ul style="list-style-type: none"> • DAA < 3ha based on proposal of DLMA and concerned sectors • PAA 3-100 ha based on proposal of PLMA and concerned sectors • GOL 100-10,000 ha on the proposal of NLMA and the concerned sectors, the agreement with the local administrative authority, • NA > 10,000 ha based on the proposal of the NLMA, concerned sectors, and local administrative authority, and with the 	<p>Land can be converted from one category to another</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			approval of the National Assembly.	
Forestland	Article 9. Forest categories Article 56. Categories of forestland	<p>Law No. 04/NA on Land 2003 Article 20. Management of Forest Land: MAF is charged with managing forest land, determining different categories of forest land, studying and developing regulations on the management, protection, development, and use of this category of land, including environmental protection, and, thereafter, to submit [them] to the Government for consideration and approval.</p> <p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 2- MAF is to collaborate with National Land Management Authority, concerned ministries and organizations and local Authorities across the country to redo the survey and clearly demarcate each different forest type to best suit the reality, and complete putting up sign boards for three forest types as: Conservation Forest Areas (national and local) Protection Forest areas (national and local) and Production Forest Areas) in the year 2010.</p> <p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 2: PAFO and DLPD are to survey and demarcate the three categories of forest</p>	<p>The Ministry of Agriculture is responsible for determining the different categories of forests and managing forest.</p> <p>MAF an NLMA are to collaborate on the survey and demarcation of forest categories.</p> <p>PAFO and LDP are to survey and demarcate the three categories of forest.</p>	<p>The Ministry of Agriculture is responsible for determining the different categories of forests and managing forest.</p> <p>Forestland is categorised into three categories for the purpose of preservation and development. The 3 categories of forestlands cover of the regeneration forestland, dry forestland, degraded forestland or barren forestland and village use forestland.</p> <p>Forestland is categorised into three categories for the purpose of preservation and development. Legally only Production forest is available for timber harvesting, although categories can be converted.</p>
Land Survey to identify areas for plantation	Article 56. Categories of forestland	<p>Decree No. 96/PM regarding commercial tree planting and environmental protection 2003 Article 2. The Agriculture and Forestry Sector in association with the local authorities and other relevant sectors are assigned to conduct survey and</p>	The Agriculture and Forestry Sector in association with the local authorities and other relevant sectors are assigned to	Plantation areas are to be surveyed and designated

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		designate the area for planting trees and reforestation purpose, particularly in the barren land area, degraded and vacant land area, young fallow land and wetland area as stipulated in Article 36 of the Law on Forestry.	conduct survey and designate the area for planting trees.	
Forest Categories must not be converted	Article 70. Conversion of forestland	Decision No. 32/PM On adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 Article 2.2 Conversion of forest categories in not permitted, Article 5.4 MAF an MONRE must comment on applications for land use change.	MAF an MONRE must comment on applications for land use change.	Conversion of forest categories is prohibited
Industrial Plantation Concession ion State land requires approval by the government	Article 70. Conversion of forestland Article 69. Utilization of forestland for business operations	Decree No. 135/PM on State Land Lease or Concession 2009 Part III, Section 1 State Land Concession for Agricultural Business and Tree Plantation State land granted as concession for industrial tree plantation or cash crop and NTFPs should be carried out in the area of waste land or denuded land, degraded forest land which cannot rejuvenate naturally, which is allocated by the state as specified in Article 69 of the Law on Forestry (the amended version of 2007) The concession must be given out in the suburban and rural areas only. Article 28: Authorization of the Concession of Degraded Forest Land for Agricultural Business and Tree Plantation. Article 29: Authorization of the Concession of Barren Land for Agricultural Business and Tree Plantation.	Degraded land <ul style="list-style-type: none"> • <150 Ha PLMA with approval from PAFO • >150 <15,000 ha NLMA with consent of DOF and approval from NA • >15,000 ha NA Barren Land <ul style="list-style-type: none"> • <500 Ha PLMA with approval from PAFO • >500 <300,000 ha NLMA with consent of DOF and approval from NA >30,000 ha NA	Concession or leases for regenerating forests, planting trees, industrial trees plantations and NTFPs can only occur on degraded or barren forestland. The scope of agencies to approve the conversion of forestland are set for Degraded Forest Land and Barren Forestland
PROJECT APPROVAL				

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Temporary Concession Approval Ban	<p>Article 75. Approval scope of lease or concession of degraded forestland</p> <p>Article 76. Approval scope of lease or concession of barren forestland</p>	<p>Order No. 13/PM Regarding suspension of consideration and approval for new investment projects in connection to mineral ore exploration & survey, rubber and eucalyptus Plantation in whole country 2013</p>	<p>Concession or leases must be approved by the Government.</p>	
Plantation Development Requirements	<p>Article 74. Lease or concession of forestland</p>	<p>Decree No. 135/PM on State Land Lease or Concession, 2009 Article 27</p> <ol style="list-style-type: none"> 1. Study on socio-economic data and the suitability of the nature, such as land, weather, the altitude, rainfall, water sources, land use right, local labour, the survey of forest situation and forest resources and other necessary tasks; 2. Business Feasibility Study certified by the Forest and Forest Land Management Authority and concerned sectors; 3. Social and environmental impact assessment, including appropriate resolution measures through the certification from concerned sectors; 4. Operational plan focusing on the protection of water sources and the environment, the clearing of land, developing village infrastructure, boosting public participation in the production process, using appropriate technology, etc., as well as sharing of benefits; 	<p>Investor undertakes socio-economic suitability study. Investor undertakes socio-economic impact assessment study. Inventory develops operational actin plan. MAF certifies study.</p>	<p>A Socio-economic study is required for all projects >5ha</p>
		<p>Regulations No. 0196/MAF concerning the development and promotion of long-term plantations 2000 Article 4. Technical, socio-economic data study and analysis</p>	<p>Plantation Investor must develop a social-economic study. The proposal must be submitted to the investment committee.</p>	<p>A Socio-economic study is required for all projects >5ha</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Plantation areas greater than 5 hectares up must be accompanied with the data study, technical and socio-economic analysis</p> <p>7.1 Submit the proposal, in the preliminary stage, to the committee in charge of investment management and external cooperation according to the law on promotion and management of foreign investment.</p> <p>Article 7. Application for foreign investment for tree planting</p> <p>7.3 Submit the report of results of the feasibility study, technical and economic analysis, management plan and plan of operations to the committee in charge of investment management and external cooperation for applying for investment with the government</p> <p>7.4. After obtaining an approval from the government, the investment management committee shall first issue the investment license and afterwards MAF shall issue the license for doing agriculture and forestry business.</p>	<p>Investment Committee issues investment licence.</p> <p>MAF issues licence for agriculture and forestry business</p>	
		<p>Instruction No. 1643/DOF on development of a feasibility study of industrial trees and NTFP investment 2007</p> <p>All articles.</p> <p>This provides instructions on the contents of feasibility studies for industrial plantations</p>	<p>Not specified</p>	<p>A feasibility Study is required.</p>
<p>Environmental and Social Impact Assessment</p>	<p>Article 74. Lease or concession of forestland</p>	<p>Law No. 29/NA On Environmental Protection 2012</p>		<p>General provision for ESIA</p>
		<p>Decree No. 192/PM Decree on the Compensation and Resettlement of the Development Project 2005</p>	<p>Investor pays compensation to affected people.</p>	<p>Environmental and Social Impact Assessment</p>
		<p>Decree No. 135/PM on State Land Lease or Concession 2009</p> <p>Article 11</p>	<p>EISA must be approved by the 'concerned sector'.</p>	<p>Environmental and Social Impact Assessment</p>
		<p>Regulation No. 2432/STEA for Implementing Decree 192/PM on Compensation and Resettlement of People Affected by Development Projects 2005</p>	<p>Investor pays compensation to affected people.</p>	<p>Environmental and Social Impact Assessment</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Decision No. 8056/MONRE on Endorsement and Promulgation of a List of Investment Projects and Activities Requiring for Conducting Initial Environmental Examination or Environmental Impact Assessment 2013	Plantation project 20-200 ha must prepare an IEE. Plantation projects >200 ha ,must prepare an EIA DESIA of MONRE implements the Agreement Ag	Environmental and Social Impact Assessment
		Instruction No. 8030/MONRE on Environmental and Social Impact Assessment of the Investment Projects and Activities 2013	Project owner conducts the ESIA. Project owner submits ESIA to MONRE.	Environmental and Social Impact Assessment
		Instruction No. 8029/MONRE on Initial Environmental Examination of the Investment Projects and Activities 2013	Project owner is responsible for undertaking IEE	Environmental and Social Impact Assessment
Plantation Concession Approval	Article 74. Lease or concession of forestland	Law No. 29/NA On Environmental Protection 2012 Environment Certificate	MONRE issues Environment Certificate	An Environmental and Social Impact Assessment is required
		Law No. 02/NA Investment Promotion 2009	MPI issues investment licence	Investment Licence
		Law No. 46/NA on Enterprise 2013 Articles 12 and 13 on registration of enterprises, Articles 32, 33 and 34 on partnership enterprises, Articles 78, 79 and 81 on companies, Article 86 and 92 on limited companies, Articles 191, 192 and 193 on state-owned companies, and Article 224 on joint (state with non-state-owned) companies	MOIC issues Enterprise Registration Certificate	Enterprise registration
		Decree No. 119/PM on the Implementation of the Investment Promotion law, 2011	MPI issues investment licence	Enterprise registration
		Regulation No. 0196/MAF concerning the development and promotion of Long term Plantations 2000	< 100 hectares, the District governor shall approve based on recommendations of DAFO	Approval can be granted by agencies at different levels on the basis of project size and ownership

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Article 6. Planting tree on land not under its ownership Individuals or domestic enterprises who want to plant trees on land that is not under their ownership must obtain permission from the relevant authorities	101 – 500 hectares, the Provincial Governor, Vientiane municipality mayor and governor of the Special zone shall approve based on recommendations of the PAFO. 501 – 1,000 hectares, the Minister of Agriculture and Forestry shall approve based on recommendations of the Provincial, Vientiane municipal and Special zone Agriculture and Forestry Office, and with consent of the Provincial governor, Vientiane municipality mayor or governor of the Special zone. . > 1,000 hectares, the government shall approve based on recommendations of the Minister of Agriculture and Forestry.	
		Directive No. 0564/NLMA on the adjudication of land occupation rights for the issuing of land titles 2007	MONRE makes a Land Use Map of the project area	Land Use Map
	Article 74. Lease or concession of forestland Article 45: Business operations in the forest	Regulation No. 0196/MAF concerning the development and promotion of long-term plantations, 2000 Article 7.4	After obtaining approval from the Government and being issued with an Investment Licence, the project owner must apply for a licence for undertaking a forestry business.	
Lease and Concession Fees	Article 74. Lease or concession of forestland	Decree No. 135/PM on State Land Lease or Concession 2009	Project owner pays concession fees NLMA evaluates fees	Concession and lease fees must be paid

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			NLMA collects fees and submits to National Treasury	
		Statute No. 02/PO on Concession Rental 2009	Not specified	Fees are described for each project activity type.
		Decree No. 003/PO on Service fees and Charges 2012	The proponent must pay fees associated with concession approval process.	Concession and lease fees must be paid
Plantation Establishment	Article 36. Management of tree and NTFP plantation activities	Regulations No. 0196/MAF concerning the development and promotion of long-term plantations, 2000 Article 3. Tree planting system Article 8. Import and export of tree seeds Article 9. Production and transportation of saplings/seedlings Article 10. Tree planting activities Article 11. Cleaning and pruning	The project owner undertakes the plantation establishment.	The requirements for plantation establishment are specified in the regulations.
Plantation Registration	Article 35. Promotion of tree and NTFP plantations	Regulations No. 0196/MAF concerning the development and promotion of long-term plantations, 2000 Article 12. Registration of tree planting parcel	The project owner applies for plantation registration certificate. PAFO considers and approves the application.	Plantations must be registered
		Instruction No. 115/MAF regarding the investment on tree planting as a source of raw material for the wood processing factories, registration of tree plantation, licensing for cutting and exporting of planted trees, 2003 Article 6	PAFO surveys and registers plantations	Plantations must be registered
		Directive No. 1849/MAF concerning the registration of tree planting parcels 1999 All Articles	The project owner applies for plantation registration certificate. < 5 ha DAFO approves certificate > 5ha PAFO approves certificate	Plantations must be registered in order to be harvested and gain land tax exemptions

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Notice No. 1374/MCAF regarding application for registering tree planting parcels and grown timber certificate 2010 All Articles</p>	<p>The project owner applies for plantation registration certificate. < 5 ha DAFO approves certificate > 5ha PAFO approved certificate based on recommendation of DAFO Scattered plantings Village Head approves tree certificate, with approval from DAFO.</p>	Plantations must be registered in order to be harvested
QUOTA				
Annual Harvesting Plan	Article 18 Logging survey	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 7. MAF is to issue specific rule to manage plantation timber, particularly to survey and register tree plantations of individuals, juridical entities in each locality; regulations on harvesting, the preparation of annual logging plan for plantation timber etc.</p>		Plantations should be included in the annual harvest plan
		<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM, dated 22/09/2008, 2008 Article 3.2 on Timber exploitation and NTFP collection 3.2.3) Wood from the plantation garden shall have a register or certificate from the plantation garden and shall be included in the annual proposal plan of provinces and capital city.</p>	PAFO surveys area to be harvested each year.	Harvesting must be undertaken in accordance with the Plantation Management Plan
Quota Application Consolidation	Article 18 Logging survey	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008</p>	DOF consolidates applications from Provinces	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008</p> <p>Article 3.2.1 PAFO shall summarise the figures of timber exploitation and NTFPs each year</p>	<p>PAFO summarises the areas to be harvested each year. DOF consolidates applications from Provinces</p>	
Quota Application Consideration	Article 18 Logging survey	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008</p> <p>Article 4.3 MOIC has the duty to provide guidance and encourage the National Wood Processing Industry Association to consolidate the need for timber species, the number of wood processing factories which are members of the NWPIA, and submit to MOIC to further consolidate and then work with MAF in the preparation of annual logging plan prior submission for Government consideration.</p>	<p>MOIC consults with National Wood processing Industry on annual wood supply needs.</p>	
Quota approval and Allocation to Provinces	Article 18 Logging survey	<p>Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest, 2006</p> <p>Part V Article 4 Quota Allocation and Harvesting Permit</p>	<p>MAF allocates an annual quota to Provinces for harvesting</p>	
Special Quota Approval	Article 18 Logging survey	<p>For example:</p> <p>Proposal No. 0133/MAF 2012 for the approval of tree plantation & forest regeneration plan and the timber logging and NTFP harvesting plan for 2012 – 2013</p> <p>2.1 There are 64,273.00 (Sixty four thousand two hundred and seventy three) cubic meters of timber in the infrastructure construction area and in the clearing area for planting trees and industrial plant.</p>		<p>Example -Timber from plantations is included in the annual quota for logging.</p>
HARVESTING				

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Cutting Permit	Article 48. Felling of planted trees	<p>Regulations No. 0196/MAF concerning the development and promotion of long-term plantations, 2000</p> <p>Article 14. Logging and transportation of planted trees</p> <p>1. For the logging and transportation of planted trees for commercial purposes undertaken in accordance with the logging period as stated in the plantation management plan, and the logging of planted trees which have been planted under the scattered planting system, and which are registered, DAFO shall approve harvesting but must inform PAFO</p>	DAFO shall approves harvesting but must inform PAFO	Plantations that are to be harvested must be registered Harvesting of plantations should be in accordance with the Plantation Management Plan
Harvesting	Article 55. Logging unit	<p>Law No. 46/NA on Enterprise 2013</p> <p>Articles 12 and 13 on registration of enterprises, Articles 32, 33 and 34 on partnership enterprises, Articles 78, 79 and 81 on companies, Article 86 and 92 on limited companies, Articles 191, 192 and 193 on state-owned companies, and Article 224 on joint (state with non-state-owned) companies</p>	Logging Contractors must be Registered with MOIC	Logging Units
		<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM, dated 22/09/2008, 2008</p> <p>3.3 The Implementation of Annual Plan for Forest Plantation, Forest Restoration and NTFPs Collection</p> <p>3.3.3 PAFO shall manage timber exploitation of the timber harvesting unit established through the approval of MAF to perform duties related to timber exploitation and timber gathering for Log-yard II.</p>	PAFO manages timber harvesting units.	
	Article 20. Management of vehicles and machinery for logging, processing, log hauling and transportation	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008</p> <p>Article 20.5 It is prohibited to import, sell, possess logging or processing machineries without approval from relevant line authorities. Should there be any</p>	MOIC is to issue specific instruction for POIC to implement with respect to the importing of machinery for logging.	Approval for importing machinery

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>case of hiding for illegal use, it must be confiscated then proceed with strict legal action against violators.</p>	<p>Approval of the Agriculture and Forestry authority is required.</p>	
		<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM, dated 22/09/2008, 2008 Article 10. DOF shall coordinate with relevant sectors to implement the policy on the import, registration and use of timber exploitation and transport vehicle; transport of timber, stump, trunk, processed wood and wood products by complying with the joint agreement between MAF and MPWT No. 0019/MAF and No. 2139/MPWT, dated 14/02/2008.</p>		<p>Approval for importing machinery</p>
		<p>Agreement No. 0019/MAF and No 2139/MOCT Between Minister of Agriculture and Forestry And Minister of Civil Works and Transport on the Transportation of Log, Sawn timber, Stump, Burl/wood gall and wood products Article 3. Authorization for the importation, registration and use of vehicles for timber harvesting and transporting purposes</p>	<p>MAF approves importation of machinery MPWT at the Province registers vehicles</p>	<p>Approval for importing machinery</p>
		<p>Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations, 2008 1. The import and use of wood extraction vehicles and transport, and wood extraction machinery shall be first agreed by MAF before MOIC (Department of Import and export) is able to issue an import permit. 2. POIC are given the right to monitor a distribution of all categories of wood processing machinery, and a possession and utilization of the aforementioned equipment's and machinery on a basis of principles stated in a Decision No. 1140/MOIC-, dated 13 February 2007 concerning the Standard of Wood, Rattan and Bamboo Processing Industry Factories.</p>	<p>MOIC and MAF agree on the importing of machinery. MOIC issues importing permit. POIC monitors the possession and use of machinery</p>	<p>This notification is made in response to Order No 17/PM 2008.</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>3. POIC shall work with related agencies in proceeding an inspection and registration of vehicles specific for hauling logs, wood extraction machinery, and all categories of equipment or wood cutting machinery that are already imported and existed prior to this Notification but there is no detailed monitoring list following related regulation.</p> <p>Decision No. 0080/MAF on procedures for importation, management and utilisation of chainsaw, 2012 All articles</p>		
		<p>Decision No. 0080/MAF on procedures for importation, management and utilisation of chainsaw, 2012 All articles</p>	<p>PAFO approved import of chainsaws. PAFO register chainsaws DAF must be notified regarding use of chainsaws.</p>	<p>Approval for importing machinery</p>
Log Haulage/Skidding	Article 45. Business operations in the forest	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 11)-MAF, in close collaboration with local authorities is to supervise the implementation of logging plan including the hauling to log landing I and transport from landing I to landing II, which is to be completed before 31 May every year; if it is found out that the implementation of logging plan is not completed by that time, the following two actions are to be taken:</p> <ul style="list-style-type: none"> - for timber logged in production forest areas, the incomplete part must be cancelled off; 	<p>MAF supervises the hauling of timber.</p>	<p>Harvesting and Hauling of timber must be completed before 31 May every years</p>
Post-harvest monitoring	<p>Article 70 Conversion of forestland Article 71. Types of converted forestland</p>	<p>There are no regulations on this</p>		<p>Land issued for temporary conversion must be re-converted back to its original category</p>
Log List Log List Log List	Article 21. Measuring and quality grading	<p>Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading 2007 All Articles</p>	<p>PAFO implements the decision.</p>	<p>Plantation logs are measured and may be weighed. Grading and scaling is the responsibility of the plantation owner. The regulations state that logs from PFA must be clearly marked and for</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Regulation No. 1862/MOIC on the Sale and Purchase of Timber from Tree Plantation, 2008 III. Procedures on Purchase – Sale, Receiving and moving of the timbers Procedure 2: the Agriculture and forestry sector shall manage the harvest activities, measure, make the list and hand over such list of timber to the seller</p> <p>Notice No. 0032/MAF</p>	<p>Agriculture and Forestry Sector (unspecified) makes the log list</p>	<p>logs from clear cut site, it may be enough to only mark the log number, length and diameter. No specific instructions are provided for plantations</p>
Inspection	<p>Section 2 Inspection of forest and forestland</p>	<p>Instruction No. 0141/MAF on Forest and Forest resources Inspection and Case Action, 2010 Article 5. Forest and Forest Resource Inspection Article 6. Pre-harvesting survey</p>	<p>DOFI inspects pre- harvesting survey, inspection of the Landing I, II, and III, sawn timbers, fitches timber at retails/timber sale depots, inspect the transportation and internal products and export; , internal check points, international check points and the other places, inspect of land lease/ land concession, individual/families land for tree planting and utility forest land for infrastructure;</p>	<p>Plantations are to be inspected.</p>
TRANSPORT TO LOG LANDING 2				
Transport permit	<p>Article 49. Logging and harvest of forest products Article 53. Transport of timber and forest products</p>	<p>Regulations No. 0196/MAF concerning the development and promotion of long-term plantations, 2000</p>	<p>For transport between districts within a province VFU approves permit but owner must inform DAFO For transport between provinces DAFO approves permit and inform PAFO.</p>	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
LOG LANDING 2				
TRADING				
Contract Negotiation Contract Negotiation	Article 51: Distribution of NTFP and wood products	Law No. 01/NA on Contract and Tort	The sale of timber is be contract between the seller and the buyers	Wood supply contracts may exist with farmers who grow trees under contract to processing companies or may be established through sales of standing trees or logs.
		Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 7.2. The sale of plantation timber is the responsibility of the plantation's owners and the buyers to negotiate or consult on the price based on the market information provided by the NWPIA giving priority to domestic processing industry. 7.3.	The sale of timber from plantations is the responsibility of the seller and buyer to negotiate MOIC is to develop specific rules for the sale of plantation timber	
		Regulation No. 1862/MOIC on the Sale and Purchase of Timber From Tree Plantations, 2008 All Article	specific rules for the sale of plantation timber	Specific regulations are provided on the sale and purchase of timber from tree plantations
Seller	Article 51: Distribution of NTFP and wood products	Regulation No. 1862/MOIC on the Sale and Purchase of Timber from Tree Plantation, 2008 Article I.2. the	Seller shall fulfil all requirements, as follows <ul style="list-style-type: none"> • Plantation Registration Certificate • Harvesting Permission • Report to Village Forestry Unit, DAFO or PAFO • Tax payment receipts 	The seller of the timber must meet specific approvals
Buyer	Article 51: Distribution of NTFP and wood products	Regulation No. 1862/MOIC on the Sale and Purchase of Timber from Tree Plantation, 2008 Article I.1 1.	The Purchaser shall have the complete conditions as follows: <ul style="list-style-type: none"> • Enterprise Registration 	The Buyer of the timber must meet specific approvals

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Business Operations Records • NWPIA membership • it shall have plans for production, distribution and market; • No violations against the Forestry Law or regulations 	
Buyer	Article 51: Distribution of NTFP and wood products	Decision No. 0221/MOIC 2004 the Standard of Wood, Rattan and Bamboo Industrial Processing Factories (Processing Manufacture), 2007	Purchaser must have: <ul style="list-style-type: none"> • Certificate for Wood Processing Standards • Production and Distribution Plan 	The Buyer of the timber must meet specific approvals
Seller Pays Log Measuring and Grading Fees to DAFO	Article 51: Distribution of NTFP and wood products	Decree No. 003/PO on Fees and Charges 2012 Article 42: Service charges for agriculture and forestry sector	All taxes and fees must be paid before timber is Transported to Log Landing III	
Seller Pays tax	Article 51: Distribution of NTFP and wood products	Directive No. 0509/MF for the calculation of taxes on timber and non-timber forest products, 2009 All Articles	Buyer and seller must pay taxes	
Payment royalties and fees	Article 51: Distribution of NTFP and wood products	Decree No. 96/PM on Industrial Tree Plantations and Environmental Protection, 2003 Article 3 The government promotes the planting of trees with the provision of incentive policies such as: <ul style="list-style-type: none"> • Exemption of land tax for land that used for planting trees in accordance with Article 34 of the Law on Forestry. • Exemption of forestry restoration and natural resource fees and other duties for timber harvested from the tree plantation for household and public uses. The felling of trees from the plantation for domestic commercial purposes and 	All Royalties and fees must be paid before timber is Transported to Log Landing III	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		for export shall be subject to income tax but exempt from forestry restoration fee and natural resource fee.		
Forestry sector measures and grades logs and makes log list	Article 51: Distribution of NTFP and wood products	Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading 17 May 2007	PAFO measures and grades logs and makes log list	
Sale (transfer) of Wood to Buyer	Article 51: Distribution of NTFP and wood products	Guideline No. 0032/MAF 2010	PAFO measures and grades logs and makes log list	
TRANSPORT ALL SECTORS				
Approvals required before logs can be moved s	Article 45. Business operations in the forest	No additional regulations	Timber harvesting and haulage businesses must be registered by MAF	
		Law No. 46/NA on Enterprise 2013	Timber harvesting and haulage businesses must be registered by MOIC and approved by MAF	
	Article 20. Management of vehicles and machinery for logging, processing, log hauling and transportation	Law No. 24/NA on Transportation 2012, Article 14 on requirements for vehicle drivers, Articles 16 on vehicle requirements, Articles 21 on establishment of transport enterprise and licence Article 12 on cross-border transport	MPWT registers and monitors/inspects vehicles	Vehicle Registration is required for timber harvesting and extraction: <ul style="list-style-type: none"> • Registration as transport vehicle • Vehicle use permit • Vehicle licence plate • Vehicle technical inspection document • Vehicle insurance • Driver's licence If animals are used for moving logs, verify that registration documents are kept and correct
		Law No. 02/NA on Land Traffic 2000 Article 35. Standard of Vehicles: All types of mechanised vehicles imported to be registered and used permanently in the Lao PDR shall have structures in accordance with the technical standards of the	MPWT registers and monitors/inspects vehicles	Vehicle must not be modified

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>production factories, steering wheels on the left hand side, and qualities in accordance with the technical standards issued by the MOT</p> <p>Article 17. Assembly and Modification of Vehicles The assembly and modification of mechanised vehicles shall comply with defined factory standards and with the technical standards issued by the Ministry of Communication, Transport, Post and Construction.</p>		
		<p>Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations 2008 Articles 1 and 3 on approval for importing and registration of wood extraction and transport vehicles</p>	MPWT registers and monitors/inspects vehicles	Approval is required for Importing machinery associated with timber harvesting
		<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 10 on agreement No 0019.MAF 2008 and No 2139/PWT 2008 between DOF and DoT</p>	MPWT registers and monitors/inspects vehicles	Vehicle Registration are required for timber harvesting and extraction
		<p>Agreement No. 0019/MAF-2008 No. 2139/2008 MPWT, 14 February 2008 All Articles</p>	MPWT registers and monitors/inspects vehicles	Vehicle Registration are required for timber harvesting and extraction
TRANSPORT TO LOG LANDING 3, DOMESTIC MARKET OR EXPORT				
Approvals required before logs can be moved from Log Landing II	Article 53. Transport of timber and forest products	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 16 on agency responsibilities and documentation requirements Article 16.1 (6) clarifies MOIC issues Log Transport permit at Log landing 2.</p>	MOIC is responsible for Log Transport permit from Log Landing 2	This is contradicted by Decision No 32/PM 2012
		<p>Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012</p>	MAF is responsible for the transport of logs.	This Decree is clarifies responsibilities between MAF and MOIC.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport of all types' sawn timber and timber products that stipulate in forestry law.</p>	<p>PAFO issue Domestic Transport permit</p>	
		<p>Notification No. 1904/MOIC.DIMEX (or 1940) 2011 on Procedure to issue import and export license for Timber and timber products, 2011 Article 5. Inspection of the movement and exportation The Industry and Commerce sector through trade inspection officers shall coordinate with the relevant agencies to monitor the movement, exportation of timber and wooden products on transportation routes, wood processing factories, storage and other places where necessary. If informed by a reliable source, trade inspection officers shall coordinate with the relevant agencies to inspect and act according to the rights and authority as given by the Laws and regulations.</p>	<p>MOIC is responsible for inspecting logs in transit</p>	<p>MOIC is responsible for inspecting logs in transit</p>
		<p>Notification No. 2215/MIC on the cancellation of the issuing Commodity Movement Permit by the industry and commerce sector 2011 All articles</p>		<p>Cancels the need for issuing movement permits by POIC, with the exception of specific commodities as named</p>
		<p>Directive No. 0509/MOF for the calculation of taxes on timber and non-timber forest products 2009 Article 4 4. Transport of timber and sawn timber at each point</p>	<p>Buyer/owner Pays Taxes MOF issues Tax receipt</p>	<p>Taxes must associated with harvesting and Transport must be</p>
<p>Domestic Transport Permit</p>	<p>Article 53. Transport of timber and forest products</p>	<p>Regulation No. 0196/MAF concerning the development and promotion of long-term plantations 2000 Article 14. Logging and transportation of planted trees</p>	<p>For the transport of timber from Plantation a Domestic Transport permit can be issued:</p> <ul style="list-style-type: none"> by the Village Forestry Unit (within a Province) 	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			<ul style="list-style-type: none"> By DAFO (Between Provinces) By PAFO (for export) A record of a Plantation inspection must be available	
		Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business 2012 5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport of all types' sawn timber and timber products that stipulate in forestry law.	MAF is responsible for the transport of logs	
		Decree No. 003/PO on Fees and charges 2012 Article 41 (6) Fees for issuing transport permit for timber and NTFPs within the country, export permit for timber and NTFPs including certificate of plantation, certificate of planted timber are as follows	Transport Permit Fee must be paid to MAF and a receipt issued	Transport Permit Fee must be paid to MAF and a receipt issued
Checkpoints	Article 53. Transport of timber and forest products	Law No. 02/NA on Land Traffic 2000 Article 13. Driving Regulations and Loading: It is prohibited to overload goods or passengers in respect of either their weight or the number of permitted passengers;	MPWT inspects logs at checkpoints	Movement and inspection of Wood
		Law No. 24/2012 NA on Transportation 2012	MPWT inspects logs at checkpoints	Movement and inspection of Wood
Checkpoints	Article 53. Transport of timber and forest products	Notification No. 1179/SS on the cancellation of inspection station - checkpoints 2011	Cancel some checkpoints	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Inspection	Article 114. Rights and duties of forestry officers	<p>Agreement No. 1987/MAF on Terms of Reference for District Forest Inspection Office 2013 Article 4.2 2. To inspect forest, forest land, Non timber forests, log landing I, II, III, warehouse, Sawmills, Wood processing factory, furniture, timber transportation, timber shops and other manufacturing to use wood as the energy, Aquatic and Wildlife farms and other places.</p>	DOFI has the authority to inspect timber transport and establish checkpoints	
		<p>Agreement No. 0141/MAF Agreement Of the Minister On Forest and Forest resources Inspection and Case Action 2010 Article 5. Forest and Forest Resource Inspection: Inspect the transportation of products internally and for export Article 12.7 Logs -Inspect Legal documents as transport permit from second landing to third landing or timber processing factories Article 13. The inspection approaches to internal removal pass/transportation of sawn timber 6. Inspection record and certification of products transported from Timber processing factories and the record of truck log docket for each shipments issued by POIC</p>	DOFI has the authority to inspect timber transport and establish checkpoints	
REFER TO SECTION 11 "TIMBER PROCESSING"				
REFER TO SECTION 12 "EXPORT OF WOOD SOURCED FROM PLANTATIONS"				

SECTION 10 SMALLHOLDER PLANTATION

SUMMARY

Under the Land Law plantations may be developed by individuals, household and organisations on Agricultural land or Forest land. Plantations established on Forest Land should be in Production Forest Areas demarcated for that purpose (Forestry Law Article 33) focussing on land classified as degraded or bare. In accordance with the Land Law (Article 21) up to 3 ha/labour force of these land classes may be allocated to individuals, households or organization for timber plantation development or agroforestry.

Smallholder or household plantations are promoted through various policies and legal instruments and the general intent of the Forestry Law is that their management, the harvesting and the sale of timber remains the responsibility of the plantation owner.

Quota and Harvesting

The volume of timber to be harvested from smallholder plantations should be included in Annual harvesting plans, Provincial Quota Applications and Consolidated National Quota approvals. However for these plantations, Plantation Management Plans are not required and the harvesting of timber is based on the needs of the plantation owner. DAFO has the responsibility to undertake plantation surveys and undertake plantation registration so that volumes can be incorporated in quota proposals.

Timber harvesting is the responsibility of the plantation owner however permission for harvesting must still be obtained from PAFO. All plantations that are to be harvested must also be registered by the Village Forest Unit (for scattered planting), DAFO, for plantations >0.16 ha <5ha and by PAFO for areas >5ha.

The regulations regarding the harvesting of smallholder grow plantation wood are limited. The Forestry Law, Article 48 on the Felling of planted trees specifies that "Felling and transport of planted trees for commercial commodities shall report to the village forestry unit except prohibited tree species and special trees which require permission from the Provincial or Vientiane Capital Agriculture and Forestry Office by proposal made by the District Agriculture and Forestry Office".

Under Instruction 115/MAF 2003 (Article 7) only Registered Plantations may be harvested.

Regulation No 1862/MOIC 2008 on the Sale and Purchase of Timber from Tree Plantations requires the seller to have a licence for timber harvesting in tree plantations.

Consideration on the approval of the cutting of planted trees should be based on the registration of tree plantation registration certificate and should adhere to the procedures provided in Regulation No. 0196/MAF 2000 on the long term development and promotion of tree planting.

The harvesting of plantations may be undertaken by:

- the plantation owner (either a smallholder or a plantation company),
- groups of smallholders
- timber harvesting enterprises under contract either to the owner or to the buyer of the wood.

Regulation No 196/PM 2000 Article 14 (1), requires that the logging and transportation of planted trees for commercial purposes is to be undertaken in accordance with the logging period as stated in the plantation management plan, however it does not define the content of a Plantation Management Plan. Definitions are

not provided in subordinate or pre-existing regulations. This leaves a general gap in guidance for farmers, PAFO, DAFO and Village Forest Units; and the “fall back” is sometimes way of reference to practices applied to Production Forest Areas and in other cases there is no guidance.

Article 14 (2) states that for harvesting of planted trees for household use and public benefits, the village forestry unit shall issue the logging permit and inform DAFO. This is consistent with Article 48 of the Forestry Law However Article 18 of Regulation No 196/PM 2000 states that the right to issue permits for the harvesting and transport of plantations is allocated to PAFO.

No further guidance on harvesting in plantations is provided. Many regulations that are in force (or which are being applied) make reference to Regulation No 0221/MAF on the Management of Harvesting of Timber and Forest products 2000, however this regulation does not specifically refer to plantation forests and is assumed not to apply. It is however used as the basis of other regulations which do apply to plantations (for example Guideline No 2157/MAF on Timber Harvesting in Production Forests 2006).

Regulation 0182/MAF 2009 on the Establishment and management of Timber Harvesting Units and Enterprises defines a Timber Harvesting Unit includes Production Forest Areas, tree plantation, forestry management by participation by the people, under the management of PAFO and Capital agriculture and forestry office (CAFO). This regulation covers timber harvesting units, enterprises and contractor all of which require, (under Article 24), approval from the forestry sector and registration with POIC.

Despite these regulations it is assumed that smallholder plantation owners who are harvesting their own trees, either for household use or sale, do not need to be registered and a business enterprise.

Instruction 115/MAF 2003 (Article 8) requires that after a harvesting licence for a plantation has been issued the license should be forwarded to the commerce and finance sectors for acknowledgement and implement according to roles of the relevant sectors. It is not clear whether this occurs in practice.

Plantation owners are required to undertake (or have undertaken) pre-harvest measurements of the timber to be harvested including for harvesting, thinning and pruning, and there is an expectation, in some areas, that these assessments must be made with DAFO and paid for by the farmer (or buyer of the wood). However it is not always the case that DAFO undertakes these assessments (farmers often undertake the assessments themselves), but anecdotally, the payment must still be made in order to obtain the necessary approvals and permits for harvesting.

Tax incentives exist for plantation owners that undertake their own harvesting. However the requirements movement and tracking of logs from the plantation are not clearly specified. As log lists are required for the sale of timber, the marking logs by PAFO as a precursor for issuing the Log List, is indicated. However it is also evident that logs may be sold standing and may enter the supply chain directly from the forest.

Notice 0032/MAF PAFO authorise the transport of logs and sawn timber from plantations - small logs should be measured by weight.

The Forestry law requires “Por Mor” be stamp on all types of wood and does not differentiate between plantation wood and natural wood or wood just used for domestic processing. DAFO may supervise plantation harvesting and check that volume actually harvested is consistent with the harvesting permit. PAFO undertakes the measurement and grading of logs for which the seller must pay a service fees.

The movement of timber

The issues that arise for the movement of timber from large scale investment plantations also apply to the transport of wood from smallholder plantations. There continues to be lack of certainty around whether transport/moving permissions are required and, if they are which agency is responsible for issuing them. For example:

- Under the Forestry Law 06/NA 2007 Article 53 on the transport of timber and forest products, does not specify who should issue movement permits.
- In accordance with Article 16.1 (6) Order No 17/PM 2008 MOIC issues Log Transport permit at Log Landing 2. However Notification No. 2215/MOIC 2011 cancels the issuing of commodity movement permits by MOIC.
- Decision 32/PM 2012 Article 5.7 states that Agriculture and Forestry Sector is responsible to the management and monitoring of logging operations and transportation
- Under Agreement No 1887/MAF 2012) it is a function of DOF to “Manage and permit the use of timber stamping hammers, issue permit to log natural timber, planted timber and non-timber product, issue transport permit for timber and non-timber forest products within the country and for export”
- Regulations No 0196/MAF 2000, Article 14 regarding the Logging and transportation of planted trees specifies that approval can be provided by the Village Forest Unit for transport within the province, or by DAFO for transport between Provinces.
- Fees can be charged for the issuing of transport permit by MOIC and MAF.

In many cases permits for the transport of small volumes of timber harvested from smallholder plantations are not applied for. In the absence of transport permits it is unclear how source of origin can be tracked.

The Department of Transport also relies on these permits to monitor truck movements.

The use of vehicles and roads for log haulage are regulated

- By the Ministry of Public Works and Transport (MPWT) which responsible for vehicle standards and vehicle and driver registration. It also sets the regulations for the movement of goods on public roads, including setting load limits, travel restrictions and seasonal road closures. MPWT has the authority to establish checkpoints, inspect movement documents, fine drivers and offload goods. MPWT also approves the importation of wood transport vehicles, with prior approval from MAF.
- MAF is responsible for issuing and checking Log lists at Log Landing 1 and 2 as well as approving the importation of vehicles and wood transport plans.
- Under some regulations MOIC is responsible the movement of wood from Log Landing 2 through the supply chain to export.
- The Ministry of Finance, through the Department of Tax and the Department of State Assets also regulate wood transport through the collection fees and royalty payments and the tracking of wood on the State Assets Register.

The use of vehicles and roads for log haulage are regulated

- By the Ministry of Public Works and Transport (MPWT) which responsible for vehicle standards and vehicle and driver registration. It also sets the regulations for the movement of goods on public roads, including setting load limits, travel restrictions and seasonal road closures. MPWT has the authority to establish checkpoints, inspect movement documents, fine drivers and offload goods. MPWT also approves the importation of wood transport vehicles, with prior approval from MAF.

- MAF is responsible for issuing and checking Log lists at Log Landing 1 and 2 as well as approving the importation of vehicles and wood transport plans.
- Under some regulations MOIC is responsible the movement of wood from Log Landing 2 through the supply chain to export.
- The Ministry of Finance, through the Department of Tax and the Department of State Assets also regulate wood transport through the collection fees and royalty payments and the tracking of wood on the State Assets Register.

Timber Sales

For smallholder plantations, the sale of timber is by direct negotiation between the seller (typically the plantation owner) and the buyer. Each party must meet specific requirements to enter into log sale-purchase contracts. Some plantation grown wood may be sold under contractual wood-supply agreements, for example in out grower programs involving farmers and processors.

Sales may be of standing timber or at Log Landing II.

The buyer and seller must enter into a contract, which means that the Law No 01/NA on Contract and Tort 2008 applies.

Sales are made on the basis of the volume recorded in a Tree list (standing) or Log List (harvested) which is also used to calculate the taxes payable by the plantation owner. PAFO undertakes the measurement and grading of logs for which the seller must pay service fees. Taxes must also be paid.

There are no specific regulations for the sale of plantation grown wood.

Three flow diagrams show the supply chain and legal sources for smallholder plantations:

1. Land Allocation, plantation development and plantation registration
2. Plantation cutting transport
3. Plantation Timber Sales

The processing of timber harvested from smallholder plantations is described in Section 11 and the Export of timber from plantations is described in Section 12.

A list of legal instrument and document relevant to timber from smallholder plantations is provided in Table 8 and further details on the regulatory steps set out in the legal maps are provided in Table 11.

Table 10: List of Legal Instruments and Documents relevant to smallholder plantations

LEGAL INSTRUMENT	MINISTRY RESPONSIBLE	DEPARTMENT RESPONSIBLE
Law No. 01/NA on Contract and Tort		
Law No. 46/NA on Enterprise 2013	MOIC	
Law No. 47/NA on Local Administration 2003		
Law No. 04/NA on Land 2003	MONRE	
Law No. 24/NA on Transportation 2012	MPWT	
Law No. 02/NA on Land Traffic 2000	MPWT	
Decree No 003/PO on Fees and Charges 2012		
Decree No. 88/PM on the implementation of the Land Law, 2008		
Decree No. 01/PO on Land Tax 2007		
Decree No. 96/PM regarding commercial tree planting and environmental protection 2003		
Order No. 32/PM about increasing the strictness in forest management, conservation, wood business and wood processing industry promotion as finished products. 2012	Various	
Order No. 57/PM Managing the collection of revenue from the sale of timbers and NTFPs 2014		
Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008	Various	
Directive No. 1849/MAF concerning the registration of tree planting parcels 1999	MAF	DOF
Instruction No. 115/MAF regarding the investment on tree planting as a source of raw material for the wood processing factories, registration of tree plantation, licensing for cutting and exporting of planted trees 2003.	MAF	DOF
Instruction No. 3211/MOF on Royalty of timbers for 2014-2015 and 2015-2016, 2015	MOF	
Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business 2012		
Decision No. 0080/MAF on procedures for importation, management and utilisation of chainsaw, 2012	MAF	DOF
Decision No. 0221/MOIC the Standard of Wood, Rattan and Bamboo Industrial Processing Factories (Processing Manufacture), 2004	MOIC	
Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading 2007	MAF	DOF
Directive No. 0509/MF for the calculation of taxes on timber and non-timber forest products, 2009	MOF	
Regulation No. 0196/MAF concerning the development and promotion of long-term plantations 2000	MAF	DOF
Regulation No. 1862/MOIC on the Sale and Purchase of Timber from Tree Plantation, 2008	MOIC	
Instruction No. 0564/NLMA on the adjudication of land occupation rights for the issuing of land titles, 2007	MAF MONRE	NLMA
Manual for Participatory Agriculture and Forest Land Use Planning at Village and Village Cluster Level, 2010		
Notification No. 1179/SS on the cancellation of inspection station - checkpoints 2011		
Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood	MOIC	DIMEX

LEGAL INSTRUMENT	MINISTRY RESPONSIBLE	DEPARTMENT RESPONSIBLE
Processing Machinery in Consistency with the Laws and Regulations, 2008		
Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations 2008	MOIC	DIMEX
Notification No. 1601 MOIC.DIMEX on the Management and movement of timber, timber products and non-timber products in domestic and for exportation 2008	MOIC	DIMEX
Notification No. 2215/MIC on the cancellation of the issuing Commodity Movement Permit by the industry and commerce sector 2011	MOIC	
Notice No. 1374/MCAF regarding application for registering tree planting parcels and grown timber certificate 2010	MCAF	DOF
Notification No. 1904/MOIC.DIMEX (or 1940) 2011 on Procedure to issue import and export license for Timber and timber products, 2011	MOIC	DIMEX
Notification No. 0094/SA Guidance on The Implementation of Ministerial Guidance on the Management of wood exportation for the purpose of revenue collection in timely manner; 2013		SA
Agreement No. 0141/MAF on Terms of Reference for Provincial Forest Inspection Office 2010	MAF	DOFI
Agreement No. 1984/MAF on The Terms of Reference Department of Forest Inspection (DOFI) 2012	MAF	DOFI
Agreement No. 1987/MAF on Terms of Reference for District Forest Inspection Office 2013	MAF	DoFI
Agreement No. 0019/MAF-2008 No. 2139/2008 MPWT, 14 February 2008	MAF MPWT	DOF DPWT
Guideline 0032/MAF 2010	MAF	
Guideline No. 0092/MOF For the managing the collection of revenue from the sale of Timber and NTFPs 2009	MOF	
Guideline No. 0962/MAF Concerning the management of timber log transport from cutting area to Log Landing 2 2010	MAF	DOF
Guideline No. 2297/MOF on Bidding Regulations for Buying Timber and Other Forest Resources from State Standing Timbers, Infrastructural Areas and Production Forest Areas at Second Landings 2004	MOF	
Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008,2008	MAF	DOF
Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest, 2006		DF
Proposal No. 0133/MAF 2012 for the approval of tree plantation & forest regeneration plan and the timber logging and NTFP harvesting plan for 2012 – 2013		PAFO

Draft

Figure 12: Smallholder Plantation Development and Registration

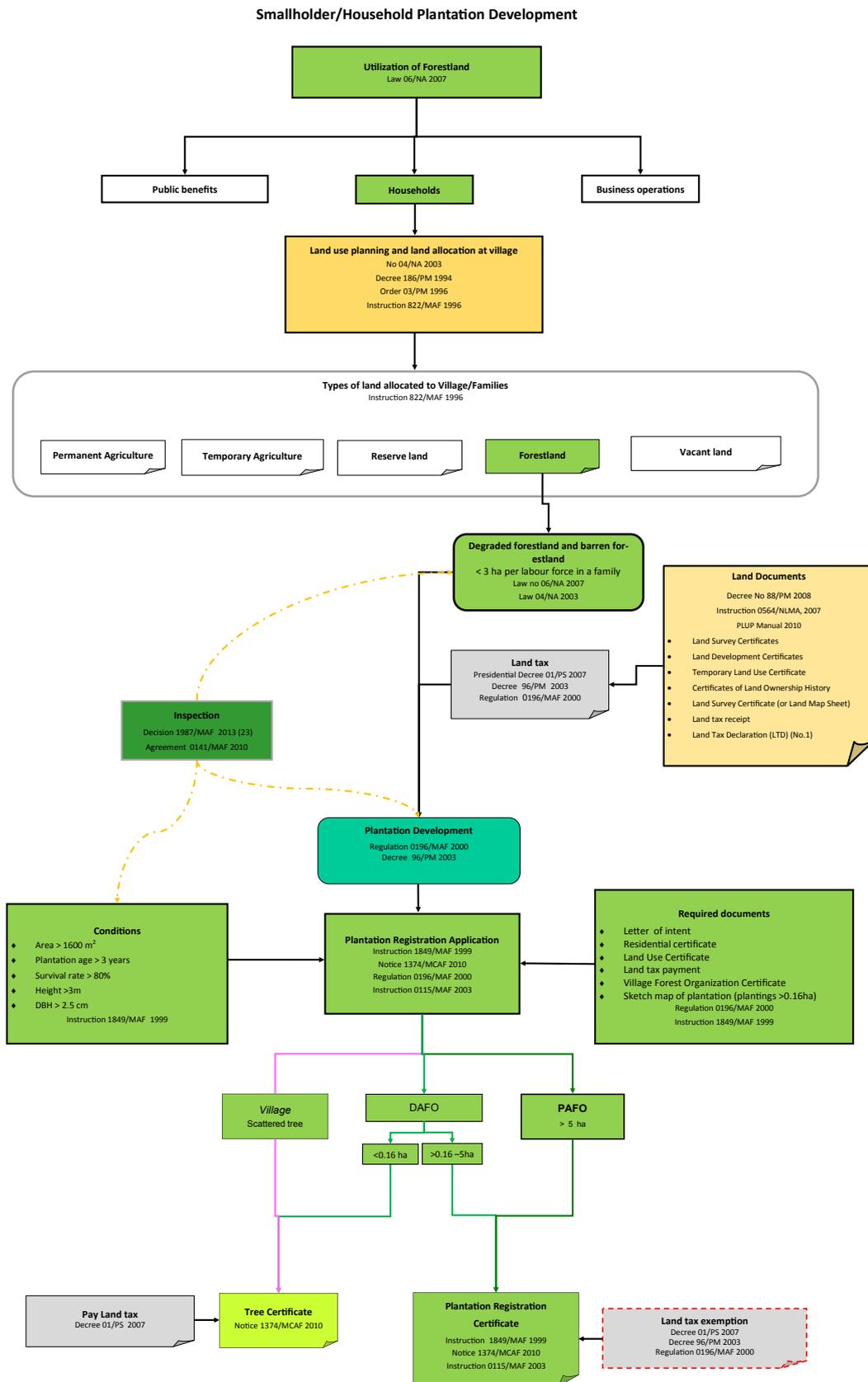


Figure 13: Smallholder Plantation Cutting and Transport

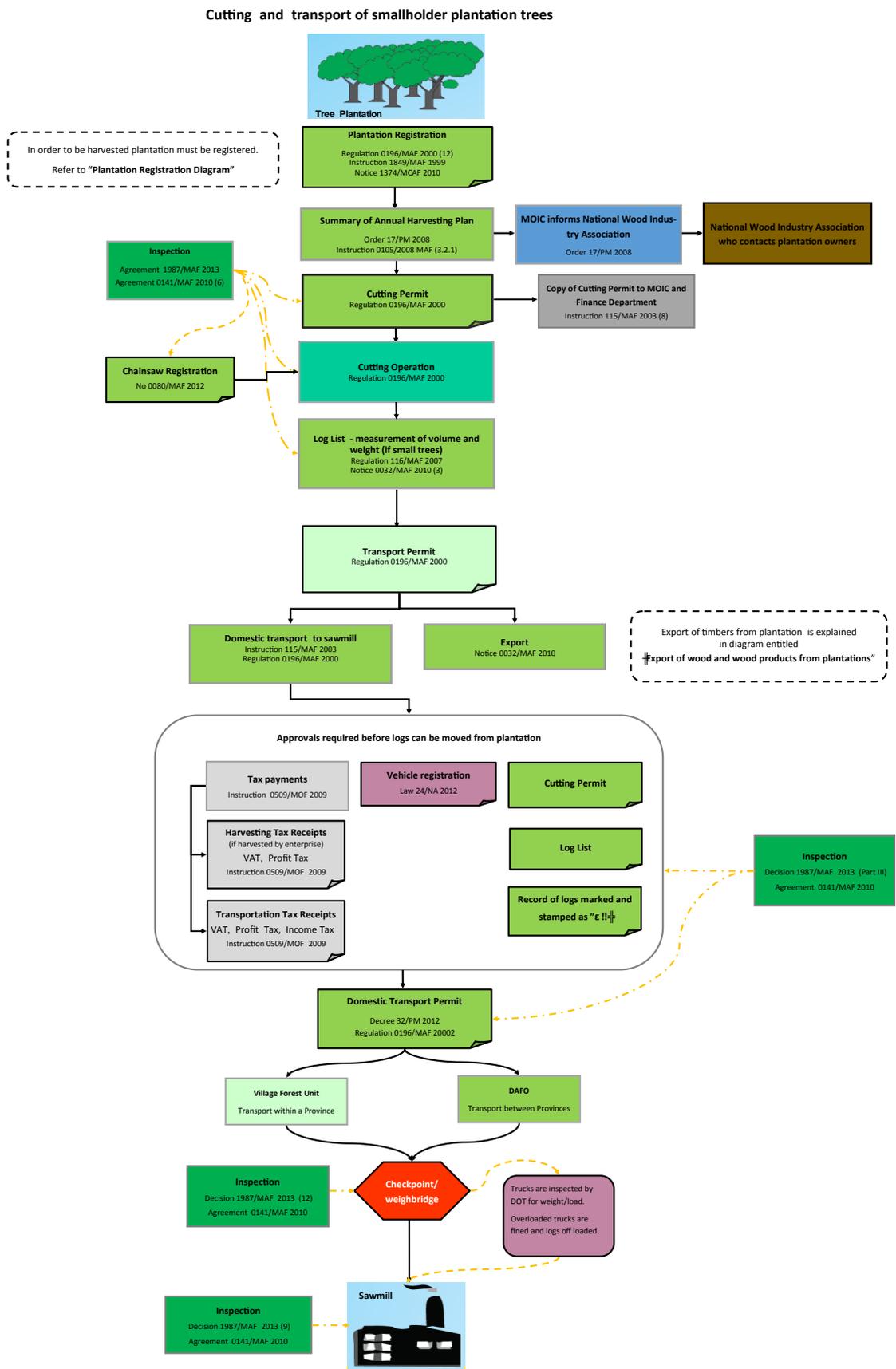


Figure 14: Smallholder Plantation - Timber Sales

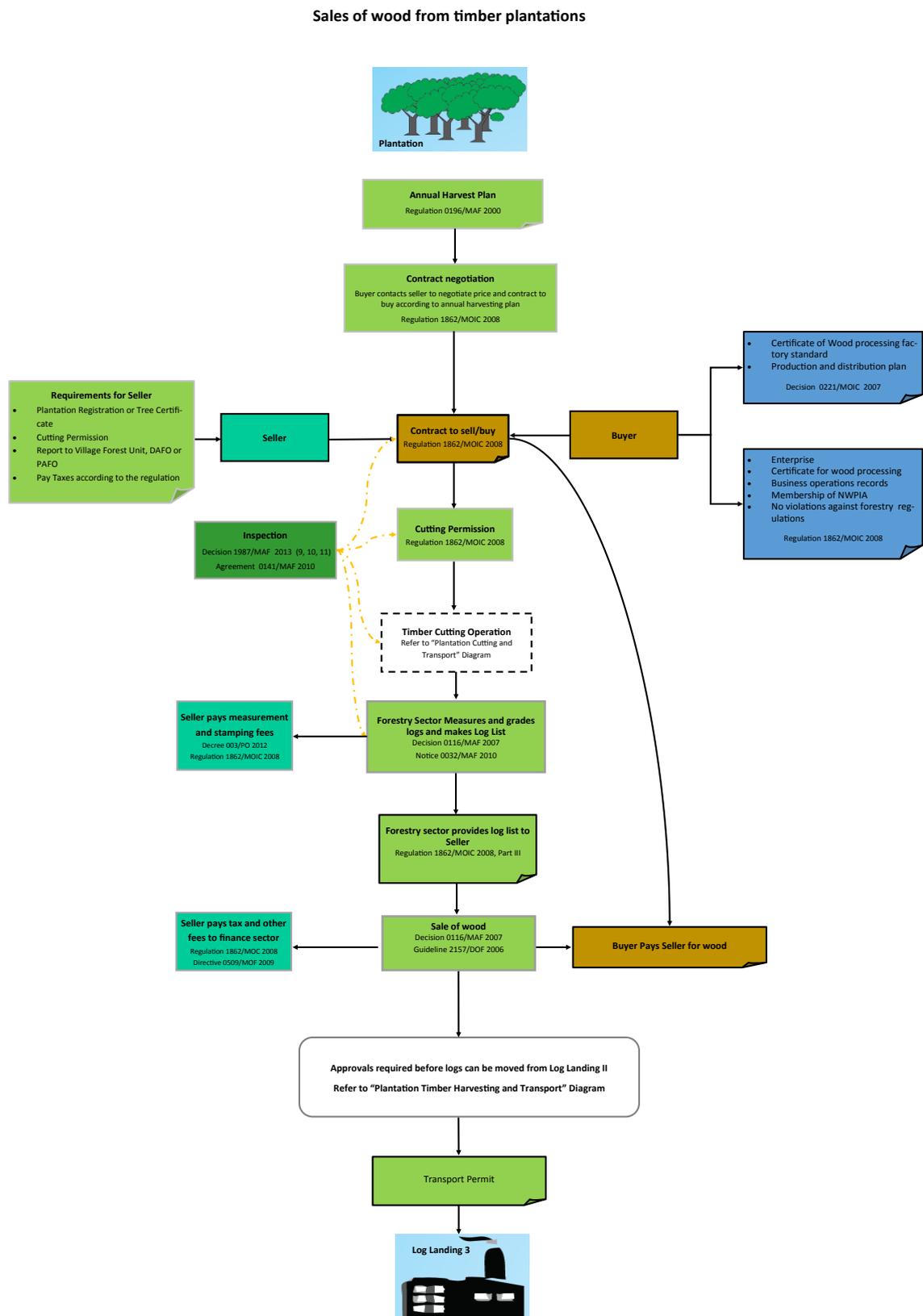


Table 11 Smallholder Plantations - regulatory requirements

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
PLANNING				
Land Use Planning and land Allocation at the Village Level	Article 4. Ownership of forest and forestland	<p>Law No. 04/NA on Land 2003 Article 9. Land Management: The State is charged with the management of land for the whole country in a centralized and uniform manner in which the government assigns management responsibilities to the national land management authority as prescribed in Article 10 of this law and it coordinates with concerned sectors and local administrations, assigns responsibility for the management of land use to concerned sectors such as the Ministry of Agriculture and Forestry, the Ministry of Industry and Handicrafts, the Ministry of Communication, Transport, Post and Construction, the Ministry of Information and Culture, the Ministry of National Defence, and the Ministry of Security. Article 11. Classification of Land Regions and Land Categories:</p>	<p>MONRE allocates Land Types to agencies with approval from NA. MAF is responsible for determining the different categories of forests and managing forest.</p>	<p>Land is classified at the national level and assigned to relevant agencies for management.</p>
		<p>Law No. 47/NA on Local Administration 2003 Article 2. Local Administration Local administration refers to the State administration at the local level. There are three levels of local administration in the Lao People’s Democratic Republic: provincial, district and village levels. At the provincial level, there are provinces, cities and, if required, a special zone;</p>	<p>The Government allocates forests and forestland areas to the Provincial and Vientiane Capital, administration authorities, which allocates them to District or Municipal Administration Authorities which allocate them to village administration authorities</p>	<p>Local administration has responsibility to manage natural resources and may issue regulations and instructions for management and use.</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>At the district level, there are districts and municipalities; At the village level, there are villages. The government delegates responsibility to the local administration authorities to manage the territory, natural resources and population in order to preserve and develop into a modern, civil and prosperous society.</p>		
		<p>Law No. 04/NA on Land 2003 Article 17. Determination of the Scope of Agricultural Land Use Rights The State authorises individuals and families to use agricultural land in accordance with the allocation plan and objectives, for the long term and in an effective manner, according to areas determined as follows: For those using land for industrial plantation and growing crops, the maximum area is three hectares per labour force in the family; Article 22. (New) Allocation of Forest Land Use Rights</p>	DAA in consultation with VAA is responsible for approving the allocation of forest land use rights in respect of forest land which is under its management to individuals and organisations for use by issuing land certificates to them.	Up to 3 ha of agricultural land can be assigned to individuals and families for industrial plantations. Any greater amount requires a lease or concession.
Land Documents	<p>Article 84. Allocation of forest and forestland to organizations and individuals Article 85. Forest ownership</p>	<p>Law No. 04/NA on Land 2003</p>	Land Management Authorities issue land use certificates	Land Use Certificates may be issued for temporary land use rights.
		<p>Decree No. 88/PM on the implementation of the Land Law, 2008</p>	The family wishing to establish the plantation must demonstrate that that have land use rights.	Lists the types of official land documents as evidence of use rights
		<p>Instruction No. 0564/NLMA on the adjudication of land occupation rights for the issuing of land titles, 2007</p>	The family wishing to establish the plantation must demonstrate that that have land use rights.	Lists the types of official land documents as evidence of use rights

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
<p>Types of Land allocated to village/individuals</p>	<p>Article 84. Allocation of forest and forestland to organizations and individuals</p> <p>Article 85. Forest ownership</p>	<p>Instruction No. 0564/NLMA on the adjudication of land occupation rights for the issuing of land titles, 2007</p>	<p>The family wishing to establish the plantation must demonstrate that that have land use rights.</p>	<p>Lists the types of official land documents as evidence of use rights.</p>
		<p>Manual for Participatory Agriculture and Forest Land Use Planning at Village and Village Cluster Level, 2010</p>		<p>Provides procedures to undertaking land use planning at the village level.</p>
		<p>Decree No. 01/PO on Land Tax 2007</p>	<p>Individuals who have been allocated land must pay land tax</p>	
		<p>Decree No. 96/PM regarding commercial tree planting and environmental protection 2003</p>	<p>Individuals who have been allocated land must pay land tax until plantations are registered.</p>	
		<p>Regulation No. 0196/MAF concerning the development and promotion of Long term Plantations 2000</p>	<p>Individuals who have been allocated land must pay land tax until plantations are registered.</p>	
PROJECT APPROVAL				
<p>Plantation Development</p>	<p>Article 84. Allocation of forest and forestland to organizations and individuals</p> <p>Article 85. Forest ownership</p>	<p>Regulation No. 0196/MAF concerning the development and promotion of Long term Plantations 2000</p> <p>All Articles that apply to areas <5ha</p> <p>Article 5: Individuals and organizations who want to plant trees on land that is under their ownership, and the government has not determined that land for to use for agricultural purposes or government priorities, can plant trees without need to obtain permissions but should comply with Article 4 of this Regulations (regarding plantation management plans)</p>	<p>No permission are need for planting trees on land under individual ownership/us rights. Plantation <5ha do not need a plantation management plan. Specific approvals may be needed for importing seeds or other steps in plantation establishment.</p>	<p>Different approvals are required for plantation depending on the type of land, form of ownership and the size of plantation</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Plantation Development	Article 35. Promotion of tree and NTFP plantations	Decree No. 96/PM regarding commercial tree planting and environmental protection 2003 Article 3		Provides for incentives for plantation development
Plantation Registration	Article 35. Promotion of tree and NTFP plantations	Regulation No. 0196/MAF concerning the development and promotion of long-term plantations 2000 Article 12. Registration of tree planting parcel	The plantation owners submits proposal to VFU VFU inspects plantation and makes a sketch map and issues an inspection certificate. Plantation owner prepares and application and submits it with require document to DAFO.	
		Instruction No. 115/MAF regarding the investment on tree planting as a source of raw material for the wood processing factories, registration of tree plantation, licensing for cutting and exporting of planted trees 2003. Article 6	PAFO surveys and registers plantations	Plantations must be registered
		Directive No. 1849/MAF concerning the registration of tree planting parcels 1999 All Articles	The project owner applies for plantation registration certificate. < 5 ha DAFO approves certificate > 5ha PAFO approves certificate	Plantations must be registered in order to be harvested and gain land tax exemptions
		Notice No. 1374/MCAF regarding application for registering tree planting parcels and grown timber certificate 2010 Areas < 0.16 ha must be certified by the Village Forest Unit. Areas < 5ha must be registered by DAFO Areas > 5 ha must be registered by AFO	The project owner applies for plantation registration certificate. < 5 ha DAFO approves certificate	Plantations must be registered in order to be harvested

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			> 5ha PAFO approved certificate based on recommendation of DAFO Scattered plantings Village Head approves tree certificate, with approval from DAFO.	
Land Tax Exemption	Article 35. Promotion of tree and NTFP plantations	Regulation No. 0196/MAF concerning the development and promotion of long-term plantations 2000 Article 19. Land tax exemption	Plantation owners with registered plantations >.16 ha do not need to pay land tax.	Plantations that are >0.16ha and are registered are exempt from land tax
		Decree No. 96/PM regarding commercial tree planting and environmental protection 2003 Article 3	Plantation owners with registered plantations >.16 ha do not need to pay land tax.	Plantations that are >0.16ha and are registered are exempt from land tax
		Directive No. 1849/MAF concerning the registration of tree planting parcels 1999 Article 4	Plantation owners with registered plantations >.16 ha do not need to pay land tax.	Plantations that are >0.16ha and are registered are exempt from land tax
		Decree No. 01/PO on Land Tax 2007	Plantations that are <0.16ha and are registered, or are or are scattered plantings on farmland are not exempt from land tax.	Plantations that are <0.16ha and are registered are not exempt from land tax.
QUOTA				
Annual Harvesting Plan	Article 18 Logging survey	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 7. MAF is to issue specific rule to manage plantation timber, particularly to survey and register tree plantations of individuals, juridical entities in each locality; regulations on harvesting, the preparation of annual logging plan for plantation timber etc.		Plantations should be included in the annual harvest plan
		Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM, dated 22/09/2008, 2008	PAFO surveys area to be harvested each year.	Harvesting must be undertaken in accordance with the Plantation Management Plan

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		Article 3.2 on Timber exploitation and NTFP collection 3.2.3) Wood from the plantation garden shall have a register or certificate from the plantation garden and shall be included in the annual proposal plan of provinces and capital city.		
Quota Application Consolidation	Article 18 Logging survey	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business 2008	DOF consolidates applications from Provinces	
		Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 3.2.1 PAFO shall summarise the figures of timber exploitation and NTFPs each year	PAFO summarises the areas to be harvested each year. DOF consolidates applications from Provinces	
Quota Application Consideration	Article 18 Logging survey	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 4.3 MOIC has the duty to provide guidance and encourage the National Wood Processing Industry Association to consolidate the need for timber species, the number of wood processing factories which are members of the NWPIA, and submit to MOIC to further consolidate and then work with MAF in the preparation of annual logging plan prior submission for Government consideration.	MOIC consults with National Wood processing Industry on annual wood supply needs.	
Quota approval and Allocation to Provinces	Article 18 Logging survey	Guideline No. 2157/DOF Guideline on Timber Harvesting in Production Forest, 2006 Part V Article 4 Quota Allocation and Harvesting Permit	MAF allocates an annual quota to Provinces for harvesting	
HARVESTING				

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Cutting Permit	Article 48. Felling of planted trees	<p>Regulations No. 0196/MAF concerning the development and promotion of long-term plantations, 2000</p> <p>Article 14. Logging and transportation of planted trees 1. For the logging and transportation of planted trees for commercial purposes undertaken in accordance with the logging period as stated in the plantation management plan, and the logging of planted trees which have been planted under the scattered planting system, and which are registered, DAFO shall approve harvesting but must inform PAFO</p>	DAFO shall approves harvesting but must inform PAFO	Plantations that are to be harvested must be registered Harvesting of plantations should be in accordance with the Plantation Management Plan
Harvesting	Article 55. Logging unit	<p>Law No. 46/NA on Enterprise 2013</p> <p>Articles 12 and 13 on registration of enterprises, Articles 32, 33 and 34 on partnership enterprises, Articles 78, 79 and 81 on companies, Article 86 and 92 on limited companies, Articles 191, 192 and 193 on state-owned companies, and Article 224 on joint (state with non-state-owned) companies</p>	Logging Contractors must be Registered with MOIC	Logging Units
		<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM, dated 22/09/2008, 2008</p> <p>3.3 The Implementation of Annual Plan for Forest Plantation, Forest Restoration and NTFPs Collection 3.3.3 PAFO shall manage timber exploitation of the timber harvesting unit established through the approval of MAF to perform duties related to timber exploitation and timber gathering for Log-yard II.</p>	PAFO manages timber harvesting units.	
	Article 20. Management of vehicles and machinery for logging.	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008</p> <p>Article 20.5 It is prohibited to import, sell, possess logging or processing machineries without approval</p>	MOIC is to issue specific instruction for POIC to implement with respect to the importing of machinery for logging.	Approval for importing machinery

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
	processing, log hauling and transportation	from relevant line authorities. Should there be any case of hiding for illegal use, it must be confiscated then proceed with strict legal action against violators.	Approval of the Agriculture and Forestry authority is required.	
<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM, dated 22/09/2008, 2008</p> <p>Article 10. DOF shall coordinate with relevant sectors to implement the policy on the import, registration and use of timber exploitation and transport vehicle; transport of timber, stump, trunk, processed wood and wood products by complying with the joint agreement between MAF and MPWT No. 0019/MAF and No. 2139/MPWT, dated 14/02/2008.</p>		DOF coordinates the import, registration and use of timber machinery		
<p>Agreement No. 0019/MAF and No 2139/MOCT Between Minister of Agriculture and Forestry And Minister of Civil Works and Transport on the Transportation of Log, Sawn timber, Stump, Burl/wood gall and wood products 2008</p> <p>Article 3. Authorization for the importation, registration and use of vehicles for timber harvesting and transporting purposes</p>		MAF approves importation of machinery MPWT at the Province registers vehicles		
<p>Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations, 2008</p> <p>1. The import and use of wood extraction vehicles and transport, and wood extraction machinery shall be first agreed by MAF before MOIC (Department of Import and export) is able to issue an import permit.</p> <p>2. POIC are given the right to monitor a distribution of all categories of wood processing machinery, and a possession and utilization of the aforementioned</p>		MOIC and MAF agree on the importing of machinery. MOIC issues importing permit. POIC monitors the possession and use of machinery	This notification is made in response to Order No 17/PM 2008.	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>equipment's and machinery on a basis of principles stated in a Decision No. 1140/MOIC-, dated 13 February 2007 concerning the Standard of Wood, Rattan and Bamboo Processing Industry Factories.</p> <p>3. POIC shall work with related agencies in proceeding an inspection and registration of vehicles specific for hauling logs, wood extraction machinery, and all categories of equipment or wood cutting machinery that are already imported and existed prior to this Notification</p>		
Log Haulage/Skidding	Article 45. Business operations in the forest	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008</p> <p>11)-MAF, in close collaboration with local authorities is to supervise the implementation of logging plan including the hauling to log landing I and transport from landing I to landing II, which is to be completed before 31 May every year; if it is found out that the implementation of logging plan is not completed by that time, the following two actions are to be taken:</p> <ul style="list-style-type: none"> - for timber logged in production forest areas, the incomplete part must be cancelled off; 	<p>MAF supervises the hauling of timber.</p>	<p>Approval for importing machinery</p> <p>Harvesting and Hauling of timber must be completed before 31 May every years</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Log List	Article 21. Measuring and quality grading	<p>Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading 2007 All Articles</p>	PAFO implements the decision.	<p>Plantation logs are measured and may be weighed. Grading and scaling is the responsibility of the plantation owner.</p> <p>The regulations state that logs from PFA must be clearly marked and for logs from clear cut site, it may be enough to only mark the log number, length and diameter. No specific instructions are provided for plantations</p>
		<p>Regulation No. 1862/MOIC on the Sale and Purchase of Timber from Tree Plantation, 2008 III. Procedures on Purchase – Sale, Receiving and moving of the timbers Procedure 2: the Agriculture and forestry sector shall manage the harvest activities, measure, make the list and hand over such list of timber to the seller</p>	Agriculture and Forestry Sector (unspecified) makes the log list	
		Notice 0032/MAF		
Inspection	Section 2 Inspection of forest and forestland	<p>Instruction No. 0141/MAF on Forest and Forest resources Inspection and Case Action, 2010 Article 5. Forest and Forest Resource Inspection Article 6. Pre-harvesting survey</p>	DOFI inspects pre- harvesting survey, inspection of the Landing I, II, and III, sawn timbers, fitches timber at retails/timber sale depots, inspect the transportation and internal products and export; , internal check points, international check points and the other places, inspect of land lease/ land concession, individual/families land for tree	Plantations are to be inspected.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			planting and utility forest land for infrastructure;	
TRANSPORT TO LOG LANDING 2				
Transport permit	Article 49. Logging and harvesting of forest products Article 53. Transport of timber and forest products	Regulations No. 0196/MAF concerning the development and promotion of long-term plantations, 2000	For transport between districts within a province VFU approves permit but owner must inform DAFO For transport between provinces DAFO approves permit and inform PAFO.	
LOG LANDING 2				
TRADING – Sales may occur of standing trees of after cutting				
Contract Negotiation	Article 51: Distribution of NTFP and wood products	Law No. 01/NA on Contract and Tort	The sale of timber is be contract between the seller and the buyers	Wood supply contracts may exist with farmers who grow trees under contract to processing companies or may be established through sales of standing trees or logs.
		Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 7.2. The sale of plantation timber is the responsibility of the plantation's owners and the buyers to negotiate or consult on the price based on the market information provided by the NWPIA giving priority to domestic processing industry.	The sale of timber from plantations is the responsibility of the seller and buyer to negotiate MOIC is to develop specific rules for the sale of plantation timber	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		7.3.		
		Regulation No. 1862/MOIC on the Sale and Purchase of Timber From Tree Plantations, 2008 All Article	specific rules for the sale of plantation timber	Specific regulations are provided on the sale and purchase of timber from tree plantations
Seller	Article 51: Distribution of NTFP and wood products	Regulation No. 1862/MOIC on the Sale and Purchase of Timber from Tree Plantation, 2008 Article I.2. the	Seller shall fulfil all requirements, as follows <ul style="list-style-type: none"> • Plantation Registration Certificate • Harvesting Permission • Report to Village Forestry Unit, DAFO or PAFO • Tax payment receipts 	The seller of the timber must meet specific approvals
Buyer	Article 51: Distribution of NTFP and wood products	Regulation No. 1862/MOIC on the Sale and Purchase of Timber from Tree Plantation, 2008 Article I.1 1. <ul style="list-style-type: none"> • 	The Purchaser shall have the complete conditions as follows: <ul style="list-style-type: none"> • Enterprise Registration • Business Operations Records • NWPIA membership • it shall have plans for production, distribution and market; • No violations against the Forestry Law or regulations 	The Buyer of the timber must meet specific approvals
Buyer	Article 51: Distribution of NTFP and wood products	Decision No. 0221/MOIC 2004 the Standard of Wood, Rattan and Bamboo Industrial Processing Factories (Processing Manufacture), 2007	Purchaser must have:	The Buyer of the timber must meet specific approvals

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			<ul style="list-style-type: none"> • Certificate for Wood Processing Standards • Production and Distribution Plan 	
Seller Pays Log Measuring and Grading Fees to DAFO	Article 51: Distribution of NTFP and wood products	Decree No. 003/PO on Fees and Charges 2012 Article 42: Service charges for agriculture and forestry sector	All taxes and fees must be paid before timber is Transported to Log Landing III	
Seller Pays tax	Article 51: Distribution of NTFP and wood products	Directive No. 0509/MF for the calculation of taxes on timber and non-timber forest products, 2009 All Articles	Buyer and seller must pay taxes	
Payment royalties and fees	Article 51: Distribution of NTFP and wood products	Decree No. 96/PM on Industrial Tree Plantations and Environmental Protection, 2003 Article 3 The government promotes the planting of trees with the provision of incentive policies such as: <ul style="list-style-type: none"> • Exemption of land tax for land that used for planting trees in accordance with Article 34 of the Law on Forestry. • Exemption of forestry restoration and natural resource fees and other duties for timber harvested from the tree plantation for household and public uses. The felling of trees from the plantation for domestic commercial purposes and for export shall be subject to income tax but exempt from forestry restoration fee and natural resource fee. 	All Royalties and fees must be paid before timber is Transported to Log Landing III	
Forestry sector measures and grades logs and makes log list	Article 51: Distribution of NTFP and wood products	Decision No. 0116/MAF regarding the procedure for measuring log, tree stump, tree burl and log quality grading 17 May 2007	PAFO measures and grades logs and makes log list	
Sale (transfer) of Wood to Buyer	Article 51: Distribution of NTFP and wood products	Guideline No. 0032/MAF 2010	PAFO measures and grades logs and makes log list	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
TRANSPORT ALL SECTORS				
Approvals required before logs can be moved	Article 45. Business operations in the forest	No additional regulations	Timber harvesting and haulage businesses must be registered by MAF	
		Law No. 46/NA on Enterprise 2013	Timber harvesting and haulage businesses must be registered by MOIC and approved by MAF	
	Article 20. Management of vehicles and machinery for logging, processing, log hauling and transportation	Law No. 24/NA on Transportation 2012, Article 14 on requirements for vehicle drivers, Articles 16 on vehicle requirements, Articles 21 on establishment of transport enterprise and licence Article 12 on cross-border transport	MPWT registers and monitors/inspects vehicles	Vehicle Registration is required for timber harvesting and extraction: <ul style="list-style-type: none"> • Registration as transport vehicle • Vehicle use permit • Vehicle licence plate <ul style="list-style-type: none"> o Vehicle technical inspection document • Vehicle insurance • Driver's licence If animals are used for moving logs, verify that registration documents are kept and correct
		Law No. 02/NA on Land Traffic 2000 Article 35. Standard of Vehicles: All types of mechanised vehicles imported to be registered and used permanently in the Lao PDR shall have structures in accordance with the technical standards of the production factories, steering wheels on the left hand side, and qualities in accordance with the technical standards issued by the MOT Article 17. Assembly and Modification of Vehicles The assembly and modification of mechanised vehicles	MPWT registers and monitors/inspects vehicles	Vehicle must not be modified

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		shall comply with defined factory standards and with the technical standards issued by the Ministry of Communication, Transport, Post and Construction.		
		Notification No. 1440/MOIC.DIMEX on Management of Wood Transport Vehicle, Wood Extraction Machinery, and Wood Processing Machinery in Consistency with the Laws and Regulations 2008 Articles 1 and 3 on approval for importing and registration of wood extraction and transport vehicles	MPWT registers and monitors/inspects vehicles	Approval is required for Importing machinery associated with timber harvesting
		Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 10 on agreement No 0019.MAF 2008 and No 2139/PWT 2008 between DOF and DoT	MPWT registers and monitors/inspects vehicles	Vehicle Registration are required for timber harvesting and extraction
		Agreement No. 0019/MAF-2008 No. 2139/2008 MPWT, 14 February 2008 All Articles	MPWT registers and monitors/inspects vehicles	Vehicle Registration are required for timber harvesting and extraction
TRANSPORT TO LOG ANDING 3				
Approvals required before logs can be moved from Log Landing II	Article 53. Transport of timber and forest products	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 16 on agency responsibilities and documentation requirements Article 16.1 (6) clarifies MOIC issues Log Transport permit at Log landing 2.	MOIC is responsible for Log Transport permit from Log Landing 2	This is contradicted by Decision No 32/PM 2012
		Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business on 25th-26th January 2012 5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging	MAF is responsible for the transport of logs. PAFO issue Domestic Transport permit	This Decree is clarifies responsibilities between MAF and MOIC.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport of all types' sawn timber and timber products that stipulate in forestry law.		
		<p>Notification No. 1904/MOIC.DIMEX (or 1940) 2011 on Procedure to issue import and export license for Timber and timber products, 2011</p> <p>Article 5. Inspection of the movement and exportation The Industry and Commerce sector through trade inspection officers shall coordinate with the relevant agencies to monitor the movement, exportation of timber and wooden products on transportation routes, wood processing factories, storage and other places where necessary. If informed by a reliable source, trade inspection officers shall coordinate with the relevant agencies to inspect and act according to the rights and authority as given by the Laws and regulations.</p>	MOIC is responsible for inspecting logs in transit	MOIC is responsible for inspecting logs in transit
		<p>Notification No. 2215/MIC on the cancellation of the issuing Commodity Movement Permit by the industry and commerce sector 2011</p> <p>All articles</p>		Cancels the need for issuing movement permits by POIC, with the exception of specific commodities as named
		<p>Directive No. 0509/MOF for the calculation of taxes on timber and non-timber forest products 2009</p> <p>Article 4 4. Transport of timber and sawn timber at each point</p>	Buyer/owner Pays Taxes MOF issues Tax receipt	Taxes must associated with harvesting and Transport must be
Domestic Transport Permit	Article 53. Transport of timber and forest products	<p>Regulation No. 0196/MAF concerning the development and promotion of long-term plantations 2000</p> <p>Article 14. Logging and transportation of planted trees</p>	<p>For the transport of timber from Plantation a Domestic Transport permit can be issued:</p> <ul style="list-style-type: none"> • by the Village Forestry Unit (within a Province) • By DAFO (Between Provinces) 	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			<ul style="list-style-type: none"> By PAFO (for export) A record of a Plantation inspection must be provided.	
		Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business 2012 5.7. Agriculture and Forestry Sector is responsible to lead in the management and monitoring for logging operation and transportation, natural ornamental tree species, NTFPs, medicinal plants includes the transport of all types' sawn timber and timber products that stipulate in forestry law.	MAF is responsible for the transport of logs	
		Decree No.003/PO on Fees and charges 2012 Article 41 (6) Fees for issuing transport permit for timber and NTFPs within the country, export permit for timber and NTFPs including certificate of plantation, certificate of planted timber are as follows	Transport Permit Fee must be paid to MAF and a receipt issued	Transport Permit Fee must be paid to MAF and a receipt issued
Checkpoints	Article 53. Transport of timber and forest products	Law No. 02/NA on Land Traffic 2000 Article 13. Driving Regulations and Loading: It is prohibited to overload goods or passengers in respect of either their weight or the number of permitted passengers;	MPWT inspects logs at checkpoints	Movement and inspection of Wood
		Law No. 24/2012 NA on Transportation 2012	MPWT inspects logs at checkpoints	Movement and inspection of Wood
		Notification No. 1179/SS on the cancellation of inspection station - checkpoints 2011	Cancels some checkpoints	
Inspection	Article 114. Rights and duties of forestry officers	Agreement No. 1987/MAF on Terms of Reference for District Forest Inspection Office 2013 Article 4.2 2. To inspect forest, forest land, Non timber forests, log landing I, II, III, warehouse, Sawmills, Wood	DOFI has the authority to inspect timber transport and establish checkpoints	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>processing factory, furniture, timber transportation, timber shops and other manufacturing to use wood as the energy, Aquatic and Wildlife farms and other places.</p>		
		<p>Agreement No 0141/MAF of the Minister On Forest and Forest resources Inspection and Case Action 2010 Article 5. Forest and Forest Resource Inspection: Inspect the transportation of products internally and for export Article 12.7 Logs -Inspect Legal documents as transport permit from second landing to third landing or timber processing factories Article 13. The inspection approaches to internal removal pass/transportation of sawn timber 6. Inspection record and certification of products transported from Timber processing factories and the record of truck log docket for each shipments issued by POIC</p>	<p>DOFI has the authority to inspect timber transport and establish checkpoints</p>	
<p>REFER TO SECTION 11 "TIMBER PROCESSING"</p>				
<p>REFER TO SECTION 12 "EXPORT OF WOOD SOURCED FROM PLANTATIONS"</p>				

SECTION 11 TIMBER PROCESSING

SUMMARY

The Government of Lao PDR has a policy to promote domestic wood-processing factories (WPF) by linking the regulation of their operations to timber harvesting, quotas and plantation investment, and by promoting only the export of processed wood. Many attempts have been made to both regulate and develop the wood processing sector and limit the export of round logs.

The Forestry Law (Article 45) recognises the processing of timber as a forestry business and (under Article 50) allows for the processing of timber and forest products in accordance with the *Law on Industrial Processing No 48/NA (2013)*. The Law on Industrial Processing determines the principles, regulations, and measures relating to the establishment, operation and administration of industrial and handicrafts processing. It has the objective of expanding the processing and handicrafts industry and to integrate the processing industry with agro-forestry. Subordinate regulations have been issued with respect to regulating the standards of wood processing factories and of processed wood.

In 2006 MOIC took over the responsibility for regulating the wood processing industry from MAF and in 2007 declared that wood-based exports must be finished products. At the same time MOIC issued a series of new regulations aimed at making the export of timber and wood-based products the exclusive right of the central government.

The transition in administration between MAF and MOIC has not been straightforward. *Order No 17/PM, 2008* (Article 12) aimed to strengthen the measures for restructuring and management of the wood processing sector through improved collaboration between MOIC and MAF across a range of areas concerning the operational standards and management of wood processing, including sawmills and wood working factories and to develop regulations with respect to operation of harvesting businesses, tree plantation groups, wood and wood product merchants and wood product exporters. Under this Order (Article 2 (4)) MOIC is responsible for the management and monitoring of sawmills, wood processing factories, furniture factories, wood products storage houses, wood energy factories and others in accordance with the Law on Industrial Processing and in collaboration with other related line agencies and local authorities.

The Law on Industrial Processing determines the principles, regulations and measures relating to the establishment, operation and administration of industrial and handicrafts processing. It has the objective of expanding the processing and handicrafts industry and to integrate the processing industry with agro-forestry. Pursuant to this Law, Regulation 1301/MOIC 2007 on the management of industrial processing factories, defines the principles in managing the operations of industrial and handicraft processing factories; the conditions and standards of factory operations and also the process for issuing licenses for factory operations. The Department of Industry at the Provincial level is responsible for implementing the Regulation, which is not specific to wood processing factories.

In order to establish a wood processing facility a local investor must obtain an enterprise registration license from the MOIC, a tax license from the Tax Department of the Ministry of Finance and an operations license from the MAF and/or MOIC (Forestry Law, Articles 45; Law on Industrial Processing, Arts. 9 and 44).

Regulation No. 261/MAF also requires that a wood processing facility obtains an operation permit (valid for 3 years) and an agro-forestry production permit (valid for 1 year), but in practice the factories only obtain

one license, renewable every year and the requirement for agroforestry production in association with wood processing has not been enforced since MOIC assumed its responsibilities in this area.

In 2009, in response to Order 17/PM 2008, MOIC implemented Notification No 0051/MOIC.DIMEX Implement the decision on the form and size of wood products and Decision 0719/MOIC on Timber Processing Manufacture Standards.

Notification 0051/MOIC.DIMEX, which is pursuant to Decree 1415/MOIC on the Form and Size of wood products, focuses on the standards of wood products specifies raw material and input-output inspections at processing facilities. It provides clear instruction on the requirements for input inspection, with respect to raw products including timber origin, and output inspection on the form and size of products. Both Decree 1415/MOIC and Notification 0051/MOIC.DIMEX were replaced by Decision No 2005/MOIC.DOI on Wood Product Standards 2015.

Decision 0719/MOIC 2009 was implemented to reform and modernize all levels of timber processing, including small household sawmills and factories. It defines three levels of processing and classifies manufacturers according to ISIC codes and specifies processing standards, including for environmental protection and OH&S, as well as products standards. Within this Decree WPFs are classified into 3 types:

- Wood processing factories I (type I) include sawmill, semi-finish wood product factory, with codes 1610, 1621, 1622.1, 1701.1, as: sawn wood, square, re-sawn wood, rotary veneer, slice veneer, and pulp.
- Wood processing factories II (type II) include finished wood product factory, and furniture factory, with codes 1621, 1622.2, 1623, 1624, 1629, 1701.2, 1702, 1709, and 3100, as: wooden house, frames, door, window, stair, parquet, flooring, plywood, particle board, fibre-board, box, palette, paper, paper utensil, wooden furniture (tables, chairs, chests, beds), decorative wood, woodcrafts and carving products.
- Small size wood processing factories run by households (including small wooden furniture), with less than 10 employees, and less than 5 horse power, are classified in type II, and with codes 1629, 3100, as: tables, chairs, chests, beds, wood crafts and curving products, decorative items, photo frames.

For small sized (family/household) processing facilities Article 10 also specifies the source and grade of timber that can be used as being: timber from level I manufacturing (sawmills and semi processing manufacturers) branches, roots, stumps and other waste woods. Specific prohibitions are provided for in Article 11 including:

- the harvesting and input of illegal timbers (according to the rules and regulations of the forestry sector) as raw materials;
- the sawing or cutting of timbers for commercial uses, only allowing for the processing of timbers with a purpose of internal manufacturing.
- The use of its own raw material for any commercial purposes.

Small processing manufactures that meet conditions and standards of this Decision and must apply for permits according to Article 5 and Article 6 of the Decision on Timber Processing Management No. 1301/MOIC 2007.

Decision 0719/MOIC 2009 also requires that all timber processors cease operations until the standards proscribed are met and that any processors located inside prohibited areas such as Conservation or Protection Forests move to industrial areas. Article 16 requires that all levels of timber processing manufacturers implement the specific rules and regulations of MOIC, MOF and MAF with respect to the issuing of permits, licenses and documents for the movement of timbers and products for domestic and

export purposes. It also requires that each facility develops an annual production plan which can be used by MOIC in the formulation of annual quota allocations (Article 15).

MOIC is responsible for implementing the decisions and undertaking inspections and enforcement against violators in accordance with Decision No. 1301/MOIC 2007.

Subsequent to Decision 0791/MOIC 2009, MOIC made a Notification No 2228/MOIC 2011 on further improvement of wood processing in seven Provinces. This notification requires inspection and planned improvement of processing in line with both Decision 0719/MOIC and Notification No 1415/MOIC 2008 (since repealed). Notification No 2228/MOIC identifies as an issue (Article 6) the potential for illegal 'renting' of processing licences (which are issued under Decision 1301/MOIC 2007).

While reforms have been made to clarify and formalise the supply and use of raw material and modernize and standardize wood processing, some new regulations omit the detail provided in previous instruments and as a result there is lack of clarity in some areas.

For example for timber from plantations the replacement of Notices No. 1887/MOIC.DIMEX, No. 0484/MOIC.DIMEX and No. 1862/MOIC.DIMEX which were aimed at promoting the use of raw material from plantations and formalising the management of the plantation timber trade were replaced by Notice No 1791/MOIC.DIMEX 2011 which is effectively a procedural notice regulating the import and export of plantation grown timber.

Decision No 2005/MOIC.DOI on Wood Product Standards 2015 (which replaced Decision No 1415/MOIC.DOI on the form and size of wood products 2008 and Notification No 0051/MOIC.DIMEX on the implementation of Decision 1415) defines the principles, regulations and measures on the definition of categories of the type, form and size of the wood products in order to facilitate the management of production, the use and distribution of wood products in a uniform way across the whole country. It also aims to modernize the wood processing industry, create added value, protect the environment and forest resource in an effective and sustainable manner and contribute to the continued and enhanced national socio-economic development.

Under this Decision, timber products from primary wood processing and secondary wood processing are divided into three forms: processed sawn timber, semi-processed timber, and finished products. Other products such as those referred to in Order 17/PM and Guideline 0105/MAF such wood for energy, firewood, wood for charcoal, fencing and construction wood; as well as bamboo an pulp and paper are not included.

It forms the basis of the determination of value added processing, which has taxation implications for processors.

Small Processors

The Lao wooden furniture industry is almost entirely domestic in orientation and comprises small or household businesses producing low quality household furniture that is consumed locally. These processors fall under the Law on Industrial processing and other regulations for wood processing.

According to Decision 0719/MOIC 2009 these small processors and manufacturers should only source their wood inputs from other (level I) processors and should not use round logs or raw material. Wood inputs and outputs should also be tracked according to the regulations. Nevertheless, many small local sawmilling enterprises exist and it is unlikely that they are meet the standards or are registered under this Decision

0719/MOIC 2009 or Decision No. 1301/MOIC 2007. It is also likely that unregulated or unidentifiable wood enters the supply chain through these small scale domestic processors.

Households consume large volumes of wood in Laos and there is potentially a significant volume of wood that is produced locally from a range of sources that is also consumed locally, and hence is largely unregulated and unaccounted for. Some estimates are that household consumption of wood for construction may be as high as 1 m³ per year, and wood consumption for other uses such as fuel wood may be as much as 1m³ per person per year.

Timber Tracking

The legal supply chain of wood processing varies between wood harvested from natural forests (PFAs Conversion Areas and village use Forests) and wood harvested from plantations. Wood harvested from natural should move from Log Landing 1 via Log Landing 2 to Log Landing 3 as round logs. Wood harvested from plantations may undergo “pre-processing” into rough sawn square logs or be transported as round logs. This wood may be exported directly (if there is no domestic processing demand for it) or it should progress through supply chain under the same regulatory process as wood from natural sources.

There are further differences in these supply chains which relate to the documentation required at Log Landings 1-3, and which are required for log tracking and demonstration of wood origin.

For example, the documentation required to accompany wood harvested from PFAs is clearly articulated, similar requirements are not specified for wood from conversion areas, Village use forests or plantations. However increasingly, certification of wood origin is required for some export approvals.

The absence of specified wood tracking documents limits the effectiveness of the application of input-output inspections required once wood enters the processing supply chain.

These processing pathways are shown in the flow diagrams in Figure 15 for timber from PFA, Figure 16 for timber from conversion areas Figure 17 and village use/individual forests and Figure 18 for timber from plantations.

A list of legal instrument and document relevant to timber processing is provided in Table 12 and further details on the regulatory steps as set out in the flow diagrams are provided in Table 3.

Table 12: List of Legal Instruments and Documents relevant to Wood processing

LEGISLATIVE INSTRUMENT	MINISTRY RESPONSIBLE	DEPARTMENT RESPONSIBLE
Law No. 48/NA on Industrial Processing 2013	MOIC	
Law No. 05/NA on Tax 2011	MOF	
Law No 46/NA on Enterprise 2013	MOIC	
Law No. 02/NA on Investment Promotion 2009,	MPI	
Decree No. 119/PM on the Implementation of the Investment Law 2011	MPI	
Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008	Various	
Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business, 2012	Various	
Decision No. 2005/MOIC.DOIH on Timber Product Standards 2015	MOIC	DOIH
Decision No. 1301/MOIC on Timber Processing Management 2007	MOIC	
Decision No. 0719/MOIC on Timber Processing Manufacture Standards 2009	MOIC	
Decision No. 1140/MOIC concerning the Standard of Wood, Rattan and Bamboo Processing Industry Factories 2007	MOI	
Decision No. 1415/MOIC on The Form and Size of Timber Products 2008	MOIC	
Directive No. 0509/MOF for the calculation of taxes on timber and non-timber forest products 2009	MOF	DOT
Regulation No. 0261/MAF requiring timber processing factories to have an operating permit and an agroforestry permit.	MAF	DOF
Notification No. 0051/MOIC to implement the decision on the form and size of wood products 2009	MOIC	
Notification No.1440/MOIC.DIMEX on the Management of wood transport vehicle, wood extraction machinery, and wood processing machinery.	MOIC	DIMEX
Agreement No. 1984/MAF on The Terms of Reference Department of Forest Inspection (DOFI) 2014	MAF	DOFI
Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008	MAF	DOF

LEGAL FLOW DIAGRAMS FOR WOOF PROCESSING

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Figure 15: Timber Processing from Wood Harvested from Natural Forest: Production Forest Areas

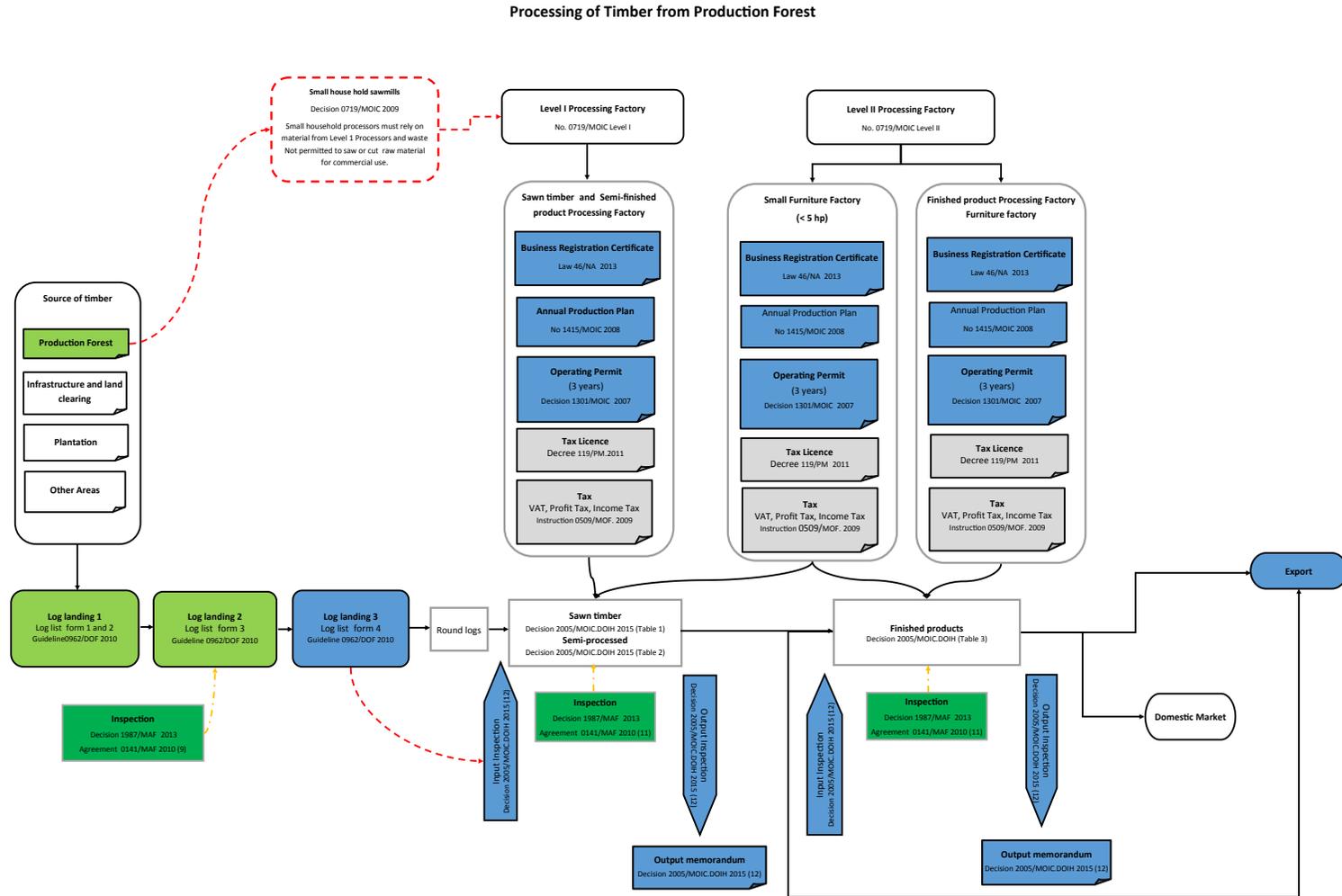


Figure 16: Timber Processing from Wood Harvested from Conversion Areas

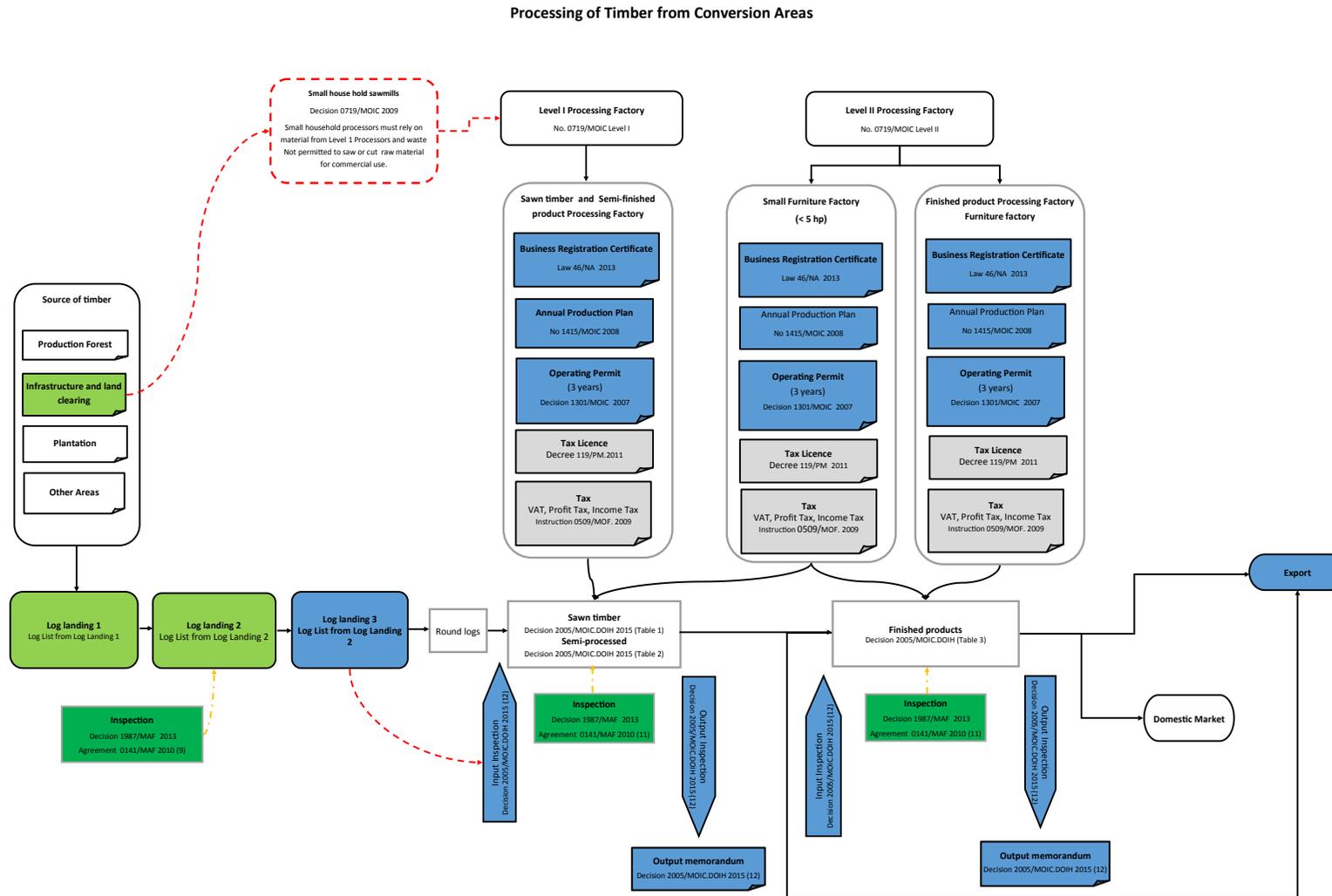


Figure 17: Timber Processing from Village Use Forest or Individual Land

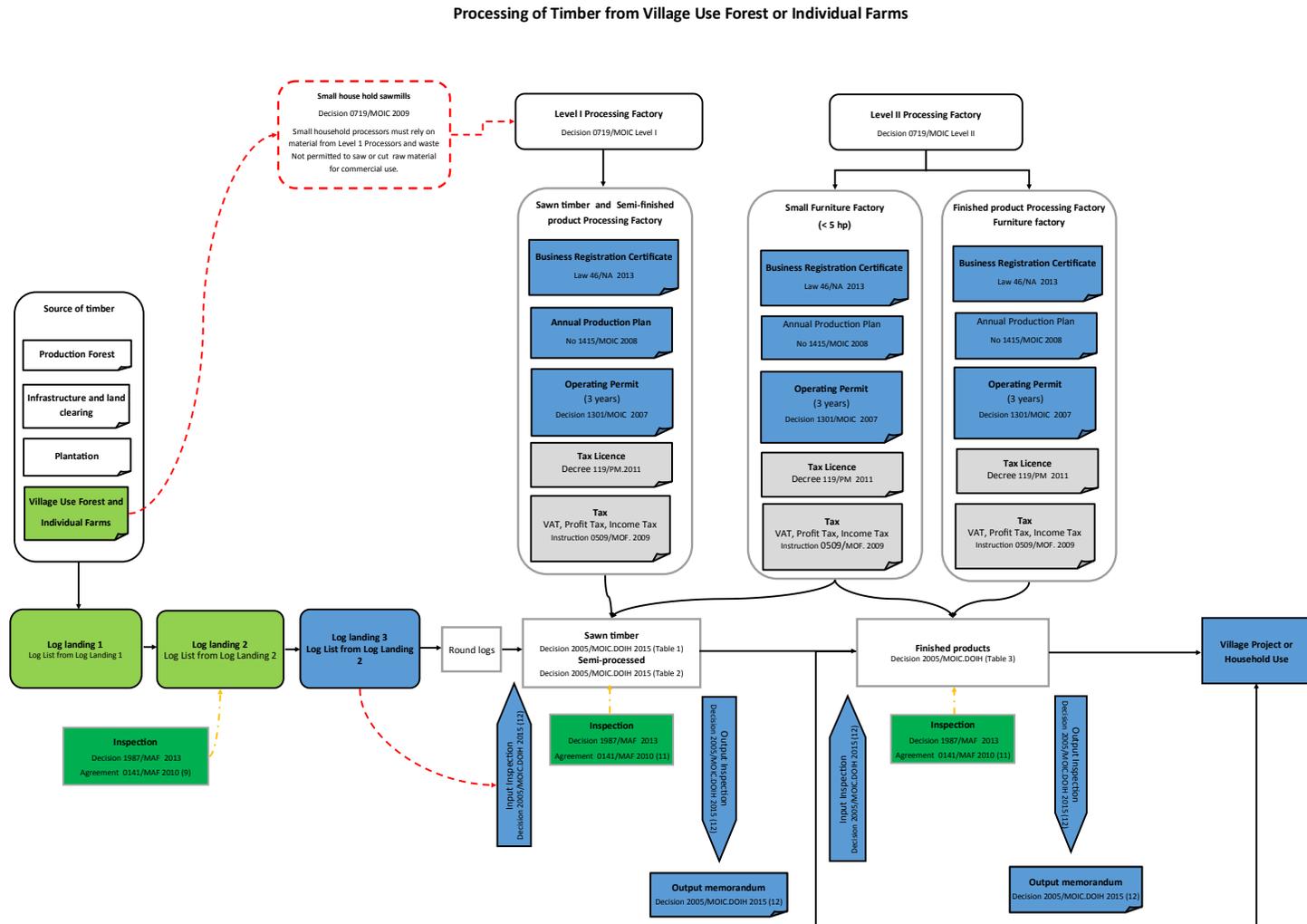


Figure 18: Timber Processing from Wood Harvested from Investment Plantations and Smallholder Plantations

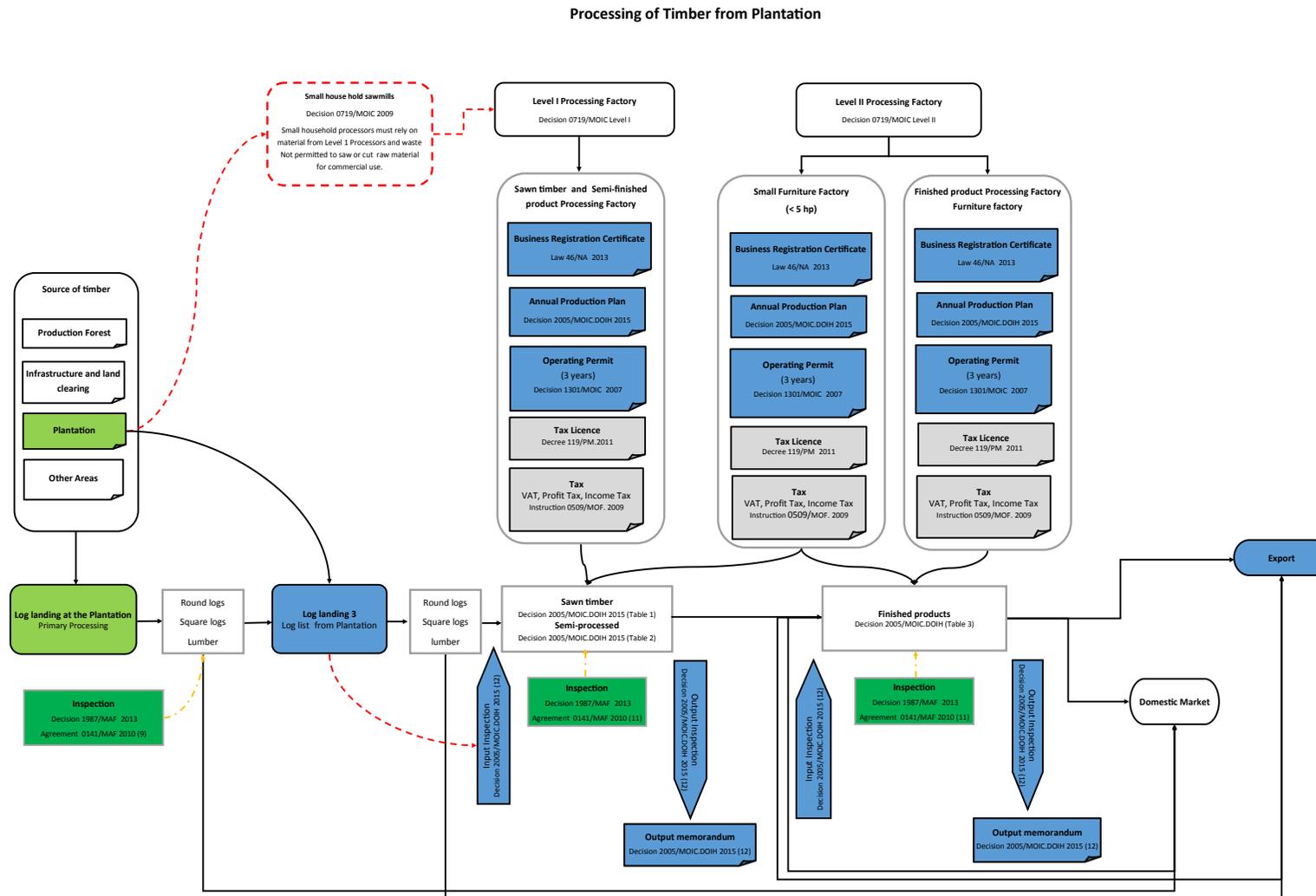


Table 13 Timber Processing – legal sources

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
PROCESSING				
Business Registration Certificate	Article 45. Business operations in the forest	Law No. 06/NA on Forests 2007 Article 45. Business operations in the forest	Business involved in the processing of timber must be registered with MAF	
		Law No. 46/NA on Enterprise 2013 Articles 12 and 13 on registration of enterprises, Articles 32, 33 and 34 on partnership enterprises, Articles 78, 79 and 81 on companies, Article 86 and 92 on limited companies, Articles 191, 192 and 193 on state-owned companies, and Article 224 on joint (state with non-state-owned) companies	Business involved in the processing of timber must be registered with MOIC	
		Law No. 02/NA on Investment Promotion, 2009 Article 19 on enterprise registration certificate	Business involved in the processing of timber must be registered	
		Law No. 48/NA on Industrial Processing 2013	Business involved in the processing of timber must be registered	
Operating Permit	Article 45. Business operations in the forest	Decision No. 1301/MOIC on Timber Processing Management 2007 All Articles Article 5 specifies the requirements for making an application for an operating permit including Article 5 (9) specifies the requirement for a production plan.	A timber processing factory must have an operating permit	
		Decision No. 0719/MOIC on Timber Processing Manufacture Standards 2009 Article 12 Small household timber processing must apply for permits/licenses according to Article 5 and Article 6 of the Decision on Timber Processing Management No. 1301/MOIC, 2007 and shall be considered case by case according to Article 45 of the Processing Industry Law. 13.1. All levels of the timber processing manufactures,	Business involved in the processing of timber must be registered according to their operating standard/capacity	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		sizes must have timber processing manufacture permits/licenses in order to operate the business.		
		Regulation No. 0261/MAF requiring timber processing factories to have an operating permit and an agroforestry permit.	A timber processing factory must have an operating permit	It is not clear whether this is still in force.
		Decision No. 1140/MOIC concerning the Standard of Wood, Rattan and Bamboo Processing Industry Factories 2007		A copy of this has not been located
Annual Production Plan	Article 50. Processing of timber and forest products	Notification No. 0051/MOIC to implement the Decision on the form and size of wood products 2009	Processor must develop and annual operation plans and submit to MOIC	This has been superseded by Decision No 2005/MOIC.DOIH 2005 but the instructions for documents required have not been provided.
Tax Licence	Article 45. Business operations in the forest	Decree No. 119/PM on the Implementation of the Investment Law 2011 Articles 8 and 9 on enterprise registration certificate and taxpayer identification number	Business involved in the processing of timber must be registered as a business Enterprise and for Tax	
Tax	Article 45. Business operations in the forest	Law No. 05/NA on Tax 2011	Timber Processors must pay tax in accordance with the regulations	
		Directive No. 0509 for the calculation of taxes on timber and non-timber forest products 2009 Article 3 3. Processing or sawing of natural and planted timber	Timber Processors must pay tax in accordance with the regulations	
Processing Factory Standards	Article 50. Processing of timber and forest products	Law No. 48/NA on Industrial Processing 2013		The processing of timber and forest products shall follow the law on Processing Industry.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Decision No. 32/PM on the adoption Meeting Minute for National Forest Conference on Forest management, Forest Inspection and Forest business 2012 Article 6.2. Timber factories must follow Decision No 0719/MOIC</p>	Timber factories must follow Decision No 0719/MOIC	The processing industry must conform to government standards.
		<p>Decision No. 0719/MOIC on Timber Processing Manufacture Standards 2009 All Articles: Standardises and classifies timber processing and manufacturing businesses.</p>		The processing industry must conform to government standards.
Timber Product Standards	<p>Article 50. Processing of timber and forest products 5</p>	<p>Decision No 2005/MOIC.DOIH on the Form and Size of Wood products</p>		This replaces No 1415/MOIC on the form and size of wood products 2008
		<p>Notification No. 0051/MOIC to implement the Decision on the form and size of wood products 2009 All Articles - implements No 01415/MOIC 2009 Section I. Processing of sawed wood products, Table 1 Section II. Processing of semi - processed timber product, Table 2 Section III. Processing of finished wood products, Table 3</p>		Products must be in accordance with prescribed standards This has been superseded by Decision No 2005/MOIC.DOIH 2005 but the instructions for documents required have not been provided.
Inspection	<p>Article 50. Processing of timber and forest products Article 101. Prohibitions for businessmen</p>	<p>Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 12 regarding the strengthening of measures on restructuring and the management of wood processing factories.</p>	MOIC is responsible for establishing categories of wood processing factories and inspecting factories to make sure they meet the standards. Factories that do not meet the standards must be closed down. Only the government has the right to approve new wood processing factories	Defines the value added through different processes.
		<p>Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 7.7 DOFI shall inspect and patrol timber exploitation sites including sawmills, wood processing factories, furniture factories, timber warehouses, factories using wood energy, NTFP processing factories</p>	DOFI shall inspect and patrol timber exploitation sites including sawmills, wood processing factories, furniture factories, timber warehouses, factories using wood energy, NTFP processing factories	The processing industry must conform to government standards.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Log Landing 3	Article 50. Processing of timber and forest products	Additional Order No. 10/PO on the prevention of harvesting and purchase-sale of prohibited timbers 2011 Article 1 Illegal logging, purchase-sale and exportation of prohibited species (<i>Dalbergia cochinchinensis</i>) is banned across the country.	Not specified	Sale of prohibited species is banned
Log Landing 3 Log (PFA)	Article 50. Processing of timber and forest products	Guideline No. 0962/MAF Concerning the management of timber log transport from cutting area to Log Landing 2, 2010 Form IV	POIC issues log list Form IV at Log Landing 2 which is required for transport of wood to Log Landing 3.	It is not clear how Log List Form IV connects with the Input Inspection permit at Level I processing.
Log Landing 3 Log (Conversion Areas) and Village Use Forest)	Article 50. Processing of timber and forest products	Regulation No. 0221/MAF On the Management of Harvesting of Timber and Forest Products 2000	PAFO makes the Log list based at Log Landing 2	It is not clear how Log List Form IV connects with the Input Inspection permit at Level I processing.
Log Landing 3 Log (Village Use Forest)	Article 50. Processing of timber and forest products	Regulation No. 0221/MAF On the Management of Harvesting of Timber and Forest Products 2000	VFU makes the log list in the village or PAFO makes the log list at Log Landing 2	It is not clear how Log List Form IV connects with the Input Inspection permit at Level I processing. Logs Processed for Village Project cannot be sold but may still be processed and need to be tracked to make sure they do not enter the timber supply chain for commercial purpose (domestic or export market)
Log Landing 3 Log (Plantation Timber)	Article 50. Processing of timber and forest products	Regulation No. 1862/MOIC on the Sale and Purchase of Timber from Tree Plantation, 2008 III. Procedures on Purchase – Sale, Receiving and moving of the timbers Procedure 2: the Agriculture and forestry sector shall manage the harvest activities, measure, make the list and hand over such list of timber to the seller	PAFO makes the log list that accompanies logs from the plantation to Log Landing 3.	It is not clear how this list connects with the Input Inspection permit at Level I processing.
Inspection	Article 114. Rights and duties of forestry officers	Agreement No. 1987/MAF on Terms of Reference for District Forest Inspection Office 2013 .		
		Agreement No. 0141/MAF of the Minister On Forest and Forest resources Inspection and Case Action 2010 Article 10. Inspection of sawn timber depot or storage and timber industry	DOFI has the authority to inspect timber as it enters factories and at different processing stages.	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			DOFI inspects: <ul style="list-style-type: none"> • Timber agreement between PAFI and POIC. • sales contracts • certificate o wood origin • payment of fees • Input output data. 	
	Article 50. Processing of timber and forest products	<p>Decision No. 2005/MOIC.DOIH on the Form and Size of Wood products</p> <p>Decision No. 1415/MOIC on The Form and Size of Timber Products 2008 Article 9: Certification POIC has the duty to certify timber products that have been inspected according to the form and size, using the inspection and certification form of the timber product. In the actual inspection prior to certifying, if the finished timber product found not to meet that specified in the proposal, this shall be recorded in the inspection form accordingly.</p> <p>Notification No. 0051/MOIC to implement the Decision on the form and size of wood products 2009 Article 4.2 Wood monitoring-controlling and wood products of wood processing factories Article 4.3 Inspection and certification of wood product</p>	<p>POIC has the duty to certify timber products that have been inspected according to the form and size, using the inspection and certification form of the timber product.</p> <p>POIC have the right to inspect for evidence the identification details of lists raw materials to guarantee the validity of timber each time it is brought to the factory using the form "Inspection Memorandum of wood processing." This is called Input Inspection. POIC have the right to inspect and certify wood products each time before they are sold as specified in Article 8 and 9 on Decree No 1415/MOIC.DIMEX, 2008. Inspection and certification must be on form and size of</p>	<p>Processing factories are subject to patrol, inspection and enforcement. But no action is specified</p> <p>This has been superseded by Decision No 2005/MOIC.DOIH 2005 but the instructions for documents required have not been provided.</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			the product. This is called "Output Inspection"	
	Article 45. Business operations in the forest	Notification No. 1440/MOIC.DIMEX on the Management of wood transport vehicle, wood extraction machinery, and wood processing machinery. Article 2 2. POIC can monitor the distribution of all categories of wood processing machinery, and a possession and utilization of equipment and machinery on a basis of principles stated in a Decision No. 1140/MOIC, dated 13 February 2007 concerning the Standard of Wood, Rattan and Bamboo Processing Industry Factories.	POIC can monitor the distribution of all categories of wood processing machinery, and a possession and utilization of equipment and machinery	
	Article 50. Processing of timber and forest products Article 101. Prohibitions for businessmen	Agreement No. 1984/MAF on The Terms of Reference Department of Forest Inspection (DOFI) 2012 Article 4.2 It is the responsibility of DOFI to inspect forest, forest land, Non timber forests, log landing I, II, III, warehouse, Sawmills, Wood processing factory, furniture, timber transportation, timber shops and other manufacturing to use wood as the energy, Aquatic and Wildlife farms and other places.	DOFI inspects log landing III, warehouse, Sawmills, Wood processing factory, furniture, timber transportation, timber shops	Timber processing equipment can be monitored
Enforcement	Article 50. Processing of timber and forest products Article 101. Prohibitions for businessmen	Decision No. 0719/ on Timber Processing Manufacture Standards 2009 Article 18: Measures for violators Article 19: Implementation For those who cannot comply with this Decision, particularly the combination issues as indicated in Article 13 shall be strictly punished according to the Decision on Processing Industry Management No. 1301/MOIC, dated 30/7/07 or shall be prosecuted and other punishments in accordance with Article 57 and Article 58 of the Processing Industry Law and must stop operating without any conditions.	POIC implements this decision. Processing factories are subject to patrol, inspection and enforcement.	
		Decision No. 1301/MOIC on Timber Processing Management 2007 Chapter 5: Measures against violators and fines	DOI is assigned to supervise, monitor, translate and implement this Decision	Processing factories are subject to patrol, inspection and enforcement

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Factory operators can be fined for breaches against the Decision and other regulations issued by MOIC. Article 28: Implementation</p>	<p>POIC is assigned to coordinate with all relevant agencies in order to implement this Decision according to its roles and duties in an effective and strict manner.</p>	

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SECTION 12 EXPORT

SUMMARY

The Law on Customs No 04/NA 2011, the Decree on the Import and Export of Goods No 114/PM 2011 regulate the import and export of all products. Numerous subordinate instructions regulating the import and exports of wood and timber have been issued and replaced. The resulting complexity in export procedures has been recognised and reforms are already underway to improve efficiencies and remove barriers in the process.

Timber and wood products from all sources can be exported from Lao PDR. However in line with efforts to reform and promote the wood processing sector, as well as reduce deforestation and illegal logging, various bans on the export of round timber and sawn wood have been introduced. Most recent examples are Notice 790/GO 2015, Notice No 1369/GO 2015 and Instruction 1812/MOIC 2015 which states that the export of logs, large-sized sawn wood and sawn processed wood of all categories to other countries is prohibited - the wood shall be processed before exporting.

Decree No 17/PM 2008, Article 23, for specifies that “Only the Government has the right to consider and agree on specific cases in regard to the transport of logs, sawn timber, stumps, wood galls and semi-finished timber products for export; these specific considerations will depend on the purpose, quantity and actual logging situation and the use of timber”. Hence logs can be approved for export with the approval of the Government.

There are, however, exceptions.

- Wood from plantations may be exported as logs or sawn wood if it cannot be processed domestically (Notice No 1812/MOIC 2015).
- Additional Notice No 2156/DOIC on Exportable Wood Products allows for the export of decorative posts or columns, up to a size specified in Decision No 2005/MOIC on Wood Products 2015. These are defined as semi-processed products, but may effectively be whole logs, thus the decision requires a higher level of approval for export that is required for other products.
- In the past the export of logs, sawn wood, semi-processed wood, stumps and burs from natural forest was regulated through Notice 1904/MOIC.DIMEX 2011 on Procedures to issue import and export license for timber and timber products. This regulation is still effective and as such logs from infrastructure projects have been permitted to be exported directly.

Other measures such as the application of additional fees for exporting unprocessed timber are being used to deter round log exports and there is a prohibition on the harvesting of Production Forest Areas until the survey and planning of forest zones and strategic harvesting plans within these areas is complete. Suspensions to the approvals of some (but not all) types of new concessions have also been introduced; although not all types of concessions are affected.

Certification of Wood Origin

International trade agreements and other obligations have resulted in a focus on export requirements for certifying the origin of goods, including timber and wood products, and while a

substantial body of legislation has been enacted to meet these requirements and procedures have been set in place, this not yet obligatory for all wood exports. Tracking timber from all sources from the point of origin is heavily regulated and the evidentiary requirements for this are substantial and complex, however the implementation of this appear to be poor and inconsistent across the various timber sources.

Requirements for the certification of wood origin have become increasingly embedded within regulations. The use of specific terms regarding 'certification of wood origin' and 'certificate of origin' may cause some confusion in the application of these rules, particularly with respect to wood exports.

There are two types of Certificate of Origin referred to in the regulations for export of wood.

1. Certificate of Origin Issued by MOIC. This type of certificate of origin is optional. It is used to demonstrate that a product that is to be exported was produced in Lao PDR. The procedures for applying for this form of certificate of origin are clear.
2. Certificate of Origin issued by the Agriculture and Forestry Sector. This type of certificate of origin is used to demonstrate the source of the wood or timber being exported. Certificates of origin from the Agriculture and Forestry sector are referred to in some but not all wood export regulations.

Examples include:

- Decision 0051/MOIC. DIMEX 2011 which requires a copy of a wood document for rules of origin (raw materials) for the export of products that do not conform to Decision 1415/MOIC. These Decisions have been replaced by Decision No 2005/MOIC. DoIH 2015, however this new Decision does not provide the level of detail stipulated in the early rules. Article 13 of Decision No 2005 on the certification of wood product standard states that a "wood processing factory operator has the right to request for certification of wood product standard if necessary or required by the market. Certification of wood product standard shall follow the Decision on the Management of Industrial product, No. 0469/MoIC. DoIH, 2012. However this does not appear to equate to the document for certifying wood origin described in Decision 0051/MOIC. DIMEX 2011.
- In Decision 41/PM 2014, PAFO is responsible for certifying the origin of planted timber.
- Under Notice 1791/MOIC 2011 the export of logs and sawn wood from prohibited, special and controlled species grown in plantations requires a "Letter from the Permanent Office of the Ministry of Agriculture and Forestry to verify the origin of timber".
- Notice 1027/MOIC 2015 for wood purchases at a Trade Fair for which "rightful origin or timber" is required.

Source of origin requirements are not specified for the export of logs, sawn wood, semi-processed wood, stumps and burs from natural forest in Notice 1904/MOIC. DIMEX 2011 for logs and sawn wood from natural species.

In some cases the regulations specify that the exporter of the timber should apply to Agriculture and Forestry for a Certificate of Origin. However there do not appear to be consistent regulations that provide specific instructions on the requirements for issuing such certificates, for example:

- Notice 1791/MOIC 2011 requires submission to MAF Cabinet Office but does not specify the documents to be submitted with the application.

- Notice 32/MAF 2010 specifies documents and that they must be submitted to MAF.

The current regulations (Order 10/PM 2000, Notice 790/GO 2015) make it clear that wood from natural forests must be processed before it is exported. If round log or rough sawn timber exports are permitted in the future Notice 1904/MOIC.DIMEX 2011 (1.3) applies. This Notice requires that a log list is provided in application for an export licence, but does not refer to a certificate of origin.

Logs, trunk, bark, rough-processed timber and semi-finished timber from natural forest are subject to non-automatic export licencing under Notification No 0076/MOIC.DIMEX and the export procedures for processed timber from natural forests vary depending on whether the products comply with processing standards.

Logs, trunk, bark, rough-processed timber and semi-finished timber from plantations are generally subject to automatic export licencing under Notification No 0076/MOIC.DIMEX. For timber from plantations there are some specific requirements. Decision 41/PM 2014 (Articles 1 and 2) gives authority to POIC to issue export permits for some species (as listed) of plantation logs and sawn timber. Additional Notification 1135/PSO.DIMEX 2014 amends Notification No 1791 to include the species listed in Decision 41/PM 2014. For other species that are not-listed the application for export must be made to DIMEX. It is not clear whether the provisions that apply under Notification No 1791/MOIC.DIMEX, 2011 and Notification No 0076/MOIC.DIMEX apply to plantation timber for company/factories if the volume supplied is not included in an annual harvesting plan or quota.

There are also inconsistencies in the treatment of plantation wood that is a 'special timber species' by different Provinces. These rules are in place because some species occur naturally in the forests of Lao PDR and there is some risk of illegal harvesting of naturally occurring timber species that are grown in plantations and the export of this wood in consignments of plantation timber.

Many agencies are involved in the process of timber exportation and the various functions and responsibilities are not clear. The ability for Provinces to issue local regulations over the export of timber, and add a level of administration and cost, but potentially diminishes the motivation for monitoring and enforcement within relevant agencies.

Export procedures and approvals vary depending on the source and type of timber. Two Flow Diagrams Maps for Export describe the export procedures:

- Figure 19 Export of processed timber from natural timber sourced from PFA and Conversion Areas
- Figure 20 Export of timber harvested from plantations.

A list of legal instrument and document relevant to timber processing is provided in Table 14 and further details on the regulatory steps as set out in the flow diagrams are provided in Table 15.

Table 14: List of Legal Instruments and Documents relevant to Timber Export

Other Regulations	Ministry Responsible	Department Responsible
Law No. 46/NA on Enterprise 2013	MOIC	
Law No. 04/NA on Customs 2011	MOF	
Additional Order No. 10/PO on the prevention of harvesting and purchase-sale of prohibited timbers		
Edict No. 25/PM on Duty Rates 2012		
Order No. 10/PM On Log export Ban 2000		
Order No. 1765/MOF on Paying more attention on timber export to collect revenue to the government budget in an accurate and timely manner	MOF	
Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008		
Decree No. 114/GOL on Import and Export of Goods, 2011	MOF	
Decree No. 228/PM on the Origin of Import and Export Goods; 2010	MOF	
Decree No. 363/PM on the Notification and Enquiry of Trade Related Information 2010	MOF	Customs
Notification No. 0403/CD of Exemption of Determination of Customs value of exported wood products for basis of calculation of export royalties; 2009	MOF	Customs
Notification No. 1031/MOIC.DIMEX concerning the implementation of Decree regarding the origin of imported and exported commodity 2010	MOIC	DIMEX
Notification No. 1791/MOIC.DIMEX on Import and Export Licence for Plantation Timber, 2011	MOIC	DIMEX
Notification No. 1904/MOIC.DIMEX on Procedure to issue import and export license for Timber and timber products, 2011	MOIC	DIMEX
Notification No. 2273/CD Determination of Customs value of exported wood products as the basis of calculation of export royalties, 2009.		Customs
Notification No. 0051/MOIC.DIMEX Notification to Implement the decision 1415/MOIC.DIMEX on the form and size of wood products 2009	MOIC	DIMEX
Notice No. 159/GS on the Collection of extra charges on logs, processed timber products and construction timbers to be exported through the custom office	GS	
Notice No. 790/GO regarding timber port and royalties 2014-2015, 2015	GO	
Notice No. 0032/MAF on the exportation of prohibited and special plantation timbers and non-prohibited plantation timbers	MAF	
Notification No. 1415/MOIC.DIMEX on the Form and Size of wood products 2009	MOIC	DIMEX
Notification No 2228/MOIC.PO to continue combining and improving timber processing manufacturers 2011	MOIC	
Notification No. 0076/MOIC.DIMEX on goods subject to automatic and non-automatic import or export licensing),	MOIC	DIMEX
Notification No. 0094/SA Guidance on The Implementation of Ministerial Guidance on the Management of wood exportation for the purpose of revenue collection in timely manner; 2013 -	MOF	SA
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) 2014	MOIC	DIMEX
Instruction No. 10503/CD for Detailed Customs Declaration by the ASYCUDA system 2012	MOF	Customs
Instruction No. 1696/CD on the Application of ASEAN Harmonized Customs Declaration Document (ACDD) 2010	MOF	Customs
Announcement No. 2857/ on the Amendment of Notification No. 1904/MOIC.DIMEX, 2011	MOIC	DIMEX

Other Regulations	Ministry Responsible	Department Responsible
Decision No. 2387/MOIC.DIMEX on Authorizing the Lao National Chamber of Commerce and Industry (LNCCI) to issue and administrate the certificate of origin (CO) for goods/products under the preferential tariffs rates	MOIC	DIMEX
Decision No. 41/PM on the authorization for Provinces, the Capital to consider and make decisions on exportation of planted timber in the form of logs and sawed timber from Teak, Rubber, Agar wood, Eucalyptus, <i>Acacia auriculiformis</i> and <i>Acacia mangium</i> 2014		Provinces
Guidance No. 0491/MOF of the Ministry of Finance on the Implementation of the Customs Law No. 05/NA 2005	MOF	Customs
Guidance No. 04170/CD for the review of Customs Declaration with reference to 01470		Customs
Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008	MAF	DOF
Guideline No. 0896/CD Of the Director Customs Department On the special collection royalties for exporting logs, semi-finished wood and wooden furniture 2008		Customs

FLOW DIAGRAMS FOR TIMBER EXPORT

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Figure 19 Export of Timber from Natural Forests - Production Forests and Conversion Areas

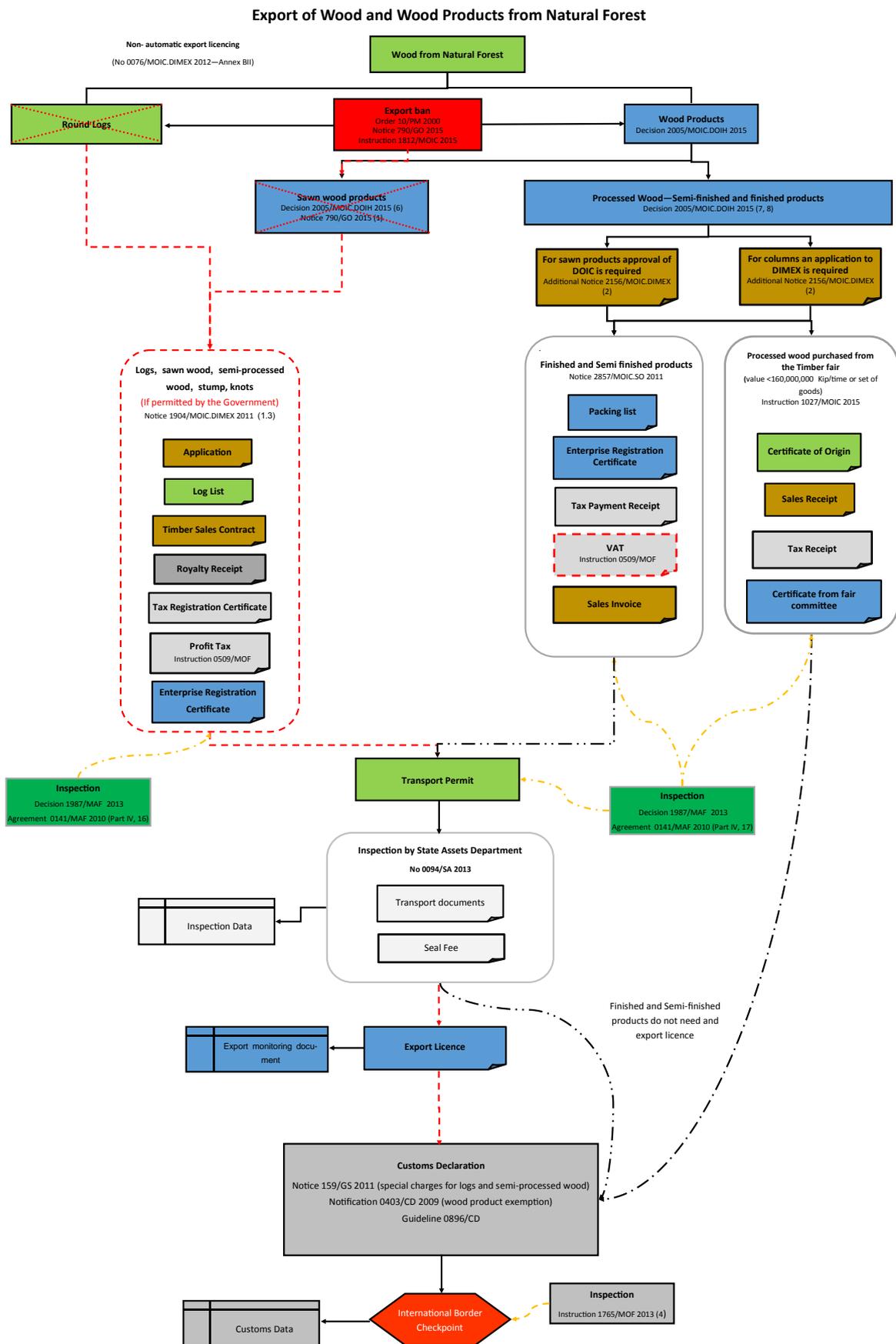


Figure 20: Export of Plantation Grown Wood - Investment and Smallholder Plantation

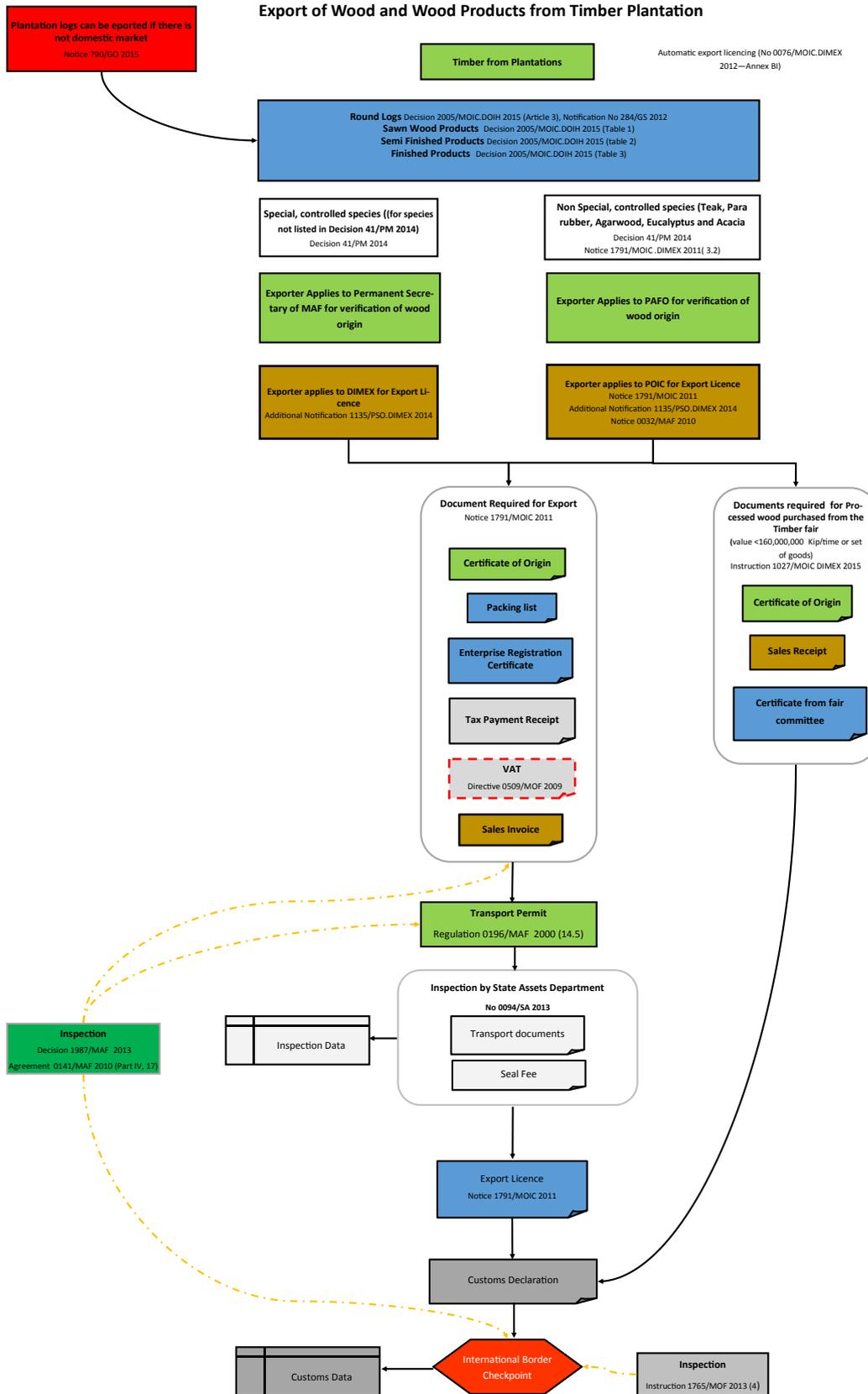


Table 15 Timber Export – legal sources

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
EXPORT				
Log Export Ban	Article 52. Import and export of timber and forest products	Notice No. 790/GO regarding a request for the consideration on the revision of royalties of wood for 2014 –2015	Not specified	The export of logs and semi-processed wood from natural species has been banned. Logs remaining at Log landing II must be processed domestically. The export of logs from plantations is permitted if the re no domestic market.
	Article 52. Import and export of timber and forest products Article 102. Prohibition for people Article 101. Prohibitions for businessmen	Additional Order No. 10/PO on the prevention of harvesting and purchase-sale of prohibited timbers 2011 Article 1 Illegal logging, purchase-sale and exportation of prohibited species (<i>Dalbergia cochinchinensis</i>) is banned across the country.	MAF is assigned to work with National Defence and National Security to Monitor roads and Check-post.	To cut, purchase, sell and transport any natural trees prohibition species and special trees which are nearly extinct without permission from the government such as: May Dou Lai (<i>Pterocarpus macrocarpus</i> sp.), May Kha Nhung (<i>Dalbergia cochinchinensis</i>), May Padong (<i>Shorea hippocras</i>), May khamphi (<i>Dalbergia bariensis</i>), May Longleng (<i>Cunninghamia Sinensis</i>), May Champa Pa (<i>Michelia Champaca</i>);
	Article 52. Import and export of timber and forest products	Order No. 17/PM on Strengthening the Forest Management, Protection and Coordination of Forest Management and Forestry Business, 2008 Article 23 Only the Government has the right to consider and agree on specific cases in regard to the transport of logs, sawn timber, stumps, wood galls and semi-finished timber products for export; these specific considerations	Only the Government can approve the export of timber	Only the Government can approve the export of timber

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		will depend on the purpose, quantity and actual logging situation and the use of timber.		
	Article 52. Import and export of timber and forest products	Order No. 10/PM On Log export Ban 2000		The export of logs and semi-processed wood from natural species has been banned
Export Licencing	Article 52. Import and export of timber and forest products Article 52. Import and export of timber and forest products	Law No. 04/NA 2011 on Customs Notification No. 0076/MOIC.DIMEX on goods subject to automatic and non-automatic import or export licencing Annex A. I No. 3 Logs, trunks, barks and rough-processed timber are subject to automatic licencing for statistical purpose. Annex A.I No 6 Timber exploitation machines, logging machines, chainsaws including parts and equipment thereof are subject to automatic licencing for statistical purpose Annex B. I No. 1 Logs, trunk, bark, rough-processed timber and semi-finished timber from plantations are subject to automatic licencing for monitoring the conformity of the implement the Chain of Custody System (CoC) Annex B. II No. 2 Logs, trunk, bark, rough-processed timber and semi-finished timber from natural forest are subject to non-automatic licencing for monitoring the conformity of the implement the Chain of Custody System (CoC) Goods excluded in the Annexes of this notification, shall be directly proceed to the customs procedure; except, goods subject to the international agreement that Lao PDR are member, goods subject to the Sanitary and Phytosanitary (SPS) and Technical Barrier to Trade (TBT), the procedure of such measures applied before proceed to the customs clearance.	Customs Department	Defines the products subject to automatic and non-automatic import or export licencing

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Log Sawn-wood and Semi processed wood (Natural Species)	Article 52. Import and export of timber and forest products	Notification No. 1904/MOIC.DIMEX on Procedure to issue import and export license for Timber and timber products, 2011 1.3. Procedure for the exportation of round wood (logs), sawn wood (processed), semi-finished products, stumps and tuber.	The Exporter must apply to DIMEX with the specified documents. DIMEX must consider the proposal. The Government can approve the export of logs.	This Notification only applies if the export of round logs from natural forest which is prohibited.
Processed Wood - all sources	Article 52. Import and export of timber and forest products	Decision No. 2005/MOIC.DOIH on the Form and Size of Wood products		This supersedes Notification No 1415/MOIC.DIMEX on the Form and Size of wood products 2009 and No. 0051/MOIC.DIMEX Notification to Implement the decision 1415/MOIC.DIMEX on the form and size of wood products 2009
Processed Wood - all sources	Article 52. Import and export of timber and forest products	Notification No. 1415/MOIC.DIMEX on the Form and Size of wood products 2009 Article 7: Added value of timber product - the export of semi-processed good must be approved by MOIC	MOIC approves the Export of processed goods	This has been superseded by No 2005/MOIC 2015.
Processed wood - Oversize and form – all sources	Article 52. Import and export of timber and forest products	Notification No. 0051/MOIC.DIMEX to Implement the decision 1415/MOIC.DIMEX on the form and size of wood products 2009 Article 4.4 For wood processed for export it must be finished wood with wood processing products, added value, and exporters needs to certified and approved by	Exporter submits proposal and documents for approval to MOIC MOIC documents for export as: 1. Copy of Permit/License of Enterprise Registration Certificate 2. Copy of Enterprise Registration Certificate 3. Copy of wood document	This has been superseded by No 2005/MOIC 2015. It requires a certificate of origin be issued with respect to the source of wood. It is not clear what the procedures are for issuing or obtaining this.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			for rule of origin (raw materials) 4. Copy of payment wood fees (Raw materials) 5. Document of production plan for fiscal year on wood processing manufacture in accordance to Article 4.1 of this notice. 6. Copy of purchasing order or contract 7. Picture or pattern of wood products MOIC approves export	
Processed Wood General (Natural Forest only)	Article 52. Import and export of timber and forest products	Additional Notification No. 2857 on the revision of the Contents of the Notice no. 1904/MOIC..., dated 30/9/2011 section 1.4 about procedures of authorizing import and export of timber and wood products	Exporter submits proposal and documents for approval: <ul style="list-style-type: none"> • Enterprise Registration Certificate • Tax Certificate • Packing List Invoice 	Revises the procedures for the export of wood products in No. 1904/MOIC.DIMEX. This makes no reference to requirements to include a certificate of origin from forestry sector (which is required for other products). The tax obligations are unclear.
Semi Processed wood – “columns” from natural species	Article 52. Import and export of timber and forest products	Additional Instruction No. 2156/DOIC on Exportable Semi Finished Wood Product 2015	The export of ‘columns’ requires a proposal be submitted to MOIC-DIMEX for consideration.	This is in additional to Decision 2005/MOIC.DOIH 2015 which supersedes Notification No 1415/MOIC.DIMEX on the Form and Size of wood products 2009 and No. 0051/MOIC.DIMEX Notification to Implement the decision 1415/MOIC.DIMEX

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
				on the form and size of wood products 2009
Logs, sawn timber and semi-processed wood (plantation)	Article 52. Import and export of timber and forest products	Notification No. 1791/MOIC.DIMEX on Import and Export Licence for Plantation Timber, 2011 All Articles Lists documents required for export of plantation timbers	For all species the Exporter submits an application and the following documents: <ul style="list-style-type: none"> • Enterprise registration which allows a timber business • Tax registration. • Log list acknowledged by the PAFO. • Document to release the timber from Agriculture and Forestry sector (record of logs marked/stamped). • Tax payment • Fee receipt. For prohibited, special and controlled species a Letter from Permanent Office of the Ministry of Agriculture and Forestry to verify the origin of timber. For non-prohibited, special or controlled species other species listed a letter from PAFO certifying the origin of the species.	

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Logs, sawn timber and semi-processed wood (plantation) Non – special or controlled species	Article 52. Import and export of timber and forest products	Decision No.41/PM on the authorization for Provinces, the Capital to consider and make decisions on exportation of planted timber in the form of logs and sawed timber from Teak, Rubber, Agar wood, Eucalyptus, <i>Acacia auriculiformis</i> and <i>Acacia mangium</i> 2014	The Exporter must apply to DIMEX for Export licence for species not listed. The Exporter must apply to POIC for exports of Teak, Rubber, Agarwood, Eucalyptus and <i>Acacia mangium</i> .	
Logs, sawn timber and semi-processed wood (plantation) Non – special or controlled species	Article 52. Import and export of timber and forest products	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) 2014	The Exporter must apply to DIMEX for Export licence for species not listed in Decision 41/PM 2014	This Additional Notification clarifies Decision No 41/PM 2014
Processed Wood Purchased from the Trade Fair (all species)	Article 52. Import and export of timber and forest products	Instruction No. 1027/MOIC regarding Export of Finished Wood Products purchased at the Fair	After Purchase the exporter applies to the fair committee for certification of purchase. The Exporter may then proceed to customs, with the following documents: <ul style="list-style-type: none"> • Certificate of wood origin • Sales Receipt • Certificate from fair committee • Tax Receipt 	The Value of each application must be less than 160,000,000 LAK.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
Documents require for Export	Article 45. Business operations in the forest	Law No. 46/NA on Enterprise 2013	Export enterprises must be registered	Export enterprises must be registered
Inspection Inspection	Article 114. Rights and duties of forestry officers	Agreement No. 1987/MAF on Terms of Reference for District Forest Inspection Office 2013		
		Agreement No. 0141/MAF of the Minister On Forest and Forest resources Inspection and Case Action 2010 Part IV Inspection of the removal pass/transportation forest product for export	DOFI has the authority to inspect timber as it leaves the processing and at export.	
Inspection by State Assets Department	Article 52. Import and export of timber and forest products	Notification No. 0094/SA Guidance on The Implementation of Ministerial Guidance on the Management of wood exportation for the purpose of revenue collection in timely manner; 2013 Article 1 - To check and monitor the payment of the royalties and taxes of timber. In the case of lumber, semi-finished and finished wood products, the payment obligation shall be newly issued by identifying the origin of lumber, semi-finished and finished wood products before the movement takes place as well as monitor the deduction to timber used for production.	Exporter notifies State Assets for a physical inspection. SA checks: <ul style="list-style-type: none"> • payment royalties and taxes of timber. • In the case of lumber, semi-finished and finished wood products, the payment obligation shall identify the origin of the products • the deduction from timber used for production • sales contract with importer which must be registered with SA After inspection the shipment must be sealed by SA.	Export of plantation timbers can be approved at the provincial level.

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
			The exporter must pay for the seal to be attached. SA must record and report inspection data.	
Export Licence	Article 52. Import and export of timber and forest products	Decree No. 114/GOL on Import and Export of Goods, 2011 All articles.	Exporter completes Export Application form POIC or DIMEX issue Export licence.	
Export Monitoring	Article 52. Import and export of timber and forest products	Decree No. 114/GOL on Import and Export of Goods, 2011 All articles. Provides for prohibitions and automatic and non-automatic licensing. Article 16.5 (5) MOIC is to manage and issue the permit to check the transport of timber commodities (logs, stumps and wood galls) finished and semi-finished timber products inside the country and for export.	MOIC is to manage and issue the permit to check the transport of timber commodities (logs, stumps and wood galls) finished and semi-finished timber products inside the country and for export.	Determines principles, rules and measures on import and export of goods in order to facilitate, promote and administer the import and export, aiming at developing and strengthening socio-economy and contributing to the improvement of people's standard of living.
Customs Data	Article 52. Import and export of timber and forest products	Instruction No. 10503/CD for Detailed Customs Declaration by the ASYCUDA system Section II. Customs declaration process for exportation of goods:	Exporters must make Customs Declaration	Guidance on the implementation of the Customs Law
Customs Declaration	Article 52. Import and export of timber and forest products	Law No. 04/NA on Customs 2011 Article 12. The Customs Value of Exported Goods is the actual value of goods, including transportation costs delivered to the customs border checkpoint of export Article 23. Customs Declaration Documentation Article 59. General Export Customs Duty Exemption: Exportation of agricultural products derived from production, plantation and breeding, and industrial products that have been manufactured or processed, and handicraft products, are exempted from export customs duties, except for some items of goods that require an export duty	The Exporter Makes a Customs Declaration	Provides for a customs duty exemption for some products

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		<p>Instruction No. 1696/CD on the Application of ASEAN Harmonized Customs Declaration Document (ACDD) Specifies that the ACDD shall be filled, in writing, with the information necessary for statistical records and shall be lodged within the time limit stipulated in the relevant regulations.</p>	<p>Exporter must make Customs Declaration with the following supporting documents attached: a. Original copy of:</p> <ul style="list-style-type: none"> • Invoice • Certificate of Origin • Sale Contracts • Packing List • Permits from concerned agency (for controlled commodities) <p>If the original copies of the above items cannot be provided formal authentication should be made acceptable to the customs administration. Photocopy of</p> <ul style="list-style-type: none"> • Business Registration License • Tax License (officially valid) • Other relevant documents 	<p>The principle legal instrument regulating customs procedures for imports and exports</p>
		<p>Additional instruction No. 03471/CD on the automated system for Customs Declaration with the ASYCUDA</p>	<p>Customs inspects wood and timber for export Customs issues Customs Declaration Certificate</p>	<p>Provides for the inspection of wood and timber at export</p>
<p>Customs Duties and Charges (Natural Timber only)</p>	<p>Article 52. Import and export of timber and forest products</p>	<p>Notice No. 159/GS on the Collection of extra charges on logs, processed timber products and construction timbers to be exported through the custom office. Approves the collection of an extra charge on woods to be exported if those goods are legally authorized. The rate of charge to be collected should be in compliance with the Council of Minister's Resolution</p>	<p>MOF may impose extra charges on the export of logs and semi-processed wood.</p>	<p>Export of plantation timbers</p>

FLOW DIAGRAM	FORESTRY LAW ARTICLE	OTHER REGULATIONS	RESPONSIBILITY	SUMMARY
		No.23/CLFNC, dated 18 May 1990. The Ministry of Finance is requested to inform the businessmen association and help them understand.		
Customs Duties and Charges	Article 52. Import and export of timber and forest products	Notification No. 0403/CD of Exemption of Determination of Customs value of exported wood products for basis of calculation of export royalties; 2009 All articles. Provides exemptions to the payment of export royalties for some products.	Customs may make products exempt o make charge extra duties on wood to be exported.	Approves the collection of an extra charge on woods to be exported if those goods are legally authorized.
Customs Data	Article 52. Import and export of timber and forest products	Decree No. 363/PM on the Notification and Enquiry of Trade Related Information 2010		Sets the rate of export taxes for goods with the aim of making export taxes uniform across the country and contributing to national social-economic development.
Inspection	Article 52. Import and export of timber and forest products	Order No. 1765/MOF on Paying more attention on timber export to collect revenue to the government budget in an accurate and timely manner Article 4 Customs officers are authorised to inspect and seize wood and fine	Customs officers are authorised to inspect and seize wood and fine	Specifies the species of controlled and prohibited wood and types of wood subject to special royalties
		Guideline No. 0105/MAF Concerning the Implementation of the Prime Minister's Order No. 17/PM 2008, 2008 Article 7.6	POFI shall establish checkpoints in critical zones. DOFI will summarise inspections are report to MAF	

Appendix 1: Forestry Law No 06/NA 2007

Lao People's Democratic Republic Peace Independence Democracy Unity Prosperity ****000****

National Assembly

No.6/NA Vientiane Capital, Date: 24 Dec 2007⁸.

FORESTRY LAW

CHAPTER I GENERAL PROVISIONS

Article 1. Objectives

This Forestry Law determines the basic principles, regulations and measures on sustainable management, preservation, development, utilization and inspection of forest resources and forestland, promotion of regeneration and tree planting, and increase of forest resources in the Lao People's Democratic Republic aiming at maintaining a balance of nature, making forest and forestland stable sources of living and use for the people, ensuring a sustainable condition and protection of the environment, water resources, protection from soil erosion and maintenance of soil quality, protecting plants, tree species wildlife and aquatic life, as well as contributing gradually to national socio-economic development.

Article 2. Forest

Forest is a precious natural resource of the nation and its specific ecology consists of biodiversity, water resources and forestland with various tree species growing naturally or planted in the protection forest zone, conservation forest areas and production forest areas.

Article 3. Interpretation of Terms

The terms applying in this Law have the following meaning:

1. Forest resources are various resources both living and non-living consisting of soil, plants, trees, water, aquatic life, wildlife and all other things existing in the forestland areas.
2. *Forestlands* are all land plots with or without forest cover, which are determined by the state as forestlands.
3. *Forest regeneration through nature*, is natural regeneration of vegetation through seeds, roots, stumps of various tree species growing in the forest regeneration zone with ground clearing and thinning to extend trees growth.
4. *Forest regeneration through supplementary planting* is the supplementary planting of tree species that are suitable for the purpose and targets of forest regeneration in natural forest regeneration areas, especially in the areas with low density of trees where natural distribution of various tree species are scattered and irregular, or some of the original species in the areas close to extinction or already disappearing in need of regeneration.

⁸ Source: <http://www.laotradeportal.gov.la/kcfinder/upload/files/Forestry%20Law%20%282007%29%20%20English%20version.pdf>

5. *Regeneration Forest* is the forest areas in degraded condition and has been designated for regeneration such as young secondary forest designated regenerating from old fallow forest to become a plentiful natural forest again.
6. *Dry dip carp forest* is natural forest areas with low density of the trees with specific forest ecology; it performs the function of keeping underground water with shallow soil layers and rocky slabs under the soil surface. The main tree species growing in this forest area have thick bark and a small trunk resistant to drought and forest fire. In addition, this is also a place to collect food stuff, medicines and so on for the people.
7. *Conversion of Forestland* is the change from Forestland type to another land type with other purposes.
8. *Lease or concession of Forestland* is the utilization of forestland for carrying out forestry activities such as forest regeneration and planting of trees, NTFP collection and industrial plantations.
9. *Degraded forest* are the forest areas that have been heavily damaged such as land without forest or barren forestland, which are allocated for tree replanting, agriculture-trees products, permanent animal husbandry areas or using land for other purposes in accordance with the socio-economic development plan.
10. *Fallow forest* are the forest areas where deforestation for cultivation has been practiced or areas which have gone under various forms of encroachment for many years. These areas have a possibility of becoming rich natural forests in the future again.
11. *Degraded Forestland* are the forestland areas where forests have been heavily and continually damaged and degraded causing the loss of balance in organic matter, which may not be able to regenerate naturally or become a rich forest again. Typical species of plants and trees growing in this area are: Alang alang (*Imperata cylindrica*), May Tiou (*Cratoxylon* sp.), small bamboo, broom grass (*Thysanolaena maxima*) or other various species.
12. *Barren Forestland* are the forestland areas without trees caused by natural or human destruction.
13. *Village use forests* are the forest areas located within village areas and allocated to be under the village management, preservation and utilization according to the land and forest allocation plan.
14. *Forest products* are all kinds of Non-Timber Forest Products (NTFP) growing naturally and they can include trunks, stems, vines, tubers, roots, buds, shoots, leaves, flowers, fruits, grains or seeds, bark, oil, resin, mushrooms, honey and so on.
15. *Wood products and Non-Timber Forest Products* are timber and NTFPs that have gone through processing stages to transform them from their original form into finished products or semi-finished products by using machineries and human labor.
16. *Forest and Forestland owners* are the organizations, households and individuals, to whom The State has allocated forest and forestland areas to manage, preserve, develop and use in accordance with law and regulations.
17. *Forest development* means the regeneration of degraded forest areas or reforestation after logging or heavy destruction using technical and scientific methods to upgrade the quality of the area and increase forest cover.

18. *Forestland development* means the improvement of land quality from degraded land to become abundant land.
19. *Natural forest* means forests where trees and NTFP species have occurred and developed in nature without human assistance.
20. *Ecosystem* refers to the interrelationship between living and non-living systems that exist in nature.
21. *Biodiversity* means diversity of ecosystems consisting of various types and species of living things such as vegetation, animals, insects and micro-organic bodies in a certain space of nature.
22. *Log yard I* refers to the holding place of logs that are removed from cutting places in the logging area according to the logging plan.
23. *Log yard II* refers to the holding place of logs transported from log yard I ready for transport to the processing factories all year round incorporating the consideration of methods to avert natural disasters and other accidents, as well as being the place where logs are measured, listed and where the quality classification of the log is recorded.
24. *Forest and Forestland activities* mean management, protection, development, utilization and inspection of forests and forestlands.
25. *Cutting circumference size* means the certain diameter or circumference of trees in the production forest that the state permits for logging to supply raw materials to processing industry factories.
26. *Buffer zone* means the forest and Forestland areas surrounding the Conservation Forest areas of 100m to 500m in width.
27. *Wood processing industrial factories* mean sawmills, lumber mills, furniture factories, flooring factories, veneer factories, wood slice factories and plywood factories.
28. *PM (Forestry) marking hammer* means the hammer that marks a circle with a star and the Lao letter PM in the centre of the star and the numbering code above the star, being used for marking standing trees, logs, sawn timber, tree stumps and galls that are to be transported for production between provinces within the country.
29. *PML (Lao Forestry) marking hammer* means the hammer that marks a circle with Lao letters PML at the centre, being used for marking logs, sawn timber, stumps and galls for export;
30. *Water source forest area* means forest and Forestland areas in watershed areas where rivers originate and flow.
31. *Village* means an administrative authority unit at the grass roots level including village clusters.
32. *Carbon market* means: the trade of Carbon Dioxide (CO₂) sequestered by forests using the unit of ton of Carbon per hectare for the calculation. There are specific ways of calculation of such matters.

Article 4. Ownership of forest and forestland

Natural forest and Forestland is the property of the nation and The State manages through centralization and unity throughout the country. Trees planted by people or planted by an organization in the areas designated with their labour and/or funds within recognition of the Forest and Forestland Management Organization shall become the property of such individuals or organizations.

Article 5. Policy on forest and forestland

The State has the policy to invest in preservation, regeneration, development of forest and Forestlands in connection with the socio-economic development plan and in building facilities and technical bases for preserving the environment, water resources, biodiversity and people's livelihoods including the provision of sedentary livelihoods. The State encourages individuals, households and organizations to carry out protection and development of all forest types, forest regeneration and tree planting activities in degraded Forestland and barren Forestland areas to become abundant forests for environmental protection, tree planting for raw material supply to industry and handicraft factories with the provision of various incentive policies such as credit and exemption or reduction of taxes and duties according to the regulations. The State encourages indirectly, the utilization of forest for such purposes as tourism sites, recreation sites, research sites, carbon market offsets and so on according to the laws and regulations.

Article 6. Principles of protection, development and utilization of forests and Forestlands

Protection, development and utilization of forests and Forestlands shall be implemented according to the following principles:

1. Ensuring the central management by the State throughout the country.
2. Ensuring the relevance with the socio-economic development plan, duties of national defence and security, forestry strategy, and master plan and plans of forest and Forestland utilization.
3. Ensuring protection, regeneration, development of forests and Forestlands, water resources, biodiversity and the environment to abundance with people's participation.
4. Ensuring benefits to the State, organizations and individuals engaged in protection, development of forests and Forestlands according to the laws and regulations.
5. Ensuring effective, efficient and sustainable utilization of forests and Forestlands without negative impacts on the environment.
6. Linking the forestry development strategy of Lao PDR with regional and international strategies.

Article 7. Obligations in the protection and development of forests and Forestlands

Protection, conservation and development of forest and Forestland areas are the duties of all citizens, households and organizations of any sector in the society. Individuals, households and organizations have the obligation to protect and develop forests, forest resources, Forestlands, water resources, biodiversity and environment in accordance with the laws and regulations and to refrain from causing degradation, depletion or erosion of forests and Forestland areas, and to prevent forest fires and any form of forest and Forestland destruction.

Article 8. International cooperation

The State promotes relationships and cooperation with foreign countries and international organizations in the field of preservation and development of forest and Forestland areas through the exchange of experiences, information, science, technologies, human resource development, participation and execution of bi-lateral agreements and international treaties to which Lao PDR is a signatory.

CHAPTER II FOREST CATEGORIES

Article 9. Forest categories

Forests in Lao PDR are classified into three categories for the purpose of preservation and development as follows:

1. Protection Forests
2. Conservation Forests
3. Production Forests

Article 10. Protection Forests

Protection Forests are forests classified for the function of protecting water resources, river banks, road sides, preventing soil erosion, protecting soil quality, strategic areas for national defence, protection from natural disasters, environmental protection and so on.

Article 11. Conservation Forests

Conservation forests are forests classified for the purposes 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.

Article 12. Production Forests

Production Forests are natural forests and planted forests classified for the utilization purposes of areas for production, and wood and forest product businesses to satisfy the requirements of national socio-economic development and people's living.

Article 13. Forest areas

Respectively classified as protection forest, conservation forest and production forest areas and include dense forest, degraded forest, bare forestland and village use forest according to the designed zone plan.

CHAPTER III FORESTRY ACTIVITIES

Section 1 Forest management

Article 14. Forest management

Forest management consists of various activities including survey, classification planning, research, logging and forest product harvesting surveys.

Article 15. Forest survey

A forest survey has the following contents:

1. Data collection and assessment of forest conditions including forest cover, change of forest and forestland use, tree species, wood volume, regenerating trees and NTFP;
2. Data collection and formulating plans concerning land use;
3. Forest classification and management planning of Protection Forest, Conservation Forest and Production Forest areas;
4. Planning of sustainable and efficient logging and assessment of forest conditions after logging for forest regeneration and tree planting activities.

The government assigns the Ministry of Agriculture and Forestry in collaboration with organizations concerned to lead the survey of forest and forest resources for sustainable management planning.

Article 16. Forest classification and management planning

Forest classification and management planning determines the areas of Protection Forest, Conservation Forest, Production Forest areas based on the data collected from the field survey.

Forest classification planning shall follow these principles:

1. To be according with the socio-economic development plan, national defence and security, forestry strategy, Forest management plan;
2. To ensure the unified formulation of plans for forest preservation and forest development;
3. To ensure sustainability of logging, use of timber and forest products as well as natural regeneration of trees and NTFP;
4. To allow the construction of infrastructure such as hydropower dams, roads and so on.

Article 17. Research experiments

Research experiments for silviculture, breeding, improving the growth, use of timber, and forest products in terms of quantity and quality are allowable. Research for testing and piloting effective models and technical standards for forest management are also promoted. The State promotes organizations and individuals to study, research and to invest in establishing a technical research institute for forest resources.

Article 18. Logging survey

The logging survey should define the quantity and species of timber classified in the production forest which has been planned for the construction of infrastructure and submitted to the government for consideration and approval for logging. The logging survey in the Production Forest zone shall follow the main principles below:

1. Survey and inventory of standing trees of all species with circumference allowed for cutting, together with maps showing the location of those standing trees according to the regulations.
2. Selection, marking and stamping of the trees to be cut according to the regulations to ensure regeneration and prevent negative impacts on the environment.
3. Defining logging and hauling roads, and places for log landings or log yards.
4. Formulating an annual harvest plan for submission to the government for consideration and approval.

For the construction of infrastructure, surveying all tree species with circumference over 15cm is required.

Article 19. Survey for harvesting forest products

The survey for harvesting forest products is to define the quantity and species of NTFPs in Protection Forest, Conservation Forest, Production Forest and infrastructure construction areas and then submit to the government for consideration and approval.

Article 20. Management of vehicles and machinery for logging, processing, log hauling and transportation

The State allows the import, distribution, management, inspection, and registration of all kinds of logging, processing, log hauling and transportation vehicles and machinery. Import of vehicles specified for hauling logs and logging machinery shall obtain the permission from the concerned ministries with the approval of the Ministry of Agriculture and Forestry. Logging machinery must be registered with the agriculture and forestry authorities. Logging machinery, vehicles for log hauling and transportation involved in projects approved by the government shall operate in accordance with specific regulations. Import, distribution, possession and use of all kinds of timber processing machineries requires the permission from the Ministry of Industry and Commerce as prescribed in the Processing Industry Law.

Article 21. Measuring and quality grading

Logs compiled at the log yard II must be measured thoroughly, graded and recorded in the log list according to regulations of the Ministry of Agriculture and Forestry.

SECTION 2 FOREST PRESERVATION

Article 22. Forest preservation

Forest preservation consists of various activities, such as:

- -preservation of Protection Forest, Conservation Forest, and Production Forest areas;
- -preservation of water resources within the forest zone;
- -preservation of tree and NTFP species;
- -prevention and against pests and tree diseases;
- -prevention against forest fires;
- -Restriction of shifting cultivation and illegal logging.

Article 23. Preservation of Protection Forest

Preservation of Protection Forests is to preserve water resources, prevent soil erosion and maintain soil quality, safeguard strategic areas for national defence, to prevent natural disasters and to protect the natural environment and so on. Protection Forest areas are divided into total protection zones and controlled use zones.

Total protection zone are the forest areas of which the slope is above 35 degrees, containing areas of water resources, forests along the rivers, roads and other areas with a high risk of environmental degradation. These areas must be strictly protected and it is absolutely prohibited to conduct activities such as shifting cultivation, cutting, destruction, burning, removing trees, collecting firewood, hunting animals for raising, constructing houses or any other construction activities,

including extraction of soil, stones, mining and ore and harvesting of NTFP with exceptional cases mentioned in Articles 44 and 70 of this Law.

Controlled use zone is the forest area without high risk of environment impacts. These areas must be protected similar to the total protection zone, but people are allowed to use wood and forest products according to the management plan.

Article 24. Preservation of Conservation Forests

Preservation of Conservation Forests require the maintenance of abundance in the forest as well as the preservation of plants and wildlife species, biodiversity, ecosystems of natural, historical and cultural values for existence and development together with preservation of beautiful scenery or landscapes which are suitable for tourism as well as areas for scientific research. Conservation Forests are divided into total protection zones, controlled use zones, corridor zones and buffer zones.

Total Protection Zone is the forest area that is main habitat, feeding and breeding place for various wild animals and it is the place of diverse and dense vegetation. In this zone, it is strictly prohibited to conduct any forestry activity, to harvest any forest products, including unauthorized entry in this zone. Transportation of plant and animal species is also prohibited with exception to the cases mentioned in Articles 44 and 70 of this Law.

Controlled use Zone is the forest area adjacent or close to the total protection zone. These areas must be protected similar to the Total Protection Zone, but people are allowed to use wood and forest products according to the management plan.

Corridor Zones are managed areas for preserving tracts of forest to provide passages for animals between two Conservation Forests or between a Conservation Forest and another category of forest to preserve existing biodiversity and to increase the general wildlife population. In this zone, it is prohibited to cut trees, conduct forestry activities or any other activity that may obstruct or destroy the passage for the animals.

Buffer zones are managed areas for preventing any encroachment and destruction in a Conservation Forest.

Article 25. Preservation of Production Forests

Preservation of Production Forests is to maintain the abundance of forest for satisfying the requirements of the national socio-economic development and poverty eradication of the people including those from multi-ethnic groups. Preservation of Production Forest areas has the following contents:

1. Clear demarcation of the Production Forest areas
2. Surveying and classifying forests in the Production Forest areas into preservation zones and development zones such as forest area for the protection of water sources, environment, forest areas to be reserved for research, forest areas of historical, socio-cultural values, areas for forest regeneration and areas for possible logging and NTFP harvesting.
3. Planning and taking measures for the preservation and development such as planning the conservation and water resources protection zones including environmental protection, and plans for forest regeneration after logging.
4. Implementing management of Production Forests according to the plans and the measures with participation of the local people.

5. Logging and harvesting of NTFPs shall be carried out strictly following the procedures and laws and regulations.
6. Systematically Conducting monitoring and evaluation on the plan implementation.
7. Implementing regulations and measures for forest preservation.

Article 26. Preservation of water resources in forest zones

Preservation of water resources in forest zones is to protect the forest area where rivers, streams and creeks originate and flow. The government assigns the Ministry of Agriculture and Forestry to demarcate water resource protection areas, to formulate plans and measures for protecting them, and collaborating with other sectors concerned and local administration authorities.

Preservation of water resources in forest areas contains the following measures:

1. Survey of forest conditions in water resources area;
2. Demarcation of water resources in forest areas;
3. Formulation of plans or projects for forest preservation or forest regeneration in collaboration with other parties concerned and with local people's participation.
4. Defining measures and regulations for strict management and maintenance such as the prohibition of cutting trees or logging, shifting cultivation, burning forests, construction of houses, forest business operations and other forms of forest destruction in the area.

Article 27. Preservation of trees and NTFP species

Preservation of tree and NTFP species, particularly the species that become rare and are at risk of extinction in natural forests such as May Dou Lai (*Pterocarpus macrocarpus sp.*), May Kha Nhung (*Dalbergia cochinchinensis*), May Khamphi (*Dalbergia bariensis*), May Long Lang (*Cunninghamia silences*), Fang dean (), Sampan (), and other species defined by the State, is encouraged to increase and enrich the species. Preservation of tree and NTFP species contains the following measures:

1. Survey of tree and NTFP species;
2. Determination of seed stands, inventory and registration of tree and NTFP species;
3. Planning of conservation and protection areas with people's participation;
4. Elaborating and implementation regulations and measures on preservation and utilization;
5. Other necessary activities.

Article 28. Prevention and Eradication of pests and diseases in trees

Prevention and eradication of pests and tree diseases is to prevent the out-break and spreading of pests and diseases, and implement eradication measures in time and effectively. Prevention and eradication of pests and diseases contains the following measures:

1. Study the out-break and spreading of forest pests and diseases;
2. Conducting prevention and control activities of pests and diseases to prevent the spreading of pests and diseases in the forest area;
3. Defining pest and free disease zones and protection zones;
4. Developing a research center for pest and disease prevention and eradication and the issuance of certificates of production management, distribution and utilization of pest and disease free tree seeds;

5. Strict prohibition of the import or transport of tree seeds infected with pests and diseases;
6. Other necessary activities.

Article 29. Prevention and control of forest fires, and restriction of shifting cultivation and illegal logging

Prevention and control of forest fires is to protect forests and forest resources from destruction by fire. Prevention and control of forest fires contains the following measures :

1. Taking any regulations and necessary measures on forest fire prevention and control;
2. Conducting dissemination, education to people to raise awareness about the danger and causes of forest fires and to avoid any activities leading to forest fires, such as burning of grassland, burning for shifting cultivation, making fire camps in the forest and throwing cigarettes in the forest;
3. Planning forest fire prevention;
4. When forest fires occur, all parties are encouraged to use vehicles, equipment and labor to extinguish the fire according to the Law on Prevention and Control of Fire.
5. Other necessary activities.

Restriction of shifting cultivation is to carry out all activities in encouraging, promoting, and disseminating policies and laws to the people who practicing shifting cultivation to change to sedentary occupations.

Restriction of illegal logging is to carry out all activities related to the management, preservation, forest development and use including monitoring, inspecting and implementing incentive policies for outstanding people and measures against violators to ensure tree harvesting is lawful and according to regulations relating to the forest.

SECTION 3 FOREST DEVELOPMENT

Article 30. Forest regeneration and forest plantations

Forest regeneration and forest plantations are designed to preserve and to develop the national forest resources aiming to supply the demand of the utilization of timber and other forest products in a sustainable manner to preserve water resources, soil, aquatic life, wildlife and keep the environment in a healthy condition, which is an important source of revenue for the State, organizations and individuals.

Article 31. Principles of forest regeneration

Forest regeneration consists of 2 patterns: natural pattern and supplementary planting pattern undertaken in fallow forests and degraded natural forest areas by preventing forest burning and encroachment.

To ensure highly effective forest regeneration, it is necessary to follow the main principles as follows:

1. To survey the situation of reproductive conditions of trees species in the forest area that would be planting;
2. To demarcate the area by marking boundary signs;
3. To select tree species suitable for the forest area;

4. To formulate forest regeneration plans or projects;
5. To strictly carrying out the management and maintenance;
6. Registration of forest regeneration activities in accordance with regulations.

Article 32. Plan for forest regeneration and forest plantations

The forest and forestland management organizations in collaboration with local administration authorities and sectors concerned which are responsible for formulating short, medium and long term plans for regenerating forests, forest planting in the areas of their competence, in addition they are required to indicate the tree species that would be planted, land area, location and funds including the operators who would regenerate and maintain the area.

Article 33. Demarcation of forest regeneration areas, forest plantations and species trees plantations

The forest and forestland management organizations in collaboration with parties concerned and local administration authorities are to survey and to demarcate forest regeneration and forest plantation areas. The area for forest regeneration should focus on degraded natural forest and young fallow forest areas. Forest plantation areas, should focus on degraded forestland and bare forestland which have been classified. Definition and selection of tree species that would be planted shall be based on the soil and climatic conditions within the locality and actual requirements or needs of the area.

Article 34. Promotion of forest regeneration activities

The government promotes individuals, households and organizations to regenerate degraded natural forest and young fallow forest areas through supplementary plantation activities and maintain such areas to increase forest density dense forests again and they will benefit from the promotion policy of the government in accordance with regulations.

Article 35. Promotion of tree and NTFP plantations

The government promotes individuals, households and organizations to plant trees and NTFPs for protecting the environment and commodity production by issuing appropriate policies for the domestic and foreign investment such as policies on the property, credit, exemption or reduction of land taxes, tax and duties on plant tree species, a lease or concession, technical services and so on in accordance with regulations.

Plantation of trees and NTFPs in the Production Forest area is to supply raw materials of timber and forest products to industry and handicraft processing factories to produce commercial commodities as well as improving people's living conditions in accordance with the socio-economic development plan.

Plantation of trees and NTFPs in Protection Forest and Conservation Forest areas to preserve water resources, biodiversity and environment is not allowed with the exception of customary use in the management utilization zones. The policy, rights and interest of the forest planters is provided in specific regulations.

Article 36. Management of tree and NTFP plantation activities

Management of tree plantations and NTFP activities in the Protection Forest, Conservation Forest and Production Forest areas shall be carried out in accordance with regulations such as the selection of planting areas, site preparation, selection of tree and NTFP species, including the import of seeds,

collection of seeds, production of seeds, planting, maintenance, prevention of fires, pests and diseases, and registration of the planted forest.

Article 37. Sources of the Fund

To ensure the preservation and development of forest and forest resources effectively, the State establishes the Forest and Forest Resource Development Fund. Sources of the Fund come from the State budget allocation, natural resource utilization projects, contributions from individuals, organizations, collectives, social organizations of local and international agencies and so on.

Article 38. Management and use of the Fund

The management of the Forest and Forest Resource Development Fund shall follow the State Budget Law . The Forest and Forest Resource Development Fund is to be used specifically for forestry activities, and mainly for Protection Forests, Conservation Forests and Production Forests, forest plantation and forest regeneration, for preserving water resources and the environment, and for propagation of wildlife and aquatic animal species, for dissemination of policy, laws and regulations, and technical aspects related to forest activities.

SECTION 4 FOREST UTILIZATION

Article 39. Categories of utilization of the forest and forest products

Utilization of forest and forest products is classified into 4 categories as follows: -utilization for village public benefits -utilization for households -customary utilization -utilization for business operations

Utilization of all categories of forest and forest protection shall avoid causing any negative impacts to forest and forest production areas, nature, the environment and society.

Article 40. Utilization of forest and forest products for village benefit

Utilization of timber for construction activities such as the village office, meeting hall, schools and dispensary are allowed to use the timber only from the village use forest with the authorization of the District or Urban Administration authority by recommendation of the District or Municipal Agriculture and Forestry Office in accordance with the Provincial or Vientiane Capital annual logging plan which is approved by the government. Non-commercial utilization of forest products for medicinal use, decorative activities, exhibition is allowed in the classified forest zones. Commercial utilization, shall be in accordance with Article 43 of this Law.

Article 41. Utilization of forests for households

The State allows people in the village to use non-prohibited timber species in the village use forest for constructing and repairing houses in particularly for those households in necessity, such as households which have no house to reside in, households with very old houses, or houses which have collapsed, damaged or destroyed by disaster, with the approval from the village administration authority and permission from District or Municipal Agriculture and Forestry Office and accordance with specific regulations. For natural trees prohibition, special and controlled tree species that exist in the field, orchard areas of individuals or households which the State granted the right to use such land, shall inform the village forestry unit for inspection and management. These individuals and households have the right to use and enjoy the benefits from these trees according to regulations.

Article 42. Customary utilization of forests

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

Article 43. Utilization and forest products for business operations

Utilization of forest and forest products for business operations is to use the forest for tourism, recreation sites, and logging and harvesting forest products for commercial purposes. Tourism and recreation shall be undertaken in the management areas of protection forest, preservation forest and production forest in so-designated zones. Logging and harvesting forest products for commercial purposes are allowed in the construction of infrastructure areas and Production Forest areas and shall be practiced as the principles are described in Article 49 of this Law. As for wood for construction poles and energy, harvest shall be undertaken only in the state permit areas for constructing infrastructure and in the areas of clearance for production activities. The State does not permit any individual or organization lease or concession of natural forest to undertake logging and harvesting of NTFPs.

Article 44. Conversion of natural forest categories

The conversion of Production Forest to Protection Forest or Conservation Forest, or Conservation Forest to Protection Forest is approved by the government based on proposals made by the Ministry of Agriculture and Forestry. The conversion of Protection Forest to Conservation Forest or Production Forest, or Conservation Forest to Production forest requires the approval from the National Assembly's Standing Committee based on proposals made by the government.

Article 45. Business operations in the forest

Business operations in the forest consists of the following main activities:

1. Production of tree and NTFP seedlings;
2. Planting trees and NTFPs;
3. Felling planted trees;
4. Logging and harvesting of forest products;
5. Processing of timber and forest products;
6. Distribution of NTFP and forest products;
7. Import and export of timber and forest products;
8. Transportation of timber and forest products;
9. Ecotourism.

Individuals, households and organizations with the desire to operate businesses using forest and forest products shall have approval from the forest and forestland management authority and register the enterprise according to the Law on Enterprise.

Article 46. Production of tree and NTFP seedlings

The government encourages individuals, households and organizations to undertake tree and NTFP seedling production to supply the demand of the market and forest development.

Article 47. Tree and NTFP planting

The government encourages individuals, households and organizations to be engaged in commercial tree and NTFP planting to supply raw materials to processing industry factories through incentive policies as described in Article 35 of this Law. Planting trees and NTFPs shall be carried out in the designated sites in accordance with the principles as prescribed in Article 33 of this Law.

Article 48. Felling of planted trees

Felling and transport of planted trees for commercial commodities shall report to the village forestry unit. Forbidden tree species and special trees require the permission from Provincial or Vientiane Capital Agriculture and Forestry Office by proposal made by the District Agriculture and Forestry Office .

Article 49. Logging and harvesting of forest products

The government allows logging and harvesting of forest products only in the Production Forest areas where inventory, surveys and sustainable management plans have been completed and only in the areas that the government permits the construction of infrastructure. Logging and harvesting of forest products in the Production Forest area shall abide by the following main principles:

1. Assigning forestry staff to be posted at logging sites for managing, monitoring and controlling the logging correctly in line with the principles and regulations;
2. Using logging units that are officially established;
3. Logging shall be carried out in the areas and exercised as stated in the approved plans by the government;
4. Logging only the species and trees marked and stamped to be cut by the Forest and Forestland Management Organizations;
5. Felling trees must be carried out in accordance with the technical prescriptions and in the season and all harvested trees must be collected for maximum utilization;
6. Applying the selective cutting system to ensure natural regeneration, minimizing impacts on the natural environment and society and limit damage to surrounding trees;
7. Hauling, transport and landing of logs must be undertaken through the roads and at the log landings or log yards set;
8. After logging, clean up the areas and conduct enrichment planting;
9. After logging is completed according to the plan, the logging area shall be declared as a closed forest and formulated measures for regeneration activities and forest maintenance to ensure that logging shall be able undertaken in the next cycles will be conducted.

There are specific management regulations for logging in the general forest T that the government permits for constructing infrastructure. The harvest or collection of forest products shall follow specific regulations issued by the relevant organization. Annual logging plans shall be approved by the National Assembly based on the proposal made by the government.

Article 50. Processing of timber and forest products

The processing timber and forest products is promoted for encouraging value-added activities in order to satisfy domestic consumption and to process finished products for export. The processing of timber and forest products shall follow the law on Processing Industry. The processing factories shall be upgraded in terms of wood recovery and quality appropriate in the direction of industrialization and modernization.

Article 51. Distribution of NTFP and wood products

Only standardized NTFP and wood products can be distributed. Internal distribution and external distribution shall follow the market mechanism in compliance with law and regulation of Lao PDR and international agreement to which it is a signatory.

Article 52. Import and export of timber and forest products

The State promotes the import of tree seeds and crop seeds for supplying production through the policy of exemption or reduction of taxes and duties including the permission of import necessary for timber and forest products according to the regulations. The government is the only authorized body to grant permission for export of natural logs and planted trees of prohibited species, sawn timber, tree stumps and trees. Planted trees that are not listed for prohibition and special species can be exported, however in compliance with the related regulations. Import and export of timber and forest products shall be in accordance to the law and regulations.

Article 53. Transport of timber and forest products

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

Article 54. Ecotourism

The government promotes individuals, households and organizations to operate business on ecotourism scenic sites, valuable biodiversity areas in the protection forests, conservation forest and designated zones and shall not cause negative impacts on the environment.

Article 55. Logging unit

The Logging unit is an organization established by the authorization of the Ministry of Agriculture and Forestry to conduct logging and hauling logs from logging sites to the log yard II, and also conduct activities including tree planting, maintenance and preservation of forests with people's participation. The logging unit is under the administration of the agriculture and forestry authorities. After establishment, the logging unit shall strictly operate in accordance with the logging plans, logging regulations and other laws, and regulations and accomplish its full duties.

CHAPTER IV FORESTLAND

Section 1 Management of forestland

Article 56. Categories of forestland

Forestland in Lao PDR is classified into three (3) categories for the purpose of management as follows:

- Protection Forestland
- Conservation Forestland
- Production Forestland

These 3 categories of forestlands cover dry forestland, degraded forestland or barren forestland and village use forestland.

Article 57. Management of forestland

The Ministry of Agriculture and Forestry is authorized to manage forestland and to define forestland types in collaboration with other sectors concerned to study and making regulations in the management, preservation, development and utilization of these types of land including preservation of environment and then submit them to the government for consideration and approval.

Section 2 Preservation of forestland

Article 58. Preservation of forestland

Preservation of forestland is to delineate each category of forestland, to study and take regulations and measures for preservation and development of forestland as prescribed in the Land Law and other related laws. All categories of forestland shall be registered at the Land Management Authority in accordance with the Land Law.

Article 59. Preservation of Protection Forestland

Preservation of Protection Forestland is to demarcate Protection Forestland into total protected zones and controlled use zones as well as formulating plans and management measures to prevent causes of soil erosion, degradation of soil quality, change of the watershed ecosystem, deterioration of water sources, impacts on strategic areas for national defense and security, and the environment.

Article 60. Preservation of Conservation Forestland

Preservation of Conservation Forestland is to demarcate Conservation Forestland into total protected zones, controlled-use zones, corridors and buffer zones, as well as formulating plans and management measures to prevent all encroachments and destructive actions and events that may adversely affect the forest ecosystem and cause damage to flora and fauna, biodiversity, cultural values, historical and natural heritage and other values in the Conservation Forestland area.

Article 61. Preservation of Production Forestland

Preservation of Production Forestland is to formulate zoning plans of management areas for sustainable use in accordance with the management plans of Production Forests as well as taking any measures for managing, preserving and preventing all actions and events that lead to encroachment, destruction or conversion of Production Forestland into another land category or have adverse impacts on forest ecosystems and the environment causing deterioration of natural resources.

Section 3 Development of forestland

Article 62. Development of forestland

The Ministry of Agriculture and Forestry is authorized to develop forestland by creating a coordination mechanism between sectors concerned, local administration authorities and all parties in the society including people to take part in forestland development by formulating policies, methods and measures related to preservation, improvement and rehabilitation of land to be in better condition with higher values and maintaining a healthy forest ecosystem.

Article 63. Development of Protection Forestland

Development of the Protection Forestland are the activities leading to improvements in soil quality and land rehabilitation through regenerating young fallow forest areas and degraded forest areas, planting trees in barren forestland and planting various plant species aiming for the amelioration of soil conditions and in balance with the forest ecosystem.

Article 64. Development of Conservation Forestland

Development of Conservation Forestland are activities in the land plots in Conservation Forest areas for improving soil quality, soil rehabilitation, tree planting and planting of various plants species aiming for conservation of forest ecosystems, wildlife species, biodiversity, cultural, historical and natural heritage and other values within the Conservation Forestland area.

Article 65. Development of Production Forestland

Development of Production Forestland refers to the activities for the improvement of soil quality and rehabilitation of land in Production Forest areas so that the land can sustain production, which includes aiming for planting tree species that are suitable for soil and climatic conditions to increase quality and quantity of timber and forest products for satisfying the requirement of socio-economic development and improving livelihoods.

Section 4 Utilization of forestland

Article 66. Categories of forestland utilization

Forestland utilization in the Lao PDR is divided into three categories as follows: -utilization for public benefits -utilization for households -utilization for business operations All categories of forestland utilization shall not cause negative impacts on forest, soil quality, nature, the environment or society.

Article 67. Utilization of Forestland for public benefits

Utilization of forestland for public benefits is to use forestlands for tree planting to preserve the environment and landscape values, to create tourism sites and recreationsites with the permission from authorized relevant organizations.

Article 68. Utilization of forestland for households

Utilization of forestland for household is to use degraded forestland or barren forestland according to the households' availability of labor and funds for forest regeneration, planting trees or NTFPs in the land area of not more than three hectares per laborer in the household. In the case of additional need for more area, households have the right to request to lease or concession such an area from the State.

Article 69. Utilization of forestland for business operations

Utilization of forestland for business operations in the degraded forestland where forests cannot be naturally regenerated and barren forestland areas, which are so designated, and shall be operating in accordance with the Law on Enterprise and other related laws.

Article 70. Conversion of forestland

Conversion of forestland under the management of the State to another land type is possible if it brings a high level of benefits to the nation and to livelihoods of the people and it is included in the national socio-economic development plan, and able to be undertaken only in the designated areas. Entities that have been approved to convert land shall be responsible for paying fees for technical services, royalties and conversion fees. In the case of temporary conversion such as mining exploitation and other production activities, the land must be restored and replanted. In case that the State needs to convert forestland, which is allocated to an individual or organization for other purposes with a high level of national benefits, the State shall compensate the individual or organization according to laws and regulations.

Article 71. Types of converted forestland

There are 2 types of converted forestland: temporary type and permanent type.

The temporary type of converted forestland is to convert the forestland into another land type to conduct certain activities. After these activities are completed, such converted land must be re-converted back to its original forestland type such as the conversion of forestland into industry land for mining exploitation.

The permanent type of converted forestland is the conversion of forestland into another land type for long term use i.e. the conversion of forestland into transportation land for road construction and dam construction.

The timber and forest resources, which are cut or harvested in these forestland areas, belong to the State.

Article 72. Organizations have the rights to make decisions on conversion of degraded forestland

The conversion of degraded forestland to other land is possible when there is a necessity and is such benefits are without any cause of negative impacts to nature, the environment and society. Such a conversion is only allowable in designated areas. Organizations have the following rights to decide on the conversion of degraded forestland, which naturally regenerate:

- Provincial or Vientiane Capital Administration authorities: for degraded forestland areas of not more than 100 hectares per one activity by the proposal made by the Provincial or Vientiane Capital Land Management Authority based on the agreement of the Provincial or Vientiane Capital Agriculture and Forestry Office;
- The government: for degraded forestland areas of more than 100 hectares but less than 1,000 hectares per one activity by a proposal made by the National Land Management Authority based on the agreement with the Ministry of Agriculture and Forestry and Provincial or Vientiane Capital Administration Office. In the case of more than 1,000 ha, the parties must have the approval from the National Assembly Standing Committee.

Article 73. Organizations have the rights to make decisions on the conversion of barren forestland

The conversion of barren forestland to other land is possible when there is a necessity and such benefits are without any negative impact to nature, the environment and society. Such converted areas are only allowable in designated areas. Organizations have the following right to decide on the conversion of barren forestland:

1. District or Municipal Administration Authority: for barren Forestland areas of not more than 30 hectares per one activity based on the proposal by the District or Municipal Land Management Authority with the agreement of the District or Municipal Agriculture and Forestry Office;
2. Provincial or Vientiane Capital Administration Authority: for barren forestland areas of more than 30 hectares but less than 200 hectares per one activity based on the proposal made by the Provincial or Vientiane Capital Land Management Authority with the agreement of the Provincial or Vientiane Capital Agriculture and Forestry Office;
3. The government: for barren forestland areas of more than 200 hectares but less than 10,000 hectares per one activity by the proposal made by the National Land Management Authority based on the agreement of the Ministry of Agriculture and Forestry and Provincial or Vientiane Capital Administration Authority. In the case of more than 10,000 ha, such parties require the approval from the National Assembly Standing Committee.

Article 74. Lease or concession of forestland

The lease or concession of forestland for regenerating forests, planting trees, industrial trees plantations or NTFPs operating on degraded forestland, which may not be able to naturally regenerate itself, and in barren forestland which is designated, are required to abide by the following principles:

1. Consideration of socio-economic information, appropriateness to natural conditions such as soil, weather, elevation from sea level, rainfall, water resources, rights to use the land, local labor availability; surveying the status of forests and forest resources and other necessary aspects.
2. Formulation of a report on the economic feasibility, submitted for approval by the Forest and Forestland Management Organization and other authorities concerned.
3. Formulation of an environmental and social impact assessment including appropriate mitigation measures, submitted for approval by the concerned authorities.
4. Formulation of an action plan which focuses on preserving of water resources and the environment, and considers land preparation, village development, promote people to participate in the production process, by applying technology, and including benefit sharing.
5. To implement the laws and regulations concerned.

Article 75. Approval scope of lease or concession of degraded forestland

The scope of right to approve a lease or concession of degraded forestland, which may not be able to naturally regenerate into a forest, planted forest, industrial trees species or NTFP are as follows:

1. Provincial or Vientiane Capital Administration Authority has the right to approve a lease or concession of degraded forestland, which is not able to naturally regenerate with an area of not more than 150 hectares per one project and with a maximum lease or concession period

not more than 30 years with a possible extension depending on the case, made through a proposal by the Provincial or Vientiane Capital Land Management Authority based on the agreement of the Provincial or Vientiane Capital Agriculture and Forestry Office;

2. The government has the right to approve the lease or concession of degraded forestland, which is not able to naturally regenerate, with area of more than 150 hectares but under 15,000 hectares per one project and with a lease or concession period more than 30 years, but with the maximum period not more than 40 years, with a possible extension depending on the case, through a proposal made by the
3. National Land Management Authority based on the agreement of the Ministry of Agriculture and Forestry. In the case of more than 15,000 hectares, such parties require the approval from the National Assembly Standing Committee based on the proposal of the government.

Article 76. Approval scope of lease or concession of barren forestland

The scope of the right to approve a lease or concession on barren forestland for regenerating forests, planted forests, industrial tree species or NTFPs are as follows:

1. Provincial or Vientiane Capital Administration Authority has the right to approve a lease or concession of barren forestland with an area of not more than 500 hectares per one project and with a maximum lease or concession period of not more than 40 years with a possible extension depending on the case, through a proposal made by the Provincial or Vientiane Capital Land Management Authority based on the agreement of Provincial or Vientiane Capital Agriculture and Forestry Office;
2. The government has the right to approve a lease or concession of barren forestland with an area of more than 500 hectares but under 30,000 hectares per one project and with a lease or concession period of more than 40 years, but with the maximum period of no more than 60 years with a possible extension depending on the case, through a proposal made by the National Land Management Authority based on the agreement of the Ministry of Agriculture and Forestry. In the case of more than 30,000 hectares, such parties require the approval from the National Assembly Standing Committee based on the proposal made by the government.

CHAPTER V SCOPE OF PRESERVATION AND DEVELOPMENT OF FOREST AND FORESTLAND

Section 1 Scope of preservation and development of forest at the central level

Article 77. Forest and forestland developed and preserved by the central level

The government assigns the Ministry of Agriculture and Forestry in collaboration with the Ministries concerned such as the Ministry of Industry and Commerce, the National Land Management Authority, the Water Resource and Environment Agency, the Ministry of Energy and Mining, the Ministry of Public activities and Transport, the National Tourism Authority, the Ministry of Planning and Investment, the Ministry of National Defense, and the Ministry of Information and Culture to carry out the preservation and development of forest and forestland resources in a sustainable manner in accordance with the national socioeconomic development plans, the forestry strategy and the environment management strategy and the scope of the formulated management plans.

Article 78. Approval of forest and forestland areas preserved and developed by the central level

Protection Forest, National Conservation Forest and Production Forest areas with an area of more than 50,000 hectares which may cover several provinces, or cities are approved by the National Assembly based on the proposal made by the government.

Section 2 Scope of preservation and development of forest and forestland areas at local levels

Article 79. Allocation of forest and Forestland areas to local administration authorities

After forest zoning, forest category classification and delineation of forest and forestland areas, the government shall allocate those forests and forestland areas to the Provincial and Vientiane Capital, administration authorities, and then they shall allocate them to District or Municipal Administration Authorities who shall allocate them to village administration authorities to be responsible for management, preservation, development, use and strictly monitoring in accordance with laws and regulations. In case that forest and forestland areas cover several provinces and the Vientiane Capital, the Provincial and Vientiane Capital Administration Authorities concerned are required to collaborate with each other in the management, preservation, development, use and monitoring within their respective administration authorities and conduct such activities in accordance with the formulated management plans.

Article 80. Forest and forestland areas preserved and developed by Provincial or Vientiane Capital Authorities

Provincial or Vientiane Capital Administration Authorities allocate forest and forestland areas to various authorities in their line to manage, preserve, develop and use the area under their administration authorities.

Article 81. Forest and forestland preserved and developed by the District or Municipality

The Provincial Governor or Vientiane Capital Mayor are responsible for allocating forest and forestland areas to District or Municipal Administration Authorities within their line agencies as described in Article 79 of this Law so as to manage, preserve, develop and use the area under their administration authorities. In the case that forest and forestland areas cover many Districts and/or Municipalities, the concerned District or Municipal Administration Offices shall collaborate with each other in the management, preservation, development and use of the area under their administration authorities and conducting such activities in accordance with the formulated management plans.

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

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

The forests under the village responsibility shall be classified into three categories i.e. Protection Forest that includes water resources and river side forests, road side forests, Conservation Forest that include sacred forests and cemetery forests, and village use forests. In addition, there shall be unclassified land areas which are defined as production areas.

Article 83. Approval of forest and forestland areas for preservation and development at local levels

The Approval of forest and forestland areas that are under preservation and development by the local levels proceed as follows:

1. Forest and forestland area at the Provincial level are approved by the government based on the proposal made by the National Land Management Authority with agreement of the Ministry of Agriculture and Forestry;
2. Forest and forestland areas at the District or Municipal level require the approval by the Provincial Governor or Vientiane Capital Mayor based on the proposal made by the Provincial or Vientiane Capital Land Management Authority by the agreement of the Provincial or Vientiane Capital Agriculture and Forestry Office;
3. Forest and forestland areas at the village level require approval by the District Governor or Head of Municipality based on the proposal made by the District or Municipal Land Management Authority by the agreement of the District or Municipal Agriculture and Forestry Office;
4. Utilization forestland at the village level according to land management and land-forest allocation plans for household and individual use requires approval by the District Governor or Chief of Municipality based on the proposal made by the District or Municipal Land Management Authority after agreement with the District or Municipal Agriculture and Forestry Office.

Section 3 Forest and forestland preservation and development by households

Article 84. Allocation of forest and forestland to organizations and individuals

After forest zoning, forest category classification, delineation of forest and forestland areas, the State allocates the ownership to organizations and individuals.

Article 85. Forest ownership

Forest ownership arises in the following cases:

1. Agriculture and forestry sector individuals and organization to which the State allocates forest and forestland areas for preservation and development;
2. Organizations of all economic sectors that the State allocates forestland through a lease or concession, or recognizes the right to use and own forest plantations, including the right to transfer the use of forest plantations and forestland;
3. Households and individuals that the State allocates forestland through a lease or concession, or recognizes the right to use and own planted forests including the right to transfer the use of forest plantations and Forestland;
4. The armed forces agency that the State allocates forestland for preservation and development;
5. Scientific research institutions, and training skills and development centers that the State allocates forest and forestland areas for preservation and development;
6. Social organizations that the State permits to lease or grants a concession for forestland areas for preservation and development.

Article 86. Forestland preservation and development by households

The District Governor or Head of the Municipality allocates forestland to households and individuals for management, preservation, development and use according to land management and land-forest allocation plans at the village level as described in Article 22 of the Land Law.

Article 87. Approval of forestland areas for preservation and development by households

Utilization of forestland areas by households according to the land management and land and forest allocation plan for use by households and individuals requires approval by the District Governor or Head of the Municipality based on a proposal made by the District or Municipal Land Management Authority after coordination with the District or Municipal Agriculture and Forestry Office and village administration authorities.

Article 88. Provision of a sedentary job

The government and local administration authorities are responsible for encouraging and promoting people to practice sedentary occupations such as cultivation of agricultural crops, livestock husbandry, tree planting, handicrafts, etc in accordance with the laws and based on the potential of each locality through land and forest allocation, technical promotion, establishment of technical service centers, vocational training as well as providing credit.

CHAPTER VI RIGHTS AND OBLIGATIONS OF NATURAL FORESTS, FOREST PLANTATIONS AND FORESTLAND USERS

Article 89. Acquisition of rights to use natural forest, planted forest and forestland areas

Right to use natural forest, planted forest and forestland areas is acquired through: -allocation by the State; -transfer; -inheritance.

Article 90. Allocation right to use forest and forestland areas

The allocation right to use forest and forestland areas of the State is the decision of authorized organizations to grant forest and forestland areas to village administration authorities for long term sustainable use according to the management plan and laws and regulations. Allocation of rights to use forestland is the decision of authorized organizations to grant forestland to individuals, households and organizations living in the designed forest area for the sustainable use according to the contract and laws and regulations.

Article 91. Transferring rights to use forest and forestland areas

The transfer of rights to use planted forest and forestland areas is allowed through means of sale, hand over or exchange, and shall be made in accordance with the related laws and regulations. The right to use natural forest areas cannot be transferred through inheritance.

Article 92. Inheritance rights to use forest and forestland areas

The right to use forest plantations and forestland areas can be inherited to children, husband or wife, father, mother, nieces, nephew or relatives after the holder of the user rights has past away. Inheritance shall be made in accordance with the laws and regulations. The right to use natural forest areas cannot be transferred through inheritance.

Article 93. Rights of forest and forestland users

Individuals, households and organizations using planted forest and forestland areas have the following rights:

1. To preserve;
2. To use;
3. To obtain usufruct;
4. To transfer user rights;
5. To inherit user rights.

State organizations only have the rights to manage, preserve, develop and use natural forest according to the laws and regulations, but have no right of transfer, inherit, lease or grant concession, except in cases described in Articles 75 and 76 of this Law.

Article 94. Rights to preserve forest and forestland areas

Individuals, households and organizations have the rights to preserve planted forest and forestland areas according to the laws and regulations. State organizations have the rights to preserve natural forest and forestland areas that are allocated by the State according to the laws and regulations.

Article 95. Right to use forest and forestland areas

Individuals, households and organizations have the rights to use forest and forestland areas including development of planted forests and forestland for other purposes according to the designed plans which satisfy their own needs.

State organizations have the rights to use forest and forestland areas for the development of natural forest and forestland areas according to the allocation plans and laws and regulations.

Article 96. Right to usufruct from forest and Forestland areas

Individuals, households and organizations have the right to usufruct from forest plantations and forestland areas, which one has developed, such as a lease, security for a loan or a share.

State organizations have no right of usufruct from natural forest and forestland areas with the exception of the cases described in Articles 75 and 76 of this Law.

Article 97. Obligations of forest and forestland users

The users of forest and forestland areas have the following obligations:

1. To follow the policies and laws and regulations related to forestry activities;
2. To plant trees, regenerate and develop forests and forestland areas to be became continuously abundant;
3. To protect forests, forestlands, water resource in forests, the environment, wildlife and aquatic animals;
4. To restore the land, replant trees, and regenerate the forest when mining exploitation and other activities are completed;
5. To correctly use forests and forestlands according to the determined objectives, the contract and laws and regulations;
6. To pay forest resource tax, royalties, lease or concession fees and other duties related to forest and forestland according to laws and regulations;

7. To contribute and mobilize domestic and international funds to the Forest and Forest Resource Development Fund;
8. To provide information on the uses of forest and forestland as well as cooperation with the sectors concerned;
9. To use all methods to prevent forest destruction, forest fires, illegal logging and NTFPs, illegal hunting of wildlife and aquatic animals.
10. To execute other obligations as provided in laws and regulations.

Article 98. Loss of rights to use forest and forestland

The holders of the right to use forest and forestland shall lose their rights in any of the following cases:

1. Utilizing or using the forest and forestland allocated by the State inconsistently with the purposes.
2. Not utilizing or not using the forest and forestland allocated by the State within 3 years and as provided in the contract;
3. Lose rights to use forest and Forestland by court's judgment.

Article 99. Termination of the right to use planted forest and forestland areas

The right to use planted forest and forestland areas of individuals, households or organizations shall be terminated in any of the following cases:

1. Voluntary renunciation of using right;
2. Transferring the right to use to another person;
3. Death of person or abolishment of an organization without any inheritors.
4. Transferring back the rights to use forestland to the public benefit, but the State shall compensate any loss in accordance with laws and regulations;

CHAPTER VII PROHIBITIONS

Article 100. Prohibitions for civil servants and forestry officers

The following behaviours are prohibited for civil servants and forestry officers:

1. To abuse of position and receiving bribery for their own benefits;
2. To engage in an activities that causes damage to the State, collectives, or rights and interest of the people;
3. To abandon the duties and behave irresponsibly for the assigned tasks related to forests;
4. To release State and official confidential information related to forests;
5. To falsify documents such as signature, seal and log list, timber measurement, timber quality grading, data of forest survey, forest inspection and timber stamping;

6. To operate or take part in businesses concerning harvesting and trading of timber and forest products;
7. To give the log stamp hammer to a businessman or unauthorised people including staff who have no relevant responsibility;
8. To move, change or destroy boundary signs/stakes for Protection Forest, Conservation Forest and Production Forest areas;
9. To engage in violence, intimidation or threats and other illegal measures.
10. To have logging machinery and log hauling vehicles in their possession;
11. Other prohibited behaviours as provided in laws and regulations.

Article 101. Prohibitions for businessmen

The following behavior is prohibited by domestic and foreign businessmen:

1. To carry out forest and forest resource survey, logging, harvest of timber and NTFP sexcept when permission is received;
2. To build veneer mills, sawmills, furniture factories and timber and NTFP processing factories without permission, and inside or nearby any forest categories;
3. To encroach and destroy forest and forest resources in the totally prohibited zones of Protection Forest and Conservation Forest, corridor zones between the Conservation Forests or between one Conservation Forest and other forest categories and other areas;
4. To illegally occupy trees, forests or NTFP and forestland areas in the possession, to cut trees in compensation of the log volume approved in the previous year's logging plan and logging before approval.
5. To clear any forest and forestland areas outside the approved areas;
6. To move, change or destroy boundary marking signs/stakes of Protection Forest, Conservation Forest and Production Forest areas;
7. To import foreign labour, log hauling vehicles and logging machinery and equipment without permission;
8. To cut, purchase, sell and transport any natural timber from protected and special species which are nearly extinct such as: May Dou Lai (*Pterocarpus macrocarpus* sp.), May Kha Nhoung (*Dalbergia cochinchinensis*), May Padong (*Shorea hippocras*), May khamphi (*Dalbergia bariensis*), May Longleng (*Cunninghamia Sinensis*), May Champa Pa (*Michelia Champaca*);
9. To remove timber and NTFP exceeding weight, quantity, size, and during the prohibited period or not in compliance with the documents;
10. To offer bribery to forestry civil servants, forestry officers and people;
11. To falsify documents, seal, and log stamp hammer;
12. To use violence or refer to another person's name to intimidate civil servants, forestry officers or local people;
13. Other prohibited behaviors as provided in the laws and regulations.

Article 102. Prohibitions for people

The following behaviour is prohibited by people:

1. To destroy forests by encroachment, clearing, cutting, burning, and using chemical matters to kill trees, or other illegal actions;
2. To set up settlements in Protection Forest, Conservation Forest and Production Forest areas or conduct unauthorized manufacture and production activities;
3. To cut, purchase, sell and remove or harvest natural timber of protected and special species which are nearly to extinct such as: May Dou Lai (*Pterocarpus macrocarpus* sp.), May Kha Nhoung (*Dalbergia cochinchinensis*), May Padong (*Shorea hippocras*), May khamphi (*Dalbergia bariensis*), May Longleng (*Cunninghamia Sinensis*), May Champa Pa (*Michelia Champaca*);
4. To illegally occupy trees, forests, NTFP and Forestland in possession;
5. To cooperate with businessmen, civil servants or forestry officer(s) in illegal logging, encroachment or destroying forests and forest resources;
6. To falsify documents, seal and log stamp hammer;
7. To use violence or refer to another person's name to intimidate civil servants, forestry officers, or other people;
8. To move, change or destroy boundary marking signs/stakes of Protection Forest, Conservation Forest and Production Forest areas;
9. To purchase, or sell illegal timber;
10. Other prohibited behaviors as provided in the laws and regulations.

Article 103. Prohibitions for organizations and other individuals

The following behavior is prohibited by organizations and individuals:

1. To abuse of rights or the use of violence or referring to another person's name to intimidate civil servants and forestry officers, or other people;
2. To abuse the position/title and function for their own and others' benefits;
3. To operate businesses on logging, trading of timber and NTFPs by their own investment or with shareholders without permission;
4. To permit the conversion of forest and forestland categories, to permit a lease and concession of forestland unlawful, including the exchange of timber within projects;
5. To issue permission for logging and NTFP harvesting;
6. To obstruct the working performance of forestry officers in action;
7. To suppress justice procedures on the proceedings of forest cases;
8. Other prohibited behaviors as provided in the laws and regulations

CHAPTER VIII THE MANAGEMENT AND INSPECTION OF FOREST AND FORESTLAND AREAS

Section 1 The Management of Forest and Forestland areas

Article 104. Forest and forestland management organization

The government manages forest and forestland areas in a centralized and uniform way by assigning the Ministry of Agriculture and Forestry to be as central agency of coordination with other organizations concerned such as the National Land Management Authority, the Ministry of Industry and Commerce, the Ministry of Energy and Mining, the Ministry of Public Health and the Water Resources and Environment Agency.

The forest and forestland management organization in Lao PDR is comprised of :

1. The Ministry of Agriculture and Forestry, the Department of Forestry acts as the secretariat;
2. Provincial or Vientiane Capital Agriculture and Forestry Office;
3. District or Municipal Agriculture and Forestry Office;
4. Village Forestry Units.

Article 105. Rights and duties of the Ministry of Agriculture and Forestry

In the management of the forest, forestland, and various forestry activities, the Ministry of Agriculture and Forestry has the following rights and duties:

1. To perform as the secretariat to the government in elaborating the strategies and policies into programs, detailed projects, and laws and regulations for the preservation and development of forest and forestland areas throughout of the country;
2. To disseminate, give instructions and guidance, monitor and inspect the implementation of forestry laws and regulations;
3. To do scientific and technical research related to forestry and to establish the network of statistical information and data collection, to provide training and upgrading technical knowledge on forestry ;
4. To coordinate with concerned organizations in the implementation of forest and forestland activities mainly through surveys, classification, approval of use, lease or concession grants;
5. To cooperate with foreign countries regarding forestry activities;
6. To summarize reports on the results of the implementation of forestry activities across the country and submit to the government regularly;
7. To execute other rights and duties as provided in the laws and regulations.

Article 106. Rights and duties of the Provincial or Vientiane Capital Agriculture and Forestry Office

In the management of forest, forestland, and forestry activities, the Provincial or Vientiane Capital Agriculture and Forestry Office have the following rights and duties:

1. To elaborate policies, strategies, resolution orders and regulations related to the management and use of forest and forestlands in the area of their own responsibilities, and to implement them;
2. To disseminate forestry laws and regulations;
3. To give guidance, encourage, monitor and evaluate the implementation of forestry activities of the District or Municipal Agriculture and Forestry Offices;

4. To study and comment on investments in forest businesses, requesting for use, lease or concession of forestland to the Ministry of Agriculture and Forestry for further consideration;
5. To issue the permission for logging and harvesting NTFPs according to the notice of the Ministry of Agriculture and Forestry based on the approval of the government;
6. To coordinate implementation with concerned organizations in forest and forestland activities mainly through surveys, area zoning, approval of use, lease or granting concession;
7. To summarize reports on the implementation results of forestry activities in the Province or Vientiane Capital to the Ministry of Agriculture and Forestry and Provincial or Vientiane Capital Administration Office regularly; .
8. To execute other rights and duties as provided in the laws and regulations.

Article 107. Rights and duties of the District or Municipal Agriculture and Forestry Office

In the management of forest, forestland, and forestry activities, the District or Municipal Agriculture and Forestry Office have the following rights and duties:

1. To implement plans, programs, projects, decisions, orders, notices, and instructions related to forestry activities;
2. To disseminate forestry laws and regulations;
3. To give guidance, encourage, monitor, and inspect the work performance of the Village Forestry Unit mainly concerning the preservation and development of forest and forestland;
4. To organize the people at the village level to manage and preserve forest and forestland, and making arrangements in the allocation of land and forests to individuals, households and organizations;
5. To study the approval on the conversion of barren forestland according to the laws and regulations;
6. To summarize reports on the implementation results of forestry activities within the District or Municipality and submit to the Provincial or Vientiane Capital Agriculture and Forestry Office and District or Municipal Capital Administration Authority;
7. To execute other rights and duties as provided in the laws and regulations

Article 108. Rights and duties of Village Forestry Units

In the management of forest, forestland and forestry activities, the Village Forestry Unit has the following rights and duties:

1. To study and propose to the Village administration authority to issue regulations on customary use of village forests in compliance with the forestry laws and regulations;
2. To disseminate regulations on forests mainly concerning the importance and value of forests, forestland, water resources in forests and the environment to the villagers within their village;
3. To implement laws and regulations on forests, the allocation of forests and forestland to individuals and organizations in the village to manage, preserve, regenerate, plant trees, and expand forests for use in an effective way;

4. To organize villagers in managing, preserving, using forests and forestlands, water resources in forests, NTFPs and the environment within the village according to the real situation in the village;
5. To monitor the situation of forest change, the environment and forestry activities within the village and then report to the District or Municipal Agriculture and Forestry Office;
6. To take a leading role in monitoring and preventing adverse activities that may cause harmful effect to the forest, NTFPs, water resources in forests and the environment, such as illegal cutting of trees, forest burning and any actions that caused damage and destroy the forest over time.
7. To summarize and report implementation results of forestry work in the village to the District or Municipal Agriculture and Forestry Office regularly.
8. To execute other rights and duties as provided in the laws and regulations.

Article 109. Rights and duties of other organizations concerned

Other organizations concerned with forest and forestland activities have the rights and duties in the management, preservation and development according to their respective roles and functions as provided in the specific regulation. Inspection shall be exercised as described in Article 116 of this Law.

Section 2 Inspection of forest and forestland

Article 110. Purpose of inspection of forest and forestland areas

The inspection of forest and forestland areas is monitoring the activities of management, preservation, development and use of forests, forestlands and NTFPs by organizations, civil servants and forestry officers, and people including forest business operations, in order to ensure that those activities and operations are according to the laws and related regulations and other laws concerned focusing on the preservation and development of forests, forestlands and forest resources in an effective way.

Article 111. Forest and Forestland Inspection Organization

The Forest and Forestland Inspection Organization is the same as the Forest and Forestland Management Organization as stated in Article 104 of this law, the Department of Forestry Inspection performs as secretariat to the Ministry of Agriculture and Forestry.

Article 112. Rights and duties of the Forest and Forestry Inspection Organization

The Forest and Forestland Inspection Organization has the following rights and duties:

1. To inspect the implementation of laws and regulations related to the forest;
2. To inspect activities and projects related to forests, forestland and forest resources including the business operations in forestry and NTFPs;
3. To conduct investigations or interrogations of cases concerned with forests and forestland by applying investigative/interrogative and preventive measures as provided in the Criminal Procedures Law;
4. To propose to the parties concerned to issue an order to cease forestry activities or to revoke functions and position of those staff, or related officers who have committed a crime;

5. To contact and coordinate with concerned authorities at the central and local levels in the implementation of their own rights and duties;
6. To provide a summary report on the inspection from time to time to relevant authorities regularly;
7. To execute other rights and duties as provided in the laws and regulations.

Article 113. Forestry inspection officers

Forestry inspection officers are government employees belonging to the Forest and Forestland Inspection Organization with the mandate of conducting inspection and investigation of the cases related to forests and forestlands in compliance with the Forestry Law and the Criminal Procedure law. The organization, functions and qualifications of forestry officers shall be provided in a specific regulation.

Article 114. Rights and duties of forestry officers

In addition to the rights and duties provided in Article 112 of this Law, the forestry officers have the following specific rights and duties:

1. To conduct patrols and on-site inspections and following targets i.e. logging sites, log transport routes, log-yards, and factories using timber as raw materials, warehouses for timber and other places deemed necessary;
2. To receive and record cases and requesting documents which are considered in violation of the laws and regulations on the forest;
3. To proceed with criminal cases of suspects mainly to conduct the investigation process include taking measures of investigation and preventive measures;
4. To summarize the investigation and prepare files of the case to be submitted to the People's Prosecutor to consider criminal charges to the Court;
5. To contact and coordinate with other organizations concerned including local administration authorities regarding of the implementation of their duties.
6. To execute other rights and duties as provided in the laws and regulations.

Article 115. Forest and forestland inspection forms

There are three types of forest and forestland inspection forms: -Regular inspection -Inspection with advance notice -Impromptu inspection. **Regular inspection** is the inspection carried out at fixed intervals and shall be performed at least once a year. **Inspection with advance notice** is the inspection carried out, when deemed necessary, by sending advance notice of at least 24 hours before the inspection to the person responsible for forest preservation and development or conducting forest activities. **Impromptu inspection** is the inspection carried out, when deemed necessary, but it is undertaken urgently and without sending any advance notice to the person responsible for forest preservation and development or conducting forest activities. The inspection shall be carried out through both document checking and on the site inspection.

Article 116. External inspection

External inspection is to check the performance of the Forest and Forestland Management Organization and the Forest and Forestland Inspection Organization to ensure capacity strengthening, transparency and fairness. External inspection includes:

1. Inspection undertaken by the National Assembly as provided in the Law on Over signed Function of the National Assembly;
2. Inspection undertaken by the State Inspection Organization as provided in the Law on State Inspection;
3. Monitoring made by Lao citizens, organizations and individuals at the grass root levels, and offices, organizations, technical units and state enterprises concerning the performance of officers of the Forest and Forestland Management or Inspection Organizations. When a violation of the law occurs, they also have the right to propose to the concerned organizations to undertake inspection on the suspected criminals.

CHAPTER IX SETTLEMENT OF CONFLICTS

Article 117. Settlement of administrative conflicts related to forest and forestland matters

Settlement of administrative conflicts related to forest and forestland matters such as use of forest and forestland areas without authorization, the use of forest and forestland areas for other purposes than agreed, and without payment for forest maintenance or other formality fees in accordance with the regulations and law shall be undertaken by the Forest and Forestland Inspection Organization and the Forest and Forestland Management Organization in collaboration with other concerned organization and local administration authority at the same level. If the forest and forestland user is not satisfied with the settlement decision, they have the right to submit a petition to the unit responsible of the settlement organization to settle the case and shall exercise the Law on Peoples Petition.

Article 118. Settlement of civil conflicts related to forest and forestland matters

Settlement of civil conflicts related to forest and forestland matters such as inheritance of developed forest and forestland, the transferring of rights to use forest and forestland and other civil contracts will be undertaken by the People's Court in accordance with the court of law. Settlement of civil conflicts related to forest and forestland needs to be firstly arbitrated by the village administration authority where the forest or forestland is located. If an agreement cannot be made, the case shall be submittes to the District or Municipal administration authority for arbitration; if the case is still not settled, either party involved has the right to bring the case to Court.

CHAPTER X NATIONAL ARBOR DAY, UNIFORM, LOGO AND SEAL

Article 119. National Arbor Day

In order to raise awareness about preservation, development of forest, forestland and the natural environment of the multi-ethnic population, with the special inclusion of young generations, the State determines 1st June as National Arbor Day with the aim of creating abundant and sustainable use of forest resources,.

Article 120. Uniform, Logo and Seal

The Forest and Forestland Management Organization and the Forest and Forestland Inspection Organization have their own uniform, logo and seal to be used in performing official tasks allocated by the Ministry of Agriculture and Forestry.

CHAPTER XI REWARDS FOR PERSONS WITH OUTSTANDING PERFORMANCE AND MEASURES AGAINST VIOLATORS

Article 121. Rewards for persons with outstanding performance

Individuals, organizations or enterprises that show outstanding performance in implementation of this law, especially in preservation and development of forest and forestland areas, planting, forest regeneration and protection against the destruction of forest and forest resources, shall be commended with other rewards according to the regulations.

Article 122. Measures against violators

Individuals or organizations violating this law shall be subject to education, disciplinary measures, fine or punishment in accordance with the law according to the seriousness of cases.

Article 123. Educational measures

Individuals, organizations or enterprises who have violated laws and regulations related to forests and prohibitions with minor significance that is not considered criminal and with damage worth less than 1,000,000 Kip, and are sincere to report and confess their incorrect actions and completely return the illegal assets, shall be subject to warning and corrective education.

Article 124. Disciplinary measures

1. Any civil servant or state employee violating forestry related laws and regulations and prohibitions with minor significance that not considered criminal, and with damages worth less than 1,000,000Kip, and do not cooperate with the investigative authorities, shall be subject to the disciplinary measures according to the following case:
2. To be reprimanded and warned of such offense and recorded in his or her personal profile;
3. To suspend the promotion, salary increase and commendations;
4. To remove from one's post and transferred to a lower one;
5. To be dismissed from the public service without any incentive remuneration. In addition, the person shall return all of the assets acquired illegally.

Article 125. Fine measures

Individuals, organizations, or enterprises who have violated forestry related laws and regulations and the prohibitions as provided in this law which are not considered criminal and causing damage worth more than 1,000,000Kip, shall be fined the equivalent of the value of damaged timber, timber products, including forest resources based on the actual market price.

In the case of a second or habitual violation, the offender shall be fined double the value of damaged timber, timber products, including forest resources based on the actual market price.

Article 126. Civil Measures

Individuals, organizations or enterprises who have violated this law and caused damage to the benefits of the State, households and individuals by their misconduct with regard to the forest, shall be liable to pay the compensation equal to the damage caused.

Article 127. Penal Measures

Individuals, who have violated this law and committed a crime such as: cutting trees or clearing forest not in compliance with the forestry regulations, burning or destroying forest by any methods, harvesting NTFP not in compliance with laws and regulations, giving the log stamp hammer to someone who does not have authority/responsibility, unauthorized cutting, trading or transporting natural timber of protected and special species which are close to extinction without permission, suppressing justice procedures on forestry cases, granting an approval of natural forest conversion or issuing the permission of unlawful logging shall be subject to criminal sanctions and shall be punished in prison as described in Articles 139 and 143 of the Penal Law, and shall be fined double the value of damaged timber, timber products, including forest resources based on the actual market price.

Article 128. Additional punishment

In addition to the main punishments described in Articles 123,124,125, 126 and 127 above, offenders shall be subjected to additional punishments such as confiscation of assets, vehicles and equipment related to the offences of the State and may be suspended or have their permits withdrawn of, and withdrawal of rights to use the forest, forestland and forest resources.

CHAPTER XII FINAL PROVISION

Article 129. Implementation

The government of Lao People's Democratic Republic is implementing this law.

Article 130. Effectiveness

This law becomes into effected after 60 days from the day that the President of the Lao People's Democratic Republic issues a presidential decree promulgation. This law replaces the Forestry Law, No. 13/ NA, dated 9 November 2005. .

President of the National Assembly
(Signature and Seal)

Thongsing THAMMAVONG