



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Agriculture and Forestry

No. 0196/AF.2000
Vientiane, 15 August, 2000

Regulations concerning the development and promotion of long-term plantations

- Based on the Law on Forestry No. 01/96, dated October 11, 1996; and
- Based on the Prime Ministerial Decree No. 198/PM, dated November 15, 1999, concerning the implementation of the Forestry Law.

In order for the development and promotion of tree planting in Lao PDR consistent with the provisions of the Forestry Law,

The Minister of Agriculture and Forestry issues the Regulations:

CHAPTER I

General Provisions

Article 1. Purpose

The purpose of the Regulations concerning the development and promotion of long-term plantations is to reduce the use of timber from natural forests and promote the investment from the public sectors, organizations, collectives, individuals and private sectors, with a view to widening the planting of trees, having optimal benefits, complying with the techniques, economic, ensuring the social and environmental protection.

Article 2. Explanation of terms

Tree planting is the process of transplanting tree seedlings or saplings from the nature or nursery by method of scattering the seeds or planting in the ground where it is suitable.

Tree planting parcel is the reforested land parcel having an area of 1,600 sq.m up or 1 "rai", resulting from the investment and labour employed in the planting of trees over a vacant forestland area, barren forestland and degraded forest area.

Degraded forestland is forestland area where forest has 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 or other various species.

Bare forestland is forestland area that has not been classified for using it for forestry activities, particularly for planting tree as main activity and the soil condition in this forestland area may be still fertile or deteriorated.

Planted tree is all tree species, may it be tree or shrub which an individual or organization plants for the purpose of supplying raw materials to the wood processing industries, household use or for environmental protection.

Cutting circumference is the time period from the tree growth starts until it is being cut, whether it is long or short time depending on the planting purpose and tree species.

Planting distance is distance between rows and trees, for instance, 5 x 2 m means 5 meters between rows and 2 meters between trees in a row. Planting distance is subject to planting purpose, tree species and conditions of the locality.

Pruning/removal is the elimination, for technical reason, of tree prior to its logging period or age of cutting circumference in order to reduce the competition in terms of nutrients and sunlight as described in the management plan of tree planting parcel, which may start when the tree is 12-month old. Removal can be done once up during a certain time period of cutting circumference depending on planting purpose and tree species.

Cleaning the tree planting parcel is the weeding of undesirable grass, shrubs, trees which are not economic and unintentionally planted, including also the pruning of trees in the planting parcels.

Article 3. Tree planting system

There are two planting systems:

1. Concentrated planting system
2. Scattered planting system

1. Concentrated planting system consists of two patterns:

- 1.1 Follow the standards of tree planting parcel: this pattern is to plant trees in accordance with the standards of tree planting parcel, for example, soil preparation using different methods, monoculture or polyculture for commercial purposes or household use.

Tree spacing in a row may be 1.5 x 1.5 m or 2 x 2 m or 2.5 x 2.5 m depending on conditions of the locality and tree species, but should not be less than 1,100 trees per hectare.

- 1.2 Agroforestry: this pattern is to plant trees intercropped with agricultural crops, grass for animal grazing, and for various purposes such as food production, timber production, soil erosion prevention and environmental protection, but taking into

account planting tree for timber comes first. This way of tree planting is suitable in the areas where there are rice shortage, not enough farming land or land with steep slopes.

Tree spacing in a row, in the lowland area, should not be more than 6 x 2 m at maximum or not less than 800 trees per hectare, and in the sloping area should not beyond 8 x 2 m at maximum or not less than 600 trees per hectare.

2. Scattered planting system: in this system the planting is not to follow any standards of the tree stands. Tree might be randomly planted in cluster, line or scattered over many places, e.g. the edge of the village our house, paddy field, garden, temple, government offices or public areas in order to prevent natural disasters, for shades, household use and for commercial purposes.

CHAPTER II

Procedures for investing in the development and promotion of long-term plantations

Article 4. Technical, socio-economic data study and analysis

In order to ensure that the tree planting to conform to the techniques and economic, and assuring no detrimental effect on the society and environment. Area for planting trees from 5 hectares up must be accompanied with the data study, technical and socio-economic analysis, while planting area of less than 5 hectares the study and analysis are not necessary. But in case of area that will be used for planting trees which owned by many people and the land area is adjacent to each other, for 5 hectares up the aforementioned papers (certificate of study and analysis) are also needed.

Article 5. Planting tree on land under its ownership

Individuals and organizations who want to plant trees on land that are under their ownership, and the government has not determined to use those land for agricultural purposes and not government priorities, they can plant and no need to obtain permissions but should comply with Article 4 of this Regulations.

Article 6. Planting tree on land not under its ownership

Individuals or domestic enterprises who want to plant trees on land that are not under their ownership shall have to obtain permissions from the relevant authorities as follows:

1. For land area less than 100 hectares, the District governor shall approve based on recommendations of the District Agriculture and Forestry Office.
2. For land area from 101 – 500 hectares, the Provincial Governor, Vientiane municipality mayor and governor of the Special zone shall approve based on recommendations of the Provincial, Vientiane municipal and Special zone Agriculture and Forestry Office.
3. For land area from 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.

4. For land area more than 1,000 hectares, the government shall approve based on recommendations of the Minister of Agriculture and Forestry.

Article 7. Application for foreign investment for tree planting

Foreign business people or foreign companies who want to invest in tree planting shall have to comply with the following procedures:

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.
2. After the signing of memorandum of understanding, the applicant shall have to contact the Ministry of Agriculture and Forestry and coordinate with the local authorities for jointly conducting feasibility study of the project.
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.
4. After obtaining an approval from the government, the investment management committee shall first issue the investment license and afterwards the Ministry of Agriculture and Forestry shall issue the license for doing agriculture and forestry business.
5. All operations related to tree planting, building factories and selling the farm produce and wood products shall have to comply with provisions of the technical and economic analysis and the management plan which have been approved. In case of alterations, an amended plan is to be submitted to Ministry of Agriculture and Forestry and the investment management committee for consideration.

CHAPTER III

Management regulations, inspection, monitoring and evaluation

Article 8. Import and export of tree seeds

All import and export of tree seeds whether they are seeds, portions or saplings, a certificate of origin and certificate of pest inspection are required and must be approved by the Provincial, Vientiane municipal and Special zone Agriculture and Forestry Office, and the import and export must take place after passing the inspection at the checkpoints in accordance with the regulations.

Article 9. Production and transportation of saplings/seedlings

Production and transportation of saplings or seedlings shall have to strictly comply with the guidelines issued by Ministry of Agriculture and Forestry.

Article 10. Tree planting activities

Tree planting activities consist of site preparation, planting, nurturing, stand protection, making track and firebreak shall have to follow the standards and instructions given by the Ministry of Agriculture and Forestry and other relevant regulations in a strict manner.

Article 11. Cleaning and pruning

Cleaning or weeding and pruning shall have to comply with the time period stated in the plantation management plan which already adopted. There is no need to get permission again but keep the District Agriculture and Forestry informed.

Article 12. Registration of tree planting parcel

Every tree planting parcel that may be belonged to individuals or organizations must be registered with the authorities concerned. Registration of tree planting parcel shall have to comply with the Ministerial Directive No. 1849/AF.99, dated October 7, 1999, concerning the registration of tree planting parcel, and the following procedures:

1. The owner of tree planting parcel shall propose, as preliminary stage, to the village forestry unit for measuring the area, defining method and planting period and tree species in order to produce a sketch map and issue the certificate.
2. The owner of tree planting parcel shall then prepare a self-written application, residential certificate, land documents and tax declaration, village forestry unit certification, sketch map of the planting parcel, and submit to the District Agriculture and Forestry for consideration and issuing the certificate.

Article 13. Management, inspection, monitoring and evaluation

The management, inspection, monitoring and evaluation shall be based on the technical and socio-economic analysis, plantation management plan as references. The management, inspection, monitoring and evaluation must be conducted on a regular basis in order to ensure that:

1. The utilization of forest area for planting trees is in compliance with Article 36 of the Law on Forestry;
2. The quality of saplings or seedlings in the nursery follows the guidelines;
3. The inspected clearing site, soil preparation and track making comply with provisions of the guidelines and standards issued by Ministry of Agriculture and Forestry;

4. The implementation of related activities is correct according to the management plan and plan of operations of the tree stands, which have been acknowledged by the authorities; and
5. Every time of inspection, monitoring and evaluation, a memorandum must be produced between the staff who carry out the inspection and monitoring and the owner of planting parcel, and report to their superiors in writing within 2 weeks.

Article 14. Logging and transportation of planted trees

1. The logging and transportation of planted trees for commercial purposes 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 the tree plantation is registered, the District Agriculture and Forestry Office shall approve but need to inform the Provincial, Vientiane municipal and Special zone Agriculture and Forestry Office.
2. The harvesting of planted trees for household use and public benefits, the village forestry unit shall issue the logging permit and inform the district forestry.
3. The transportation of planted trees and timber products from registered tree plantation between districts within the province, the village forestry unit shall issue the transportation permit, but the owner of commodities has to inform the District Agriculture and Forestry Office for inspection and certification.
4. The transportation of planted trees and timber products from registered tree plantation between provinces, the District Agriculture and Forestry Office shall issue the transportation permit, and inform the Provincial, Vientiane municipal and Special zone Agriculture and Forestry Office.
5. The transportation of trees, logs, sawn timber, semi-finished or finished products from the registered tree plantations for export, the Provincial, Vientiane municipal and Special zone Agriculture and Forestry Office shall issue the transportation permit.

CHAPTER IV

Rights and duties of the forestry sector

Article 15. Duties of the Provincial, Vientiane municipal and Special zone forestry

1. To act as the secretariat for Department of Forestry, the Provincial, Vientiane municipal and Special zone Agriculture and Forestry Office in the provision of technical services, the technical and socio-economic study and analysis and issue the certificate for all of the tree plantation owners within its province.
2. To act as the secretariat for Department of Forestry, the Provincial and Vientiane municipal Agriculture and Forestry Office in the management, promotion, inspection of the tree planting activities of the individuals and organizations within its province.

3. To conduct research and certify the tree plantation which established within its province for submitting the proposal to the Provincial, Vientiane municipal and
4. Special zone Agriculture and Forestry Office, and issue tree plantation certificate for the area from 5 hectares and up.

Article 16. Duties of district forestry

1. To act as secretariat for the Provincial Forestry Section and District Agriculture and Forestry Office in the promotion and provision of technical services for all of the tree plantation owners within its district.
2. To act as secretariat for the Provincial Forestry Section and District Agriculture and Forestry Office in the management, inspection and monitoring of the tree planting activities of the individuals, households or production groups within its district.
3. To study and certify the tree planting parcel within its district for proposing to the District Agriculture and Forestry Office for issuing the certificate for area less than 5 hectares.

Article 17. Duties of village forestry

1. To monitor, promote, cooperate and participate in the tree planting activities within its village and report the implementation of those activities to district forestry.
2. To summarize and list up the tree plantation owners so with their areas for submitting to district forestry for consideration of issuing certificate.
3. Take the leading role in the prevention of forest damages caused by animals, pests and diseases, human and other natural disasters.

Article 18. Rights of Provincial, Vientiane municipal and Special zone forestry

1. To issue certificate or reject the technical and socio-economic study and analysis of the land parcel.
2. To inspect and evaluate the tree planting within its province.
3. To warn, instruct or suspend the operations until there are considerations from the higher authorities, particularly in case of the individuals or organizations do not comply with this Regulations, as well as the plantation management plan that adopted.
4. To issue permits for the logging and transportation of planted trees and report to the Head of Provincial, Vientiane municipal and Special zone Agriculture and Forestry Office.

CHAPTER V

Policies, obligations and measures toward tree planting investors

Article 19. Land tax exemption

Individuals or organizations who use land areas that are under their ownership for planting trees in compliance with the procedures from 1,600 sq.m or 1 rai up, and apply the agro-forestry pattern as described in this Regulations, i.e. 800 trees/ha in the lowlands and 600 trees/ha in the sloping areas shall be exempted from land tax from the date the tree planting parcel is being registered. As for the scattered tree planting system, there will be no land tax exemption.

Article 20. Exemption of forest restoration fee and resource tax

Forests and trees planted by the individuals and organizations can be sold by themselves and exempted from forest restoration fee and resource tax save income tax from the sales to be paid to the government according to the regulations. Use of planted trees for construction and renovation of own house and other public benefits shall be exempted from sales income tax, forest restoration fee and resource tax.

Article 21. Transfer and inheritance of tree plantation

Individuals and organizations have the rights to transfer or inherit the trees or plantations that they owned in compliance with Article 53 of the Forestry Law.

Article 22. Export of planted trees

Individuals and organizations can export in form of logs, sawn timber, semi-finished or finished products, but shall have to pay tax and duties in accordance with the Tax Law and regulations issued by the Ministry of Finance.

Article 23. Compensations

In case of necessity that the government has to take the land that has already been planted for development projects, the government shall appropriately compensate the owners using the following formula:

Cost of the tree planting parcel = Cost of land use + Cost of land development + Cost of trees in the plantation + Cost of agricultural produce (if any)

Article 24. Measures against violators

Those who violate the regulations, technical and socio-economic and environmental guidelines, with regard to the development and promotion of long-term tree planting shall be prosecuted in accordance with Article 69, 70, 71, 72 and 73 of the Forestry Law.

Article 25. Educational measures

Measures against violators who cause damages that worth less than 50,000 Kips shall be subject to the followings:

1. Use of planting area does not comply with the provisions of Article 36 of the Forestry Law;

2. The clearing, slashing and burning that do not keep the economic tree species with diameter 10 cm up at breast height, and the causing of forest fire which damages to the communal benefits or other people;
3. The site clearing, soil preparation, use of chemical fertilizers and pesticides that are inappropriate and do not comply with the environmental preventive measures laid out by Department of Forestry.
4. Be the main cause of forest fire in the plantation and bring animals for grazing in the plantation or remove the fence enveloping the planting parcel to let animals to come in and destroy the trees in the plantation.

Article 26. Penalty clause

Individuals or organizations that cause damages as stipulated in Article 25 of this Regulations, and which worth from 50,000 Kips to 500,000 Kips shall be subject to punitive measures in accordance with Article 71 of the Forestry Law.

Article 27. Criminal measures

Individuals or organizations who cause damages as stipulated in Article 25 of this Regulations, and which worth more than 500,000 Kips shall be subject to imprisonment and a fine in accordance with Article 72 of the Forestry Law.

CHAPTER VI

Final provisions

Article 28. Implementation

All ministries, equivalent agencies, provinces, Vientiane municipality and Special zone, economic entities, including individuals and organizations are requested to acknowledge and together implement this Regulations in a strict manner.

Article 29. Final provisions

This Regulations is effective from the date it is signed, all the terms, provisions and regulations that have been promulgated earlier and which contradict this Regulations shall be automatically nullified.

Minister of Agriculture and Forestry

(Signature and Seal)

Xien SAPHANGTHONG