



Lao's People Democratic Republic
Peace Independence Democracy Unity Prosperity

Government

No. 247/GO

Vientiane Capital, date 20 August 2019

DECREE

ON PROMOTION OF TREE PLANTING FOR COMMERCIALIZATION

- Pursuant to the Law on Government No. 04/NA, dated 8 November 2016.
- Pursuant to the Forestry Law No. 06/NA, dated 24 December 2007.
- Pursuant to letter of request of the Minister of Agriculture and Forestry No. 0115/MAF, dated 12 February 2019

The Government issues the Decree:

Chapter 1

General Provisions

Article 1: Objectives

This Decree defines the principles, regulations and measures related to encouraging, promotion of investment in commercial tree plantations in order to ensure the supply of raw materials for processing, income generation and market demands aiming at increasing forest cover as a contribution to national socio-economic development in line with green policy and sustainability.

Article 2: Promotion of Tree Planting for Commercialization

The promotion of tree planting for commercialization is the determination of policy and measures for promotion of planting of all tree species required by markets as products for selling within the country, processing and export.

Article 3: Terminology

The terminology used in this Decree shall have the following meanings:

1. **Tree Planting** means taking seeds for sowing, collecting seedlings from natural forest and taking stumps or seedlings from nurseries to plant on the land of individuals, entities, collectives and state land which the Government has allocated for tree planting;
2. **Planted trees** means all tree species which have been planted in systematic or scattered form;

3. **Systematic trees planting** mean trees planting in columns, in rows with constant spacing as appropriate according to each tree species.
4. **Scattered trees planting** mean trees planting with no systematic form, with no columns and no rows and the distance of spacing between the columns and the rows is irregularity;
5. **Lease or concession of state land for tree planting** means the use of forestland approved by the Government granted for tree planting activities in accordance with Agreement;
6. **Native tree species** mean tree species that have their origin and growing in each region of Lao PDR.

Article 4: Government Policy

The Government promotes individuals, entities and organizations for investment in tree planting for commercialization and supply as raw materials for processing by providing appropriate policies such as policies on ownership, credit, exemption or reduction of land tax, tax, duty related to tree species, trees planting, granting land for lease or concession, providing technical services and others incentives in accordance with laws and regulations.

Article 5: Principles for Promotion of Tree Planting for Commercialization

The promotion of tree planting for commercialization shall comply with the following principles:

1. Be in line with laws, national socio-economic development plan, national defense, national security, the national land use master plan, forestry strategy, forest and forestland use planning in each time period;
2. Be centralized, gone through one-stop service and unified across the country;
3. Ensuring the benefits for the state, organizations and individuals.

Article 6: Scope of Application

This Decree applies for individuals, entities and both domestic and foreign organizations who are involved in tree planting for commercialization in Lao PDR.

Chapter 2

The Management, Promotion of Tree Planting and Obligations of Planters

Article 7: Tree Planting and Planted Trees Management

The management of tree planting and planted trees is the protection of plantation, planted trees, plantation registration or issuing planted trees certificate to certify the rights, sources of planted trees, implement the policy by the state to planters or tree planting investors for harvesting, movement, sales and export of planted trees and planted trees products.

Individuals, entities or organizations who plant trees and protect natural trees on the land areas with granted land use rights in compliance with laws or state land area which has permitted for lease or

concession for planting trees shall be registered with Agriculture and Forestry Sector for certifying the rights, sources of planted trees and giving convenience for the management, protection and implementing the policy on promotion of trees planting and regeneration in accordance with the law. After 3 years of planting and regeneration and the survival rate of planted trees on those land is over sixty percent and they shall be registered with Government authorities as follows:

1. The village administration issues certificate for plantation and regeneration forest with an area less than 1.600 m² or scattered planted trees
2. District Agriculture and Forestry Office issues plantation and forest regeneration registration certificate for area from 1.600 m² to 5 hectares;
3. Provincial Agriculture and Forestry Office issues plantation and forest regeneration registration certificate for area over 5 hectares;

The cutting and movement of planted trees, collection of fee and service fee regarding the management of plantation or planted trees shall proceed as follows:

1. The cutting of all tree species for commercialization which having plantation registration certificate or certificate of trees list, owners of plantation owner or planted trees can cut their trees without inventory and without permit based on the technical procedures but before cutting, they shall show the plantation registration certificate or planted trees certificate to certify their ownership including reporting, declaring location, tree species, number of trees to be cut to the District Agriculture and Forestry Office for actual inspection, following-up and data collection;
2. For cutting planted trees for household and public use, resources fee, rehabilitation fee and other obligation fees will be exempted and shall report the timber volumes or weights to the Village Administration Office;
3. All planted trees cutting which defines in article 7, point 1 can be moved without permission but the owner of planted trees shall report the timber volumes or weights to the District Agriculture and Forestry Office for data collection;
4. Industry and Commerce Sector issues the transport permit for finished products for export on the basis of certifying the timber sources from Agriculture and Forestry Sector;
5. The sale and purchase planted trees in the country shall be conveniently applied to remove all obstacles;
6. Planted trees can be exported as logs but they shall be complied with relevant laws and International Conventions or International Agreements which Lao PDR is the party to;
7. The fee and service fees collection related to the management of plantation or planted trees shall be complied with the Presidential Ordinance on fees and service fees which promulgates in each time period.

Article 8: Promotion of Trees Planting

The Government promotes tree planting for commercialization through policy and measures as follows:

1. Individuals, entities or organizations who invest in planting trees for commercialization on areas which they have obtained legal rights, investment permit is not required and shall be protected based on the provisions under Article 7 of this Decree;

2. Give convenience for the trees planters or tree planting investors by providing information of market on wood product of planted trees and technical advice on tree planting, maintenance, cutting, transportation and processing of wood products;
3. Exempt fee for use of land specifically for plantation with plantation registration certificate. For land which the government approves for concession, shall be complied with the Ordinances of the President on the rate of state land lease and concession fees;
4. Exemption from forest restoration and forest resources fees for the cutting trees from plantations and scattered planted trees for commercialization, but income tax shall be paid; while cutting trees for household and the public use, forest restoration fees, forest resource fees and all income tax shall be exempted;
5. Plantations and planted trees which are registered and certified according to the regulation can be transferred, inherited and used as a collateral and obtained compensation for loss, in case the Government requires to use this land for other purposes;
6. Encourage the establishment of tree grower groups or planted trees association with contract farming for supplying raw materials as supply chain and with win-win solution;
7. Use modern techniques and technologies in tree planting starting from research to improve tree species, seedling production, trees planting and processing by exempting from import tax on techniques and technologies, modern equipment and machines to be used for planting, and processing in accordance with laws;
8. Encourage banks to release long-term loans to promote tree plantation investment by defining appropriate interest rates and interest payment exemptions during the period in which plantations cannot be harvested;
9. Encourage villagers and investors to invest in tree planting in degraded and barren forestland in production forest, which the government allocates for planting by sharing reasonable benefits between the government, investors and villagers;
10. Encourage individuals, entities and organizations to establish nurseries for supplying seedlings for tree planting by granting permission for having access to seed sources from natural trees within the country and importing seeds and seedlings required by the markets or are locally in short supply;
11. Encourage operators to involve in and conduct research related to expanding of tree species and the growth of trees by giving a priority to native species;
12. The planted trees and planted wood finished products which meet the standards defined in the lists which the Government defines in each time period can be exported to overseas.

Article 9: Obligations of Trees Planting

The obligations of tree planting are as follows:

1. Operators who operate wood processing or have in place of wood processing factories that use wood as the raw materials for processing, they shall own their plantations to ensure sustainable supply of raw materials;
2. Individuals, entities and organizations who invest in tree planting activities shall register their plantation or certify their planted trees as defined in article 7 of this Decree;
3. Individuals, entities and organizations who invest in tree planting shall proceed proper management and maintenance of their plantations in order to receive good results, shall construct firebreaks, have in place of plantation map or layout and prepare annual harvesting plan;

4. Operators of hydropower, mining, road construction, power transition lines and other development projects that generate impacts and cause conversion of all forest categories permanently or temporarily shall be responsible for payment of biodiversity offset or offset by their own activities.

Chapter 3

Policy for Good Performers and Measures against Violators

Article 10: Awards for Good Performers

Individuals, entities or organizations who have had outstanding achievements in implementing this Decree, particularly in contributing to tree planting, forest rehabilitation, forest protection and development shall be received awards and other policy in accordance with regulations.

Article 11: Measures against Violators

Individuals, entities or organizations who violate this decree shall be subject to measures in the forms of education and training, disciplinary measures, penalties or punishment depending on the seriousness thereof according to laws.

Chapter 4

Final Provisions

Article 12: Implementation

The Ministry of Agriculture and Forestry in collaboration with the line ministries, the ministry-equivalent organizations and local administration to disseminate and implement this Decree with good results.

Article 13: Entry into Force

This Decree shall enter into force from the date of its signing and after fifteen days of its publication on the Official Gazette.

This Decree supersedes the Decree No.96/PM on Commercial Plantation and Environmental Protection, dated 11 June 2003.

**On behalf of the Government of Lao PDR
The Prime Minister**

Sealed and signed

Thongloun Sisoulith