

# The struggle over Lao PDR's forests: New opportunities for improved forest governance?

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*Abstract: The forests of Lao PDR have dramatically diminished in recent decades. The main drivers of deforestation are changes in land use with forests being converted to agriculture, hydropower, mining and plantations. The main drivers of degradation are legal and illegal logging, especially salvage logging and pioneering shifting cultivation. Underlying drivers are poverty, weak governance and corruption, poor law enforcement and limited capacities as well as unclear, often contradictory legislation and the international demand for timber, rubber, food, electricity and minerals. The situation regarding forest governance, however, seems to slightly improve starting in early 2016. After years of little or no progress in terms of REDD+ the country prepared a proposal to receive performance-based payments which has been accepted into the FCPF Carbon Fund. Lao PDR also entered into the EU-FLEGT negotiations. A new government, which has been in office since early 2016, is increasingly trying to combat illegal logging and timber exports.*

**Keywords:** Forest Governance, Lao PDR, Deforestation, REDD+, FLEGT

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Deforestation and forest degradation have led to a reduction of the natural forest areas in Lao PDR over the past few decades. Increased greenhouse gas emissions, a general loss of biodiversity, increasing scarcity of timber and non-timber forest products and a reduction of environmental services from the forest areas are among the numerous consequences (e.g. Lestrelin et al. 2013, Saunders 2014). Moreover, the declining forest resources affect the lives of many of the poorest populations in the rural areas, especially among ethnic minorities, for whom the forests are a cornerstone of their livelihood (Higashi 2015). While Lao PDR still has some of the highest forest cover on the Southeast Asian mainland with 46.7% (see table 1; MAF 2015), the forests have nevertheless diminished dramatically from an estimated 70% of the overall land surface in the mid-1960s.

However, there are contrasting trends in terms of forest cover. This paper presents three different data sources and briefly explains different methodologies for assessing forest cover rates. Official statistics as well as the FAO Forest Resources Assessment show a forest cover increase since the early 2000s (MAF 2015; FAO 2014) whereas Global Forest Watch still report a decreasing trend in terms of forest cover. A look into the details reveals that the increasing forest cover is mainly due to regenerating vegetation which is under the Lao forest definition counted as forest and primary forest areas are continuously decreasing. After shedding some light into the different data sources and methodologies in reporting forest cover, the discussions on drivers of deforestation and forest degradation will be presented. The interplay of direct drivers and underlying forces is complex and a comprehensive analysis of drivers, underlying forces and detailed spatially explicit quantifications to specific drivers are lacking. Finally, the paper will outline the most recent developments in the forest sector of Lao PDR with a new government that took office in early 2016 increasingly trying to combat illegal logging and working to reform the forest sector.



Source: Sebastian Koch 2014.

Figure 1: Deforestation in Ban Khangkao, Houameuang district

### State of the forest

Lao PDR has recently gained international attention for its efforts to increase forest cover, as reported by the Forest Inventory and Planning Division under the Department of Forestry as well as the latest published FAO Forest Resources Assessment (MAF 2015; FAO 2014). According to the Forest Cover Assessment 2015 (MAF 2015), forest cover increased between 2010 and 2015 by 1.3% annually. The current trend of increasing forest cover and decreasing potential forest is explained by regeneration of fallows to forest. Official statistics, however, also reveal a significant decline in forest quality. Dense forest with a canopy cover of over 70% decreased from 29.1% to 8.3% of total forest area, while open forest (<40% canopy cover) increased from 16.3% to 28.9%. At the same time,

large contiguous forest areas (>1.000 ha) decreased from 88% to 52% of total forest area, while smaller forest areas (<100 ha) rose from 4.5% to 30.2% (MAF 2005a).

After the establishment of the Lao PDR in 1975, forest resources were seen as ‘green gold’ (*Kham Khieow*) and became the new government’s main source of revenue generation. In 1986, the Lao government introduced market-economy reforms, called ‘New Thinking’ (*Chintanakhai Mai*) or ‘New Economic Mechanism’ aiming to encourage the private sector, thus shifting from a centrally planned to a market-oriented economy. As a result, the rich forests of Lao PDR diminished dramatically without generating substantial revenues for the country with an estimated net deforestation rate of approx. 2%

per year during the 1990s due to fiscal mismanagement and widespread corruption (IUCN 2000). In 1989 the Prime Minister KAISONE PHOMVIHANE decided to rethink the forest policy of the country during its first National Forest Conference and the subsequently issued Decree 66 on a ‘Tropical Forest Action Plan’ outlined steps to be taken in order to achieve a forest cover of 70% (Phengospha 2015). Forest types were classified into different categories and later on different land use classifications were adopted in addition to the forest types. Since then the Department of Forestry (DoF) under the Ministry of Agriculture and Forestry (MAF) differentiates between current forest and potential forest where the former refers to forests that meet the definition of 20% canopy cover and a DBH of 10 cm on a minimum area of 0.5 ha. Potential forest includes regenerating vegetation not yet matching the criteria of current forest. In 2015 the potential forest area including bamboo and un-stocked areas used for shifting cultivation covered an area of 38.2% of the country (see table 1; MAF 2015). Lao policies that were promulgated since the 1990s, such as the one to eradicate shifting cultivation or the land allocation program aimed, amongst others, to increase forest

Table 1: National forest cover assessment 2015 (MAF 2015)

North	Current forest	Potential forest
Proportion 2010 (%)	33.9	57.1
Proportion 2015 (%)	39.9	53.0
South	Current forest	Potential forest
Proportion 2010 (%)	47.2	34.3
Proportion 2015 (%)	55.5	22.4
Central	Current forest	Potential forest
Proportion 2010 (%)	42.7	41.2
Proportion 2015 (%)	48.8	32.3
Lao PDR	Current forest	Potential forest
Proportion 2010 (%)	40.2	46.0
Proportion 2015 (%)	46.7	38.2

### About: REDD+

REDD+ stands for Reducing Emissions from Deforestation and Forest Degradation and the + includes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks. It is an international effort led under the United Nations Framework Convention on Climate Change (UNFCCC). The basic idea is to create a financial value for the carbon stored in forests, as well as means to leverage this, thus offering an incentive to developing countries to reduce emissions from deforestation forest degradation including the sustainable management of forests and enhancement of forest carbon stocks. REDD+ is implemented in three phases, starting with REDD+ Readiness, then the implementation of REDD+ strategies, and leading eventually to the flow of results-based payments for national actions that reduce emissions in the forest sector. REDD received substantial attention from the UNFCCC – and the attending community – at COP13 in 2007 as part of the "Bali Action Plan". The extension REDD+ included sustainable management of forests, conservation and enhancement of forest carbon stocks. In Cancun (COP16) in 2010, the Cancun Agreements requested participating countries to develop: i) a national strategy or action plan; ii) a national forest reference emission level and/or forest reference level; iii) a robust and transparent national forest monitoring system for REDD+ activities, and iv) a system for providing information on how REDD+ safeguards (to avoid negative social and environmental outcomes) are being addressed and adhered to.

The 19th Conference of the Parties (COP19) held in Warsaw in November 2013 saw a number of decisions adopted. This produced the 'Warsaw Framework for REDD+'; a package of decisions, which along with those adopted at previous COPs completes the 'REDD+ Rulebook' and gives guidance for the full implementation of REDD+. REDD+ is part of the Paris Agreement and specifically mentioned in paragraph 5.

cover to 70%. However, such policies reduced access for upland cultivation and swidden farmers and consequently food production and food security (Kenney-Lazar 2016) which has not been discussed widely within the government.

In addition to government-led national forest and forest cover assessments, there are also international organizations and other institutions assessing forest cover, for example for the purpose of international comparison applying other methodologies, definitions and resources. The Global Forest Resources Assessment by the United Nations Food and Agriculture

Organization (FAO), applying the FAO forest definition of 10% tree canopy cover, shows a forest area in Lao PDR in 2015 of 18.8 million hectares and thus 81.3% of Laos' total land area (see table 2; FAO, 2015). The assessment reports an annual forest area loss of 0.7% between 1990 and 2000 and then forest area increases of 0.8% (2000-2010) and 1% (2010-2015), respectively. Right after the publication of the FAO Global Forest Resources Assessment Lao PDR received attention as one of the top ten countries in terms of annual forest area gain between 2010 and 2015 (FAO 2015). However, the Lao Country Report of the Global Forest Resources Assessment 2015

shows a steady decrease in primary forest area from 1990 to 2015 (see table 2). In addition, the report mentions that 27% of forest areas in Lao PDR experienced significant reductions in canopy cover between 2000 and 2012. From a methodological perspective it needs to be understood that the 2015 FAO FRA forest area figure is based on linear extrapolation of the trend between 2002 and 2010 and, therefore, shows an upward trend to 2015.

Another source of information regarding forest cover, forest trends and deforestation is Global Forest Watch (GFW). It is an open-source web-application based on Landsat satellite images. GFW is a partner-

Source: Sebastian Koch 2014.



Figure 2: Sanam of Ban Khangkao

Table 2: Forest area change Lao PDR (FAO 2014)

Category / Forest area in ha	1990	2000	2005	2010	2015
Primary forest	1,592,000	1,438,000	1,358,520	1,276,130	1,193,730
Naturally regenerated forest	16,049,500	15,068,430	15,484,280	16,469,430	17,454,570
Planted forest	2,500	18,780	26,910	70,010	113,110
<b>Total</b>	<b>17,644,900</b>	<b>16,525,990</b>	<b>16,869,710</b>	<b>17,815,570</b>	<b>18,761,410</b>

ship of the World Resources Institute (WRI) in close collaboration with the University of Maryland and others. According to GFW geospatial analysis, total tree cover in Lao PDR declined at a rate between 39,000 ha and 230,000 ha per year between 2001 and 2014 with an increasing trend (see Figure 3, Global Forest Watch 2016). Although ‘tree cover’ does not equate ‘forest cover’, the results reveal that deforestation and forest degradation remain to be a serious issue in Lao PDR.

This section has outlined different approaches to capture forest cover/tree cover and subsequently forest or tree cover loss show different figures and contrasting trends. Differences in methodologies, definitions, completeness and inclusion of data from field verifications inevitably led to entirely inconsistent results between GFW and the FAO FRA (Holmgren 2015). Lao PDR’s Department of Forestry is currently finalizing its wall-to-wall land cover map for 2015 and revising the one for 2010 applying another

methodology than the Forest Cover Assessments and probably resulting in different figures.

### Drivers of Deforestation and Forest Degradation

Deforestation and forest degradation in Laos are not yet very well understood quantitatively and spatially. Forest clearing for agribusiness, whether by companies under concessions or by smallholders under either contract farming systems or subsistence agriculture is substantially different from forest clearing for hydropower, road constructions or other infrastructure development. Each has not only its own social causes and characteristics, but its own land clearance patterns. No efforts have yet been made to measure the relative contribution to forest loss of any of these on a national level. Although there are several studies that attempt to shed light on the issue, there are significant problems with the lack of causal relationships between claims and evidence presented.

Thomas et al. (2010) has a mapping section and a qualitative section that elaborates about drivers, however, without actually making a connection between the drivers and the geospatial information available. Hence, Lestrelin et al. (2013) and Thomas et al. (2010) as the most accurate analyses of national-level drivers of deforestation report that the main direct drivers of deforestation are concessions and contract farms converting forests either into agricultural areas (large - scale agribusinesses) or industrial tree plantations as well as mining and hydropower projects converting forest land into other land use. The main drivers of forest degradation are ‘pioneering shifting cultivation’ to expand agricultural areas as well as legal and illegal logging. Underlying drivers of both deforestation and forest degradation are poverty, weak governance which includes corruption, poor law enforcement and limited capacities as well as unclear or often contradictory legislation and the international demand for timber,

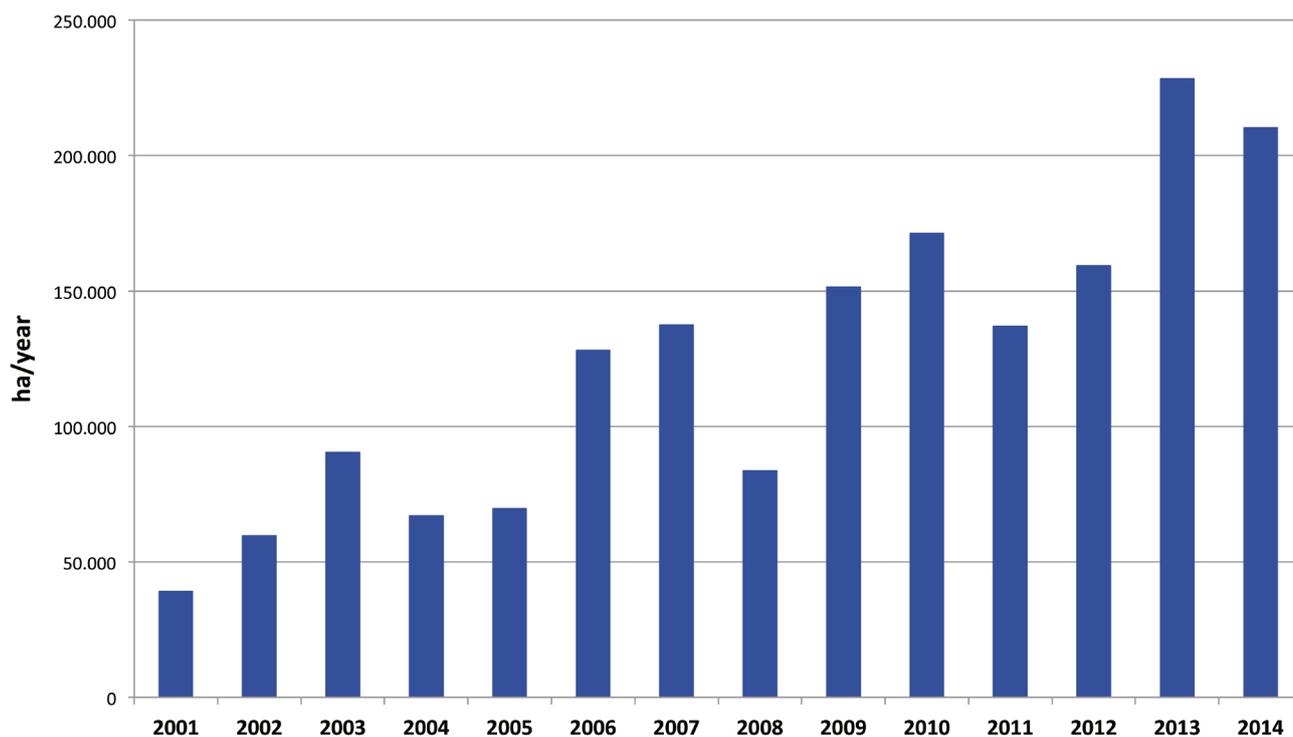


Figure 3: Tree cover loss in Lao PDR (Global Forest Watch 2016)

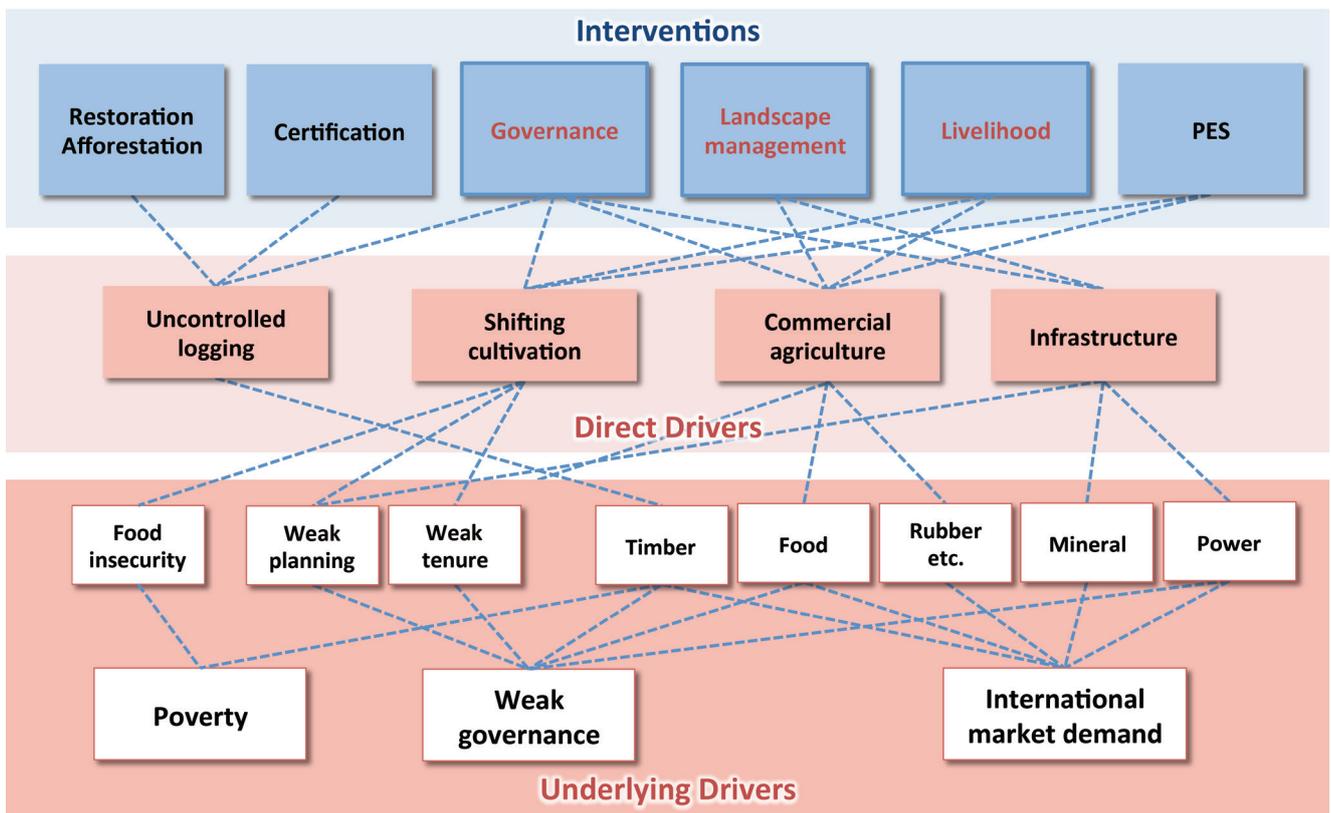


Figure 4: Direct and underlying drivers of deforestation and forest degradation and possible interventions (ER-PIN Lao PDR, 2015)

rubber, food, electricity and minerals. Figure 4 shows several main drivers of both deforestation and forest degradation and the complex interplay among these direct and underlying drivers that ultimately results in forest loss and degradation, as well as proposed interventions to address the drivers as outlined in the Lao PDR Emission Reductions Program Idea Note (ER-PIN Lao PDR 2015). However, and in consequence of a lack of quantitative and spatial understanding of national-level deforestation and forest degradation, the currently existing reports and analyses are unable to go beyond narratives to clearly map out causation.

Most of the deforestation but also degradation is linked to hydro-power development, mining, road construction and industrial tree plantations – mainly rubber – or agricultural plantations such as bananas. Timber extraction linked to such infrastructure development projects and establishments of plantations is a booming industry and the main source of all timber harvested in Laos. At least 1.1 million hectares of land have been allocated to concessions for infrastructure projects or agribusiness. According to a leaked report (Smirnov 2015) which analyzed

international leakage in four southern provinces, logging is taking place outside the designated concessions areas (making it illegal) at a tremendous rates due to a lack of enforcement and systematic corruption, often backed by high level politicians. Nearly all logs are transported across the border to Vietnam or China for further processing (EIA 2011, EIA 2012, Smirnov 2015). Immediately after the leaked report was published, the Department of Forest Inspection disclaimed figures reported as being untrue (Vientiane Times, October 30th 2015). Laos exported timber to China worth 1 billion USD in 2014 alone, where the export value was reported as representing just 8% of the value of imported timber declared by the importing country (Smirnov 2015). The most recent study from the UK-based Environmental Investigation Agency (EIA 2016) explains the high value of timber exported to China with a high percentage of these exports consisting of valuable rosewood species (*Dalbergia cochinchinensis*) which are harvested and exported illegally since it is protected under the Convention of International Trade in Endangered Species (CITES). Compared to the early 2000s, Vietnam

has also dramatically increased timber imports from Laos, reaching a value of over 459 million USD in 2013. Although the Government of Lao (GoL) issued several Prime Minister's Orders and Decrees during the 2000s to ban the export of sawn timber and round wood, it was still possible to get exception letters which were issued for 98% of all timber exports from Laos in 2014 (Smirnov 2015). Besides this, the Lao military still plays a role in logging, backed by a decree to establish a 15 km military buffer zone along all international borders and, hence, often inside national protected areas where many of the remaining valuable trees can still be found (Dwyer et al. 2016). Saunders (2014) estimated that bribes and other unauthorized payments account for up to 40% of logging companies' overheads.

Shifting cultivation as practiced by the majority of the rural population, which accounts for approx. 70% of the total population, also plays a major role as a driver of deforestation and forest degradation. This rotational land use system is generally regarded as a sustainable form of land use that does not necessarily lead to deforestation unless land scarcity forces farmers to clear new land in forest areas (AIPP 2014). Traditional shifting cultivation

practices based on rotation and longer fallow periods of seven to twelve years allow recovery of soil productivity, however, recent practices have adopted shorter fallow periods, sometimes of less than three years. The pressure on land comes from population growth, which is about 2% nationally, combined with the shift in rural livelihoods from subsistence based agriculture to more market-based commercial agriculture – such as corn and other cash-crops – driven by demand from neighboring countries. The expansion of agricultural land is referred to as ‘pioneering shifting cultivation’ where encroachment occurs in forest areas often without returning to the original plots (Higashi 2015). Slash-and-burn practice leads also to additional deforestation and degradation due to uncontrolled forest fires, which not only pose a threat to forest land but also adjacent land use activities. Pioneering shifting cultivation has led to degradation and a mosaic of cropland and fallow land, especially in the northern provinces of Lao PDR (MAF 2005b, Lestrelin et al. 2013, FCPF 2014, Vongvisouk et al. 2014).

### Recent developments in the Lao forestry sector

Several high-level documents such as the 8<sup>th</sup> National Socio-Economic Development Plan (2016-2020), the



Source: Sebastian Koch 2014.

Figure 5: Village forest management discussions

National Forest Strategy to the Year 2020 and the (Intended) Nationally Determined Contributions (NDC) include the commitment to increase forest cover to 70% by 2020 through sustainable forest management as well as reforestation and afforestation measures. The 8<sup>th</sup> NSEDP specifically mentions the implementation of the Reducing Emissions from Deforestation and Forest Degradation (REDD+) mechanism (see Info Box) as a priority activity to mitigate climate change since most of Lao PDR’s emissions are

from the land use change and forestry sector with 83%. REDD+ and Forest Law Enforcement, Governance and Trade (FLEGT) are mentioned as key international mechanisms to contribute to the emission reduction commitments of Lao PDR in its (I)NDC. However, the Government of Lao PDR needs to take serious action to address the direct and underlying drivers of deforestation and forest degradation in order to reach their forest and climate change related targets. International initiatives such as the EU-FLEGT process

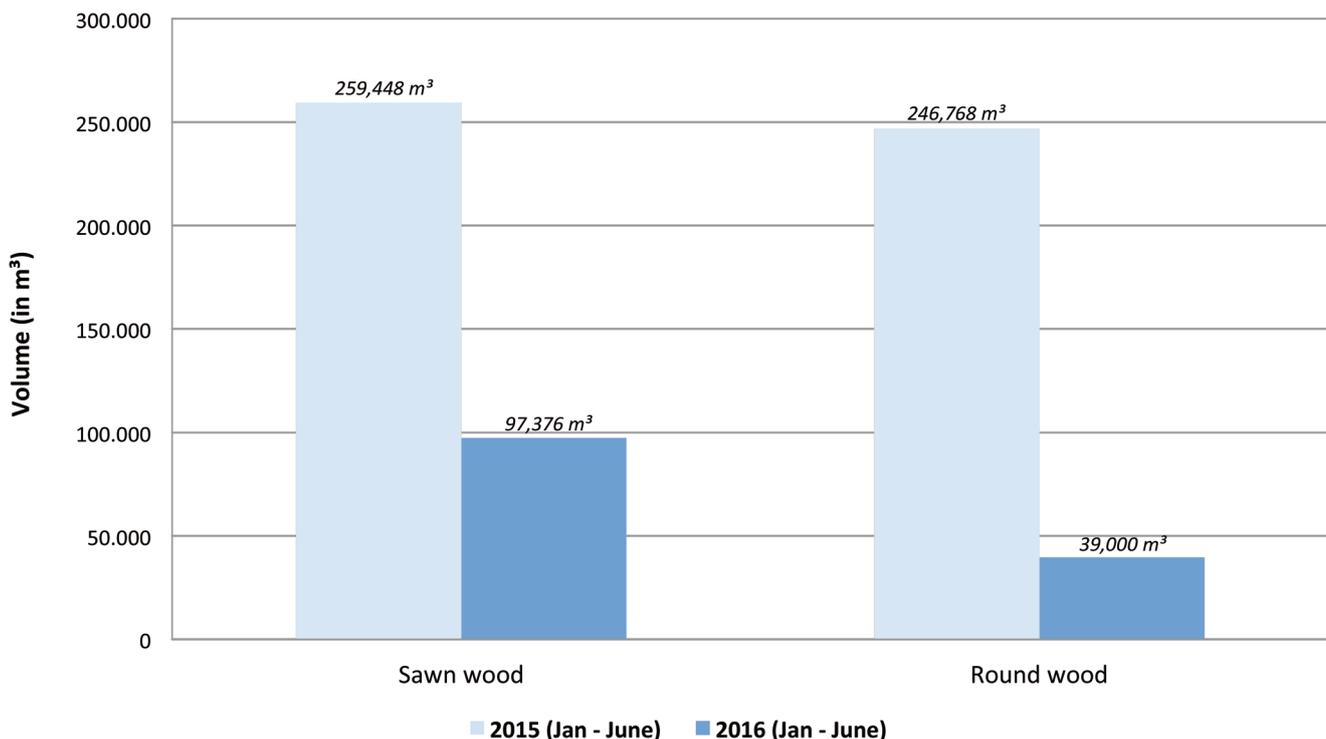


Figure 6: Analysis of Vietnamese customs data on sawn and round wood imports (Forest Trends, August 2016)



Figure 7: Timber truck in Xieng Khouang province

(see text box below) or the REDD+ mechanism, which – after a decade of negotiations – is finally enshrined in the Paris Agreement (article 5), could support Lao PDR in achieving their targets in terms of sustainable forest management and forestry related climate change mitigation. Laos' Department of Forestry perceives REDD+ as a key process that contributes to halt forest loss and destruction of national resources, mitigation of climate change and poverty alleviation. With the official acceptance of Lao PDR's Emission Reductions Program Idea Note (ER-PIN) into the Forest Carbon Partnership Facility (FCPF) Carbon Fund Pipeline in early 2016, managed under the World Bank, there is a high motivation among Lao stakeholders within the Department of Forestry but also outside to successfully implement REDD+. In September 2016 the GoL signed the 'Letter of Intent' with the World Bank. The acceptance paves the way to receiving REDD+

performance-based payments. The Emission Reductions Program area covers more than 35% of the national territory and accounted for 45% of all deforestation and degradation in term of area. The total emission reductions and removals performance is expected to be approx. 10 million tCO<sub>2</sub>e within 7 years (ER-PIN Lao PDR). After several years of low progress/or standstill regarding REDD+ (Vongviouk et al. 2016, Dwyer & Ingalls 2015), Lao PDR has now the chance to get access to performance-based payments for emission reductions. However, in order to receive performance-based payments, the institutional framework conditions have to be established and proposed interventions need to be implemented.

In 2015, Laos's development of an ER-PIN helped channel effort into revitalizing REDD+. The REDD+ Task Force began to meet again, and the Chairmanship of the National REDD+ Task Force was elevated to the level of the Vice-Minister. In February

2016 a decision was issued to officially establish six REDD+ Technical Working Groups (Safeguards, MRV/REL, Benefit Sharing and Distribution, Legal Framework, Land Use and Land Tenure, and Implementation of Mitigation Activities). Each TWG has prepared Terms of Reference (TOR), which were approved in 2016. It was also in 2016 that the first two of the six Carbon Fund provinces officially established Provincial REDD+ Task Forces and Provincial REDD+ Offices with their own TORs. In April 2016, the new Government decided to reorganize some ministerial mandates, so now all responsibility for forest management has been returned from the Ministry of Natural Resources and Environment (MoNRE) to the Ministry of Agriculture and Forestry (MAF). Until early 2018 Lao PDR has to develop a full Emission Reductions Program Document (ER-PD) that includes for each of the six selected Northern provinces (Houaphan, Luang Prabang,

#### About: FLEGT

The European Union (EU) adopted its Action Plan on Forest Law Enforcement, Governance and Trade (FLEGT) in 2003. The scheme promotes good governance in the forestry sector around the world, with the aim of reducing illegal logging and strengthening sustainable forestry at the national level. It is designed to prevent imports into the EU of illegal timber and wood-based products.

Although other countries have set up similar mechanisms (for example U.S. Lacey Act, Australia Illegal Logging Prohibition Act), the FLEGT Voluntary Partnership Agreement (VPA) aims for a high standard of in-country engagement to improve forest governance based on a timber legality definition, a timber legality assurance system, and a multi-stakeholder process. It defines *inter alia* what constitutes legally produced timber, how to control the supply chain and how to verify legally sourced timber. Throughout the FLEGT process the civil society involvement plays a crucial role.



Source: Sebastian Koch 2015.

**Figure 8: Village forest management planning Ban Lou**

Oudomxay, Sayabouri, Bokeo and Luang Namtha) under the Carbon Fund a 'Provincial REDD+ Action Plan (PRAP)' which outlines mitigation activities to be implemented, expected emission reductions and the agencies in charge for implementation. Commitment to work on improving forest governance, a backbone of Laos' REDD+ strategy, was also confirmed through the recent commitment by the Prime Minister to enter into negotiation with the EU on FLEGT VPA (Voluntary Partnership Agreement).

The former administration already tried to better regulate the expansion of concessions in the mining and industrial plantations sector in 2012. Prime Minister's Order No. 13/PM 2012 regarding suspension of consideration and approval for new investment projects related to mining exploitation and surveying, rubber and eucalyptus plantations prohibits the approval of some concessions and by association the removal of timber from those areas. However, hydro-power projects and plantations for other species 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 (DOFI & DOF 2015, Dwyer & Ingalls 2015). Since the first logging ban in the early 2000s, the Lao government has repeatedly tried to stop illegal logging and the export of unprocessed timber. The

last initiative to do so in August 2015 (Notice of Government Office, No. 1360/GO) has – like other initiatives – been implemented with only limited effectiveness. With Prime Minister Decree 31 of 2013, the GoL temporarily banned the harvesting of timber from National Production Forest Areas (PFAs). However, commercial logging in Production Forest Areas is not regarded as a major driver of deforestation due to the absence of marketable tree species of minimum harvestable diameter (Lestrelin et al. 2013).

The situation in terms of forest governance, however, seems to have slightly improved starting in early 2016. The new government, which took office in the beginning of 2016, is increasingly trying to combat illegal logging and timber exports. In May 2016, Prime Minister THONGLOUN SISOULITH issued an order (No. 15), according to which only finished wood products may be exported and the export of round and sawn timber as well as semi-finished products are prohibited without exception. Although there have been some decrees issued before to ban the export of unprocessed timber, it seems that there is higher commitment to actually implement the new decree. In addition, project developers and construction companies are prohibited from using any timber harvesting in infrastructure development projects in order to prevent the current practice that companies are paid through the

longstanding practice of bartering timber quotas (Anonymous 2000; MAF 2005b). Also, both the moratoria on concessions and timber harvesting in Production Forests have been extended. A Task Force has been established to enforce the instruction. Members of the Task Force have started the implementation of the instruction in the provinces which are considered as hotspots for illegal timber harvesting and trading such as Savannakhet, Khammoune, Attapeu, Bolikhamsay, Saravane and Sekong. Various government representatives at sub-national level have lost their positions or are being removed, for example the heads of several border crossings as well as district governors. Over the last few months, the new government has been addressing the issue of illegal logging through the media, more proactively and openly. In a newspaper article (Vientiane Times, June 6th 2016) it was suggested that the public can play the role of watchdogs in order to uncover illegal logging. The article also stated that "the government needs to make use of social media as a campaigning tool by creating a Facebook page where citizens can report suspected illegal activities and public officials can use this information for their investigation." In fact, Prime Minister THONGLOUN SISOULITH has called to post relevant information on his Facebook page, which is happening intensively. The reasons why the



Figure 9: Village guide at Nam Neun ecotourism site

government is now more proactive and committed to preventing illegal logging and in enforcing the existing regulations are pressure to collect tax revenues, pressure from the society through social media but also the recognition that timber resources are limited.

The latest government measures seem to have had an impact. Figure 6 shows that round wood exports to Vietnam fell by 84% in the first six months of 2016 (compared to the first six months of 2015); for sawn timber, the decline was 62.5% (Forest Trends 2016). The first reports of the established Task Force to investigate the enforcement of PM No 15 also show that in Attapeu province contrary to the statutory requirements, auctions have not taken place for more than 80% of the recorded logs, and therefore, the state has not been able to record any corresponding revenues from logging fees. At the same time, timber stocks at log landing 2 within Laos have increased to approx. 350,000 m<sup>3</sup>. Although the moratorium closes loopholes that have allowed for continued timber smuggling, there are still doubts whether the order will be properly implemented in the long run, as logging for major infrastructure was backed by family relations to the former leadership (RFA 2016a/b). The demand for timber from neighboring countries is a key driver of deforesta-

tion and forest degradation in Laos. If the Lao authorities are able to stop this demand in the long term, this would be a decisive step towards the preservation of natural forests in Lao PDR.

### Conclusion

The paper highlights recent positive developments in terms of forest governance in Lao PDR, especially since the new government took over in early 2016. International processes and mechanisms such as REDD+ and FLEGT address similar governance challenges within the forest sector. Both are currently under implementation in Lao PDR. The FLEGT VPA is considered as an important instrument for REDD+ and, therefore, identified as one of the major policies, actions, and measures (PAMs) of the Lao PDR Emission Reductions Program under the FCPF Carbon Fund. Both FLEGT and REDD+ could make use of the current positive movements in terms of improved forest governance as important measures in order to improve the overall policy development process, transparency, accountability, land and forest tenure rights – which have not yet been secured – and safeguarding forest resources for local livelihoods.

As outlined by Dwyer and Ingalls (2015), REDD+ should not just take the ‘low hanging fruits’, it also needs to address the bigger drivers of

de-forestation and forest degradation, hence, not only addressing shifting cultivation but also drivers such as infrastructure development, and industrial tree and agricultural plantations. In terms of illegal logging as a main driver of forest degradation, the FLEGT VPA process could play a major role in clarifying legality and finally reducing the incidence of illegal logging.

In the course of the next two to three years, however, it remains to be seen whether the GoL takes serious actions to reduce deforestation and forest degradation and combat illegal logging. Will the recent measures and efforts just be short-term politicking and a drop in the bucket or will the GoL continue to effectively address all drivers of deforestation and forest degradation and not just blame shifting cultivators as the villains?

In terms of REDD+ and the Emission Reductions Program under the FCPF Carbon Fund, the country has to develop a functioning Measurement, Monitoring, Reporting and Verification (MRV) system, a REDD+ Strategy and a detailed ER-PD, a Benefit-Sharing and Distribution System as well as a Safeguards Information System (SIS) in order to receive performance-based payments. Another key measure is the establishment of a national system to ensure the legality of the timber

(Timber Legality Assurance System / TLAS) as the core of the FLEGT Voluntary Partnership Agreement (VPA). All of this needs to be done in the next two years. Although Lao PDR is affectionately referred to as—“*Please Don’t Rush*” it’s time now to move on and take advantage of the momentum to improve forest governance and protect and sustainably manage the remaining forest resources. Hence, Lao PDR should be interpreted as “*Please Do Run*” for the sake of the country’s remaining forests.

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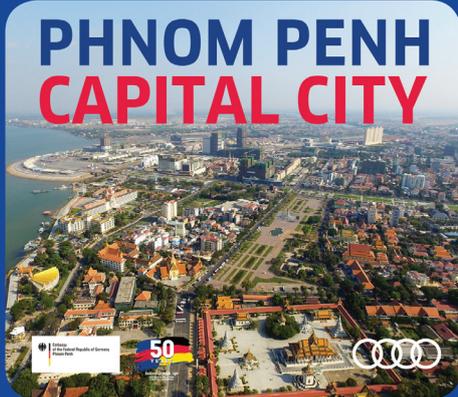
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