

# Control of Timber Production

Sustainable Forestry and Rural Development Project - Lao PDR

Co-operation between Governments of Lao PDR, Finland and World Bank

Technical Report No

May 2006

Tomas Jonsson

## Summary

From March to the end of May 2006 the Department of Forestry's (DOF) Technical Division, with assistance from a short-term consultant, carried out development work related to forest sector monitoring, control and law enforcement reporting (LERS). The activity was undertaken as part of the Sustainable Forestry and Rural Development Project (SUFORD). SUFORD is a joint effort between Government of Lao PDR, the World Bank and Finland's Ministry for Foreign Affairs aiming at enhancing multiple-purpose management of natural forests designated to production purposes.

### *Guideline development*

A Guideline on Control of Timber Production (annex 2) was drafted and approved in early May by DOF. The Guideline spells out how to go about control of timber harvest operations such as harvest planning, actual harvesting and extraction, wood utilization, scaling/grading, transportation and delivery at mill gate. As an integrated part of the Guideline five checklists for the various operations are elaborated. The checklists specify what requirements should be met in order to adhere to legal and regulatory rules - and implicitly what renders a corrective action request and initiates a LERS process. Additionally the Guideline outlines the methodology for reporting and presents a standard report format.

Training on the Guideline was provided to Vientiane based forestry staff, representatives from the SUFORD provinces as well as district foresters from Savannakhet, altogether 28 participants. The training was done in Savannakhet on May 11 and 12.

### *Actual control work of the forests*

From 14 to 22 of May control work based on the Guideline was undertaken in the FSC certified Dong Situang production forest area. In parts of this forest management planning as well as detailed preparations for harvesting have been completed and logging plans have been formally approved in line with prescribed official procedures.

The inspection was done by a team consisting of two staff from DOF, four from concerned districts and the consultant. Four village forest organisations (VFO) were consulted, one in each of the four distinct forests (so-called sub-forest management areas - SFMA). Forestry staff and representatives for the logging company and contractor were interviewed. The various forest management documents and maps were studied. All operations related to timber production were possible to inspect with focus on the production forests in Thapangtong district. Four harvesting blocks (coupes) and five landings were included in the field work.

The inspection of sawmills in the province was not approved and consequently no controls of mill yard procedures and compliance was possible. The team was permitted to inspect areas undergoing land use transformation i.e. the establishment of plantations. But the field operations had not yet started making actual field verification meaningless.

The field work proved that the Guideline and the checklists were useful but still in need of refinement i.e. both simplifications and additions are required. The control team members improved their inspections skills during the field work but clearly more exposure and training is needed to develop the capacity, to stimulate the analytical competence and the ability to report on the findings (see below for examples of results from the controls made).

#### *Feed-back workshop*

The experiences from the development work done during the last three months were presented to representatives from Ministry of Agriculture and Forestry, STEA, DOF and SUFORD staff (a total of 19 participants) in a workshop on May 31.

#### *Tentative workplan for coming years*

The consultant has proposed a tentative workplan for the remaining part of this year and next. A 13 step activity list is elaborated. It starts with the updating of the Guideline leading to a fully official edition that should be endorsed for national implementation as from next field season. The activity list proposes the development of an appropriate control organisation, manning of the organisation at different levels, planning for and the acquisition of the resources needed. The requirement for more training is identified before wide scale control and LERS should be undertaken in key production forest areas next field season. A two months TA input is included.

Furthermore the activity plan proposes, broadly, how the reduction of the sawmill sector should be set up and scheduled. The aim is to have, by the end of next fiscal year, the details for down- scaling the wood processing sector endorsed by the Prime Minister's Office.

#### *Findings and recommendations from the control work*

In general terms the control work identified a substantial number of weaknesses in current forest practices in Thapanthong. Two issues of strategic significance were registered (see chapter 3.3.1) along with four of high profile technical significance (see 3.3.2).

1. The most significant weakness is that the province *issues extra quotas* over and above the harvestable volumes as per approved logging plans. The extra quotas are designated to specific sawmills, which is not in the spirit of free market orientation that SUFORD promotes. Trees/log are a mix of (a) left over logs from earlier years' operations stocked at second landings (b) recently harvested dead trees and (c) recently harvested ordinary and fresh/living trees. Dead as well as fresh/living trees are cut in undefined areas including harvesting blocks.

Recommendation – (1) Harvesting should adhere to logging plans and the logging of so-called “dead trees” should cease. These operations lead to overcutting, more logging damage and makes supervision difficult since more crews enter the same forest. (2) All logs should be sold and transported away from the forests and landings this season

giving no opportunity/reason to continue with “dead wood” operations. (3) As part of harvesting as per logging plan truly dead trees should be cut and utilized.

2. In all inspected locations (forest, landing, mill) no *tree or log* was *marked* as per requirement. Tracing and chain of custody of trees/logs is therefore impossible.

Recommendation – (1) In all forests and in logging operations related to infrastructure projects or the like proper marking should be implemented. (2) Logs which are not marked as per requirements should (in line with the Forestry Law article 26) not be permitted to be moved.

3. In the areas inspected logging did only in parts *adhere to the plans and guidelines*. It appeared that logging plans were seen as providing a “quota” rather than directing harvesting to specific marked trees and as a consequence the desired stand structure and long-term growth is jeopardized. Significant and commonly occurring breaches of plans/prescriptions were encountered such as cutting of unmarked trees (including important NTFP trees), re-entry to cut “dead trees”.

Recommendations – (1) The awareness of the appropriate steps in planning and timber harvesting should be considerably strengthened among forest management units (FMU) and VFO personnel – as well as the loggers. (2) The organization of on-site supervision of harvesting should be strengthened. A FMU technical staff should be made fully responsible. (3) The separate harvesting of “dead trees” should cease. Instead the harvest planning should consider and mark dead/dieing trees and they should be removed as part of regular harvesting and as per cutting cycle.

4. This season harvesting has also taken place in other forest management areas/districts than Thapanthong. Forest management plans for these areas are either non-existent, outdated or not yet prepared/approved and pre-harvest inventories have not been made.

Recommendations - (1) In line with the Forestry Law article 25 and the recent 46/PM section 1 harvesting should only be done in areas with proper plans.

5. At some landings controls showed that original scaling of logs gave too low volumes. This leads to loss of revenue for the government.

Recommendations - (1) Scaling should be accurate to secure full revenue collection.

6. There have been sawmills constructed in later years and new mill(s) are being erected. The number of mills in the Savannakhet province has increased according to statistics.

Recommendations - (1) The sawmill sector shall be better adjusted to the supply of timber thus a gradual reduction of the sawmill capacity should be initiated – not an expansion which seem to be the case.

*Proposal for LERS action*

The consultant recommends that based on the findings from the field work Lao staff initiates LERS actions. MAF's Department of Inspection is likely best suited to engage in this work. 16 cases that deserve to enter into the LERS procedures and be investigated are suggested in the report.

## Abbreviations

AOP	Annual Operation Plan
COC	Chain Of Custody
DAFEO	District Agriculture and Forestry Extension Office
DOF	Department of Forestry
FIPD	Forest Inventory and Planning Division
FM	Forest Management
FMA	Forest Management Area
FMU	Forest Management Unit
FMP	Forest Management Plan
FSC	Forest Stewardship Council
GOL	Government of Lao People's Democratic Republic
LERS	Law Enforcement Reporting System
MAF	Ministry of Agriculture and Forestry
NTFP	Non-Timber Forest Products
PAFES	Provincial Agriculture and Forestry Extension Service
PAFO	Provincial Agriculture and Forestry Office
PFA	Production Forest Area
PFS	Provincial Forestry Section
PMO	Prime Ministers Office
PPC	Provincial Project Coordinator
PSFM	Participatory Sustainable Forest Management
SFM	Sustainable Forest Management
STEA	Science and Technology Agency
SUFORD	Sustainable Forestry and Rural Development Project
TA	Technical Assistance
USD	United States Dollar
VFO	Village Forestry Organization

## Table of Content

1	Introduction .....	7
2	Guideline for Control of Timber Production.....	9
3	Results from Control of operations in Savannakhet.....	9
3.1	Experiences related to guideline and checklist.....	10
3.2	Experience related to training and ability to implement control work.....	11
3.3	Results of control work in the field .....	12
3.3.1	Strategically significant findings .....	13
3.3.2	Technically significant findings .....	16
4	Follow up LERS activities as a result of Control field work.....	21
5	Plan for the further development of Control/LERS.....	22
6	General observations and comments .....	24
7	Comments to the Component output and indicators .....	24

Table 1:	Field work schedule.....	10
Table 2:	Number of harvestable trees and estimates volume as per logging plans .....	13
Table 3:	Quotas for Thapanthong FMA 2005/06 .....	13
Table 4:	Announcement 93/MAF for Savannakhet province 2005/06.....	13
Table 5:	Summary of control at second landing.....	19
Table 6:	Sawmills in Savannakhet province .....	19
Table 7:	Tentative workplan for Control/LERS .....	23

Figure 1:	Map of Thapanthong.....	8
Figure 2:	Required numbering of logs (as described in the standardized fmp).....	15
Figure 3:	Required numbering of trees to be harvested (as per standardized fmp).....	15

Annex 1:	TOR .....	<b>Error! Bookmark not defined.</b>
Annex 2:	Review of legal documents.....	<b>Error! Bookmark not defined.</b>
Annex 3:	Guideline on Control of Timber Production (Version approved for testing) .....	<b>Error! Bookmark not defined.</b>
Annex 4:	Guideline on Control of Timber Production (April 4 version).....	<b>Error! Bookmark not defined.</b>
Annex 5:	Pre-draft Guideline for Post-harvest Assessment .....	<b>Error! Bookmark not defined.</b>
Annex 6:	Notes from field work.....	26
Annex 7:	Examples of quotas issued by the province .....	<b>Error! Bookmark not defined.</b>
Annex 8:	Photos .....	<b>Error! Bookmark not defined.</b>
Annex 9:	Power point presentations.....	<b>Error! Bookmark not defined.</b>

## 1 Introduction

Sectoral Monitoring and Control is one of four components of the Sustainable Forestry and Rural Development Project (SUFORD). According to the project's logframe the expected component output is:

*Efficient forest sector control and monitoring and improved forest law enforcement systems in place and operational*

There are three related indicators formulated:

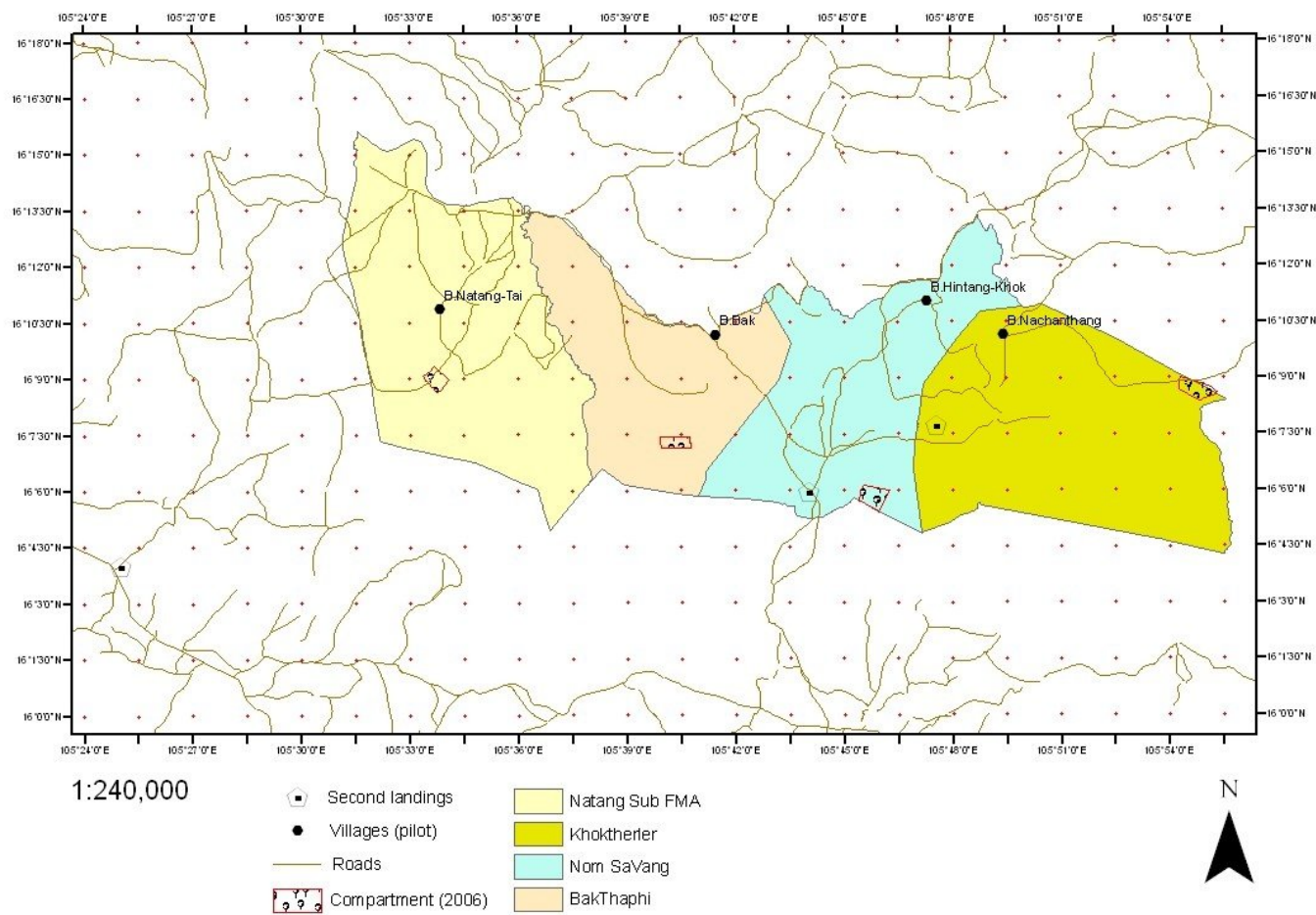
1. Technical framework for sectoral monitoring and control established
2. Progress in delivering physical outputs with respect of sectoral monitoring and control
3. Capacity of wood industry is reduced to level matching sustainable supply.

In order for the forestry sector to deliver this output SUFORD has provided technical assistance and funding. A 17 months consultancy was undertaken during 2004-2005. An additional three months technical assistance (see annex 1 for TOR) was done from March 2006 to the end of May 2006. This report summarizes the experiences to date.

The consultancy was carried out in close cooperation with Department of Forestry's (DOF) Technical Division and its staff (Mr Oupakone, Mr Panya, Mrs Lomkham, Mr Kuat). The Provincial Project Coordinator (PPC) in Savannakhet was instrumental in planning the field work which was done from May 14 to May 22, mostly in Thapanthong district. Thapanthong was selected partly because of its long experience in implementing participatory sustainable forest management (PSFM) which has rendered a FSC certificate.

This main report contains approximate 20 pages and can be read as a stand alone document. Additionally there are various annexes on Guidelines, notes from the field work, copies of power point presentations, photos etc. The annexes are printed under separate cover.

**Figure 1: Map of Thapantong**



Sustainable Forestry and Rural Development Project – Lao PDR

## **2 Guideline for Control of Timber Production**

In Lao PDR the Forestry Law is the foundation for forest management (fm). Additionally specific Regulations and Guidelines elaborate in more detail and on a practical level the procedures that need to be followed in the field (see annex 2). There are Regulations and Guidelines already in place for i.a. inventory, harvesting but not for control of the timber production.

Therefore Technical Division developed during March and April Guideline on Control of Timber Production. The Guideline was approved for field testing by DOF's leadership early May, 2006. (see annex 3). Formal and final approval of the Guideline will be done when the Guideline has been updated and revised. Thereafter the Guideline will be used nationwide.

The Guideline has two main parts. Briefly, the first part explains what processes shall be controlled, how and by what entity. The second part contains five checklists to be used for the actual control work. It also specifies a format to be used for reporting. *(The approved Guideline deviates in certain parts – both in approach and content – from the April 4, 2006 English version. For reference the April 4 version is attached in annex 4).*

The Guideline was presented in a workshop in Savannakhet May 11 and 12, 2006. 28 participants from the Suford provinces, Savannakhet districts, Stea, DOF entities took part. This workshop was part of preparation for actual control work in the field which followed.

(A pre-draft Guideline for Post-harvest Assessment was also elaborated but due to time constraints it never went through the DOF consultation and approval process. But for reference the Guideline is attached as annex 5).

## **3 Results from Control of operations in Savannakhet**

The purpose of carrying out control work in the field was threefold: (1) to train a core group of forestry staff in actually performing control of timber production (2) to test the usefulness of the guideline and checklists (3) to obtain a set of results/experiences from the control work and based on that formulate a report (possibly to be used for improving the fm procedures and the project).

In annex 6 the advisor's notes from the field work are attached as are examples of checklists that have been filled out in connection to field work in Thapanthong. The Lao team members have reported separately to the relevant forestry entity(ies). This documentation is not included in this report.

The control team consisted of the following persons:  
 Ms Lomkham, Team leader, Mr Kuat - Technical Division  
 Mr Subanh, Mr Khandy – FMU/Thapanthong  
 Mr Sensouli, Mr Souksavat – FMU/Sonkhon  
 Mr Tomas – advisor

Inspection staff from PAFO were invited but did not take part. The plan included a control team consisting of senior staff from MAF, DOF and STEA but this team was never fielded.

The control work focussed on four of the nine sub-forest management areas (SFMA) in Thapanthong forest management area (FMA) belonging to Dong Situang production forest area (PFA). The four SFMAs were chosen since they are the only areas with new and valid forest management plans (fmp) and where the proper planning for harvesting was done. Thus the selected SFMA offered the possibility to control all the processes related to timber production (implicit - forest inventory, explicit - tree mapping/marketing, harvesting planning, harvesting, scaling and grading, post harvest assessment).

**Table 1:** Field work schedule

Date	Place	Processes controlled
May 14	Dafeo Thapanthong	Planning and introduction
May 15	Nonsavang SFMA	Village Forest Organisation (VFO), harvesting
May 16	Batapi SFMA	VFO, post harvest, scaling at second landing
May 17	Khoktheuleu SFMA	VFO, post harvest, scaling at second landing
May 18	Nathang SFMA	VFO, post harvest, scaling at second landing
May 19	SFMA 5, Thapanthong	Scaling at second landing
May 19	Sonkhon	FMU and quotas
May 22	Savannakhet	PAFEO, Chiaiyo AA Eucalyptus project
May 22	Palanxai	FMU and quota

The plan for control work included inspections of sawmills but this activity was not approved. But two sawmills were inspected as part of the training practicum May 12.

### **3.1 Experiences related to guideline and checklist**

The May 11 workshop participants expressed, in general terms, positive opinions about the guideline.

However a few concerns were raised:

1. the Guideline is limited to PFA but there is a need to control other activities as well i.a. transformation of forests to other land-uses such as plantations
2. the lack of a clear cut (independent) inspection entity at district level
3. the lack of a standardized format/content for a logging contract implying that the requirement for an appropriate logging contract is unclear

There were also a few main fields for improvement brought up:

1. to clarify the distinction/meaning between the different columns of the checklists i.e. what to be noted and the usefulness thereof
2. the lack of specificity and reference to regulations related to the various issues mentioned in the checklist making it hard to say if performance is satisfactory or not
3. the checklists and reporting of the results shall be more directly linked to law enforcement reporting system (LERS)

The checklists as per Guideline were used by the Lao team members during the control work. The lists were meaningful but need an overhaul – to add issues as well as to delete issues. The over all trend should be to simplify the checklists further. Significant and fundamental issues for sound fm should be kept – issues of less importance can be cut.

The most comprehensively used checklist was the one for the VFO. From the consultant's perspective this checklist was a very good tool for getting a structured conversation going which covered many important aspects related to fm and SUFORD implementation. The compilation of the VFO results from Thapanthong give clear recommendations for corrective action requests and needed project improvements (see below 3.3).

During the consultancy the updating of the checklists was not achieved. The Lao staff are encouraged to do it in the nearest future (see chapter 5).

### ***3.2 Experience related to training and ability to implement control work***

The conditions in Thapanthong FMA, and other areas visited by the control team, offered good opportunities to study the full spectrum of operations and work processes related to timber production and partly also fm. Harvesting was on-going in one SFMA, newly harvested areas were controlled, various second landings offered possibility to inspect scaling and verify chain of custody (COC) procedures and log marking. The inspection at sawmills was very limited as ordered by project leadership. The inspection of land use changes (cassava project and Eucalyptus plantation) was permitted but real field work was not yet initiated making the exercise premature.

The set of basic fm/harvesting documents were available and the different entities' access to and understanding of these documents could be assessed. From DAFEO and provincial forestry section (PFS) information was obtained regarding logging quotas (see annex 7) and similar documents. VFO, harvest crew, FMU, DAFEO, Provincial Logging Company, PFS personnel where interviewed.

It is the consultant's general view that most of the control team members picked up on the ways to go about the control work. More exposure is of course needed to perfect the

auditing capacity and it is best to select inspectors who have an inbuilt interest in the work. The ability to assess the conditions in the forest and objectively relate it to actual harvesting performance need to be further strengthened. Interviewing VFO members and forestry staff appears to be easy for the inspectors do they have the active interest and eagerness.

It is also essential that the inspectors are encouraged to objectively analyse the findings and express the results as they are. If the inspectors are qualified they should also – as they gain experience – be welcomed to suggest improvements in practices and methods. Control shall not only be seen as a backward looking exercise but equally important is to use the results to find ways to limit or eliminate weaknesses in fm/harvesting practices in the future. Control should also of course direct attention to malpractices that are not in line with regulations and thus be the initial step in a formal legal process i.e. LERS.

### **3.3 Results of control work in the field**

It should first and foremost be commended that the undertaken control work shows that the Lao forestry sector has taken one important step towards becoming more transparent. The interest in enhancing the staff competence and further develop the systems for control/LERS is a proof of Lao's commitment to improving the sector's performance. Another good sign of better transparency is the fact that the control team was presented with important documents (i.a. on logging quotas see annex 7) which facilitates a constructive discussion on forest management, harvesting and sustainability (see below). The team had access to VFO members and forestry personnel at the different levels and they answered questions openly and to their ability.

It is furthermore positive that the team could go to all forest areas and that VFO, harvesting crew/foreman and forestry personnel showed and explained their practices as they are and they did not try to white-wash their performance.

The above mentioned positive working climate made it possible to get a comprehensive insight in current forest practices in Thapanthong – and to some extent in Savannakhet province.

Nevertheless it would have been useful for the general learning and for the guideline development to have undertaken control work of the sawmills as planned. And the availability of requested data (sales information on logs from Savannakhet province, register of logging equipment, sawmill in Palanxai district) would have been useful for a more complete analysis.

For detailed background information from the field see annex 6 and 8. The notes are the basis for the analysis below. The findings below are presented in order of importance.

### 3.3.1 Strategically significant findings

#### Harvested volumes and “logging plans/permits/quotas”

There are four SFMAs within Thapanthong FMA with fmp that have been formally approved 2006. For each of these SFMAs a harvest block for 2005/06 has been designated, pre-harvest inventory undertaken and subsequent tree marking completed. For each harvesting block a logging plan has been prepared and endorsed.

The harvesting plan designates what marked trees should be cut, and makes a theoretical calculation of the approximate volume for those trees. For the four harvest blocks the numbers were:

**Table 2:** Number of harvestable trees and estimates volume as per logging plans

Harvest block 2005/06 in SFMA	No of trees	<i>Est volume, m3</i>
Khotheuleu	129	767
Nongsavang	273	1073
Batapi	173	685
Natang	23	156
Tot	598	2681

Apart from the trees to be harvested according to the four logging plans the control work showed that there are other logging permits or the like issued for the concerned FMA/SFMA (see annex 7). Documents provided by DAFEO and PFS indicate that for Thapanthong there are quotas for upwards of 2000 m3.

**Table 3:** Quotas for Thapanthong FMA 2005/06

Ref number	Forest entity	Wood assortment	Volume, m3
713/MAF.Sav (PFS info)	Somchit Wood Processing Factory	Logs from I and II landing (04-05 quota)	180
3378/MAF.Sav (PFS info)	Sawmill N 4	Logs from I and II landing (04-05 quota)	796 (from I landing)
1299/MAF.Sav (PFS info)	Army Development Service Import-Export Company	A general logging permit of 5000 m3 With a specific of 210 m3 grade II logs	200
174 PAFO Sav (DAFEO info)			
Oral info DAFEO	Sawmill KM 11	Dead and dieing trees	710
Oral info DAFEO	Sawmill KM 10	Dead and dieing trees	228

MAF has issued an Announcement for the whole province:

**Table 4:** Announcement 93/MAF for Savannakhet province 2005/06

Ref number	Forest entity	Wood assortment	Volume, m3
93/MAF.06		Dead wood and branches	33 000

Summary:

1. The province issues quotas over and above the harvestable volumes as per approved loggings plans.
2. The “extra” quotas are designated to specific sawmills. Sawmills are reported to be directly involved in the operations.
3. Trees/log are a mix of (a) left over logs from earlier years’ operations stocked at second landings (b) recently harvested dead trees and (c) recently harvested ordinary and fresh/living trees. Control team saw landing with 1/3 fresh logs.
4. Trees are cut in undefined areas – and an example of “extra logging” of a fresh tree in a 2005/06 logging block was recorded by the control team – as well as “extra logging” in a block planned to be harvested 2006/07.

Recommendation:

1. Harvesting should adhere to logging plans and the logging of so-called “dead trees” should cease. “Dead wood” operations makes supervision difficult and the more crews entering the (same) forest the more difficult it is to know who is at fault if inappropriate logging takes place.
2. All logs should be sold and transported away from the forests and landings this season giving no opportunity/reason to continue with “dead wood” operations

End remark:

1. With the termination of “extra quotas” PSFM has a possibility to succeed.

### Marking of trees and logs

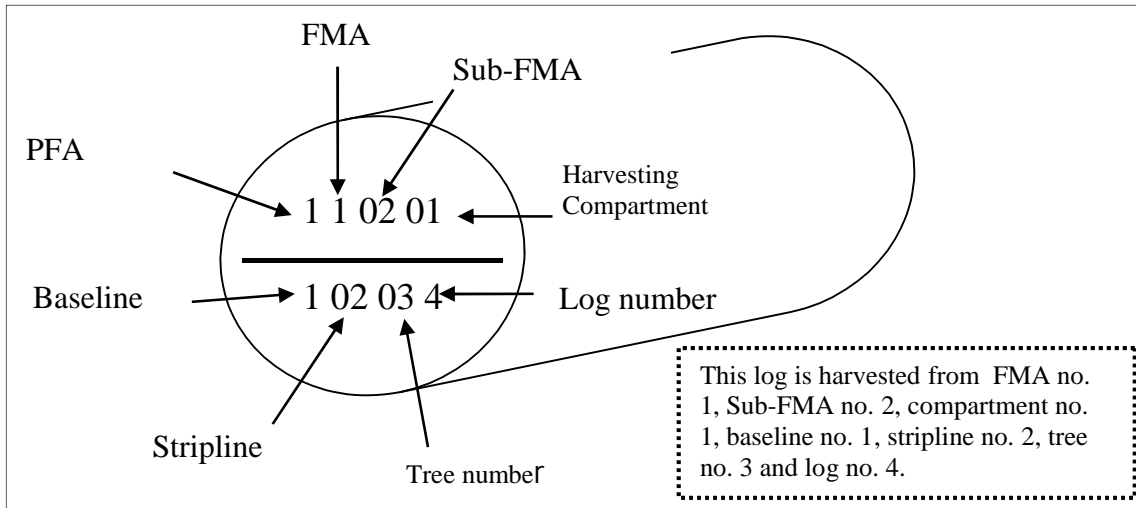
The control of the harvesting practices and the verification of the COC require that trees and logs can be traced back to a specific location. This knowledge makes it possible to verify that the logs come from an approved source and are not illegally cut. In order to make the tracing possible the logs must be marked with a unique set of numbers/codes to distinguish every log from all other logs.

The forestry sector in Lao PDR has recognized the importance of a log marking system. In legal documents references are made to the need of appropriate marking (i.e. Forestry Law article 26; Regulation 361/MAF section 17; Regulation 221/MAF article 14; Regulation 108/MAF section 8.4).

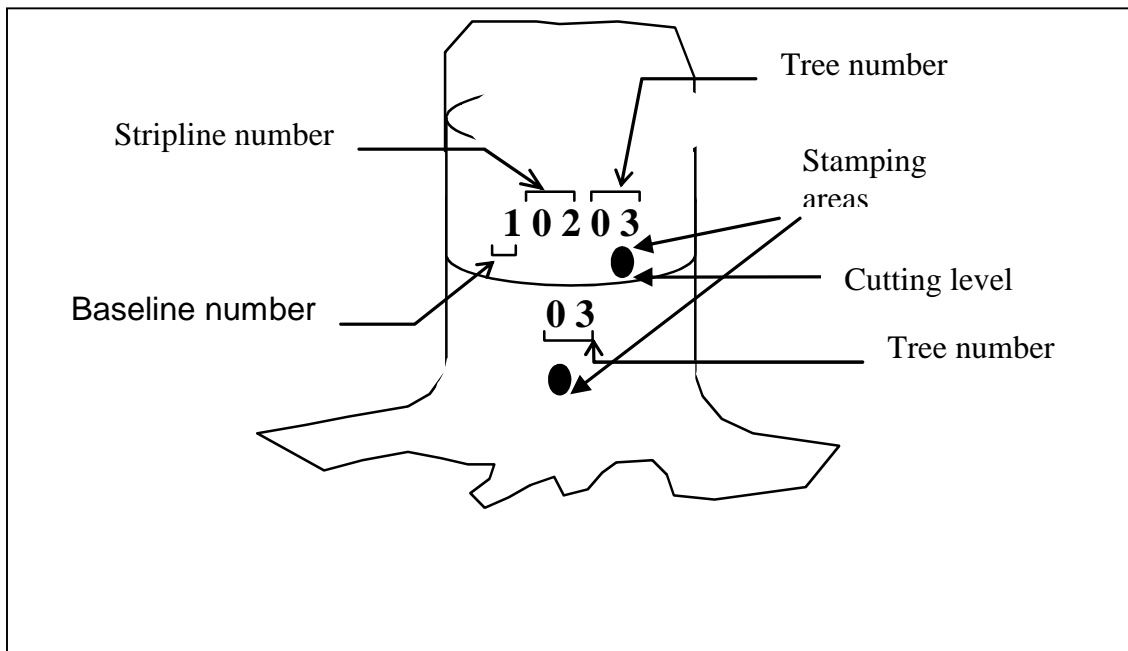
In the standardized fmp format now introduced in Lao – and included in all issued SUFORD fmp - there are explicit requirements on marking of trees and logs. (refer to standardized fmp - Part IV, SFMA management plan implementation, section 3).

Additionally the forest management information system (FOMIS), which is under introduction in the SUFORD provinces, requires appropriate log numbering and recording.

**Figure 2:** Required numbering of logs (as described in the standardized fmp)



**Figure 3:** Required numbering of trees to be harvested (as per standardized fmp)



During the control work in the harvesting blocks no tree or stump was marked as per requirements. And no log in the five inspected second landings in Dong Situan was

marked properly. Instead logs had commonly the length, diameter and a two/three digit log number marked – often with chalk. The control of logs in the two Savannakhet sawmills showed the same.

Summary:

1. Trees and logs in all inspected locations (forest, landing, mill) were not marked as per requirement. Tracing of trees/logs is therefore impossible.

Recommendation:

1. In all PFA – and in logging operations related to infrastructure projects or the like – proper marking should be implemented.
2. Logs which are not marked as per requirements should (in line with the Forestry Law article 26) not be permitted to be moved.

End remark:

1. Only with consistent and accurate marking of trees and logs can legality of logs be verified and COC proven.

### 3.3.2 Technically significant findings

#### Adherence to logging plans

In interviews with VFO representatives – and partly also when discussing with FMU staff – it was evident that the understanding of the PSFM concepts and basic principles was not clear. All VFOs expressed that quality of training was insufficient. It was informed that heads of VFO training other villagers, commonly without support from FMU staff, simply did not deliver the adequate knowledge which enables the villagers to understand PSFM.

Additionally, and in all entities assessed (including the FMU), the provided documents (i.e. fmp, inventory map, tree maps, logging plan) were (1) incomplete i.e. documents were scattered and parts were missing (2) and only partially understood. These management tools were obviously not essential to the users i.e. VFO and FMU.

The lack of understanding of the basic PSFM principles – and the weak adherence - became visible when the harvest blocks were inspected. The following weaknesses were registered as per the sampled inspection (for details please refer to annex 6):

1. VFO representatives and FMU staff were next to unable to use the tree maps as a mean to orient themselves in the harvest block.
2. Examples of poor accuracy of tree location (map versus terrain) were registered.

3. Trees were not marked as per prescription (as described above). Furthermore the simplified marking was done with bad paint and in such way that it was often not possible to read the numbers.
4. Hammer stamping was not applied, which is required as per instruction.
5. Proposed felling direction was not marked on the trees.
6. Most tree maps did not have skid trails marked.
7. Where skid trails were marked on the map they were not followed during operations.
8. Tree maps did not have mother trees marked.
9. VFO personnel guided the logging crews and directed their work. No FMU or Provincial Logging Company staff were present at the harvest sites. The logging crew had no copy of map or plan.
10. Logging crew had neither safety equipment nor protective gear and conditions at the logging camp were very rudimentary.
11. Loggers were Vietnamese nationals which hampered communication with VFO personnel.
12. In all inspected harvest blocks unmarked trees had been cut – in some more than others. One example - in a small confined area one marked and five unmarked trees had been cut, apart from standing residual trees being severely damaged, creating a considerable clearing.
13. Unmarked Mai Nganag trees of importance for NTFP use (resin) had been cut. Villagers were unhappy about this fact.
14. Marked trees had been left standing – with the explanation that the lower part of the trunk was affected by rot (see below on discussion about fm implications of harvest regime and execution).
15. Marked trees had been left standing – with the explanation that the quota for the block and for that species had been filled.
16. Dead, dieing and fresh trees had been cut in the harvest block over and above the harvest plan as part of fulfilling the quota for Sawmills (as per earlier chapter).
17. No information of conservation features were noted on the maps (but this routine is not yet in place and the control team did not observe any features that should have been considered/protected).
18. Some trees had been unsuccessfully felled i.e. split and as a consequence not extracted/utilized.
19. Some good and large logs were left in the felling area and not extracted to second landing.
20. Signs of locals felling and processing logs into sawnwood/planks were noticed.

For additional information see photos annex 8.

#### Conclusions:

A positive interpretation of above is that harvesting operations as per regulations and guidelines are still not fully understood, VFO and loggers make the occasional “mistakes” and with more training the satisfactory implementation of PSFM is reached.

However a different and more realistic interpretation, as the advisor sees it, is that harvesting is still driven by needs to supply the sawmills with their desired wood (both species mix/preference, log sizes and total volumes). The inventory and logging plans are only followed to some extent. VFO personnel are used as tree spotters. Unmarked trees are frequently cut and the logging plan is interpreted as giving the right to cut a certain volume instead of specifically permitting the selected and marked trees to be removed. The long-term species composition, spatial distribution, vigour, availability of mother trees, NTFP trees etc is, as logging is done now, at jeopardy. The logging of “dead wood” is negative since it permits additional entries into the harvesting blocks, cutting also of “fresh trees”, and the additional operations cause more felling damage and opens more skidtrails. The blaming on the loggers to be the main cause of malpractices is not appropriate. Logging practices, as the advisor sees it, is driven from above and the VFO and loggers makes the wood available as per request. No VFO personnel or logger were reported to have been put under investigation or punished for wrong doings. If bad logging truly was a concern someone responsible should have been identified and corrective actions taken. This has not been the case.

Summary:

1. In the areas inspected logging did only in parts adhere to the plans and guidelines.
2. It appears that logging plans were seen as providing a “quota” rather than directing harvesting to specific trees which are selected to safeguard the low impact, low intensity logging - which per se is the basis for the PSFM principles.
3. Significant and commonly occurring breaches of plans/prescriptions were encountered such as cutting of unmarked trees, re-entry to cut “dead trees” which at times also included fully healthy and live trees.

Recommendations:

1. The awareness of the appropriate steps in planning and timber harvesting should be considerably strengthened among FMU and VFO personnel – as well as the loggers.
2. The organization of on-site supervision of harvesting should be strengthened. A FMU technical staff should be made fully responsible.
3. The separate harvesting of “dead trees” should cease. Instead the harvest planning should consider and mark dead/dieing trees and they should be removed as part of regular harvesting and as per cutting cycle.

End remark:

1. Current harvest practices are not in line with PSFM and will result in unsustainable forestry.

### Other technical aspects

1. It was also revealed during the control work that harvesting was done this season in SFMAs (Thapantomg SFMA no 5, Dong Khapo – Phin and Palanxai FMAs) which did not have the new approved fmp and which were without pre-harvest inventory and logging plans.
2. It was also informed that in Sonkhon harvesting was done either inside the PFA or north of the PFA boarder – in both cases without adequate fmp and pre-harvest inventory.
3. The inspection of logs on second landings showed, apart from inappropriate marking, that in some cases the original scaling was inaccurate. Even considering that the control team possibly did not make the correct deductions due to rot etc. the control measurements showed higher volumes. Differences up to 30 % were noted.

**Table 5:** Summary of control at second landing

Name of Sub-FMA	Control no logs	Control tot vol, m3	Control avr log, m3	Scaled no logs	Scaled tot vol, m3	Scaled avr log, m3	Control/ Scaled
Batapi	7	18,7	2,7	7	13,8	2,0	136
Khokteuleu SM KM 4	4	6,2	1,6	4	4,4	1,1	142
Khokteuleu	9	8,4	0,9	9	n.a.	n.a.	n.a.
Nathang	7	26,5	3,8	7	26,0	3,7	102
SFMA No 5	7	18,9	2,7	n.a.	n.a.	n.a.	
Tot (except Khok., SFMA 5)	18	51,4	2,9	18	44,2	2,5	116
Tot	34	78,7	2,3				

4. In the Palanxai district a new sawmill was under construction and another was newly erected. This seems to be additional installed capacity as compared to registers on sawmill (see below). The name and other details of the two sawmills have not been made available. As compared to earlier surveys/registers the number of mills in the province has increased.

**Table 6:** Sawmills in Savannakhet province

Source	No of sawmills	No sawmill in Palanxai
Sawmill survey 2002	21	n.a.
Sawmill survey 03/2005	28	0
Sawmill register, Savann PFS 2005/06	35	1 - name Douangdao
Sawmill register, DOF 2005/06	33	0

Summary:

1. This season harvesting has also taken place in other FMAs/districts than Thapanthong. Fmp for these areas are either non-existent, outdated or not yet prepared/approved and pre-harvest inventories have not been made.
2. At some landings controls showed that original scaling of logs gave too low volumes. This leads to loss of revenue for GOL.
3. There have been sawmills constructed in later years – the number of mills in the province increasing according to statistics.

Recommendations:

1. In line with Forestry Law article 25 and the recent 46/PM section 1 harvesting should only be done in areas with proper plans.
2. Scaling should be accurate to secure full revenue collection.
3. The sawmill sector shall be better adjusted to the supply of timber thus a gradual reduction of the sawmill capacity should be initiated – not an expansion which seem to be the case.

End remark:

1. Harvesting without proper fmp jeopardizes sustainability.
2. The seemingly expansion of the sawmilling capacity adds pressure on the forest resource base to supply larger quantities of logs which in turn may put the long-term production capacity of the forests under threat.

Other observations and recommendations – of less significance but still important:

1. All four interviewed VFO commented that Group of Village Forest Organization (GVFO) were not functional and cooperation and interaction was minimal.
2. The advisor is of the opinion that it is unfortunate that the timber harvesting development (i.e. logging plans) has been so strongly emphasized without the parallel development of planning for conservation consideration and village rules on NTFP use, hunting, protection, grazing. Thus so far the concept of truly multiple purpose forestry has as a consequence been down-played and the timber aspect received exclusive importance.
3. It not clear to the advisor if the role and influence of the Svanannakhet Provincial Logging Company, which has monopoly over logging services in the province, benefits work quality, effectiveness and cost competitiveness. A broader contractor base would most likely stimulate better performance.
4. The lack of standardized logging contracts specifying the key elements of the services to be provided is a constraint for follow up work. Contracts should include or give reference to Harvest Code of Practice and similar guiding documents.
5. Added to this it is the advisor's concern that the introduction of annual operation planning (AOP) should be promoted in the nearest future. It is critical for

- concerned SFMA collaborators to think and act in a multiple purpose way i.e. to reflect upon protection measures, consider possible stand management activities etc. which are needed to maintain a good forest resource.
6. It is the advisors view that it is critical to make management tools (plan and maps) considerably more user-friendly. The notion that VFO personnel and FMU staff, key actors in PSFM, only marginally paid attention to and could only to a limited extent “use” the maps and plans indicate that they lack relevance to them.
  7. It is suggested that in connection to next years registration/approval of the sawmills all sawmills in all provinces should submit with their application the GPS coordinates of their facility enabling the proper position to be determined which in turn will facilitate future mapping, planning, supervision etc.
  8. The engagement of provincial staff in the fmp and harvesting planning is essential and the transfer of knowledge from the TA and FIPD staff should be strengthened. It can not be a desired development to make TA staff the hub for storing and distributing information related to planning. This function should be institutionalized within the forest sector structure.

#### **4 Follow up LERS activities as a result of Control field work**

The consultant recommends that based on the findings from the field work, as presented in chapter 3.3, Lao staff initiates LERS actions. MAF’s Department of Inspection is likely best suited to engage in this work.

The following cases, from the advisors perspective, should be reported (preferably using the format as per April 4 version of the Guideline on Forest Control for Timber Production and its Annex 13) – and thereafter linked and incorporated into the FOMIS. For the details on exact location etc. details can be found in this report’s annex 6 – Notes from field work.

1. Cutting of unmarked trees in 2005/06 harvest block *Nonsavang* SFMA.
2. Inappropriate marking of trees and logs related to harvesting in 2005/06 harvest block *Nonsavang* SFMA.
3. Cutting of unmarked “dieing trees” in 2005/06/07 harvest blocks *Batapi* SFMA as part of Sawmill KM 18 harvesting of extra quota (610 m3) i.e. a second entry into the harvest block over and above the logging plan.
4. Inappropriate marking of trees and logs related to harvesting in 2005/06 harvest block *Batapi* SFMA.
5. Inappropriate scaling of logs coming from 2005/06/07 harvest blocks *Batapi* SFMA. Landing N 16 05 56 E 105 44 04.
6. Fresh logs occurring on Sawmill KM 18 landing (location N 16 06 19 E 105 43 44) as part of their quota for “dead trees”.
7. Cutting of unmarked trees in 2005/06 harvest block *Khotheuleu* SFMA – some of importance to local NTFP use (resin).

8. Inappropriate marking of trees and logs related to harvesting in 2005/06 harvest block *Khotheuleu* SFMA.
9. Inappropriate scaling of logs belonging to Sawmill KM 4 quota for “dead wood”. Landing N 16 08 40 E 105 48 43.
10. Cutting of unmarked trees in 2005/06 harvest block *Nathang* SFMA.
11. Inappropriate marking of trees and logs related to harvesting in 2005/06 harvest block *Nathang* SFMA.
12. Occurrence of 79 logs (N 16 04 03 E 105 25 02) coming from Sonkhon district, possibly inside the FMA, which has no approved fmp or harvest plan.
13. Occurrence of 70 logs at second landing (N 16 00 16 E 105 36 35) coming from Thapantong SFMA 5 which has no approved fmp or harvest plan.
14. Construction of new sawmill in Phalanxai district (N 16 41 44 E 105 30 56)
15. New and likely unregistered sawmill in Phalanxai district (N 16 41 29 E 105 29 24)
16. Second landing with approximately 100 logs near the entrance to Phouxanghe NBCA (N 16 41 49 E 105 31 15). No logging plan exists.

It is suggested that in connection to the next semi-annual WB/MFA mission the progress on the LERS is summarized.

## 5 Plan for the further development of Control/LERS

A tentative workplan for the remaining part of 2005/06 and for 2006/07 has been proposed (see table 7 below). It has 13 activities which all are interrelated. A functional control/LERS system requires that implementation follows along these lines. The main responsibility to drive these issues rests with Technical Division but full support from higher levels is needed, including PMO, for success. Key activities include:

- Finalization of Guideline(s) and formal approval for general application
- Getting high level support to actually implement the LERS function
- Establishment of an appropriate control organization at all levels keeping in mind scarcity of resources and the need for separation between ordinary field implementation and control
- Nomination of staff for the control work as per above
- Planning and mobilizing resources for control work
- Training of control staff
- Implementation of control/LERS in all prominent PFA national wide
- Setting up three multi-ministerial/provincial working groups (north, central, south) to propose a reduction of sawmill capacity
- Getting PMO endorsement for the sawmill reduction plan

**Table 7: Tentative workplan for Control/LERS**

	2006								2007								
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	
<b>1. Guidelines</b>																	
Timber Production/LERS																	
Updating, TD																	
Formal approval, DOF																	
Post harvest Assessment																	
Updating, FIPD,TD																	
Approval for test,DOF																	
Other control related guidelines																	
Drafting, TD																	
Approval for test,DOF																	
<b>2. Workplan for SUFORD 2006/07</b>																	
Tech Div																	
<b>3. WG for sawmill reduction</b>																	
Nominate 3 WG, MAF, MOI, Provinces																	
Work out sawmill reduction plan																	
Formal approv for down scaling, PMO																	
<b>4. Organ. develop. of control function</b>																	
For all levels, MAF, DOF																	
<b>5. Plan for control/LERS resources</b>																	
Budgeting 2006/07, all entities																	
Procurem of equipm, all entities, T D																	
Nomination of control staff, all levels																	
<b>6. Independent auditing</b>																	
FSC annual audit																	
<b>7. Nominate TOT</b>																	
Nominate 2 TOT T D, 2 FIPD																	
<b>8. Develop training mtrl</b>																	
For technical staff, TOT T D FIPD																	
For distict staff, TOT T D FIPD																	
<b>9. Training</b>																	
Guidelines and auditing techniques																	
SUFORD provinces																	
Other key provinces																	
<b>10. Field work</b>																	
Harvesting																	
SUFORD provinces																	
Other key provinces																	
Second landing/trp																	
SUFORD provinces																	
Other key provinces																	
Mills																	
SUFORD provinces																	
Other key provinces																	
<b>11. TA support</b>																	
<b>12. Control "progress evaluation"</b>																	
Assessment of progress																	
Plan for improvement																	
<b>13. Workplan for SUFORD 2007/08</b>																	
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	

Plans for Forest Cover Monitoring (FIPD) and Independent Monitoring (STEA) is presented elsewhere.

## 6 General observations and comments

- No, or very limited, equipment foreseen for the upgrading of control work has been procured. If the forest sector of Lao is serious about strengthening the control function a relevant amount of equipment is required. (For the control work undertaken in May the advisor's personal GPS and digital camera was used since the project could not provide).
- The advisor was supported by counterpart staff from the Technical Division. However a more intense cooperation with higher level staff with more seniority would have added to the usefulness of the consultancy. Upper level staff are over burdened and called upon for all sorts of important missions cutting back on time available for SUFORD development work. The initial contacts and interaction with MAF's inspection department did not result in any major engagement.
- The effectiveness of the consultancy was slowed down by somewhat limited translation capacity.
- The internal procedures within DOF required for the approval of Guidelines is somewhat time consuming impacting on consultancy effectiveness.
- The lack of females in all aspects of the project – technical level as well as on village level - is clearly making the gender perspective weak. The unique exception being the loyal counterpart Mrs Lomkham who has been an eager, helpful and friendly person to work with – a role model.

## 7 Comments to the Component output and indicators

The expected component output is:

*Efficient forest sector control and monitoring and improved forest law enforcement systems in place and operational*

The current state of the art of the indicators are:

### 1. Technical framework for sectoral monitoring and control established

- The clear *responsibility* and specific mandate for control of the forestry sector is in reality not in place.
- The *organizational* structure of the control function on all levels is unclear and lines of command are weak.
- Few specialist *staff* with forestry background work at MAF Inspection Department. DOF have personnel from the various departments who occasionally assist in inspection teams. At Technical Division, and for that matter any other division, there are no staff who has control as a special and main task. On province level the availability is further reduced and in reality no specialists on control work on district level. In the villages there is no person formally nominated for control. For independent monitoring, STEA has no forestry staff and few with biological background.

Sustainable Forestry and Rural Development Project – Lao PDR

- The forest entities have not, even in key provinces, received *equipment* necessary for control work. No procurement was done to date.
- In early May a *Guideline* for Timber Production was approved for testing in Savannakhet province.
- Limited *training* has been provided in the past. A two day training session for 28 staff was offered in connection to the consultancy.
- Procedures for *reporting* and LERS are still not operational – partly because FOMIS is not introduced.
- At this stage systems development is still on-going and no systematic control work is actually done.

## 2. Progress in delivering physical outputs with respect of sectoral monitoring and control

- The reporting system for control (partly via FOMIS), based on SUFORD proposals is not yet operational nor is the LERS.
- The forestry sector has nevertheless reporting procedures for control – mainly prepared in connection to inspection teams being sent out from time to time to the provinces. However these reports are kept within the system and are not available to a broader audience. No LERS or the like is introduced.
- The control as per SUFORD procedures has not yet led to any formal investigations of suspect malpractices, confiscation of wood or the like.
- The appreciation of the situation in the sawmill sector has not moved forward as compared to 2005 sawmill survey. However it is reported that at province level working groups are formed with the task to propose adjustments of milling capacity. There is no comprehensive information available on this work.
- Information and data on competitive sales of logs from PFAs, or elsewhere, is not accessible.

## 3. Capacity of wood industry is reduced to level matching sustainable supply.

- See above.
- Registers made available show for Savannkhet province, the pilot province, an expansion in the number of sawmills as compared to the 2005 survey. New mills are constructed in other provinces as well. It is not clear if there has been any significant capacity reduction in later years in any province.

## Annex 1: Notes from field work

### Notes from training May 11, 2006

#### Participants

28 government participants (three women) and two consultants (not present but invited: provincial harvest company, Khn representative, provincial MOF, department of inspection MAF)

#### Chairman's introduction

Monitoring and control on district level insufficient.

Important that various ministries cooperate (MAF, MOC, MOF) and they were invited to the training.

Illegal logging occurs.

The Suford control system to be implemented in PFA – not to include logging in other areas i.e. lands to be prepared for plantations.

Thapanthong certified – a forerunner.

#### Technical Division representative

Guideline approved by DOF for testing. Expected to be updated and later formally endorsed.

#### Presentation of the Guideline (mainly by Tech Div, FIPD and assisted by NPMO)

##### Discussion/questions/comments

Is the guideline to be applied only for PFA? Yes - and possibly expanded to other areas later.

How to get villagers to report malpractices when their neighbours might be involved in illegal activities? Illegal wood should be found if comprehensive chain of custody procedures are implemented.

Bucking rules now consider client demands for log lengths. This can at times imply that logs are inappropriately cut at longer lengths as a means to reduce the grade and thus the price/royalty.

It is very important to exactly define the area to be harvested to avoid extra harvesting.

Waste (oil drums etc.) from the logging crew must be removed.

The loglist at second landing to be issued by FMU/VFO.

The stamp hammer mark on the logs shows the province of origin.

Is there a specific person/entity responsible for inspection at district level? No but FMU staff (and villagers) implement and Dafeo personnel inspect.

What performance requirements are specified in the logging contracts? Logging contracts are not standardized (and not clear what they contain).

Log buyers are not involved in harvesting.

In reality limited control is done in the forest – more at landing.

Post-harvest assessment to be done by DOF/FIPD and based more on figures/data/reports than field inspection.

Standardized report (as suggested in Guideline) to be stored in the entity where it was done (and no mentioning of passing on the results).

Presented checklists are felt to lack specified requirements making assessments difficult and general.

The various checklist columns were discussed – and it was agreed that it needs to be clarified what shall be noted/written in the respective columns.

In Lao there is no need, according to some participants, to have a “compliance/non-compliance” verdict. A narrative explanation is sufficient. However other participants wanted the control to result in more explicit outcome.

It is important that the inspector is professionally experienced in the technical aspects for each issue – otherwise difficult to control.

**Main finding:**

Current version of checklist found to lack specifics related to issues- now too general.

No specific entity/person responsible for inspection at district level.

Logging contracts are not standardized (when it comes to the information it contains)

Some participants wanted a LERS related reporting other preferred more general/narrative reports

Notes from the inspection of two sawmills May 12, 2006

Control team – Mr Panya, Ms Lomkham, Mr Tuat Tech Div, 3 from PAFO from 2 district

**Mr Ve Souline Sawmill**, N 16 35 02,4, E 104 46 10,6 (Mr Nguen)

Contract 1, 388/2 dated 7 April 06 (not based on competitive bidding)

Xaiabouli dist

17 000 USD 134 logs 122 m3, 8 species - no loglist available

Contract 2, 63 000 USD 425 logs 450 m3

Contract 3, 48/PMOC 11/5/06 competitive bidding

62 300 USD, 235 logs, 469 m3, 8 species

loglist not available at the sawmill (told to be at PMOF)

None of the logs in the logyard numbered as per regulation – only length/diam and log no

6 logs were measured – and controlled against measurements noted on the log (Panya)

The sawmill appears to possess a few winch trucks, a loader and log trucks

**Main finding:**

Log marking not as per regulation (only log dimensions and log number)  
No loglists available/presented

**Sawmill no 4, Mr Thep N 16 35 20,8 E 104 45 49,4**

This season 100 contracts with an approximate volume of 15 000 m3.  
Has no loglists for any controlled contracts/trp permits – the sawmill creates its own loglist when they receive the logs  
One trp permit for one wood lot from Palanaxai which was audited had no description of forest area of origin  
The sawmill often buys from wood traders and therefore does not know the specifics  
The sawmill is inspected once a year by PAFO – at the end of the year (financial or calendar?) to check on their documents and log supply in the yard.  
Maintains they have no logging equipment (winch truck UN 0758)

**Main finding:**

No loglists  
Buy from wood traders

Notes from meeting with Dafeo Thapanthong, May 14

Mr Phongsaveng, Head Dafeo,  
Control team (for the Thapanthong inspection)  
Ms Lomkham, Mr Kuat Tech Div  
Mr Subanh, Mr Khamdy - FMU/ Thapanthong,  
Mr Sensouli, Mr Souksavat - FMU/Sonkhon  
Mr Tomas, advisor

31 staff in total – 17 forestry staff  
No staff is specifically assigned to inspection work  
At present 4 SFMA with fmp – another 5 SFMA in the process of finalizing fmp  
Main reference maps presented (a) a Fomacop topomap with old Fomacop “SFMA” borders used for explaining the 9 current SFMAs. (b) hand-drawn inventory maps of some of the SFMAs – no treemaps available.  
No maps produced with GIS.  
Aware, and possessed, four fmps after the inspection team showed a reference copy – but not initially familiar with fmp when the question was raised.  
Had copies of logging plans and knew about the key information.

**Main finding:**

Not fully aware of the forest management details.  
Not equipped with complete set of information material (maps, plans etc).

Notes from meeting with district vice governor, Thapanthong, May 15

Mechanisms for benefit sharing not fully clear yet.

This year all wood will be sold according to competitive bidding.  
District has reported to PAFO unplanned/illegal logging (approx 200 m3) and villagers in “Dong Situang” (mainly in Batapi SFMA) are suspected.

**Main finding:**

“Illegal” logging on-going and known by the district – and reported to PAFO

Notes from meeting with Ban Hintankhan VFO, Nonsavang SFMA, May 15

Village head Mr Khampai, (N 16 11 05,2 E 105 47 41,5)

See attached completed Checklist in annex – as per Lao teams notes.

Additional information from the talk

Villagers report that Vietnamese loggers sometimes cut unmarked trees

Training has been provided in various topics but the following limitations are mentioned (a) normally only village head takes part and he is not capable to pass on the knowledge to others in the village (b) villagers would like more training (c) to be provided by district staff who are more experienced.

Villagers have copy of fmp but do not understand it – wants Dafeo/FMU to explain the fmp. Also feel insecure about the practicalities of PSFM.

Villagers are incapable of handling the funds (log revenue and VD funds) and want training.

**Main finding:**

The villagers have been exposed to PSFM but appear to have grasped only some of the fm technicalities and concepts.

Villagers maintain Vietnamese loggers cut unmarked trees.

Notes from inspection in the on-going harvest block in Nonsavang SFMA , May 15

FMU staff, VFO representatives from Hintankhan village, (N 16 05 41,0 E 105 46 06,4 at the southern part of the block)

First inspected felling area was said to be tree no 117 (according to the tree list in the logging plan) with position 10/40 (10 for stripline, 40 for tree number according to the pre-harvest inventory). According to the plan the diameter should be 55 cm – but the measured stump diameter was 68 cm. This raised concerns thus the team tried to locate adjacent felling areas as per tree map which than disclosed that the position was wrong.

This revealed that neither FMU staff nor VFO representatives have tree map of the whole block since the pre-harvest inventory and tree mapping is divided between the 4 participating villages and thus 4 different VFO representatives have a map each of “their” area.

Cut tree without mark on stump - position N 16 05 49,1 E 105 45 58,1 – Mai Daeng 58 cm stump diameter

Cut tree without mark on stump - position N 16 05 39,9 E 105 45 55,5 – Mai Tae 96 cm stump diameter.

After reallocating to the supposedly correct location for tree no 130 (12/2) which according to the tree list had a diameter of 73 cm the team found the stump diameter to be 65 cm. The subsequent location was said to be tree 132 (12/10) a Mai Daeng 96 cm dbh according to the tree list. The field control showed a Mai Ngang (visible remain of the tapping) and 105 cm stump diameter.

Conclusion. The FMU and VFO staff not capable to correlate the map and the terrain.

General

Paint on standing trees and stumps often not readable (have commonly painted on the rough bark) making control difficult.

No stump had a mark from the hammer – said not to be needed according to instruction from PAFO. In the whole of Thapanthong FMA no stamp mark was noticed.

**Main finding:**

Various unmarked trees cut (blamed on Vietnamese loggers)

FMU and VFO personnel not capable of orienting themselves according to map

Painted tree numbers difficult to interpret

No hammer stamps

Resin tapping trees cut

Notes from discussion with Vietnamese loggers in Nonsavang SFMA , May 15

5 Vietnamese loggers in the crew

Employed by a Vietnamese person in Savannakhet

Salary approximately 100 USD/month

No safety equipment

Camp under a tarpaulin, no hygienic/sanitation facilities

Loggers perform services to Savan Provincial Logging Comp and use their winch truck

VFO personnel guide and tell the loggers what to cut – no FMU staff present in the forest

Loggers have no instructions apart from what tree to cut (i.e. on conservation concerns)

Are aware of minimum tree diameter ( i.a. 45 cm dbh for Mai Daeng, 50 cm for Mai Bak , Kisi, Chickdong (check if this is correct)

The logging will be ceased when the quota has been reached (1030 m3) according to the Vietnamese logger

**Main finding:**

VFO personnel “supervise” the felling of trees – not FMU or Prov Logging

Company staff

Very rudimentary conditions for the workers

Sustainable Forestry and Rural Development Project – Lao PDR

Notes from discussion with Provincial Logging Company foreman, Thapant, May 16

Mr Saingavang, foreman who is based in Thapanthong (during the season)  
He has received no general training in fm but knows that “rare” trees shall be saved, mentions (Aqularia sp., Khayoung)  
Informs that min diameter for Mai Daeng and Mai Kheng is 35-40 cm dbh **check correctness)**  
Cooperates with the VFO personnel and mainly oversees “that the quota is reached”. His main task is to “find the wood”  
He is mostly involved in the scaling at second landing.  
Saingavang has no map, no logging plan, no tree map, no logging permit – but he has seen the logging plan  
His superior Mr Boupanh (based in Savan) is formally responsible and has the logging contract etc. He visits the operations “maybe every week”.

**Main finding:**

Foreman’s duty to “secure” that the quota is achieved  
No active involvement in the harvesting operation per se  
He has no documentation  
Infrequent supervision by fully responsible superior

Notes from meeting with Ban Bak VFO, Batapi SFMA, May 16

See attached completed Checklist in annex – as per Lao teams notes.  
Villagers request more support and training from FMU – village staff who have taken part in Suford training are not capable to pass it on to villagers  
Result of land use planning is not in all parts to the villagers’ liking – the agriculture land should be located differently  
Villagers want stricter land use rules but need district to take the lead and also to control  
Have fmp but do not understand the meaning and usefulness thereof – or the key PSFM components  
Have received training in treemarking – but are aware that they have made mistakes  
Have no AOP  
Have received funds (from logsale and VD) but money tied up in bank and villagers not sure how to use  
The GVFO has formally been agreed on local level but not yet approved by the province. The villagers do not find the GVFO functional and not much cooperation/interaction has taken place so far  
The logging plan for the 2005/06 harvest area within the SFMA estimated 685 m<sup>3</sup> to be cut  
Additionally DAFEO has passed on an “instruction letter” (issued originally by PAFO) to the SFMA’s GVFO to provide/locate another 610 m<sup>3</sup> this year from within the whole SFMA. At the time of the control the instruction letter was not

found because the village administrator had just been changed. The 610 m<sup>3</sup> is destined for Sawmill KM 18 and is expected to be “dead and dieing trees”.

**Main findings:**

The villagers have received documentation and training but do not grasp the PSFM yet

GVFO is not functional

Apart from the harvest volume as per logging plan the GVFO has located, as ordered by DAFEO, another 610 m<sup>3</sup> of “dead and dieing trees” – for Sawmill KM 18

Notes from inspection in harvest block in Batapi SFMA , May 16

Control team, FMU staff and VFO representatives from Ban Bak, (GPS not working)

There are no skid trails marked on the VFO’s tree map

VFO personnel are not aware of “mother trees” and they are not marked on the tree map

Tree no 39 with position 18/16 ok

Tree no 40 with position 18/23 ok

Tree no 41 (Mai Dou diam 94 cm dbh) with position 18/26 marked but not felled due to rot, according to the VFO personnel

Tree no 30 with position 17/21 is not located in the terrain as per mapped position. The control team concludes that the deviation is > 50 m. The tree (Mai Khen) is standing – some rot

Tree no 31 (Mai Kisi 58 cm dbh) with position 17/25 felled but not utilized – some rot

Tree no 32 with position 17/30 is ok

In the harvest block various (**check the number according treelist**) Mai Ngang has been cut this year (and in recent years - older stump registered) against the will of the villagers who tap all large trees for oil for household use. According to customary rights, respected by the villagers, each tapped tree is used by the same household

The control team was shown one tree felling area inside the harvest block where a “half dead” Mai Hao tree had been cut as part of the Sawmill KM 18 “quota”. Just outside the harvest block (to the west?) another “half dead” Mai Bak tree had been cut also for the Sawmill KM 18 quota

**Main finding:**

The VFO/FMU personnel are not fully on top of – and really use/understand – the tree map

Apart from the 2005/06 log plan (685 m<sup>3</sup>) for the harvest block the GVFO has been requested to locate 610 m<sup>3</sup> of timber for Sawmill KM 18 inside the SFMA. Trees were cut (number not known) inside the 2005/06 harvest block and in adjacent

block. Harvesting was done partly by using Sawmill KM 18 equipment i.e. winch truck, according to VFO representatives. Part of the volume was dead/dieing trees but also live trees were cut

Notes from control of second landing related to Sawmill KM 18 / Batapi SFMA, May 16

N 16 06 19,0 E 105 43 44,7

Approximately 1/3 of the logs were fresh wood (commonly Mai Khen)

Various photos taken at the landing

Marking of logs contain log number and dimensions – but no information on location (as required per fmp directives) or hammer stamp

**Main finding:**

Approximately 1/3 of the Sawmill KM 18 wood was fresh

Logs were not marked as per requirement/specification in fmp

Notes from control of second landing related to Batapi SFMA, May 16

N 16 05 56,8 E 105 44 04,4

Marking of logs contain log number and dimensions – but no position or hammer stamp

See special form for control measurement

**Main finding:**

Logs were not marked as per requirement/specification in fmp

Control measurements – see separate form. Log volumes as per scaling was considerably different as per control. The control of randomly selected and measured logs showed 36 % higher volume than the original scaling.

Notes from talk with head of Dafeo Thapanthong district, May 17

Mr Phongsaveng and FMU staff

PAFO has issued an “order” to the district to harvest wood inside Dong Situang for four sawmills in the province. The order’s reference number was 0174 dated 17<sup>th</sup> of January 2006. This order, and possibly other provincial orders, spell out that Sawmill KM 11 shall receive 710 m<sup>3</sup> this harvest season from Thapanthong.

Corresponding figures are 720 m<sup>3</sup> for Sawmill KM 4, 228 m<sup>3</sup> for Sawmill KM 10 – and the 610 m<sup>3</sup> for Sawmill Km 18. This gives in total log volume of 2268 m<sup>3</sup>. It is said that the logs should come from dead/dieing trees – and from logs not utilized last year. But at least in the case of Sawmill KM 18 an approximate 1/3 of the logs were fresh – see above.

Dafeo had a folder with (yellow) logging permits for these quotas. One example of a logging permit was studied - number 4540, issued March 21 2006 for 210 m<sup>3</sup> – from the Sawmill KM 18 quota

Most of the wood was reported to have already been transported to the mills – the wood to Sawmill KM 18 being the exception  
As a consequence of the PAFO Order (and the specified wood requirement) the Dafeo instructs the GVFO – or possibly each VFO - in the FMA to locate a sub-quota (see Ban Bak above) for the respective sawmill to cut/collect.

**Main finding:**

Dafeo confirms the Provincial Order(s) directing the district and villages to locate the quotas for the respective Sawmill  
The aggregated quota (over and above the SFMA harvest block volumes 2005/06) issued by the provincial authorities is 2268 m<sup>3</sup> for Dong Situang for this harvest season

Notes from meeting with Nachanthang VFO, Khotheuleu SFMA, May 17

Mr Thongna et al from the VFO, Lao Theung village (N 16 08 40,7 E 105 48 43,0)  
Have received documents and plans (fmp, logging plan, tree map) but different documents are with different persons in the village. Do not have pre-harvest inventory data. VFO personnel are not sure about the content and meaning and how to apply fm. Admit that mistakes have been done related to tree marking and cutting  
There is an extra 300 m<sup>3</sup> quota issued – destined for Sawmill KM 4 – and wood has been located/harvested all over the SFMA  
Not so keen on more training – prioritise to produce food. But any training should be provided by district staff. Headman/VFO members have not the know-how to teach villagers  
Women have attended training related to Suford but, according to the men, the women's understanding is limited  
The VFO and GVFO structure and roles are not clear to the villagers. There is an agreement between VFOs to form a GVFO but the GVFO is not functional  
The village has received revenue from logs  
Village rules are not fully developed and are believed not to be needed/useful.  
NTFPs are important (Kisi resin, cardamom, rattan and a medicinal plant/vein (makkhampe). Over-harvesting is reported for all NTFPs with decreased availability as a result. Neighbouring villagers have occasionally fished illegal (with poison) in the area.

**Main finding:**

VFO personnel awareness about fm limited and the organisation and roles unclear  
Confirmation that provincial quota(s) over and above the Suford quota have been applied in this SFMA as well

Notes from inspection in harvest block in Khotheuleu SFMA , May 17

Unmarked Mai Ngang (1,4 m diam) located close to base line and stip line 28/29 (N 16 08 14,0 E 105 54 30,8) has been cut

The tree map has extraction tracks marked but the actual tracks in the field are not the same at all

There are no conservation features in the block according to the VFO/FMU personnel. The control team saw no special features (but only a limited part of the block was inspected though). The VFO/FMU staff were not aware of the meaning and significance of mother trees or of HCVF

Tree 52 (28/2) Mai Bak ok

Tree 120 (62/5) Mai Bak ok

In an area (approximately 40 X 50 m) adjacent to tree 120 at least three unmarked Mai Bak felled (diam 72, 85, 95 respectively) felled, and a few large trees have suffered severe felling damage resulting in a “clearing” (a SPOT image from January did not show any signs of a clearing possibly explained by the fact that harvesting was done later than January. FIPD will check in image from May/June which is to be delivered soon)

Tree no 121 (62/6) not cut (Mai Khen Khai diam 50 cm) - no reason given

Unmarked Mai Bak (diam 80 cm) along stripline 62 cut

Tree no 123 (62/14) Mai Daeng diam 70 cm not cut. Has some defect in the lower parts but has > 5 m perfect trunk.

Tree 64 (32/6) Mai Khen Heua measured dbh 69 cm not cut – the explanation given by Mr Paivan was that the **quota for that species was filled** so another tree of another specie was cut instead.

Tree 65 (33/5) Mai Bak measured dbh 94 cm not cut – explanation as above. Photo was taken

### **Main finding:**

VFO/FMU personnel not aware of the meaning of mother trees and HCVF

Many (> 4) unmarked and one marked tree – all Mai Bak - felled in a limited area making a true clearing (40 X 50 m)

Various trees selected for cutting remain standing – with the explanation that the “quota” was already reached

### Notes from second landing related to Sawmill KM 18, Khotheuleu SFMA, May 17

Smaller second landing 600 m north of Nachanthang village. Photo of fresh logs

### Notes from control of second landing related to Sawmill KM 4, Khotheuleu SFMA, May 17

N 16 08 40,7 E 105 48 43,0

Sample of 4 logs. Control measurement showed actual log volume 46 % higher than the scaled

### Notes from second landing related to Sawmill KM 4, Khotheuleu SFMA, May 17

Location approximately 1 KM south of village

Approximately 150-200 m<sup>3</sup> wood stored

Notes from second landing related to Suford Khotheuleu SFMA, May 17

Scaling – and marks on the logs – did not include diam.

Control of length of log against lengths measured at scaling proved that length was correctly measured

Notes from meeting with Natangtai VFO, Nathang SFMA, May 18

N 16 10 53,0 E 105 33 50,1

VFO personnel have treemap, logging plan etc.

Have received training in fm related topics one time – need more training and best if provided by FMU staff

Refer to Fomacop and the advantages of having “their own” forest (and still see it a bit like that) – and better control/influence over log revenue before. Now the money is in the bank in Sonkhon and complicated to get permission to use money. VFO personnel express that log revenue is small especially compared to work done GVFO agreement exist but the cooperation not functional

Have village rules, NTFPs for household use not for sale

Reporting on fm achievements etc. not developed as in all other villages visited

Sawmill KM 10 has a 300 m<sup>3</sup> “provincial” logging quota of “dead wood” for the SFMA (for Natangtai village amounting to 50 m<sup>3</sup>). Personnel from Sawmill KM 10 – or possibly hired contractors - carried out the logging and winch truck belonged to the Sawmill

**Main finding:**

VFO personnel express discontent over the low log revenue and the difficult access to the money

Sawmill KM 10 has a provincial 300 m<sup>3</sup> log quota in the SFMA

Notes from inspection in harvest block in Nathang SFMA , May 18

N 16 08 33,9 E 105 33 34,6

The general impression is that the harvest block has a low standing volume

A distinct and usable baseline – well marked

Tree number 5 (5/5) Mai Ngang ok (96 cm dbh) but 5 m long first log left (though some rot) Photo

Tree number 8 (6/13) Mai Ngang ok

Unmarked Mai Deng diam 48 cm cut (N 16 08 29,7 E 105 33 33,4) close to tree number 8

Tree number 11 (7/6) Mai Deng ok

Tree number 2 (1/8) Mai Che ? (55 cm dbh) left standing – explanation due to rot

**Main finding:**

Acceptable base and strip lines and good ability to read and use map

Some unmarked trees cut and a sampled tree left standing

Notes from second landing related to Suford Nathang SFMA, May 18

N 16 04 03,6 E 105 25 02,2

48 logs in total from the SFMA

Very good correlation between scaling and control

Notes from second landing related to Suford Sonkhon FMA, May 18

N 16 04 03,6 E 105 25 02,2 (landing adjacent to the Nathang SFMA landing)

79 logs

Logs reported by Mr Sousavat, Sonkhon FMU, coming from Dong Son in Sonkhon FMA (N 16 48 E 105 84 – topo map). Reported volume 300 m<sup>3</sup>

Notes from debriefing meeting with Dafeo Thapanthong FMA, May 19

Lomkham informed about results

VFO not yet grasp the fm principles

More training need to be provided to VFO by FMU staff

Unmarked trees felled

Notes from second landing related to Suford Thapangthong SFMA 5, May 19

N 16 00 16 E 105 36 34 - 70 logs and logging on-going

No fmp approved no logging plan.

Notes from meeting with Mr Keudongsi, FMU Sonkhon FMA, May 19

Sonkhon district has a quota from PM for 310 m<sup>3</sup> 2005/06

Harvest block reported to be Dong Singet south of the Nong Louang lake and north of the river Xe Banghiang – outside the FMA

The reported area has no fmp

Additionally a 200 m<sup>3</sup> provincial quota has been issued and all villages inside the FMA take part

**Main finding:**

Two quotas have been issued for Sonkhon district

No fmp exist for the area where harvesting (310 m<sup>3</sup>) has been reported to have been done

A provincial quota (200 m<sup>3</sup>) has been issued for the FMA – for “dead trees”

Notes from meeting with Mr Thanousone, Pafes Savannakhet, May 22

Henan Tianguan (a Chinese firm) has a permit from GOL’s “investment board” (ref number 084-05, dated 28/10/2005) for the development of 10 000 ha of cassava plantation mainly in the Palanxai district

At present only a nursery has been established – no other field activities  
 No staff were working in the office in Naxai village

Notes from meeting with Mr Sriyingyong, Chaiyo AA Ltd Savannakhet, May 22

AA intends to establish 10 000 ha of Eucalyptus plantations in middle part of the Savannakhet province, north of Rd no 9  
 Mainly in Asaphanthong, Asaphone, Xaiphuthong, Vilabouli, Outhonpohne districts  
 The plantations will be in 8 blocks according to a map which was shown  
 AA has an agreement with the province and is now waiting for approval by PMO  
 Plantations will be established on degraded land according to Mr Sriyingyong  
 No detailed land surveys have been made yet but in due time DOF will make them.  
 The local socio-economic situation has not been investigated  
 No field activity has been initiated yet apart from a program to engage schools in planting on their own lands. 200 schools have been engaged so far for a total of 178 ha. The plan is to expand the cooperation with schools – to other provinces as well.  
 AA supply seedlings and the school kids do the work – profits are split at the time of harvesting  
 AA has a nursery in the Savannakhet area

**Main finding:**

The two plantation projects have not yet started field activities so no control of adherence to rules and agreements on land use transformation was possible  
 AA was willing to openly share information about their project

Notes from meeting with Mr Khampou, deputy PFS head Savannakhet, May 22

The PFS has no easily accessible ledger or register for all the quotas issued for the districts  
 Copies of three provincial documents (“Announcement”) related to Thapanthong district were provided – with the following specifics:

Ref number	Forest entity	Wood assortment	Volume, m3
713/MAF.Sav	Somchit Wood Processing Factory	Logs from I and II landing (04-05 quota)	180
3378/MAF.Sav	Sawmill N 4	Logs from I and II landing (04-05 quota)	796 (from I landing)
1299/MAF.Sav	Army Development Service Import-Export Company	A general logging permit of 5000 m3 With a specific of 210 m3 grade II logs	200

The reference to the PAFO “Order” 0174 (dated Jan 17, 2006) which was shown in the Thapanthong Dafeo office could not be located in PFS office. The information

on 2005/06 Thapanthong quota for Sawmill KM 11 (710 m3), Sawmill KM 10 (228 m3) was not available in the PFS.

No document related to quota for Sonkhon district or Sonkhon FMA was provided.

Additionally MAF has issued an Announcement for the whole province:

Ref number	Forest entity	Wood assortment	Volume, m3
93/MAF.06		Dead wood and branches	33 000

The PFS has no information on this year's competitive sales of wood from the PFA(s). Provincial MOC (Mr Thavatsai) is responsible but the control team was discouraged by PFS to contact them. The advice was taken.

#### Notes from visit to Palanxai district, May 22

As per advice from Pafes the control team visited the Dafeo office (Mr Khamsen) in Palanxai (to make arrangements to meet nearby Henan company)

In Palanxai FMA there is a quota for 200 m3 this year and in Phin FMA another 200 m3 – both belong to Dong Khapo

Second landing(s) difficult to reach according to Dafeo

No illegal logging has taken place this year

At the entrance to Phuxanghe NBCA (N 16 41 49,1 E 105 31 14,9) there was a second landing with wood (approx 100 logs, approx 70 % dead, 30 % fresh logs)

Photo

500 m west of the entrance to Phuxanghe NBCA there is new large sawmill being constructed (N 16 41 44,7 E 105 30 56,1)

Another few km west there is a new sawmill erected (N 16 41 28,9 E 105 29 24,1)

#### **Main finding:**

Harvesting has been done in Dong Khapo this season

New sawmills have been erected in Palanxai district

#### **Additional finding:**

No village women took part in any of the meetings

(To be used as references when the analysis, conclusions and recommendations are formulated as part of the Consultant's report)

### **On management of logging operations (quota)**

46/PM

2.1.....Government authorizes provincial authorities to allocate the domestic timber harvest to wood processing factories...

2.2. Government delegates the MAF to allocate the approved quota to each province...

4.1. Organizations and local authorities are not allowed to issue logging permits...above the approved log volume stated in this order...

221/MAF

Article 7. PAFO...has the authority to issue permit for timber... harvesting... based on the plan allocated by MAF.

### **On requirement for fmp**

Forestry Law

Article 25 The harvest of timber...can proceed only in surveyed and inventoried production forest areas for which there is a forest management plan.

....

Only properly marked trees are cut...

46/PM

1...The remaining amount will be harvested ...from PFAs which have approved management plans and have completed pre-harvest inventories...

361/MAF

13. For provinces permitted to harvest in production forest areas, pre-harvest inventory results and tree marking based on approved logging plans for year 2005-2006 must be submitted to DOF before 15/12/2005...

361/MAF

17...do not log timber that has not been inventoried and marked by ...forestry staff  
..

59/PM

Article 9. Harvest of timber...may be conducted... in demarcated management areas... according to officially approved management plans... and data of pre-harvest inventories...

221/MAF

Article 3. Forests to be harvested. Production forests that has... a detail harvest plan in line with general management plan...

### **On marking of trees/logs**

Forestry Law

Article 26 The transport of timber ... must be conducted in accordance with regulations....the marking and stamping of each log...

361/MAF

17...do not log timber that has not been inventoried and marked by ...forestry staff  
..

221/MAF

Article 14. Movement of timber...every log shall have mark and stamp...

108/MAF

8.4 General principles of tree marking. Tree coding and stamping based on harvest plan...Defining a direction of tree felling.

Standard fmp format

3. Tree marking....painting baseline number, stripline number and tree number above the cutting level and tree number below cutting level...stamping ...both above and below the cutting level.

Log stamping (*likely meant to be numbering – consultants remark*) ...coded for PFA., FMA... , SFMA., harvesting compartment., baseline..., stripline..., treenumber..., log number..

### **On logging**

361/MAF

17. Do not log ... in areas outside those approved by MAF...

46/PM

4.2. Organizations and local authorities are not allowed to permit wood buyers and timber sale bidders to conduct logging operations by themselves.

361/MAF

11.... Other economic units (including timber buyers,... factory owners) may take contracts (*for extraction and transportation – consultants comments*)

221/MAF

Article 9. ...Cut only the marked trees..

Article 10....construct tracks...in line with harvesting plan...

### **On household use**

Forestry Law

Article 28 Tree felling for .... household uses is only allowed in the production forest of the village....

### **On customary rights**

Forestry Law

Article 30 The customary use of forests...which has been practiced for a long period is recognized by society or the law...

Customary use includes... the collection of forest produce....

The customary use...must be in accordance with village regulations

### **On sustainability**

Forestry Law

Article 57 Users of the forest....have the following obligations: .....Employ all means...to make it a sustainable resource