

FLEGT VPA Process in Lao PDR

**in the 5th Sub-Regional Training Workshop on Timber Legality Assurance
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Background/achievement:

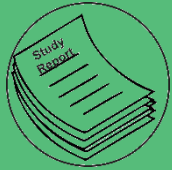
Lao-EU FLEGT Process History

2010



TWO Ministers of MAF and MOIC submitted Letter of Intention on FLEGT VPA to EU

2011



Baseline Study and Timber Flow Study completed

2012



Vice Ministers of MAF, MOIC and MoNRE submitted Letter of Intention to prepare FLEGT VPA Negotiation

2013



GIZ project *Support to the Lao-EU FLEGT Process* (ProFLEGT) established



FLEGT Standing Office established

2013

2014



Two video conferences between Government of Laos and EU conducted



THREE FLEGT pilot provinces established

2014-2015

June 2015

Prime Minister Office approved the start of FLEGT VPA negotiation between Laos and EU (Decision No. 986/PMO)



First meeting of National Steering Committee (NSC) took place

October 2015

2nd National Steering Committee (NSC) Meeting



July 2016

Chef Negotiators of Lao PDR and EUs prepare first negotiation on FLEGT VPA

April 2016



Late July 2016

Head of FLEGT Standing Office nomination

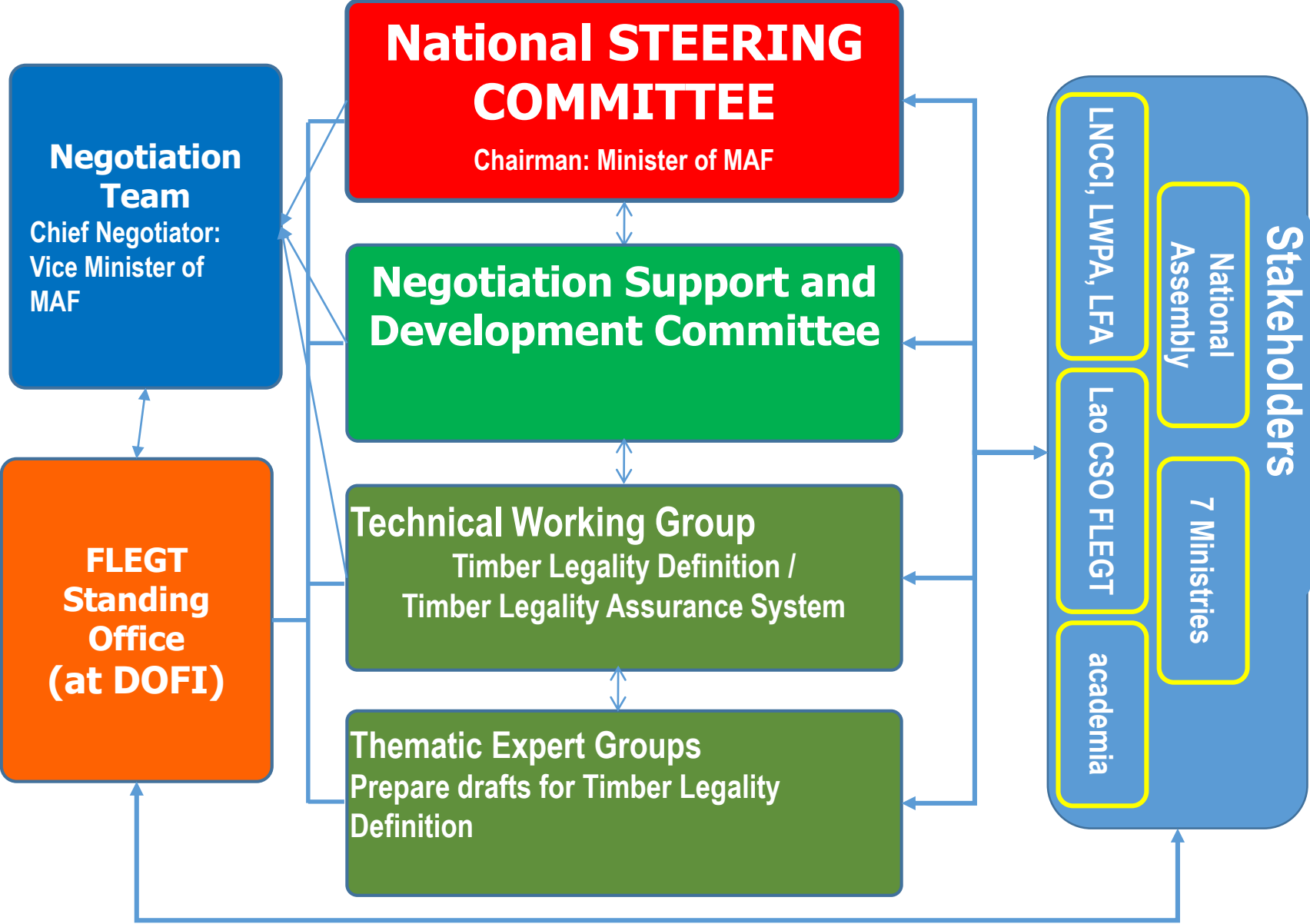


3rd Video Conference between Laos and EU

October 2016

Timeline

Organizational Structure for FLEGT VPA



Setting up of a multi-stakeholder process

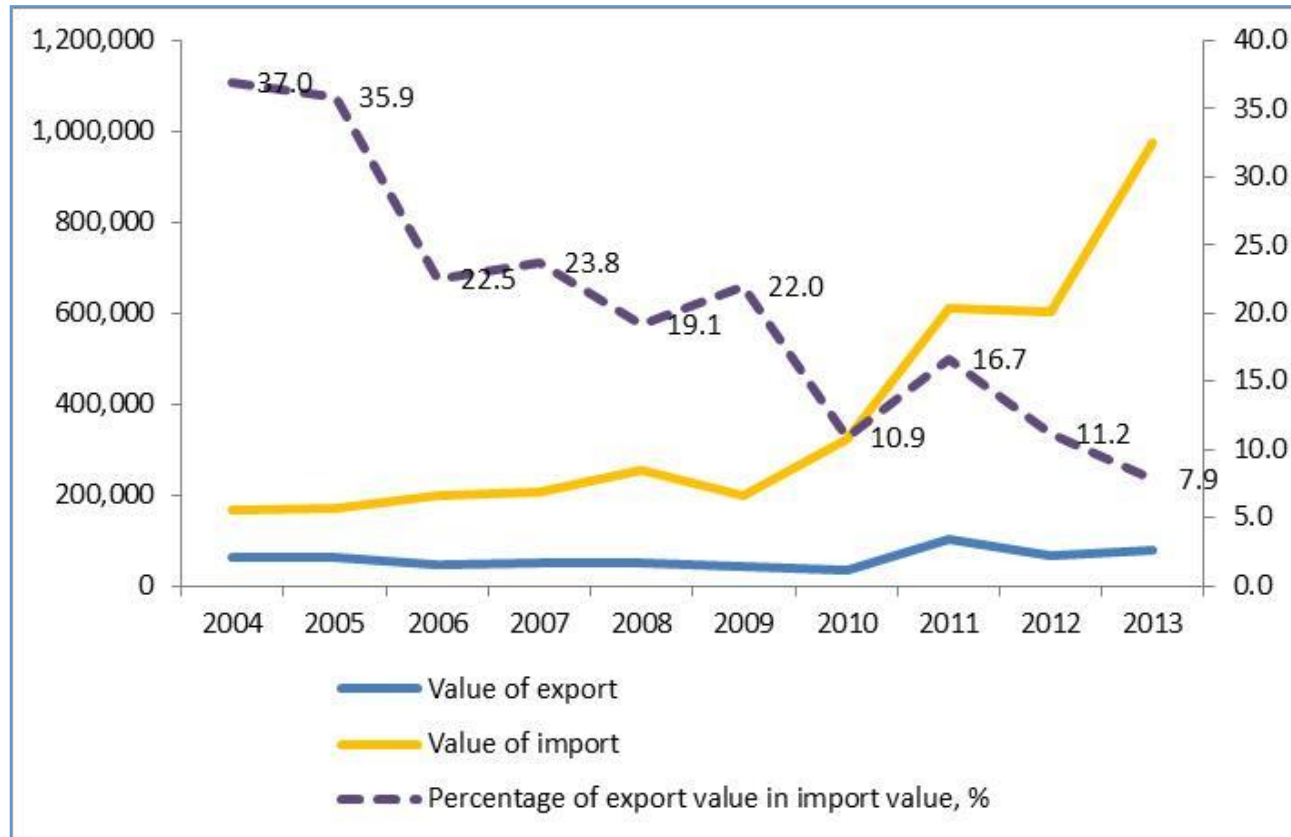
- Cooperation between different key ministries.
- Relevant stakeholders are included in all FLEGT committees.
- Private sector engagement ensured through sector strategy.
- Existing SFM approach for natural production forest integrated into FLEGT TLAS.

Achievements

- Lao-EU FLEGT VPA process **awareness raising** in macro-level such as in National Assembly, Government meeting, etc.
- FLEGT VPA **information dissemination** to technical staffs and villagers in technical meetings and field visits **and involvement of provincial authorities, CSO, private sector, NPAs and communities** to understand and support the systematic approach of timber harvesting, timber transportation and timber business.
- FLEGT VPA study and technical meeting on **timber export data recording** between exporting and importing destinations with unclear data records and timber sources (timber verification).

Disparity between the total value of Lao wood products as reported by importing countries and the value of exported wood products as reported by Lao customs.

Comparison of Lao wooden products export and import value (\$US).



In 2013 the official export value was only 8% of the total value of Lao timber imported as reported by destination countries.

Further Achievements

- Development of a mandatory Chain of Custody System (CoC) for wood processing companies
- Group of “champions” (in particular Government staff) supportive of multi-stakeholder approach
- With the Prime Minister (PM) Order No. 15 Lao Government has made “Strengthening Forest Governance” as a top priority

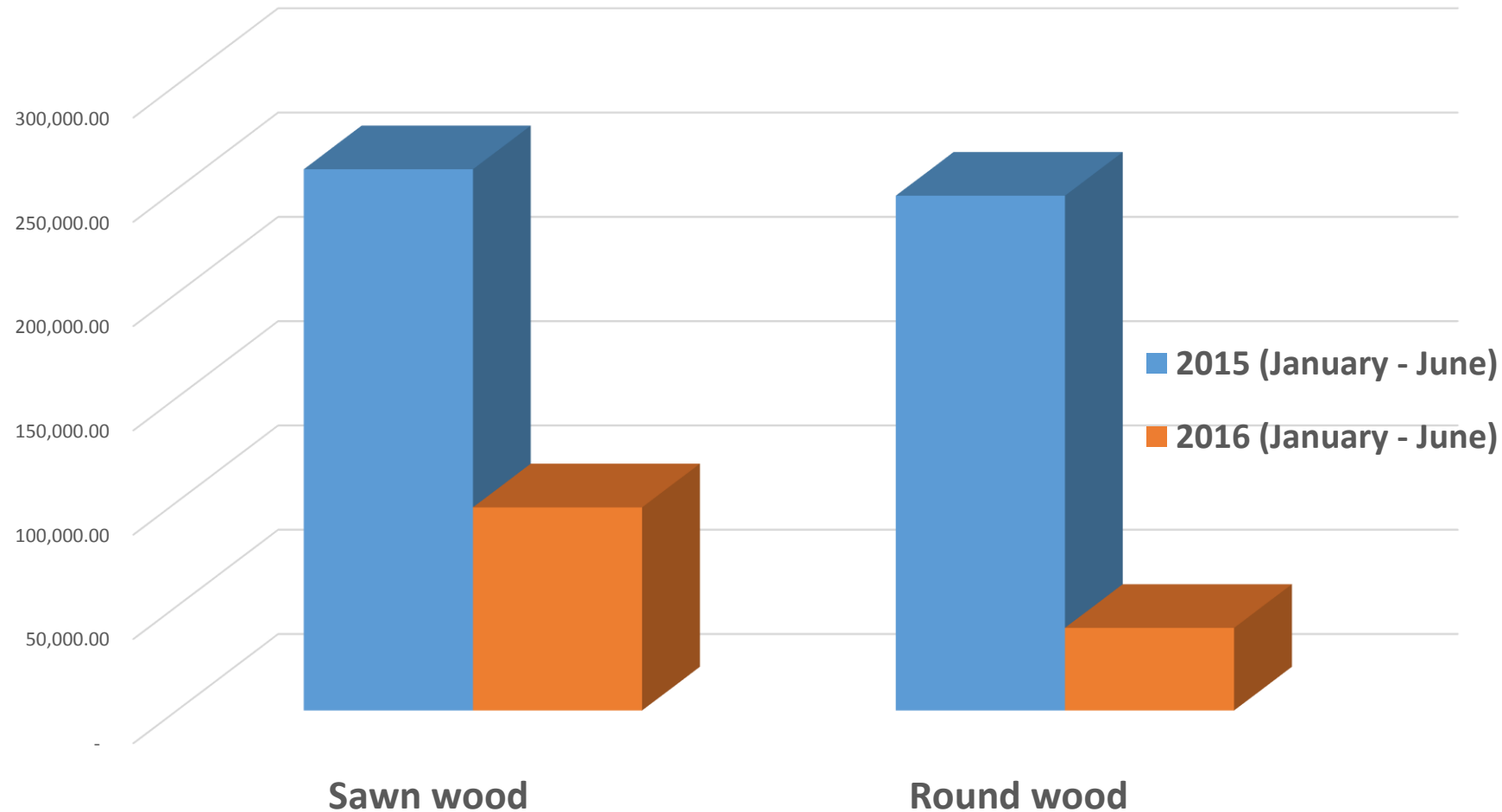
PM Order No.15

“Strengthening strictness on governance and inspection of timber harvesting, timber transportation and timber business”, 13 May 2016.

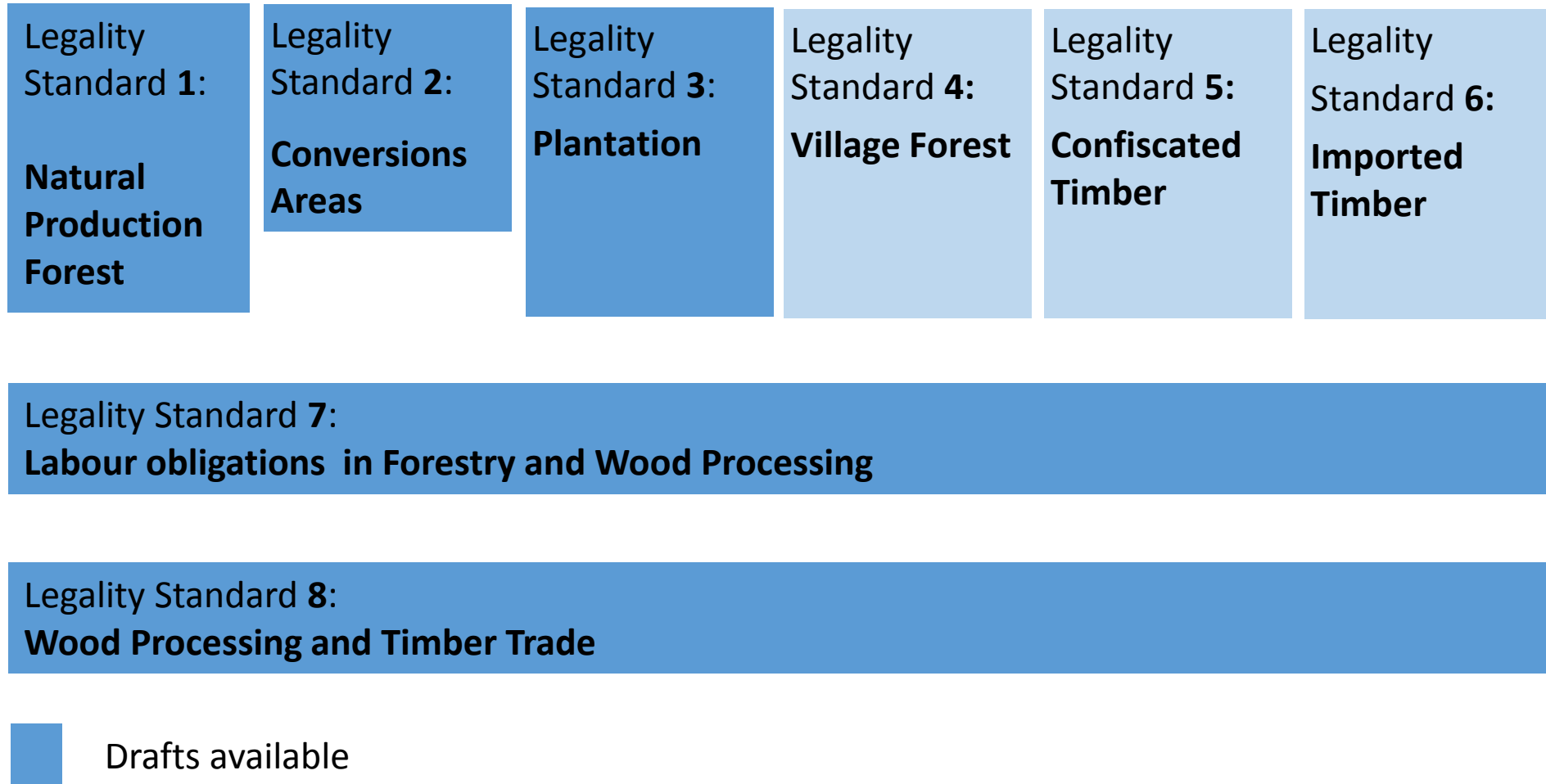
- Suspend strictly the export of logs, sawn timber, semifinished products harvested from natural production forest and conversion areas.
- Prohibit importing of illegal timber for the purpose of exporting those products to third countries.
- All timber has to be auctioned at log landing 2 and only national wood processing companies can buy those logs for further processing in the country.
- Border checkpoints should strictly control that only finished products of legal source are exported.

Results of PM Order No.15 implementation

Wood Exports from Lao PDR to Vietnam 2015/16



General Structure - Timber Legality Definition



Challenges:

- **FLEGT VPA is complex and not always easy for stakeholders to follow.**
- Involvement of many stakeholders is great but sometimes **difficulties in coordination**, which causes delays in implementation.
- **Some stakeholders are still doubting** on whether FLEGT VPA will bring their businesses alive in selling finished timber products in international markets.
- After long involvement in FLEGT VPA, it is visible that FLEGT contributes to improve forest governance issues and to combat illegal logging but challenging remains within Lao PDR on **modern downstream wood processing factories that met the EU and international standards.**

Next Steps:

- Five Drafts of Timber Legality Definition finalized.
- **First face-to-face negotiation to be held in late February 2017.**
- All elements of TLAS developed and finalized.
- **Masterplan to strengthen Lao wood processing industry and export capacity developed.**
- **Funding and investments secured to strengthen Lao wood processing industry and export capacity.**
- FLEGT VPA concluded and signed in 2018.
- Hopefully, finished timber product sale in EU and international markets.

Thank You