
Update on Laos – Preparations for VPA Negotiation

On behalf of Lao-FLEGT Standing Office

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Overview of the Lao forest situation

- 70% forest cover in 1940s reduced to less than 40% in 2012
- Over-exploitation causing serious deforestation
- Conversion of land to infrastructure development, hydro projects, minings and rubber plantations, etc.
- Unsustainable forest development/management
- Illegal logging (restricted & precious species)
- 80-90% of rural communities rely on forestry (UNDP 2011)
- Existing forest governance and law enforcement issues
- Incomplete forestry law (land use, tenure & rights of indigenous/local communities, etc.)



History to date of Lao FLEGT VPA process

- 2009, DOFI & DIMEX proposed the initiative to ministers
- 2010, MAF & MOIC initiated VPA information exchange with EU
- 2010-2011, DOFI, DIMEX, EU and GIZ conducted **Baseline Study** and **Timber Flow Study**
- 28/2/2012, MAF, MOIC & MONRE expressed interest to join VPA
- 2012, the Lao FLEGT VPA focal point was established at DOFI
- Information dissemination for central and local levels on the way
- Participating in regional and international events
- 05/10/2012, Agree Minutes between Laos & EU was signed



History to date of Lao FLEGT VPA process (Con.)

- 11/2013, FLEGT Standing Office was officially launched
- Decree 1915/MAF on NSDC and TWG for Lao-EU FLEGT VPA
- Two lessons learnt trips in Vietnam in 2013 (29-30/11) & 2014 (4-8/5)
- Draft action plan and operational plan are in place
- 2 video conferences with the EU head quarter in Brussel
- Introducing TLAS pilot projects in 3 provinces
- Updating Timber Flow Study
- Engaging more stakeholders in the Committee
- Preparing for the first negotiation with EU



Benefits of VPA

- Increase opportunities for market access
- Develop labor's skills, standard, design, etc.
- Add more value to timber products
- Improve relevant laws and regulations on forest governance
- Create legal environment for timber business
- Ensure the achievement of forest development strategy 2020
- Reduce illegal logging, deforestation and degradation
- Strengthen good forest governance (environment, economy & society)
- Contribute to poverty reduction policy
- Participatory process on sustainable forest management



Challenges of VPA

Public sectors

- National Steering Committee structure
- Capacity building of the Committee and negotiation team
- Improving internal coordination of relevant agencies
- Unclear terms of reference of the committee members
- Lack of human resource and budget for the implementation
- Ineffective monitoring and traceability system
- Timber legality definition issue
- Price premium in some timber species



Challenges of VPA (Con.)

Private sectors

- In adequate capacity building
- Difficulties in financial access
- Inconsistent supply sources ⇒ can't meet contractor's' requirements
- Low and limit labour skills ⇒ need to import labours
- High cost of transport issue
- Skeptical/unclear benefits of FLEGT VPA process
- High demands of semi and round woods from neighbouring countries
- Inadequate network and coordination among timber suppliers
- Low awareness of legal timber



Future plans

- Establishment of National Steering Committee
- Setting up a formal negotiation team
- Strengthening active roles from relevant stakeholders
- Requirements for physical and technical assistance
- Capacity building via Inf. dissemination, trainings, workshops, etc.
- Identification of clear TOR of the committee members
- Consistent participation and inputs from CSOs
- Experience exchange with other VPA countries
- Preparation for a first round negotiation with EU



**Thank you
for your attention**

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