

No success like failure:

Policy versus reality in the Lao forestry sector

Logs at second landing inside the project area, Lamam district, Xekong province.

Nearly seven years ago, Watershed published an opinion article by a group of anonymous writers entitled “Aspects of forestry management in the Lao PDR.” The article documented widespread and systematic corruption in the Lao forestry sector, describing how an illegal “fire sale” of the country’s timber resources was being conducted by the forestry administration and the Lao military, in collusion with sawmillers and timber traders. Many years, many projects, and many millions of dollars later, the situation has not improved. Benjamin Hodgdon chronicles the experience of an NGO-supported project recently discontinued by the Lao government to highlight the ongoing serious problems plaguing Laos’ production forestry sector.

Introduction

In recent decades, governments, bi- and multilateral donors, and environmental and development organisations around the world have lent growing support to community forestry efforts. Proponents claim that

community forestry offers a way to both mitigate the negative ecological and social effects of large-scale commercial logging while allowing for sustainable use of forest resources for community livelihood improvement. As such it is often sold as an alternative to the “either/or” scenario of industrial for-

estry versus strict protection – a compromise between exploitation and preservation. A multitude of benefits are commonly cited as the upshots of successful community forestry: from biodiversity conservation to poverty alleviation to social justice and increased tenure security.

Benjamin D. Hodgdon has worked in Indochina for eight years, most recently as Chief Technical Advisor and Forestry Coordinator for the WWF Lao Program. He can be contacted at benjamin.hodgdon@aya.yale.edu.

This article is concerned with the newest incarnation of community forestry in Laos, called “participatory sustainable forest management,” or PSFM. In essence, this type of community forestry stipulates that villagers living in and around forest areas delineated for timber production are given the opportunity to be involved with forestry planning and operations, and are entitled to a fixed percentage of the proceeds from timber sales. For more than a decade, donor support has guided the development of PSFM in Laos, and it is now enshrined in the national legal framework. However, there is increasing evidence that PSFM is far from being institutionalised in the production forests of Laos, despite significant continuing investment and legal backing. Instead, mismanagement of Lao forests is still the norm.

The rationale for community forestry in Laos

Forests play a critical role in both community livelihoods and national economic development in Laos. At present, about 41.5 per cent of the country is covered with forest that has at least 20 per cent crown closure, down from 47 per cent in 1992. More than 80 per cent of the population relies directly on forest resources for essentials like food, shelter, fuel, tools, crafts, and spiritual needs. In remote areas, forests provide one of the only available economic activities, with sales of non-timber products often making up more than half of household cash income.

There is vast potential for forestry to play an important role in development in Laos. Hemmed in by big neighbours like China, Thailand and Vietnam that are largely depleted of natural forest, the relatively large remaining tracts of for-



Communal structure in the centre of a Nge/Krieng ethnic minority village in Xekong province.

est with commercially-viable stands of timber in Laos constitute one of the country’s few economic advantages – a natural capital whose value will only grow with increasing regional demand for timber and other forest products.

Though production forestry is planned to be a force in the economy, it will be difficult, if not impossible, to manage natural forests in Laos on an industrial scale, for a variety of reasons. First, the ecological complexity of the mixed deciduous and semi-evergreen forests that are suitable for commercial management, and the regeneration ecology of most valuable timber species, demand low-volume harvesting. The opening of large gaps in the canopy often leads to the invasion of pioneer and early successional species whose establishment typically overtops the regeneration of the more important timber trees. Thus the best way to ensure good

regeneration of desired species in Lao forests is to use a silvicultural approach called selection, which entails opening small patchy gaps in the forest – mimicking the natural pathways of regeneration – removing not more than a few large trees per hectare.

Industrial forestry operations, bound by such ecological imperatives, have a hard time staying economically competitive. The selection forest management system demands high labour inputs (relative to timber outputs), and can only sustainably produce small volumes (per unit area) of a diversity of species, and only once a year. These conditions are sub-optimal for industrial-scale commercial timber extraction,

especially since the wood processing industry increasingly demands large volumes of only a few species consistently throughout the year – the opposite of what Lao forests can sustainably produce. Thus industrial forestry operations in natural forest in Laos, assuming they are sustainably managed, are highly unlikely to be competitive with operations elsewhere that manage simpler natural forests or plantations.

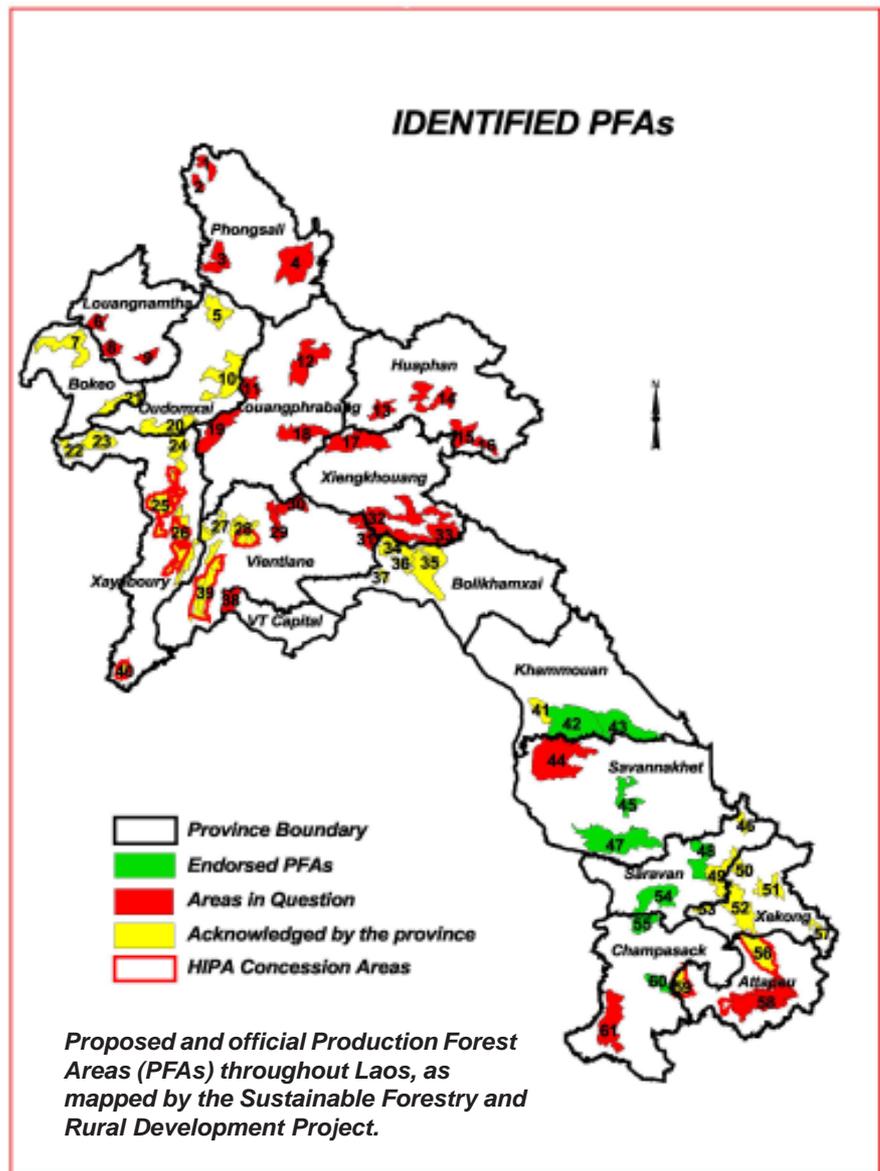
At the same time, social imperatives preclude industrial-scale forestry in Laos. Even if intensive management (e.g. a shelterwood system) could work ecologically,¹ and even if the resources to do it right could be mobilised by the forestry administration, this type of management would significantly reduce the value of the forest to local people. To be managed intensively for timber, large tracts of natural forest would effectively have to be appropriated and local use

¹ This type of management has been employed in the aseasonal lowland dipterocarp forests of Malaysia but would probably not work in Laos due to the relatively long dry season experienced in most forests, which makes securing regeneration more difficult.

would have to be discouraged or even stopped. The management focus on a narrow range of timber trees would almost certainly undermine local livelihoods, which are so heavily dependent on a broad range of forest resources. Such management would moreover expose the operation itself to major economic risks.²

Furthermore, the development challenges facing Laos make it imperative that forestry be used to fuel village development. Government attempts at developing the uplands through the “stabilisation” of swidden agriculture and resettlement have largely failed. In many cases, such programmes have resulted in an increase in poverty and mortality rates – producing a whole new set of problems for communities. The government recognises these failings and has emphasised the need for “context-specific” development measures. In this way, participatory forestry fits as part of a broader movement to bring development to communities that is suited to their own needs and specific context, rather than moving villages closer to services located in the valleys and along roadsides. The goal is to strike a balance between maintaining traditional livelihoods and creating new market-based strategies that fit with government objectives for development.

These interrelated imperatives – the ecological, economic, social, and developmental – make a clear case for community forestry to be the dominant mode for natural forest management in Laos. These imperatives have been recognised for quite some time, and several major projects have sought to develop different models for community forestry tailored to the Lao context over the past decade. However, as this paper will dem-



onstrate, despite many years and millions of dollars invested in “pilot” models, and despite the “institutionalisation” of sustainable forestry legislation in the Lao legal framework, mismanagement of the country’s production forests remains the norm.

The evolution of ‘participatory sustainable forest management’

Over the past decade, several donor-funded initiatives have sought to

develop community participation in forestry. The most notable early effort was part of the World Bank/Government of Finland-supported Forest Management and Conservation Project (FOMACOP).³ FOMACOP piloted a model called “village forestry,” which introduced co-management of natural forest between villagers and state forestry agencies, and village development through the sharing of timber revenues. The FOMACOP model put a high premium on villager control over all aspects of forest management. The spirit of this

² For this reason the shelterwood method has largely been abandoned in Malaysia.
³ SIDA also supported community forestry in the 1990s; see Makarabhirom and Raintree (1999) for a review of both the FOMACOP and SIDA-supported models.

model was summed up by a FOMACOP document published in 1997:

Whoever manages decides. Whoever decides plans. Whoever plans collects the needed information. This means that the villagers, who are the forest managers, formulate and implement the long-term management plan and annual operations plan, and make all management decisions.

When FOMACOP began in 1995, there was considerable support at the central level to do village forestry – as one government document put it at the time, it was “very likely that it will become the dominating form of forestry” in Laos. By most accounts, things went fairly well during the first few years of the project. But once it came time to conduct timber sales, serious conflicts emerged. Questions surrounding villager involvement in timber

harvesting and sales ultimately led to a fallout between the Lao government and the donors, with the World Bank complaining of “excessive intrusion into the management and commercial practices” of village forestry operations, as well as “aggressive rent-seeking and preferential treatment of favoured local timber purchasers”. As FOMACOP’s Chief Technical Adviser put it in March 2000, “Villagers were not allowed to sell logs freely to maximize the benefits and there were all kinds of attempts to interfere with the selection of a logging company, determining the

quota, and pricing of logs and harvesting services”. A few months later, FOMACOP was discontinued.

Shortly after this, a Bank-led team of consultants published a harsh review of the Lao forestry sector, declaring on page one of the document that it was in “disarray”. Following this, negotiations between the World Bank, the Government of Finland and the Lao government began on a national forestry reform package. Several critical elements



Typical semi-evergreen/mixed deciduous forest stand in Xekong Province, with May Bak, *Anisoptera cochinchinensis*, in the foreground.

emerged from these discussions: (1) the establishment of a system of “Production Forest Areas” in Laos, (2) the drafting and signing of national legislation governing the establishment and management of these areas, and (3) the launching of a new project meant to implement the national legislation in four of the country’s most important timber-producing provinces.

First, a system of “Production Forest Areas” (PFAs) was mapped in Laos (see map of Identified PFAs). In accordance with the Lao Constitution and the Forestry Law (1996), these areas are con-

sidered the property of the state, but they are to be managed with the participation of local communities whose traditional boundaries extend into the production forest.

Second, the process by which PFAs are to be managed was laid out in two legal documents: Prime Minister Decree 59 (2002) on the Sustainable Management of Production Forest Areas, and Ministry of Agriculture and Forestry Regulation 0204 (2003) on the Establishment and Sustainable Management of Production Forest Areas. These specify the steps to be followed in initiating and implementing “participatory sustainable forest management,” or PSFM. Regulation 0204 goes into specific detail about the roles and responsibilities of all stakeholders – at the national, provincial, district and village level – and lays out a clear percentage-based breakdown for the sharing of revenues from timber sales.⁴

Third, to get this new system off the ground, the Lao government, the World Bank, and the Government of Finland launched a new forestry project: the Sustainable Forestry for Rural Development Project (SUFORD). This US \$9.9 million project began in 2003 and works in the four provinces of Khammouane, Savannakhet, Salavanh and Champasak, tasked with institutionalising PSFM in the PFAs of these provinces. As part of this package, the Lao government also agreed to a timetable for achieving Forest Stewardship Council (FSC) certification of at least 60,000 hectares in the SUFORD area.

⁴ After a log royalty payment, 30 per cent goes to the national budget; the remaining 70 per cent is split as follows: (a) 20 per cent to the Forestry Development Fund, (b) 25 per cent for operational costs and annual operations in the PFA, and (c) 25 per cent to be dedicated for village development.

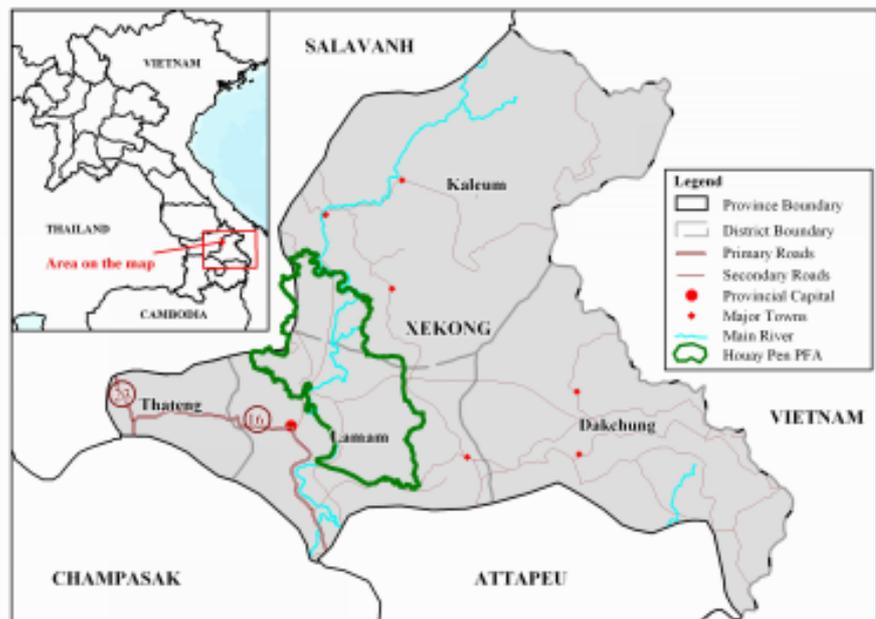
At about the same time, the World Wide Fund for Nature (WWF) Lao Program, seeing a window of opportunity with the new PSFM legislation, began to work in cooperation with a province outside the SUFORD area, in Xekong province, to implement PSFM.

The Xekong Sustainable Forestry Project

Xekong province is in the south of Laos and was established in 1984. It is one of the most remote areas of the country, and because of this forest cover, biodiversity, and ethnic traditions have changed less than in other parts of the country in recent years. The vast majority of the people in Xekong are from the Austroasiatic ethno-linguistic family. Countrywide, these minorities make up about 35 per cent of the population, but in Xekong they account for about 95 per cent of the population.

Remaining forest cover in Xekong is high, but logging has been expanding rapidly over the past decade. There is tremendous and growing pressure on the province to log its forests – both from Vietnamese interests (where the wood processing sector has been growing tremendously over the past few years)⁵ and from Lao companies (who face wood shortages because of dwindling stocks in lowland forests). Up to now, such commercial logging has not been planned and is unsustainable.

In response to this problem, the Xekong Sustainable Forestry Project was designed jointly by WWF and government partners. The project was envisioned as a complementary effort to



Map of Xekong province, showing the Houay Pen Production Forest Area.

SUFORD, implementing PSFM in an upland area important for watershed management and biodiversity conservation, while working with ethnic minority communities. Funding was secured from a US-based donor in 2003, at which point the project document was submitted to the Lao government for approval. A year-and-a-half negotiation process between government stakeholders then ensued. In January 2005, the project was approved as an 18-month “pilot.” Shortly thereafter, a Memorandum of Understanding between the project partners⁶ was signed, and project work began.

Implementation

The site selected for project activities was a 10,500 hectare unit of a Production Forest Area in Xekong called Houay Pen⁷ (see map of Xekong province with Houay Pen Production Forest Area). The forest management unit selected in-

cludes seven villages, all of which are ethnic minority. The project worked with foresters and villagers to improve forestry operations through field forestry training and management planning. At the same time, the project worked at the village level in the seven communities to organise villager participation in forestry through the establishment of Village Forestry Organisations, to clarify village boundaries, and to raise awareness about villager rights in production forest management and benefit sharing.

The main material output was a 15-year management plan that zones the area under management for different uses – including timber production, watershed protection, biodiversity conservation, and other uses – and lays out the basic guidelines for sustainable use and benefit sharing in accordance with the government-decreed PSFM legislation reviewed above. The management plan is the first of its kind for a production forest in Xekong.

⁵ Growth in the Vietnamese wood furniture sector averaged 70 per cent per year during 2000-2004. In 2005, Vietnam exported over US\$1.5 billion worth of wood products. In 2006, exports are predicted to reach US\$2 billion, a ten-fold increase since the year 2000

⁶ The Xekong Province Agriculture and Forestry Office, the Department of Forestry, the Lao National Mekong Committee, and the WWF Lao Program.

⁷ This Production Forest Area was mapped by a SUFORD-led exercise in mid-2004 and endorsed by the Xekong Governor.

During the first ten months of implementation, things went smoothly with the project. All the work of project management structuring, village organising, boundary demarcation and technical training went on schedule and as planned, with good participation from government partners. All project activities were carried out jointly with provincial and district authorities, according to agreed workplans, and duly reported to central level partners in the form of co-signed technical reports in both English and Lao. A mid-term evaluation of project progress – carried out

nine months in – concluded that there was “good support for the work of the project at the provincial, district and village level” and that the project was on the road to “substantially contribute to rural livelihood improvement and good stewardship of the province’s valuable forest resources.” During this evaluation, top-level officials in both the Xekong Governor’s office and the provincial forestry agency endorsed the idea of extending the project beyond the “pilot” phase and into a three-year “implementation phase”.

Echoes of FOMACOP: Things fall apart

However, once the logging season began, things changed dramatically. One of the key requirements of writing the management plan was to do a forest management inventory. For the inventory to be valid, and indeed for PSFM to be achieved, all logging in the forest management unit had to be halted until the management plan was fully complete and ready for implementation.

Therefore, the project worked with the provincial leadership to issue a logging ban specific to the area in which the project was working.



Vietnamese work crew winching logs onto a forwarder owned by a Xekong timber trader.

From here forward, cooperation with the project at the district and provincial level deteriorated rapidly. Foresters routinely left their work with the project or were reassigned to work with companies that were illegally removing timber from the project area. Project staff worked with villagers in the target area to document these violations and report them to the provincial leadership, noting that the province had explicitly banned logging in the area. In response, the forestry agencies denied that the logs were coming from the area, or stated that all the logs were in fact “dead wood” from swidden clearance and/or unfinished operations conducted the previous year. When presented with further evidence, incidents were dismissed as being the actions of “rogue” companies or timber traders operating without government knowledge and in collusion with “corrupt villagers”.

In fact, there was little credibility to these claims. Information gathered in the field – through interviews and direct observation during project activities – showed clearly that in nearly all

cases, the logs being removed were indeed coming from the project area, that they had been harvested in the current year, and that the operations had the full knowledge and approval of government officials. In a few cases, the project team actually encountered district and provincial foresters supervising logging operations in the very villages where project activities were being carried out the same day. Noting the failure of lobbying the government agencies to enforce their own logging ban, the project then met with the

major sawmillers and timber traders in Xekong to explain the project and present them with the log ban notice. After these visits, the companies lodged complaints with the provincial leadership about the project. As a result, cooperation eroded further.

As these developments ensued, a top-level official from the Department of Forestry visited the project site. A visit to one of the project villages was organised, wherein members of the Village Forestry Organisations formed by the project gave presentations about project progress. At this meeting, villagers articulated what to them was the central work of the project: that villagers have a right to be involved with forestry, and to benefit from timber sales. As one village chief put it: “in the past the companies came and took what they wanted; now, with the project, they can’t do this anymore, they have to work with us, follow the management plan we are making, get our permission, and then pay us our fair share.” Villagers, citing the PSFM legislation, voiced their support for the work, but complained that

companies were still being allowed to log in the project area.

This meeting was followed by an internal “project management” discussion in the provincial capital, wherein the project team was told by the Department of Forestry official that it should not be working on issues related to logging. The project team attempted to refer to the project’s Memorandum of Understanding, the approved project workplan, and the national PSFM legislation, but to no avail. With only two months remaining to the end of the pilot, the project continued to work with villagers and some foresters to finish all activities in the agreed workplan. This culminated in the writing of the 15-year management plan for the project area, in cooperation with the central-level agency in charge of forest management planning, and in line with government PSFM legislation.

Discontinuation of the project

The management plan was then presented at a workshop in Xekong province, meant as a final evaluation of the pilot project, and as an opportunity to discuss the plan for the three-year “implementation phase”. The meeting was co-chaired by central-level government officials from the Department of Forestry, as well as the head of the forestry administration in Xekong. Provincial leaders from the Governor’s office also attended the meeting, as did all forestry staff who had taken part in project activities. Significantly (and a rarity in Laos) two representatives from each village were also at the meeting.

After the presentation of project progress, the management plan, and the proposed “implementation phase”, villagers gave their ideas supporting con-

tinuation of the project. Following this, representatives from the central government and Xekong officials strongly criticised the project. The thrust of the argument was that the project should not have been working on issues related to logging, or indeed in production forest at all. The point was continually made that “only the state” has the right to work in production forest and make decisions about management. According to those chairing the meeting, villagers do not have a right to be involved with decisions about logging. Repeated attempts by project staff and villagers to refer to the Lao legal framework for PSFM, the Memorandum of Understanding, the approved project workplan, and the fact that the government itself had selected the production forest as the site for project activities were ignored.

The outcome of the meeting was that since the project had incorrectly worked on production forestry, it should be discontinued. No future work on production forestry would be allowed to commence in Xekong. Any future project work in the province would have to change sites, preferably to degraded forest, where the project could help the province establish tree plantations.

At present, WWF is negotiating with the government over the possible shape and scope of a next phase. But at this point it seems unlikely that the management plan created by the project will be properly implemented, or that PSFM will be permitted take hold in

Xekong. The fact that the very individual most personally responsible for the closing of the project has recently been promoted to the highest post in the Department of Forestry only adds to such doubts.

Policy versus reality

Why did the project lose support from government partners, after a protracted approval process that involved all stakeholders? How was a project that was helping to implement national policy deemed “incorrect”? The answer is that the policies that enable PSFM in Laos are not widely supported by government decision makers, for both political and economic reasons.

Politically, the PSFM model is not supported because it seeks to increase community participation in a sector where decision-making authority has always rested solely in the hands of the state. The Xekong project, in accordance with PSFM legislation, was increasing villager participation in forest planning, management and benefit sharing. As was articulated by villagers on several occasions in meetings with government officials, villagers saw the project as a way to assert greater control over



Stumps of trees removed from within the project area, in this case May Nyang Deng Dipterocarpus turbinatus.

the lands within their traditional boundaries that overlap with production forest. Through the project, villagers were learning about their rights under Lao law to be involved with forestry, and supported the work because they stood to benefit substantially from increased decision-making power, conservation of forest resources, and cash inflow for village development.

The project's government partners, it turned out, did not agree with these goals. They were in agreement with increasing villager participation in terms of using their labour, but not in terms of granting them decision-making authority. They supported the work of the project up to a point, but once it became clear what the project aimed to do – increase community control over valuable timber resources – support collapsed. The government position, as expressed at the closing meeting, was that the only entity that has the right to make decisions about forestry is the state. Articles of the Constitution and the Forestry Law were cited, which state that all land in Laos belongs to the “national community”, which is represented by the state.

Indeed, the PSFM legislation makes it clear that it is the state that has sole ownership over production forest. Villages whose boundaries extend into production forest are given a right to be involved with management and to receive a share of the benefits, but the forest is not allocated to them. In theory, villages agree to allocate their land to the state, which in turn invites them to participate in forestry. The unwritten subtext, as the experience of the Xekong project shows, is that though villagers can participate in forestry, it is ultimately the

state – representing the “national community” – that has the final say in how it should be managed. The devolution of decision-making power to villagers – considered a central objective by the project team and the villagers – was not an appropriate goal in the minds of its government partners.

In trying to push PSFM in Xekong, the project hit a raw nerve with its government partners. Core ideals central to the success of community forestry – ideals like democracy and transparency – are values that are not commonly held by those with political power in the system that dominates in Laos. Laos is not a democracy. It is a single-party, authoritarian state, where all decision-making authority is concentrated with the Communist Party, from the centre all the way down to the village level. The idea that villagers should have decision-making power over a valuable resource like timber, and that they should be given a significant share of the profits, is anathema to the dominant political culture in Laos. Simply put, the spirit of the PSFM legislation runs counter to the values that dominate Lao politics.



Vietnamese worker bulldozing a new logging road in the project area, Lamam district, Xekong province.

Underneath these political considerations lie the more basic, less philosophical economic reasons for opposi-

tion to PSFM. The Xekong project was not attractive to those with decision-making power in the forestry administration because it was seeking to decrease timber harvesting (to sustainable levels) while mandating equitable benefit sharing. This translated as less money flowing into the pockets of a connected few. At its root, the Xekong project was attempting to change a system wherein a few government officials and private sector sawmillers make all the decisions about logging, and then collude to keep most of the profits from unsustainable timber removals, minus a few pay-offs to low-level foresters and village chiefs, and some ceremonial royalty fees paid (in accordance with the almost meaningless quotas prescribed by the government annually).

Successful implementation of the project model would thus have increased transparency in the timber business and reduced illegal and unsustainable logging, which is currently the major source of income for nearly all officials in the province. Any amount of time spent in the Xekong provincial capital – where small wooden houses on stilts stand in the shadow of concrete mansions, and shiny new Lexus SUVs and Vietnamese logging trucks piled high with roundlogs buzz past swidden farmers on their way to the market – reveals how much cash is flowing in, and how skewed the distribution of the new wealth is. Nearly all of this wealth is from the timber business: “gifts” and cash tribute paid to government officials by sawmillers and timber traders who get quotas. Middle and low-level foresters all the way down the line are part of the game as well. Their pay-offs, while considerably less than what the top-level people

can expect to make, are still far more than they could hope to earn in almost any other endeavour.

Meanwhile, in the villages where the timber is being cut, villagers receive a pittance, if anything at all. In nearly half the cases documented by the project, companies simply never paid villagers anything, coming up with any number of excuses to deny payment. In the relatively few cases where villagers complained to the authorities, their complaints were ignored. When villages are lucky enough to receive some compensation, it amounts to only a small fraction of the value of the wood. Typically, about US\$1.50 per cubic metre (m³) is paid, regardless of the market value of the species.

This amounts to 0.75 per cent of the stumpage for *Dipterocarpus alatus* (a common medium-grade species which sells for around US\$200/m³), and 0.21 per cent of stumpage for *Pterocarpus macrocarpus* (an increasingly rare high-grade species which often goes for US\$700/m³), in comparison to the 17.5 per cent (after royalties) they should be paid following PSFM legislation. Systematic under-reporting of the actual volumes removed by forestry staff add further to village losses.

The Xekong project was attempting to change all this. PSFM, with its emphasis on planning, scientific forestry, low-impact harvesting, regular monitoring, and benefit sharing, requires a lot of hard work, investment and reduced profits for the most powerful players. It benefits a large majority of the stakeholders, but few of them have any real power in the political system in Laos. In short, the villagers had everything to

gain – hence their support – while those who currently make all the decisions related to logging stood to lose out significantly. For these reasons, it is easy to understand why, in the end, support evaporated for the project.



Forest mosaic in Xekong province – dry dipterocarp stand in the foreground, looking through to semi-evergreen/mixed deciduous hill forest.

The wider issue

Xekong is not an anomaly. The “fire sale” described in the *Watershed* (Vol. 5 No. 3) article seven years ago continues, despite all the current donor investment. Serious problems have also plagued the implementation of SUFORD since its inception, revealing a consistent pattern of what can only be concluded is deliberate malfeasance on the part of the government. The World Bank’s own “Aide Memoirs” produced during regular monitoring visits back this up. Worse still, as the recent release of a Bank consultant report makes plain, illegal logging is going on inside the two SUFORD-supported forests that were awarded FSC certification in 2006.⁸

The question begging to be asked is: why is PSFM national policy when the letter and spirit of the legislation has little genuine support among government officials in charge of forestry? The

answer is simple: the legislation was accepted by the government only under duress, as “collateral” for World Bank guarantee of the Nam Theun 2 hydropower project loan. As noted above, the FOMACOP project ended in 2000, amid concerns about the lack of villager participation in timber harvesting and benefit sharing. Subsequently, many in the Lao forestry administration deemed the project a failure. However, the World Bank and the Finnish government saw the model as a success, so much so that the Bank tied guarantee of a loan for the government’s top-priority development project – the Nam Theun 2 hydropower dam – to the acceptance of PSFM, SUFORD and FSC certification.

The PSFM legislation purported to institutionalise a form of forestry that many in the Lao government at the provincial and national level did not like. The fact that the legislation was originally drafted in English by World Bank consultants, only later to be translated into Lao, and the fact that few, if any, at the provincial and district level are familiar with these legal documents, is testimony to the lack of ownership and support among government officials. As the history of the Xekong project bears out, once officials learned what the legislation translated to on the ground, they did not want to see it implemented. After the official from the Department of Forestry visited the site and made it clear that the project should not be working on production forestry, all support at the provincial and district levels for the project evaporated. It was a small step from there to the dismantlement of the project at the evaluation meeting.

⁸ See <http://pulpinc.wordpress.com/> for the full report, as well as the debate its release has sparked.

Participatory forestry demands participatory institutions

What are the implications of the discontinuation of the Xekong project? What needs to be done to improve the situation with forestry in Laos? If the story chronicled herein is any guide, there is a long way to go before PSFM can take hold. A few prerequisites to improving Lao forestry are presented here in closing.

First, there must be more genuine support for PSFM among decision makers, and meaningful enforcement of the reforms that the central government passes. In a political system like that which exists in Laos, if decision makers do not understand or support the policy, it will not be implemented. Thus there must be a concerted effort – nothing short of a “crack down” on illegal logging – from the very top of the Lao bureaucracy to first educate provincial authorities about PSFM, and then honestly enforce its implementation.

Second, there is a central contradiction in Lao law that needs to be addressed before PSFM can take hold. On the one hand, basic legal documents like the Constitution and the Forestry Law cite the central role of the state as sole land owner and ultimate decision maker over forest resource use. On the other hand, PSFM legislation entitles local communities to certain rights in forest management and benefit sharing. When conflicts arise between communities and state agencies, as they did in the Xekong project, it is easy for officials to simply cite the Constitution or the Forestry Law to deny communities any meaningful role in decision making. Unless this central contradiction is addressed, by amending the Constitution and the Forestry Law, there seems little hope that PSFM will achieve widespread implementation or lasting success.

Third, there is a need for an independent conflict mitigation body to exist before PSFM can take hold. At present, the court system in Laos is not well developed; Lao courts are not independent bodies capable of challeng-

ing political authority. Therefore, when conflicts arise between communities and the state, there is no outlet for the lodging of grievances and fair resolution of disputes. With the Xekong project, for example, though national legislation was being followed to the letter, once a political decision was taken to close the project, there was no way for communities to appeal to a separate authority and challenge the decision. Without such a conflict mitigation body, the inevitable conflicts that arise with community forestry cannot be fairly treated and solved.

These are fundamental issues. Indeed, they fall outside the scope of what “forestry” projects, strictly defined, typically deal with. But it is the view of the author that, in essence, democratising reforms such as the PSFM legislation require democratic institutions in order to work. Short of any real decision-making authority, community forestry often translates into a system wherein, in the words of one villager in Xekong, “we are doing all the work, but getting no benefits.”

Selected References

A fully referenced version is available upon request and all project documents as well as the 15-year management plan are also available through the author

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