

# Viet Nam-Lao PDR Bilateral Exchange

## Collaboration in Sustainable Forest Management and Addressing Regional Displacement under REDD+

29-31 MAY 2018

LUANG PRABANG, LAO PDR

### About the Bilateral Exchange:

Under the Vietnam UN-REDD Programme, an exchange was organised between Viet Nam and Lao PDR on the developments in the forestry sector particularly those related to REDD+ and transboundary displacement issues. Both countries are engaged in REDD+ and this represents an opportunity to place forests and land use on a more sustainable footing, and provide incentives for doing so. But, illegal and/or unsustainable logging and timber trade between countries can undermine REDD+ efforts. This bilateral exchange thus encouraged discussions on the potential domestic and cross-border impact and risks, and identified mechanisms for monitoring of risks.



### Objectives and Expected Outputs:

- To exchange information on recent government policies that affect forest, land use and management practices including implications of transboundary displacement;
- To exchange information processes and strategies applied in development of national REDD+ strategies; and
- To formulate early ideas towards a future bilateral collaboration and Lower Mekong regional initiative for addressing displacement in the forest risk sectors.

### Workshop Agenda

#### DAY 1: POLICIES & MEASURES AND REGIONAL IMPACT

- Opening speeches by Vietnam, Lao PDR, and Norway
- Presentation and plenary discussions
  - National policies on REDD+/ forestry sector and links to REDD+
  - Theory of transboundary deforestation/ degradation
  - Regional impact of national policies and measures
- Group discussions on four topics

#### DAY 2: FIELD VISIT

- Land Use Planning processes and approaches, implications and lessons learnt – TABI experiences in Nambak district
- Visit to rubber plantations by small holder and company
- Presentation; VRG pilot assessment of voluntary standards

#### DAY 3: MONITORING; WAY FORWARD

- Presentation and plenary discussions on data management and monitoring
  - Initiatives from Government,
  - Initiative by private sector and CSOs
- Way forward for a regional initiative (Group work by country)
- Event survey and feedback
- Closing remarks (by FAO)

# DAY 1: REDD+ Institutional set up, Emerging Forestry Policies and Cross-border Trends

## How REDD+ as a multi-sectoral agenda can achieve the necessary engagement with all relevant sectors

In Viet Nam, multi-sectoral engagement in REDD+ is facilitated by the REDD+ office now merged under a State Steering Committee on Forestry and REDD+ led by the Deputy Prime Minister. The National REDD+ Action Plan (NRAP) of Vietnam is approved by the Prime Minister, and gives mandate for all relevant sectors to implement. Vietnamese participants questioned the feasibility of cross-sector coordination in REDD+ when the approval of the National REDD+ Strategy (NRS) of Lao PDR will be at the level of the Ministry of Agriculture and Forestry (MAF). Lao participants explained that the official mechanism is for the MAF Minister to report to the Prime Minister, and the National REDD+ Task Force which is a multi-sectoral set up.

## Policies affecting forests across borders

Recent policies that impact the forestry sector include the Communist Party's Directive No. 13 (Directive 13) of Jan. 2017 of Viet Nam and the Prime Minister's Order No. 15 (PMO15) of May 2016 of Lao PDR. With provisions for logging bans in natural forests included in both policies, and provisions for banning export of unfinished timber products included in PMO15; there is no doubt that timber flows between Lao PDR and Viet Nam will be affected. The Lao PMO 15 (among other regulations) is considered a key trigger in the sharp fall in timber exports from Laos to Viet Nam. Concurrently, increase in exports from Cambodia and some African countries to Viet Nam was reported. Discussions indicated that Vietnamese buyers were able to prepare for PMO15, and negative impacts were limited. The extent to which the increase of imports from African countries can be directly attributed to the PMO 15 was questionable but participants acknowledged the increase of trade with African countries and its associated risks.



## Break out discussion groups

### Group 1: Government coordination and joint action

#### Potential areas for further collaboration

1. Joint cross-border forest patrolling & capacity building
2. Responsible/sustainable cross-border investment/trade
  - Exchange of customs data
  - Joint monitoring on cross border trade (e.g. Joint taskforces convened through MOUs)
3. Deforestation-free commodity chains (e.g. organic farming, coffee, rubber, corn production through contract farming, etc.)
4. Policy alignment between sectors and between countries including policy formulation and enforcement (e.g. plantation, trade, investment, taxation, protection, and conservation)
5. Best practices, guidance, knowledge sharing, implementation of agreed actions (MOU)

### Group 2: MoU between Viet Nam and Lao PDR; What/how to improve and modify for REDD+

1. An MoU at the level of MAF and MARD, which could cover the whole forestry and agriculture sector
2. The MoU could make specific reference to REDD+ and FLEGT
3. Other specific work areas that may benefit mention include: PFES, eco-tourism, and green-growth.
4. A new Joint Program between the two countries focusing on forestry, agriculture, investment, and land could also be a way forward
5. A generic MoU between MAF and MARD exists and will be reviewed in 2018.
6. A Joint Declaration on regional collaboration was renewed between the three Prime Ministers of the CLV countries in 2018; this includes the agenda of collaboration against cross-border forest crimes

# DAY 1 (cont'd.) Break out discussion groups



## Group 3: Sectors to engage beyond forestry: entry points and challenges

1. Agriculture
2. Hydropower
3. Investment
4. Trade sector: Business associations / Private sector, and Ministry of Industry and Trade
5. MONRE (noting the Viet Nam and Lao institutional context for MONRE are different)
6. Ministry of Justice and Ministry of Defense
7. Local communities

### Entry points:

- Dialogue with the private sector through implementing social and environmental safeguards; development of social & environmental impact assessment framework and monitoring; and use of regulatory tools and voluntary guidelines
- Improved processes for granting investment certificates and land concessions; and
- Creating markets, promoting sustainable/ deforestation-free agricultural products

### Challenges:

- Takes time! Formal engagement with other sectors and certain entities will require formal endorsement from government
- The big challenge will be in implementation and enforcement of agreements/ regulations, while development of mechanisms and regulations may also be difficult, but, will not as challenging as implementing them.



## Group 4: Risks of timber trade with non-traditional partners

### Potential impacts of increased trade with Africa (primarily for Viet Nam)

1. Cost for additional legality verification (also higher carbon footprint from transportation!)
2. Weak governance countries face difficulty to comply with timber legality requirements /due diligence requirements; these risks are transferred to the Vietnamese buyers, and may lead to bad reputation.
3. Experience from the private sector indicated that timber from African countries have been unreliable in terms of supply (constant and predictable flow).
4. African timber species and properties are new to Vietnamese traders and buyers which poses new challenges to the sector in terms of utilizations and promotion.

5. With FLEGT VPA in Viet Nam, the private sector predicts that less African exporters will trade with Viet Nam due to increased legality requirements and checks
6. Alternatively, the Viet Nam VPA may have a positive trickledown effect on the African timber trade and forests by allowing only legally harvested timber to enter Viet Nam.



# DAY 2: Field Visit to Nambak District

The field trip to Nambak district took the participants on a three-hour tour through the changing landscape of Luang Prabang. The landscape included, paddy fields, shifting cultivation plots, the construction sites of the Vientiane-China railway, a Chinese hydropower construction, banana, and rubber plantations.

Participants were taken to the village of Na Ngang Tai, where The Agro-Biodiversity Initiative in the Lao PDR (TABI) is facilitating the process of participatory land use planning, to plan for current and future land use. One of the key objectives of this exercise is to institutionalize areas for shifting cultivation into land use plans and to formalize such use. Shifting cultivation is a crucial part of the community's subsistence and livelihood strategy, but, one that is not formally institutionalized in the government's land use categories. TABI's approach to land use planning engages with villagers to identify

'important forests', and to develop a plan to protect these forests from encroachment.

Participants had the opportunity to visit a rubber out growers scheme in Na Nang Tai village. A Chinese rubber company has invested in rubber plantations using contract farming models with villagers on their own land (known as the 2 + 3 model) as well as through land provided by the village to the company (formerly collective land under shifting cultivation). Rubber is considered an important alternative livelihood to shifting cultivation for the community, and profits from rubber is enough to avoid the need for community members to clear new forest land.



**Banana plantations – part of the landscape in Nambak**



**Na Nang Tai village women displaying their weaving**



**Small-holder rubber on our left; Company investments on our right.**

# DAY 3: Data Sharing and Monitoring

## Data-sharing between sectors/ministries:

In order to monitor displacement of deforestation, good data will be required. This includes data such as forest cover, forest and other administrative land categories, concession projects layer, etc. In both countries, data availability and suitability is a problem, but, these can be addressed. Challenge associated with data sharing can be overcome by ensuring that there is political will and a formalized mandate for the sectors to share data.

## Data sharing between Government and private sector:

For investors to make good business decisions, they need access to information (from government), not easily accessible. On the other hand, the government is wary of private businesses wanting to take short cuts. Good data that can be accessed easily and transparently can help build trust between these two sectors and facilitate deforestation-free investment.

## Way forward

Lao PDR put cross-cutting areas as the most important and priority area of work, for national and sub-national level implementation. Such cross-cutting areas of work largely associate with land use mapping and planning, and cross- sectoral coordination including information exchange.

Regional priority areas of work were identified under the agriculture and forestry sectors together, again starting with the importance of mechanisms for regular exchange of information between countries.

### National:

#### Cross-cutting areas:

- Implementation of national land use master plan
- Identification of village boundary
- Cross-sector land use information exchange
- Integrated spatial planning
- Implementation of land use planning at village level

#### Forestry sector:

- Update Forestry Strategy 2020 integrating REDD+ NRS
- Zoning and demarcation of national protection forests
- Strengthening law enforcement

#### Agriculture sector:

- Develop CSA and Zero-deforestation agriculture

#### Regional priorities for all sectors:

- Regular exchange of information
- TLAS implementation (also forestry)
- Pilot joint border patrolling
- Transboundary biodiversity conservation of the Annamite range
- Transboundary forest fire control
- Forest and landscaped restoration

What areas of work are priority for:  
1) national implementation and,  
2) regional collaboration?



# Day 3 (cont'd.): Way forward

Viet Nam presented their proposed scope for the enhanced bilateral cooperation between FPD and the Lao DOFI. This covers mechanisms for addressing issues of cross-border illegal logging, cross-border timber trade, border fires, and awareness raising. The presentation also incorporated points and perspectives from the Vietnam Rubber Group (VRG) and business associations.



Priority areas for cross-border collaboration – perspectives from FPD-DOFI MoU

1. Control illegal logging, trading and transportation of timbers, forest products and wildlife in the border areas between the two countries.
  2. Stricter checks and monitor exports and imports of timbers, forest products and wildlife along the border of the two countries.
  3. Strengthen cooperation on forest fire prevention and fighting in the border areas of the two countries.
  4. Communication and awareness raising about forest protection, biodiversity conservation, forest fire prevention and fighting, combating illegal logging, trading and shifting of timbers and forest products
- VRG commitments: No expansion of rubber plantations outwards; intensify plantation and productivity
  - Business associations: Issuance of red books, Information and data sharing on forestry, custom, industry and trade



## Workshop reflections – voices from participants

*“Motivation to work together (bilaterally and regionally) is present at technical levels and possibly decision makers level”*

*“PERHAPS DISPLACEMENT FROM OUTSIDE THE MEKONG REGION IS MORE PRESSING”*

*“There is real interest / willingness for both countries to work together”*

*“There are a lot of work done and available and so it’s potential to build on the existing work. However, formal process and accuracy might delay progress...”*

*“Private sector (investment companies) plays important role to SFM.”*

*“It was very useful to understand the dynamics of displacement e.g. (1) logs going into Vietnam from Lao in the past was largely in transit to China, and (2) PMO 15 was positive for Vietnam government and industry (stopped illegal logs from entering supply chain)”*

*“Involve more private sector and local authorities” ...*

# List of Participants

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