



Lao People's Democratic Republic  
Peace Independence Democracy Unity Prosperity

Prime Minister

No. 59/2002  
Vientiane, 22/5/2002

## Decree On Sustainable Management Of Production Forest Areas

- Based on the Law 01/NA of 08 March 1967 on the Government of Lao PDR;
- Based on the Law 01-96 of 11 October 1966 on Forests;
- Based on the Law 02/99/NA of 03 April 1999 on Environmental Protection;
- Based on the Recommendation of the Ministry of Agriculture and Forestry 353/MAF/2002 of 29 April 2002.

### CHAPTER I GENERAL PROVISIONS

#### Article 1 Scope

This Decree covers the identification, establishment, management and use of Production Forest Areas (PFA) and the key principles for monitoring the implementation of sustainable forest management throughout Lao PDR. This Decree further covers the duties and functions of relevant sectors, local authorities and villagers in participatory management of PFAs.

#### Article 2 Objectives

This Decree has the following objectives:

- 1.1 To enhance and implement provisions of the Forestry Law covering forest areas intended to produce wood and forest products to support national socio-economic development and improve the livelihoods of local communities through sustainable production forest management system.
- 1.2 To establish principles and procedures to establish PFAs throughout Lao PDR under a sustainable management system; and
- 1.3 To create a framework for sustainable management of PFAs based on the participation of villagers in forest management planning, management and receipt of revenues.

#### Article 3 Definitions

- 1.1 **Production Forest** – means forest and forest land that has been categorized to regularly provide for the requirements of national socio-economic development and the daily livelihood needs of the pluri-ethnic people in terms of wood and forest products without substantial harm to the environment.
- 1.2 **Production Forest Area** – means a legally established area of forest meeting all criteria in the definition of production forests, consisting of different forest categories stated in Article 16 of the Forestry Law eligible for activities under a system of sustainable forest management with participation of villagers.

- 1.3 **Production Forest Management Area (FMA)** – means a forest area or a forest land area within a PFA designated for planning, management, use and preservation under an officially approved management plan.
- 1.4 **Forest Management Sub-Unit (FMSU)**<sup>1</sup> – means the State organization responsible for sustainable management of production forest areas of the district under the District Forestry Unit.
- 1.5 **Village Forestry Organizations (VFO)** – means an organization of villagers established in a village, chaired by village chief(s), to participate in the management of forests under the village’s responsibility.

## **CHAPTER II ESTABLISHMENT OF PRODUCTION FOREST AREAS**

### **Article 4 Identification of a Production Forest Area**

A forest to be identified as PFA shall include the following key criteria:

- 1.1 A forest area and forest land in an appropriate location not overlapping areas allocated for other purposes or area reserved for national strategic purposes;
- 1.2 High concentration of forest coverage suitable for the supply of wood and forest products for production purposes; and
- 1.3 Total size of area suitable for economically viable sustainable forest management.

MAF shall issue a regulation to determine the detailed conditions and criteria for implementation.

### **Article 5 Establishment of a Production Forest Area**

- 1.1 MAF shall complete and submit proposal in coordination with provinces, municipality and special zone to establish individual PFAs to the Prime Minister for approval by issuance of a Decree. Upon establishment, MAF shall demarcate management zones in cooperation with FMSUs and villagers, according to regulations issued by MAF.
- 1.2 As the Prime Minister approves the establishment of a PFA, MAF shall preserve all records and information for review of proposals for its modification and adjustment. Any modification of the boundaries of an established PFA shall require the Prime Minister’s approval upon the recommendation of MAF.

## **CHAPTER III MANAGEMENT OF PRODUCTION FOREST AREAS**

### **Article 6 Delineation of Forest Management Area**

The agriculture and forestry authorities shall take the lead in coordinating with the relevant local administrative forestry authorities the delineation of forest management areas (FMAs) based on the officially approved general PFA management plan in order to improve efficiency in forest management and generate revenues to villagers participating in production forest management. MAF shall outline the detailed implementing procedures.

---

<sup>1</sup> ‘Forest Management Sub-Unit’ (FMSU) is used in this report as a direct translation from Lao. Other MAF documents may use ‘Forest Management Unit’ (FMU) or ‘Forest Management Technical Unit’ (FMTU), but they all refer to the same office in the district.

**Article 7      Production Forest Management Plans**

Each PFA shall operate under a specific management plan based on actual data, covering all forest categories and meeting all the objectives of sustainable management of the PFA. MAF shall issue a regulation to determine the principles for detailed preparation and approval of management plans at all levels of PFA management for nationwide consistent implementation.

**Article 8      Organization of Production Forest Management**

The administrative agencies stated in Article 9 of the Forestry Law shall be directly responsible for sustainable management of the PFAs under the following basic duties:

- 8.1 MAF shall coordinate with relevant sectors, provinces, municipality, and special zone to identify, establish, organize, monitor and inspect PFAs throughout Lao PDR.
- 8.2 PAFO shall directly support MAF and Governors of Provinces, Municipalities, and Special Zones to implement instructions and regulations on sustainable management of PFAs under their respective responsibilities. PAFO shall also guide, monitor and control implementation within the scope of its authority.
- 8.3 DAFO shall organize the implementation of production forest management plans, which shall be implemented by FMSUs, VFOs and other relevant parties within PFAs under their responsibilities in compliance with instructions and implementation rules. It furthermore has the duty to guide, monitor and control activities within the scope of its authority.

Detailed roles and duties at each level of management shall be determined by MAF as provided by the Forest Law.

**Article 9      Exploitation of wood and forest products**

Harvest of timber and forest products shall be conducted only in demarcated management areas under official approval of required management plans focusing on sustainable management and based on regeneration rates and baseline data of pre-harvest inventories.

**Article 10     Restrictions in Production Forest Area**

It is prohibited to conduct activities not included in the officially approved annual operation plan and any other activities in violation of the Forestry Law and implementing regulations concerned with forestry.

**CHAPTER IV  
REVENUES AND USE OF REVENUES FROM PRODUCTION FOREST  
AREAS**

**Article 11     Principles in log and forest products sales**

11.1 The sale of logs and forest products from PFAs shall be made to processing plants under competitive prices based on market-oriented and transparent methods to receive higher prices above the prices set by the Government in order to maximize revenue for the Government and villagers.

11.2 Log sale decisions shall be based on a transparent method involving participation of concerned parties, including representation of village forestry

organizations, on an annual basis under the guidance of the Governor of each province, municipality or special zone.

**Article 12 Management of revenues from Production Forest Areas**

The gross revenue from different activities in Production Forest Areas shall be managed and used for common purposes, such as remittance to the national budget; the forest development fund; forest operation costs; and to local development funds. The proportions to be managed and used for each purpose shall be determined in accordance with actual conditions and shall be examined and proposed by the Ministry of Finance to the Prime Minister as basic principle for implementation.

**CHAPTER V  
MONITORING AND IMPLEMENTING MEASURES**

**Article 13 Monitoring and control of Production Forest Areas**

13.1 MAF shall issue a specific regulation to establish a system to monitor the implementation of long-term management and annual operational plans, forest management agreements and forestry activities in a PFA.

13.2 Where necessary, STEA shall be responsible for the independent control of the forest condition and environment in PFAs through satellite imagery and field surveys in coordination with MAF.

**Article 14 Awards and measures against offenders in Production Forest Areas**

14.1 Any person or organization, whether public or private, with prominent achievements in participating in the management, uses, preservation and regeneration of production forests will be praised and awarded appropriate treatments.

14.2 The forestry authorities and local administrative authorities at each level shall be responsible for enforcing sanctions against offenders as provided under the Forestry Law, Criminal Law and any amendments thereto. Other organizations shall cooperate with forestry officials and villagers in restricting violations and enforcing sanctions in a PFA.

**Article 15 Settlement of disputes**

15.1 If a dispute arises between parties involved in the actual management of a PFA, the relevant sectoral and administrative authorities in the jurisdiction concerned shall participate in considering appropriate, equitable and timely solutions.

15.2 If a settlement cannot be reached by administrative means, legal proceedings will be applied.

**CHAPTER VI**  
**FINAL PROVISIONS**

**Article 16 Implementation**

16.1 MAF, sectoral authorities, equal ranking agencies and administrative authorities at all levels has the authority to issue, disseminate, train and organize the efficient implementation of this Decree.

16.2 Individuals and organization, both State and private, shall participate in the efficient implementation of this Decree.

**Article 17 Effectiveness**

17.1 All Decrees and Regulations previously issued and conflicting with this Decree are superceded.

17.2 This Decree shall become effective on the date of signature.

(Signed)

The Prime Minister of Lao PDR