

**DECREE**  
**ON THE ALLOTMENT OF FORESTS**  
**FOR PLANTATION AND PRESERVATION**

- Based on the policy guidelines of the Party and the Government on the preservation, plantation and increasing development of forests,
- Pursuant to nation's increasing loss of forested area,
- Referring to the proposal No. 0626/AF, dated 21/06/94, of the Ministry of Agriculture and Forestry, for the promotion of extensive forest plantation, regeneration and preservation among the population, relentlessly enhancing the wealth in forest.

**The Prime Minister decrees**

**CHAPTER I**

**General Principles**

Article 1 : Forest areas covered with natural forests, non-covered forest areas, as well as other types of forests are the property of the national community, and all Lao citizens have the duty to jointly manage, preserve and develop its wealth.

Article 2 : The State authorizes and promotes the use of forest areas, such as : fellow forests without useful wood, bald areas, and degraded forest areas for reforestation, and the State applies a policy of sharing and handing over natural forest to villages, collective units for their management and preservation.

Article 3 : The Sate promotes both local and foreign individuals and juridical persons to invest in extensive forestation, regeneration and preservation of forests according to outlined regulations.

Article 4 : The market-oriented plantation of trees shall mainly focus of fast growing species by using local and foreign species, in addition to teak trees and other hard wood species as long term commodities.

## CHAPTER II

### ELIGIBILITY TO SHARED AND HANDED OVER LAND FOR FORESTATION

Article 5 : The State shares and hands over land for forestation to Lao and foreign families residing in Laos to conduct forestation and preservation operations in view of regenerating wealthy forests on such areas.

Article 6 : The State shares and hands over land for forestation to state organizations, such as : departments, military units, police, offices, agencies, schools, hospitals and temples for forestation according to their respective capacity and conditions.

Article 7 : The State supports and assigns companies or state owned closed circuit wood business units to operate, mobilize, encourage and conduct wood activities within their respective sectors in coordination with the population and the local administrative authorities.

Article 8 : The State authorizes local private business entities and individuals to invest in planation of trees on their own land or to invest for the population in tree planting on the basis of contracts.

Article 9 : The State does not allow concessions for foreign business persons for tree planting by themselves, but the State authorizes private investors to establish wood processing factories and plant trees on land as provided in Article 2 for supply to such factories in joint venture with a state owned company based on tree planting by the population and purchased by the companies.

Article 10 : In addition to family collective and local and foreign business persons' plantation, the State may also assign tree planting to the population while maintenance and wages and appropriate share of profit from the sale of wood will be ensured by the State for which details will be provided separately by the Ministry of Agriculture and Forestry. In addition to contracting the local population, the State may also contract labor from a foreign factory or collectivity to plant trees on state land on the basis of contracts.

## CHAPTER III

**Eligibility to receive natural forests  
for preservation**

Article 11 : The States hands over existing natural forests within the limits of villages, military units, police and state organizations for their management and preservation on the basis of contracts signed with the State. Details will be separately outlined by the Ministry of Agriculture and Forestry.

Article 12 : The land area declared by the State as reserve forests, protected forests and production forests will be managed, preserved, regenerated, reforested and used as appropriate by the State jointly with the population, military and police units.

Article 13 : It is forbidden to make use of forest areas in activities or projects constituting forest destruction, except if authorized by the Government.

**CHAPTER IV**

**Polices, rights and interest and restrictions**

Article 14 : The State consistently applies the policy of tax exemption for land used mainly in forestation, but planted forests exempted from land tax shall include no less than 1,100 trees per hectare. Details will be separately issued by the Ministry of Agriculture and Forestry.

Article 15 : Forestation joined with other agricultural crop planting according to the forestry-cultivation-livestock system, land tax exemption will also be granted if the number of planted trees is not less than as provided in Article 14.

Article 16 : Individuals, families, collectives and the private sector may sell trees and forests they have planted with exemption from all special charges and royalties, but shall pay income tax to the State according to the regulations. Planted trees used in the construction of personal or collective dwellings will similarly be exempted from special charges and royalties.

Article 17 : Forest land handed over by the State to individuals and juridical entities for forestation is considered as placed under their management, for which the State guarantees the right of use, transfer and inheritance according to the laws under such forest land's conditions, but on which trees shall be planted as provided in Article 14.

Article 18 : In case of necessity to use forest land in other development operations impacting and destroying the existing forests, the State shall give appropriate compensation.

Article 19 : The State authorizes individuals, families or collectives to gather food, fire wood, non-restricted forest produces for their families use within the natural forest area handed over by the State for management and preservation. Tree felling in each type of natural forest for maintenance purposes shall be governed by separate implementing guidelines of the Ministry of Agriculture and Forestry.

Article 20 : It is strictly forbidden by the State to conduct any sale, exchange, transfer of management right over land covered with natural forest handed over by the State for management and preservation.

## CHAPTER IV

### Implementation

Article 21 : The remittance of land area of 1-100 ha for forestation is entrusted to the district administrative authorities in conjunction with the provincial agriculture-forestry department with acknowledgement from the administrative authorities of the provinces or municipality and special zones.

Article 22 : The remittance of land area of 101-1,000 ha for forestation is entrusted to the provincial, municipal, special zone administrative authorities with acknowledgement by the Ministry of Agriculture and Forestry.

Article 23 : The remittance of land area of over 1,001 ha for forestation must be requested from the Government before implementation.

Article 24 : Investment in forestation by foreign business persons shall be authorized by the Committee for Planning and Cooperation and the Ministry of Agriculture and Forestry beforehand for joint planning and cooperation.

Article 25 : The remittance of forest land to villages, military and police units for management and preservation according to Article 11 is entrusted to the concerned provinces and districts for implementation.

Article 26 : The Ministry of Agriculture-Forestry, provinces, the municipality and special zones are entrusted to implement and monitor results for assessment and timely solutions.

Article 27 : All ministries, equal ranking agencies, special zones; provinces and the municipality shall closely coordinate with the forestry sector at their respective level to disseminate this decree for acknowledgement and widespread information.

Article 28 : This decree is effective from the day it is signed. All formerly issued regulations seen as inconsistent with this decree are superseded.

Vientiane, 12 October 1994  
Prime Minister

Khamtay Siphandone.