



# **Establishing a concession inventory**

## *The case of Lao PDR*

**Lao-German Land Management and Registration Project**  
**GTZ**

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- Approximately 2 – 3 million hectares are already under concession: constituting 10 -15% of the whole Lao territory
- Investment Forms in Land:
  - Concession/Lease
  - Contract Farming
    - 2+3 (promoted)
    - 1+4 (not wanted, but increasing)
- Trends:
  - China 1 Mio ha and land in return for grants and infrastructure develop.
  - Kuwait tried to secure 200,000 hectares
  - Bio-Diesel, Pulpwood, Rubber
- Situation out of Control and as a reaction: Indefinite Moratorium on Concession (little impact)

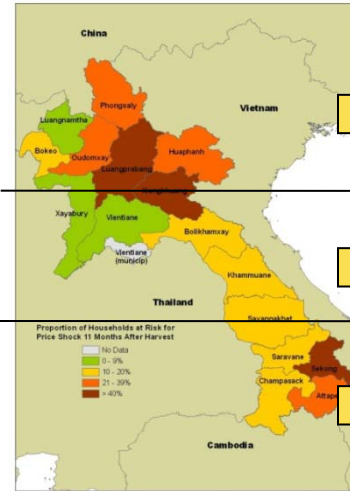


# Status Quo

## WHO?

- Chinese
- Vietnamese
- Thai

## Where and what?



**Chinese: Rice, Rubber**

**Japanese, Indian and Scandinavian: Pulp wood**

**Thai, Vietnamese, Malaysian: Rubber, Sugar, Cassava**

## When?

- Since 1993 Lao PDR became increasingly the focus of FDI in Land
- Massive increase since 2002

## Why?

- Lao PDR has one of the lowest concession rates in SE-Asia (2\$-9\$/hectare)
- Some leases stretch for 70 years



- National Socio-Economic Development Plan 2006-2010
  - Promoting FDI to reduce Poverty and meet MDG
- Forest Sector Strategy 2020
  - 70 % Forest Cover
  - 500,000 Tree Plantation (200,000 ha Rubber)
- 4 key development policies relating to land
  - Converting Land into Capital (converting unused/underutilized in productive land)
  - Food Security (2 Mio ha paddy until 2020)
  - Eliminating Shifting Cultivation
  - Promoting FDI through Concession/Contract Farming



- Three types of land
  - State Land (defined in the Land Law 2003)
  - “Private” Land (defined in the Land Law 2003)
  - Communal Land (not yet classified, only mentioned in Decree 88)
  
- Authorities responsible for giving out Concessions
  - < 3 ha District (under revision)
  - 3-100 ha Province
  - 100- 10,000 Central
  - > 10,000 National Assembly
  
- Recently also allowed for Foreigners to buy Land if Investment > then 300,000 USD

# Weaknesses



- Rules and regulations concerning investment appraisal and concession approval are not clearly defined, understood and disseminated
- Guidelines for the selection of land for concessions are not developed
- Consultations with local villages are rare and not enforced
- Monitoring of actual investments is not fully developed and enforced
- Government agencies do not have the authority and/or the resources to manage or control FDI
- Different Levels share the authority to grant concessions depending upon the size of the investment
- Risk of corruption at all levels (Central, Provincial, District)
- No Enforcement of Socio-Environmental Impact Assessment and adequate Compensation Payment



- Concession and Lease Inventory in all 17 Provinces
- Land Inspection
- Awareness Creation and Community Legal Education
- Dissemination of relevant Laws, Decrees, etc.
- Conflict Resolution
- Introduction of new approach in two Provinces:
  - Land Use Planning
  - Land Registration (Private, Communal and State Land)



# Status Quo



	Vientiane Province (1,852,600 ha)		Luang Namtha (961,200 ha)	
<b>Projects</b>	<b>237</b>	<b>391,709 ha</b>	<b>107</b>	<b>25,366</b>
Concession	198	390,374 ha	23	19,291 ha
Lease	34	177 ha	61	126 ha
Contract Farming	5	546 ha	23	5,949 ha
<b>Sector</b>				
Agriculture	114	62,551 ha	43	18,140 ha
<i>Rubber</i>	46	25,104 ha	36	18,110 ha
Mining	55	326,944 ha	5	5,502 ha
Industry	30	714 ha	12	48 ha
<b>Investors</b>	<ol style="list-style-type: none"> <li>Lao (149)</li> <li>Chinese (25)</li> <li>S-Korean (24)</li> </ol>		<ol style="list-style-type: none"> <li>Lao (58)</li> <li>Chinese (45)</li> <li>Thai (1)</li> </ol>	
<b>Documents available from active Projects</b>	Yes: 148 No: 89		Yes: 68 No: 39	



# Field observations

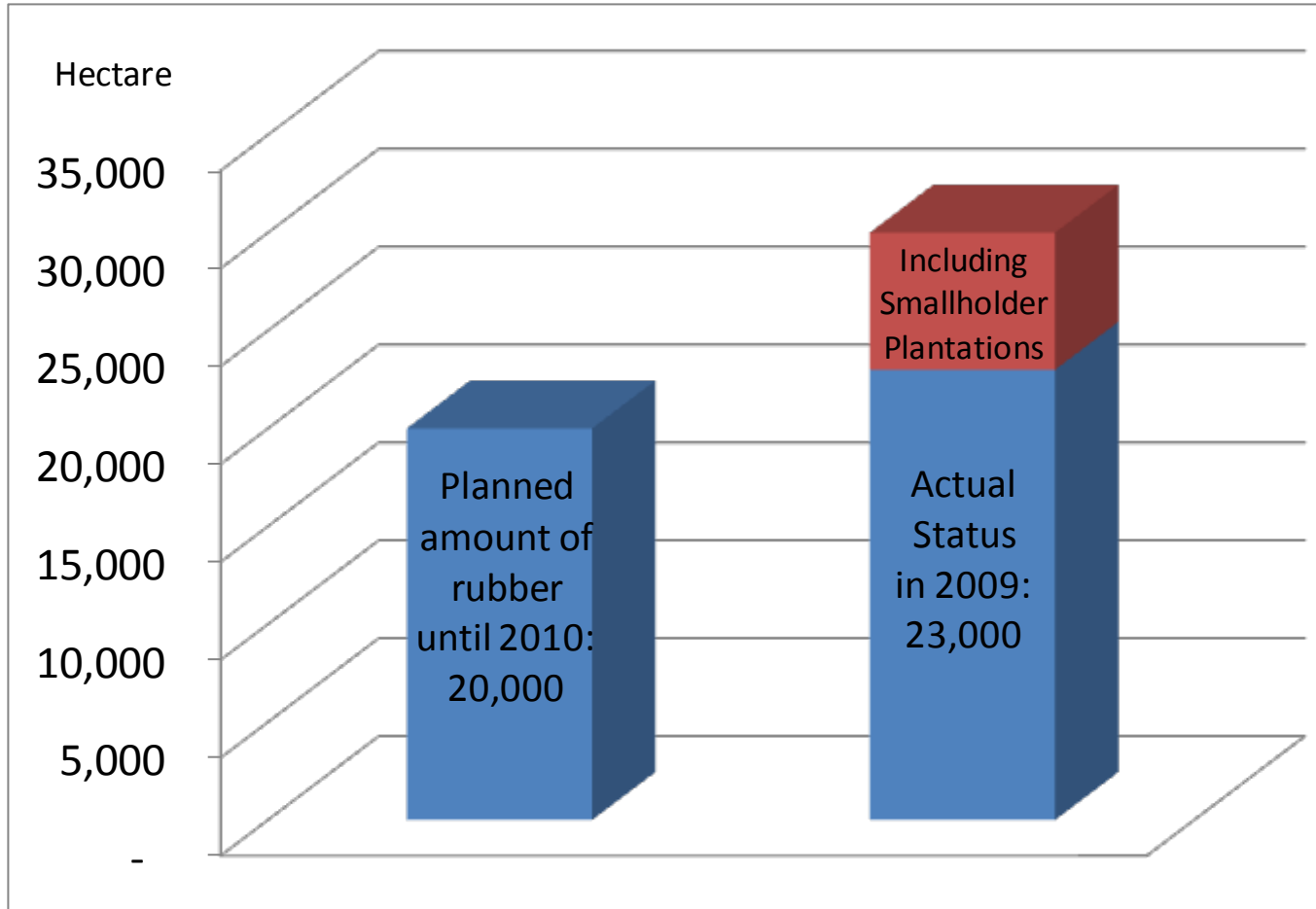


Form with Burmese text and a red arrow pointing to a specific section. The text includes fields for 'Name', 'Village', and 'Date', and a large section of handwritten notes. A red arrow points to the handwritten notes.

**“Suitable for plantation, especially for Jatropha”**



# Rubber in Luang Namtha Province







- **Positive impacts:**
  - Cash income and monthly wages
  - Access to infrastructure, schools, healthcare-centers, etc.
  - Increased government revenue which can be redistributed
  
- **Negative impacts:**
  - Loss of land/forests and associated resources
  - Conversion of conservation or production forest
  - Reduced production and availability of rice and NTFPs
  - Increased reliance on food markets for farmers/households involved
  - Increase exposure to a food security shock during periods of higher food prices
  - Resettlement without/insufficient compensation



- Presentation of the data to:
  - NLMA and Minister
  - Governmental Meeting/ all Ministers(May and June 2009)
  - Prime Minister (June 2009)
  - National Assembly (July 2009)
  
- Official request-letter from the Gov. Secretariat to NLMA to continue this activity nationwide
  
- Increased Attention on Impact-Assessment leading to the creation of 6 teams with the task to investigate the status quo nationwide





- Temporarily suspension of
  - Director of DLMA
  - Head of Land Office (PLMA)
  - Technical Staff responsible for mapping (PLMA)
  
- Issuing of PM Decree 135 on Lease/Concession
  
- Preparation of a new Presidential Decree on Concession Fees/Charge





# Thank you for your attention

