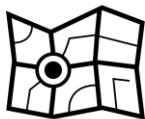




Version 1.0 | March 2022

Laos Risk Mitigation Guide

Timber



LIFE - Support EUTR II - LIFE18 GIE/DK/000763

V4 | Voices for
MF | Mekong Forests

This tool has been developed by Preferred by Nature with support from the LIFE programme of the European Union.



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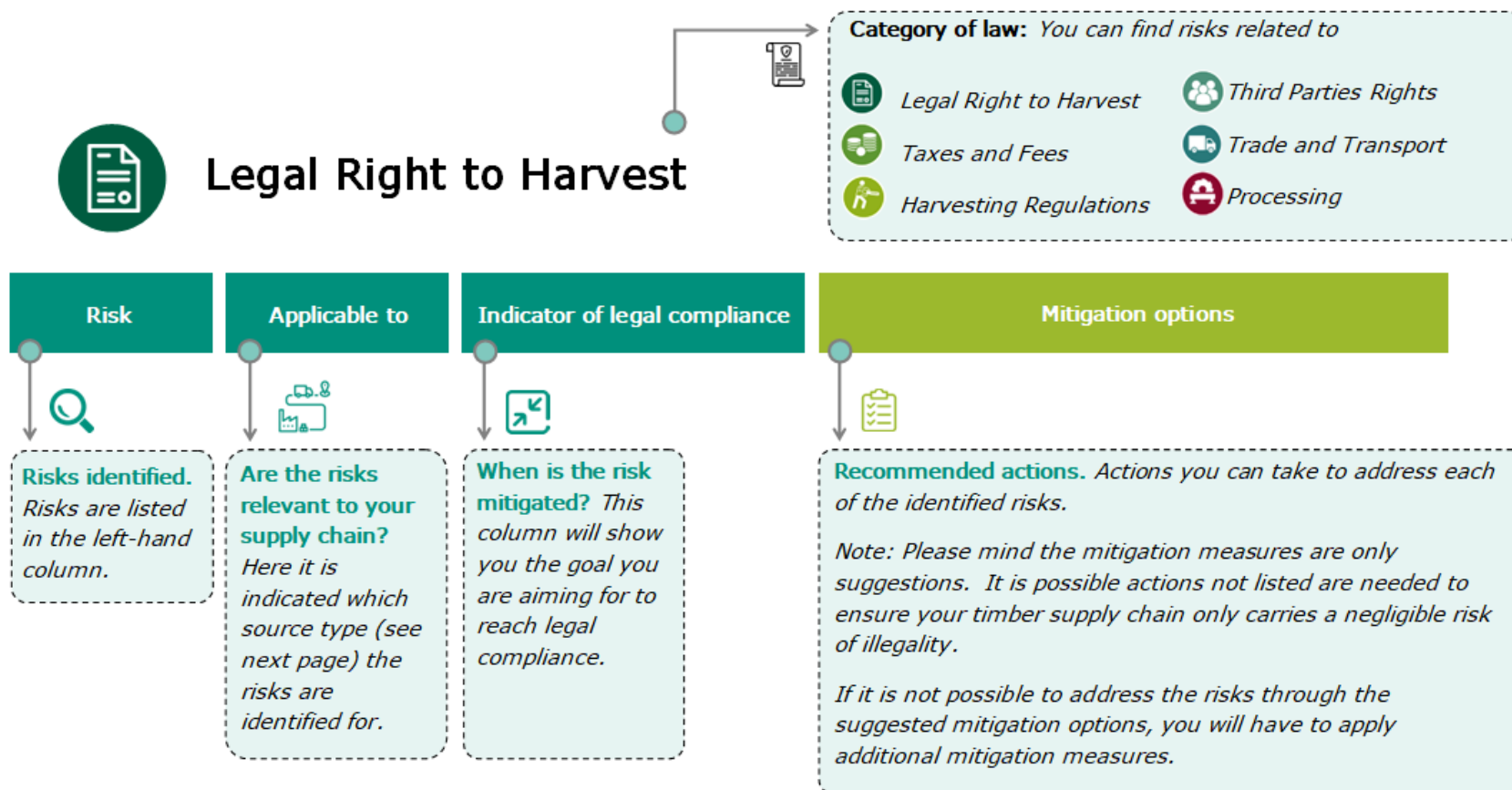


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Laos Forestry Risk Mitigation Guide

This guide provides a series of mitigation options to assure low risk of illegality of timber harvested in Laos. Please refer to the full Laos Risk assessment for more details on the applicable legislation and the elements leading to the risk determination
The guide relates only to timber harvested in Laos – not to material imported into Laos.



Timber Source Types

To understand what risks are relevant for your supply chain, you will first need to identify the origin of your timber. In general, it is often helpful to know not only the country of origin, but also other information about the origin, such as legal ownership, management regime, forest classification and permits in order to select the Timber Source Type(s) that applies to your supply chain. Identifying the right Timber Source Type is important to detail which risks are related to your supply chain and your timber products and how you can mitigate them.

Definitions used for Timber Source Types in Laos:

Conversion timber	Timber from Conservation Forests, Protection Forests or Production Forests under the national Annual Logging Plan for conversion timber. Areas for conversion include areas of forestlands for government-approved development projects (geological prospecting, mining, road and hydropower dam construction, establishment of agriculture plantations). Documents required are a harvesting plan and a logging permit for conversion timber harvested under development projects
Timber sourced via selective logging and concessions in natural production forest	<i>Note that there is a ban on logging operations in Natural Production Forests. This source type has therefore not been included in the risk mitigation guide.</i> In the past several legality risks were identified for this source of timber (See Laos Timber Legality Risk Assessment). If logging will be allowed in natural production forest in future, legislation, risks and possible mitigation measures shall be re-assessed.
Plantation timber – smallholders	Timber from Plantation Production Forests located on village agriculture land allocated within the state forest. Land is managed by small holders, up to 3 hectares can be held per household. Documents required are a three-year temporary land use certificates for tree planting and permission to log from the Provincial or Vientiane Capital Agriculture and Forestry Office.
Plantation timber – concessions	Timber from Plantation Production Forest concessions located on degraded forest or barren forestland. Documents required are a registration (for areas of 1,600 m ² or more) and a management plan (for areas of 5 ha or more).

Village forests

Note that village forests according to the revised Forest Law, 2019 can become a source of commercial timber in future. As of January 2022 implementing legislation for this source type is still lacking. If the source types becomes relevant in future legislation, legality risks and mitigation options shall be assessed.



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General Risk Level and mitigation needs

Risk

There is a general high level of legality risks identified for the timber sector in Laos¹. In addition, there is a high level of perceived corruption (CPI 30/100 in 2021²) and the World Bank Worldwide Governance Indicator estimate a low level of control of corruption and below average estimate on the Rule of Law³.

The root cause for many risks identified in the Timber legality Risk Assessment for Laos relate to governance issues. Laos is currently revising it's legal framework, and while a new land law and forest law is in place, implementing legislation is still lacking.

As a buyer of timber from Laos we generally recommend a full evaluation of legal compliance at forest level on all aspects of applicable legislation in in the country.

For evaluating legal requirements of documents, please see the Laos Document Guide.

General mitigation options

To mitigate risks in Laos, the following types of risk mitigation measures are recommended:

- Supply chain mapping back to forest level
- Document Review
- Onsite verification
- Stakeholder consultation

Many of the risks identified for Laos will have to be addressed at a higher governance level. For companies sourcing from Laos we therefore stress the need for thorough [supply chain mapping](#) and onsite verification to be able to effectively mitigate risks in the country. We highly recommend that timber is sourced from known, regular and trusted suppliers.

¹ Preferred by Nature (2021). Laos Timber Legality Risk Assessment. December 2021. Available at: <https://preferredbynature.org/sourcinghub/timber/timber-laos>

² Transparency International (2021). Corruption Perception Index (CPI), 2020. Available at: <https://www.transparency.org/en/cpi/2020/index/gng>

³ World Bank (2021). Worldwide Governance Indicators. Available at: <https://databank.worldbank.org/source/worldwide-governance-indicators>

Below are the legality risks for Laos listed (based on the Laos Timber legality Risk Assessment from XXX 2021).

It is recommended to seek professional advice and support from credible organisations with knowledge about the country and forest sector to conduct onsite verification.

Where possible we have added specific suggestions for mitigation options. Note that additional measures might need to be applied to effectively address the risks. Whether a risk has been effectively mitigated needs to be evaluated as part of a company due diligence evaluation.



Legal Rights to Harvest

Risk	Applicable to	Indicator of legal compliance	Mitigation options
<p>Conflict between villages and other types of forest management, due to:</p> <ul style="list-style-type: none"> - Lack of village titles leads to logging rights being allocated and plantations established on village lands/village forest 	<p>All source types</p>	<p>Conflicts between villages and other types of forest management shall be avoided</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Map of national forest categories: Provide an indication of possible location of forest management unit and potential risk in case of overlapping of development project or plantation with officially designated forest categories. • Village Forest Management Agreement • Maps of village land • Zoning of village forests

<p>- Risk of double-layered classification, when a village is situated inside more than one of the three nationally categorised forest types (1.1)</p>			<p>The existence of these documents reduces risk of possible violations of rights of villagers. These documents can be used to assess compliance of location of timber source (tree plantation, forest conversion under development project etc.) to zoning of village area.</p> <ul style="list-style-type: none"> • Social and environmental impact assessment, including appropriate resolution measures: must be undertaken and approved before concession agreement is signed; must provide evidence of consultations with stakeholders. • Operational plan on village development, participation of local people, benefit sharing etc.: must be undertaken and approved before concession agreement is signed. Must include maps with accurate borders of clearing areas, proofs of consultations with stakeholders, information on compensation to, and benefit sharing with, affected local population. • Land title for private land or a three-year Temporary Land Use Certificate for tree planting issued by the District Office of Natural Resources and Environment/District Agriculture and Forestry Office: legitimates right of holder to conduct commercial tree planting. Documents must include accurate descriptions of borders as well as a map. <p>Consultation</p> <ul style="list-style-type: none"> • Consult local villages in the areas adjacent to plantations to verify the absence of conflicts.
<p>Lack of business registration (1.1)</p>	<p>Plantations</p>	<p>Business registration shall be in place</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Business registration: confirms legitimate right to deal with logging operations and to harvest plantation timber for commercial use.

<p>Concessions being established or granted in violation of regulations (1.2)</p> <ul style="list-style-type: none"> - Concessions being established without authorisation - Concession licenses issued as a result of corruption - Concession licenses issued without legal authority 	<p>Plantation concessions</p>	<p>Plantation concessions shall have concession/lease agreement in place issued following legal requirements, issued without corruption; by the correct legal authority</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Basic document justifying necessity of forest conversion allows checking of whether authorities were empowered to sign agreement; shall include accurate description of concession borders and a map. Date of map must correspond to date of agreement’s signing. • Concession/lease agreement for tree plantation by the Ministry of Natural Resources and Environment or Provincial/City Offices of Natural Resources and Environment: legitimates right of holder regarding commercial tree planting; allows checking of whether authorities were empowered to sign agreement; shall include accurate description of concession borders and a map. Date of map must correspond to date of the signing of the agreement. • Social and environmental impact assessment, including appropriate resolution measures: must be undertaken and approved before concession agreement is signed; must provide evidence that area lacks productive forests and complies with definition of degraded forest or barren land (in case of concession for establishment of tree plantation), to substantiate absence of irreversible negative effect, and to provide measures for reforestation and/or compensation of negative social and environment impact; must provide proof of consultations with stakeholders. • Operational plan on protection of water resources and environment, land clearing, village development, participation of local people, benefit sharing etc.: must be undertaken and approved before concession agreement is signed. Must include maps with accurate borders of clearing areas, proofs of
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			<p>consultations with stakeholders, information on compensation to, and benefit sharing with, affected local population.</p>
<p>Forest being cleared for plantation concessions (illegal) (1.2; 1.9)</p> <ul style="list-style-type: none"> - Within conservation forest, or - Established on areas that are not degraded/barren 	<p>Plantation concession</p>	<p>Plantation concessions shall not be established within conservation forest or areas that are not degraded/barren</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Maps of tree plantation, plantation management plan for registered plantations: to find out whether plantation falls within conservation or protection forests. • Map of national forest categories: to find out whether timber sources are situated within protection or conservation forests. • Decision on conversion of degraded and barren forest lands made by authorities of different levels (municipal, district, province, national) depending on area: confirms that decision on conversion was made by authorities according to their mandate. • Study on socio-economic information and appropriateness to natural conditions, land tenure rights: must be undertaken and approved before concession agreement is signed; must include information on existence or absence of third party rights; provides evidence that area lacks productive forests and complies with definition of degraded forest or barren land (in case of concession for establishment of tree plantation). • Social and environmental impact assessment, including appropriate resolution measures: must be undertaken and approved before concession agreement is signed; must provide evidence that area lacks productive forests and complies with definition of degraded forest or barren land (in case of concession for establishment of tree plantation), to substantiate absence of irreversible negative effect, and to provide measures for reforestation and/or compensation of negative social and

			<p>environment impact; must provide proof of consultations with stakeholders.</p> <ul style="list-style-type: none"> • Concession/lease agreement for tree plantation by the Ministry of Natural Resources and Environment or Provincial/City Offices of Natural Resources and Environment: legitimates right of holder regarding commercial tree planting; allows checking of whether authorities were empowered to sign agreement; shall include accurate description of concession borders and a map. Date of map must correspond to date of the signing of the agreement
Concession plantations being established without proper maps/boundaries (1.2)	Plantation concessions	Concession maps/boundaries shall be well established and reflect the accurate situation on the ground	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Concession/lease agreement for tree plantation by the Ministry of Natural Resources and Environment or Provincial/City Offices of Natural Resources and Environment: legitimates right of holder regarding commercial tree planting; shall include accurate description of concession borders and a map. Date of map must correspond to date of the signing of the agreement. <p>Onsite verification</p> <ul style="list-style-type: none"> • Onsite verification to verify that mapped boundaries ar reflect the boundaries on the ground. • Visual validation of boarders could also be confirmed through arial and satellite maps.
Concession licences being issued for areas greater than allowed by <u>Law</u> (100ha) (1.2)	Concession plantations	Concession licenses shall not be granted for areas exceeding 100ha. Concessions shall not form an area exceeding 100 ha	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Concession/lease agreement for tree plantation by the Ministry of Natural Resources and Environment or Provincial/City Offices of Natural Resources and Environment: legitimates right of holder

			<p>regarding commercial tree planting; shall include accurate description of concession borders and a map. Date of map must correspond to date of the signing of the agreement.</p> <ul style="list-style-type: none"> The ownership of surrounding plantation concessions shall be investigated to verify if one person/company owns several adjacent concessions. This could indicate that what is officially listed as several plantation concessions on paper in fact is run as a single large concession plantation in violation with legal requirements. <p>Onsite verification</p> <ul style="list-style-type: none"> To verify that the plantation concession does not cover a greater area than 100 ha. Visual validation of borders could also be confirmed through arial and satellite maps.
Clearing of forest outside concession boundaries (1.4)	Planation concessions	Forest shall not be cleared outside forest concession boundaries	<p>Onsite verification</p> <ul style="list-style-type: none"> Conduct onsite verification to ensure borders are respected <p>Consultation</p> <ul style="list-style-type: none"> Consultation with local villagers and stakeholders that no logging takes place outside plantation concession boundaries.
Lack of social and environmental impact assessments (1.3, 1.10, 1.13)	Plantation concessions	Social and environmental impact assessment shall be in place	<p>Review documents and verify</p> <ul style="list-style-type: none"> Social and environmental impact assessment, including appropriate resolution measures: must be undertaken and approved before concession agreement is signed; must provide evidence that area lacks productive forests and complies with definition of degraded forest or barren land (in case of concession

			for establishment of tree plantation), to substantiate absence of irreversible negative effect, and to provide measures for reforestation and/or compensation of negative social and environment impact; must provide proof of consultations with stakeholders.
Lack of plantation certificates” and use of “borrowed” plantation certificates (1.3)	Plantations (smallholding / farmers)	Plantation certificate shall be in place	Review documents and verify <ul style="list-style-type: none"> • Plantation certificate
<p>Annual Logging Plan (which sets basis for maximum allowed harvest volumes) is based on inadequate inventories and requests from districts as well as prepared in the office without conducting actual field surveys. This leads to the approval of unsustainable logging activities (1.3).</p> <ul style="list-style-type: none"> - Lack of inventory survey, or documents which include fictitious data (“ghost inventory”) 	Conversion area	Annual Logging Plans shall be based on accurate inventory survey.	Onsite verification <ul style="list-style-type: none"> • National and provincial annual logging plans/quotas approved by the National Assembly and the Ministry of Agriculture and Forestry: relevant quota has to be included in Annual Logging Plan for current year. • Forest management plan for production forest area endorsed by the Department of Forestry of the Ministry of Agriculture and Forestry: forest management plan must be approved for concerned production forest area; allows verification of information on location of logging sites, annual allowable cut, as well as composition of tree species available for logging. • Pre-logging inventory and tree marking report approved by Provincial Agriculture and Forestry Office: must be undertaken in year preceding logging season, and must include maps in accordance with requirements; data from tree marking report (species, sizes, volumes) must match specification of timber on sale.

			<ul style="list-style-type: none"> • Logging plan approved by the supervision committee responsible for logging management or by Provincial Agriculture and Forestry Offices (for conversion timber): must be undertaken in year preceding logging season and include maps in accordance with requirements; data from tree marking report (species, sizes, volumes) must match specification of timber on sale. <p>Onsite verification</p> <ul style="list-style-type: none"> • to confirm plans are in accordance with legal requirements, and that maps correspond to actual delineation and situation on the ground. <p>Consultation</p> <ul style="list-style-type: none"> • Consult the Provincial Agriculture and Forestry Office and Department of Forestry of the Ministry of Agriculture and Forestry: to confirm that inventory and logging plans have been developed based on field survey.
Wood quotas approved by officials without legal authority (1.3)	All source types	National and provincial annual logging plans/quotas have been approved by the National Assembly and the Ministry of Agriculture and Forestry	<p>Review document and verify</p> <ul style="list-style-type: none"> • National and provincial annual logging plans/quotas approved by the National Assembly and the Ministry of Agriculture and Forestry: • Review Annual Logging Plan to verify that relevant quota has been included for current year.
Lack of management plans with which logging is to be comply (1.3)	Plantations	Plantation management plan for registered plantations shall be in place.	<p>Review document and verify</p>

			<ul style="list-style-type: none"> • Plantation management plan for registered plantation: includes information on location of parcels allocated for logging in current year, age structure and planted species. • Village Forest Management plan: includes information on areas allocated for smallholding tree plantations, age of plantations, planted tree species.
Logging in areas with development projects fails to comply with basic requirements of relevant forest legislation (1.3)	Conversion	Forest legislation shall be complied with during conversion	<p>Onsite verification</p> <ul style="list-style-type: none"> • Compliance with compliance of legal requirements shall be confirmed at the ground.
<p>Lack of documentation and maps for areas to be converted, or conversion of areas greater than areas granted for development projects</p> <ul style="list-style-type: none"> - Lack of documentation by the start of construction, and projection of the route done after construction has begun (1.3) - Maps with no or incorrect borders of concessions for what 	Conversion for road construction and plantation concession	<p>Documentation and maps for plantation and development projects must be in place prior to conversion of an areas.</p> <p>Converted areas shall not exceed the area granted for development projects</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Documents and maps covering the development project / planned forest concession shall be in place. <p>Onsite verification</p> <ul style="list-style-type: none"> • Borders of logging (clearing) area must comply with project design (approved route of road, transmission line, maximum flooding level of reservoir etc.).

forest land should be converted (1.3)			
Bribes used to obtain logging permits (corruption) (1.4) Governmental authorities involved in forging of documents (1.4)	Conversion	Corruption when issuing logging permits shall be avoided.	<p>Document review and verify</p> <ul style="list-style-type: none"> • Contract for logging in areas with infrastructure development, mining, tree and industrial crop plantations between specially appointed committee responsible for logging management and operator, and logging permit issued by the supervision committee: the contractor shall be a state logging unit. In cases where the contractor is a concession holder or its associate company, this can be indicative of illicit activities. • Approval of District office of Agriculture and Forestry or by Provincial or Vientiane Capital Agriculture and Forestry Offices via a request to District Agriculture and Forestry Offices for verification of registered plantations is required. • Government permission is required for logging of prohibited tree species (in case of forest conversion).
Conversion of areas within conservation/protection forests (1.4)	Conversion	Conversion of forest shall not occur within conservation/protection forests	<ul style="list-style-type: none"> • Ensure timber is not originating from conservation/protection forests through supply chain mapping. • Verify that the development project from where the timber is originating from is not placed within conservation/protection forests



Taxes and Fees

Risk	Applicable to	Indicator of legal compliance	Mitigation options
<p>Risk of corruption related to payment of tax (1.5, 1.6, 1.7)</p> <ul style="list-style-type: none"> - Bribing of tax officers in return for tax deductions is not uncommon. 	Conversion	Taxes shall be paid	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Log list: made at log yard II. Volumes, composition of species, and sizes in log list shall match characteristics of timber on sale. • Contract on sale-purchase: proves that timber was officially sold by government agency, and that royalties were paid. • Royalty payment receipt (certificate): to be compared with market prices and minimum prices set by the Ministry of Industry and Commerce for current year. This information may provide an indication as to whether timber was auctioned or sold via negotiations at the lowest price (which can be indicative of conspiracy between officials and buyer).
<p>Unofficial sale, and lack of harvested timber being registered in log yards as required for tax registration (1.5, 1.6, 1.7)</p>	Conversion	Sale of timber shall be done officially, and harvested timber shall be registered in log yards	
<p>Risk that smallholders lack business registration, and do not pay taxes (1.5)</p>	Plantations (smallholders)	Business registration shall be in place and relevant taxes shall be paid.	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Business registration • Bank deposit slip • Payment receipt (certificate)



Timber Harvesting Activities

Risk	Applicable to	Indicator of legal compliance	Mitigation options
<p>Harvesting regulations not being met by forest operators (1.8)</p> <ul style="list-style-type: none"> - Cutting of timber volume regardless of area allocated for clearance and results of pre-felling survey; - Composition and volume of harvested timber having no relation to the pre-felling inventory in practice; and - Logging in areas with complete restriction on logging (on slopes over 35 degrees, and within riparian forests), including hauling along and across streams. 	Conversion	Harvesting regulations shall be in place and followed during harvesting.	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Logging contract and logging plan (for conversion timber): borders of logging area must comply with project design (route of road or transmission line, maximum flooding level of reservoir etc.) <p>Onsite verification</p> <ul style="list-style-type: none"> • Conduct onsite verification to confirm legal management practices.
Legal requirements covering protected tree	All source types	Government approval for harvesting protected tree	Review documents and verify

<p>species are being ignored and protected species being harvested without official authorization (1.9)</p>		<p>species shall be in place (only allowed for forest conversion).</p>	<ul style="list-style-type: none"> • Village Forest Management Plan and map with zoning of village forests: to find out whether plantation or area with forest conversion falls within village conservation or protection forests. • Management plans for National Protected Areas, protection, and production forest areas: allocation of logging areas shall comply with management plans, and protection sites (habitats of rare wildlife species, areas with high biodiversity) shall be set aside. • Logging contract and logging permit, forest management plan for production forest area, pre-logging inventory, and tree marking report: protection sites (habitats of rare wildlife species, areas with high biodiversity) and trees of prohibited species shall be mapped and set aside. • Government approval for prohibited tree species: can be allowed only in case of forest conversion.
<p>Conversion of protected areas for development projects established in conflict with legislation (1.9)</p>	<p>Conversion</p>		<p>Review documents and verify</p> <ul style="list-style-type: none"> • Logging contract and logging plan (for conversion timber): to find out whether logging area falls within protection or conservation forests • Map of national forest categories: to find out whether timber sources are situated within protection or conservation forests.
<p>Illegal sale (laundering) of natural-grown timber through teak plantations (1.9)</p>	<p>Plantations</p>	<p>Naturally grown teak shall not be sold through teak plantations</p>	

<p>General disregard of environmental requirements (1.10)</p> <ul style="list-style-type: none"> - Logging in environmentally sensitive areas (slopes, buffer zones and stream banks). - Lack of Environmental Impact Assessments and its implementation. 	<p>All source types</p>	<p>Environmental requirements shall be adhered to.</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Village Forest Management Plan and map with zoning of village forests. • Management plans for National Protected Areas, protection and production forest areas: shall set environmental limitations for logging activities. • Logging plan: shall contain measures on environmental protection (forest roads shall not cross steep slopes or go along river banks, temporary bridges shall be built over streams). • Plantation management plan for registered plantations: to find out whether plantation is situated outside of conservation and protection forests, whether plan provides standards for application of pesticides and fertilisers, procedures on storing of chemicals and disposal of empty containers, whether list of banned pesticides is available. • Environmental impact assessment: must be undertaken and approved before granting concession; to check whether irreversible negative impact on environmental value was considered, and what measures were taken to mitigate and compensate negative impact. • Operational plan on protection of water resources and environment: for development projects and tree plantations. • Summary report of actual implementation of measures to mitigate and minimise impacts.
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<p>Misuse of fertilisers and other chemicals (overuse and use of banned pesticides) (1.10)</p>	<p>Plantations</p>		<p>Review documents and verify</p> <ul style="list-style-type: none"> • Records of good agricultural practices, and records of complaints and actions taken to resolve them, are reviewed by the Department of Agriculture once a year. • License on import of pesticides. • Records on pesticides turnover. • Pesticide registration certificate.
<p>Risk of non-compliance with health and safety rules (1.11)</p> <ul style="list-style-type: none"> - Lack of safety equipment and protective gear; - Very basic forest camp facilities; and - Use of non-certified hauling/winch trucks. 	<p>All source types</p>	<p>Health and safety requirements shall be in place</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Companies shall report to the Labour Inspection Agency on assessment of risks to safety and health within the labour units, and to the Labour Inspection Agency on accidents. • Plantations: <ul style="list-style-type: none"> ○ Pesticide registration certificate. ○ List of banned pesticides. ○ Instructions on the correct use of pesticides, and with information on the negative impacts of pesticide exposure. <p>Onsite verification</p> <ul style="list-style-type: none"> • Visual inspection of harvesting sites to confirm that health and safety regulations are in place, including verification of use of PPE, forest camp facilities. • Interview with forest workers shall confirm that PPE is provided and being used.

Failure to clear unexploded ordinance (UXO)/mines (1.11)	Plantations Conversion	Unexploded ordinance (UXO)/mines shall be cleared prior to clearing of forest	Review documents and verify <ul style="list-style-type: none"> • Report on completion of UXO survey or UXO clearance and release of land for use (combined with the handover certificate). • UXO/Mine Accident/Victim Reports (check whether there were accidents, detail victims and circumstances).
Health issues from handling pesticides (1.11).	Plantations	Pesticides shall be handled safely	Onsite verification <ul style="list-style-type: none"> • Safe handling of pesticides shall be confirmed through observations and interview with staff. • Plans regarding handling of pesticides shall be confirmed.
Lack of labour contracts (1.11)	All source types	Contracts shall be in place for workers.	Onsite verification <ul style="list-style-type: none"> • The presence of labor contracts shall be verified during onsite visits.
Risk of priority of employment not being giving to local Lao citizens (1.11)	All source types	Priority of employment should be given to Lao citizens.	Consultation <ul style="list-style-type: none"> • Receive input from local villagers or stakeholder on whether employment has been open to Lao nationals and whether it is considered fair.
Risk that workers do not nor receive salary (1.12)	All source types	Salary shall be paid.	Onsite verification <ul style="list-style-type: none"> • Review payslips and payment receipts during onsite audits



Third Parties ' Rights

Risk	Applicable to	Indicator of legal compliance	Mitigation options
<p>Local communities are not adequately compensated when communal lands are re-allocated to a company (1.13)</p>	<p>All source types</p>	<p>Local communities shall be adequately compensation when re-allocated</p>	<p>Review documents</p> <ul style="list-style-type: none"> • Concession/lease agreement granted by the state for hydropower dam construction, mining etc. • Concession/lease agreement for tree plantation by Ministry of Natural Resources and Environment or Provincial/City Offices of Natural Resources and Environment. <p>The documents above can be used to identify if concession overlaps village areas; contract considers right of local population, and terms require mitigation of damage and compensation for damage, relocation expenses (including provision of appropriate source of subsistence).</p> <ul style="list-style-type: none"> • Village Forest Management Plan and map with zoning of village land/forests: to find out whether forest management plans for production forest areas reckon with these documents; in case of conversion, mitigation and compensation measures must be commensurate with type and value of converted lands. • Social impact assessment. • Resettlement plan.

			<ul style="list-style-type: none"> • Land acquisition assessment. • Land acquisition and compensation report. • Ethnic minority development plan. • Memo with the estimation of compensation signed by all stakeholders. <p>Consultation</p> <ul style="list-style-type: none"> • Consult with re-allocated communities to verify that they have been adequately compensated.
Lack of formalisation of complaints from villagers due to corruption (1.13)	All source types	All complaints raised by villagers shall have been formalised and addressed (or in the process of being addressed)	<p>Consultation</p> <ul style="list-style-type: none"> • Consultation with surrounding villagers to verify if there are any complaints which have not been formalised. Verify if the complaint is being handled.



Trade and Transport

Risk	Applicable to	Indicator of legal compliance	Mitigation options
A lack of, or falsification of the registration of harvested logs at Log yard II (1.16)	All source types	Timber sources shall have been registered accurately at log yard II	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Logging contract and logging permit: basic information on permitted timber for logging for comparison with log list and checking of its validity.
Disparities between records of quantities,	All source types	Records of quantities, species composition and quality of	

<p>species composition and quality of harvested timber at different stages of the chain of custody (from pre-felling inventory, to log list and custom documents) (1.16)</p>		<p>harvested timber shall match through the supply chain.</p>	<ul style="list-style-type: none"> • Pre-logging inventory and tree marking report: basic information on permitted timber for logging for comparison with log list and checking of its validity. • Records from log yard I: basic information on permitted timber for logging for comparison with log list and checking of its validity. • Log list: made at log yard II. Volumes, composition of species, and sizes in log list shall match characteristics of timber on sale. • Transport permits as required for plantation timber: this is the only official document for plantation timber that specifies composition, quantity and quality.
<p>Timber being transported without required documents (1.17)</p>	<p>All source types</p>	<p>Timber shall be transported with required documents</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Sale contract: the sale contract with the government (for natural timber) is the key document which provides legitimate grounds for issuing all other permissions. • Removal permit from log yard II. • Transport permit for timber commodities. <p>Verify that information contained in the documents correspond, and relate to the material transported and purchased.</p>
<p>Transport documents carrying incorrect information (1.17)</p>	<p>All source types</p>	<p>Documents shall contain accurate information</p>	<ul style="list-style-type: none"> • Removal permit from log yard II. • Transport permit for timber commodities. <p>Verify that information contained in the documents correspond, and relate to the material transported and purchased.</p>
<p>Irregular or unofficial timber exports (1.19)</p>	<p>All source types</p>	<p>Wood export shall be officially and legally exported.</p>	<p>Review documents and verify</p> <ul style="list-style-type: none"> • Export license. • Certificate of origin. • Copy of Enterprise Registration Certificate authorised to exercise timber business.

			<ul style="list-style-type: none"> • Packing list. • Customs declaration form. • Copy of sale-purchase contract. • Copy of payment receipt through Bank of Laos. • Bank slip on payment of export tariffs and royalties.
Dual contracting between exporters and importers, with underestimated prices on the Laos side and real prices invoiced in the receiving country (1.19)	All source types	Prices of timber exported shall be correctly declared	
Illegal harvest and export of Siamese rosewood under CITES export permits (1.20)	All source types	Rosewood shall not be exported	<p>It is recommended to avoid sourcing CITES listed species.</p> <p>Document review and verify</p> <p>The below documents shall at a minimum be in place.</p> <ul style="list-style-type: none"> • Government approval for prohibited tree species (for conversion timber); prerequisite document to justify application for CITES certificate. • CITES export permit <p>The origin of the timber shall be confirmed before sourcing.</p>
Illegal issuance of CITES export permits (1.20)	All source types	CITES permits shall be issued legally and only for legally harvested wood.	

About LIFE Legal Wood

[LIFE Legal Wood](#) is an initiative that aims at supporting timber-related companies in Europe with knowledge, tools and training in the requirements of the EU Timber Regulation. Knowing your timber's origin is not only good for the forests, but good for business. The initiative is funded by the LIFE Programme of the European Union.



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