NGP Study Tour - Laos 2016
The Letters from Laos

In October 2016, the New Generation Plantations (NGP) platform held a study tour in Laos in the Ho Chi Minh trail, to look at how can plantations integrate multiple land uses for improved livelihoods.
Our NGP Study Tours are designed to encourage people to think differently about plantations and the challenges that plantations create for local communities and biodiversity.

Before the Study Tour I wrote a think piece which asked a number of questions about Laos, about the legacies of the war and about how plantations can be developed fairly and sustainably.

During the study tour we asked the participants to work together to answer these questions. Each group of 9 people spent time discussing and investigating, and on the final day shared their answers and understanding with the rest of the Study Tour. We asked a facilitator from each group to record the 3 most issues for each question.

In the following letters on the next few pages, we have tried to capture the discussion points from each feedback session in response to each question in the Thinkpiece.

Sometimes the groups came up with clear answers and solutions, sometimes they came up with more questions and in many cases clear themes emerged which we have drawn together in the conclusion.

Introduction

Asking questions is important, because it is how we learn best; Only by asking questions and seeking different opinions can we begin to understand complex issues.

The NGP study tours offer a unique opportunity to ask lots of questions and to hear lots of different answers and lots of different possible solutions.
The legacy of the war became clearer the longer we spent in Laos. There are the obvious signs – old cluster bomb shell casings used for everything from plant pots to barbecues to house supports. But there are also more subtle impacts: many local farmers have a great distrust of agro-chemicals due to the extensive use of agent orange to defoliate the forest.

The groups believed that dealing with the unexploded ordnance (UXO) was a key area impacting local communities and restricting development. While Stora Enso was taking a lead role in the clearance work, a joint approach with the other UXO agencies could perhaps be more effective. It was apparent that some development projects were failing to follow an official regulation which required all land to be checked and cleared prior to any work commencing; it's essential that this is addressed to ensure fairness and maximum benefit for local communities.

The groups identified a number of opportunities for public-private partnerships (PPPs) to promote cooperation and mutual benefit by encouraging communities, government and companies to work together, and amplify the strengths and experience of those involved. UXO and agroforestry training were seen as key areas where this approach would deliver most benefit.

Roles and responsibilities for organisations involved in these PPPs must be well defined to ensure clarity of objectives and to manage expectations and timescales. There is a risk of a dependency culture developing, with government and communities relying on plantation companies like Stora to deliver local services. To avoid this, capacity building of both civil society and of the various levels of the Laos government is essential.

Key points
1. Support land restoration
2. Create a safe environment – for workers and communities
3. Promote best practice
How can plantation companies improve livelihoods and socio-economic opportunities with local people?

The feedback from the participants in answering this question was similar to the previous one. They felt that it is essential that plantation companies try to work “from” the local communities in Laos and not simply “for” them. Quite often the companies have tight timelines to work to, including deadlines imposed by the local or regional Laos government to begin clearance and development work. These deadlines can be in direct conflict with an aspiration to inform and consult local communities before the works starts.

The groups all felt that it was essential to establish clear baseline data for a range of indicators and to regularly monitor these and assess progress. This was best done in collaboration with third parties to ensure that the results were credible and had independent assurance. This would also provide reassurance and evidence for the plantation company to demonstrate that it was having a positive impact.

Many discussions about sustainable land use hinge on planning – who does it, how decisions are made, and the scale at which it operates. Plantation development in Laos is an obvious opportunity to catalyse participatory planning at a landscape level, but this needs to be within a wider framework of national objectives and strategy, and a bottom-up commitment to community engagement. However, it seems unrealistic to expect a company, having secured consents on an area of land, to wait (potentially many years) for this framework to be credibly developed – particularly when competing agricultural intensification projects are willing to move forward without having addressed many of these issues.

Some of the intercropping projects developed by Stora required a fundamental change compared to traditional agricultural practices; if the maximum benefit is to be achieved then there needs to be investment in outreach training for local farmers, not just in the agricultural elements but also in the marketing and sale of additional produce. Otherwise the opportunities of these agroforestry models will not be realised, and they may even undermine traditional farmers.

Key points

1. Set measurable goals from baselines for socio-economic indicators to include:
   - Household income
   - Primary healthcare and disease reduction
   - Literacy and general secondary education

2. Become the catalyst to develop a participatory land-use plan.

3. Provide agricultural and forestry extension services, with strong communication and community consultation.
Biodiversity and wildlife are key issues whenever plantations are discussed. In this part of Southeast Asia, where neighbouring countries have lost significant areas of natural forest, Laos has managed to retain forest cover on around two-thirds of its territory. We learnt that elephants are still occasionally seen by some of the local communities, although the elephants and the few remaining tigers are both under increasing pressure from the illegal wildlife trade and infrastructure development.

Many people in rural Laos still practise shifting or swidden farming. Normally this slash-and-burn is on a seven-year cycle to give the soil time to recover its fertility; each family needs a hectare of land each year to provide enough food, so a total of seven hectares is needed for a complete cycle. As Laos’s population grows, more land will be required or there will be an increasing need to move to more intensive forms of farming. Swidden, although very low cost, is also inefficient in terms of labour and produces low yields per hectare.

In the same way that socio-economic data needs to be baselined, the participants felt that plantation companies should assess and record key biodiversity indicators and monitor them on a regular basis. Stora Enso’s developing partnership with WWF in Laos was a great opportunity to do this in a credible and transparent way. The traditional ways in which local people use the remaining forests for non-timber forest products – such as medicinal herbs, building materials and food – also need to be understood and monitored to minimise negative impacts or increasing pressure on remaining forests.

Many of the land challenges in Laos (and elsewhere) are about finding a balance between managing large areas of land at low intensity (for example slash-and-burn agriculture on an extended rotation), compared to managing some areas more intensively while leaving others undisturbed (as in intensive plantation forestry combined with conservation areas). This is sometimes referred to as land sharing vs land sparing. There are challenges and opportunities with both models – how they are used can make a big difference in a country like Laos, which is starting to grow economically but still has 80% of its population employed in agriculture.

Key points
1. Develop government strategies, policies and regulations for the plantation sector and wood product industry.
2. Promote community development planning covering areas such as:
   • Agroforestry
   • Education and training
   • Subsistence vs cash crop agricultural livelihoods.
3. Strengthen biodiversity management and planning around high conservation value areas, non-timber forest products and buffer zones
In Laos all the land is owned by the state but individuals can own permits entitling them to use an area of land. We learnt from Stora Enso that the formal process for leasing land requires negotiating with central government, then with regional government, and finally with local communities. Stora were trying to improve on this by working with local communities to identify areas of land before speaking with the government. However, local communities often have no formal title over land that they may have worked for generations.

Local communities often welcome the opportunity to work with investors due to the promise of income from the leased land but most importantly the potential for paid work. Government benefits directly from development companies via a “land tax”. This means great care is needed to demonstrate not just transparency but also fairness and, importantly, free, prior and informed consent.

One of the challenges in developing an innovative approach to plantation management – as Stora are doing with their “alley cropping” agroforestry model – is communicating the model to local stakeholders. This is not always simple – the alley cropping model is based on different crops being grown between the rows of eucalyptus trees, depending on the height of the trees and so the amount of shade. Farmers in the neighbouring communities are more used to shifting, largely manual cultivation.

There is a need for companies like Stora to develop case studies and models, to enable local stakeholders to make informed decisions about adopting these new agroforestry techniques. A majority of farmers tend to adopt new techniques once they have seen them being used successfully by their peers. By working with local research organisations, agricultural colleges and NGOs, plantation companies can enable a better and wider understanding of the potential for agroforestry models and ultimately enable a faster, better roll-out with more farmers.

There is a key role for governments to play in both regulating plantation development but also, as discussed in response to Question 3, creating a framework of national policies and strategies for that development to occur.

**Key points**

1. Promote optimal land choice allocation – through a top-down regional-level analysis, then detailed bottom-up work in areas of interest.
2. Build trust with local people, develop concrete examples to replicate.
3. Use a multi-stakeholder approach (involving NGOs, investors, communities, government) to push national policy and legal reform.
Stora Enso has a good model in Laos. The company is clearly trying to demonstrate and promote opportunities for local communities, while also trying to create sufficient economic benefit from their plantations to encourage further investment and development.

The negative perceptions of plantations in many countries and the poor performance and broken promises of some companies will always be a challenge for those that want to do things the right way. It’s essential that Stora are able to demonstrate the tangible benefits of their way of working, to both the local communities and other key stakeholders.

This can best be done by working in collaboration with a wide range of independent organisations – local and international NGOs, researchers, various levels of government. Again, a partnership approach is essential if these projects are to succeed.

Clear case studies which have been independently assessed are also important to demonstrate proof of concept. This could also include enabling local communities to visit demonstration sites, helping them to make more informed decisions when they are asked for “consent” to expand plantation areas. These case studies are also an important part of “baselining” data to demonstrate continuous improvement.

Many participants on the study tour suggested that Stora Enso need to be more adaptive in their management. They should be able to demonstrate that they are capable of adjusting their plantation model as their local knowledge improves and to reflect local challenges in different communities – one size definitely doesn’t fit all.

Plantations are a higher-risk investment for all stakeholders than they first appear. Communities are reliant on an external investor to establish and manage the plantations and to keep their promises about community benefits, while the investor needs to ensure they have long-term access to land, particularly where the market for the final product is yet to be developed.

Perhaps what is needed is a new model of plantation investment that not only shares the benefits but also shares the risks – avoiding the risk of developing a dependency culture. Is there an opportunity to develop a “joint venture” where the local communities provides the land and possibly the labour, and the investor brings the capital and the expertise? In many Northern European countries, large forest product companies are reliant on thousands of small, family-owned forests to supply their raw materials: is this a concept that can be adjusted to a community ownership model in countries such as Laos?

Key points

1. Demonstrate that the model works – particularly in ensuring that villagers have enough land to grow food.
2. Build the capacity of Stora Enso employees and villagers by engaging in partnerships with relevant organisations.
3. Put adaptive management systems in place - monitoring, ESIAS, forest certification.
Re-reading these letters a few days after the end of the study tour a number of key themes emerge. Some of these are very specific to Laos but others are common to any plantation or agricultural intensification project.

**A** - Communication is vital, communication in every form, at every level and in every direction. It is easy to assume that stakeholders understand what is being proposed, and for consent to be given but this needs to be part of a transparent way of working in open and ongoing consultation. Case studies which can be visited by stakeholders are a great way to communicate and improve understanding of the challenges involved.

**B** - Large scale plantation projects in developing countries are often a challenge in terms of wider legislation, contractual arrangements and particularly land tenure. It’s essential that roles and responsibilities are clarified and communicated, and when needed revisited as the projects develop and mature.

**C** - Land use planning, what happens where, and who decides; this is closely allied to the challenge of communication and legislation and tenure. Without a robust and strategic approach to planning, then the risks of plantation development are much higher for all stakeholders from the developer to the local communities and biodiversity.

The groups who worked on these answers, represent a wide range of stakeholders from local to international NGOs, from plantation companies and from investment banks. By working together sometimes on issues outside our normal areas of expertise we can challenge assumptions and often create solutions which get normally overlooked.

These letters are not the end of the learning journey in Laos, we will share them with our hosts Stora Enso and the local WWF office; and also more widely via the network of participants and of course the NGP website.

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