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## Laos: No Success Like Failure - Policy Versus Reality In The Forestry Sector

Over the past decade, tens of millions of dollars have been invested by funding agencies to improve forest management in Laos with the stated aim of aiding rural development and livelihood security. Despite these investments – including multi-million dollar projects backed by the World Bank, the Government of Finland and the Swedish International Development Cooperation Agency (Sida), among others – mismanagement of Laos' production forests remains the norm.

In the latest edition of Watershed Magazine (Vol. 12 No. 1, July 2006-February 2007), Benjamin D. Hodgdon, a forester and social ecologist with a decade of experience in Indochina, chronicles the experience of an NGO-supported project recently discontinued by the Lao government to highlight the serious problems plaguing the country's production forests.

His article – No success like failure: Policy versus reality in the Lao forestry sector – offers a rare glimpse into the real world of logging in Laos, a reality that stands in stark contrast to the forestry legislation signed by the government at the behest of its major financial supporters.

The article begins by presenting the rationale for community forestry in the Lao context, as well as the development of the Lao version of community forestry focused primarily on timber production, called "participatory sustainable forest management" (PSFM). The result of a decade-long policy process supported by the World Bank and the Government of Finland, PSFM stipulates on paper that villagers living in or adjacent to designated production forest areas have the right to be involved in forest planning and management, and that they are entitled to a significant percentage of the profits from timber sales.

This is the policy. But the reality is something quite different.

To illustrate this point, Hodgdon tells the story of a WWF-supported project that aimed to initiate PSFM in Xekong Province, a remote and overwhelmingly indigenous province in the south of the country. The project – implemented in a 10,000 hectare area called Phou Theung – worked with provincial and central-level government forestry agencies to involve seven villages (ethnic Krieng, Alak and Souay) in forest planning and management in accordance with national PSFM legislation.

Over time, however, and especially as the logging season moved into full swing, serious malfeasance on the part of the project's government partners emerged.

"Foresters routinely left their work with the project or were reassigned to work with companies that were illegally removing timber from the project area" Hodgdon writes. Presented with evidence of such malfeasance, provincial authorities pleaded ignorance or claimed that they were the activities of "rogue" operations. In reality, however, as the article shows, such illegal timber removals had "the full knowledge and approval of government officials."

As a result of the project's activities to improve forest management and implement national law,

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powerful individuals in the Department of Forestry and the Xekong provincial government colluded to discontinue the project, citing the fact that “only the state” has the right to make decisions about logging.

The closing of the project, Hodgdon writes, illustrates how many in the Lao government do not support PSFM, for both political and economic reasons. Politically, the project represented a shift away from the government in decision making power over valuable timber resources, while economically it “translated as less money flowing into the pockets of a connected few.”

The article concludes by asserting that without fundamental changes to political and legal institutions in Laos there is little hope for PSFM to take hold. “In essence,” says Hodgdon, “democratizing reforms such as the PSFM legislation require democratic institutions in order to work.”

The full article is available at [http://www.terraper.org/pic\\_water/Watershed%2012\(1\).pdf](http://www.terraper.org/pic_water/Watershed%2012(1).pdf)