

Turning Land into Capital

A review of recent research on land concessions for investment in Lao PDR

Part 1 of 2 – Existing literature



Photo credit: *The Vientiane Times*

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Mike Dwyer, mdwyer@berkeley.edu
Doctoral candidate, Energy & Resources Group, University of California, Berkeley

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Executive overview

This report departs slightly from the traditional format, inviting the reader into the document via this “executive overview” rather than a more traditional executive summary. “Turning Land into Capital” attempts to review a relatively recent body of literature about land concessions in the Lao PDR. As such, it is *already* the product of extensive summarizing: its twenty-five pages review at least twenty times as much material. Summarizing inherently presents its own challenges when it comes to what is often called “policy research”; it should come as no surprise that the most difficult part of writing this report has been deciding how to retain at least some of the original studies’ theoretical richness and concrete specificity so as to avoid hollow abstraction and, worse, the tendency toward polemic that abstraction (and thus summaries) can create. Land concessions and the livelihood issues that surround them are socially complex and geographically varied, even in a comparatively small country like Laos; what is known about them raises important questions for future investigation, using both primary and secondary sources.

This report’s intended audience is the staff and government partners of the Lao INGO Network, as well as others who are interested in social issues (and within these I include economic, environmental, legal and political ones) associated with land concessions for investment. Readers wanting a summary of the material presented may wish to focus on the introductory sections (1 and 2), the conclusion (section 4).

This volume comprises Part 1 of the report, and focuses on research summaries. Part 2 (“Gaps analysis and recommendations for future research”) will be published as a separate document. As part of an ongoing discussion about how to study the relationship between land concessions and livelihoods, the results of the report will also be presented orally to the INGO Network in late 2007.

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Cover photo credit (caption: *Rubber plantations cover the mountains behind this northern village*): *The Vientiane Times*, 11 September 2006. “Feature: Farmers cannot live without buffalos”

Abbreviations

AFD – Agence Française de Développement
 BGA – Brierley, General [Finance] and Asia [Tech] (joint venture)
 CPI – Committee for Planning and Investment
 DGM – Department of Geology and Mines
 DIC – Department of International Cooperation
 DoL – Department of Lands
 DPI – Department for Promoting Investment
 EDF – Électricité de France
 EFIC – Export Finance and Insurance Corporation
 EGCO – Electricity Generating Public Co.
 EIA – Environmental Impact Assessment
 EIB – European Investment Bank
 ESIA – Environmental and Social Impact Assessment
 EU – European Union
 FDI – Foreign Direct Investment
 GoL – Government of Lao PDR
 GPAR – Governance and Public Administration Reform and Decentralized Service Delivery
 GTZ – Gesellschaft für Technische Zusammenarbeit
 IEE – Initial Environmental Assessment
 IISD – International Institute for Sustainable Development
 IPP – Independent Power Producer
 IRD – Institute for Research and Development
 ITPP – Industrial Tree Plantation Project
 IUCN – World Conservation Union
 JVC – Japan International Volunteer Center
 LECS – Lao Economic and Consumption Survey
 LMNC – Lao National Mekong Committee
 LNRRIC – Land and Natural Resources Research and Information Center
 LNCCI – Lao National Chamber of Commerce and Industry
 LPFL – Lao Plantation Forestry Ltd.
 LSFUARP – Lao-Swedish Upland Agriculture and Forestry Research Project
 LUPLA – Land Use Planning and Land Allocation
 LXML – Land Xang Minerals Limited

MAF – Ministry of Agriculture and Forestry
 MEM – Ministry of Energy and Mines
 MFA – Ministry of Foreign Affairs
 MoC – Ministry of Commerce
 MoD – Ministry of Defense
 MoIC – Ministry of Industry and Commerce
 n.d. – no date
 NEAP – National Environmental Action Plan
 NLMA – National Land Management Authority
 NR – Natural resources
 NSC – National Statistics Centre
 NTFP – Non-Timber Forest Products
 NTPC – Nam Theun Power Company
 NUOL – National University of Laos
 PAFO – Provincial Agriculture and Forestry Office
 Pb – lead
 PDPI – Provincial Department of Planning and Investment
 PSIA – Poverty and Social Impact Assessment
 PSTEO – Provincial Science, Technology and Environment Office
 RTEA – Rapid Trade and Environment Assessment
 SEM – Strengthening Environmental Management
 SIA – Social Impact Assessment
 SIDA – Swedish International Development Cooperation Agency
 STEA – Science, Technology and Environment Agency
 THPC – Theun Hinboun Power Company
 TLUC system
 tpy – tons per year
 UXO – unexploded ordnance
 VCC – Vientiane Capital City
 WCD – World Commission on Dams
 WREA – Water Resources and Environment Administration
 Zn – zinc

Improvements are, as a rule, bought at the price of social dislocation. If rate of dislocation is too great, the community must succumb in the process.

– Karl Polanyi, *The Great Transformation*, 1944

1 – Introduction: The moratorium

On 9 May 2007, Prime Minister Bouasone Bouphavanh announced an indefinite moratorium on large land concessions for industrial trees, perennial plants and mining (VT 2007a). Citing widespread lack of attention to soil, topography, landownership and ecological zoning information, and stressing the need to “improve our strategy and address the shortcomings of our previous strategy”, the Prime Minister explained the nature of the problem as simultaneously social, economic and ecological. Land conservation disputes had arisen in Lao-ngam (Salavan) and in Bachieng (Champasak) where, as the governor put it the following day, “investors destroyed crops and teak [trees] owned by villagers to make way for rubber plantations without informing them first” (VT 2007b). There, rubber was being planted on land that might be better used for higher-value crops, while in Pakkading district (Bolikhamxay) valuable forests had been cut down without being paid for or replaced with productive investment.

The prime minister’s speech reflected the problem’s multi-dimensionality: projects involving land concessions risk, and in some cases, have already resulted in **(1)** uncompensated losses of assets, both villagers’ private assets and state/public assets; **(2)** uncompensated losses of non-asset resource entitlements by villagers (e.g., NTFPs) and of public goods (e.g., watershed protection services) by the state; and **(3)** configurations of resource use that gain resource control but decrease overall benefits, and that in doing so fail to capitalize effectively on Lao PDR’s overall comparative advantage. The speech, coupled with recent events in the energy sector, suggested a changing landscape of development activities in which the Lao government seeks to make use of land concessions more selectively by **(a)** encouraging an increased reliance on (“2+3”) contract farming, **(b)** continuing to use *small* land concessions (less than 100 hectares) to attract investment in strategic sectors (e.g., tourism, industry, agriculture), **(c)** reassessing concession activities in the mining sector, and **(d)** limiting land concessions over 100 hectares largely (although not exclusively) to the energy sector.

In many ways, the debate about land concessions turns on a bigger question about what is sometimes called *the art of government*: How to transform a resource-rich rural landscape from a geographic configuration which is largely ‘untapped’ by the state (i.e., in which agricultural production and resource extraction contribute comparatively little to centralized revenue streams compared to what they contribute to local livelihoods) into a resource configuration that can produce sufficient outputs – to both the state and its citizens – for true, national-scale development? Stated another way, how to create resource-based improvements for the national community without the rural portions of that community “succumbing in the process” (cf. the quote above)? The moratorium on large concessions clearly reflects some lessons learned, especially in areas like Bachieng, Lao-ngam and Pakkading. But as the Prime

Minister suggested, the moratorium also invites more systematic investigation, including more explicit attention to the role that land concessions are expected to play in poverty alleviation efforts. Most of this report focuses on summarizing lessons learned and questions raised from previous and ongoing research on land concessions in Lao PDR; these summaries begin in part 3. Before that, part 2 provides some additional context in order to help interpret the findings summarized in part 3.

2 – Methods and background: Why and how to study land concessions?

Reviews like this often start with definitions: what *are* land concessions? This is a difficult question for a few related reasons.

First, the term *land concession* (*samphathan thii din*) is used in different, and sometimes inconsistent, ways by different authors. The literature contains two generally distinct uses of the term: a broad use (“to concede”) and a narrow use (“to lease or rent”). Not surprisingly, the broader use – to concede, or give something in exchange for something else – occurs more commonly in non-specialized use, while the narrower use – to lease or rent – usually occurs in settings where property law is the assumed discourse.¹ These two uses of the term ‘land concession’ emerge from two fairly distinct groups of research: The first comes from *research about development* that has *encountered* land concessions through investigations about various development issues, while the second comes from *research about land issues in particular* that *set out* to investigate land and property relations. As will become evident, neither of these uses is more correct than the other; rather, each definition has its own advantages and disadvantages, and each perspective has something to offer the other one.

Second, the variability of different resource development processes – and in particular the differences that occur in different sectors – means that ‘land concessions’ can be different things in practice. Sometimes a concession is *an exclusive right to survey*, as in a eucalypt concession area in which it is expected that a certain amount of physically suitable and socially available land is believed to exist, or a prospecting concession in which a mineral deposit is believed likely but has not yet been located. In general terms, surveying is the process by which resources and the communities that live amidst them are together made *legible* – geographically visible, logically understandable and quantitatively calculable – to development actors like investors and regulatory institutions. The differences that emerge in practice between types of concessions reflect differences in the surveying processes necessary to make resource development economically, socially and environmentally feasible. Sometimes a concession that involves surveying includes *a right to negotiate socially available land*. Land availability depends not only on physical land cover and land use, but on individuals’ and communities’ options for other forms of livelihood, whether on the same land or in different areas; in other words, social availability is not pre-given, but frequently involves negotiation. Other times a concession is a *geographically defined land rental*, as in a rubber concession covering the territories of a certain number of village territories, a cassava concession covering certain types of land in a village or group of villages, or a concession for mineral production (extraction) that is defined by a grid square. In sum, the heterogeneity of Lao land concessions reflects the numerous possibilities for both

¹ For readers already familiar with land concessions, this second meaning contains the heuristic distinction between land leases [*gansao thii din*] (smaller area, shorter duration, developed land) and concessions (larger area, longer duration, undeveloped land); see GTZ 2005, 2006a.

profit and loss (whether measured in economic, social or environmental terms) in Laos' resource-rich landscape.² As will become apparent, this complexity has the potential to exceed familiar dichotomies like *degraded versus productive* and *planning versus implementation*, dichotomies which assume practical importance in debates about what projects to regulate, how to regulate them, and when regulation should begin in the project cycle.

Third, because an adequately detailed typology of land concessions has important implications for the writing and implementation of regulation, attempts to define and describe land concessions are invariably influenced by the high political and economic stakes associated with the regulatory process.³ There is often confusion, for instance (at least in a number of the English-language materials reviewed for this report), about the relationship between the *investment approval process* (including efforts to establish so-called 'one-stop' services for investors), associated *regulatory activities and documents* (including but not limited to the ESIA process), and the progression of *on-the-ground project activities*. Indeed, one useful way to read the public record is as a series of ongoing attempts to interpret this three-fold relationship according to one's preference for speedy investment, strong regulation, or a combination of the two. To date most, if not all, projects in the agriculture and plantations sector – the sector from which much of the debate about land concessions has emerged – have not undergone formal ESIA, although the fact that project documents often attempt to address issues of social and environmental mitigation on their own should raise questions about the dubious assertion that agricultural and plantation projects do not need ESIA because they are improvement-oriented. As investment promotion and regulation activities get better clarified, their powers and liabilities will increasingly come into focus, and the question "Can the ESIA process address all of the concerns of the land concessions debate?" should become more and more answerable. This involves not only the clarification of roles, responsibilities and procedures within the regulatory arena, but the specification of how different types of land concessions relate to the terms used by regulators.

Lastly, three closely-related questions haunt the discussion about land concessions: First, what are state lands and where are they? Second, what are village lands and where are they? Third, what is the relationship between state lands and village lands? On the one hand, many references to land concessions explicitly say or imply that "land concessions" actually means "state land concessions" – i.e. a long-term lease of state land to an investor. On the other hand, there is increasing empirical evidence to contradict the assumption that "state land concession" refers to the conceding of land that had *previously and separately* been identified as state land. As NLMA Minister Kham Ouane Bhouphe put it at the NLMA- and MAF-sponsored Tree Plantation Workshop in February 2007, land concessions deserve special scrutiny because they so often "cover" villagers' lands. But what this "covering" means in practice, both vis-à-vis villagers' livelihoods and vis-à-vis the state-owned natural resources like forests, rivers and minerals within which many livelihood systems are embedded, depends on the physical configuration of resources involved, the land tenure systems involved, and the presence or absence of alternate livelihood options. What this "covering" looks like on the ground also has important implications for ongoing governmental efforts to

² The framing of possible impacts, both positive and negative, in simultaneously economic, social and environmental terms reflects an effort to use the "triple bottom line" approach in order to weigh the monetary, social, and environmental relations that accompany competing development projects and strategies.

³ The ESIA process, while already well-defined once it is triggered, is currently being adjusted in order to make the triggering process clearer, and to add an appeal mechanism (P. Jensen, pers. comm., June 2007).

improve investment approval, conflict resolution and information sharing mechanisms, and for villagers' decision-making strategies about their own livelihoods.

In sum, land concessions are difficult – but are also worthy of special attention – because they make concrete a larger, and at times difficultly abstract, debate about property rights and resource entitlements, and even about citizenship and development. With this recognition, as the tip of a larger iceberg, land concessions must also be treated with care. This “larger debate” is fundamentally a debate *within* Lao society, and INGOs, donors and experts alike (this report included) must decide how to put their commitments to “advise” and “assist” into practice. In this report, I have attempted to do this, first, by devoting most of my efforts attempting to summarize, rather than critically interpret, the studies reviewed here; second, by presenting the most complete and authoritative account of Lao land concessions to date – the record in the *Vientiane Times* – in the form of raw rather than interpreted evidence (given here as Appendix 2); and third, by locating the “gaps analysis and recommendations for future research” in a separate volume (Part 2).

3 – Research on land concessions

The following sub-sections summarize the methods and findings of recent studies that deal with land concession issues. Some are “research-only” studies, while other studies are attached to development projects. Still others sit in the gray area in between. In writing the summaries, I have attempted to be as geographically and methodologically explicit as possible in order to help future researchers address the issue of disagreements in the literature – namely, do disagreements reflect differences on the ground, differences in data collection procedures, differences in data interpretation methods, or some combination of all three? Section 3.1 reviews research that has examined land concessions from a land policy perspective. Sections 3.2 through 3.4 examine studies that look at particular case studies involving land concessions in different resource sectors. Lastly, section 3.5 looks at studies that have encountered land concessions in the context of asking other questions about development in Lao PDR.

3.1. Land policy research

The studies in this section have emerged from phase II of the Lao Land Titling Project (LTPII), funded with a World Bank loan and supported by aid from the Australian and German governments, which are donating expertise in the areas of land certification, administration and valuation, and land policy, respectively. Land concessions came to prominence as a policy issue (see Box 1: Measuring Land Concessions) in the series of studies commissioned by GTZ during phase II of the LTP (2003-2007), as project implementers and advisors attempted to understand rural land issues as a prerequisite for deciding if, when and how to do rural land certification. The GTZ series of Land Policy Studies, four of which are reviewed here, are all publicly available; the LNRRIC and World Bank studies require a more negotiated approach; some information and documents are public, while others are proprietary.⁴

⁴ See <http://worldbank.org> → *Projects & operations* → *browse by country/area* → *Lao PDR* for documents available under the World Bank's information disclosure policy; also contact the World Bank office, Vientiane.

GTZ (Chanthalasy et al.) 2005. Land policy study 2: Land markets in urban and rural areas of Lao PDR

GTZ's 2005 land markets study, based on three weeks of fieldwork in VCC and Champasak, Xekong, Oudomxay and Luangprabang, identified "state land leases and concessions" as a topic in need of substantial further research. Key findings include: (1) State land leases and concessions are increasing as a result of FDI, but are frequently unproductive (cancellation by investors is frequent, cancellation by the state infrequent); and (2) for a number of reasons – including "reports of excessive state land leases and concessions authorized by District authorities", "imprecise contracts", an "unclear legal basis" for state land contracts, and "low payment of lease or concession fees on state land" – the responsibilities for the allocation of state land leases and concessions at the various administrative levels "needs further clarification." *Available from GTZ Vientiane*

Box 1: Measuring land concessions

Land concessions are often measured using *money* (typically US dollars), *area* (hectares or square kilometers) and *time* (usually years). As mentioned already, area figures can refer to any number of things, ranging from survey and exploration areas to development and use. Monetary figures are often given in terms of investment amount (which is often further disaggregated into amount expected and amount guaranteed) and actual revenues generated. Because concessions convey limited use rights rather than permanent ownership, they are measured in years. Probably reflecting the focus to date on investment over protective regulation, monetary figures have been easier to obtain than area figures (cf. GTZ 2006a:80, note 5) or maps, although references to area targets – in addition to the more familiar investment targets – are beginning to appear anecdotally. From the perspective of assessing positive and negative impacts, area and time figures are perhaps more important, although both area and time figures raise additional important questions of their own: How much area will actually be *converted*? What exactly will happen (and when) within conversion areas? When will local communities begin to receive project benefits?, and so on.

In addition, *non-area impacts* – of which *downstream impacts* from hydropower (e.g., on fisheries and flooding) and mining (e.g., water pollution) are perhaps the best known, but which also include *labor migration effects* (cf. Lyttleton et al. 2004, who describe the situation for small-scale private land rentals) – demand that we continue to look for other ways to adequately measure the impacts of land concessions.

GTZ (Schumann et al.) 2006a. Land policy study 4: State land leases and concessions in Lao PDR

This study, based on three weeks of fieldwork in VCC, Champasak, Salavan, Savanakheth and Khammuane, confirmed and clarified the findings from the second study: (1) Although land concessions are the land provision *mechanism* in the country's biggest FDI projects (e.g., the Nam Theun II hydropower project and the Sepon gold and copper mine), concessions-based *revenues* are comparatively small (in terms of both GDP and state assets income), indicating that "GoL has not yet fully developed this income source"; (2) the lack of a centralized regulator-cum-investment-regime, as evidenced by multiple permitting (i.e., no 'one-stop service') when state land is involved and by overly-restrictive area limits for provinces and districts, is expected to keep foreign capital inflows low and to prevent the FDI that does enter from being harnessed effectively for development because of the negotiating advantages it confers to investors; (3) these area limits on concession areas are "too restrictive" and "induce provinces to exceed their [legally allocated] powers"; (4) "a

comprehensive land inventory is missing”, producing a situation in which investors “search for suitable land on their own”; (5) “all contracts reviewed lacked clear and enforceable clauses on breach of contract, compensation for damages, penalties, termination, and dispute settlement”; (6) the practice of granting land free-of-charge – trading land for investment – represents an unnecessary subsidy to investors and should be eliminated except (possibly) in joint ventures; (7) although progress is being made, monitoring and inspection by line ministry offices is rare, and the central and provincial offices responsible for state assets management “have so far not succeeded in establishing a proper filing, monitoring and reporting system.” *Available from GTZ Vientiane*

GTZ (Wehrmann et al.) 2006b. Land policy study 5: Urban land markets in Lao PDR

This study, based on four weeks of research in the cities of Vientiane, Luangprabang, Savannakhet, Pakse and Oudomxai, focuses largely on transactions involving *private* land, with concessions appearing only at the end. State land is mentioned just once, but in a way that points to the porous boundary between state and private landholdings. In discussing the rule of law, which is otherwise generally positive, the paragraph ends abruptly with “The team is also concerned that there might also be cases of unjustified state land allocations to individuals” (20). *Available from GTZ Vientiane*

GTZ (Seidel et al.) 2007. Land policy study 6: Communal land registration in Lao PDR

Based on six weeks of fieldwork plus prior literature review and key informant interviews in VCC, GTZ’s 2007 study on communal land registration clearly identifies the negative impacts of land concessions as its *raison d’etre*: “Rethinking the priorities for land titling in Lao PDR is needed in order to stop the current trend toward conversion of communal lands to other uses, mainly agricultural and tree plantations.” Key findings include: (1) communal land use spans the country’s diverse ethnic landscape; (2) in every community visited, “land held in common by a community or user group plays a crucial role” in the community’s wellbeing, making communal land certification “well in line with national goals of poverty reduction and sustainable use of land and natural resources”; and (3) translating (flexible) communal land management into (more rigid) statutory terms would require a number of practical and legal changes, but a number of options are available. *Available from GTZ Vientiane*

NLMA (LNRRIC) 2007. National land concessions inventory

During one month of fieldwork, the National Land Management Authority visited every province in order to assemble existing documentary information on land concessions in the agriculture and mining sectors. Documents were collected from multiple offices (including PDPI, PAFO and PLMA) in provincial centers, but document contents were not verified – either with field checks or interviews – due to time constraints. Most of the data collected in the inventory (e.g., project type, location, area, duration and authorizing agent) comes from Investment Agreements (*bai kho toklong*). Other data for select projects comes from survey documents (*botlaingan kansamluat*), economic feasibility studies (*botviphak setthakit*) and contracts (*sanya*). This data is currently being compiled and analyzed for content and completeness, with data checking and follow-up with CPI and MAF scheduled to begin in August 2007. *Availability status to be determined – contact LNRRIC for collaboration*

GTZ (ongoing). Rural land markets study

Information available from GTZ Vientiane

GTZ (ongoing). Land conflict and resolution study
Information available from GTZ Vientiane

World Bank, AusAid, DoL (upcoming). Lao Land Titling Project Phase 2 wrap-up and Phase 3 preparation study/studies
Information available from the World Bank, AusAid or NLMA/DoL

3.2. The mining sector

As is evident from the coverage of the sources reviewed below, knowledge about land concessions in the mining sector is highly concentrated at the ‘best practices’ end of the spectrum. Most of the published material comes from the World Bank or the Sepon mine, whose reports provide important windows into the industry but raise additional questions about the transparency and independence that many industry watchers and sustainability advocates (e.g., RTEA 2007, section 3.5 below) say is necessary for good governance and sustainable development. These sources also span the actors involved in international debates about sustainable development in the mining sector, ranging from industry-hired consultants, to sympathetic partners, to watchdog organizations without a formal presence in Laos. Of all the sectors reviewed, mining may be changing the most quickly from a regulatory perspective, as evidenced by the recent efforts at STEA and the creation of the NLMA, as well as by reports (in the Vientiane Times and informally) that the DGM is in the process of “reviewing”, and possibly cancelling, a number of existing mining concessions.

World Bank (Boland and Walker) 2001. Lao PDR Mining Sector: Social and Environmental Sustainability: Results of the World Bank Group fact-finding mission.

This report, based on two weeks of fieldwork in early 2001, assessed the Lao mining sector at a point when it was seen to be poised for expansion, but hampered due to infrastructure issues, regulatory uncertainty, import-export problems, lack of knowledge about available deposits, and the recent closing of two mining operations (Lao Gold Company in Luangprabang and GemLao in Bokeo) “due to legal and environmental problems.” Findings include: (1) At the time, there was one current prospecting license, 13 exploration licenses and 28 exploitation licenses covering lignite, gypsum, tin, potash and salt production; the Sepon and Phu Bia projects were in the “pre-development” phase; (2) difficulties with “coordinated input from relevant agencies at central and provincial level” made it difficult for regulators (DGM and STEA) to comply with the Regulation on Environmental Assessment, passed the preceding year; (3) social impact assessment responsibility was suggested to be located in STEA given the training of DGM employees (geology, mining, engineering, and so on) and the fact that “the importance of social science based training within STEA has already been recognized in the NEAP”, drafted in 2000; (4) third-party auditing, especially of new large projects, was suggested as a way to clarify overlapping regulatory responsibilities and build capacity among individual regulatory staff; (5) there is a risk with the centrally-regulated ‘one-stop service’ approach that, “in the absence of any clear instruction, provinces will play a relatively passive role and potential resource developments will be seen as lying outside their strategic planning purview”; and (6) while the right to compensation is recognized, “there are a range of land uses (in particular those associated with shifting cultivation, other forms of relatively impermanent upland cultivation, and collection of forest products) for which the legitimacy of compensation is not recognized either in law or in practice” (emphasis in original; see Box 2: Entitlements versus assets).

Available on-line: http://rspas.anu.edu.au/papers/rmap/Lao_report.pdf

Box 2 – Theoretical toolkit: Entitlements versus assets

The concept of *entitlements* was developed by the economist Amartya Sen (1981) to refer to pathways of access to the means of subsistence, either directly (via food production) or indirectly (via the purchase of food). In contrast to assets, which are recognized within formal property systems, pathways of access are broader: sometimes they fit within formal (statutory) property systems; sometimes they do not. Developed in order to explain how countries with adequate food supplies could nonetheless have famines, entitlements helped Sen explain the phenomenon of “price famines”, in which poor people starved because they could not find ways to access food. The key point for Sen was not how much the poor formally *owned* (an asset-oriented approach), but whether they could *mobilize what they had at their disposal* in order to acquire sufficient food to survive (an entitlement-oriented approach). The distinction between assets and entitlements thus hinges on the question of food-procurement systems that do not fit into, and are thus not guaranteed by, *formal* property relations, but that are nonetheless recognized as locally legitimate.

FOEI (Harbinson, Rod) 2003. Undermining lives in Laos: Objections to the Sepon project 2 copper mine expansion of Oxiana Ltd in Lao PDR.

Written at the time of Oxiana’s proposed expansion from a gold mine (gold production began at Sepon in December 2002) to expanded gold and copper operations, this reported attempted (unsuccessfully) to convince the EIB to not provide a \$70 million loan to fund the expansion. Key findings include: (1) the World Bank and the Australian Export Finance and Insurance Corporation “have both categorized the project in environmental category A, the most potentially damaging type of project” and, according to the World Bank, the mine will have ‘significant, adverse environmental impacts which are sensitive, diverse or unprecedented; (2) EIB due diligence standards are lower than the World Bank’s, from whom Oxiana had opted not to pursue funding; (3) as admitted by the President of the EIB, the EIB has no way to enforce social and environmental loan conditionalities for projects outside the EU; (4) the ESIA for the copper expansion was relying “for significant aspects” on the previous ESIA for the gold project, which was “unsatisfactory because the ore processing methods are completely different [using sulfuric acid rather than cyanide⁵], geographical pit and tailings locations are different and the Copper Project is on a much larger scale”; and (5) likely impacts include cyanide spills, acid formation and drainage, and erosion-related impacts on fisheries due to habitat loss (deep pool filling) and turbidity.

Available on-line: www.foei.org/en/publications/pdfs/laos.pdf

Jones et al. n.d. (2004?) Community development and the Sepon project.

This document, explaining Oxiana’s local trust fund activities in the Sepon area, describes how the project has operationalized the concept of the “social license” (Nelson 2006) to operate the Sepon mine. According to the authors (the team was led by a consultant from Enesar Consulting Pty Ltd.), the social license concept’s “critical component is ‘implementation’, because this is where the social license needs to be maintained against a changing local socio-economic and cultural baseline of improved knowledge, greater (and more unequal) wealth and rising expectations. The implications are clear: the project’s social license requires continuous economic and social development if it is to keep pace with these changes and continue to be seen by those affected by it as ‘a good and proper thing to do’. There is no such thing as a done deal.” The report gives a number of lessons learned, including (1) despite some initial internal resistance to doing social and environmental

⁵ www.foei.org/en/publications/link/mining/12case.html

planning when the project was still at the feasibility assessment stage, having to undertake “comprehensive and detailed social and environmental planning [early on]...benefited the Project repeatedly, and Oxiana would certainly adopt the same philosophy for all future projects”; (2) “absolute commitment to public consultation and involvement of the local community” was “a key aspect” of the project’s success in community development programs, which, due to the high costs work stoppage that would result from labor unrest, are openly admitted to be “not just altruistic but are also plainly good business;” (3) a set of operating principles for dealing with local communities, presented here as Box 3.
Available on-line at www.minerals.org.au/__data/assets/pdf_file/6045/9A-1AlbertPeter.pdf

Box 3: LXML principles for maintaining a social license to operate the Sepon mine

Communicate, and spend considerably more time listening than talking.
 Use appropriate communication media, including the best translators available.
 Use local knowledge and resources wherever possible to get the message across.
 Break complex issues into simple steps.
 Be prepared to explain time after time.
 Be prepared to say no, but provide appropriate reasoning.
 Don’t rush, but maintain the pressure.
 Understand cultural expectations.
 Understand the social context, e.g., women’s issues, ethnicity, and village structures.
 Understand the total stakeholder group.
 Address every issue.
 Deliver on promises.
 Never show frustration or impatience.
 Never lie, tell it as it is.
 Be absolutely committed.

Source: Jones et al., n.d.

Mineral Policy Institute 2005. Phu Bia mine – in trouble already.

Concerns about the Phu Bia mine focus on a cyanide spill in June 2005 (also reported in UNDP 2006). Findings, which were based on Lao radio reports and contacts in Vientiane, include: (1) the spill seems to have resulted from hasty work because the project was trying to beat the start of the rainy season; (2) the problem took ten days to solve despite being known immediately, raising “grave concerns over the ability of the company to adequately deal with the environmental issues involved with mining in a region of high rainfall and steep topography, in a country where regulatory capacity is particularly weak”; and (3) there is “significant evidence to suggest that the company has covered up the nature and full extent of the impacts of the spill and issued misleading and inaccurate information in its statements to the stock exchange on the issue.” *Available on-line at <http://www.mpi.org.au/campaigns/cyanide/phubia/>*

World Bank 2006. Sector plan for the sustainable development of the mining sector in Lao PDR.

This set of eight documents – a summary report, six specialized reports (on geographic information systems, economic geology, institutions, infrastructure, international competitiveness, and macro-economy) and an action plan – is based on eleven months of consultant work (presumably during 2004-06), and consists of over 500 pages of information (including maps, figures and tables – a few of which are provided in Appendix 3), assessments, and recommendations about the Lao mining sector, ranging from physical to institutional resources, and domestic to international prospects for industry development. Findings include: (1) thirty-five mines are currently operating, of which only three

(presumably Sepon and Phu Bia in two locations) have “modern production systems;” about half include foreign investment (Chinese, Thai, Vietnamese and Australian); the rest are operated by MEM (7 mines), MoD (5 mines) and MoC (1 mine); all mines “are important providers of [employment] to their immediate communities” (51). In the regulatory arena, (2) although “the current state of mining *activities, institutions* and *infrastructure* is now well understood” (2, emphasis added), “it is very hard to evaluate the exact state of the Lao mining *industry*, because there is no relevant compiled information such as production and financial data” (50, emphasis added); (3) while the granting and documenting of mining concessions has been a primary activity of the DGM since before 2003, problems with information provision about and within the larger investment process (including the legal framework), “may be” acting as a deterrent to foreign investors; (4) “extremely limited organization and capacity” of the DGM (28-30) places the regulatory burden almost solely with STEA, which, at the time of writing, was “legally required to implement environmental management and monitoring activities but does not currently implement any environmental monitoring due to budgetary constraints” (58). (Author’s note: in the two years since, STEA’s capacity and funding have increased substantially – see STEA-SEM, next entry – and the NLMA has been added as a regulator.) Regarding the future, (5) Laos “is situated in a geologically favourable area of mineral resource potential” and contains 572 known mineral deposits, including gold (known major deposits at Sepon and Phu Bia, estimated national reserves of 500-600 tons), copper (known major reserves at Sepon and Phu Kham [near Phu Bia], estimated national reserves of 8-10 million tons), zinc (known major deposits at Kaiso and Puda, estimated national reserves of 2-3 million tons), potash (“maybe” 50 billion tons), kaolin (“maybe” 70 million tons), gypsum (“as much as” 100 million tons), plus coal, barite, rock salt and precious stones; (6) infrastructure limits and minimum economic production levels for large-scale metal production (higher-volume copper or zinc mining requiring transport of 100,000tpy) or “bulk mineral commodities” (iron ore and potash mines “must produce in excess of 500,000tpy if they are to remain competitive in regional and global markets”) pose “a huge negative impact on the potential for mining investment in Laos”: the former (100,000tpy) require a sealed road system, the latter (500,000tpy) rail or barge transport (Report 5: International Competitiveness, pp. 17-18); (7) gold, silver, gemstones, copper and zinc mining is nonetheless expected to continue increasing due to increasing commodity prices and expanding regional markets, especially China; nonetheless, (8) precise locations of future mine development are somewhat unpredictable because of confidentiality clauses in exploration contracts that give companies exclusive right to the geophysical data⁶ they collect *within* their concession areas. The report recommends that DGM “carefully discuss” ways to get better access to private geophysical data, but warns that “extravagant measures of information disclosure might reduce mining development companies’ will to invest” (39). Available on-line at <http://go.worldbank.org/UJJASQY8A0>

DGM 2006. Map of concession areas up to July 20006.

The DGM’s map of mining concessions data (see Appendix 3) shows concessions as of last year, colored according to activity level (no activity, prospection, exploration/feasibility study, or exploitation) and listed with attribute data according to company, company nationality, project location, concession area and mineral(s). Mining concessions map data is updated three or four times per year, and can be purchased in raw GIS and image format from the DGM. It is rumored that, in conjunction with the ongoing review of the mining sector and the recent moratorium on large land concessions, a number of mining concessions (30 by one

⁶ “Geophysical data” is the information needed in order to decide whether a mineral deposit in a given area is worth developing into a profitable mine.

account) are in the process of being, or will soon be, cancelled. *Available from the Geo-Mines Information Center at the DGM*

UNDP 2006. National Human Development Report: International trade and human development

This report, also discussed in section 3.5, provides two case studies based on original research in the mining sector. The Sepon mine case, representing the “large best-practices FDI project” end of the industry, captures the dilemma of best-practices mining: the project has created employment (including equal-numbers employment for women in truck-driving), schools, health clinics, all-weather roads, UXO clearance, a “development trust fund” (\$500,000 expected by 2007), a local economy sufficient to attract an in-migration rate of nine percent per year, and is expected to generate about \$25 million per year in government revenues from royalties, taxes and land concession fees. On the negative side, the environmental liabilities of the 1,947 km² concession are substantial, including “clear-cutting and open pits (particularly in the rainy season), the need for state-of-the-art handling of cyanide, the disposal of slag and the need for uninterrupted tertiary treatment of water” (see Box 4: Fictitious commodities). The “risks” listed actually describe a combination of risks and impacts, and are not described in more detail except to say that a “spill of run-off water” (contaminated with what is not clear⁷) occurred at some point and mitigation was handled well. Socially, “some conflicts” are reported between new migrants and older residents, and “some local villagers are not impressed by the trust fund activities or the prospects of [contract farming] sales to the company”, which is a net food importer despite buying all it can locally. The Nam Pathen tin mine, while also a joint venture, is presented as an example of “the other” kind of mine – the small mine that uses neither “up-to-date” production technology nor best possible management practices, but which makes up a majority of mining operations. Compared to Sepon, the story at Nam Pathen is flatter and (it would seem at first) bleaker. Environmental protection is “weak”: deforestation is widespread, local fish stocks are decreasing, the river is polluted by mine tailings, and livelihoods are more uniform: almost all of the locals are miners (about 300 work for the company, about 300 mine on their own and sell tin to the company), and most food is imported because “market agriculture and other business opportunities are few.” But the average income for artisanal tin miners (85,000 kip per day) is at or above that made by the Lao technical and managerial staff at Sepon, who comprise the top tier-paid of Lao labor, and the mining companies “modest” contributions to local development have nonetheless included a school, electrification, and salaries for police, a teacher and medical staff.

Available on-line at http://hdr.undp.org/docs/nhdr/consolidated_replies/121.pdf

STEAM-SEM (ongoing). Strengthening Environmental Management Project

The SEM project has two sets of activities that are directly relevant to land concessions issues: improvement of the Environmental and Social Impact Assessment (ESIA) process and the development of Integrated Spatial Planning methodology (the latter is discussed below in section 3.5). A central project achievement for 2005-06 is that STEAM is now “functioning effectively as an Environmental Assessment licensing and advisory body to line ministries and provinces”, an example of which was carrying out “site inspections at project sites with environmental concerns, namely cement factory, Zn-Pb mining project, gold mining project, rock mining project, dynamite factory, etc.” Current activities are focusing on updating the ESIA process in order to revise the screening process – when and how the production of IEE, EIA and SIA documents is triggered, and the formatting and topical requirements for the

⁷ The paragraph before mentions the Jun 2005 cyanide spill at the Phu Bia mine, but the chemical content of this spill would depend on the production method – possibly cyanide (for gold) or sulfuric acid (for copper).

documents that are produced – and to create an appeal process. In the current phase, the SEM project focuses “on priority sectors, such as hydropower and mining, and work[s] with all environmental management aspects of these sectors such as concession agreements, assessment of environmental impacts, environmental inspection and monitoring, involvement of the public in environmental issues, improvement of environmental awareness, and advancement in services and performance of the organization (STEAs, PSTEOs).” The strengthening of “capacities in effective performance of...environmental licensing, inspection and pollution control” is ongoing, via the development of Standard Operating Procedures at national (STEAs) and provincial (PSTEO) levels, staff development, and “work[ing] with the CPI to develop standard environmental clauses, which will be used in concession agreements.” *Contact the ESIA Division in the WREA’s Department of Environment for more information.*⁸

Box 4 – Theoretical toolkit: Fictitious commodities

Although natural resources like rivers, forests, and rocks can be *transformed into* commodities like hydroelectricity, timber and gold, they are not commodities in their natural form; they are parts of the earth. This distinction underlies the idea of the *fictitious commodity*: something that can be sold, but that was not produced for that purpose. The economic historian Karl Polanyi (opening quote) developed the concept in order to argue for careful attention to the ways in which – and in particular the *speed* at which – fictitious commodities (like land and human labor) are transformed into actual commodities. Because of the disruptions involved – for example, the need to find new food sources when fishery or NTFP stocks decrease because of a competing project – societies deal with slow transformations better than they deal with rapid ones, and they tend to resist market-based attempts to commodify fictitious commodities too quickly. Polanyi described the rationale for regulation in stark terms: “To allow the market mechanism to be the sole director of the fate of human beings and their natural environment would result in the demolition of society. For the alleged commodity ‘labor power’ cannot be shoved about, used indiscriminately, or even left unused, without affecting also the human individual who happens to be the bearer of this particular commodity. Robbed of the protective covering of cultural institutions, nature would be reduced to its elements, neighborhoods and landscapes defiled, rivers polluted, military safety jeopardized, the power to produce food and raw materials destroyed.”

Ord River Resources, 2006. Developing an integrated aluminum industry in Laos: Policy overview

This document describes a joint venture partnership between Ord River Resources (ORD, 49% of 70%), China Non-ferrous Metals International Mining Co Ltd (CNMIM, 51% of 70%) and an unnamed local Lao company (30%). ORD is described as “an Australian resource company”, and CNMIM a “China’s leading non-ferrous minerals investment company and the international representative of their smelting industry.” The authors (Wilkinson Media Pty Ltd.) write, “the Bolaven Plateau in Laos contains one of the world’s largest undeveloped bauxite deposits”, noting that “ORD, CNMIM and Laos stand to become major players in the global aluminum industry” by developing “a 138 square kilometer tenement [land concession] on the Bolaven Plateau” (see Appendix 3) where “the bauxite potential, in and around the existing tenement, is estimated to be up to 2-2.5 billion tonnes.” In addition, “negotiations are in progress for the JV to secure additional tenements in the

⁸ Since the writing of the document (the SEM Phase II 2007 Workplan) quoted here, the Department of Environment (including the ESIA Division) has been moved from STEA into the newly created WREA.

area. With that potential, ORD estimates an annual production of up to 20 mtpa (million tonnes per annum) of bauxite from the Bolaven Plateau is possible, which may be refined to 5-7 mtpa of alumina.” Given aluminum production’s demand for electricity, the project plans to construct, “subject to a feasibility study, a local hydropower scheme to sustain an integrated aluminum industry.” The intended market is China, whose bauxite reserves are expected to be “totally deficient” by 2015. The project is expecting World Bank support, which is expected to bring scrutiny and, with it, “world-best employment, infrastructure and environmental practices.” According to the timeline, the project is currently engaged in “initial exploration” (12,000 meters of drill holes and 500 pits), moving to “further exploration” (another 18,000 meters of drill holes and 700 more pits) in mid-2008 and completion of a pre-feasibility study by December 2008. *Available on-line.*

Vientiane Times 2007

Lao and Chinese to develop north *and* Yunnan to help develop northern provinces, 4 April
China top investor in Laos, 6 June

On April 3 in Vientiane, CPI and the Governor of China’s Yunnan province “signed 11 documents for investment cooperation costing more than \$1.5 million” involving hydropower development (the Nam Feuung project), agriculture and processing industries in Vientiane and seven northern provinces, rubber plantations in four northern provinces, an iron factory⁹ (presumably in Xieng Khouang), and surveying for coal. In June, possibly reflecting the recent concessions moratorium, the Director General of the DPI was quoted as saying, “Although our government wants to suspend investment in the mining sector, to allow for more comprehensive research on the possible negative impacts, I believe China will remain the number one investor in Laos if Chinese businesses invest more in other sectors.” Given the focus in the April articles on *planned* – as opposed to *ad hoc* – development, the relationship between this quote, the concessions moratorium and more recent speculations by the NLMA about how long it will last (VT 2007c), and the assistance, mentioned in the April articles, “from interested sectors from Yunnan” in “helping to formulate a master plan to develop economy and industry” in nine northern provinces remains an interesting, and probably debated, one.

Earth Systems Lao n.d. On-line project fact sheets

The consulting company Earth Systems Lao has worked with STEA, and with the Sepon and Phu Bia mining projects. ESL has a number of overview fact sheets (at least eight of which mention activities connected with Sepon, Phu Bia and DGM), and offers – but did not reply to email requests for – further information upon request.

Available at www.esl.laopdr.com and www.earthsystems.com.au/lao_eng.htm

3.3. The agriculture and plantations sector

The studies summarized in this section deal with the agriculture and plantation forestry sector, from which many voices and cases involved in the ongoing discussion about land concessions have emerged. (The production forestry sector is excluded from this report

⁹ The *Vientiane Times* April 4 2007 issue provides a number of details that are worth reading with the World Bank’s mining sector development plan (described in section 3.2): the iron factory is given a production rate of 500,000tpy, and the Yunnan governor was reported to have “proposed to push forward cooperation on transport accessibility construction”, mentioning the “middle section of the Singapore-Kunming railway link”, the “Lao section of the Kunming-Bangkok highway” (Route 3), and “Lancan-Mekong river navigation to connect China’s transportation network to Laos’ effectively.”

because it does not rely on land concessions, with one exception about which little is available in print.¹⁰) For three reasons, this sector occupies much of the ‘policy space’ in the land concession debate, and of the gaps analysis (Part 2). First, the large area – both of *existing* plantation projects and of *expectations* about land that is available for conversion to plantations¹¹ – gives the agriculture and plantations sector special importance in discussions about development, investment and livelihoods because of Laos’ rural agrarian character. Second, the importance of environmental degradation as a discourse through which agricultural and plantations-sector development is discussed means that questions of land availability and suitability for agriculture and plantations are more negotiated and contingent on interpretation than with resources like minerals or timber. Third, the existence of alternatives such as contract farming has arguably created more space for debate in the agriculture and plantations sector. Lastly, there is somewhat of a ‘sampling bias’: independent research has focused on the agriculture and plantations sector much more frequently than it has considered the mining, forestry, hydropower, industrial and tourism sectors, probably due to a combination of the first three reasons, as well as due to the relative physical isolation and political sensitivity in sectors like mining, hydropower and forestry, where enclave project configurations and the involvement of the military combine to discourage independent research.

Alton, Bluhm & Somsack 2005. Para rubber study, Lao PDR. GTZ RDMA project
Drawing on two to three months of fieldwork in Sing district (Luangnamtha), northeast Thailand and Yunnan, and on additional research in Vientiane, this study was among the first to describe the gap between what is *known* about the social, economic, technical, environmental and legal issues associated with rubber development and what is actually *happening* on the ground. Findings include: (1) “Para rubber planting and rumors of planting are rampant in the Lao PDR. The situation with rubber is changing so fast that the MAF does not have even an estimate of the area planted” (6); (2) the area planted in rubber in 2005 was probably about 50,000 hectares nationally; (3) “Chinese, Vietnamese, Thai investors (and perhaps others) are exploring investing in rubber production in the Lao PDR, and they are seeking land concessions and other arrangements” (6);¹² (4) in contrast to the story of ad hoc development, land suitability studies “seem to be a prerequisite for Vietnamese rubber companies to decide to invest in Laos” (6), although the methodology used – in particular, mapping areas that are suitable versus mapping areas that are unsuitable – demands further investigation; (5) “the need for land by outsiders and the...desire [of some communities] to plant rubber combine to create a situation where [villagers] may be willing to sacrifice some of their land base in exchange for capital or support to plant rubber” (43); (6) the investment procedure is well-described (in an annex) although “involved”; (7) the quality of the four contracts reviewed left much to be desired, from the perspective of both clarity and company advantage (86-7). Perhaps most importantly for the land concessions debate, (8) in discussing rubber companies’ desire for large land concessions, the study implicitly points out that the absence of large concessions in Luangnamtha is not the result of ecological factors (like mountainous terrain), but rather of decisions by provincial government.

¹⁰ This exception is Lan Xang Forest Resources’ (HIPA) concession, covering 600,000 hectares but allegedly being reduced to 10,000 ha (GTZ 2006a:79) and shown on a map in Hodgdon (2007).

¹¹ Area figures for land concessions are relatively difficult to come by; 500,000 hectares is frequently cited as a goal for industrial tree plantations (Lang & Shoemaker 2006:4); in February, CPI estimated that 17 companies already have 200,000 hectares of concessions for rubber. Also see Appendix 1.

¹² In addition to discussing rubber development based “land concessions and other arrangements” (i.e. contract farming), this study detailed the household-scale economics of smallholder (albeit government-backed) rubber.

Hunt, Glenn 2005. SSNC BGA plantation visit Khammouane: Field report 4 April

This report summarizes a one-day visit to [LPFL] BGA's Hinboun district office and a village in the Khammouane portion of the company's land concession. Key findings from the office visit include (1) land issues are the "most important issues" the company deals with "because when someone gains land, someone else invariably loses land" (Hunt paraphrasing the company representative); (2) in the preceding few years, the project had "conducted a variety of community development projects" related to roads (which the company had paid for), schools, temples and electrification (the latter three with labor or "small" financial contributions from villagers¹³); (3) the account of project land allocation given by the company's social and environmental representative was predicated on land allocation having been done (i) prior to the company's arrival in the village, (ii) on the basis of villagers' requests for land, (iii) with the agreement of the province, district and the villagers, and (iv) in accordance with the law. During the village visit, (4) the accounts given by headman and the company representative left confusion about the extent to which livelihoods were dependent on shifting cultivation, and disagreed about whether the company had played a role in land allocation (cf. finding 3.1 above); (5) the village headman welcomed the project as a labor provider, adding that (i) to date "only a few people had permanent employment", (ii) this employment consisted of land clearing, pesticide spraying and fertilizer application, and (iii) it was "hard to say" how often there was additional work; (6) the land targeted for conversion to plantation was former swidden land (*pa lao*); and (7) during an informal conversation with another member of the team, the headman reportedly said, when asked about how he felt about giving land to the company, that the village had little to no ability to negotiate when company representatives brought district officials with them. *Available from the INGO Network <ingoproject@laopdr.com>*

Hunt, Glenn 2006. Large scale plantations in Pakkading district: Report from a visit to Pakkading Integrated Rural Development Project, 23 March

This report, based on a single day of fieldwork, focuses on three sites in an NGO project area: the first in the Oji [LPFL] eucalypt plantation project, the second in an oil palm concession that had been abandoned by a "Malaysian investor of unknown description", the third in the now infamous Pakkading coconut plantation (cf. VT 2007a). The key findings were (1) villagers in all three project areas had lost access to their traditional natural resource entitlements including their upland fields; (2) compensation, even broadly interpreted to include access to employment, was either absent or took the form of "very limited casual employment"; (3) both "legitimate" projects (site 1) and "suspicious" projects (sites 2 and 3) involving land concessions "are the cause of much hardship to villagers." At site 1, the report describes a "resource squeeze in the village as a result of the [700-800 ha] plantation lands" that was to date entirely uncompensated by the project, either via direct financial compensation, labor opportunities or infrastructure. The resources lost to plantation land include upland agricultural land, forest land used for NTFP production, and reserve land for new families. Villagers expressed worry that "there wasn't enough bamboo shoots at [the only remaining] location for the whole village to use", and expressed frustration that their request for housing reserve land had not been heeded. A team member (an NGO worker) also described a situation in which NGO-funded access roads had been used for plantation and logging access that became subsequently counter-productive to project activities (cf. UNDP 2006:97). At site 2, the report describes abandoned heavy machinery, adjacent forest, and NGO staff accounts of logging, in order to speculate that the area had been cleared, planted with oil palm trees (that had subsequently been overgrown with grassland) and abandoned.

¹³ See High (2006) for a critical discussion of community-based labor contribution.

The team observed “one or two villagers who have returned to the area to plant rice paddy fields, [but] NTFP collection is clearly impossible” because the area is “an oil palm and grass wasteland.” At site 3, the team reported that logging had deprived three villages of land previously used for NTFP collection, hunting and possibly rice paddy, and that the state of the subsequent coconut plantation development – evidenced by dead, dying and overgrown coconut saplings (supported by interviews about the non-functional state of the coconut sapling nursery) – suggested that “the primary objective of the plantation was not to grow coconuts but rather aimed at timber extraction.” This conclusion was supported by the fact that logging was still occurring despite the presence of an abandoned and unproductive plantation area – site 2 – of comparable size (and flatter topography) less than 30 kilometers away. *Available from the INGO Network <ingoproject@laopdr.com>*

Diana, Antonella 2006. Socio-economic dynamics of rubber in the borderlands of Laos: Field report

Drawing on four weeks of research in 2005 conducted during a yearlong fieldwork period for a doctoral study on the China-Lao border economy, this report was written to complement Alton et al.’s (2004) report “with a more detailed analysis of the social intricacies fostering the ‘transplanting of the rubber dream’ in northern Laos, against the background of the cross-border links with China.” As with Alton et al., Diana’s focus is on smallholder production. Her findings include: (1) the land use planning system implemented by local DAFO and PAFO contrasts with national-level *de facto* policies “allowing big rubber land concessions to Chinese [businessmen]”, (2) the local system is nonetheless causing problems for villagers who want to plant more rubber than there is zoned agricultural land, and who claim the zoning system is too confusing.¹⁴ Perhaps most importantly for the concessions debate, (3) rubber-growing agreements based on familial ties and other social networks, *rather than on contractual precision*, “guarantee more security to the farmers in terms of capital and land use rights, as they rely on family or friendship trust”; in contrast, (4) “concession type contracts are more ambiguous in terms of labor input and remuneration, marketing of latex, and duration of land lease” and are, moreover, riskier because they involve larger land areas and “reduce land availability to the farmers for the whole duration of the contract (30-40 years).” *Available from the author <Antonella.Diana@anu.edu.au>*

Lang & Shoemaker 2006. Creating poverty in Laos: The ADB and industrial tree plantations
Arguing that “forests and common lands are key components of the livelihood systems of rural Lao communities”, and especially so for the poorest villagers “who are the most dependent on forests” for the livelihoods, this report takes the ADB to task on its plantations initiative, arguing that it is “based on a false premise – that there are large areas of unused or underused ‘degraded’ forests...of little or no current value to local communities” (2). Based on analysis of ADB documents, findings include: (1) the ADB evaluated its Industrial Tree Plantations Project (1993-2003) as unsuccessful and its own performance as unsatisfactory; (2) as shown by multiple pieces of documentary evidence, “there has been an ongoing fundamental difference in perception of how land is used and valued between outsiders (the ADB staff and central government officials) versus local villagers”, who in many cases “expressed...that they have no degraded forest land” and use forest for growing rice, raising livestock, and for collecting timber, firewood, bamboo and other NTFPs; and (3) this empirical evidence either contradicts (if one focuses on the word “no” in the quote below) –

¹⁴ Diana writes that the real harm comes to poor farmers because land clearing-cum-accumulation by wealthier farmers – in contradiction of the formal [equitable] land allocation process – deprives poor farmers of opportunities to clear decent, accessible farmland. Ducourtieux et al. (2005) report a similar finding in Xayaboury.

or, more interestingly, raises questions about economic valuation processes (if one focuses on the word “little”) referred to in – the ADB’s assertion that “plantations will be established on degraded forestlands that have little or no alternative economic value.” *Available on-line at <http://chrislang.org/tag/laos/>*

Lang, Chris 2006. The expansion of industrial tree plantations in Cambodia and Laos

Based on primary and secondary research conducted in late 2006, this report offers a number of details about the plantations sector in southern Laos, as well as an implicit comparison of Laos and Cambodia. Findings include: (1) tree plantation concessions are being awarded to Vietnamese rubber companies in the south, to Chinese rubber companies in the north, and Japanese and Indian companies in the central provinces; (2) compared to Cambodia, concessions-based conversion in Laos is more enmeshed in a discourse of forest remediation and degradation; (3) the 10,000 hectare Dac Lac rubber project in the south has been described as a model for scaling up to the 50,000 to 100,000 of land offered for Vietnamese companies; (4) citing the presence of “degraded land”, the project “paid compensation where it cleared cash crops, but [not] where it cleared farmers’ upland rice fields”; (5) a sign forbidding cattle grazing was observed in one rubber project in Champasak; and (6) the four villagers met by the research team were earning about \$1 per day performing brush clearing activities. *Available on-line at <http://chrislang.org/tag/laos/>*

Hunt, Glenn 2007. Village decision-making and village needs: Lessons from two JVC target villages. Presentation at MAF/NLMA Tree Plantations Workshop, 15 February

This presentation, based on Hunt’s doctoral research, drew on evidence from two villages that had declined to participate in a concession-based plantation project in order to draw conclusions about the consultation process involved in concessions projects where the “concession” is a survey concession – that is, where villagers in concession areas have rights of negotiation and refusal. Key findings from the first village were that (1) the way in which the LUPLA process had occurred had had an impact on villagers’ decision-making because, in contrast with other villages where LUPLA seems to have alienated land from villages, in this village it had created a sense of empowerment and responsibility; and (2) “degraded land for villagers is often not the same as degraded land for the company”; in particular, “villagers statements indicate that land that is presently being targeted for plantations is often used...for a variety of different livelihood options.” In the second village, (3) a plantation company had approached villagers on four different occasions, each time unsuccessfully, in effort to obtain company plantation land that would be contiguous with a small amount of land they had secured in a neighboring village; (4) villagers asked JVC (which had a project in the village) to intervene on their behalf with the company office in Vientiane in order to get the company to stop asking; (5) the company head in Vientiane reported that he had been unaware of this sort of activities and that the company would respect the villagers’ wishes.

Available from the INGO Network <ingoproject@laopdr.com>

Barney, Keith. 2007a. Brief overview of Forestry Concessions and Social Conflicts in Mainland Southeast Asia (draft version 24 April 2007)

Barney’s three-page review, based on existing literature and his own dissertation fieldwork summarizes the history of land concessions and present situation vis-à-vis land conflicts in Thailand, Lao PDR, Cambodia, Vietnam and Myanmar. Key findings for Lao PDR include (1) plantation-concession-affiliated zoning activities constitute a “problem area” for the plantations sector because of (i) their spatial overlap with village agricultural production systems and (ii) “a lack of local rights to participation and representation in the land zoning process”; (2) efforts at “sustainable management and regulation of [the plantations] sector”

have been “relatively *ad hoc*”; (3) these efforts, as well as ongoing initiatives “to strengthen communal claims to upland forestland” (also see GTZ 2007), are challenged by “significant political economic forces behind plantation investment”; (4) in early 2007, Committee for Planning and Investment data indicated that “a minimum of 150,000 hectares had been granted to six plantation companies (involving rubber and eucalyptus), representing an investment of \$500 million”, with plans and pressures for more on the horizon; and (5) the legal-institutional framework for managing and regulating foreign direct investment (and land concessions in particular) is “still very much under development..” Findings from other countries with relevance to the Lao situation include (a) the land concession process begins with “agreements in principle” for land quantities whose details are unspecified (Cambodia), (b) land conflicts between communities and state forest enterprises (SFEs) do not necessarily end in favor of the SFE (Vietnam), and (c) conflicts between customary and statutory resource tenure systems must be understood through their connections to “intersections [old and new] between property, political economy and social justice” (all countries). *Available from the author <kbarney@yorku.ca>*

Barney, Keith 2007b. Power, progress & impoverishment: Plantations, Hydropower, Ecological Change and Community Transformation in Hinboun District, Lao PDR: A field report

Based on participant observation research conducted during 2005-07 in a Hinboun district village that is part of the Oji-LPFL (formerly BGA) tree plantation project and is downstream from the Theun-Hinboun hydropower project, this report provides a “close-to-the-ground” account of the empirical evidence that will form the core of Barney’s doctoral dissertation in geography. The report’s key findings focus on plantations development, and highlight concerns related to project transparency, conflict of interest (in both regulatory activities and the investigative modes used to understand project villages), inappropriate use of development bank (i.e. public) funds, and undelivered benefits from private investment projects. In particular, (1) the report’s “unambiguous conclusion” is that “neither of the multinational companies featured in this report...are currently fulfilling their obligations to adequately address the environmental effects of their projects, and to take effective action to fully compensate for the losses experienced by local communities in their project areas” (8). Other specific findings include: (2) LPFL targeted ‘degraded forest’ for conversion to eucalyptus plantation, but lacked specific criteria for identifying them; (3) the land allocation (LUPLA) process was used for the specific purpose of extracting land from villagers, and villagers had very little agency to influence this process in their favor; (4) the complete terms of the concession agreement between the company and the government (e.g., regarding the company’s material commitments to development in the village) were, and remain, non-transparent and unavailable to both villagers and concerned observers; (5) outsiders took significant advantage of the employment benefits brought by the project during 2005-06; (6) in comparison to the value of the entitlements relinquished, the compensation offered to the village for access to land was inadequate; rather, villagers feel materially disadvantaged by the project, which they see as depriving them of access to land for shifting cultivation; (7) villagers lacked a formal grievance mechanism vis-à-vis the project, and are disadvantaged by the fact that local officials may be paid by the company; (7) the original concessionaire received ADB credit as part of the ITPP project to begin the project; (8) the current concessionaire’s accounts of ‘baseline’ land use practices, which are offered in defense of plantation development in general and CDM accreditation in particular, reinforce an existing yet unwarranted bias against shifting cultivation-based livelihood systems; (9) the problems created by plantation development activities have been exacerbated by negative downstream impacts from hydropower development, whose flooding of paddy land and riverside gardens increased villagers’ dependence on upland farming; and (10) BGA’s “Social and

Environmental Assessment” (conducted by a consultant in 2002), did not address the potentially negative outcomes of zoning large upland (swidden agriculture) areas for plantation development.

Available on-line at http://www.yorku.ca/ycar/Publications/YCAR_Working_Paper_Series.html

DOF-JICA 2007. Pilot project for development of survey method for identification of potential degraded forest land area for conversion through remote sensing technology

This study is examining different methods for using satellite imagery and aerial photography (taken in different years, seasons and resolutions) in order to better identify ‘degraded’ lands for conversion to plantation areas. The geographic focus of the study is Atsaphangthong district, Savannakhet. Remote data – including SPOT 5 (2006) and LandSAT (between 1970 and 2004) – is also being compared to village surveys and current land concession locations. Limited presentation of results will occur in late July, with public results expected in August 2007.

Lestrelin, Guillaume 2007. Land degradation in Laos: materiality and discourses

This paper critiques claim that “Laos’ development is threatened by a ‘chain of degradation’ stretching from deforestation to soil erosion and related downstream impacts” (4). While it does not engage the issue of land concessions directly, it locates the discourse of degradation in the practice of upland development, and implicitly inquires into the place of land concessions in both managerial and popular development paradigms. Findings include: (1) “rather than relying on strong empirical evidence, the environmental discourse established in the official literature appears very much based on a set of assumptions regarding direct causal relationships between forest and land clearing, soil erosion, downstream sedimentation and hydrological regimes and, from here, to such social and economic issues as poverty, agricultural underproduction and food security” (6); (2) the uplands, whose ‘upstream’ location and putative ecological fragility (due to thin soils and steep slopes) place them in a threatening position vis-à-vis the productive resources of national development (lowland agriculture and hydropower), remain a key site of ‘degradation’ in debates about and practices of territorial reorganization like LUPLA and village relocation (Box 5: Territorialization); but (3) engagement with issues of upland productivity and access are increasingly suggestive of a paradigm shift to more popular and less managerial approaches to upland development. *In press, currently available from the author*
<guillaume.lestrelin@durham.ac.uk>

Manivong & Cramb 2007. Economics of Smallholder Rubber Production in Northern Laos

Although this study focuses on smallholder production (and thus does not address land concessions), it is an easily accessible illustration of the practice of land capability assessment. The authors develop the concept of ‘use capacity’, which combines physical resource quality (in this case, soil, climate and topography) with access (in this case, infrastructure), to quantitatively rate areas in Luangnamtha according to their suitability for rubber. Results relevant to this report are presented as maps. *Available on-line at www.nafri.org.la/documents/Special_report/Manivong%20and%20Cramb_REVISED.pdf*

NAFRI (Vongkhamhor et al.) 2007a. Key issues in smallholder rubber planting in Oudomxay and Luang Prabang Provinces, Lao PDR

This report focuses on issues related to smallholder rubber, and is thus most relevant to land concessions through debates about alternatives. It also summarizes the investment approval process (23) and raises three related points: (1) because of the need to raise inputs locally, contract farming for rubber nonetheless involves small land concessions (on the order of tens

of hectares); (2) because of inconsistencies between different types of evidence (e.g., interviews versus contracts), because of the areas of the concessions involved (e.g., assumptions that concession means *large* concession), or because of confusion about location or extent, project details, *including presence/absence of a land concession*, are often difficult to track down without explicit attention to the issue; and (3) “plans to use large tract of land for rubber planting are seemingly approved without actual identification of the land on maps. This is both the case for state concession land as well as contract farming. While...local line agencies under PAFO and PIPC [PDPI?] are responsible for foreign investments in agriculture, land use information is not mutually shared” (16). *Available from NAFRI*

Box 5 – Theoretical toolkit: Territorialization

The concept of territorialization – the practice of creating territory – was developed by the political scientist Robert Sack, who observed that states create and manage territory in the same way animals do. The concept implicitly makes reference to Max Weber’s famous definition of the state as the institution which holds the exclusive right to use force within a given area, but modifies it in two important ways: First, the concept of territorialization insists that the monopoly on violence is not absolute or pre-given; it requires continuous attention to activities which establish and maintain the presence and legitimacy of the state in the territory. Second, it points out that, unlike the implicitly military orientation of Weber’s definition, the territory-creating activities of the state are largely economic and social. Together, the practices of territorial organization, maintenance and reorganization (or territorialization for short) – activities like infrastructuring, biophysical and administrative land classification, definition and (re)location of cities and villages, and the collection of taxes – constitute an important sphere of activities within which populations meet and interact with the state, and conversely within which states simultaneously exploit and protect their populations. On territorialization in Southeast Asia, see Vandergeest and Peluso 1995 (Thailand); Li 1999 (Indonesia); Sowerwine 2004 (Vietnam), Vandergeest 2003 (Laos) and Rigg 2005 (Laos).

Schipani, Steven 2007. Ecotourism as alternative to upland rubber. *Juth Pakai* 8:5-17.

This study, based on the author’s experiences as a government ecotourism advisor, uses an economic comparison of ecotourism and rubber in Luangnamtha province to “provide land use planners with a broader perspective on an alternative livelihood activity (community-based ecotourism) already taking place on forested land in and around [areas] that may be earmarked for conversion to rubber plantations” (6). Key findings include: (1) villagers are undertaking rubber production “either as sole proprietors or under various land-stewardship and revenue-sharing agreements with Lao or international investors” (6);¹⁵ (2) by 2005, “over 4,580 ha of degraded forest and swidden fallow fields had been cleared and replaced with small to intermediate rubber plantations in close proximity to a number of trekking routes in Sing and Namtha districts”; (3) ecotourism arguably meets all of the primary objectives of protected area management in Lao PDR, while monocrop rubber meets none; (4) ecotourism in Luangnamtha “is [already] generating immediate and significant levels of foreign exchange without clearing large tracts of land”, is already generating more money than the province’s 4,580 hectares will generate when they come into production, and is expanding in profitability on the basis of consumer spending rather than additional land clearing and possible labor imports; and, in conclusion, (5) “ecotourism activities and rubber plantations

¹⁵ In focusing on rubber *plantations*, Schipani (like many others who have encountered – rather than set out to study – land concessions) is not focusing on *concessions* per se, but on land *conversions*.

can be conducted viably in the same province, but not in the same immediate areas” (15) (cf. VT 2007d).

Available on-line at <http://www.undplao.org/newsroom/juthpakai.php>

ADB, AFD & MAF (ongoing). Agriculture and natural resources needs assessment (TAR: LAO 40105)

This study is working to address what it sees as an “unprecedented challenge to natural resources planning and management” – namely the “largely externally-driven pressures” by Chinese, Vietnamese and Indian companies to intensify production on flat and sloping land via plantation and smallholder agricultural development. The project centers on 22 thematic papers, written by consultants and due to be finalized in mid-to-late 2007, and from which “detailed and highly focused work will begin” to emerge in late 2007. *Contact ADB, AFD or MAF for more information*

Dwyer, Michael (ongoing). Doctoral research (small concessions as a view into the use-tenure linkage, and land suitability assessment)

Focusing on the processes of sustainability analysis and social mitigation, Dwyer’s research investigates the production and use of geographic information related to zoning, land tenure, land use and land capability/suitability in the Northern Economic Corridor in Luangnamtha, where natural resource relations are changing due to the building of connective infrastructure and the investment it brings. Findings include: (1) *small* land concessions (on the order of tens of hectares) are sometimes used in combination with, rather than in contrast to, contract farming, and are given on ‘pre-existing’ state land as well as on ‘simultaneously-created’ state land; (2) reflecting the practical importance of ideas about degradation and improvement, the practice of simultaneous state land creation emerges from a tight linkage between land use and land tenure that is operationalized, among other places, in the LUPLA program and in the Property Law; and (3) understanding the effects of rubber development on food security is complicated by cross-village landownership and employment, taxation and fining practices, lack of accurate land use information, and the tradeoffs of ‘2+3’ contract farming (an entrepreneurial model) versus ‘1+4’ contract farming (a wage labor model).¹⁶ A field report will be available in late 2007. *Available from the author <mdwyer@berkeley.edu>*

NAFRI/MAF (ongoing). Concessions management training in select districts

NAFRI & FAO (upcoming). Benefit-cost analysis for rubber development and food security in Phin district, Savannakhet

The Institute for Global Environmental Strategies, Japan (uncertain). Plantation study research outline (original date 2006)

3.4. The tourism, commercial and industrial sectors

With a few exceptions, land concessions for tourism, commercial and industrial activities have received far less attention than other sectors, likely because (i) they do not focus on natural resource extraction, (ii) they are comparatively small in area terms, and (iii) there are comparatively few accounts of them.¹⁷ Two studies reviewed here – GTZ (2006a) in section

¹⁶ Contract farming is generally described as having five components: land, labor, inputs, extension and markets. In ‘2+3’ schemes, villagers provide land and labor, while investors provide the rest. In ‘1+4’ schemes, villagers provide land only.

¹⁷ Two such exceptions reviewed here are GTZ (2006a) in section 3.1 and RTEA (2007) in section 3.5.

3.1 and RTEA (2007) in section 3.5 – address tourism, commercial and industrial land concessions at least in passing. Despite comparatively scant research attention compared to other sectors, the utility of land concessions at attracting investment capital is demonstrated by their involvement in a substantial number of well-known projects – hotels and casinos like the Don Chan Palace, Dansavan, Boten and Golden Triangle projects; shopping areas like the new Talat Sao; and larger commercial areas like the new SEA Games stadium area at Km 21, the Houei Xai commercial development zone, and the Savan-Seno Special Economic Zone. Additional project details are provided in Appendix 2, which compiles information from *Vientiane Times* articles that mention land concessions between January 2006 and June 2007.

3.5. Development research

The studies reviewed in this section span individual economic sectors. They include research-oriented studies of core development issues, as well as methodologically oriented projects focused on spatial planning at provincial, district and sub-district scales. Both types of studies have nonetheless encountered land concessions as important aspects of the development landscape, and many have recommended further investigation because of the confusion they encountered. Because they encountered land concessions from a distance, these studies have an especially important role to play in bridging the two uses of ‘land concession’ mentioned in section 1 – land concessions as an abstract property relation and land concessions as actual development projects which intersect with concrete instances of livelihood rearrangement, market creation and integration, regulatory intervention, and other phenomena (both good and bad) that come together under the umbrella term development.

UNDP 2006. National Human Development Report: International trade and human development – see also section 3.2 above

Complementing the 2001 Human Development Report’s focus on ‘rural development’, the 2006 report takes a more explicitly transnational approach. Based mainly on primary research, the report provides sectoral overviews (wood products and processed wood; tourism; agriculture; economic migration; mining; timber; and hydropower), a range of summary statistics (see especially Tables 30, 32 and 33 in Appendix IV), and some case-based research on projects that involve land concessions: the Sepon mine (Savannakhet), the Nam Pathen tin mine (Khammouane), and the Nam Ngum 1, Nam Mang 3, Nam Leuk, Theun Hinboun and Nam Theun 2 hydropower projects. Given their use in the agriculture, forestry, mining, hydropower and tourism sectors, land concessions span the report’s distinction between “exports with higher potential for human development” – agriculture, wood processing, tourism and economic migration, for example, in which the links to human development are *more direct* – and those with “lower human development potential” like minerals, timber and electricity exports, in which human development potential turns explicitly on *how* resource-derived revenues are used, and in particular on whether they can mitigate and offset their damage to the environment, local livelihoods and other exports. Although it does not frame the argument in terms of land concessions, the report suggests that concessions-derived resource exports, despite their current and sharp increase, should be *limited* and *strategic*, using resource-derived revenues in order to build up human capital via investment in health, education and sectors that have bigger multiplier effects on human development, tighter linkages to the domestic economy, fewer direct negative impacts on health and rural livelihoods, and fewer opportunities for “fiscal indiscipline” or rent-seeking. Available on-line at http://hdr.undp.org/docs/nhdr/consolidated_replies/121.pdf

Bechstedt & Gilbos 2007. Background document to the Poverty and Social Impact Assessment 2 (PSIA 2), 2 volumes plus summary.

Based on 85 days of work in 2006-07, this study investigated the social impact of public expenditures by examining the effects of government services and agricultural policies on the rural poor, especially ethnic minorities and women. The team did fieldwork in multiple locations, and conducted four development project case studies (LUX Development in Bolikamxay; GTZ RDMA in Bokeo, Xayaboury and Luangnamtha; the World Bank's [national] Poverty Reduction Fund; and the government's GPAR program in Salavan) and three commodity case studies (rubber in Luangnamtha, coffee in Sekong and maize in Huaphan) that help to locate land concessions within the larger landscape of development challenges in Lao PDR. The study illustrates the both the 'upstream' and 'downstream' challenges of resource-based development: (1) "a significant proportion of future economic growth is predicted to come from natural resources" (1:25), often involving "extraction of natural resources (logs, minerals, NTFP's) and large-scale land concessions...[which sometimes entail] the clearing of natural forests for cultivation of rubber, cassava and other cash crops" (1:171); (2) the revenues from these investments "could contribute significantly to poverty reduction if invested effectively" (1:25); yet (3) provincial officials and local communities are caught in the middle, on the one hand "keen to bring in revenue sources and job opportunities", on the other hand vulnerable to exploitation by the private sector due to the lack of negotiating experience, clear legal frameworks, and grassroots organizations; and (4) greater economic integration and outside induced development have brought with it greater desire for migration to urban areas and to neighbouring countries, in particular Thailand. Associated with migration are a number of risks including sexual exploitation, HIV/AIDS, violence and falling prey to trafficking networks" (summary:32). *Available at the EU and World Bank offices in Vientiane.*

IISD, IUCN, CPI & STEA 2007. Rapid Trade and Environmental Assessment (RTEA) project (Draft National Report for Lao PDR)

A collaboration between the IISD, IUCN, CPI and STEA, the RTEA project combined research (seven topical desk studies) and dialogue with an Expert Advisory Panel (from MoIC, MFA, MAF, NUOL and LNCCI) to identify key areas for ongoing collaboration between actors who traditionally found themselves on opposite sides of the fence: trade advocates and environmental protection advocates. Key findings include (1) in order for trade to be socially positive, regulatory capacity – focusing on but not limited to the SIA/EIA process – must keep pace with investment activities. Internationally, (2) Lao PDR's abundance of high quality natural resource potential (in the mining, hydropower, forest and organic agriculture sectors) can attract 'best practice' investors who will bring their own standards and regulatory regimes with them if "the temptation to 'sell out the shop' to the first bidder can be avoided" (47); (3) independent monitoring, even of best practices projects, is needed in order to prevent 'green-washed' versions of Corporate Social Responsibility. On the domestic front, (4) "given the magnitude of the institutional capacity necessary to monitor and implement regulations [in the NR sector], the opportunity is now to undertake a detailed assessment of institutional gaps" (48); and (5) WTO accession efforts may provide another 'external' source of regulatory standardization. *Available in the coming months at <http://www.iucnlao.org/News.htm>*

NAFRI (Land Management Component) 2007b. Draft Agro-Ecological Analysis (AEA) Handbook

This book, based on the LSFUARP's experience in Phonexay (Luangprabang) and Na Mo (Oudomxay) districts, describes a local-stakeholder-based "methodology for zoning and analyzing agricultural systems" designed to "plan and prioritize agro-forestry research,

development, and extension activities” (6). The method uses and organizes both bio-physical and socio-economic data – locally-developed AEA zone categories plus district, zone and village boundaries; village locations; infrastructure; protection and production forest; poverty zones; and rural development services locations. Findings include: (1) AEA, by working at the scale of the district or the development zone, complements the (smaller-scale) processes of land use planning and allocation; (2) the *process* of creating ownership over the data and planning activities is at least as important as the *content* of the data; (3) data quality is bolstered by having “the majority of actors [be] from district agencies where knowledge of the study area is greatest”; (4) data cost is minimized and quality maximized by sourcing socio-economic data locally (rather than nationally); and (5) by categorizing “issues and problems” as *research* (solutions unknown), *extension* (solutions known but in need of dissemination), and *development* (solutions require infrastructure-building), AEA has the potential to translate big ‘issues’ into more manageable ‘action items’. *Available from NAFRI*

STEA-SEM 2007. Strengthening Environmental Management Project – see also section 3.2 above

The SEM project’s current demonstration of “Integrated Spatial Planning” in Oudomxay is conducting a provincial-scale land use planning exercise that draws on both national and locally-created spatial data sets. The project will “demonstrate how an integrated spatial plan functions as the basis for environmental monitoring and inspection, issuance of environmental licenses, review of EIAs, decisions on location of projects and operations that may impact on the environment and many other important environmental management functions” and will “apply participatory processes and explore procedures for cooperation among provincial stakeholders.” Public results are expected in August 2007. *Contact STEA for more information.*

GTZ (ongoing). Rural Development in Mountainous Areas (RDMA) project

Although it has not undertaken comparative research on the topic of land concessions, the RDMA project is in a unique position of working in two northern provinces – Bokeo and Luangnamtha – that have had a moratorium on large land concessions for some time prior to the national moratorium,¹⁸ and another northern province (Xayaboury) that has pursued large land concessions as a development strategy. In Sing (Luangnamtha) and possibly other districts, the project has undertaken cooperative district-scale planning, making it another key player – with the STEA-SEM project, the two NAFRI studies described above, and a number of other efforts not discussed here – in ongoing efforts to integrate land capability/suitability analysis with local decision-making. *For more information, contact the GTZ RDMA office, Vientiane*

ADB (ongoing). Second Participatory Poverty Assessment

Availability uncertain; contact ADB Vientiane

ADB (ongoing). Preventing the Trafficking of Women and Children and Promoting Safe Migration in the Greater Mekong Sub-Region

Availability uncertain; contact ADB Vientiane

EU (upcoming). Support for sustainable development in the uplands and policy dialogue on relocation

World Bank (upcoming). Policy dialogue on the uplands

¹⁸ NAFRI 2007a:38 note 8

4 – Conclusion

One potential disadvantage of writing about a hot topic like land concessions is that it is a moving target: new material, from published studies to *Vientiane Times* articles, seems to appear every week.¹⁹ This report was written during the months of July and August 2007, with editorial changes made during September and early October. The essential finding of this report is that the negative impacts of land concession-related projects on village livelihoods emerge from a combined interaction of material and bureaucratic issues (summarized below), both of which illustrate the importance of continuing to study the problem *and* support ongoing efforts to bring regulatory and investment approval processes into better alignment.

The first issue stems simply from the process of turning nature into commodities. Following Polanyi's notion of fictitious commodities (Box 4) and the social dislocation their creation engenders (opening quote), the impacts on livelihoods of concession-based projects may look like the inevitable "price" of transforming production relations so as to more fully integrate rural landscapes and natural resources into regional and global markets. This is Polanyi's tradeoff between improvement and dislocation, and it has a measure of truth. As one forestry official quoted in the *Vientiane Times* (2007e) put it, "We accept that there will be some problems with villagers initially, but if we don't change today from local production to industrial production, when will we do it?" The extensive reliance on *private* (often imported) capital, which must be attracted via the granting of various concessionary measures designed to make investment profitable, only increases the responsibility of public-sector (as well as private and community) safety nets, and makes the "lag" between regulatory capacity and investment practice all the more problematic. But while the combination of the resource export development agenda and the almost exclusive reliance on the private sector may impose structural constraints, it does not entirely explain why concession-based projects have had such a strong association with negative livelihood impacts. It is far from inevitable that rural livelihoods and communities must "succumb in the process" of national development.

The second issue thus speaks to the room to maneuver *within* the structural constraints created by resource commodification. It stems from the difficulties of rendering *complex and often illegible practices of land use and land tenure* into *manageable and legible practices of development intervention*, and of doing so in a way that simultaneously (i) does justice to the original livelihood systems – and to villagers' expectations of and the state's commitment to maintaining or improving the status quo in the case of interventions that require compensation – and (ii) meets the varied needs of development project implementers (financial, logistical, epistemological, political, and so on). In particular, the *previously existing terrain of negotiation* between village(r)s and the state on issues like landholdings and land use (and associated processes of taxation and fine-levying) has an important influence, and typically a disadvantageous influence for village(r)s, on negotiations aimed at bringing concessions-related investment into rural villages.

While it might be tempting to 'map' these two issues onto the two sectors treated in most detail in this report – the mining sector and the agriculture and plantations sector, respectively – such a reading would at best capture central tendencies; the crossovers are at least as important: If there was ever a topic where details matter, it is land concessions and

¹⁹ One important example is the new GTZ land policy report entitled "Land Conflict and Conflict Resolution in Lao PDR", released in September. Notably, three of the four case studies concern land concessions.

livelihoods. Rather than reducing the complex interactions of material and bureaucratic factors to the language of the so-called “resource curse” (which argues that physical factors drive institutional ones), the studies reviewed here highlight the dialectical interaction of the two. In particular, they raise issues of (1) the substantial latitude in the term “concession” as it appears both in the secondary literature and in the media; (2) the problematic relationship between assets and entitlements (see Box 2) in the compensation process; (3) the jockeying of competing *employment-based* and *entrepreneurial* theories/strategies of poverty alleviation and resource-based development; (4) debates about the appropriate roles of best practice projects, third-party monitoring and joint venture projects in shaping the regulatory landscape; and (5) the difficulties in calibrating regulatory *capabilities* with the *content* of land capability and availability analyses. These are discussed in more detail in Part 2 of this report.

Lastly, a few caveats. As a review of “the literature” on land concessions in Lao PDR, this report must be qualified in two ways. The first shortcoming concerns what researchers call sampling bias: much of what is known about land concessions, including much of what is known by members of the INGO Network about the relationships between land concessions and livelihoods, is not available in the form of published material; indeed, much of what is known about concessions and livelihoods is not even thought of as research. While this may be lamentable for the purposes of this report, it is not necessarily bad – and it is certainly understandable – in the larger development arena where knowledge and information assume political dimensions, and are thus shared strategically. Concessions, and land issues in general, are sensitive topics, and many institutions (including INGOs) are cautious about how they distribute their data and results. A great deal *is* publicly known, and this report covers important ground. But there is also a lot of information out there that has been collected but not made public (at least not yet). The potential for negotiation and partnership is substantial in this regard. The INGO Network already has an invaluable on-line database that shows, among other things, who is doing what, and in particular *where* they are doing it, within the INGO community.²⁰ Tapping other secondary data – for example by cross-referencing, by location, lessons from within the INGO community with other studies, both concessions-oriented case studies and existing larger-scale data about other issues like health, socioeconomic conditions and investment – provides one possible avenue for getting a more *national* picture of the relationship between land concessions and livelihoods.²¹

The second caveat concerns the sectors covered in this report. One sector that makes extensive use of land concessions – the energy sector – is largely and conspicuously absent.²² This is due to time limitations, not importance. Given the Lao government’s aspirations to be “the battery of Southeast Asia”, and given that private developers (so-called Independent Power Producers, or IPPs) are the standard vehicles for bringing capital into the Lao energy

²⁰ Available at www.directoryofngos.org.

²¹ Three timely examples of secondary data that could potentially be brought into the concessions debate are (1) the WFP’s Comprehensive Food Security Vulnerability Assessment (CFSVA), which collected data about demographics, housing and facilities, assets and access to credit, agriculture, livelihood activities, expenditures, food consumption and sources, shocks, and access to services and community infrastructure in 25 villages in every province (results expected late 2007); (2) the NSC’s National Business Survey, a database of “all enterprises operating in Laos, including registered and unregistered sectors, administrative organizations and the offices of both state and private sector operations” although excluding small family farming operations, bilateral aid projects, and enterprises without access to sealed roads (VT 2006) (results expected mid-2007); and (3) the LMNC’s Socio-economic Atlas of Lao PDR, which is using 2005 census and LECS data to map socio-economic indicators at the national scale using village-level resolution (draft results expected late 2007).

²² Energy sector articles that make reference to concessions nonetheless *do* appear in Appendix 1.

sector, energy-related land concessions will be at the center of development activities and debates in Laos for some time to come. Mixing infrastructure building with integrated rural development, energy projects – and hydropower projects in particular – are among the most complex of development projects when it comes to anticipating the social and environmental impacts of a project on local livelihoods, designing a mitigation plan that is both acceptable to the communities involved and affordable to the developer, and embedding mitigation activities within the time-bound and often hectic schedule of construction activities. This complexity raises a number of questions about *mitigation in general* that apply to development projects in *all* sectors, including: **(1)** What are – and what should be – the limits of private sector-led development? From surveying to mitigation, what is it reasonable to expect developers to take on and address; what are the options for dealing with the rest? **(2)** How can foreign direct investment be better managed within the domestic regulatory landscape? On the one hand, how to manage additional regulatory options brought by connections to investors' (or lenders') country of origin? On the other hand, what new problems are created by the long distances between investors and projects? (And how can these be better addressed?) **(3)** How to manage the tradeoffs between enclave commodities and non-enclave impacts?²³ How does the allure of high “governability” which characterizes transnational electricity sales alter the benefit-cost calculations involved in evaluating, planning and implementing resource development projects that have high social and environmental costs? These questions, and others, point to the importance of keeping energy projects inside ongoing conversations about how to better harmonize the planning and regulation of investment.

²³ “Enclave” refers to something that is *limited in area and thus easily controlled*. In contrast to forest and agricultural commodities, which are historically plagued by “leakage” problems along the commodity chain, electricity sales – covered by government-to-government Power Purchasing Agreements and conveyed by separate transmission lines – are more easily managed. Hence the term “enclave commodities”, used here to stress the distinction between the *limited* zone of commodity production and exchange, and the *extensive* (i.e. “non-enclave”) zone of impact.

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Appendix 1: Terms of reference

Author's note: Based on conversations among INGO Network members after the writing of the Terms of Reference, it was decided to compile the identification of gaps in the literature (task (c)) as a separate document, which will be presented to the INGO Network in the context of ongoing discussions about phase 2 of this project.

Terms of Reference

INGO study on the impact of land concessions in Lao PDR

Phase I – Preliminary Desk Review

Background

There are currently around 30 International NGOs based in the Lao PDR that are working in the agriculture, forestry, aquatic resources and rural development sectors.

At the Round Table Meeting in November 2006, the INGO Network commended the Government of Lao PDR on its commitment to ensuring food security, conserving the natural environment, improving rural livelihoods, and reducing disparities between rural areas and urban centres. In their statement to the RTM, the NGO made reference to the 6th National Social and Economic Development Plan, the Forestry Strategy to the Year 2020, the National Environmental Strategy and the National Biodiversity Strategy²⁴.

Like other development partners, NGOs recognise the immense task facing the people of Laos in translating these worthy plans into sustained and effective action at the grassroots level. The challenge of implementation involves opportunities as well as dangers. The opening up of rural areas as a result of road construction, foreign investment and the commercialization of agriculture is creating two possible paths for rural communities. In one direction is improved access to services, an expansion of local employment opportunities, the spread of environmentally sound practices, and more equitable participation in the development process. In the other direction is reduced access to land by smallholders who are pushed aside by concessionaires, a rapid outflow of young people, wildlife and forest products, and a consequent erosion of natural capital, human resources and cultural identity. The first is a path towards a thriving value-added economy, the second is a path towards an unsustainable extractive economy.

Based on their experience of working in rural areas in Laos and other countries, many NGOs are concerned that action is urgently needed by all development partners to prevent a slide towards an extractive rural economy.

An area of particular concern is the impact of land concessions on rural livelihoods. Information collected from the National Land Management Agency (NLMA) and the Committee for Planning and Investment (CPI) shows that there has been a rapid growth in concessions for agro-forestry, mining and hydropower since the year 2000. At the present time, agro-forestry concessions cover hundreds of thousands of hectares that have been assigned to foreign investors for production of rubber, eucalyptus, jatropha, sugar cane, cassava and other commodities. It has been claimed that these concessions will contribute to poverty alleviation by providing employment opportunities and

²⁴ INGO Network Joint Statement for the Ninth Round Table Meeting, Vientiane, November 2006

incomes for local communities. In many cases, however, concession land was previously used by local communities for grazing, upland rice production, the collection of NTFP's, and as a source of firewood. An analysis of costs and benefits for local communities is not yet available. In addition, the environmental impact of converting secondary forest into plantations is unknown but a matter of concern.

Consequently, a number of INGOs are now seeking ways of *improving awareness and understanding of the impact of land concessions on the lives of rural people*. To this end, members of the INGO community have formed a Working Group on Land Issues.

The Working Group is aware of a number of studies (completed, ongoing and planned) that address issues of land management and related aspects of rural development. Many of these studies - carried out by Government Departments, donor agencies, NGOs, and PhD students – include valuable *pieces* of information about concessions. The Working Group now wishes to consolidate these pieces to create a broader and more coherent picture of what is happening to rural livelihoods in Laos as a result of land concessions.

Immediate Objective

Compile available information about the impact of land concessions on rural livelihoods.

Specifically, carry out a desk review of completed, ongoing and planned research that includes information about the social, economic and environmental effects of recent changes in land ownership and management resulting from the granting of concessions for agroforestry, mining and hydropower.

Specific tasks

- a) Identify all relevant research reports, proposals and data sets and - where possible - collect copies of the documents and data in hard and electronic formats;
- b) Produce one-page summaries of each research study or report, using a standard format based on the questions identified below;
- c) Produce a short comparative overview of all available research, including an identification of gaps in current understanding of the impact of concessions.

Questions to be addressed

- Who is doing the research?
- What are the objectives and expected outputs?
- What is the scope of the work (locations, commodities, issues etc)?
- What is the status of the research?
- What reports, maps, data sets etc have been produced?
- What are the key findings?
- What gaps have been identified?

Emphasis will be given to last two points on this list; answers to these questions are expected to take up more than half of the report.

Expected Outputs

- i) A set of all available documents in hard and electronic formats (task a)
- ii) A written report – no more than 20 pages – incl. summaries and overview (tasks b & c)

iii) A presentation of the results at a meeting of concerned NGOs.

Timeframe

- The desk review will require a consulting input of 20 working days
- The work should be completed by middle of June 2007

Follow-up

Based on the outcome of the desk review, the INGO Working Group on Land Issues will consider the need for - and scope of – a further study that will examine topics that have not been adequately covered by other organisations.

Appendix 2: Vientiane Times content survey: “concessions”

This appendix (following pages) is based on word searches for “concession” between 1 January 2006 and 22 June 2007. Articles are arranged by Sector, then by Date. Articles were excluded in which the word “concession” is used in a way that does not refer to *land* concessions – for example, articles covering the negotiation of bilateral trade concessions, where “concession” refers to a trade rule.

A Microsoft Excel version of Appendix 2 will be made publicly available via the LaoFAB email discussion group so that users can sort the data by various topics (e.g. by date).

Important methodological note: Keyword searches are subject to certain limitations when it comes to finding articles that are *relevant* to a particular topic. A number of relevant articles do not appear in this appendix because they do not contain the word “concession” (e.g., “Villagers relocate ahead of dam construction”, 22 June 2006; “Champassak to expand rubber plantations”, 30 June 2006; “Quest for iron ore begins in Xekong”, 30 June 2006; “Govt prepares investment database”, 6 July 2006). Capturing *all* (or at least most) relevant articles would require the searching of additional keywords – words like “plantation”, “hectare”, “zone”, “investment” and various sector and commodity names – based on the principle of sampling saturation (i.e. keep adding new keywords until you stop finding new relevant articles).

Vientiane Times details				Project details										Project location			Projected impacts (+) and (-)	Remarks
VT date	Issue	Title	Article type	Sector	Project/objective	Newsworthy event/status report	GoL JV	Ha	MW	Duration	Concession type	Money involved	Actors involved	Province	District	Other		
16-Mar-06	53	Thai investment sweetens Savannakhet	project	agriculture	sugarcane	Mitr Phol signs agreement to build sugar factory		10,000		40 years		\$22.5 million budget	Mitr Phol Sugar Corporation (Thailand), CPI	Savannakhet	Champhone		"The project will create thousand of jobs for local people, which includes farmers needed to grow sugarcane for the factory."	The project expects to add another 15,000 ha in phase two, but it does not say how. Contract farming is implied.
19-Jun-06	117	Company to pump US\$34.5m into rubber project	project	agriculture	rubber	Lao-Thai Hua Rubber Company signs concession & promotion (contract farming) agreement for 30,000 ha of rubber in Vientiane, Bolikhamxay, Khammuane, Savannakhet and VCC.		15,000			land concession	\$34.5 million	Lao-Thai Hua Rubber Company is a joint venture between Thai Hua Rubber Public Company and New Chip Xeng Company	BOL, KHM, SKT, VTE & VCC				This project is doing 15,000 ha of concession-based rubber and 15,000 ha of contract farming rubber.
19-Jun-06	117	Company to pump US\$34.5m into rubber project	project	agriculture	rubber			100			land concession		Lao-Thai Hua Rubber Company	VTE		Naphia village		
29-Jun-06	125	Champassak's rubber plantations take off	project	agriculture	rubber	Champassak has planted 3,500 hectares of rubber already and has plans to plant 18,500 hectares total by 2020. Concessions are explicitly linked to poverty alleviation via employment; in addition to employment, families working on rubber plantations are "typically" allowed "to plant rice and cash crops on any available land on the rubber plantations."		3,500 planted so far; goal of 18,500		"long-term"	"land leased from the government"		PAFO; public and private companies; investors from other countries, especially Vietnam	CHK	Sanasomboun, Pathoumphone, Champassak, Bachieng, Soukhoumma & Mounlapamok.		It is expected that "planting rubber trees would reduce poverty because investors would need local people to work on the rubber plantations, which would bring in more income for their families...[Since the project began two years ago,] most people now have an income." "Investing groups typically allocate areas to the people of each family, who are responsible for their care for 1 to 3 years. They also allow people to plant rice and cash crops on any available land on the rubber plantations." "In 1994-95 a Thai company was the first to bring rubber trees to the area. They planted RRIM600 seeds in Lomsack village in Bachieng district on 40 hectares. In 2002 the trees were ready for harvesting."	
14-Aug-06	157	Petition for fences, buffalo grazing space: Villagers need help from local authority, rubber plantations lack fences, roaming buffaloes cause damage.	project	agriculture	rubber	Villagers threaten to take case to National Assembly if they continue to be treated unfairly by local authorities who are favoring foreign investors' rubber at the expense of villagers' grazing practices (originally the company made fences, but now the project is too large for the company to be able to afford fencing).		7,000		40 years	7,000 ha land concession already granted		unnamed company, district government	LP	Nambak	B. Nayang	Villagers are being fined, with buffaloes confiscated as collateral until fines are paid; villagers are selling buffaloes to avoid fines. Originally, the company made fences but as the project grew this became prohibitively expensive; now the district government, because "the rubber plantation will create jobs and income for local people" (head of the Nambak district Agricultural Division), the burden of keeping livestock out of rubber plantations is on villagers.	key issue = burden of responsibility shifted from company to villagers
11-Sep-06	177	Farmers cannot live without buffaloes	project	agriculture	rubber	Feature story on a rural northern village, where a rubber plantation is causing economic differentiation, monetization and unfair hardship for some.		1,800 already planted; planning another 7,000			land concession	700,000 to 800,000 kip (the amount a farmer interviewed had to pay the company to get his buffalo back after it was confiscated for damaging rubber trees)	DAFEO (who "said that it was the priority of the district to grow the rubber trees, which now cover an area of 1,800 ha."	LP	Nambak	Nayang village	"Some are calling it a modernisation of the village... For other villagers it is a different story. For the past few years, some of them have been experiencing considerable hardship. A new district regulation has forced them to pay compensation for damage caused by their buffaloes after they ate and trampled on young rubber saplings in a nearby plantation. Gathering in a small house, the villagers complained that new regulations do not help them to continue to maintain their use of buffaloes for farming but forces them to take up work in the rubber plantation. They pointed out that the regulations did not require the foreign owners of the plantation to erect a fence to prevent damage by animals." "The village chief said they now had to work harder in the rice-fields" because the buffaloes don't eat the grass anymore, so they have to cut it by hand in order to be able to use tractors.	This article raises five key themes: (1) responsibility for buffalo exclusion (farmers and CPI suggest it is the company's responsibility; DAFEO suggests it is the villagers' responsibility ["It is a very large area and it is impossible for the investors to build fences," he said, adding that it was easier for the villagers to take care of their buffaloes and prevent them from getting into the plantation."]; (2) the material and cultural importance of buffalo for villagers; (3) the fact of multiple investment pathways (CPI said the project is not registered with them, and noted that "the huge investment in the village would by no means ensure poverty reduction for local people. In fact, they now had to work harder"); (4) the coupling of rubber with monetization ("The villagers said that even though buffaloes were slow, they did not eat money. 'Now we have to buy fuel for the tractors and one tractor requires a gallon of diesel for a day's work'"), possibly explaining why farmers feel they have little choice but sell their buffaloes and work as laborers for the company; and (5) farmers' con
10-Oct-06	198	More rubber plantations take root	project	agriculture	rubber	PAFO signed a contract with an unnamed Chinese company		50,000		35 years	50,000 ha land concession already granted	\$3 million	unnamed Chinese company, PAFO	XBY	Phiang, Paklai, Kaenthao, Botaen & Thongmixay		"The company has been surveying suitable land since April and has chosen 50,000 hectares in the five districts...One of the aims of the project is to provide jobs for local people in order to reduce slash and burn cultivation as well as to provide them with more income."	Simple statement of goals of rubber concession; documents that the company is conducting surveying for appropriate land. (Note: this article was also published on 11 Oct. 2006.)
13-Nov-06	222	Further power sales to Thailand possible	project	agriculture	fruit juice	Meeting between Deputy Prime Ministers of Lao PDR and Thailand							Malee juice company				Malee is interested in a land concession and contracting opportunities for "pineapple and sweetcorn farming"	The mention of concessions is in an add-on about "other topics discussed"
27-Dec-06	253	Local ownership helps reduce poverty, says Deputy Governor	project	agriculture	rubber	Deputy governor debates the merits of concession-based and contract farming-based rubber production for poverty alleviation								Xekong	Tha-taeng, Dakcheung, and Galeum		In contrast to recent 2,000 hectare concession-based rubber development in Xekong that was aimed at creating job opportunities for local people, "Xekong Deputy Governor...said last week at the National Assembly that villagers would never grow rich unless they owned the rubber farms themselves, to then sell rubber to investors rather than selling their land. 'Locals have told me that if they can plant rubber by themselves and sell it to investors, their conditions will improve,' he said." He reported that the investors were sympathetic to the idea of contract farming. "The province has found that around 10,000 hectares of land in the province are suitable for rubber plantations. [The deputy governor] said he is surveying the feasibility of another rubber plantation in Lakcheung district... 'We want the Committee for Planning and Investment to determine clearly how to divide the benefits between local landowners and investors. At the moment, we only receive documents for approving investments, without understanding in detail the benefits for local people and companies,' he said. He added that, if possi	This article in that it provides details about how some high-ranking provincial officials are weighing the challenges with respect to investment options, poverty alleviation objectives, and investment decisions at the national level.

7-Feb-07	32	Thai sugarcane investments to ease poverty in Savannakhet	project	agriculture	sugarcane	Mit Lao company has been growing sugarcane since last year		7,000		30 years		50 million Baht	Mit Lao company (Thailand)	Savannakhet	Champhone, Xaybouly and Xayphouthong		According to the Deputy provincial governor, "the investment would support the government's policy to eradicate poverty." According to the journalist, "the government offers land concessions for 30 years <i>on areas that people have not previously used for agricultural production</i> (emphasis added)... Up to 6,000 families in the three districts will benefit from the project, and the government hopes the project will gradually improve living conditions. People in the area earn about three million kip per year from growing rice on one hectare. In contrast, they can earn about 16 million kip if they grow sugarcane on the same amount of land." The project is also expected to decrease the number of people migrating to work in Thailand.	
10-Feb-07	35	Weekly news roundup	project	agriculture	multiple	Various surveying activities							"Surveys are being made by Vietnam and China for growing rubber and eucalyptus trees in Sepon and Phin districts, while Norway is doing a feasibility study to grow bananas in Nong district and India is interested in planting eucalyptus in Atsaphone and Outhoumphone districts."					
10-Feb-07	35	Weekly news roundup ("Thai investment")	project	agriculture	sugarcane	Land concession for sugarcane signed		5,000		30 years	CA signed for expansion <i>from 1,800 to 7,000</i> ha			Savannakhet			"About 6,000 families in three districts where the concession area is located will benefit from the investment venture."	
10-Feb-07	35	Sugar industry hungry for raw material	project	agriculture	sugarcane	Sugarcane is increasing its efficiency and volume capacity, expects to begin production soon.		400			400 ha (2003), but only planted 200		Wangthap Company (started out as a state enterprise, but taken over by a Thai investor in 1992)				Company tried to source sugar cane from local farmers (300 ha this year), but somewhat unsuccessful ("local people simply do not care about their plots of cane"), so turned to growing sugar themselves on concession lands.	
19-Feb-07	42	Vietnam boosts rubber investment in Laos	project	agriculture	rubber	Announcement of recently signed rubber concession in Tha-taeng & Lamam districts; of surveying for more rubber land in Dakcheung district.		7,000			"special concession including a seven-year tax exemption" and a two-year profit tax exemption when the trees start to produce		Yang Cao Zu LVF	Sekong	Tha-taeng, Lamam, Dakcheung		"Investment in rubber plantations was part of a plan to reduce poverty in the province, in accordance with the government's plan to exit the UN's list of least developed countries by 2020...The province has encouraged foreign investors to establish new rubber plantations in Dakcheung and Kaleum districts as well, to create job opportunities for local people...The province has around 10,000 hectares of land suitable for rubber plantations and is conducting surveys...in Dakcheung"	
19-Feb-07	42	Vietnam boosts rubber investment in Laos	project	agriculture	rubber	Background info - currently, there are already two Vietnamese companies hiring villagers to plant rubber on 5,000 ha		5,000			concession not mentioned		two unnamed Vietnamese companies	Sekong	Tha-taeng			
19-Feb-07	42	Vietnam boosts rubber investment in Laos	project	agriculture	rubber	Background info		200,000 ha = CPI estimate of national rubber concessions to 17 companies						multi				
20-Feb-07	43	Luang Namtha unveils long-term rubber strategy	policy	agriculture	rubber	Luangnamtha PAFO head explains small-entrepreneur approach to poverty alleviation via rubber contract farming.							PAFO	LNT			"According to our study, there is no more profitable tree than rubber," Dr Khamlek said. "We are encouraging local people to plant rubber trees. We want each family to plant at least one hectare of trees on their property, and that will help to alleviate their basic poverty...[C]eding concessions of land to companies that then hire villagers to grow rubber is not the way to alleviate poverty. It is necessary for the people themselves to plant trees on their own property."	This coincided with the NLMA conference on tree plantations
23-Apr-07	92	Reducing poverty, or perpetuating it?	project	agriculture	rubber	Local authorities have given village lands as a land concession to a Vietnamese rubber company, which is paying inadequate or no compensation for assets taken; in response, some villagers are leaving to look for new land, while others are working as wage laborers for the investors. Officials seem to disagree about what constitutes acceptable impacts of development projects:											The CHK PAFO Director said, "We accept that there will be some problems with villagers initially, but if we don't change today from local production to industrial production, when will we do it?" he said.	
10-May-07	107	Discussions over rubber dispute to continue in Champassak	project	agriculture	rubber	Champassak governor acknowledges land conflict but stands by project's transformative potential				50 years, cut to 35			Foreign-owned rubber company	CHK	Bachiang		According to the governor, investors destroyed crops and teak owned by villagers to make way for rubber plantations without informing them first but "lives of villagers were changing for the better thanks to the arrival of rubber plantations, as many people had been able to get work as labourers."	
15-May-07	111	Savannakhet on track to meet revenue goals	project	agriculture	eucalyptus	Ahead of schedule, Savannakhet has already achieved 63% of its government-allocated its revenue targets for 2007.		5,000 to 30,000 ha			land concession		Indian investor					This article raises the issue of centrally-allocated revenue targets: How are these created? What are the incentives?
15-May-07	111	Savannakhet on track to meet revenue goals	project	agriculture	rubber								Thai investors					This article raises the issue of centrally-allocated revenue targets: how are they created? Rewarded? Punished?
15-May-07	111	Savannakhet on track to meet revenue goals	project	agriculture	rubber								Chinese investors					This article raises the issue of centrally-allocated revenue targets: how are they created? Rewarded? Punished?

15-May-07	111	Savannakhet on track to meet revenue goals	project	agriculture	sugarcane	Ahead of schedule, Savannakhet has already achieved 63% of its government-allocated its revenue targets for 2007.						2 Thai investors					
5-Jun-07	129	Lao-Viet ties strengthen in the south	project	agriculture	rubber	"Champassak province has...been working with Ho Chi Minh City and Dac Lac province to plant rubber trees on 10,000 hectares in Bachieng and Sanasomboun districts."		10,000		concession not mentioned	Dac Lac province has invested \$5 million so far out of an expected \$30 million	Ho Chi Mnh City government, Dac Lac provincial government, Champassak provincial government	CHK	Bachieng		Dac Lac province has built a dispensary.	
21-Mar-06	56	India to invest US\$350m in pulp project	project	agriculture & industrial	Birla Lao pulp factory	"The Aditya Birla Group signed an agreement for the [pulp wood plantation and processing plant] project, worth US\$350 million, with the Lao government in Vientiane last Thursday."		50,400	75 years		\$350 million	Aditya Birla Group ("Grasim Industries Limited, India; Thai Rayon Public Company; and PT Indo Bharat Rayon, Indonesia") & CPI	Savannakhet & Khammuane			"The project's land survey will be undertaken from this year to 2007, the nursery will be established in 2006, and plantation will begin in 2007 at the rate of approximately 7,000 ha per year with harvesting planned for 2013. This will continue as a 7 year cycle. The pulp plant phase will start construction in 2010." Plant capacity will be 200,000 tonnes per annum. "Laos will benefit from employment opportunities with thousands of jobs and further direct employment through private farm forestry. Laos is also expected to earn about US\$117 million per year from exporting pulp."	This shows an example of a granting of a concession area before surveying has been done, on the assumption that available land exists.
22-Feb-07	45	Joint venture builds pulp factory in Savannakhet	project	agriculture & industrial	Birla Lao pulp factory	Birla Lao is now clearing land to build a "pulp factory" [mistakenly called a "pulp and paper factory" even though it plans to export "pulp" to Thailand "for further processing"].		331 (factory)	30 years	land concession	\$350 million (including plantation)	Birla Lao (Indian and Thai investors)	Savannakhet	Xaybouly	Manylad village	Accoring to one official, the company "will plant eucalyptus on 50,000 hectares, but the government doesn't own enough land to provide the whole concession area immediately and is allocating land over time." The project "may initially" purchase eucalyptus from local farmers on a contract farming basis.	Land shortage...
4-May-06	85	Megacity takes shape in the north	project	commercial	Boten hotel and casino	Phase 1 construction is expected to be finished in July 2007.							LNT			"The representative from China also presented a proposal to invest in a manufacturing complex, as part of phase 2. There are about 100 Chinese companies interested in manufacturing projects, including garments, shoes and electrical goods, he added."	
21-Jun-06	119	Nongchan set to become water fun park	project	commercial	recreational water park	MOU for 20 year concession signed last week at Don Chan Palace			20 years		\$4.8 million	Malaysian investor Pro-Sport Nongchan Co Ltd. (Mr. Patrick Anthony); Vientiane Urban Environment Project	VCC			The project will create a recreation area, including water park (swimming pool, waterways, paddle boat lake) and paved areas, open areas for jogging and cycling, garden with shade trees, lighting and public toilet facilities.	"This is the second project that has tried to improve the Nongchan area. The Danish government recently funded a wetlands conservation project on the marshy land."
14-Jul-06	136	Simeuang handicraft market waits for completion	project	commercial	concession-based 5-story handicraft market (replaced old vegetable market)	construction halted for unknown reasons					\$500,000	"a private company"	VTE	Sisatthanak	B. Simeuang	"support the local economy"	
7-Aug-06	152	New Trade Centre to stock quality products	project	commercial	Lao-China Friendship Trade Centre	The Lao-China Friendship Trade Centre will open in December.			50 years	land concession	\$18 million	Xang Jiang Company Ltd.			Dongpasak area		
30-Aug-06	169	Rain slows mega-hotel project	project	commercial	Boten hotel and casino	Rain pushes expected completion date back from July to September.		1,640	30 years		\$103 million (during phase 1 of 3)	Golden Boten City Group Co of Laos	LNT	Namtha		Current hotel decoration activities are employing 1,000 people. Next month, the "company will host a one month special course for over 500 local people in Oudomxay, Bokeo and Luang Namtha provinces wanting to work at their hotel. For the casino, the company has already completely trained their staff of about 350 people."	
24-Oct-06	208	Five-star hotel postpones opening a second time	project	commercial	Boten hotel and casino	Construction "has been delayed again after problems with the electricity supply" and construction materials (due to bad roads in China) and weather.		1,640	30 years		\$103 million (during phase 1 of 3)		LNT	Namtha			"Trucks carrying the materials are taking more than 10 hours to travel the 230 km between the Boten-Bohan International Checkpoint and Xishuangbanna. Once the road is completed, travel time will be halved."
20-Feb-07	43	Nongchan water park on track	project	commercial	recreational water park	Water park on track for summer opening			30 years	land concession	\$4.5 million	Malaysia Pro-Sport Company					
5-Apr-07	81	Construction to begin on Khuadin market replacement	project	commercial	Kuadin market	Construction to begin on Khuadin market replacement		1	40 years		\$11.7 million	Construction Installation and Building Material Company No 5 (Vietnam, 60%) and Anachack Trading Import Export Co Ltd. (Lao, 40%)					
9-Apr-07	84	Talat Sao Shopping Mall opens its doors	project	commercial	Talat Sao	New Talat Sao opens			45 years	building concession	\$27 million investment	Excalibur Group (Singapore)	VCC				
15-Jun-07	138	Thai company promotes agriculture in Vientiane	project	commercial	fish & prawn farming; animal feed farm (including maize & soybean contracting); "operate agro-processing units for local markets and export"; and import and sell meat	CP approved to do four projects in Laos				animal feed factory, chicken farm		Charoen Pokphand (CP)			Thangon (animal feed factory); B. Nasara, M Xaythany (chicken farm)		lease vs. concession?
15-Jun-07	138	Thailand to develop Savannakhet economic zone	project	commercial	Savan-Seno Special Economic Zone Authority (SEZA)	"The Lao government is allowing the company a trade concession of 30 years and a services concession of 50 years, according to the economic zone authority."		270		trade and services concessions	\$48 million	Thai Airports Ground Services Company				>10,000 jobs during and after construction	"trade concessions" and "service concessions" are not explained

20-Jun-07	142	Luang Namtha border hotel draws crowds	project	commercial	Boten hotel and casino	The hotel and casino at Boten in Luangnamtha is drawing 250 people per day on average.		1,640	30 years		\$103 million (during phase 1 of 3)	an unnamed "Chinese investment company"	LNT	Namtha		The Boten border crossing is receiving over 1 million tourists from China per year. In addition to the current hotel and casino, the project will include an "international exchange center" and a commercially-oriented "transit center" (phase 1), another 2,500 rooms and a 36 hole golf course and park (phase 2), and another 2,000 rooms and 500 other guest units plus eco- and cultural tourism sites.	
14-Dec-06	244	Public urge govt to solve problems	project	commercial & mining	Nong chan water park, sand mining in the Nam Ou	National Assembly opens hotline about government performance							VCC, LP	VCC & Ngoi (LP)	Nong Khiaw	The Nong chan waterpark concession and sand mining in the Nam Ou (Luangprabang) were topics of public complaints about environmental issues.	
3-Feb-07	29	View from the Lao papers	opinion	construction	development	opinion based on experience with projects that do not live up to expectations: prior to issuing concessions for construction or other development projects, "project owners should take measures to ensure contractors are qualified to undertake the projects."											
29-Dec-06	255	Work in progress at Hongsa thermal power plant	project	energy	Hongsa lignite power plant	The project development agreement was completed last week and the concession agreement "is set to be signed next year."	Y	1800 (50 for local use)				A Thai investor and the GoL, which are hoping to attract "a specific Chinese company" which has experience on thermal energy projects, including sourcing options for machinery and equipment	XBY	Hongsa		The project "will burn about 11 million tonnes of lignite per year, leaving about 2 million tonnes of residual ash", which will be used primarily for cement production, but also asphalt and potentially fertilizer.	No mention of negative impacts
3-May-07	101	Investors promise better living conditions for displaced Hongsa locals	project	energy	Hongsa lignite power plant	Compensation budget announced, potential compensation conflict between villagers and developers about amount of compensation (villagers "must have their living conditions improved if they agreed to move away from the farms they have cultivated for generations", while the President of Banphu Power Ltd. said, "ultimately, the newly-resettled villagers will definitely have better living conditions...[but he was] unable to guarantee that all families would receive the full amount of compensation") and the type of livelihood resettlers would have (see "Projected impacts"). The developers are currently doing an environmental feasibility study "and expects to be granted a concession from the government in 2008"		1,800		no concession agreement yet	\$16 million compensation budget	Banphu Power Ltd.	XBY		Namaiyom and other villages to be resettled to Napong village	World Bank mitigation standards promised. Although some villagers requested land for rubber (new livelihood) and others said they wanted land for rice and fish ponds (old livelihoods), the Deputy Head of the XBY PDPI said, "villagers would not have much choice as to what they ended up doing, as they would all be moved to the same area."	
17-Feb-06	34	Power price talks yet to progress	project	energy (hydropower)	Nam Ngum 3	No agreement yet on an electricity price, threatening the construction timetable	Y	460	30 years	MOU signed in April, concession status unclear	\$552 million	"four shareholders; the government (23 percent), MDX Lao Company Ltd, Thailand (27 percent), Marubeni Corporation, Japan (25 percent) and Ratchburi Holding Public Co, Thailand (25 percent)."	Xaysomboun & XK		"about 5 kilometres north of the Nam Pha river mouth, northwest of Longcheng village"	"It is expected that the project will help bolster the Lao economy, especially in the immediate vicinity of the plant. The country also will earn significant income from the exports."	
6-Mar-06	45	Power project advances with river diversion	project	energy (hydropower)	Nam Theun 2											"NT2 will be the largest economic asset and the largest foreign exchange earner in the country, as well as the largest single contributor to the government's budget", providing \$80 million in revenues per year. Additional social mitigation efforts are also described.	
16-Mar-06	53	Namngum 2 set for construction	project	energy (hydropower)	Nam Ngum 2	Nam Ngum 2 concession agreement signed	Y	615	32 years, including construction	hydropower concession		SEAN Company & GoL	VTE			"According to the government's power development programme, about 47 percent of all households have electricity in 2005. This will increase to 70 percent by 2010 and 90 percent 10 years later."	
16-Mar-06	53	Namngum 2 set for construction	project	energy (hydropower)	Nam Ngum 5	"Recently, Laos signed an agreement with a Chinese investor to develop [] Namngum 5"					\$168 million budget	unnamed Chinese company	XK				
20-Mar-06	55	Xekhaman 1 hydroelectric power project for Attapeu	project	energy (hydropower)	Xekhaman 1	Xekhaman 1 survey to begin this month for hydropower export project based on last week's MOU signing	Y	465			\$535 million	Viet-Lao Power Investment and Development Joint-Stock Company (70%), GoL (30%)				Power will be exported to Vietnam.	This article contains summary details about other hydropower projects as well.
28-Apr-06	81	Govt signs hydropower agreement	project	energy (hydropower)	Nam Ngep (Ngiap?) 1	CPI and two Japanese investors sign project development agreement for Nam Ngep 1 hydropower project	Y	260			\$400 million budget	Kansai Electric Power Company & Nippon Koei Company (share 70%), & GoL (30%)	BOL				
8-May-06	87	Chinese reach next step in hydropower project	project	energy (hydropower)	Nam Lik 1-2	China International Water and Electric Corporation and GoL sign project development agreement for Nam Lik 1-2; economic feasibility study to begin shortly and last 18 months	Y	100 (export to Thailand)	30 years			China International Water and Electric Corporation (80%) and GoL (20%); agreement signed by CPI					

26-May-06	102	Major power plant agreements inked	project	energy (hydropower)	Nam Ngum 2	PPA, financing agreement and engineering procurement and construction contract just signed for Nam Ngum 2	Y		615	32.5 years including construction	CA signed 2 months prior	\$790 million for power plant	See "Projected impacts" column	VTE			The project is a joint venture between the GoL and South East Asia Energy Limited (SEAN); SEAN is Ch Karnchang Public Company (28.5% of shares), Electricite du Laos (25%), Ratchaburi Electricity Generating Public Company (25%), Bangkok Expressway Public Company (12.5%), Shlapak Development Company (4%) and PT Construction and Irrigation Company (4%), and TEAM Consulting Engineering and Management Company (1%). SEAN signed (i) PPA with EGAT; (ii) financing agreement with "syndicated lenders including Krung Thai Bank Public Company, TMB Bank Public Company and Siam City Bank Public Company"; and (iii) engineering contract with Ch Karnchang Company	GoL is part of SEAN (via EdL), but is also in a joint ventureship with SEAN
26-May-06	102	Major power plant agreements inked	project	energy (hydropower)	Nam Ngum 3	survey completed, in negotiations with potential electricity buyer								VTE				
26-May-06	102	Major power plant agreements inked	project	energy (hydropower)	Nam Ngum 4	survey completed, awaiting investors								XK				
26-May-06	102	Major power plant agreements inked	project	energy (hydropower)	Nam Theun 2	under construction								KHM, BOL				
26-May-06	102	Major power plant agreements inked	project	energy (hydropower)	Xekaman 3	under construction								Sekong				
26-May-06	102	Major power plant agreements inked	project	energy (hydropower)	Xeset 2	under construction								Salavan				
11-Sep-06	177	New dam on track to power economy	project	energy (hydropower)	Nam Theun 2	The project is 23.5 percent complete, according to a new Lao Holding State Enterprise report							Lao Holding State Enterprise (which administers the government's share of loan revenues); MoF and NTPC also signed project's "tripartite administration agreement", signed in April 2005.				From mid-2009, the project will generate annually \$80 million in government revenues and 300 GWh of electricity for domestic consumption. The project will generate \$2 billion for the Lao government during the 25 year concession period. "This revenue will be used to reduce poverty and assist long term development in Laos."	
10-Nov-06	221	Nam Theun 2 funding stacks up	project	energy (hydropower)	Nam Theun 2	focus on Lao Holding State Enterprise	Y		1,060	25 years	hydropower concession	Lao Holding SE has already invested \$75 million of \$87.5 million expected	Lao Holding State Enterprise ("a new form of state enterprise" that was set up to oversee the government's 25% share of the joint venture in NT2); NTPC, and that has special "operational methods and special enterprise regulations"	KHM, BOL			directly improve basic infrastructure for 5,000 people in project area; contribute to national poverty eradication programme	
22-Feb-07	45	Nam Ngum 5 hydropower survey begins	project	energy (hydropower)	Nam Ngum 5	Surveying to begin after signing an "agreement" between EdL and Sinohydro	Y		120 (all domestic)			\$200 million	EdL, Sinohydro				"The dam expects to generate power for domestic supply in Luang Prabang, Xieng Khuang, Oudomxay, Huaphan and Vientiane provinces, as well as the capital." Currently, according to an EdL official, "We do not have enough electricity because consumption nationwide increases by 10 to 15 percent every year, largely due to the current boom in industrial investment such as cement factories and mining projects."	
20-Mar-07	67	Work progresses at Nam Lik 1-2 dam	project	energy (hydropower)	Nam Lik 1-2	Underground tunnel excavation is expected to begin in September	Y		100 (export to Thailand)	30 years		\$150 million	China International Water and Electric Corporation (80%) and EdL (20%)	VTE	Feuang, Hinheup		"The project will employ about 3,000 people, including 1,800 Lao workers and 1,200 Chinese... The development of the project will raise the flood control standard of the downstream area, and improve the irrigation of farmlands and road access for local people. Apart from the economic benefits of exporting power, the completion of the project will bring more rapid economic development to the area."	
4-Apr-07	80	Malaysia to begin Nam Fa study	project	energy (hydropower)	Nam Fa	MOU signed between AP Bizlink Group and GoL in Vientiane last week			about 150			\$2 million (survey) plus about \$1.5 million per MW	AP Bizlink Group (Malaysia)	LNT & Bokeo				
12-Apr-07	87	Locals give green light for Hongsa power plant	project	energy (hydropower)	Hongsa lignite power plant	Representatives of the 2,000 residents (5 villages) to be relocated by the Hongsa power plant agreed to the "unofficial agreement" with the company (currently conducting a feasibility study), which would provide them with "new accommodation and land to enable them to earn a living comparable to their present income" and jobs in the plant. [See 3 May 07 article in which the company said it "could not guarantee" the full compensation amount to all families.]			1,800		no concession yet	\$2.1 billion	Thai Ban Phou Lignite Mining Ltd.	XBY			"[The head of the PDPI] said the power plant would bring significant revenue in the form of taxes to the local and central government, and many locals would have the chance to work at the plant, which would require around 2,000 workers...According to its developers, the power plant would need to burn around 11 million tonnes of lignite each year, which would create considerable air pollution in the area. But, [the head of the PDPI] said, the advantages at this stage seemed to outweigh the disadvantages, which was why authorities were promoting development of the project."	

12-Apr-07	87	Power firm to construct new dam	project	energy (hydropower)	Nam Ngum 5	Concession agreement and PPA signed for Nam Ngum 5	Y		120			\$200 million	Nam Ngum 5 Hydropower company, which comprises Sinohydro Corporation Ltd (85%) and EdL representing the GoL (15%); the CA is between CPI representing the GoL and the NN5HC, while the PPA is between EdL and the NN5HC.	XK			Supply electricity to LP, OUD, XK, HP, VTE and VCC; electrify new areas; alleviate the problem of dry-season power imports from Thailand	all domestic electricity consumption
13-Apr-07	88	Thai investors prepare Nam Bak power project	project	energy (hydropower)	Nam Bak I-II	Pre-feasibility study begins for Nam Bak 1-2						\$200-300 million		VTE			According to EdL's Planning and Procurement Office, Laos "will have 29 hydroelectric power development schemes in place by 2020, with a total capacity of 8,657MW" for export and domestic use.	
7-May-07	104	Two hydropower projects under survey in Luang Prabang	project	energy (hydropower)	Nam Bak I-II	Recently signed pre-feasibility study agreement							Thai investor	VTE				
7-May-07	104	Two hydropower projects under survey in Luang Prabang	project	energy (hydropower)	Nam Fa projects	Under survey							Malaysian investor	LNT & Bokeo				
7-May-07	104	Two hydropower projects under survey in Luang Prabang	project	energy (hydropower)	Nam Khan 1	Under survey								LP				
7-May-07	104	Two hydropower projects under survey in Luang Prabang	project	energy (hydropower)	Nam Khan 3	Under survey								LP				
7-May-07	104	Two hydropower projects under survey in Luang Prabang	project	energy (hydropower)	Nam Ngum 5	Final survey agreement	Y						Joint venture between EdL (15%) and a Chinese investor					
7-May-07	104	Two hydropower projects under survey in Luang Prabang	project	energy (hydropower)	Nam Ou	Under survey								LP				
7-May-07	104	Two hydropower projects under survey in Luang Prabang	project	energy (hydropower)	Nam Xeuang 1 and 3 hydropower projects (>10% of electricity to be used locally; the rest exported)	Bruthai International Co Ltd and CPI sign MOU to begin feasibility study covering technical, economic, social and environmental considerations for Nam Xeuang 1 and 3			18 months for survey, 30 years expected for project if concession is granted				Bruthai International Co Ltd, CPI	LP				
8-May-07	105	Xayaboury eyes hydropower exports to Thailand	project	energy (hydropower)	Hongsa lignite power plant	Hongsa project may receive a concession agreement this year	Y		1,800									
8-May-07	105	Xayaboury eyes hydropower exports to Thailand	project	energy (hydropower)	unnamed hydropower project in XBY	CH Kamchang Public Co Ltd (Thailand) and CPI sign MOU to begin feasibility study covering technical, economic, social and environmental considerations for unnamed hydropower project in XBY.			30 months for survey, 30 years for project if concession is granted				Joint venture between the GoL and a Thai investor					
2-Jun-07	127	Vietnam increases demand for Lao power	project	energy (hydropower)	13 total projects: Nammo 1 and 2, Xekhaman 1, 3 and 4, Dak-i-meun, Nam Ngep, Xekong 3, 4 and 5 and Namkong 1, 2 and 3.	Laos hopes to build 13 hydropower projects in order to meet the goal of 3,000 MW.	some		3,000			28.6 trillion kip to 38.2 trillion kip	investors from Russia, France and Vietnam	Xekong, Attapeu, Bolikhamxay & Xieng Khouang			Not mentioned	
2-Jun-07	127	Vietnam increases demand for Lao power	project	energy (hydropower)	Xekaman 3	Vietnam increases request from 2,000 to 3,000 MW; Xekaman 3 is 35% complete	Y		250			2.4 trillion kip	GoL (15% share in project)	Xekong	Dakcheung		90% of electricity for export, 10% for local use.	
4-Jun-07	128	Japan to survey Bolaven Plateau for hydropower	project	energy (hydropower)	Nam Phak	MOU signed with CPI, which provides approval to begin 18 month feasibility study; provincial government approves of project because of local electrification and poverty alleviation			140 GWh (per year?) [about 20 MW?]	30 years expected	possible after feasibility study	\$45 million project budget	Kobe Green Power Co.	CHK	Pakxong	Nam Phak (river)	"insignificant environmental impact" (no resettlement, "small" reservoir (no area given) will impact "a few coffee farmers"); project will "create land for farmers" on the plateau, irrigate "over 1,000 ha" of downstream rice paddies, create "a good place for fishing", provide local employment during construction, and create tourism potential	Electricity recipients, reservoir size and installed capacity (MW) not discussed; EIA process not mentioned; how was "insignificant EI" determined? Does this affect the EIA process?
13-Jun-07	136	Chinese to study Xayaboury hydropower plant	project	energy (hydropower)	Paklay	MOU signed between Sinohydro Corporation Ltd and CPI, which provides approval to begin 30 month survey on "technical, economic, social and environmental considerations"			1,320			\$1.7 billion	survey to be conducted by Sinohydro Corporation Ltd. and the China National Electronics Import Export Corporation	XBY		Mekong mainstem	electricity for export to Thailand and local consumption	This project is listed on the government's poweringprogress.org website (Feb. 07 projects spreadsheet) as "not open to development"
	95	Nam Theun 2 stakeholders debate progress	project	energy (hydropower)	Nam Theun 2	Annual stakeholder forum held in Khammuane "to demonstrate the project's transparency and evaluate progress to date."	Y		995 (export to Thailand) and 75 (domestic)	25 years	hydropower concession			KHM			"Construction and engineering will create approximately 5,000 jobs for both domestic and international workers over the next four years. The total revenues the Lao government expects to earn over the concession period are around US\$2,000 million. Indirect benefits include rural development, infrastructure improvement, and the improvement of living standards of people living in the area. Around 6,000 local people that have been identified as poor and practise slash and burn cultivation will have access to a better and more sustainable standard of living. More than 200 senior government officials and representatives from other international organisations participated in the forum."	

8-Aug-06	153	Furniture group to produce their own raw materials	project	forestry	wood products	The Furniture Group of Chanthabouly hopes to begin planting its own trees because of supply uncertainties.		hoping to get at least 100 hectares					Furniture Group of Chanthabouly (comprised of 28 members, 80 percent of which are small factories)	VCC	Chanthabouly			
21-Jun-07	143	Xieng Khuang to export more processed wood	project	forestry	processed wood exports	The provincial head of the Industry and Commerce Department referred to forestry concessions to local factories. ("He said the processed wood that was exported was supplied by many local factories, which had concessions to cut and process the wood.")								Xieng Khouang				This is an instance of the term "concession" being used in the forestry sector.
24-Oct-06	208	Power stations surge forward	project	hydropower	Xekong 4, Xekong 5 & Nam Kong 1	Russian investors announce intent to build three hydropower projects totalling over 1,000 MW	Y		460 MW (Xekong 4, expected 2012), 400 MW (Xekong 5, expected 2014), 240 MW (Nam Kong 1, expected 2013)	30 years	hydropower concession	\$1.5 billion	A single company will build and operate all three projects; it seems to be a joint venture between Region Oil Company of Russia and the GoL. ("According to the agreement, the Lao government cannot hold more than 20 percent of shares in the project").	not mentioned			"Caring for the environment would be a key priority: 'We are studying and drafting particular plans to maintain the environment near the construction areas' [according to a company representative]. Once construction was completed, the company would increase fish numbers in the dams, which would also provide water for agricultural activities. Destroyed trees would be replanted. The company was also preparing to resettle those living in the areas to be dammed."	All projects have MOUs signed already. The wording is abiguous, but seems to say that feasibility studies for these projects are finished, and that construction will "go ahead".
28-Mar-06	61	Savan-Seno special zone: the future second Hong Kong	project	industrial	Savan-Seno Special Economic Zone	Investors await government approval on Savan-Seon Special Economic Zone	Y	300			not yet		Lao Free Zone Development Corporation (70%, created last year when the Outclass Finance Incorporation agreed to invest at least 300 million Euro) & GoL (30%) in the form of Savan-Seno Special Economic Zone Authority (SEZA)	Savannakhet			"The special economic zone was established under a Prime Minister's decree in January 2002...in accordance with the government's policy of poverty reduction. The joint-venture is expected to enable Laos, through the zone, to participate actively in the developments under the joint planning of the Greater Mekong Sub-region East-West Economic Corridor and also in...inter-regional trade... According to Outclass Finance Corporation's report, sectors interested to come and invest include a large scale Chinese bio-fertiliser producer, a Chinese jatropa plant gasoline company, a Chinese offshore bank to provide international bank services. An airline from the Middle-East is also interested to create an international airport in Savannakhet to link it with other international airports under the Blue Sky Policy."	
10-Jul-06	132	Second Beerlao factory goes ahead	project	industrial	Second Beer Lao factory	construction begins	Y	220			220 ha land concession already granted	\$25 million	Lao Breweries (GoL) and Carlsberg	CHK	Pathoumphone	B. Km 19	"job opportunities for local people and contribute to the socioeconomic development of Laos in the future"	
20-Apr-07	80	Lao market ready for more cement	project	industrial	cement	Cement factory will officially begin production next month		60		99 years			Chinese investor (60%), Lao investor (40%)	KHM	Mahaxay		Production capacity is about 1 million tonnes per year, and is aimed at the export and domestic markets. Raw materials are sourced locally. "The factory employs about 320 people, who earn at least one million kip each month... There are five other cement factories in Laos – one in Vientiane province producing 200,000 tonnes a year, two in Vientiane province producing about 280,000 a year, one in Savannakhet province producing about 200,000 tonnes a year, and another in Luang Prabang province producing about 80,000 tonnes a year."	
8-Jun-06	110	Govt to strengthen land lease management	study	lands	NLMA	GTZ Study on State Land Leases & Concessions results presented								multi				
31-Jul-06	147	LDS opens to serve public land	project	lands	Land Development & Services State Enterprise	"Land Development and Services State Enterprise (LDS) was officially opened in Vientiane last Friday as the new headquarters in line with the changing direction of the party and government on land administration."							The deputy Finance Minister "said that the opening of LDS's new headquarters would facilitate private individuals' and legal entities' access to land. The institution will provide services related to the registration required for the transfer of land use rights, leases, concessions and mortgages."				The LDS will also undertake priority development projects, including special economic zones between Vangtao and Chongmek (Champassak) and Savannakhet and Seno (Savannakhet), a new botanical park (location unspecified), a tourist development and part in the area surrounding Don Chan, and other development opportunities around Vientiane. "LDS will be [also] responsible for the relocation of people who are affected by government projects, such as new industrial zones, new cities, and the construction of new infrastructure in accordance with the government's plans. In future, resettlement plans for government and international rural development and poverty alleviation projects will be operated by the LDS, including compensation for relocated families. LDS will also provide services for land registration on request."	
22-Aug-06	163	Sharing land for sustainable development in Asia	project	lands	Land Development & Services State Enterprise	Regional lands conference in Vietnam, one month after the establishment of the LDSSE							LDSSE				The LDSSE was formed last month "aiming to support implementation of Party policy of transforming land into capital...[and bringing] land development and services [...up to] international standards. The enterprise will undertake contracted work to develop land for creation of tourist areas, economic zones, resettlement plans for rural development and poverty reduction projects as well as providing requested services to customers for land registration, transferring of land use rights, land lease or concessions, for the exploration land for domestic and foreign investors."	This is a succinct statement of what "transforming land into capital" means, and of its location within a larger project of international standardization.

15-Nov-06	224	New tool for land development	policy	lands	"help implement the government policy of transforming land into capital"	focus on Land Development and Services State Enterprise, which "now has some development project plans in Vientiane"									multi			
13-Dec-06	243	Survey to define land use	policy	lands		"The government will launch a survey nationwide to map out different types of land, providing official guidelines on how to manage land use," said NLMA Minister Kham Ouane Bhoupha at a land management workshop yesterday at the National Economic Research Institute (NERI)								NLMA			"We will not permit land development if the party proposes to use the land for an undesignated purpose," said Minister Boupha. According to the journalist, the NLMA "The authority will be responsible for setting up land policy and regulation. The zoning of land use is in response to the government's failure to manage land development, according to officials. Mr Kham-ouan said the use of land over the past decades had been managed ineffectively, which has resulted in a decrease in forested areas. In 1989, the government planned forest regrowth to cover 70 percent of the total land area but, in fact, forest cover has decreased to 40 percent today, he added. He said the damage to the forests had created difficult conditions for the population when faced by droughts and floods. Today, most Lao people live in rural and mountainous areas, and rely heavily on natural resources and the environment." According to another NLMA official, "The authority will have sub-offices in provinces and at the district level, which will issue permission for land use. To sustainable food supply... Some investors already had la	Clear statement of NLMA objectives; note that NLMA is not only a regulatory agency, but also has the power to issue land concessions.
25-Dec-06	251	Lands department to focus on poverty reduction	policy	lands	NLMA	Lands department handed over to NLMA								NLMA, MoF, DoL	multi		NLMA to issue land certificates, land use permits and land concessions to investors	NLMA authority to issue concessions ma conflict with regulatory mandate
24-Feb-07	91	Weekly news roundup	policy	lands	NLMA concessions moratorium	"The Land Management Authority proposed that the government suspend granting land concessions to private companies to avoid future adverse impacts on the environment. Land management officials said they would need to conduct studies on the impact of land concessions, after which land concessions would resume."												
7-Apr-07	83	Vientiane Mai, April 2: How to allocate land for investors? (View from the Lao papers)	policy	lands	Entire article: "Investment in tree plantations are growing by the year, and with investment comes the need to determine appropriate land allocation, which has become a significant concern among investors, especially those in the south. One investor said his company had received a concession to grow coffee on 1,000 ha and tea on 3,000ha, but so far, only 200 ha of land had been allocated. Investors need suitably large areas to maximise their investments, with the capacity to build infrastructure like electricity, roads, and rural community development facilities for nearby villages. If investors are allocated only small portions of land, their investments will be less likely to pay off. Furthermore, some land areas are occupied but left vacant for years in Pakxong district, as those who occupy the land without any productivity have no wish to cooperate with local authorities when they are asked to reallocate their occupied land areas. This causes delays to the land allocation process, often forcing investors to go to other areas. For these reasons, before giving licenses to investors for agricultural production, such as coffee, tea or rubber trees, local authorities should take into account the areas to be allocated for them, and whether parts are already occupied. Investors do not want the added financial burden of having to rent lan													The whole article is provided because it is a rare example of cross-over between English and Lao newspapers on the concessions issue.
9-Apr-07	84	Land Authority wants power over land concessions	policy	lands	NLMA	NLMA still waiting for decision from cabinet about proposed land concession moratorium; the Deputy Head of the Policy and Inspection Department of the NLMA said that if the NLMA had more control over the land concession process it would "set up standard regulations on land concessions so as to minimise the negative impact on local communities and the environment, by first carrying out feasibility studies and surveys to ensure the benefits of a concession would outweigh the disadvantages."											According to an NLMA official who asked not to be identified, locals had complained about investors taking advantage of them and forcing them to give up their land and change their lifestyles once investors had gained land concessions in their areas.	
8-May-07	105	Authority voices concern over land concessions	policy	lands	NLMA	NLMA "will review land concessions for foreign investors to ensure their projects do not violate the rights of villagers."											"We sometimes just try to speed up investment, causing us to neglect the correct procedures for approving investment, which should include considering the interests of local people and the suitability of growing these trees," said the DG of the Department of Land Policy and Land Use. "Mr Kham-ouan [Minister of the NLMA] also emphasised that the enforcement of laws regarding land use and management was ineffective, causing confusion for local people and negatively impacting on the Party's leadership."	
9-May-07	106	Govt suspends land concessions	policy	lands	NLMA	PM announces indefinite moratorium on land concessions for mining and agriculture that are larger than 100 ha; PM emphasizes surveying and promotes 2+3.												
20-Jun-07	142	NA concerned over loss of natural resources	policy	lands	resource loss, land concessions	The National Assembly linked concerns over natural resource loss to the surveying and concession-granting process; it "urged the government to review its land concession policy, as well as empower the National Land Management Authority to undertake feasibility studies on land use before concessions can be granted."											The Vice President of the National Assembly "explained that until now, land concessions have not been granted in accordance with the land's potential; the government has in fact been allowing investors to negotiate with local people to relocate, resulting in disparities in the rates of compensation for such villagers."	This description makes explicit an important dimension -- relocation (of farmland? of villages?) -- to the issue of "available land."

21-Jun-07	143	NA comments have positive influence	policy	lands	land concessions	The National Assembly continues to voice concerns about the impacts of improper land concessions on rural livelihoods.											The Vice President of the National Assembly "spoke about some of the problems relating to land concessions, pointing out that the approval process for projects that used large areas of land was not being implemented in line with the government's land allocation policy. Land concessions sometimes covered the farmland of local villagers, but without a suitable compensation scheme in place."	Presumably the non-accordance with land allocation policy refers to the government's commitment to make sure that all farmers have sufficient land.
12-Jan-06	8	Mining industry to rocket in 2006	policy	mining	mining	MIH issued new mining investment regulations in late 2005; new investors from Australia, Canada and China, Malaysia, Vietnam and Thailand have submitted proposals to the Lao government; exports are expected to increase this year as "many new projects are ready to begin excavation", including gold in Xaysomboun, copper in LNT and a doubling of copper production at Sepon.					\$425 million invested in the mining sector in 2005, up from \$399 million in 2004.	"83 [domestic and foreign] mining companies...are engaged in 138 different activities...Investors from China and Vietnam top the numbers on the mining investment list."	multi				"The country [?] earned about 1,250 billion kip from mineral products in nine months last year, doubling previous figures, according to [Mining] department statistics." It is projected that 2007 will "see even greater revenues for the government because the current period of profit tax exception for investors will come to a close."	
13-Feb-06	30	Underground wealth to boost Lao economy	project	mining	Phu Bia mine	"Phu Bia Gold Mine is now fully operating after an interruption due to a minor fish kill in the Nam Ngone river that flows pass the mine site, and a record heavy rainfall during the 2005 wet season."		250,000 (originally 500,000)									Currently the mine employs 300 people from mostly the surrounding villages, and expects to increase this to 1,000 when copper production gets underway. Phu Bia will generate more waste rock per unit of production than Sepon because it has 1 grams of gold per ton (Sepon has 3) and 1% copper ore (Sepon has 5%). This difference is used as the basis for the company's claim that "the same government requirements cannot be applied to both companies." One of the mine sites in Houeixay village will be flooded in 2009; this is "a matter of urgency."	
2-May-06	83	Dolomite to be mined in Khammuan	project	mining	dolomite processing factory	Lao-Thai joint venture begins dolomite mining in Hinboun district, Khammouane		5,000		30 years	mining concession	\$2.6 million	Lao-Thai joint venture	KHM	Hinboun	Namdik village	"The company will hire more than 60 labourers, of whom 90 percent will be local people."	
16-May-06	93	Luang Namtha exports copper to China	project	mining	copper	LNT mine has been exporting copper powder to Chinese markets, has had production problems because rock is harder than expected, demand outstrips supply		425		30 years	mining concession; the 425 refers to the area currently under production; the size of the concession area was not given	\$6.5 million invested	Lao-China Oriental Minerals Development Co Ltd	LNT	Long (?)	near "Km 17 road" (Route 17 or 17B?)	Regular lease payments to the province, 8 km of access road built by the company	
26-May-06	101	Quest for copper starts in Oudomxay	project	mining	bauxite	Two Chinese companies approved to prospect and explore for bauxite in Pakxong district, CHK		14,650			prospecting and exploration	no amount given	Two Chinese investors	CHK	Pakxong	Bolaven plateau		
26-May-06	101	Quest for copper starts in Oudomxay	project	mining	copper	Chinese company approved to do copper prospecting and exploration in Pakbeng district, OUD		25,200		3 year survey	prospecting and exploration	\$4.5 million for survey, \$200 million in phase 2 if successful	Dynasty Construction Company (Chinese)	OUD	Pakbeng	Houayka, Long & Mokphang villages	DGM says that 5 mining projects have been approved "since the first quarter of this year" with the possibility of "another 10" by the end of the year.	
26-May-06	101	Quest for copper starts in Oudomxay	project	mining	dolomite processing factory	Lao-Thai joint venture begins dolomite mining in Hinboun district, Khammouane	Y	5,000		30 years	mining concession	\$2.6 million	Lao-Thai joint venture	KHM	Hinboun	Namdik village		
26-May-06	101	Quest for copper starts in Oudomxay	project	mining	iron ore	Chinese company approved to do iron ore prospecting in Viengxay district, Huaphan		6,600			prospecting	\$2.8 million	Chinese investor	Huaphan	Viengxay	area of Kaengpoun village		
2-Jun-06	106	Chinese investor to explore potash	project	mining	potash	Jiaxi Fertilizer Manufacturing Company and CPI sign MOU to begin prospecting and exploring for potash in Khammouane province		8,400		4 years	prospecting and exploration	\$2 million	Jiaxi Fertilizer Manufacturing Company, CPI	KHM	Nongbok & Thakhek			
31-Jul-06	147	Lao, Vietnamese form joint venture	project	mining	coal and aluminum ore (bauxite)	Three companies form joint venture for coal operations in two districts	N	"hundreds of hectares" will be requested			No concession yet		Existing firms: Lao Lanexang Economics Development company, Vietnam National Coal Corporation and Vietnam National Coal-Mineral Industries. New firms: Xekong Industry Development Company and Meuang Feuang Industry Development Company. JV agreement signing witnessed by CPI.	Xekong and Vientiane	Thataeng (Xekong) and Feuang (Vientiane)			
9-Aug-06	154	Phu Bia Mining Limited to produce copper by 2008	project	mining	gold & copper	Phu Bia mining is now producing 50,000 ounces of gold per year and expects to begin producing 50,000 tons of copper per year around 2008.				30 years	mining concession	\$240 million for phase 2 (copper mining)	Phu Bia Mining, Ltd.; Japanese, Chinese, Thai, Vietnamese and Indian markets	VTE		Phou Kham, Nam Ngone and Nam Mo villages	During phase 1 (gold, heap leach production), the project employed about 150 people from the area (and about 150 from elsewhere). "In the past two years, the gold mine has improved the living and health conditions of these people." During phase 2 (copper, located underneath the gold), the project expects to employ over 1,000 people from the communities in central Vientiane province, and expects to improve their living and health conditions, which is company policy.	

22-Sep-06	186	Dredging causes riverbank erosion	project	mining	sand and rocks from Mekong riverbed	Village residents confront a sand and rock mining company over the negative effects of riverbed mining on agricultural land and fishing.					mining concession		Village residents and "a company named Satchatham"	VCC	Hatxaifong	Thinthan village	A villager said that "the company that has been dredging sand and rock has a concession for 13 years, and every day they have [3] boats that come from Thailand and moor about 20m away from the Lao riverbank. Sand and rock that is taken away by the company [9-13 loads per day] will be sold in Nong Khai province, Thailand...Water in the area is eroding the riverbank, with soil erosion of 7-10 metres in depth and 1.5 km in length. Land that is used for farming has been damaged, and people now find it more difficult to catch fish."	
31-Oct-06	213	Advertisement (Phu Bia mining)	project	mining	Phu Bia mine	concession area details		260,000						VTE & XK				
7-Nov-06	218	Gold production at Phou Kham reaches its target	project	mining	Phu Bia mine	Gold production reaches 15,000 ounces (50 percent of annual target) at Phu Bia mine	Y	500,000			since 1994	Earnings: \$20 million expected annual earnings to the project and \$1.5 million for GoL; Investment: \$250 additional expected over 10 years during copper project expansion	Pan Australian Resources Ltd. (90%); Gol (10%)	VTE	Phonsavanh		A company representative said that "the company has earned 1.5 million for the government this year, including revenue transfers in the form of taxes, resources [sic?], land rental fees and so on... In the second phase, the company expects to produce 50,000 tonnes of cooper, 50,000 ounces of gold and 400,000 ounces of silver per year... The company anticipates that profits will be earned after the first five years of operations... The Company <i>will also be completing</i> flora and fauna surveys and cultural and community studies, to gather the data necessary to develop measures to minimise any impact that the project may have on the environment or local communities (emphasis added)."	A project-specific example of impact mitigation lagging behind production activities
27-Dec-06	253	SV group to make tin in Khammuan	project	mining	tin	"SV Group Limited officially opened its metal refinery in Khammuan province earlier this week, and is now producing tin."		600 (exploration), 250 (production)		25 years	mining concession	\$430,000 (exploration), \$6.2 million (production)	SV Group Ltd.	KHM	Hinboun	Nongseun village	The Deputy Minister of Energy and Mines told the project to "maintain a good environment in the factory as well as in the areas in which they are exploring and excavating...and develop the community surrounding their factory site."	
19-Feb-07	42	Govt to monitor mining projects	policy	mining	mining	Because of low productivity (over 100 concessions issued to investors in recent years, but few operational), government will slow down issue of mining concessions and better monitor existing concessions.								multi				
20-Feb-07	43	Lao Sapphire Co Ltd donates to Lao People's Revolutionary Youth Union over US\$200,000	project	mining	sapphires		Y				mining concession		Lao Sapphire Company Ltd., a joint venture of Sino Resources Mining Co. Ltd. and Lao State International Trade Enterprise	Bokeo	Houayxai			
10-May-07	107	Chinese company to revive sapphire mine in Bokeo	project	mining	sapphires	Chinese-Lao joint venture to restart sapphire mining (dormant since 2000)	Y	7,200		15 years (starting in 1994)	mining concession	\$5 million to re-start operations	Joint venture between the Lao State International Trade & Service Enterprise and the Sino-Resource Mining Corporation Ltd (Hong Kong)	Bokeo				
18-May-07	114	Govt warns mining investors to report finds	project	mining	iron ore	Because mining concessions are large, prospectors often find minerals they are not looking for, and are required to report these. While surveying for tin and lead, for example, First Pacific Mining Lao Co Ltd found coal and iron ore in Vangvieng district; it then signed a joint venture agreement with a Chinese company last month. It is now doing follow-up studies in Maed, Kasy, Hinheup & Vangvieng districts.	Y				surveying (not specified)		First Pacific Mining Lao Co Ltd, unnamed Chinese company	VTE	Vangvieng			
11-Jun-07	134	Inspection of mining projects continues	policy	mining	regulation of mining sector	Government finds that some mining companies have not been following the correct surveying procedures.											The Vice President of CPI said that "some entrepreneurs were competing for concessions on the same project, and within this process were failing to adhere to the correct procedures for obtaining government approval. This includes some investors obtaining approval and then selling their projects to other companies" and that "ideally, the government would conduct these surveys, but did not have the funds to carry them out, which was why investors had to conduct their own surveys."	The articles reports that "to date, the government has approved around 30 mining projects, most of which are still in the surveying phase." This number is far fewer than the ones shown on the mining concessions map from DGM (see Appendix 4)
	92	Investors to prospect for bauxite	project	mining	Bauxite prospecting (48 months)	A prospecting agreement was signed last week between the GoL and two Chinese investors		14,650					2 Chinese investors; the China National Material Industry Group Corporation and the Geological Engineering Exploration Academy; the GoL	Champasak	Paksong			
11-Oct-06	199	Opinion: What can we learn from China?	opinion	multiple	regulation	opinion of staff reporter who covers NR issues: regulation must keep up with investment, compromise must be mutual, development must be green												

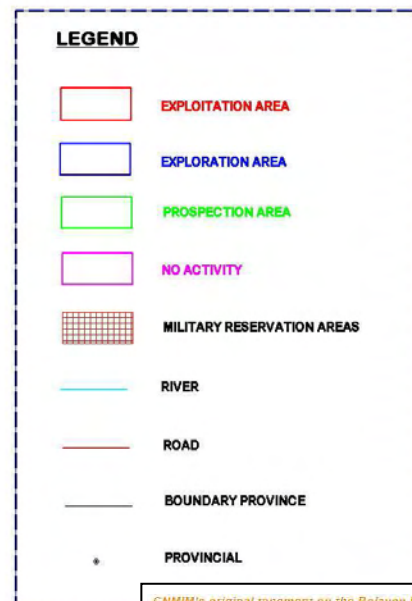
10-Nov-06	221	Laos promotes international trade and investment	policy	multiple	foreign investment, especially special economic and free trade zones	Last week's China- ASEAN Expo in Nanning, Guangxi province, China										According to the Deputy Minister of Industry and commerce, "There is a great opportunity for investors to come and invest in Laos. They can export products made here to these countries and reap the benefits from the new concessions." According to the journalist, "The Special Economic and Free Trade Zones that are in the process of opening represent another important step that is being taken to promote investment. These are located on the borders with China in the north, with Vietnam in the east and with Thailand in the west. These zones are intended for investment in warehousing, cold storage, cargo terminals, hotels, banks, insurance, technical and vocational schools, duty free shops, tourism, and buildings for renters such as distributors. Potential industries for the new zones include wood products, garments and footwear, minerals, agro processing, electronics, handicrafts, and processing and packing industries."	
29-Nov-06	234	Lao-Viet trade fair to boost mutual support	policy	multiple	trade	Lao-Viet trade fair starts tomorrow			50 to 70 years							"Laos supports agricultural investment, and the government has set up policies for land concessions of between 50 to 70 years to attract investment to Laos. The country also has developed investment laws, and labour here is cheap."	
18-May-07	114	Savannakhet plans for economic growth	policy	multiple	territorialization	Savannakhet is conducting investment and land use zoning exercises in order to reorganize its districts (into economic zones; forestry, industry agriculture areas; and residential and government administration zones) in order to preemptively decrease investment costs related to resettlement and compensation. 11 districts have been done already; currently Nong and Xaybouly districts are being zoned; Phin, Champhone and Xayphouthong districts will be zoned in the coming year.										Villagers will be compensated at 100% value for residential lands "covered" by planned investment projects, and at 62% value for "cultivated land or land not growing crops."	Cf. Baird & Shoemaker 2005: internal resettlement meets project resettlement?
19-May-07	115	Opinion: Our future as the generator of Asean is in doubt	opinion	multiple	hydropower, forests	Essay appealing to natural resource management, forest conservation in particular, to guarantee water for hydropower											This seems consistent with the remarks of Minister Boupha at the NLMA meetings in Februaru 2007.
26-May-07	121	Opinion: Declining forest cover contributes to rising temperatures	opinion	multiple	forest management	"To reduce the depletion of our forests, the Ministry of Agriculture and Forestry studies the potential impact of development projects on surrounding forests before approving them. In the past, some investors were given concessions on forested land – the result of inadequate consideration by the forestry sector."											
5-Jun-07	129	Lao-Viet ties strengthen in the south	project	multiple	housing & fruit trees	Champassak provincial authorities...helped Vietnam in providing land for building houses and planting fruit trees on 100 hectares [location unclear], giving a longterm concession to Vietnam.		100		land concession			CHK				
18-Jun-07	140	Economy steady in Vientiane province	project	multiple	industrial trees, mining	According to a new report on the implementation of its 2006-07 socioeconomic development plan, Vientiane province is maintaining a 7 percent growth rate in its economy on account of increased domestic productivity and foreign investment. Industrial tree plantations (agarwood, jatroph, rubber and teak) and minerals (exploration and excavation) were the most popular types of investment, with 23 projects already approved to investors. The province already has 61 minteral excavations and surveys (Note: it is not clear how these 61 projects relate to the 23). Investors are seeking permission for another 56 projects.		3,026 granted already			The 56 projects seeking permission represent 538 billion kip (of which 127 billion is "local").	Investors are from China, Thailand, South Korea, Australia, Vietnam and state organizations				Electrification: "526 of 648 villages in the province have access to electricity, of which 478 villages use hydropower from dams. Thirty-nine villages use solar power and another nine use generators." Food: In order to keep productivity increases adequate to the growing population (2.9 percent growth rate), provincial authorities invested in irrigation and reservoir construction projects.	
27-Mar-07	73	Chinese group to invest in rubber	project	rubber	rubber	China's second biggest tire producer to purchase share of Lao Thail Hua Rubber Company		30,000	35 years	land concession		VCC, Vientiane, Xayaboury, Borikhamxay, Savannakhet & Khammuan provinces			The company was "only able to plant 6,000 [of an expected 30,000 trees] this year due to land allocation issues." The company will source rubber from concession areas and from contract farming. Currently, demand for contract farming inputs (3,000 families) outstrips supply (1,000 families). "The expected income for farmers who plant rubber trees and sell their products to the company is US\$ 2,000 per hectare per year, while employers are expected to earn about US\$1,000 yearly."		

18-Sep-06	182	Bokeo people condemn Radio Free Asia report	project	tourism	tourism development at the ancient city of Souvannakhomkham	Bokeo people condemn a Radio Free Asia report that claims without evidence that a Thai business deceived the provincial government and exported cultural artifacts for sale abroad.											"Bokeo province has authorised individual concessions in order to develop the ancient city of Souvannakhomkham to become a tourist attraction in accordance with Bokeo's socioeconomic development plan. The province authorised a joint venture in tourist development and services, which is 10 percent owned by the state and 60 percent owned by a private company, with the remaining 30 percent of the shares held by a foreign company."	
23-Jan-06	15	Nam Ngum bridge begins construction	project	transportation	bridge over Nam Ngum	After design delays, construction has begun.			25 years	bridge concession (permission to operate toll bridge)	\$5 million	Mr Khien Luangkhot, owner of the Viengsamphan company	VTE		between Meuangkao and Pakkayong villages	Improved connectivity (especially with Thailand), which is linked to economic growth since much of Vientiane province's GDP comes from agricultural exports.		
2-Feb-07	28	Construction begins on new Namngum bridge	project	transportation	Nam Ngum bridge	Construction begins			28 years		\$5 million	Viengsamphan company						
29-Dec-06	255	Korean Company to invest in rural Vientiane	project	transportation & agriculture	29 bridges, ferry port, timber processing factory & eucalypt plantation	Concession agreement signed yesterday between Withus Lao Company and GoL		15,000	30 years (plantation) & 25 years (ferry port)		\$150 million	MAF, Withus Lao Company	VTE	Hinheup, Xanakham	Vang village (ferry port & timber processing factory)	Land clearing is authorized as part of the plantation project. "The new road from Hinheup to Xanakham will provide the shortest distance land link from Thailand to China, connecting to other highways in northern Laos." "This eucalyptus plantation business will also involve local people," said the [company] chairman. He said the company was not only developing the plantations, but would also consider selling some of the eucalyptus saplings to local people to then purchase the mature trees later to help generate more income. He said the project would stimulate the local economy." The company began surveying for road construction in April 2006, and "will start setting up the plantations next year, employing local people and providing job-training skills for them. This will be a good opportunity for locals to develop advanced skills in this area."		
10-Jul-06	132	advertisement (GRET, French NGO)	project	water	urban water systems	"private investors (concessionaires) in charge of building and operating the water systems"							"2 provinces located nearby Vientiane Capital"					
13-Sep-06	179	Teamwork for business survival	project	wood processing	tree plantation	The Furniture Group in Chanthabouly district is trying to set up a special fund in order to pool its members' money and lease land from the government for the planting and management of plantation trees. ("Promoting land concessions for plantations is a government policy.")						Furniture Group of Chanthabouly	VCC					

Appendix 3. Maps and figures cited

MAP OF CONCESSION AREAS UP TO JULY 2006

LAO PDR.



Source: Ord River Resources 2006

[illegible]

NO. COMP.	COMPANY'S NAME	LOCAL / FOREIGN	PROVINCE	DISTRICT	AREA(HA)	KIND OF MINERAL	ACTIVITY
87	Jatani Mining Co., LTD	Local	Iligan	Coma	26.65	Saprophyte	Exploration
			Iligan	Huayay	26	Saprophyte	Exploration
			Iligan	Huayay	88	Saprophyte	Exploration
			Iligan	Huayay	20	Saprophyte	Exploration
			Iligan	Huayay	11.38	Saprophyte	Exploration
			Iligan	Huayay	12.72	Saprophyte	Exploration
88	LUNDA Open Pit Mining Co., LTD	Local	Guisanigan	Champion	100	Synghan	Exploration
			Guisanigan	Champion	480	Synghan	Exploration
			Guisanigan	Champion	420	Synghan	Production
			Guisanigan	Champion	680	Synghan	Production
			Guisanigan	Champion	21	Berite	Production
			Guisanigan	Champion	21	Berite	Production
89	Philippines	Local	Visayas	Mangrove	21	Berite	Production
90	Philippines	Local	Visayas	Mangrove	21	Berite	Production
91	Philippines	Local	Visayas	Mangrove	21	Berite	Production
92	Philippines	Local	Visayas	Mangrove	21	Berite	Production
93	Philippines	Local	Visayas	Mangrove	21	Berite	Production
94	Philippines	Local	Visayas	Mangrove	21	Berite	Production
95	Agulayan Inc., Development Enterprise Reg. - Brg. 6 - Zamboanga	ENOF	Visayas	Mangrove	350	Berite	Exploration
			Visayas	Mangrove	400	Coal	Exploration
			Visayas	Mangrove	10	Coal	Exploration
			Visayas	Mangrove	10	Uranium	Exploration
			Visayas	Mangrove	1.50	Phos.	Exploration
			Visayas	Mangrove	1.50	Phos.	Exploration
96	Jatani Minerals Co., LTD	Local	Visayas	Mangrove	1.50	White clay	Production
			Visayas	Mangrove	2,000	Coal	Exploration
			Visayas	Mangrove	1,500	Coal	Exploration
			Visayas	Mangrove	200	Uranium	Exploration
			Visayas	Mangrove	140	Clay	Exploration
			Visayas	Mangrove	240	Manganese	Exploration
97	Philippines	Local	Visayas	Mangrove	10	Clay	Exploration
98	Philippines	Local	Visayas	Mangrove	10	Clay	Exploration
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197	Philippines	Local	Visayas	Mangrove	10	Clay	Exploration
198	Philippines	Local	Visayas	Mangrove	10	Clay	Exploration
199	Philippines	Local	Visayas	Mangrove	10	Clay	Exploration
200	Philippines	Local	Visayas	Mangrove	10	Clay	Exploration

Source: DGM 2006

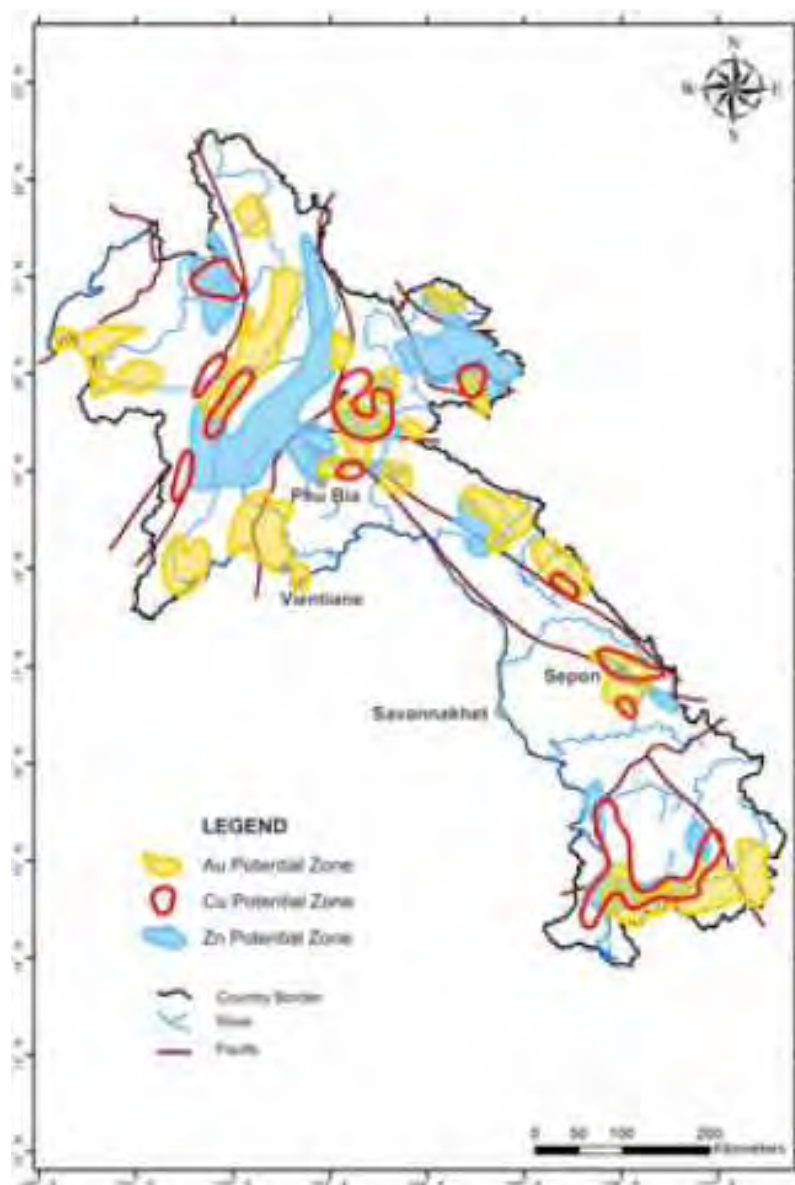


Fig.2 Map of Potential Mineral Resources

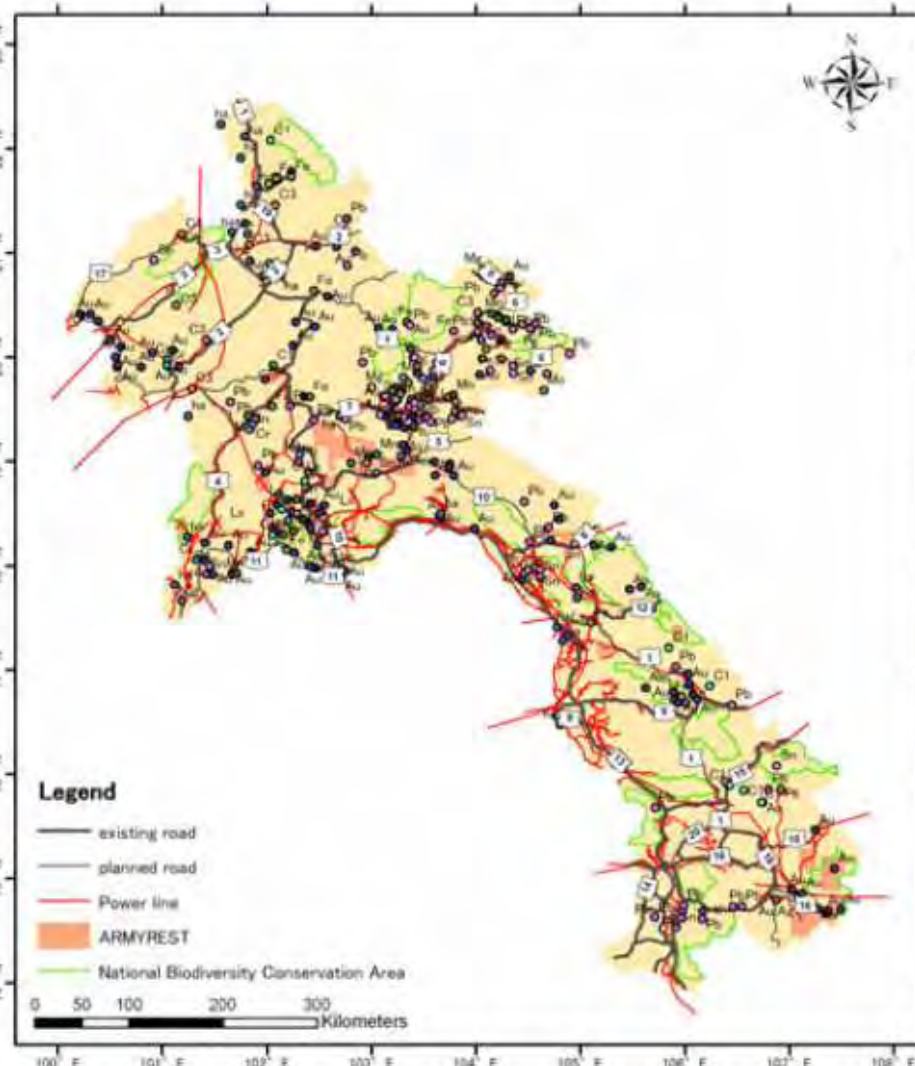
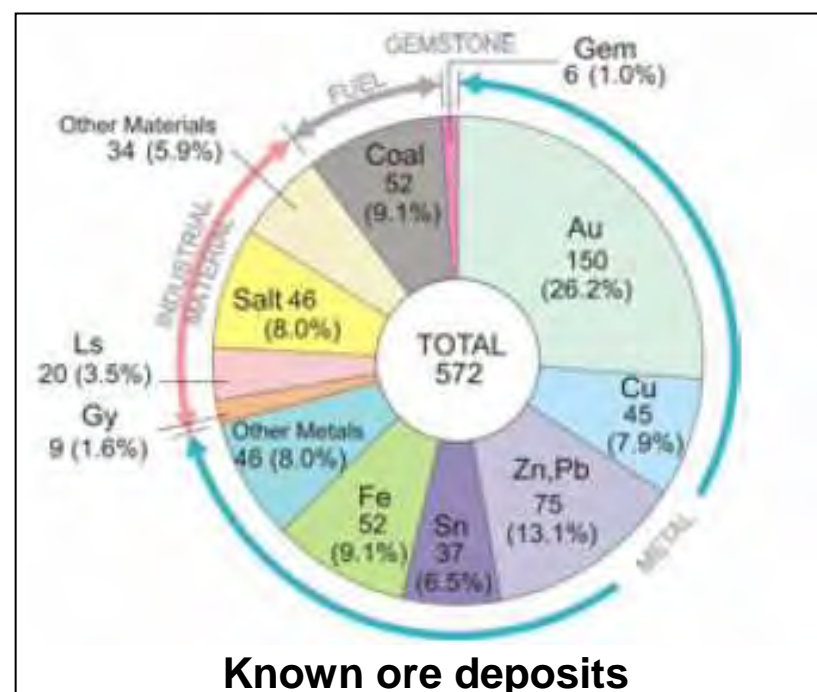


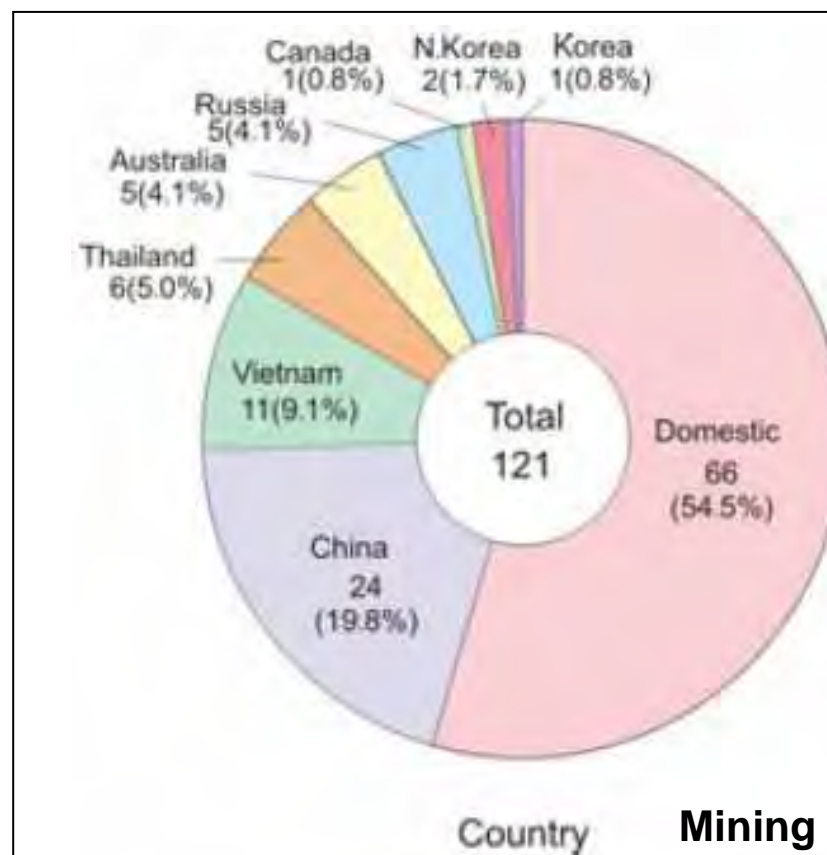
Fig. 5 Relationship between Ore Deposits and Infrastructure



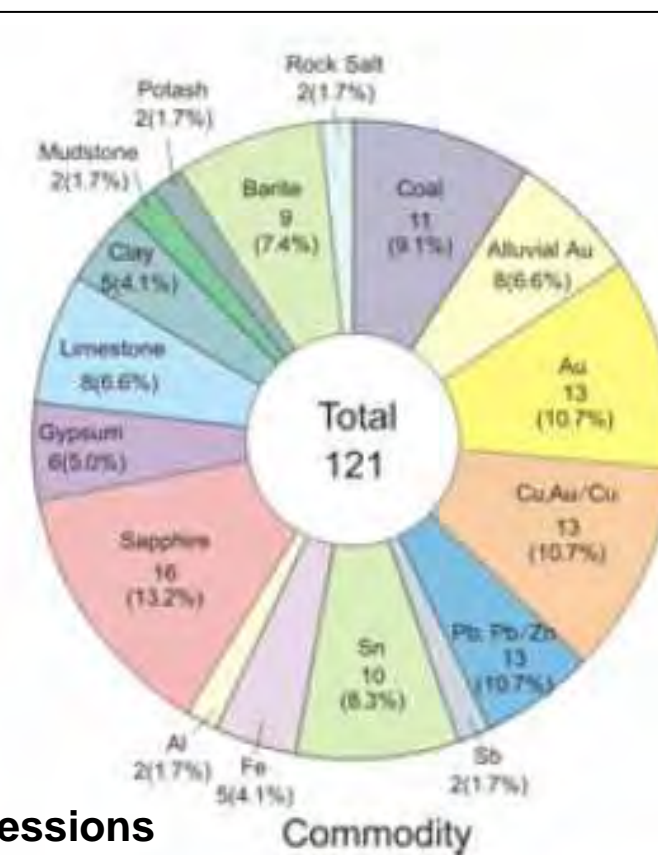
Fig. 1 Registered Mine Locations in Laos



Known ore deposits



Country



Mining concessions

Commodity

Source: World Bank 2006a