



Managing our natural resources for a better life in the villages of Houaphanh Province

Six Briefs on Bamboo Forest Management and Value Chains Development



June 2020



Brief Paper 1 : Handicraft Value Chain – May 2020 -

Introduction



In close partnership with the *Houaphanh Provincial Bamboo Task Force* lead by Department of Planning and Investment and Provincial Office of Forestry and Agriculture, GRET has been supporting the implementation of the Houaphan Province Bamboo Sector Development Strategy 2011-2015 and 2016-2020. Through a **multi-stakeholders' approach**, this partnership has been facilitating links between the villagers, traders and government.

Among one of the 5 bamboo value chains being actively developed within the province and supported by the Bamboo and Rattan Project, Handicraft value chain has been supporting since 2013. It is involved by 30 villages that have background on producing and trade bamboo-based handicraft products. Most of the producers in these villages are poor and the mostly secluded villages are from 3 districts: Xamneua, Viengxay and Sobbao. Their general income comes from their crops and livestock. Handicraft production is a supplemental source of income for these villagers as it supports daily expenditures such as paying for food, electricity, and supporting children education and more.



Description of the Handicraft value chain

Currently, there are 30 villages involved handicraft value chain: 6 villages from Xamneua, 20 villages from Viengxay and 4 villages from Sobbao. In general, income generated for the villagers through handicraft production and trade has increased each year.



There are more than 30 types of handicraft products and most of the products are the traditional Lao handicraft. However, some specialized niche products have been slowly developed to meet the demands of more savvy and sophisticated customers. These are sticky rice box, Kaderb, Suitcase, basket, bamboo straw and straw box. Currently, Houaphan bamboo handicraft products are well known from

people inside and outside the country. Many traders inside Houaphan buy products from the producers to sell to customers inside and other market outside the province: Xiengkhuang, Luangprabang, and Vientiane. Besides that, some traders outside: Vientiane and Luangprabang have ordered directly from the producers.

Producers' Experience



traders, and among producers leading to exchanges that improve product quality and quantity to reach mutual benefits.

However, some villages are still facing difficulties such as not enough resource to produce, poor producer group (PG) functioning; poor coordination by some PG leaders to ensure completing traders' orders, some PG members not fully follow the rules and regulation of the group, some PGs still have poor production quality, some skilled members not fully share experience with less skilled members. In additions, bad road access to some villages have reduced their access to traders including some villages where there are no traders the villagers have to bring to sell to traders or sell at the local market. Those issues can often cause unstable or decreased prices leading to reduction in production.

Future potential



There are many handicraft villages in Houaphan that may have production potential but have not been supported especially villages from other district. These villages remain not known by traders and customers, and therefore they mostly sell within their village, thus their income is limited. Meanwhile, target villages that have been supported are growing and have improved their production and trade, therefore they are well known to other areas. These villages and producer groups can serve as model producers that other handicraft villages inside and outside province could learn from.

Recommendation

Involvement in Handicraft value chain can be a good source of income for the producers. However, many producers are still not confident to fully function as strong producer groups to fully achieve the benefits from trading in handicraft. Both international non-governmental organizations, government offices, and private sector should recognize the strong potential and importance of this activity/value chain and can continue to support the value chain stakeholders going forward. Activities to improve producers' growth, better production quality and trade access could result in improved income for all. At the same time, it is important to continue to support stakeholders' reflection on the importance of their natural bamboo resource so they could protect their resource for long-term use.



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Bamboo and Rattan Project

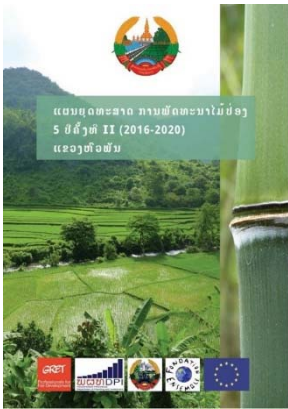


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Brief Paper 2 : Mai Khuane Value Chain – May 2020 -

1. Background of Mai Khuane value chain in Huaphan



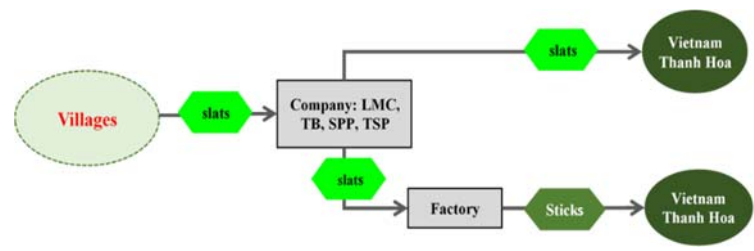
In close partnership with the *Houaphanh Provincial Bamboo Task Force* lead by Department of Planning and Investment and Provincial Office of Forestry and Agriculture, GRET has been supporting the implementation of the Houaphan Province Bamboo Sector Development Strategy 2011-2015 and 2016-2020. Through a **multi-stakeholders' approach**, this partnership has been facilitating links between the villagers, traders and government. Specifically, within the Mai Khuane Slats & Sticks value chain (VC), its stakeholders has been working toward its development since 2011 during which only the Le Minh Chau Company was involved in trading. In 2012, due to the increased economic potential, two other companies entered the value chain. Since 2013, the provincial and district governments, recognizing the economic benefits for the villagers and the province as a whole, started to implement various enabling environment policies to ease rules and regulations to encourage investors to trade in this value chain. This resulted in the increased in number of companies

involved and culminating in totaling more than 30 villages in 2 districts (Viengxay and Sopbao) actively involved this value chain for income generation.

Production and trade between the villagers and the companies mostly occurred in the forest or road side. Involved companies invest in the construction of access road to the forest to support the villagers' production. Collected bamboo poles are normally split into slats and are either transported directly to Vietnam or processed further into sticks before exportation. Generated income through harvesting and selling supports poverty reduction and is normally used by the villagers as a supplemental source income used toward their household expenditure such as: children education, domestic uses, clothes and others. In addition, through signed and verified contracts with the companies, the villagers receive additional benefits such as fee collection, village infrastructure construction (meeting hall, bridge, road repairs) and others. The collected fee collection is usually used for village fund and annual forest monitoring and management to ensure sustainable bamboo resource. The province also receive economic returns through the tax collected from the companies based on the quota given each year as well as cross-border export fees.



Average incomes (Millions of kips)	2014	2015	2017-18	2018-19
Income per village	40.0	82.3	101	66
Income per household	1.1	1.9	2.5	1.9

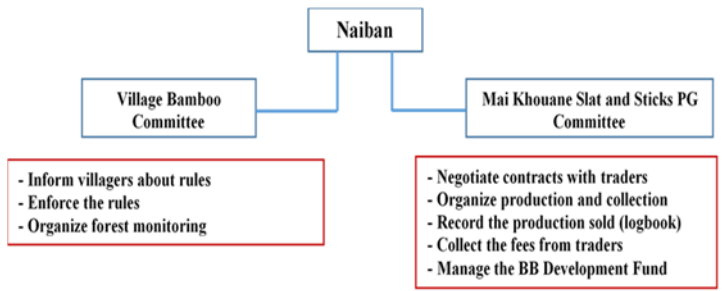


2. Experiences from the stakeholders

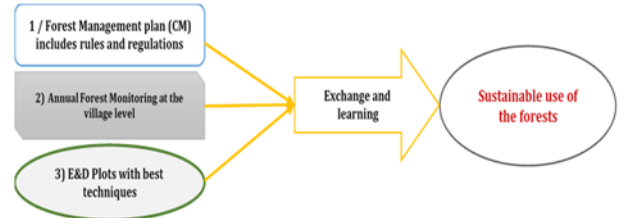
For many years, the 30 villages (producer groups and producing villages) are involved in harvesting and selling Mai Khuane slats to 3 different types of companies: established company, transition company and new company. **But since 2019**, only 6 companies still exist from the 10 companies that operated and traded in 2018. This reduction is attributed to the limited market and low price from Vietnam customers, who were experiencing reduced demand by their own customers in India and SE Asia. In addition, instead of processing the bamboo based on regulations, most companies have been exporting only slats to Vietnam due the resource demand of processing while generating similar profit.

❖ **The villagers: Producer group and forest**

Producer group (PG) contains producers which join due to their recognition of potential benefits. Each PG committee is consisted of representatives selected by village authority and villagers and they work with the guidance of the village chief. This committee normally consists of a leader, a deputy leader, accountant, marketing and forester. PG main function are to negotiate contract with company, organize production and collection, record the production sold (logbook), collect fee from company, manage bamboo development fund, inform and enforce villagers about collectively developed rules and regulations, and organize forest monitoring.



In addition to the producer group, in each village, to ensure the forest is properly managed, the village have either one or both the bamboo forest management and bamboo forest monitoring system. These are explained further in different briefs but in general, these systems work together like:



“Having producer group is easier to work in Khuan value chain with higher efficiency and effective., especially coordination for production and trade including contract negotiation with company and also forestry work”(PG member comment from Ban Earn village)

❖ **Challenge and constraints**

- Through multi-stakeholder meetings, companies have expressed facing difficulties in quota, specifically the prolonged inspection process for getting approval to export to Vietnam. This reduced the quantities that could be exported each year, resulting in loss of profit. This has resulted in some companies stop trading while others that remained proposed that the government streamline the cross-border trade system including the quota inspection process;
- Limited market access and low price in Vietnam;
- Contract enforcement between company and village reducing mutual trust and motivation;
- Some producer groups could not manage village fund generated by collecting fee;
- Degradation of Mai Kuane forests for some villages and lower growth due to poor harvesting technique and locus infestation resulting in smaller poles (diameter and length) resulted in reduced income generation for villagers.

3. Potential future

- ✚ Relevant government office continue to follow up and support the target villages or producer groups on production and trade needed and facilitate to companies after project phases out in 2020;
- ✚ Producer groups could use the experiences and capacity strengthened and supported from the bamboo and rattan project to continue to work in Khuan value chain for income generation or other task that could be adapted;
- ✚ The quota inspection process could be improved to balance what companies proposed to push this value chain continue for income generation to stakeholders;
- ✚ Important to have the policy to interest Lao business man and company to produce finished product such as chopsticks, toothpicks and others for inside consumption, but the same time reduce import these kind of product from outside.



Brief Paper 3 : Khom (Bamboo Shoot) Value Chain **- May 2020 -**

Background



Houaphan Province is largely covered by natural bamboo forest. Recognizing the potential, since 2009, GRET through its Bamboo and Rattan project with the Houaphan government and its Bamboo Taskforce (PAFO, DPI, DIC, PoNRE, DAFO, DOIC, and DoNRE) have been supporting the Houaphan Bamboo Sector Development Strategy 2011-2015 & 2016 -2020.

Among the 5 value chains being supported is the Nor Khom fresh shoot value chains. This aims to support income-generating opportunities for local people including those under poverty of 19 villages in Xamneua and Viengxay districts. Khom bamboo shoot is a product of great importance to villagers throughout Houaphan province as it serves both as a source of food but source of supplemental income.

Since 2011, much effort has been focused on developing producer groups (PG), traders network (business skills to linkages to other stakeholders) and enabling trading environment (district and provincial policy and support).



Current situation of Khom bamboo shoot value chain



Since 2017 - 2020, the 19 Khom bamboo value chain villages come from Samneua district (9 villages) and Viengxay district (10 villages). This villages, mostly located in rural areas contain people of different ethnics (Hmong, Tai Deng, and Khmu ethnic, Zhao and others).

Villagers in rural areas usually harvest the shoots between December to April. The shoots have different tastes going from sweet (December to January) to average sweet (February to March) to Bitter (late March to early May). The villages sell Khom bamboo shoot to the local collector and trader inside and outside the province (Luang Prabang and Xieng Khuang) to generate supplemental income. The price is based on the sweetness of the shoots going from 5,000kips/kg to 1,500kips/kg. The generated supplemental income is used in daily expenses and send their children to school. Fees collected from traders during selling is used for the village fund to help their village, especially poor household.

Sharing of experiences from the stakeholders



Challenges/constraints experienced by the producer group:

- PG production: Decreased number of shoots due to weather issue, nearby villages harvest Khom shoot without allowed, villagers not followed harvesting technique, rules, and some bamboo forest damaged by animal;
- Trading: few traders buy with low price and PG cannot collect the fee, conflict between local collector, and PG on the price, the traders do not follow the verbal contract with PG;
- PG organization and functioning: Some producer group do not have clear accounting system, report, and are still confused about the role and responsibility of the PG.

Positive of the villagers in Khom target villages:

- Villagers have a good supplemental livelihood and they can generate income can be used in daily expenditure and send their children to school especially poor households.
- For some strong PGs, they have been able to collect fees from traders and set up village fund.
- Peer-to-peer exchanges have started to exist among different PGs.

Lesson learned from the stakeholder of Khom VC

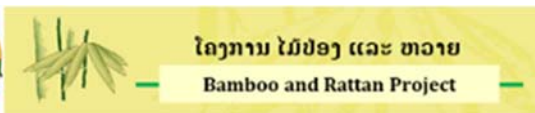


- The development and coordination of PG helps some groups to organize their harvesting and selling. However, they continue to need support in market linkages and logbook keeping.
- From peer-to-peer exchanges, including those supported by the project, Khom villages can get the experience and lesson learn from their fellow villages. This helps to strengthen their own group while finding the way to develop further their PG and production skills and improving Bamboo Forest Management and Monitoring.

Peer-to-peer activities can be a very powerful tool for the villagers going forward.

Potential future

- Further consolidation and with increased facilitation for multi-stakeholder ownership of the value chain's development by the producer group, government relevant, and private sector;
- Peer-to-Peer approach on PG functioning and forest monitoring/management;
- 3 new target villages in Samneua district that have received support on PG concept with peer-to-peer exchanges should receive follow up supports by the other stakeholders (government and private sector);

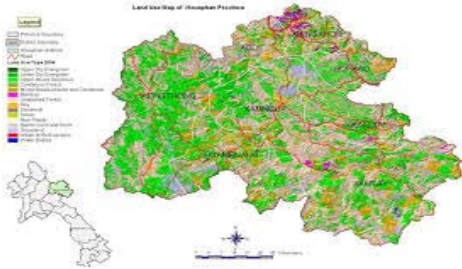


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Brief Paper 4: Broom Grass Value Chain –May 2020 -

Background



❖ Houaphanh province

Located in the northeast of Laos. Houaphanh Province covers an area of 16,500 square kilometers with a 2015 population of 289,393. Houaphanh Province is largely covered by complex mountainous areas with cool to cold weather. The province is home to 20 ethnic minorities throughout its 11 districts with a higher than national average of poor households.

❖ Houamueng district

Houamueng district, a poor district in Houaphanh where people are in dire need of access to clean water and health security and some people are affected by UXO. Most of the population lives from subsistence farming and collecting Non-timber forest products (NTFPs). Among these, the broom grass can generate supplemental income for many families including for low-income families and families with peoples with disabilities (PwDs).

Broom grass Value Chain

NTFPs products have long been associated with the livelihoods of people in Houamueng. NTFPs products can generate significant income for the people especially for benzoin, red mushroom, Loi Bamboo shoots, lingzhi mushroom, rattan... Broom grass, as an NTFP could easily be found and often in large quantity, resulting in high income generating potential. Its flower and stalks are collected directly in the forests or along the roads during the dry season (from December to February). Once dried, it could be made into sweepers, while the leaves can be used for wrap sticky rice (the Lao traditional food) or livestock feed. Its shoots could also be eaten. The supplemental income generated from broom grass could be used to help with daily expenditures such as food, clothes and electricity bill, and children's education.



Stakeholders



❖ Villagers

In the villages, broom grass has been traded for many years and is a significant source of income for the households in rural areas with villagers harvesting to sell by fresh or drying it before selling to the traders. Some people make the sweepers for use at their home or sell to traders. There is noticeable added-value from drying and processing broom grass to sweepers

❖ Traders

The value chain involves local collectors and traders who collect, transport, and sell the products to other provinces. Currently there are 43 local collectors or traders involved in buying fresh broom grass at the average price of 1160 kips/kg and average price of dried broom grass at 4500 kips/kg.

❖ Government

Discussions have been made with villages, district and provincial authorities on the importance of red broom grass for villagers. These discussions have led the government to encourage people to focus on transforming the broom grass through making sweepers for added-value, to increase villagers' diligence in revenue generation so they can escape poverty according to the provincial strategic plan.

❖ GRET/BNDA with HI-EU project

GRET and the Bamboo and NTFP Development Association as Project Partner with HI, using their 10 years of working experience in people's livelihood development in Xam Neua, Viengxay, Sobbao are working in the Houameuang district. This work includes: building capacity of the villagers especially People living with Disability (PwDs) on the sustainable value chain and producer group development; supporting income generation through the commercialization of 3 value chains (Loi fresh shoot, red mushroom and broom grass); and Natural resource management and forest monitoring for sustainable use.

The BNDA is a local Lao Non-Profit Association and works with GRET as « facilitators » of the collective learning process using participatory approaches to meet the goals.



Scope of the Activity

In Houameuang, 11 village and **900** households are being involved and supported in the broom grass value chain. These villages generate **587,760,000** kips from the broom grass with **653,067** kips per household. Income from broom grass is mostly generated from selling fresh broom grass with less income from dried broom grass. Finally, **89 PwDs** are currently involved in the activity that has a great economic potential for their involvement.



Linkages



Currently, the multi-stakeholders (GRET, HI, BNDA, governmental agencies and private sector) focused on adding value to improve income generation while developing appropriate natural resource management and forest monitoring systems to ensure long term use. Recent market study has shown that there is potential for linking to traders in Vientiane, Oudomxay or Xiengkhouane to the producers (fresh, dried or sweepers) in Houameuang.

Constraints for PG or villagers faced for broom grass value chain

- Some people with disabilities are facing the difficulty to access the forest.
- There is competition among traders/collectors.
- Climate change (less rain) have reduced production capacity and quality of the natural broom grass.

Lessons learned and recommendations

- The shift from traditional livelihoods from shifting cultivation to the sustainable use of forests and production for income generation still needs to be gradually transformed;
- The establishment of new producer groups needs greater collaboration with villagers and with PwDs as they currently play a very small role in value chain activity. Their roles could be in processing.
- Working with villagers while ensuring mutual understanding to support improving livelihoods and sustainable use of forests is important.



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Brief Paper 5: Red Mushroom Value Chain –May 2020 -

Background



❖ Houaphanh province

Located in the northeast of Laos. Houaphanh Province covers an area of 16,500 square kilometers with a 2015 population of 289,393. Houaphanh Province is largely covered by complex mountainous areas with cool to cold weather. The province is home to 20 ethnic minorities throughout its 11 districts with a higher than national average of poor households.

❖ Houameuang district

Houameuang district, a poor district in Houaphanh where people are in dire need of access to clean water and health security and some people are affected by UXO. Most of the population lives from subsistence farming and collecting Non-timber forest products (NTFPs). Among these, the red mushroom can generate supplemental income for many families including for low-income families and families with peoples with disabilities (PwDs).

Red mushroom value chain

NTFPs products have long been associated with the livelihoods of people in Houameuang. NTFPs products can generate significant income for the people especially for benzoin, red mushroom, Loi Bamboo shoots, lingzhi mushroom, rattan. Red mushroom is one of the NTFPs which it can generate significant income for many people. It is collected directly in the forests during the rainy season (from June to August). The supplemental income generated from red mushroom could be used to help with daily expenditures such as food, clothes and electricity bill, and children's education.



Stakeholders

❖ Villagers



Villagers and other stakeholders have indicated that red mushroom was not traded until 4-5 years ago. Before that, it was used mainly for food. Now it is a significant source of income for the households in rural areas. Villagers go to jungle to harvest the red mushroom, and bring home to sell fresh or clean and dry using the oven before selling to the traders. Some people can make the ovens by themselves but some villages do not have the oven and often dry by the sun.

❖ Traders

Red mushroom can be sold by the villagers, either to the local markets, local collectors or to outside traders. The local collectors and traders collect, transport, and sell the products to other provinces which ultimately go to the Chinese consumers. The average price of good fresh red mushroom is around **40,000** kips/kg and the average price of good dried red mushroom was **560,000** kips/kg.

❖ Government

Discussions have been made with village, district and provincial authorities on the importance of red mushrooms for villagers. These discussions have led the government to encourage people to focus on transforming the red mushroom through processing for added-value, to increase villagers' diligence in revenue generation so they can escape poverty according to the provincial strategic plan.

❖ GRET/BNDA with HI-EU project

GRET and the Bamboo and NTFP Development Association as Project Partner with HI, using their 10 years of working experience in people's livelihood development in XamNuea, Viengxay, Sobbao are working in the Houamueng district. This work includes: building capacity of the villagers especially PwDs on the sustainable value chain and producer group development; supporting income generation through the commercialization of 3 value chains (Loi fresh shoot, red mushroom and broom grass); and Natural resource management and forest monitoring for sustainable use.

The BNDA is a local Lao Non-Profit Association works with GRET as « facilitators » of the collective learning process using participatory approaches to meet the goals.

Scope of the Activity



In Houameuang, 10 villages and **522** households are involved and supported in the red mushroom value chain. These villages generate **833,075,000** kips from the red mushrooms with **1,595,929** kips per household. However, income from red mushrooms are mostly generated from selling dried red mushrooms with less income from fresh red mushrooms. Finally, 32 peoples with disabilities (PwDs) are currently involved showing great economic potential for their involvement especially during processing.

Linkages

Currently, the multi-stakeholders (GRET, HI, BNDA, governmental agencies and private sector) focused on adding value to improve income generation while developing appropriate natural resource management and forest monitoring systems to ensure long term use. Recent market study has shown that there is potential for linking to traders to Oudomxay and Vientiane to the producers (fresh and dried), especially those that have strong consumer base in China.

Constraints for PG or villagers faced for red mushroom value chain

- Red mushrooms due to its high value, are harvested at night time with high competition among villagers. This also leads to unauthorized harvesting from people from nearby villages.
- Villagers still lack quality processing and packaging techniques, lowering the quality and price.
- No sustainable price and unstable market due to lack of contracts with local collectors or traders.

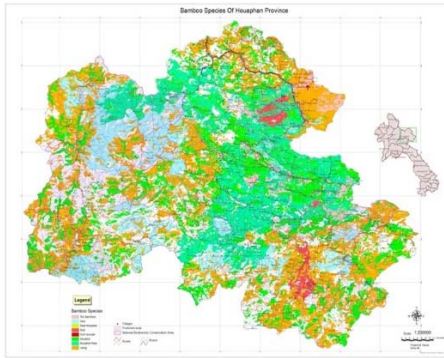
Lessons learned and recommendations

- The shift from traditional livelihoods from shifting cultivation to the sustainable use of forests and production for income generation still needs to be gradually transformed;
- The establishment of new producer groups needs greater collaboration with villagers and with PwDs as they currently play a very small role in value chain activity. Their roles could be in processing.
- Working with villagers while ensuring mutual understanding to support improving livelihoods and sustainable use of forests is important.



Brief Paper 6 : Natural Bamboo Forest Management (Combined Method) – May 2020 -

Background



Huaphan Province is diversity of natural bamboo forest. Recognizing this potential since 2009, GRET through its Bamboo and Rattan project with the Houaphanh government and its Bamboo Taskforce have been supporting the Huaphan Bamboo Sector Development Strategy 2011-2015 & 2016 -2020.

From 2012 to 2015, collaboration was done with Forest Science Research Center (FSRC)/NAFRI on experimentation and demonstration (E&D) plots of 5 bamboo species: Hok, Xang, Khome, Kouan and Dja in 8 villages. The product of this collaboration was then included in the Forest management (FM), agreement to provide scientific basis for the techniques. Through a

collective learning process and participatory approach, the bamboo Forest Management (FM) agreement was developed between Village Bamboo Committee (VBC) and District Agricultural and Forestry Office (DAFO). This FM agreement consists of a set of documents that identify, survey, and define rules and regulations for sustainable bamboo forest use within the implemented village.

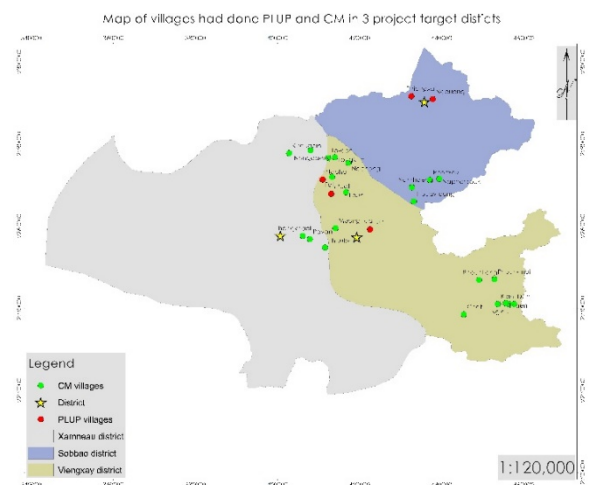


Since 2012, with technicians from PAFO, DAFO and District office of Natural Resource and Environment (DoNRE), PLUP (Participatory Land Use Planning) was implemented in some target villages that have potential of bamboo in 3 districts of Xamneua, Viengxai and Sobbao. Although PLUP have good effects, it takes long time and cost consuming which reduced the number of villages that could be implemented in appropriate time. This led to the development of a “Combine method” (CM) that combines PLUP and FM into one shorter version, allowing for more villages to have their bamboo forest managed in shorter and less costly way.

CM current step and lesson learned

Since 2012, 5 villages have applied PLUP while from 2013-2020, 22 villages applied the CM in the 3 mentioned districts. This Combined method contains 11 steps:

- Step 1 3D map creating
- Step 2 Open ceremony;
- Step 3 Delineation of the village limits;
- Step 4 Select Bamboo species to be managed in the village;
- Step 5 Production Capacity of the village (from the forest and the village’s workforce);
- Step 6 Delineation of the bamboo forest to be managed and the bamboo plantation area;
- Step 7 Sub zoning and sample plots (of the bamboo forests)
- Step 8 Field inventory (from bamboo production forests)
- Step 9 Forest management discussion rule and regulation (with village);
- Step 10 Management plan and map creation
- Step 11 Closure ceremony;





Through its implementation since 2013, stakeholders have deemed the CM to be very useful for allocating their bamboo forests for sustainable use. Implemented villages through their village bamboo committee are able to set up and apply their own rules and regulations to ensure sustainable management and monitoring of their bamboo resource, proper harvesting techniques and proper assessment of their village and forest production capacity to prevent overharvesting.

By applying the CMs, villagers see the long-term benefits as the CM agreement allows them to manage, regulate and monitor their bamboo forest. They are also able to evaluate the bamboo forest situation and production capacity to appropriately balance the demands of the traders (for shoots) and companies (for poles).

Future and potentials

From the experience that have been applied in 3 target districts, there is potential for the CMs to be extended to other districts in the province as well as to other provinces that possess bamboo and NTFPs. This work could be done by the Bamboo and NTFPs Development Association (BNDA), a non-profit association with experience on natural resource management and monitoring by using CM and other participatory tools. In addition, collaborations with other INGOs could be developed to integrate the CM within other resource management tools to best fit with the demands. Finally, collaboration with relevant government agencies could be developed to synergize the CM integration and implementation with governmental needs.

Constraints and recommendation

➤ ***Constraints***



One main problem that have reduced Bamboo forest resources in many villages in Houaphanh is the locust infestations. The locust swarms have been increasing in size, impact area and consumption of bamboo leaves which have resulted in lower shoots yield and less bamboo poles. Locusts are also relocating each year to different forests, affecting areas previously not affected.

In addition, lack of investment by the companies toward completing processing factories as required by the government as reduced the sustainability aspect of preventing overharvesting.

Although the Combined method applied at the village level are recognized by the Government, some districts have not used the information from completed CMs and monitoring by the VBCs. They have not integrated the data and information into their governmental system.

Therefore, it is important to turn these constraints into constructive actions toward stimulating investment, growth, a sense of ownership by villagers or VBCs.

➤ ***Recommendation***

To ensure sustainable use of bamboo resource and long-tern income generation to the communities, villagers should have highly motivated on manage the resource. To have good manage the bamboo resource villagers need to use CM information to be data base on how to manage and harvest.



For more information on BNDA:

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