Rattan and Bamboo Project

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By: Bouavanh Phachomphonh
I. Brief on Rattan project

Phase I: (2006-2008) Pilot
Supported By IKEA

- Established a model of forest certification by Forest Stewardship Council (FSC)
- Development of a rattan supply chain towards sustainability and efficiency

Phase II: (2009-2011) Scale-Up Phase
Supported By IKEA & EC

- Set-up best practices, which were applied to the rattan supply chain
- Established a foundation for sustainable sourcing of rattan materials, clean processing and legality of the supply chain

Phase III: (2011-2014): Strengthening Phase
Supported By IKEA & TABI (SDC)

- Strengthening the existing sustainable rattan supply and production chain set-up in Lao PDR:
  - Expansion of FSC sustainable rattan forest resource management area and engage in supplying sustainable manage 2,000 tons of raw material by 2014.

Phase IV: (2014-2017) Strengthening and scaling up
Supported By IKEA, TABI (SDC), SIDA

- Strengthening and scaling up responsible sourcing and production of rattan and bamboo by small-scale producers.
- Sustainable FSC certified rattan from Lao PDR supplies the international market with FSC products.
- Supports local livelihoods (2,690 HH) and contributes to conserving 25,000 ha of forest.
Project sites:  
28 villages in 6 district, 3 Provinces

1. Bolikhamxay Province:  
   - Bolikhan district: 7 villages  
     (Xiengxien, Xiengleu, Nakoun, Kokpho, Wa, Phonesoung, Kheneeyong)  
   - Khamkeut District: 7 villages  
     (Sobphouan, Phonthong, Poungpatao, Donxart, Xhamtuei, Thaveung, Kuanchan)  

2. Sekong Province:  
   - Thateng District: 3 villages  
     (Kokhuaphou, Paleng, Thongwai)  
   - Lamam District: 3 villages (Tapuark-Taneum, Xenoy, Lavinoy)  

3. Saravan Province  
   - Ta-Oy (Katen, Paten, Pachoudone)  
   - Sa-muoy (Tango, Tandy, Pantai, Avao)
Set a model of the rattan supply chain (from forest management until selling the rattan finish product to retail).
1. Management Rattan-Bamboo Resources

**Forest inventory** of natural forest management area in 23 villages at Bolikhamxay, Sekong and Salavan Province:

**Total:** 26,558.4 ha of rattan and bamboo forest

- **Rattan:** 24,438 ha (22,637.4 ha with FMP)
- **Bamboo:** 12,129 ha (11,269 ha with FMP)

Note: 9,149 ha are overlapping
Understand the growth to define the sustainable harvesting rate:
- A permanent sample plot for Calamus Solitarius at Sopphouan
- Setting up new permanent sample plot at Xienglieu village, for 7 rattan species.

Growth rate of *Calamus solitarius*

- Year 1: $y = 8.6938x + 41.681$
  $R^2 = 0.9453$
- Year 2: $y = 10.78x + 37.064$
  $R^2 = 0.8248$
- Year 3: $y = 14.513x + 19.616$
  $R^2 = 0.8851$
- Year 4: $y = 13.48x + 35.45$
  $R^2 = 0.849$

Average: 68.23 cm/year
Rattan nurseries

- Village are able to produce the rattan seedling by themselves at Sopphouan, Pounpatao and Thaveng village
- Produce seedling up to 80,000 seedlings/year
- Income from selling the seedling 2,500,000 Kip/year/HH (18 HH in Soppouane village)
- Set up 13 small village rattan nurseries for rattan (only 9 still in operation)
Rattan shoots plantation

- **Rattan shoot plantation**: 56 ha (133 HH) in 14 villages at Bolikhamsay and Sekong
- **Income from selling**
  - Rattan shoots: **600,000 to 15,000,000 Kip/year/HH** (22 HH in Sopphouan village)
  - Rattan seed selling: **200,000 to 18 Million LAK/year/HH** (3 HH in 2 villages at Khamkeut.)
Capacity building: Forest Management

Providing training and expertise to staff and villager: rattan inventory, rattan harvesting,
Ensuring the rattan is sustainably harvested
Capacity building: Community rattan-Bamboo processing

Processing and Weaving

(32 trainings for villager on rattan inventory, storages, rattan weaving, business planning)
Capacity Building: Exchange study tour
a) **Strengthening the CoC certified SME/exporters** to become expert in Chain of Custody (CoC) and processing.

b) **Provide training and guidance** on how to manage the rattan baskets supply chain.

c) **Provide admin help** in processing all the required documentation, in the short/medium term.
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<table>
<thead>
<tr>
<th>Year</th>
<th>Product</th>
<th>Amount</th>
<th>Value (USD)</th>
<th>to</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>FSC rattan basket</td>
<td>2,460 sets</td>
<td>40,590</td>
<td>Switzerland</td>
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<tr>
<td>2013</td>
<td>FSC rattan bread basket</td>
<td>3,470 sets</td>
<td>46,609</td>
<td>Switzerland</td>
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<td>2014</td>
<td>FSC rattan eastern basket</td>
<td>7,758 pcs.</td>
<td>29,868</td>
<td>Switzerland</td>
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<tr>
<td></td>
<td>Rattan chair stick</td>
<td>3,000 stick</td>
<td>3,900</td>
<td>Sweden</td>
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<tr>
<td>2015</td>
<td>FSC rattan eastern basket</td>
<td>1,040 pcs.</td>
<td>4,004</td>
<td>Switzerland</td>
</tr>
<tr>
<td></td>
<td>FSC rattan folder</td>
<td>280 folder</td>
<td>6,160</td>
<td>WWF network</td>
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</table>
FSC rattan eastern basket Production, exported to Switzerland
Promotion of FSC rattan product

- 2 time exhibition FSC rattan product at Lao ITEC
- Set up a FSC rattan show room at Phoxay village, Hatxayfong district, Thadeua road,
- Danlao create a website as the link: http://www.danlaorattan.com/
Policy dialogue and change

- 3 meeting at provincial level in negotiation rattan harvesting fee at provincial level (reduced harvesting fee of small diameter rattan cane from 1,000 LAK to 300 LAK)
- A meeting at national level on promoting rattan supply chain road map
- Set-up working group meeting with rattan and bamboo business provider
- Collaborate with TABI project in implementing Land Use Planning 7 villages at Khamkeut district by using pFALPAM method for better land use management.
- Participation of sSWG bio-diversity (2 time organize by MAF-SDC and 2 time organized by NAFRI-FAO)
Milestone Achievements

- Laos is first country in the world FSC certified natural rattan forest and allow Lao rattan products to reach regional market.

- The interest to buy FSC rattan product is increasing in 2015:

- FSC bring premium price for rattan raw materials (from 600 kips to 1,000 Kips), thus bring Extra Incomes to communities and contribute forest conservation in long term.

- Sustainable harvesting, production and trade can help
  - to conserve the natural forest and its biodiversity for long term and able to provide village the others NTFPs from management area.
  - Increasing villager income and contribute to rural poverty reduction and negative impact to forest ecosystem.
Challenge

- Some barrier for FSC rattan business
  - High fee and tax for rattan harvesting and transportation and income tax
  - Quota is not issued regularly
  - Low company profit compare with non FSC rattan,
  - Heavy paper work
- SME has low skill in communication with international buyer and difficult to access the market.
- SME staff and village has limited skill in rattan processing and weaving
- Very strict international quality standard
- High cost of CoC annual auditing
Next Step

- Strengthen the capacity of villager and DAFO staff in implementing all FSC principle for forest certification to meet the FSC requirement.
- Support the local and national level in adaption of the policy for rattan and bamboo business: **harvesting quota, taxation and other fee** for harvesting, transportation of FSC rattan cane and production.
- Strengthening in country added value through community processing capacity improvement and set up village handicraft association
- Assist SME to access the financial resource with low interest
- To support the set-up of a Rattan & Bamboo Provincial Strategy and Policy engagement and Platform
2 key messages:

- Move from more to less complexity of supply chains.
- Prolong activities within supply chain at community level.

New model:

- many traders – high logistic cost
- poor quality
- unreliable traceability & legal verification
- unfeasible CoC set-up

- long-term business partnership
- added value to community
- Improve communication & coordination among actors in supply chain
- more transparent for legal verification &
- Feasible CoC set-up
Thank you

www.panda.org/rattan