



Province Factsheet

Land Leases & Concessions

Xieng Khouang province

Agriculture, Tree-plantation & Mining | 2014



47%

of the area of the province has been granted for mineral prospecting and exploration

11%

of the area granted for project implementation has been developed



Xieng Khouang province

National origin of investors:

- 55 Laos   1 Thailand
- 11 China   1 Australia
- 6 Vietnam   1 Lao-Canada
- 5 Lao-China   1 Lao-Japan
- 3 South Korea   1 Lao-England
- 2 Lao-Vietnam   1 Lao-Thailand
- 1 Canada 
- 1 Poland 



- 8 in the agriculture sub-sector:**
Large Livestock, Cassava, General Crop, Orange, Pear, Mushroom, Mulberry Leaves, Tobacco Leaves.
- 3 in the tree-plantation sub-sector:**
Tea Leaves, Eucalyptus, Agarwood.
- 11 in the mining sector:**
Quartz, Limestone, Gypsum, Gravel, Sand, Tin, Gold, Lead, Coal, Copper, Iron.

Stage of project operation



90 projects have been granted



Commercial investments in land have become a major driver of economic development and land use dynamics in the Lao PDR over the past decade. Xieng Khouang Province is one of the country's provinces that managed to attract a considerable number of investments.

In Xieng Khouang Province, almost half (47%) of the total area has been granted for mineral prospecting and exploration. Still, only 4% of the province's total area (about 50 thousand ha) has been granted for implementation by 90 projects in 22 different products, of which only about 10 percent has already been developed.

Two thirds of those projects are Lao investors, with another nearly 20% of those projects being Chinese or Lao-Chinese investments. Despite the province's proximity to Vietnam, only 7% of all investment projects in Xieng Khouang

Province come from Vietnam.

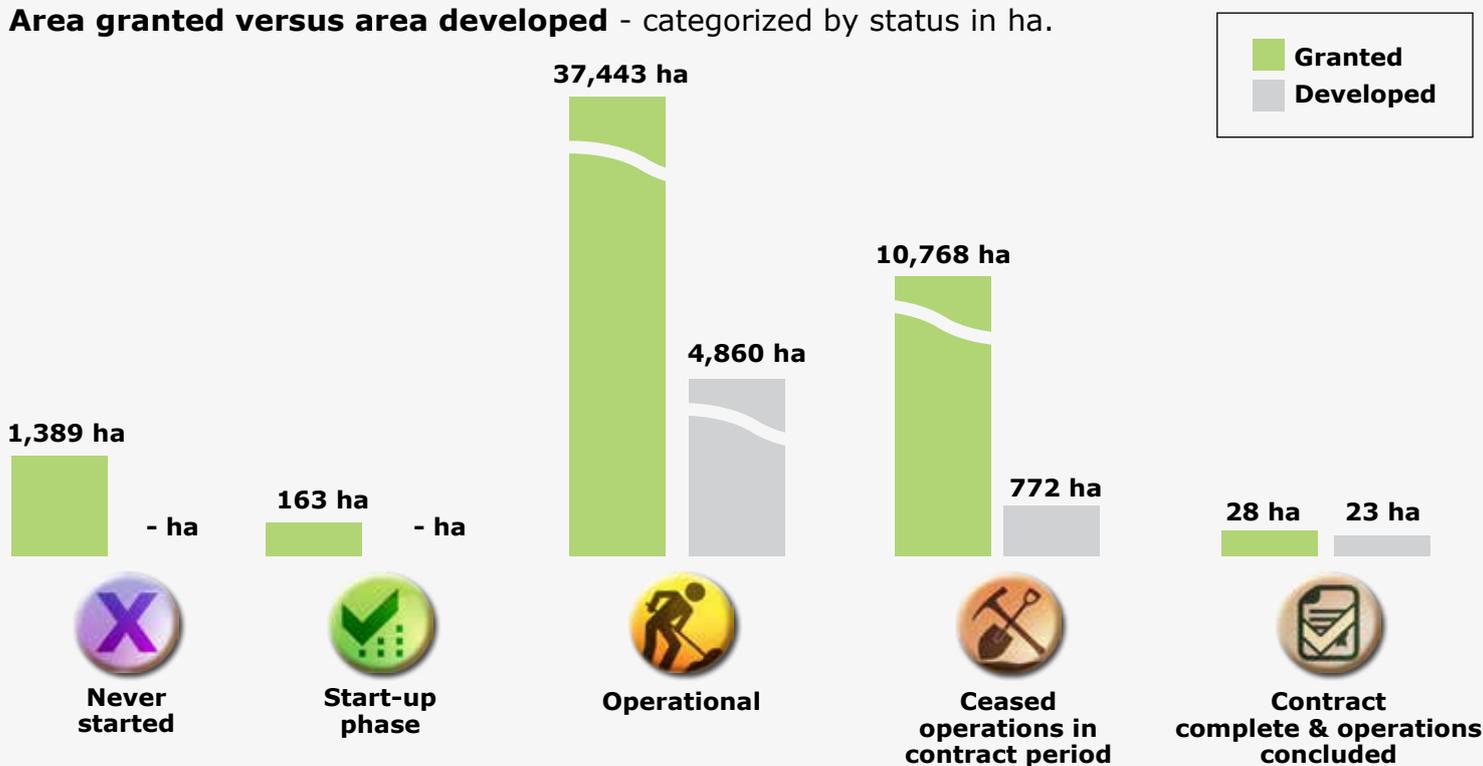
Almost 70% of the projects are in the mining sub-sector, which, however, cover only around 5 thousand ha. The totally 24 agricultural investments (17% of all investment projects), on the other hand, cover almost 90% of total area granted for project implementation. With a granted area of 30 thousand ha, cassava is by far the most dominant product, follows by 16 large-livestock projects, which were granted an area of more than 10 thousand ha.

Information on area

The areas granted to investors can be measured in several ways. Many projects have incomplete legal documentation, and sometimes conflicting measures of concession area are given in documents for the same project. To clarify, methods for calculating concession areas are given below.

- **Granted area:** This figure is equal to the largest area mentioned in the Document of Agreement, the Mineral Excavation License for Mining or the Concession Contract/MoU.
- **Developed area:** This figure is equal to the largest of either the polygon area obtained from participatory mapping or the developed area recorded in other official documents.
- **Prospecting and exploration area (mining project only):** This figure is equal to the largest area documented in the Concession Agreement, the Concession Contract/MoU, or the area of the polygon recorded in the national land concession inventory database.

Area granted versus area developed - categorized by status in ha.



The Lao investors are mostly in the agriculture and mining sub-sectors, with their granted areas ranging between less than 1 ha and up to 2,000 ha. Foreign investments are also agriculture and mining sub-sectors, but are with an average granted area of 3,700 ha per project typically larger than the Lao projects.

However, of the Lao funded projects, 90% of the granted area has been developed, while only 5% of the area granted to foreign investors has been developed. Surprisingly, the biggest discrepancies between area granted and area developed (see box for explanations on these terms) are in projects in the operational phase,

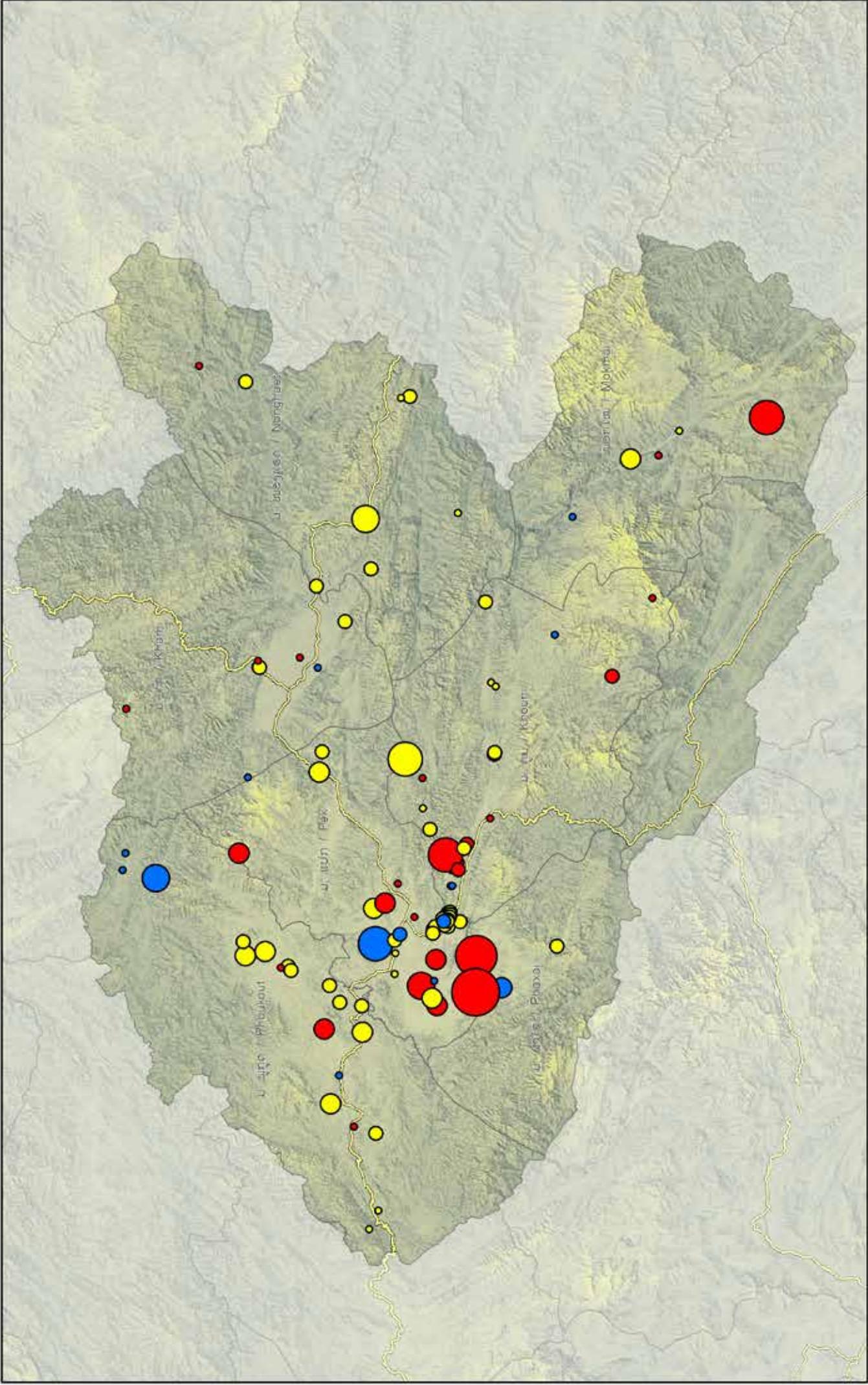
although it is interesting to note that over 10 thousand ha have been granted to large-live-stock concessions which all have stopped their operations even though the concession contracts are still valid. In this case, access to the land seems not to be an issue, but the capacities of the companies or investors to develop the project activities and sustaining project operation are a key challenge.

Notes on Methodology

Data presented in this factsheet were obtained through the following process:

- Comparing data from multiple sources: cross-checked the existing concession database of the Government of Laos (GoL) at the central level with information obtained from the investors as well as provincial and district GoL line agencies.
- Meetings with district authorities: obtained signed official documents including key information on concessions and lease projects from the heads of relevant district offices.
- Participatory mapping: Plotted the current boundaries of active concession projects using A0 paper maps displaying the district area and auxiliary spatial data (boundaries, roads, village locations) on high resolution satellite imagery.

ພາບລວມ ໂຄງການເຊົ່າ ແລະ ສໍາປະທານ ແຍກຕາມຂະໜາດຂອງເນື້ອທີ່(ອະນຸມັດ) ແລະ ຮູບແບບການລົງທຶນ
Overview of leases and concessions by size (area granted) and types of investor



- ຊາຍແດນ ລະຫວ່າງ ເມືອງ District boundary
- ທາງຫລວງແຫ່ງຊາດ National Road
- ການລົງທຶນພາຍໃນ Domestic
- ການລົງທຶນຂອງຕ່າງປະເທດ Foreign
- ຮ່ວມທຶນ ພາຍໃນ ກັບຕ່າງປະເທດ Joint venture
- > 5000 ha
 - > 1000 - 5000 ha
 - > 500 - 1000 ha
 - > 100 - 500 ha
 - > 5 - 100 ha
 - > 0 - 5 ha
 - no data

Products by area granted and investor country

	Products	National origin of investors	Projects in Province	Area granted Area developed
Agriculture	Large-livestock	10 Laos 3 Vietnam 1 South Korea	16	13,872 ha
		1 Lao-Thailand 1 Thailand		2,116 ha
	Cassava	1 South Korea	1	30,000 ha 1,048 ha
	General crop	1 Laos	1	- ha - ha
	Orange	1 Laos	1	20 ha 51 ha
	Pear	1 Laos	1	73 ha - ha
	Mushroom	1 China	1	- ha
	Mulberry leaves	1 Lao-Canada	1	42 ha 42 ha
Tobacco leaves	2 China	2	156 ha 200 ha	
Tree Plantation	Tea leaves	1 China 1 Laos	2	10 ha - ha
	Eucalyptus	1 Lao-Japan	1	163 ha - ha
	Agarwood	1 Lao-England	1	- ha - ha
Mining	Sand	6 Laos	6	12 ha 10 ha
	Gravel	7 Laos	7	86 ha 40 ha
	Quartz	2 Laos	2	186 ha 74 ha
	Limestone	18 Laos 3 China 1 Lao-China	22	72 ha 57 ha
	Gypsum	1 Laos	1	100 ha 13 ha
	Tin	1 Vietnam	1	- ha - ha
	Gold	3 Laos 2 Lao-China 1 Australia	6	958 ha - ha
	Lead	1 Lao-Vietnam	1	- ha - ha
	Coal	2 Laos	2	1,951 ha 1,950 ha
	Copper	1 Laos 1 Vietnam 1 Lao-Vietnam	9	- ha
		3 China 2 Lao-China 1 Poland		- ha
Iron	1 Laos 1 Vietnam 1 South Korea 1 China 1 Canada	5	2,089 ha 53 ha	

*This table does not include area granted for mineral prospecting or exploration.

As shown in the maps on the following pages, most projects in the agriculture sector concentrate in the flat areas around the provincial capital and along the main road leading to Phongsavan town. This points to the fact that to date, this investment sector has not contributed significantly to the improvement of accessibility in more remote areas of Xieng Khouang province through the development of access roads, whereas many mining and some tree plantation investments are located in less accessible areas, presumably contributing to better connect those peripheral areas to the centers over time.

where land concession projects are implemented in Xieng Khouang province is significantly lower (36%) than in areas without land concessions (42%). Equally, areas with current concessions are typically better accessible from the nearest district town compared to areas without any concessions, although more recent, mainly foreign funded land investment projects tend to be less close to centers compared to earlier, mainly Lao funded investments, indicating that newer concessioners need to explore land investments the longer the further away from centers, as land availability there diminishes.

Overall, the average poverty rate of villages

Technical terms

Stages of implementation for a land concession/lease project:

The implementation of concession and lease projects has several stages, as can be seen below. Implementation proceeds differently for mining concessions than for agriculture and tree plantation projects.

Implementation status	Description	
	Not yet started	The project obtained approval of government authorities but has not yet started developing its activities.
	Prospecting or exploration	The project obtained permission to assess the amount and quality of minerals in the area. This is the first stage in mineral extraction. This status only applies for mining projects.
	Never started	The project obtained approval of government authorities, but has not started to develop its activities and is no longer expected to do so.
	Operational	The project is developing its activities and its final product has already been delivered.
	Start-up phase	The project started developing its activities but has not delivered any final product (e.g. a rubber plantation which has been planted but not yet harvested).
	Abandoned	The project obtained approval of government authorities and started developing its activities, but these are not considered to be progressing adequately as initially planned in the project documents.
	Ceased operations in contract period	After implementing the project for a time, operations ceased while the contract was still valid.
	Contract complete & operations concluded	The contract period is over and operations concluded.

CONTACT INFO

Agricultural Investment Promotion Division (AgIPD)
Department of Planning and Cooperation (DoPC)
Ministry of Agriculture and Forestry (MAF)
Government of the Lao P.D.R.
Lanxang Avenue, Patouxay Square
P.O.Box: 811, Vientiane, Lao PDR
Phone: +85621-415 371 Fax: +85621-415 371

Centre for Development and Environment (CDE)
Country office in the Lao PDR
Unit 11, #136, Simuang Road, Hom 1, Ban Phapo
Vientiane, Lao PDR
email: concessions.cde@gmail.com

BACKGROUND

The current initiative to update the Lao Land Concession Inventory (LCI) is following up on the first nation-wide inventory carried out between 2007 and 2010. Data was collected in the field in May and June 2014 by technical teams from the Ministry of Agriculture and Forestry (MAF), with technical support from the Lao DECIDE info III project and the Agro-Biodiversity Initiative (TABi), and the financial support from the Swiss Agency for Development and Cooperation (SDC) and the World Bank.

Its goal is to inject timely evidence into debates on land concessions in Laos at various administrative levels. The LCI update consists of two components – updating the existing land concession inventory database and assessing the quality of investments. Quality was measured through legal compliance, and economic, environmental and social impacts. The LCI update has so far been piloted in Luang Prabang and Xiengkhouang provinces.

The data presented is part of data collected in the on-going nation-wide update of the land concession inventory database. This activity is part of the Land Concession Inventory sub-project of Lao DECIDE info III which also includes the harmonization and integration of existing government databases into a single Land Concessions Information System. This system will allow internal government access to timely information synchronized across ministries and sectors.



Lao DECIDE info
www.decide.la

Lao DECIDE info phase III supports information availability and sharing among different sectors and government agencies to facilitate informed development planning in the LaoPDR. Further information on www.decide.la



TABi - The Agro-Biodiversity Initiative aims to raise the status of and integrate agro-biodiversity as a key component in the development policies, practices and scenarios of the country. Further information on www.tabi.la



Lao DECIDE info
www.decide.la



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Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation (SDC)



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