

# Rattan and Bamboo Project

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# 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:

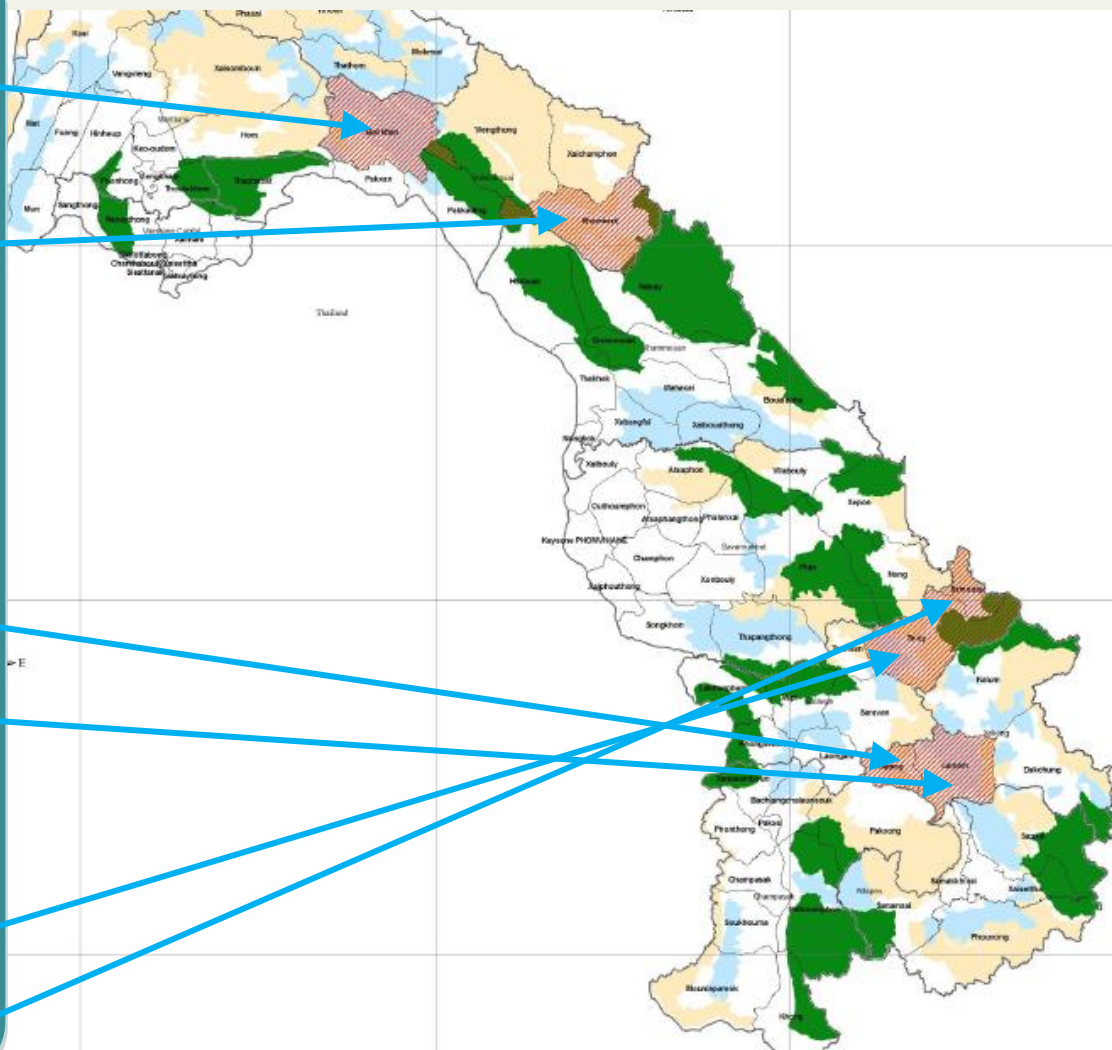
- **Bolikhann district:** 7 villages  
(Xiengxien, Xiengleu, Nakoun, Kokpho, Wa, Phonesoung, Kheneyong)
- **Khamkeut District:** 7 villages  
(Sobphouan, Phonthong, POUNGPATAO, Donxart, Xhamtuei, Thaveng, Kuanchanh)

## 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)





# Project Approach: Rattan Supply Chain

Set a model of the rattan supply chain (from forest management until selling the rattan finish product to retail).



Villager



Trader



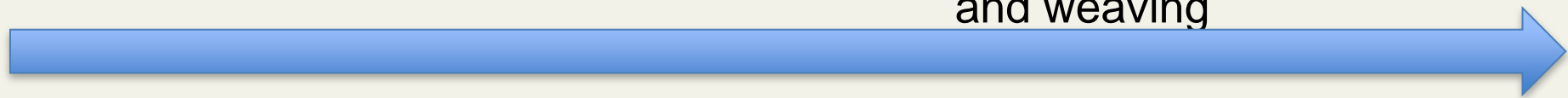
Pre-process



Processing  
and weaving



Traders/retailer







# 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



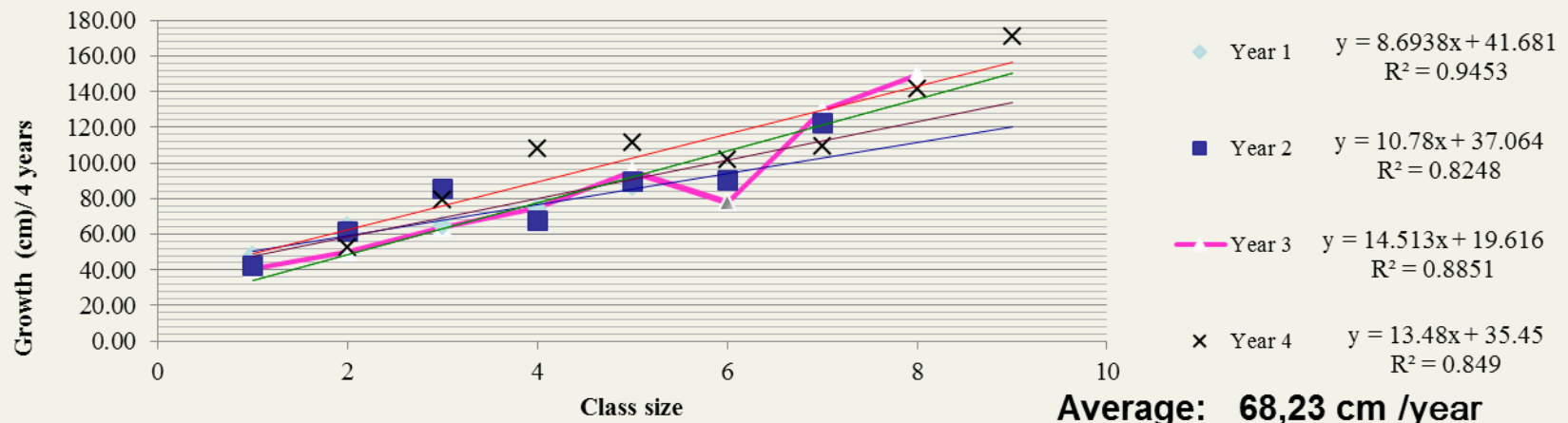
# Rattan growth rate study

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*





# Rattan nurseries

- Village are able to produce the rattan seedling by themselves at Sopphouan, POUNGPATAO 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.





# Capacity Building: SME Management

- 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.





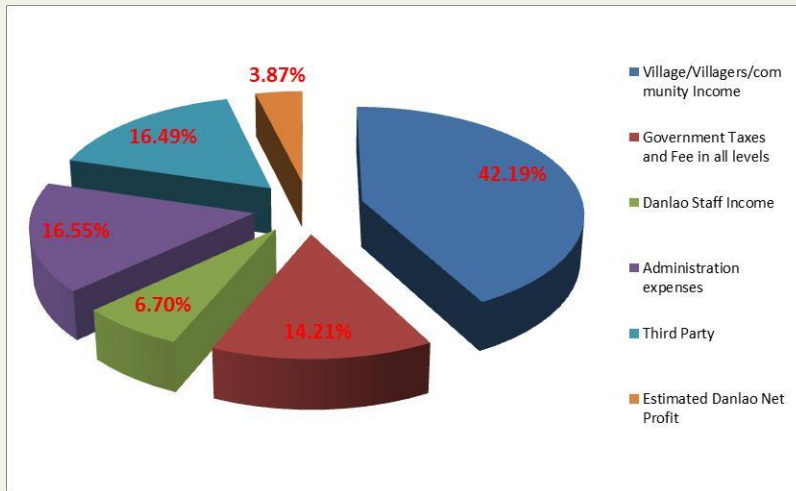
# FSC rattan product exported to European Market

Year	Product	Amount	Value (USD)	to
2011	FSC rattan basket	2,460 sets	40,590	Switzerland
2013	FSC rattan bread basket	3,470 sets	46,609	Switzerland
2014	FSC rattan eastern basket	7,758 pcs.	29,868	Switzerland
	Rattan chair stick	3,000 stick	3,900	Sweden
2015	FSC rattan eastern basket	1,040 pcs.	4,004	Switzerland
	FSC rattan folder	280 folder	6,160	WWF network





# 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

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- ❑ 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

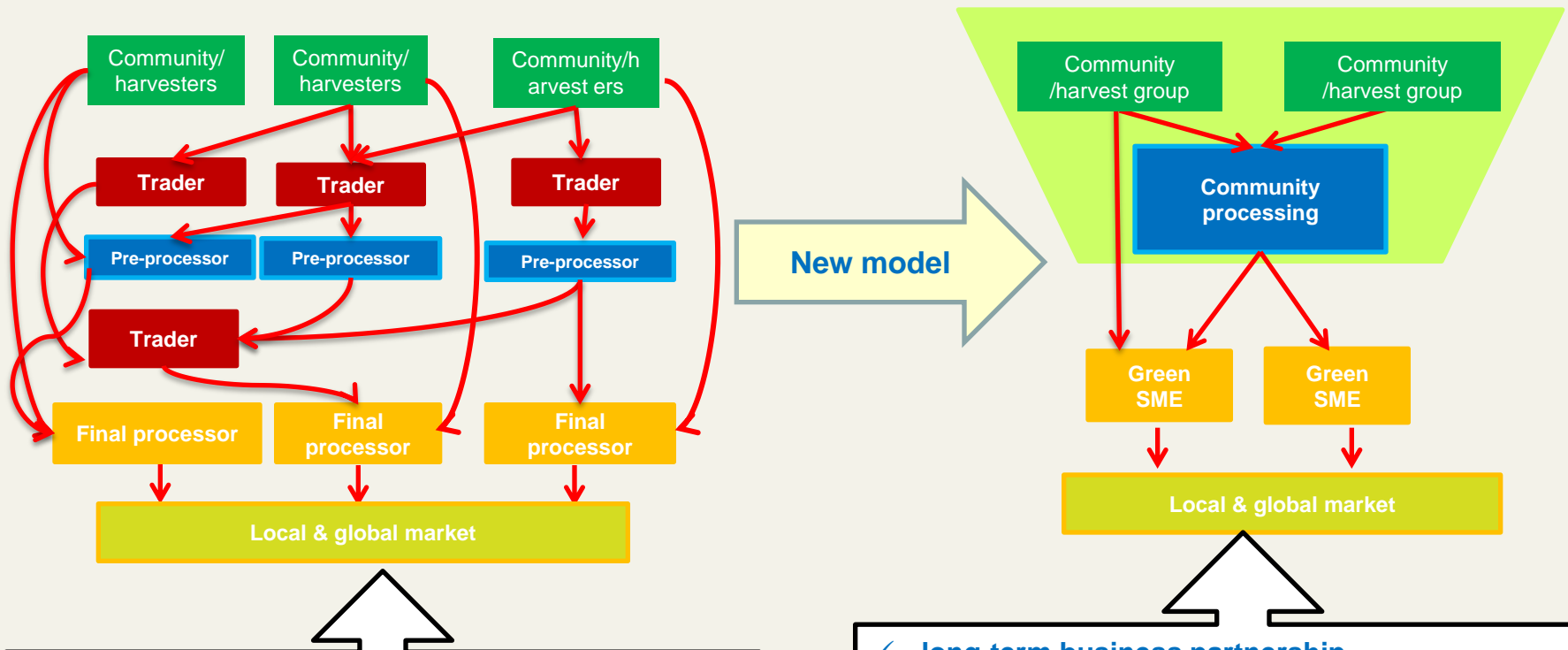




# Business model – shorten supply chains

## 2 key messages:

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



- ✓ 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](http://www.panda.org/rattan)

