



Perceptions of social actors on the short-term effects, bottlenecks, and potential of forest concessions in the Brazilian Amazon

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Purpose

Contribute to the reflection on the perceived progress of forest concessions and challenges to its expansion and consolidation.

Main results: short-term effects

The actors inform **positive effects** for the Protected Areas (PAs), municipalities and communities:

- Enables one of the management objectives of National and State Forests, namely the sustainable economic use.
- Create opportunities for generating jobs and provide important resources to States, municipalities, and communities;
- Increase the protection of the granted area, preventing illegal logging and forest conversion to other uses, such as agriculture and livestock;
- Forest concessions encourage opportunities for dialogue and negotiation processes between companies and communities (development projects, investments, conflict resolution, etc.).

However, **negative effects** are also perceived:

- Frustrated expectations and disbelief, as resources available to municipalities and communities were not fully used;
- Impacts on common use infrastructure, such as roads and ports;
- A granted area was invaded after a forest company has decided to terminate the forest concession contract. No actions to prevent this damage.

Main results: bottlenecks and potential

Bottlenecks:

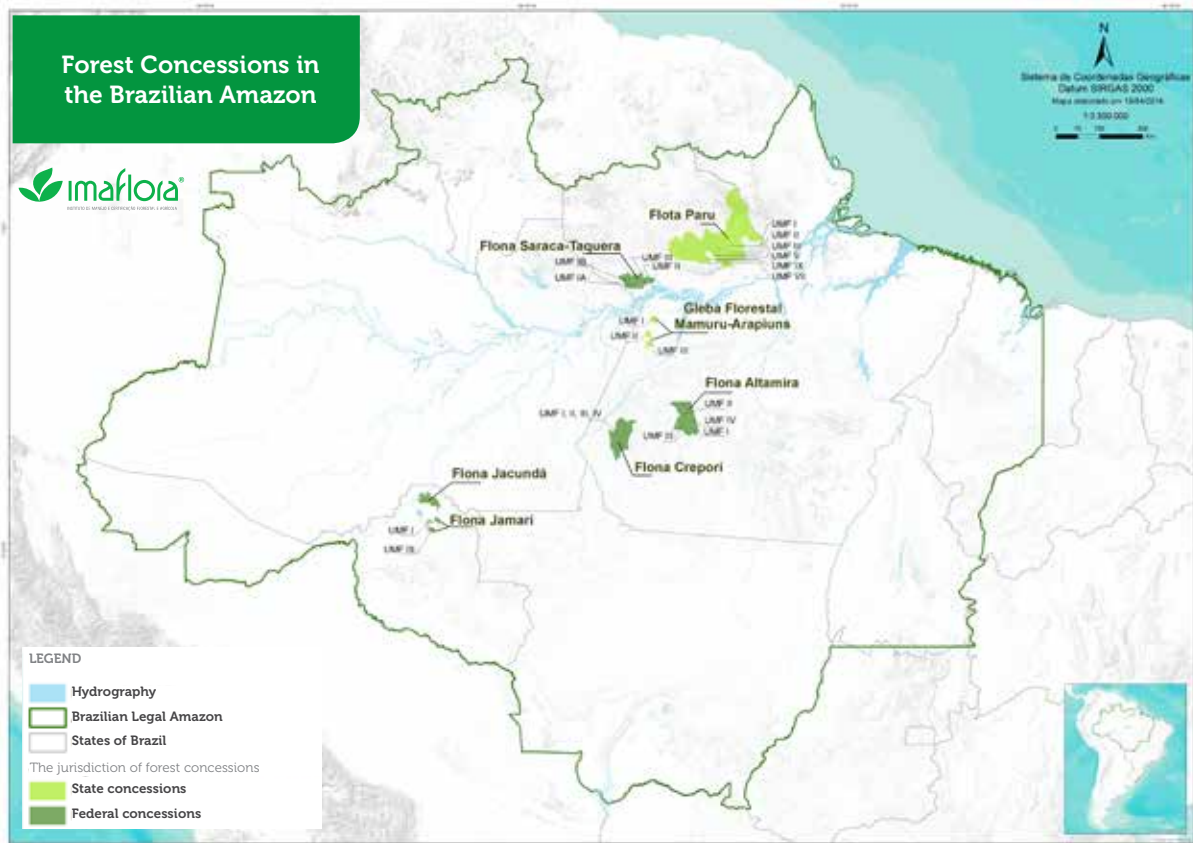
- Public agencies do not have the necessary infrastructure (human, financial resources) to execute activities such as the development of the management plans, monitoring of PAs, relationships with surrounding communities, etc;
- Lack of a different procedure for the several environmental licenses required for the operation of forestry concessions;
- Competition with illegal logging;
- Barriers to implementing the non-onerous concessions to communities in Protected Areas;
- Lack of public forests well prepared to receive concessions with approved management plans, good access infrastructure.
- Forest concession is not a strategic priority for Brazilian federal government.

Potential:

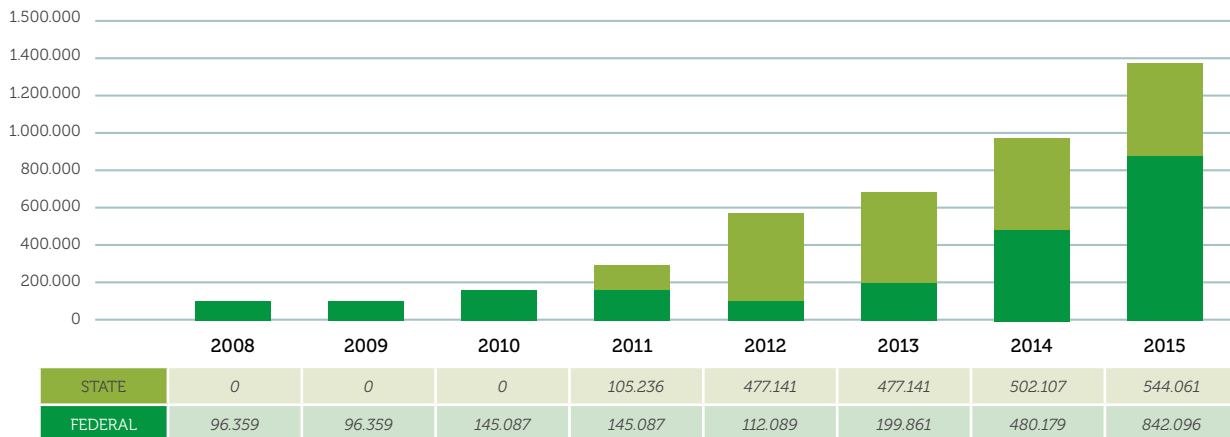
- Promote the “concession timber” brand in the market, communicating that the differential of this product is its legal and controlled origin;
- Promote collective territorial arrangements (engaging the three spheres of government, companies and communities) to consider the local development in the long-term;
- Encourage the installation of industrial poles with training centers coupled to scale up and add value to production locally.

Forest concessions in Brazil

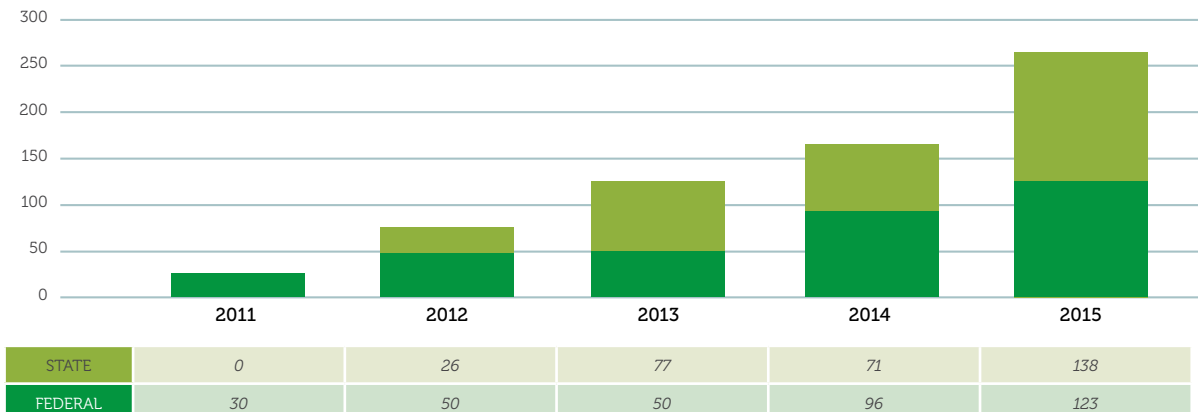
- The total area of forests under concession is about 1.39 million hectares in the Brazilian Amazon, including federal and state areas.
- 89% of the total area under concession is in the State of Pará and 11% in the State of Rondônia.
- 61% of the total area corresponds to federal concessions and 39% to state concessions. Until 2015 only the state of Pará housed state concessions in forests under its domain.
- In total, there are 15 forest concessionaires and 25 existing contracts.
- Forest concessions are distributed among 6 National and State Forests (Altamira, Crepori, Paru, Saracá Taquera - PA; Jamari and Jacundá - RO), and one concession is in a Para State land (the so-called Gleba Mamuru-Arapiuns).
- Until 2015, the accumulated volume explored in federal and state concessions was 666 thousand m³ of round wood, which reached a value of approximately US\$ 13,5 millions
- Of these, US\$ 3 million are resources allocated to municipalities in which the concession areas are located.
- In addition to the payment for the logged timber, concessionaires have to create local jobs, invest in infrastructure and services to local communities, to add value to timber locally and minimize environmental impacts.



Evolution of the area under forest concession in the Brazilian Amazon (hectares)



Volume of timber harvested in Forest Concessions in the Brazilian Amazon (1000 m³)



Procedures

The study conducted a survey and an analysis of different actor's perceptions on the short-term effects of implementing the forest concessions in Brazil and on the potential and bottlenecks of this instrument of public forest management policy.

We aim to answer three questions:

- 1 - What are the short-term effects of Forest Concessions in Protected Areas (PAs) where they are located?
- 2 - What are the short-term effects of Forest Concessions in the municipalities and the surrounding communities?
- 3 - What are the bottlenecks and potential for expansion and consolidation of forest concessions in Brazil?

To analyze the effects on Protected Areas, in the municipalities and the surrounding communities (questions 1 and 2), two cases were selected: the concessions in the **Jamari National Forest (Flona Jamari) in the State of Rondônia** and the concessions in the **Paru State Forest (Flota Paru), located in the Calha Norte region, in the State of Pará**. The research focused public and private actors and civil society related to forest concessions in these areas.

- **Jamari Flona:** has an area of 220 thousand hectares. The total area under concession is 96 thousand hectares. Three companies won the bidding process to this Flona. The contracts were signed in 2008. But, only two companies are operating in this area: Amata and Madeflona. Sakura company terminated its contract in 2010.
- **Paru Flota:** has an area of 3.6 million hectares. The total area under concession is 393 thousand hectares. There are 8 forest management units granted to 5 companies. The Paru Flota is the first Protected Area with state forest concessions in Brazil. The first contracts were signed in 2012.

In these two cases, we have interviewed the managers of the Protected Areas, the members of municipalities and civil society organizations of the municipalities (Almeirim and Monte Alegre in Pará, Itapuã do Oeste and Cujubim in Rondônia) where the concessions are inserted, in addition the representatives of the communities living around the concessions and concessionaires.

To the survey and analysis of the bottlenecks and potential, the interviews were expanded to also capture the perceptions of other actors, including actors from the States of Amazonas, Amapá, and Acre, where forest concessions are still in the implementation phase.

Altogether we interviewed 56 people, 8 of concessionaires, 8 state agencies managers of concessions and protected areas, 7 federal agencies managers of concessions and protected areas, 15 municipal governments, 11 community members in around the concessions and 7 civil society organizations.

The answers were analyzed to detect the emphases and redundancies in the minds of actors on the short-term effects, bottlenecks, and potential. The main results reflect the interpretation of the researchers on the points most salient or repeated among actors, but do not reflect consensus or deplete the opinions of all respondents.

Perceived effects on Protected Areas

POSITIVES	NEGATIVES
<ul style="list-style-type: none"> • Enables the purpose of sustainable production in the Protected Area; • Promotes land use planning within the Protected Area; • Prevents the conversion of forest to other land uses, such as agriculture and livestock; • Increase protection at least in the granted area; • Encourages the relationships between companies and the communities surrounding the concessions; • Generates knowledge about the biodiversity in the Protected Area, even if it is only initial. 	<ul style="list-style-type: none"> • A granted area was invaded after a forest company has decided to terminate the forest concession contract. No actions to prevent this damage.

How to enhance positive effects and reduce negative effects for PAs?

TO ENHANCE POSITIVE
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- Increase the participation of concessionaires in the Management Board of Protected Areas and their knowledge of the management plan of these areas;
- Improve the flow of information to members of the Management Board of the Protected Areas;
- Increase resources for the public agencies, allocating part of the resources paid by concessions to the Protected Areas.

TO REDUCE NEGATIVE
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- Be more responsive to re-allocate granted areas when a concessionaire terminates the contract;
- Include specific commitments in contracts to companies that ensure the protection of the granted area in cases of withdrawal or cancellation of the contract.

Perceived effects on municipalities and communities

POSITIVES

- Job creation, even if not the number of jobs expected yet;
- Forest concessions begin to promote opportunities for dialogue and negotiation process between companies and communities (development projects, investments, conflict resolution, etc.);
- Forest concession encouraged the restructuring and operation of some Municipal Environmental Councils (bodies with the participation of representatives of government and local civil society);
- Municipalities receive a contribution of significant financial resources;
- Forest concessions promote state's presence in the region and make communities more visible;
- Para State concessionaires started investing in infrastructure in some communities (schools projects, community center, etc.).

NEGATIVES

- Expected investments in municipalities and communities were frustrated because a significant part of the funds has not been used yet;
- The negative impact of timber transport in common use roads in some cases (high speed, soil erosion, etc.).

How to enhance positive effects and reduce negative effects on municipalities and communities?

TO ENHANCE POSITIVE



- Promote capacity and training of local people in logging operation;
- Promote training and support to the functioning of the Municipal Environmental Councils;
- Enhance knowledge of civil society, municipal governments and communities on the operation of concessions (e.g., promoting visits to the management areas);
- Facilitate infrastructure for communities (roads, communication, etc.), access to technology and markets.

TO REDUCE NEGATIVE



- Training and support municipal governments to plan and execute projects with funds from concessions;
- Unlock the resources allocated to the communities;
- Bringing together public agencies to communities, municipalities, and civil society organizations;
- Promote joint actions among state and municipal government and companies to mitigate negative impacts (e.g., common use of roads).

Perception on potential and bottlenecks for the consolidation and expansion of forest concessions

POTENTIAL

- Promote the community forest management within the areas under concession, using the resources transferred through the existing forestry funds.
- Promote the “concessions timber” brand in the market, communicating that the differential is its legal and controlled origin.
- Promote collective territorial arrangements (engaging the three spheres of government, companies, and communities) to consider the development of regions in the long-term concessions.
- Encourage the installation of industrial poles with training centers coupled to scale up and add value to production locally.

BOTTLENECKS Political- administrative-legal

- Lack of structure (human, financial resources) for the operation of the public agencies in charge of the management of Protected Areas and concessions.
- Lack of a clear legal framework to allocate federal forest concessions areas outside of Protected Areas.
- Forest concession is not a strategic priority for Brazilian federal government
- Insufficient communication between public agencies.
- Insufficient communication between public agencies with communities.
- Lack of clear and precise rules, regulating the use of the resources that are available to the municipalities and communities.
- Low capacity of public agencies to monitor contracts.
- Municipal Environmental Councils unstructured, not existing or no longer functioning.
- Management Boards of National Forests do not function well.
- Lack of a different procedure for the several environmental licenses required for the operation of concessions. Approval process is slow.
- Barriers to implementing the non-onerous concessions to communities in Protected Areas.
- Lack of actions of marketing to promote Brazilian forest concession system in Brazil and abroad.
- Lack of complementary regulation of the “emerging rights”, such as allowing the use of the contract as collateral for loans.
- Division of tasks between granting public agency and the manager of the Protected Area (in federal case) is unclear.
- Tax policy favors the export of raw materials to other states at the expense of added local value.

BOTTLENECKS Social-economic

- Entry requirements for forest companies are strict, and there are few qualified companies in the Brazilian Amazon;
- Competition with illegal logging.
- Lack of ability of some entrepreneurs to make the business management (financial, contract, etc.). There is a tend to drive all the management efforts in the logging operation.
- Added value in timber products is still incipient.
- Insufficient enabling conditions (proper energy supply, roads, ports, etc.) to locally enable the value chain of timber from concessions.
- The image of illegality on the Brazilian Amazon and the notion of high risk prevent buyers abroad.
- Lack of specific credit lines to concessionaires.
- The low economic viability of contracts: there is an imbalance in the relationship between the size of the concession area, the timber volume measured in forest inventories versus the price to be paid for the concession and the high initial investments needed in some cases (access infrastructure opening).
- Low knowledge and information from communities to participate with quality of the discussions and understand the processes and contracts of concessions.
- High turnover of local labor, in some cases the community members earnings as employed in concessions do not compensate for leaving agricultural activities in their lands.
- Lack of resources to prepare management plans in Protected Areas that are eligible to place concessions.
- Failure to map communities right uses within Protected Areas.
- Invisibility and underrepresentation of community groups where the community leaders are not too active.

BOTTLENECKS Technical-operational

- Lack of public forests well prepared to receive concessions, with approved management plans and with good access to resources.

Conclusions

The survey and analysis of the perceptions of actors directly involved in the implementation of forest concessions in the Brazilian Amazon show that despite the initial fears and arguments against the concessions, **this public instrument to promote management of public forest is perceived as able to generate positive effects.**

Also, **the forest concession model has potential** to develop forest areas where it is applied.

However, the negative effects already perceived can and should serve as a warning to policy-makers and other actors involved with the issue.

Among the solutions that the different actors suggest to eliminate negative effects, are: **to enhance the knowledge of municipal managers and communities about the concessions system** and to **seek a more inclusive and qualified participation** in planning the solutions and strategies to advance the concessions. These actions can also to avoid conflicts and expand social outcomes.

Regarding bottlenecks can be concluded that those of political-administrative-legal and social-economic order are vastly more important to the group of actors than those of technical and operational order.

Some of the actions suggested to unblock bottlenecks can be taken in the short and medium term, such as the improvement of communication between government agencies and between them and the communities.

However, other bottlenecks such as the competition with illegal logging, the strengthening of public agencies and the forest regions (building of access infrastructure, energy and communication, among others) require coordinated and strategic action between governments and civil society.

It is essential to deepen the understanding of these bottlenecks to find solutions to overcome barriers, create better conditions and so moving forward with forest concessions. By doing so, one can expect forest concessions can meet their conservation objectives and creating value and wealth to be distributed to the whole of society.

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