

Making concessions in Brazil

Legislation is being considered at both national and state levels to introduce systems of forest concessions for timber harvesting

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A LARGE proportion of Brazil's forests are on private lands, where they produce a majority of the country's timber. However, private companies also have access to timber in national forests (FLONAs), which is allocated in open public bidding.

Up to now, most of the timber derived from FLONAs has been in the south and southeast of Brazil. The only timber sale in an Amazonian FLONA

was made in 1999, in a public bid for the timber on a 3222-hectare tract of forest located within the Tapajós National Forest near Santarém in the State of Pará. A management plan had been developed for this forest (with assistance from ITTO PROJECT PD 68/89 REV. 1 (F)) specifying the extraction of 92 000 m³ of timber.

Perhaps the availability of timber on private lands explains why Brazil does not yet grant forest concessions in any type of public forest, although it is common practice in neighbouring countries such as Peru and Bolivia. Nevertheless, if plans in the federal government continue without surprises this will change in the future.

In 2002, Brazil's then Minister of Environment, Dr José Carlos Carvalho, submitted a draft for a federal forest concessions law to the Office of the President, opening up the possibility of granting forest concessions in FLONAs to private companies (*see box*). This initiative was the result of consultations with different sectors in the country and sought to put in place an additional mechanism to promote investment in the forestry sector. In 2002, ITTO approved the implementation of a project in Brazil (ITTO PROJECT PD 142/02 REV.2 (F)) to assist the federal government in its efforts to strengthen its capacity to implement a system of forest concessions.

A new federal government took office in Brazil on 1 January 2003. Three months later the new Minister of Environment,



All aboard IBAMA foresters head out to inspect the Tapajós National Forest in the Brazilian Amazon.

Photo: J. Leigh

Ms Marina Silva, decided to withdraw the initiative and to re-open the consultation process, which is now ongoing.

In the meantime, the State of Amazonas, which is endowed with vast state forests, was also moving forward with its own plan to introduce a state law dealing with forest concessions. If approved, this law will allow the State of Amazonas to allocate designated tracts of state forests to timber harvesting in an open public bid process. The proposal for this law includes, among other things, the following elements:

- **timeframe or duration of the concession:** 50 years;
- **concession process:** open, public bidding—national and international bidders;
- **fees, levies and royalties:** these are still under study, but policymakers are inclined towards a system of charging fees and royalties based on utilised timber volumes and on the total land area of the concession. The state is in the process of contracting a consulting firm to assist them in better defining this matter;
- **major obligations of the concessionaire:** including to formulate and implement a management plan and to comply with the provisions of the concession contract and the respective laws; and
- **monitoring, assessment and compliance:** to be carried out by an independent auditing firm, and by the state forest agency.

National and state forests

Brazil has several types of public forest. The main ones include federal forests, state forests, municipal forests, and protected areas such as Indigenous reserves, national parks, national biological reserves, national extractivist reserves, and other equivalent protected areas.

In federal and state forests, the respective government has legal mechanisms in place to designate FLONAs and state forests (Florestas Estaduais—FLORESTES).

The proposal for the creation of a FLONA is formulated by the Ministry of the Environment and approved by presidential decree. In the case of the State of Amazonas, the proposal for the creation of a FLORESTE is formulated by the Secretary of State for the Environment and approved by decree of the State Governor.

FLONAs are managed by the Brazilian Institute for the Environment and Renewable Natural Resources

(IBAMA), and FLORESTES in the State of Amazonas are managed by the newly created state forest agency. Presently, Brazil has more than 50 FLONAs covering a total area of over 18 million hectares across the country. The State of Amazonas has just created its first FLORESTE, the Floresta Estadual de Maues, which has a land area of about 200 000 hectares. Forest concessions, if allowed by law, could be granted only in designated FLONAs or FLORESTES.