

Fellowship report

Forest concessions take root in Madre de Dios department, Peru

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Directed down: Directed felling training by WWF-Madre de Dios in the Emfoportillo forest concession, Madre de Dios. The species being logged is cedar (*Cedrela odorata*). Photo: R. Cossío

I N 2000, Peru (with 74.2 million hectares of natural forest in the Amazon region) passed a new forest and fauna law (No 27308) that requires, for the first time, sustainability in the use and management of the country's natural resources. Forest concessions have been granted to small- and medium-scale loggers since 2002 under the new law, making them increasingly important stakeholders of the forests of the Amazon region—either individually or through organized enterprises. Concessions, awarded through public bidding, are areas of public land that are designated for permanent forest production. Concessionaire enterprises must submit a general forest management plan for each 40-year (renewable) concession and must file annual operating plans to show that they are implementing their approved management plans. In addition, concessionaires have to pay an annual area-based harvesting fee in us dollars.

Madre de Dios is a department in the Eastern Peruvian Amazon known as “the biodiversity capital of Peru” and one of the mega-diverse zones in the world (Dios & IIAP 2000). Logging is the area's most important economic activity,

employing 65% of the economically active population in the department. The main tree species harvested are *Swietenia macrophylla* (mahogany), *Cedrela odorata* (cedar) and *Cedrelinga catenaeformis* (tornillo); together these three species represent almost 60% of the total volume harvested in the department (Ambiental 2003). However, in the last several years, severe forest degradation—due principally to illegal logging, estimated at 95% of total harvests (Mateluna 2003)—has become a major problem affecting the forested ecosystems of Madre de Dios. This article summarizes the general internal and external factors influencing performance and prospects for success in forest management of small forest enterprises located in this department, based on structured and semi-structured interviews with representatives of environmental non-governmental organizations, government and grassroots organizations, and concessionaires.

Factors influencing forest management sustainability

In 2002, Madre de Dios became the first department in Peru to implement a concession system. At the time there was much support both for and against a new forest regime, from a diverse range of interested parties. Table 1 shows the amount of forest granted in the department in the two public bidding processes carried out in Madre de Dios through 2006.

Although the concession process has received support from environmental NGOs and some grassroots organizations,

Forests for sale

Table 1: Concessions granted in Madre de Dios

YEAR	NUMBER OF CONCESSIONS	TOTAL AREA (ha)	AVERAGE AREA (ha)
2002	56	1 107 360	19 775
2003	30	184 664	6155
TOTAL	86	1 292 024	15 025

there have been problems with its implementation, including many social problems. Specific constraints faced by small concessionaire enterprises have been identified as follows:

- Lack of awareness of and information on the concept of sustainable forest management and its implications on the part of most new concessionaires.
- Low levels of human and social capital. Most forest concessionaires have a limited level of education and many have little or no previous logging experience. Most also have no experience in business management and/or other planning and marketing skills.
- Limited finances. Timber harvesting is considered a risky business, so formal lines of credit through banks or financial institutions for this activity do not exist.
- High harvesting fee offers, mainly from petitioners in the first round of public bidding. This has resulted in repayment problems and has led to seizure of harvested timber.
- Deficient geographic/survey information; some harvesting units overlap rights already held by third parties (miners, farmers, and indigenous communities).
- Third party invasions. Some concessions have been, and are currently being, invaded by illegal loggers in the areas where concessionaires have not begun working.
- Slow and centralized administrative functions by the National Institute of Natural Resources (INRENA), which is the public agency responsible for administration and supervision of forest concessions.
- INRENA's inefficiency in controlling and monitoring concessionaire activities. This is attributed to constant changes of personnel, lack of manpower and financial resources, and corruption of some personnel.

- Increase of illegal logging in the last few years, which constitutes unfair competition for concessionaires operating legally. Most illegal loggers harvest only mahogany and cedar which they sell for prices lower than can be offered by legally operating concessionaires.
- Lack of markets for lesser known/used species, contributing to excessive harvesting of the most valuable commercial species (mahogany, cedar, and Spanish oak) and perpetuating illegal logging of these species.
- High transportation costs. The poor condition of road infrastructure makes timber extraction and marketing more expensive.

Conclusion

Although several problems have been identified in the implementation of Peru's new concession system, this new model of forest conservation has reorganized the administration of Peruvian forests, which for many decades have been subject to near total mismanagement by forest authorities. This new forest model is only beginning to take root in the Peruvian Amazon. Securing the commitment and support of all stakeholders involved in the forest sector is a priority to overcoming the difficulties identified here and making the system contribute to SFM.

References

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ITTO fellowships offered

ITTO offers fellowships through the Freezailah Fellowship Fund to promote human resource development and to strengthen professional expertise in member countries in tropical forestry and related disciplines. The goal is to promote the sustainable management of tropical forests, the efficient use and processing of tropical timber, and better economic information about the international trade in tropical timber.

Eligible activities include:

- participation in short-term training courses, training internships, study tours, lecture/demonstration tours and international/regional conferences;
- technical document preparation, publication and dissemination, such as manuals and monographs; and
- post-graduate studies.

Priority areas: eligible activities aim to develop human resources and professional expertise in one or more of the following areas:

- improving transparency of the international tropical timber market;

- promoting tropical timber from sustainably managed sources;
- supporting activities to secure tropical timber resources;
- promoting sustainable management of tropical forest resources;
- promoting increased and further processing of tropical timber from sustainable sources; and
- improving industry's efficiency in the processing and utilization of tropical timber from sustainable sources.

In any of the above, the following are relevant:

- enhancing public relations, awareness and education;
- sharing information, knowledge and technology; and
- research and development.

Selection criteria: Fellowship applications will be assessed against the following selection criteria (in no priority order):

- consistency of the proposed activity with the Program's objective and priority areas;

- qualifications of the applicant to undertake the proposed fellowship activity;
- the potential of the skills and knowledge acquired or advanced under the fellowship activity to lead to wider applications and benefits nationally and internationally; and
- reasonableness of costs in relation to the proposed fellowship activity.

The maximum amount for a fellowship grant is US\$10 000. Only nationals of ITTO member countries are eligible to apply. The next deadline for applications is **5 September 2007** for activities that will begin no sooner than 1 January 2008. Applications will be appraised in November 2007.

Further details and application forms (in English, French or Spanish) are available from Dr Chisato Aoki, Fellowship Program, ITTO; Fax 81-45-223 1111; fellowship@itto.or.jp (see page 2 for ITTO's postal address) or go to www.itto.or.jp