INTERNATIONAL WORKSHOP

What future for forest concessions and alternative allocation models for managing public forests?

Porto Velho, Brazil
September 13 – 16, 2016

REPORT

Rome, October 2016
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1. Presentation

The workshop “What future for forest concessions and alternative allocation models for managing public forests” was held at the Golden Plaza Hotel in the city of Porto Velho, State of Rondônia, Brazil from September 13 to 16, 2016.

The workshop was organized by the Food and Agriculture Organization of the United Nations (FAO) and the Brazilian Forest Service (SFB), in partnership with the International Tropical Timber Organization (ITTO), the Center for International Forestry Research (CIFOR) and the Centre de Coopération International en Recherche Agronomique pour le Développement (CIRAD). The following organizations also provided financial support: the Amazon Cooperation Treaty Organization (ACTO), the EU FAO FLEGT (Forest Law Enforcement, Governance and Trade) Programme, the Instituto Floresta Tropical (IFT) and the World Wide Fund for Nature (WWF) Brazil office.

The event was attended by 103 participants from 25 countries and international organizations (see list in Annex 1). The audience included experts and practitioners from governments, private sector, civil-society organizations, donors and international organizations.

**Background and objectives**

The workshop was part of the Forest Concessions Initiative - FCI (see box to the right). Four consultant reports produced by the FCI were made available in advance to participants through its webpage [http://foris.fao.org/preview/92208/en/]: three regional reports (focusing in West and Central Africa, Southeast Asia and Latin America) and a background report ("Forest concessions: past, present and future?").

In addition, a discussion paper (also available in the FCI website) was specifically prepared for the workshop and sent in advance to participants to serve as the main reference during the event. Finally, participants were also asked to respond to a questionnaire¹ to help the organizers better prepare the workshop sessions. As the responses received were only 11, the results will not be included in this report.

The objectives of the workshop were to:

1. Share information on experiences and lessons learned with forest concessions;

² The questions were: 1) What is the future for the concession model in your country?; 2) What are the key pre-requisites for a well-functioning concession system in your country?; 3) Which do you think are the main economic constraints for sustainable forest concessions?; 4) Are there alternatives to the concession model that you think would be preferable?; and 5) What do you think can enhance the potential of forest concessions to contribute to local development and improved livelihoods?

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**What is the Forest Concessions Initiative (FCI)**

The initiative was launched in 2015. It is leaded by the FAO, in partnership with ITTO, CIFOR, CIRAD and SFB. Its main objectives are to:

- Explore the potential of forest concessions as instruments to mainstream best practices of sustainable forest management and increase the contribution of the forest sector to socioeconomic development, biodiversity conservation and carbon sequestration.
- Assess and promote alternative models to traditional concession systems that effectively respond to the needs of local peoples, while ensuring the economic and financial feasibility of sustainable forest management.

The initiative is relevant for a number of ongoing processes, such as the strategies and action plans for reducing deforestation and forest degradation. It is a forum to promote private investments for sustainable forest management. It is also an opportunity to take stock of potential private and public policy instruments – e.g. certification, fiscal instruments, and competitive and transparent bidding - to orient and improve forest contracts and alternative allocation models.

For further information, see the concept note “Making forest concessions work to sustain forests, economies and livelihoods in tropical countries”, available at the FCI website: [http://foris.fao.org/preview/92208/en/].
2. Improve the understanding of the economic, social, ecological and political impacts of tropical forest concessions at national and local levels;
3. Identify promising elements and enabling conditions contributing to successful forest concessions, including alternative models; and
4. Provide initial guidance and recommendations for improving forest concessions or advancing the formulation and adoption of alternative models.

The 3.5-day workshop included four technical sessions on days 1, 3 and 4 as well as a field visit to a forest concession area on day 2. The programme can be seen in Annex 2.

Sections 2 to 5 of this report will present the main results of the workshop sessions and the last section 6 will provide some conclusions and recommendations.

2. Overview of forest utilization contracts in tropical regions (Session 1)

The objective of this initial session was to present a synthesis of the main findings of the background and regional reports prepared as part of the FCI. It included a keynote presentation and a panel discussion with six participants who shared their views on the opportunities and challenges for forest concessions.

Keynote presentation: What future for forest concessions and alternative allocation models for managing public forests? A synthesis of findings (Thais Juvenal Linhares, FAO)

What is a concession

Forest concessions are contractual arrangements for temporary allocation of public forest resources to third parts (businesses, communities, non-governmental organizations). They grant rights for utilization of forest resources and services and/or forest management. Though forest concessions are usually applied to public production forests, conservation concessions are also possible. Concessions in the tropics have spanned from harvesting permits to full management of a forest area.

Global public forests

Forest concessions cover about 76% of all public forests in the world. In the case of the Russian Federation, concessions represent almost all public forests, in Africa 87%, in Asia 76% and in South America 66%.
There is in general a slight decline in the area covered by forest concessions worldwide, particularly in Asia.

In the tropical world forest concessions are relatively important in terms of extent in Indonesia, Gabon, Republic of Congo - these three countries largely covered by concessions, the Democratic Republic of Congo (DRC), Malaysia, Cameroon, Peru and Guyana.

Key factors influencing forest concessions outcome
- Forest policy objectives
- Transparent process
- Clarity on tenure rights included in the contractual arrangement
- Duration of the contract
- Assessment of value of rights to be granted – realistic pricing
- Assessment of overlapping activities
- Assessment of presence of communities and their activities inside the concession and in surrounding areas
- Perception of stability of institutional framework
- Governments’ monitoring and enforcement capacity

Selected examples of policy objectives
Policy objectives for forest concessions largely vary between countries. An ongoing assessment of forest concessions within national laws in various tropical countries (using FAO’s Forest Policy database) suggests that timber production to generate revenues is a major policy objective, but also a growing emphasis of inclusive policies to accommodate and benefit local communities in the management of public forests (e.g., Bolivia, Guatemala and Ghana).

**Economic feasibility of forest concessions**

- Key factors: concession area, abundance of marketable species, distance to industry and/or ports, access to infrastructure
- Local processing reduce cost as a proportion of total final product cost
- Pricing of tropical timber is not transparent and mostly demand-driven
- Adoption of appropriate silvicultural programmes as part of sustainable management plans can enhance concessions’ economic feasibility

**Highlights from the Regional Reports**

**Latin America**

- Most countries have robust forest industries that produce consistent volumes of logs
- Concessions seem to foment diversification of value-added processing, in particular where a moderately robust manufacturing sector existed prior to concessions
- Government-funded industry development organizations to support market development initiatives have been a useful incentive
- Some concessions have implemented sustainable forestry on a wide scale and in complex tropical forests, with frequent use of accepted technical tools for sustainable harvest levels and forest integrity
- The region has incentivized certification and technical soundness of concession systems in Bolivia, Guatemala and Mexico as shown by independent certification processes
- The region has good examples of communities that profitably harvest trees, process and trade forest products, especially in Guatemala and Mexico
- In addition to generation of jobs and social welfare to concession workers, in some countries concessions have contributed to training and development of local human capital
- In Guatemala, Peru, Bolivia and Mexico, the introduction of forest concessions created an enabling environment for building human capacity on both individual and organizational level and resulted in the creation of local organizations with important political and economic roles
- Weak governmental capacity to curb illegal logging has been the main challenge faced by forest concessions
- Economic/financial capacity is still weak with few financial institutions allocating resources to concessions

**Africa**

- Sustainable management plans are mandatory in all countries and should be prepared by the concessionaire (with the exception of Central African Republic - CAR, where the public agency prepares the plan). However, it is very likely that in the majority of non FSC-certified concessions the management plans are not completed or implemented. CAR is the only country with 100% concessions with management plans, while only 44% of concessions in the region have a management plan

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2 Regional reports prepared as part of the Forest Concessions Initiative in 2015: “Latin American Experiences in Natural Forest Management Concessions” by Steve Gretzinger, “The Contemporary Forest Concessions in West and Central Africa: Chronicle of a Foretold Decline” by Alain Karsenty, and “Current Status of Forest Concessions In Southeast Asia” by Barney Chan.
Sustainability of harvests without silvicultural treatment is questioned in Central Africa, as simulations suggest that key commercial species cannot be recovered after 2-3 cutting cycles. Due to high selectivity in harvesting in Central Africa, many potentially marketable species remain untouched by harvesting.

Reduced profitability due to higher operational costs has driven many European companies out of the market. Asian and African companies are increasing in importance in the region.

Transparency has increased in forest concession processes but public information is still difficult to access and governments are reluctant to provide online updated information on concession holders. Situation has improved with introduction of independent observers.

Forest concessions provide 135,000 direct jobs in the selected countries and many more informal jobs. Jobs provided by the timber sector are among the rare jobs available in remote and marginalized areas and that employ non-skilled workers.

Forest management subject to international independent certification has pushed companies to legal auto-regulation and increased respect to social criteria, rights recognition and benefit sharing with local communities. In Central Africa, six companies achieved certification, out of which five are EU-based. There is uncertainty in the capacity of the region in expanding forest management certification due to high costs and the efforts required to obtain legality certification.

Log bans have mostly resulted in production decrease in the region. Low competitiveness of local products reduced export revenues.

A new generation of forest regulations calls for benefit sharing with “riparian” populations (Cameroon, Gabon and DR Congo), and /or for establishing “community development area” within the industrial concessions (Congo). In DRC, a decree from 2014 distinguishes customary territories (forest of the local community) and the “community concession”.

Southeast Asia

The business model whereby very often implementation of sustainable management plans are sub-contracted to contractors without technical or financial capacity has been an important driver of unsustainable practices.

Security of tenure is seen as the biggest obstacle to sustainable forest management in the region. The perception of risk of potential interruption of concession contract leads to overharvesting in the immediate period after concession is granted.

Despite the existence of an institutional framework to support the concessions, a perception of lack of transparency persists.

Certification in the region is still very low. Although the region leads production of tropical logs, only 2% of certified forests in the world are in Southeast Asia.

Recently, pushed by the EU FLEGT Action Plan, the region is moving towards legality. Malaysia and Indonesia have already established timber legality assurance systems.

Recognition of community rights is an important issue in the region, with frequent overlapping of rights. There is a trend to better map presence and activity of communities.

New opportunities

Agenda 2030 – Sustainable Development Goals (SDGs)

SDG 15: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss.

Target 15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.

Two specific items under Indicator 15.2.1 Progress towards sustainable forest management:

→ Share of forest area under a forest management plan,
Share of forest area certified under an independent forest management certification scheme, most recent period

Paris Agreement under the United Nations Framework Convention on Climate Change
○ The forestry sector is mentioned prominently in the submitted INDC (Intended Nationally Determined Contributions) of countries all over the world, particularly in the tropical regions

Final remarks
○ Forest concessions, if well designed and managed, can deliver sustainable forest management and a wide range of socioeconomic benefits, such as security of tenure, increased income, access to social services and local development.
○ The key question is then what are the improvements, innovations and alternatives to make sustainable management of public production forests work?

Panel discussion: Opportunities and challenges for Forest Concessions

The panel was moderated by the Director of the Brazilian Forest Service (SFB), Raimundo Deusdará, and had the participation of six panelists (in the order of presentation): Marcus Vinicius da Silva Alves (from SFB), Steve Johnson (ITTO), Guillaume Lescuyer (CIFOR), Plinio Sist (CIRAD), Thais Linhares (FAO) and Gerardo Segura (World Bank). Some of the main points brought by the panelists were:

Marcus Vinicius da Silva Alves (from SFB)
○ Forest concessions in Brazil have achieved significant progress; however, the size of the areas granted to date is still small. The tripod for the relative success of concessions in Brazil is based on issues of transparency, governance, and efficient monitoring of all phases of the process.
○ To make forest concessions in public forests viable in Brazil it would be necessary to grant only 10% of the existing public forests, which corresponds to approximately 31 million hectares. This would be enough to meet the domestic demand for wood products.
○ The challenges for the Brazilian Forest Service are to (1) increase the area under forest concessions, (2) increase the participation in the market, (3) improve the infrastructure and logistics, (4) reduce costs, and (5) develop economic instruments.

Steve Johnson (ITTO)
○ The present scenario is characterized by increasing expectations from the multiple use of the forest and the difficulties by concessionaires in making non-timber products economically viable, as well as the little marketing of and knowledge about the use of forest species in the Amazon.
○ The broad objectives of forest concessions are generally not attained on the ground. We need to think of effective incentives for concessions to follow the rules. There is also a need to have a distinctive design of funding for traditional communities.

Guillaume Lescuyer (CIFOR)
○ It is important to implement an effective utilization of forest goods and services in forest concessions worldwide. We should bear in mind that forest concessions may no longer exist, and this raises questions about the integrity of concessions and to propose alternatives if the worst-case scenario becomes reality.

Plinio Sist (CIRAD)
○ The problem we face is not in the techniques for implementing SFM but in the conditions that incentivize forest degradation or those that favour SFM.
○ There is a need to improve silvicultural practices in forests under concession, since after 2 or 3 cutting cycles forests in question will become degraded and no longer viable as a timber source.

Thais Linhares (FAO)
o FAO believes in sustainable forest management and seeks to contribute to increase the importance of forests for public policies cooperating with countries to improve all necessary aspects of forest concessions to better understand and put forward the mechanisms to achieve sustainable development.

Gerardo Segura (World Bank)
o The World Bank has a history of pressures in relation to its involvement in forest concessions. In recent years, the Bank has been promoting the importance of recognizing the rights of traditional communities, improving the quality of the market and the relationship between forests and climate change. It’s new Forestry Action Plan 2016 – 2020 (see presentation in Annex 5) aims at poverty reduction and the equitable development through forest management.

3. Cases of experiences with forest concessions and other contractual arrangements for different purposes and under different modalities (Session 2)

In this session, selected cases of experiences using concessions or other contractual arrangements for different purposes and under varied modalities were presented. The aim was to learn from those directly involved on the key elements or success factors as well as the difficulties faced.

A total of 13 cases were presented:

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<td>10. Development of Permanent Forest Management Units and New Governance for Forest Concessions in Indonesia</td>
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<td>11. Concessões Florestais na Amazônia Brasileira: avanços, desafios e recomendações</td>
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12. Condiciones habilitantes para el manejo forestal sostenible en concesiones forestales maderables como opción de mitigación del sector forestal en el Perú | Roberto Kometter, Helvetas (Peru)

The Power Point presentation for each of these cases (as they were submitted to the organizers) is included in Annex 3 of this report.

Case 1 - Forest Concessions in Brazil: Strong Roots but Slow Growth (*Henrique Dolabella, SFB*)

Brazil is one of the countries with the largest areas of public forests: 290 million ha. With very high deforestation rates in the 2000, the country launched by 2004 a massive policy effort to fight deforestation followed by the enacting of the law of public forests in 2006. Under this law the establishment of the concession system started and by 2008 the first concession area in the Jamari National Forest was granted. The area under forest concession today cover 842 000 ha and the target at Federal level by 2022 is 7 million ha, so a dramatic increase is expected.

The Brazilian concession process is very comprehensive, requiring from 2.5 to 4 years to go through the preparation phase and another of bidding documents, followed by the contract monitoring for up to 40 years.

The environmental and political results from around eight years since the establishment of the first concession can be summarized as follows:

- No degradation and limited illegal activity inside conceded areas
- Better management of Protected Areas and avoided costs
- Better understanding of forest management
- Development of new monitoring technologies
- Less skepticism among stakeholders
- Strengthening of local level environmental governance

The experience so far allows to identify some enabling conditions and recommendations:

- Lots of transparency and filters throughout the process
- Clever contract design aligned incentives better
- Risk sharing
- Heavier than usual punishment – guarantees, contract extinction
- Distinction of roles – Concessionaires produce, SFB regulates contract, and local gov’ts are in charge of delivering benefits
- Modest and slow start was adequate to experiment in an uncertain environment, with limited knowledge
- Radical change of new bureaucracy, more economically oriented, without any disregard for environmental and reputational aspects
- Spillovers of regulatory capacity from other sectors

The process hasn’t been all easy. A number of difficulties can be mentioned:

- Concessionaires must deal with three institutions: SFB – Contract regulator, IBAMA – Licencing authority, and ICMBio – Conservation Unit manager. Coordination is always a high transaction
The recommendations in this case are: i) have a unified counter, iii) only two agencies? and iii) establish a coordination forum

- Occasional opposition fosters uncertainty. There is a lack of understanding that consensus is not always viable. Recommendation: i) transparency of proceedings, ii) crystal clear motivation
- Local governments are often slow to operate promised benefits. This frustrates expectations and increases tension between communities, concessionaires and authorities. Recommendation: i) patience, ii) dissemination of best practices, iii) clear and constant communication to all stakeholders
- Little political action limits policy support among stakeholders and policy expansion. Recommendation: i) monitor quality beyond any doubt, ii) leave technical comfort zone
- Trade-off between judicial certainty and rigidity of long term contracts. Recommendation: i) rigid principles, flexible parameters; ii) transparency to avoid capture; iii) control institutions

**Final remarks**

- Concessions are excellent to promote development, enforce property rights and fight deforestation
- Concessionaires are businesses and businesses sometimes fail. Thus, the model does not necessarily fail
- Concessions require a lot of homework to be effective
- Credibility is key. Transparency is greatest credibility booster

**Case 2 - Certified Forest Concessions: the Indonesian Experience (Arthur Klassen, TFF)**

**Indonesia's natural forest concessions ... essential framework and a history of change**

Indonesian forest land belongs to the State but is managed by companies under a concession system. Over 20 years ago concessions occupied 33% of Indonesia's land (585 concessions = 62.5 million ha), but in 2014 they only accounted for 13% of the country’s land with 273 concession licenses over 24.5 million ha of natural forest. From these licenses, however, only around 67 concessions extended over 13 million ha of natural forest are active.

Originally, licenses were for 20 years on a 35-year cutting cycle with 50 and 60 cm diameter limit for harvesting. After 2009 there are variable term licenses on 30-year cutting cycle with diameter limits of 40 and 50 cm. The timber sector is strongly export-oriented. The social responsibility in the concession system is off-loaded on license holder. Another important aspect is that security of tenure is subject to change and other uses (in-migration, mining, etc.).

In 2005 the government reduced the annual allowable cutting (AAC) target to 5.7 million m³/year and launched a campaign against illegal logging. Nowadays the AAC is back up to 9.1 million m³/year which should come from the existing 167 active concessions on 13 million ha of forest land. But achievement is much less!

**Key challenges**

- Changing land use priorities in an era of decentralization (palm oil, mining, pulpwood)
- Over / inappropriate regulation; excessive cost of doing business
- Need to upgrade the wood working industry
- Loss of international competitiveness
- Occupation of forest land by an expanding population

**Indonesian certification initiatives**

There are four initiatives operating in the country: LEI certification (originally in joint certification protocol with FSC, future role uncertain), PHPL (government ‘mandatory certification’ required for
all concessions), PEFC (IFCC National organization established 2014; already over 1.3 million ha of pulpwood plantations certified), and FSC (most credible, internationally recognized).

In the late 1990’s, an interest in FSC certification lead to 5 concessions achieving FSC (844,470 ha by 2007). There was no further certification interest until 2010 with the start of “The Borneo Initiative” certification support program using a simple concept, direct financial assistance, goal orientated and with a stronger market motivation.

Since 2010 this program has resulted in the certification of 41 management units controlling over 2.1 million ha. The total area of FSC-certified forest in Indonesia is now 2.664 million ha.

**Challenges to the forest concession system**
- Land use issues; clear vision / priority of purpose
- Security of tenure
- Over regulation; cost of doing business
- Need to update technology and re-establish market competitiveness
- Forest fragmentation requires more innovative approaches to keeping forests productive

**Recommendations**
1. Ensure security of tenure, and establish a clear vision / priority of purpose
2. Reduce excessive and inappropriate regulation
3. Industry needs to update technology
4. Explore alternative models: partnerships with local communities to get more non-productive forests back into production
5. Explore additional valuations for forests (carbon, ecosystem services)
6. Government owns the forest so a change must start with the government. Making the industry more competitive is the key to achieving sustainable forest management

**Case 3 - Compagnie des Bois du Gabon (CBG): Un modèle de Création de Valeur Partagée (Emmanuel Groutel, CBG)**

In the current debates it seems important to highlight how a well-designed concession, as in the case of CBG, has integrated appropriately a model that could be called Creating Shared Value.

**The context**

In Africa, demographics plays a crucial role if we consider the rapid doubling of the population. The huge demand to feed the growing population will put pressure for more space from forested areas for activities that may be more profitable in the short-term. We have to consider that the economy of the forest, unlike other products, is in the long term.

Gabon has 23 million ha of forest covering 88% of the national territory. There is a strong commitment from the State to promote forest products, public-private partnerships between concessions and national reserves, and a Green Economy policy.

The vision shared by forest concessionaires is to protect forest areas by giving value to wood and other environmental services. It is in this context that concessions are allocated according to rigorous specifications.

**CBG, a Gabonese enterprise**

The Gabon Timber Company, located between the Natural Parks of Loango and Moukalaba Doudou, was founded 1975 and obtained its first forestry permit in 1989. It installed the sawmill in 1994 and a veneer mill in 2000. By 2009 it obtained the FSC certification.
The certification by an independent third party according to the FSC scheme is one of the key factors of success of CBG.

The company relies on a model that combines environmental responsibility, social development benefits to communities, economic sustainability and customer satisfaction.

Following the Gabonese law, production is processed on site in a veneer factory and sawmill. The annual harvest of just under 150,000 m$^3$ from the 600,000 ha concession is well below the annual growth.

The CBG concessions integrate the needs of communities, the respect for biodiversity and the need for economic development. Regarding communities and local development, the tasks of CBG are many and varied providing support through infrastructure to remote villages distant from major roads, and in general playing a complementary role to the functions of the State.

CBG carries out various actions related to biodiversity. Under the national action plan for wildlife protection, a tripartite cooperation agreement was signed 2008, and renewed 2015, between the Ministry of Forestry, WWF and the CBG. This PPP has for mission to protect large mammals (elephant, gorilla, chimpanzee, leopard, buffalo, antelopes ...) in the CBG concession included in the Gamba Complex. Activities conducted under this PPP include sensitizing local populations, monitoring of hunting and assessment of the situation on the ground.

There is no economic development without creating value. Customers today are those who buy wood products. They are the ones that allow to continue this policy of preservation by creating value. To satisfy them, everything is implemented: missed deadlines, product quality, standards compliance etc.

**Opportunities, challenges and recommendations**

Concessions of this type present many opportunities:
- Compliance with specifications of states and certification organizations
- Knowledge of the complexities of communities and their territories
- The long-time framework
- Complementarity with National Parks
- Specific expertise with engineers, scientists, researchers, NGOs, eco-guards, etc.
- Leading player for REDD+, and
- Creating economic value from timber to preserve forest resources

Some challenges can also be highlighted:
- Need to work in the long term and stably on sufficient acreage
- Take account of demographic changes
- Unjust attacks of some NGOs
- Difficult European market
- Continued work to reduce the impacts of levies
- Diversification of species harvested

As regards the main recommendations, the following can be noted:
1. Consider, with the States and under their own strategies, a concept of concessions-reserves
2. Find new opportunities and alternative sources of income (for space management, development of plantations and agroforestry) or PES (payments for environmental services)
3. Better make known the reality of concessionaires to the opinion makers: politicians, journalists, architects, designers, ecologists, researchers, etc.
4. Take into account the new roles of forests for biodiversity, carbon, DSP, PPP, etc.
5. Establish a true public service delegation: training, framing, roads and bridges; interface with other users, clinics, commissaries, schools
The fundamental point of concessions is the critical size: if we want to preserve these fantastic forests, it is clear that fragmentation is not the right solution. The question that arises or will arise is: How to create synergies between forest concessions and other uses for the benefit of populations and development?

This future emanates from a convergence in vision: from African policy makers, NGOs, industrial operators, civil society / community / aboriginal groups, and that of international institutions.

Case 4 - Concession for multiple-use in the Deramakot Forest Reserve - Sabah, Malaysia (Indra Purwandita Sunjoto, SFD)

Sabah, a State of the Federation of Malaysia, has currently around 1.75 million ha of production forests. From the golden time of timber exploitation in the 1970’s and 1980’s, when it contributed to over 40% of the State’s revenue, that contribution dropped to a tenth or less in recent times. The decision to promote SFM was then taken and in 1989 the Deramakot Forest Reserve (DFR) started to be developed as a model under a SFD – GTZ long-term Malaysian – German Sustainable Forest Management Project (SFMP).

Background of the Deramakot Forest Reserve (DFR)

DFR has an area of 55,507 ha covered by lowland Dipterocarp mixed forests. From 1956 to 1989 timber these forests were harvested using conventional selective logging averaging up to 110 m$^3$/ha. The forest classification carried out as part of the SFMP indicated that 18% of the area was well stocked with commercial timber species, 52% with lower growing stock, and 30% covered by very poor forest with virtually no mature growing stock left. By 1997, after eight years of intensive project work (planning, training, institutional building…), the DFR became FSC certified as well managed forest. DFR is actually the longest tropical forest certified in the region.

Forest management plans (FMP) and timber harvesting

The DFR has a medium term (10 year-) management plan aiming to sustain the production of high value timber and to improve the growing stock by means of natural forest management while maintaining a high degree of species and structural diversity. The plans (three so far after 27 years of operation) follow a multiple use approach of natural forest management. The current FMP has a net harvesting area of 10,581 ha, but also an area of 11,037 ha under silvicultural treatment (timber stand improvement) and additional 563 ha for forest restoration. The AAC is between 15,000 and 20,000 m$^3$, based on the Dipterocarp Forest Growth Simulation Model. The cutting cycle is 30 years. Reduced impact logging is carried out through a qualified logging contractor using crawler tractor, skyline and log-fisher. The price paid by the market for DFR certified timber has been in the rise over the past few years, in average 30% higher than no certified timber.

Timber stand improvement (TSI) and rehabilitation planting

The objective of TSI is to improve the growth and survival of commercial species, and ensure adequate stocking of potential crop trees. It consists of the selective removal of competing vegetation (e.g. woody vines and climbing bamboo). Around 30% of DFR required TSI. Its implementation is done by contracting out a local entrepreneur that provides employment for communities.

As a result of bad logging practices, rehabilitation planting and maintenance is necessary, though it’s ten times more expensive than silviculture using TSI. The work is done using fast-growing species following a site-specific approach.

Protection and other activities
The FMP includes forest protection activities such as boundary demarcation, aerial surveillance, river patrols, guard posts and SMART patrol. These measures are to prevent the main threats to the area: poaching, cultural harvesting, illegal cultivation and forest fires.

Other aspects to highlight from DFR:
- Wildlife monitoring (e.g., opportunistic sighting, camera traps, saltlicks monitoring…)
- Engagement with local communities (involving people from villages on the fringe of the forest in silvicultural and protection activities)

**Major challenges**
- Long process of learning and capacity building
- Requires massive training programme – all aspects of forest management for ‘knowledge workers’
- High turnover of workers
- Lack of managerial skills in running an enterprise
- The acceptance of lower profit margin – to convince the funders for financing the project
- Lower revenue with longer investment period
- Consistency in maintaining the quality under international forest certification standards
- Over the time, forest certification is more an ‘academic approach’ rather than operational compliance
- Less demand for ‘green timber’ by local buyers and manufacturers to pay premium prices

**Key success factors (over the last 27 years)**
- Willingness to change
- Political support and endorsement
- Technical support
- Continuous capacity building
- Financial support – government project
- Continuous stakeholders consultation
- Multiple use forest approach
- Forest certification – lead to responsible forestry
- Incentives – price premium (30%)

**Lessons learned**
- Short term management practice does not guarantee responsible forest management
- Changing mindsets are required at all level of management and decision making
- ‘Smart partnership’ with credible entities will increase the value of sustainability
- Forest certification can improve good governance, enhance performance and bring credibility
- Good marketing team is needed for aggressively promoting green timber
- Diversify revenue by exploring non-timber forest produces, ecosystem services and innovative ideas, i.e. carbon sequestration and biodiversity offset mechanism
- Continuous capacity building programme to maintain the productivity and management effectiveness
- Do not work in isolation, engage with the world

**Case 5 - Forest Concession for Conservation: The Upper Essequibo Conservation Concession Case, Guyana** *(Curtis Bernard, CI - Guyana)*

Guyana is a low populated country heavily dependent on extraction. It has a high forest cover (>85%) with a low deforestation rate (<0.1% annually), primarily caused by mining operations.
Guyana’s policy has established conservation easements as a means to achieve conservation gains (whereas a land owner foregoes extractive use for conservation gains, and receives commensurate compensation). Conservation concessions are a type of conservation easements (in this case, the foregone use is timber) proposed by Conservation International in 2001.

The Upper Essequibo Conservation Concession (UECC) is the second conservation concession to be established in the world, extended over 82,199 hectares. It was issued under a Timber Sales Agreement paying all fees as a logging concession. UECC has been managed by CI-Guyana from 2002 to 2012.

**UECC stakeholder relationships**

- Three main stakeholder communities
- Key skills and knowledge came from communities
- Voluntary Community Investment Fund (VCIF) - up to USD 10,000 annually - supported community development projects
- Total of USD 82,520 in projects
- Communities supportive of the UECC

**Relationship between costs and benefits to stakeholders a key determinant of success**

- Benefit-cost relationship for resource owner(s) should be no less favorable than feasible alternative uses of the site
- Benefits and cost to the resource manager must be at least equal or benefits must outweigh costs
- Benefits must outweigh costs for Resource Users and Investors
- Costs to Neighbors should not exceed benefits they receive

**What is needed to mainstream conservation concessions**

Already in place:
- REDD+ part of the international conversation to address climate change
- Guyana is committed to low-carbon green development
- Guyana pursuing a national REDD+ programme
- New Forestry legislation (Forest Act of 2009) makes specific provisions for Conservation Concessions

What else is needed:
1. Institutionalize commitment to reduce/avoid deforestation
2. Establish deforestation caps on land uses based on production efficiency
3. Require mitigation of deforestation in excess of the limit following the mitigation hierarchy
4. Establish means for trading deforestation allowance
5. Establish regulations for operation of conservation concessions to be sustained by inflows from deforestation offsets and conservation businesses, taking lessons from the UECC

**Case 6 – Community forest concessions of the Maya Biosphere Reserve, Guatemala (Elmer Salazar, ACOFOP)**

The Maya Biosphere Reserve (MBR) in northern Guatemala extends over 2.1 million ha of which 848,400 ha of multiple use zone. It contains 70% of the total forest within protected areas and 40% of the remaining forest in Guatemala.

The situation in the MBR between 1990 and 1995 was characterized by a preservationist approach, lack of governability, deforestation and uncontrolled advance of the agricultural frontier, illegal extraction of natural resources, and looting of archaeological monuments.

In 1995 ACOFOP (the Association of Forest Communities of Petén) was founded to promote the socio-economic development and improve the quality of life of communities through sustainable forest management. The Association is currently integrated by 22 community organizations and cooperatives in the MBR.

A forest concession in Guatemala is defined as an administrative mechanism by which the State grants to communities for a period of 25 years, the right to the rational use of natural resources within the multiple use zone of the Maya Biosphere Reserve.

Reduced impact forest management operations in these concessions are based on cutting cycles of 30 to 40 years, average harvesting intensity of 1.5 to 3 trees/ha and extracted volume of 3 m³/ha; 30% of commercial trees remain standing as seed trees. Operations are monitored and regularly evaluated, and are FSC-certified.

FORESCOM (Empresa Comunitaria de Servicios del Bosque) was founded in 2004 by community forestry organizations to offer certified timber products as well as technical and commercialization services to local community-based organizations complying with global quality and competitiveness standards.

Most community concessions include the harvesting of non-timber forest products and in some cases also tourism. The organization to prevent and fight forest fires is an important component of the management in the concessions. Community members also support the control and protection of the areas in concession.

**Main achievements of the process**

**Social**
- Investments in social infrastructure
- Development of technical capacities of community members
- Contribution to local education (scholarships, school supplies, infrastructure, equipment)
- Family integration (mitigating emigration)

**Economic**
- Community forest management generates income through employment
- Wages are above the minimum set by law
- State taxes are generated annually
- Financial resources are invested in preventing and fighting forest fires, as well as in the control and surveillance of the area

**Case 7 – Community forest management in the Tapajós National Forest, Brazil (Lucian Gomes de Oliveira & Arimar Feitosa Rodrigues, COOMFLONA)**
COOMFLONA (Cooperativa Mista Flona Tapajós) was created in 2005 as an economic entity and holder of the Forest Management Pilot Plan in the Tapajós National Forest promoted by IBAMA, the Brazilian Institute of the Environment and Renewable Natural Resources. The forest concession model adopted in the Tapajós National Forest is the non-onerous right granted to traditional residents to make use of timber and non-timber forest resources in specific areas within this Conservation Unit without a direct payment to the government for this activity, a right granted by means of a concession contract for direct use of the forest resources. The management system is based on the application of reduced impact logging practices that are implemented in two phases (pre-harvesting and forest harvesting).

**Benefits**
The concession has so far provided economic benefits (improved efficiency in the production that in 2015 generated over USD 2 million, including from waste recovery), social benefits (local employment, investments in local development) and ecological benefits. The resources from the community management are distributed in different ways: investment fund, community support fund, health fund, reserve fund, and reserve for technical, educational and social assistance. The decision is made by the General Assembly. The management operations were FSC-certified in 2013.

**Incentive to the non-timber production in the communities**
Thirty families are involved in the extraction of latex and rubber production, and 95 families are inserted in craft activities and manufacturing of ecological leather. The marketing of products developed by COOMFLONA is done in two sale points (“eco-stores”) in the city of Santarém.

**Failures and difficulties**
- Difficulty in cooperative management
- Marketing of timber
- Overlap with an indigenous people's area

**Key success factors**
- Community will and involvement
- Partnership between the community, the government and non-governmental institutions
- Adoption of reduced impact forest management

**Lessons learned**
- Good management practices generate income and protect the environment
- Participative management between community and government results in a gain for society

**Case 8 – Concessions to small-scale associations in Ghana (Samuel Kwabena Nketiah, Tropenbos International)**
Ghana, a West African country with a population of 27.4 million, has an agricultural based economy with high contributions from mining, timber and recently, the oil industries. In less than 50 years, Ghana lost 90% of her primary forest, and between 1990 and 2005 the country lost 26% of its forest cover. The major drivers for this are wrong policies and policy failures manifesting in agricultural expansion, illegal logging, surface mining, and fuelwood extraction.

**Policy framework**
The 1948 Forest Policy provided for rapid liquidation of timber resources from off-reserve areas as a means of salvaging them from agricultural activities; it also made no provision for wildlife
conservation, and resource management excluded the local people. In response to the shortfalls of this policy, the 1994 Forest and Wildlife policy provided for collaborative forest management, wildlife conservation, and regulation of timber harvests in areas outside reserves.

In line with recent global trends in natural resources management and local demands, a new Forest and Wildlife policy was promulgated in 2012 with a considerable shift in emphasis from consumptive to non-consumptive use of forest resources, greater attention to environmental functions & services, and decreased emphasis on timber.

The concession system

There are three types of timber rights regimes: 1) Timber Utilization Contracts (Concessions); 2) Salvage permits for extraction of commercial trees that fall in the way of development projects; and 3) Timber Utilization Permits for community projects, strictly not for commercial purposes. The Timber Resource Management Act of 1998 and its Regulation (LI 1649) established the TUC to replace the old concessions system (from the concession ordinance of 1900). In a more transparent process, this instrument gives recognition to traditional authorities and local communities in forest management, and provides for a competitive process for the grant of a TUC.

There are three categories of concessions: small scale from 15 – 125 km², medium scale from 125 – 300 km², and large scale from 300 – 500 km².

Major difficulties of the current system and response to the challenges

- Tussle over payment of Timber Rights Fees
- Procedural challenges with competitive allocation
- Export orientation of the industry
- Market driven harvesting: creaming of the resource
- Sustainability
- Fragmentation of the resource
- Illegal logging
- Encumbered ‘concessions’ (40 year felling cycle)

The response to these challenges has been through:

- Resort to Salvage permits
- Fragmentation of the resource
- Hiding behind a bad piece of law to operate an ‘illegal’ permit system
- Short term ‘concession’ systems
- Legislative Instrument to cover off-reserve resources

Current imperatives were to put in place a system that: (i) addresses the domestic market; (ii) will help curb illegal logging; (iii) returns wealth to the local communities; (iv) makes for better use of the resource; and (v) meets requirements of legality (FLEGT/VPA).

The new concession system

- Identification of willing TUC holders
- Broker partnerships between Associations of small-scale operators and TUC holders
- Prepare agreements that ensure win-win situations:
  - the Associations get access to legal timber resources (un-removed yield)
  - products by the Association serve the domestic market in return
  - the Association commits to protect the ‘concession’ against illegal logging

Challenges of the new system

- Unscrupulous forest managers
- Bureaucracy
Logistics esp. haulage and transportation
- Suspicion of concessionaires
- Non-availability of the resource
- Small-scale operators are at the mercy of large-scale concessionaires
- Securing a more direct access for small-scale associations

**Main achievements and impacts**
- Improved rural livelihoods (employment of locals)
- Improved respect for community rights (SRAs)
- Reduced involvement in illegal logging (artisanal millers)
- Emerging culture of monitoring illegal logging amongst artisanal miller groups (artisanal millers)

**Key success factors**
- Political cooperation
- Capacity building
- Continuous dialogue amongst all stakeholders
- Financial incentives
- Strict law enforcement

**Enabling conditions**
- Research leading to the development of the ATM concept
- Organization of illegal loggers to artisanal miller groups
- Technical training on artisanal milling
- Establishment of national discourse to create space for small-scale artisanal millers
- Facilitating role of Tropenbos (TBI) Ghana
- Cooperation from the Forestry Commission
- Capacity building for the Association

**Lessons learned**
- Building partnerships to create win-win situations
- Changing ‘criminals’ into partners
- With the right mechanisms in place, illegal operators can operate legally
- Artisanal milling has the potential to reduce illegal logging whilst improving rural livelihoods

**Recommendations**
1. There is the need to create the requisite framework for direct concessions to small-scale associations to contribute to the supply of legal timber to the domestic market
2. In the meantime, necessary partnerships should be promoted for small-scale associations to harvest un-removed yield to supply legal timber to the domestic market

**Case 9 – Analysis of criteria on forest concessions between the Brazilian Amazon and the Congo Basin** *(Arlei Fontoura, FRM-Brasil / ATIBT)*

ATIBT (Association Technique Internationale des Bois Tropicaux) was founded in 1951 at the request of FAO to organize and streamline the tropical timber trade. It’s an international organization supporter of legalization that encourages SFM practices and promotes tropical timber. It’s also a key partner for the industry, playing a facilitating role for the tropical timber industry, and serving as reference in technical and scientific information on tropical wood species.

FRM (Forest Resources Management) was established in 1986 as a private forest consulting and advisory company.
The context

- Forest concessions in the Congo Basin occupy an area of almost 50 million hectares in six countries, in descending area under concession (Gabon, Congo, DRC, Cameroun, Central African Republic and Equatorial Guinea).
- Mandatory requirement to develop a management plan as the main tool for the sustainable management of forest concessions
- Criteria and contribution to the development of various forms: local taxes in Cameroon, background development in the Congo, Gabon and DRC
- Environmental and social obligations: respect the rights of local traditions, safety, etc.
- 24 million ha under management plans in 2016 (almost half of the area under forest concession)
- Growing industrialization, but still not enough (few units with 2nd and 3rd transformation)
- An activity that turns, mostly for export

Implementation of forest concessions

- A total of 2.758 million ha of concessions have been granted in three States of the Brazilian Amazon representing 2% of the total forest area (116,569 million ha). In the Congo Basin, the area under concession is much larger: 49.592 million ha in seven countries, representing 7% of the total forest area (186.444 million ha)
- There are differences in the size of concessions granted in both regions. For instance, the proportion of large concessions in the Brazilian Amazon is 59% in contrast with 83% in the Congo Basin
- The following table summarizes the comparison between both regions considering the objectives set for concessions, the legal framework, the implementation process, the environmental, social and economic criteria applied; and the bidding process.

<table>
<thead>
<tr>
<th>Brazilian Amazon</th>
<th>Congo Basin</th>
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<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td><strong>According to countries, e.g.:</strong></td>
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<tr>
<td>– Mechanism for reducing deforestation</td>
<td>– Sustainable management of forest species</td>
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<tr>
<td>– Economic development within the State</td>
<td>– Contribution to local development through the economy, employment, income</td>
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<tr>
<td>– Generation of employment and income</td>
<td></td>
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<tr>
<td>– Restructuring of the wood sector</td>
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<tr>
<td>– Guarantee of raw material of sustainable origin for the timber sector and the markets</td>
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<th>Legal framework</th>
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<td>Forest concession is one of three models for the management of the Brazilian public forests under Law 11.284 / 2006. This model allows the Public Administration to delegate to companies, selected by tender, the right to carry out SFM in Federal public forests for the production of timber and non-timber forest products and forest services in the Forest Management Units. Concessionaires pay to the government amounts varying according to price proposal submitted during the public bidding process</td>
<td>According to countries, e.g.:</td>
</tr>
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<td></td>
<td>– In Central Africa, the model of forest concessions develops as extension of operating licenses set in the past decades</td>
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<td></td>
<td>– Considering the right to exploitation of timber products, respecting the forest regulations</td>
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<td></td>
<td>– The obligations of concessionaires evolved from the 1990s, such as the obligation to prepare the Forest Management Plan. This is based on a systematic sample survey over the entire forest concession area</td>
</tr>
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<td></td>
<td>– In the following years (3 to 4), requirements such as the obligation for industrialization and the financing of the contribution to local development</td>
</tr>
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Implementation process

- Area selection process (excluding steps) According to countries, e.g.:
**Brazilian Amazon**

- Technical studies of the area (anthropism, exploitable products, structure of the National Forest; geographic, social and environmental contextualization, characterization of the forest management unit etc.)
- Preliminary drafting of the Terms of Reference (Pre-Notice)
- Public hearings
- Final editing and publication of the Terms of Reference (Notice)

**Congo Basin**

- Ancient forest concessions (without assigned revenue) converted to integrate the obligations of forest management
- Most applied instrument is forest planning (*plan d’aménagement*)
- New forest concessions granted with Terms of Reference (Notice), with the exception of Gabon

### Environmental criteria

- Area of absolute reserve
- Permanent preservation areas
- Cutting cycle: 0.86 m³ / ha / year
- Minimum cutting diameter of 50 cm dbh
- Percentage of remnant trees
- Monitoring of permanent sample plots
- Monitoring of anthropic pressure

According to countries, e.g.:

- Disturbed areas (areas for community use, local population, private land for agriculture)
- Permanent preservation areas
- Cutting cycle of 20 to 35 years
- Minimum cutting diameter fixed for each species, according to the Forest Management Plan

### Social criteria

- Investment in infrastructure and services for the local community
- Generation of jobs and local income

According to countries, e.g.:

- Contribution to the financing of social development through mechanisms such as a fee to local co-management or local development funds to finance social activities
- Examples: In DRC, USD 2 to 5/m³; in Congo, USD 0.3/m³ on average. In Cameroon, a set value according to the specifications between the concessionaire and the local development entity

### Economic criteria

- Benefit the local economy
- 40% of funds raised by the concessions are for the States and the municipalities whose jurisdiction involves the forest concession

According to countries, e.g.:

- Rate passed along the central level
- In some countries there is a partial transfer of area fees at the local level
- Example: In DRC, 25% goes to the province and 15% to the decentralized territorial entities; in Cameroon, 20% to communities and 10% to villages

### Bidding process

- The bidding is carried out in the form of competition considering technical aspects and price, by items according to art. 45, § 1, III, of Law 8.666 / 1993, art. 26 of Law No. 11,284 / 2006, Law No. 8,987 / 1995
- The bidding has for objective to delegate the right to practice SFM for the harvesting of (timber and non-timber) forest products indicated in the announcement.
- Competition between candidates for the same Management Unit (FMU)
- Combination of criteria “best technology and highest price”, with a maximum score of 1,000 points (500 for the technical part and 500 for the price)

According to countries, e.g.:

- Bidding process by competition through the Terms of Reference (Notice)
- Bidding process by competition through the Terms of Reference (Notice) less elaborated
- Contracts of 15 to 30 years
Case 10 – Development of Permanent Forest Management Units and New Governance for Forest Concessions in Indonesia (Agus Setyarso)

Brief background on the FMU - Forest Management Unit

The roots of the issues:
- Weak definition on forest land rights leads to tenure conflicts among State, private sector and communities
- It is estimated that there are conflicts in 24-34 million ha of forests taking the form of overlapping claims
- Weakness of forestry development institutions to address the actual problems on the ground, absence of forest governance on the ground
- When licenses expire or are inactive, the respective forests become open access, enabling anyone to utilize them without any control, resulting in large-scale deforestation and degradation

There are 294 concessions allocated in natural forests of which 179 (60%) are inactive. In the case of concessions on forest plantations, 139 out of 245 concessions are in the same condition. Together, these inactive concessions represent 34 million ha of open access forests.

Legal setting of FMU and scope of FMU authorities

- The Forestry Law (Law No. 41/1999) stipulates that FMUs would be established not only in production forest, but covering all forest areas and functions
- The issuance of Government Regulations No. 6/2007 and No. 3/2008 has shown that forest areas have to be preserved as permanent forest units for SFM
- Law 23/2014 stipulates that the establishment of FMUs is mandatory. The Province is responsible to establish FMUs on protection and production forests, while the Central Government is responsible to establish FMUs for conservation
- The tasks and functions to be performed by the FMU cover aspects of forest governance as well as management measures on the ground:
  - Forest Inventory and management planning at the FMU level
  - Management implementation:
    1. Forest planning – zoning (limiting planned deforestation)
    2. Forest maintenance, utilisation and clarification of use rights
    3. Watershed rehabilitation and reclamation
    4. Forest protection and nature conservation
    5. Facilitation of research, education and training activities
    6. Supervision of operators within the FMU
    7. Business arrangements (private – community partnerships)
    8. Conflict management

  Concession holders lack in particular the resources and capacity for items 1 to 5 and 8.

Financing FMU

- The Ministry of Environment and Forestry mainstreams the State budget to facilitate the development and operation of the FMUs through their regional technical offices. The financing covers:
  - Forest area organization and planning
The Special Allocation Fund (DAK - Dana Alokasi Khusus) is a State fund to be transferred to particular sub-national governments to support special activities in order to accelerate the establishment and development of FMUs, support their operation, recover the health and carrying capacity of watersheds, increase the access of communities to forest resources, improve the extension work and community empowerment in sustainable forest management. In provinces with FMUs, at least 60% of the DAK budget has to be allocated to support the operation of FMUs and the remaining 40% is to be allocated to cover activities within forest areas, community forests, and/or city-forests.


International development partners’ contributions include:
- When REDD+ was introduced in the debate and negotiation, the FMU model was strongly proposed as the main governance improvement in forestry in Indonesia to be considered in the implementation of REDD+
- The GIZ FORCLIME project was fundamental in supporting the FMU policy, program and development in Indonesia.
- Later on, in 2012, the World Bank started to take a look into the FMU framework when it brought up the FIP (Forest investment Program). The FMU was found to be the right unit for on the ground implementation.
- France – AFD, Germany – KfW, Korea, Japan, USAID, and lately UK-CCU through its MFP3 Program have started to seek for opportunities to contribute to the FMU development in Indonesia.

**FMU and landscape approach**

- The Forestry Law (Law No. 41/1999) stipulates that FMUs are to be established not only in production forests but in all forest areas and functions - landscaping.
- The existence and preservation of the diverse forest benefits constitute the natural wealth at the landscape level that needs to be protected by the FMU operators.
- Forest planning systems follow a landscape approach in combination with regional development planning.

**Standing issues**

1. **Changing mindset**
   a) From desk work inspection to taking the lead in managing forests at site
   b) Eliminating forest rent mental attitude
   c) From taking royalties and taxes to distribution of benefits – including maximizing internal revenues for the sub-national governments
   d) From timber oriented to all potential forest-based businesses (NTFP, environment services)
   e) From awarding licenses to sharing-based partnership
2. **Professionalism**  
   a) GR 06/2007: FMU should be operated by professionals, demonstrated by competency certificates issued by third party independent professional certification bodies  
   b) FMU partnership approach requires professionalism in management and business  
   c) FMU needs for 3000 new recruits annually, with specified qualification  

3. **Forest certification**  
   a) Ideally one FMU holds single forest and forest products certificates that applies to all economic operators within respective working area group certificate system that increase efficiency  
   b) Forest certification at FMU level promotes acceleration of professional management under FMU  

4. **FMU performance – massive capacity building**  

5. **Needs for regulatory reform particularly in the context of forest utilization**  
   a) Stronger regulation on FMU business partnership  
   b) Strengthen regulation on legality verification – TLAS  
   c) Clear regulation on the relationship between the Forestry Office and the FMU  
   d) Stronger regulation on FMU-based investments  
   e) Regulation on facilitation of multiple products and services under FMU management  
   f) Clear regulation on relationship between the FMU and “adat” or indigenous peoples’ forest rights  

**Case 11 – Forest concessions in the Brazilian Amazon: progress, challenges and recommendations (Roberto Hofmann Palmieri, Imaflora)**  

Study published in 2016 by IMAFLORA (Instituto de Manejo e Certificação Florestal e Agrícola) about the perceptions of social actors on the short-term effects, bottlenecks, and potential of forest concessions in the Brazilian Amazon (see published document in the annex)  

The purpose of the study is to contribute to the reflection on the perceived progress of forest concessions and challenges to its expansion and consolidation.  

**Main results: short-term effects**  

**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.)  

**Perception of negative effects:**  
- 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 Protected Areas, 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 the 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

As a general conclusion, 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.

Case 12 – Enabling conditions for the sustainable management of timber concessions as an option for the mitigation in the Peruvian forestry sector (Roberto Kometter, Helvetas)

Context

Peru has a cover of 69.7 million ha of natural forests mainly located in its Amazon region. According to the Forest Policy, the development of forest production systems is based on forest management, with regulated, transparent and competitive access to forest and wildlife resources through forest concessions, permits and authorizations as well as assignments in use, duly registered in a forest cadaster.

According to the Forestry Law (29763), forest concessions are:
- established in harvesting units of two sizes: 5,000 to 10,000 ha and 10,000 to 40,000 ha
- for 40 years, renewable
- granted in a competitive, fair and transparent manner, avoiding monopolistic practices
- established in the Permanent Production Forests through tenders and abbreviated procedures

The area of Permanent Production Forests (PPF) in 2010 was 17.763 million ha. Between 2002 and 2004 there were 607 forest concessions for timber occupying 7.886 million ha or 44% of the PPF.

Sustainable forest management in the forest concessions for timber

- Regency
- Forest Management Plans (general, long-term plan and operational/annual plan)
- Technical guidelines for developing forest management plans
- Integrated or diversified management or forest resources is promoted
- The Forestry Law and its regulations encourage voluntary forest certification
- Promotion of research
The area under forest certification in 2006 was 61,824 ha and a decade later it had a tenfold increase (643,640 ha).

Current status of the forest concessions for timber:
- Concessions legally in force in 2015: 339 units covering 4.419 million ha or 18% of the PPF
- Concessions with legal irregularities: 154 units covering 1.907 million ha
- Expired concessions: 79 units (1.052 million ha)
- Concessions with closing plan: 32 units (432,367 ha)

The Climate Change Plan of the Ministry of Environment (2014) gives priority to SFM in timber forest concessions as one of the mitigation options to climate change. The improved management and timber harvesting in concession forests is seen as a mechanism to avoid deforestation and CO₂ emissions. This prompted the decision to assess the enabling conditions for the viability of SFM in these areas.

**Barriers for SFM in timber concessions and possible solutions**

A group of forest experts identified barriers for SFM and also came up with possible solutions. Using a set of criteria (benefits, sustainability, number of actors involved, feasibility, required time, cost), the key barriers and the respective solutions proposed were ranked as follows:

**First priority:**
- Activation of the National Roundtable of Dialogue and Consensus
- Simplification of administrative procedures of forest authorities
- Dissemination of technical characteristics and uses of the most abundant timber species

**Second priority:**
- Promote public consumption of wood products of verified legal origin
- Train and prepare entrepreneurs with a wide view of a competitive forestry business
- Promote the development of market intelligence schemes and business information systems
- Efficient and operational control system (control module)
- Strengthen institutional capacity for legal land reclamation / tenure rights

**Third priority:**
- Adoption of good management practices, which helps sustain or increase timber forest productivity, thereby increasing the efficiency of operations and reducing costs
- Promote responsible purchasing policies of legal origin verified by state institutions and private companies
- Incentives for SFM in timber forest concessions

**Case 13 – Organization of forest concessions in the Democratic Republic of Congo** *(François Kapa / Pépé Dungu, Ministère de l’Environment, Conservation de la Nature et Développement Durable)*

The Democratic Republic of Congo has a forest area of 156 million ha (2/3 of the forests of the Congo Basin) and an annual deforestation rate of 0.22%. Forest production is mainly for firewood (50 million m³); other wood products include craft wood (5 million m³) and industrial wood 0.5 million m³.

Concession forests currently cover 12 million ha or around 11% of production forests.

**Origin of the forest concessions**
Colonial heritage (Royal Decree of 11 April 1949): Private grant scheme, i.e. counter agreement between the State and the private in an area intended for the production of timber

Accessible location and in the proximity to centers of consumption and facilities for export

Overexploitation => 1984 reorientation of logging in the central basin

Proliferation of forest concessions

**Forest reform**

- Forestry Code of 2002 with the following innovations:
  - allocation mode by tender
  - forest concession contract
  - social clauses for local communities
  - forest concessions of local community forests
  - institutionalization of the forest cadaster
  - zoning to determine production areas

- The implementation of the reform has considered:
  - Moratorium in 2002
  - Process of conversion of old titles into forest concession contracts
  - Contracting process (for 25 years)
  - Management process

Forest concessions can be an approach for resource conservation and development of local communities, provided the rules for sustainable management are applied and a good governance is ensured by all stakeholders for a participatory and inclusive management.

4. Improving forest concessions policies and practices *(Session 3)*

This first working group session was organized to discuss and come up with recommendations to improve policies and practices for a “new generation” of forest concessions by addressing a selection of critical issues or challenges confronting tropical forest concessions today. These issues were clustered into three themes: A) Governance of forest concessions, B) Economics of forest concessions and sustainability, and C) Improved forest management. What follows are the results of the working groups for each of these themes.

**Governance of Forest Concessions (Group A)**

**QUESTIONS TO THE GROUP:**

1. Forest concessions have a real potential to deliver sustained economic, social and environmental benefits to local populations and to society as a whole, if well managed and as part of a transparent, inclusive and accountable governance arrangement for achieving sustainability. Considering the transparency as a main condition for governance of forest concessions, how could governments ensure transparency on designing and allocating concessions, beyond the inclusion for instance of the civil society in governance mechanisms?

2. In many countries there is not adequate land zoning and consultation on the location of concessions, and often concession areas overlap with customary land use, mining or other land uses which has caused significant land conflicts. In view of this: How can forest concessions better accommodate with other use rights that are compatible with logging? and how to deal with the competition on concessions areas from external pressures (for instance, small/large-scale agriculture, mining, infrastructure, illegal logging)?

3. Government agencies in charge of monitoring forest concessions may have insufficient capacity or resources to enforce and monitor the implementation of concession contracts
and compliance with management plans. Could certification from a third part be used for overcoming the lack of governmental monitoring, avoiding at the same time bureaucracy on the authorizations for the use of the products and services allocated through concessions? and what kind of conditions should have these certifications?

REPORTING FROM THE GROUP:

Implementation / Legal framework

- Concessions are an important mechanism for the implementation of global commitments on climate and sustainable development, and therefore its implementation should be of broad interest
- For a successful implementation of concessions it is necessary to have a framework of clear incentives (and also of corrective actions)
- The success is contingent upon the involvement of local actors from the beginning (including from the definition of laws to benefit distribution)
- To foster concessions the law and legal framework should be complete, simple and stable (greater long-term legal certainty)
- The roles and legal responsibilities for implementation will promote inter-sectoral and inter-ministerial operations
- Forest concessions generate the need for investment in training and information at different levels and topics, promoting social improvement as a whole
- It is important to have a greater emphasis on knowledge of the socio-economic dimension, making available the necessary financial resources

Models / Knowledge

- Concessions models should in principle promote the multiple use and integrated management of forests considering products and ecosystem services and different uses. They should also promote inter-sectoral action for implementation
- You can have general models, but they must be adapted to the specific situations of the countries and areas within countries. Not all are replicable models
- Concessions should promote the recognition of the interests of indigenous peoples and local populations in the models
- They should also enhance the complementation of use and prevent conflict (a tool for this is the Ecological - Economic Zoning)

Tenure and transparency

- Clarity on rights of land and forests should be promoted as a basic principle to start the concession process. This ensures the rights prior to the concessions and as a result also the rights assumed by the concessionaires
- A broad agreement among stakeholders on distribution of benefits, monitoring mechanisms etc. should be promoted

Economics of Forest Concessions and Sustainability (Group B)

QUESTIONS TO THE GROUP:

1. Sustainable forest management of forest concessions is based on harvesting multiple species. What are recommendations to address the difficulty for introducing new species in the market?
2. High volatility and low information on timber prices seem to make economic return of forest concessions less predictable and hinder leverage of finance. What are the recommendations to increase concessions’ returns and make the business more attractive to investors?

3. Is it a good strategy for financial risk mitigation of forest concessions to increase value added at the concessions’ site? If so, what are the main challenges faced and recommendations and incentives that can be provided?

REPORTING FROM THE GROUP:

Recommendations to address the difficulty in introducing new species in the market

- Lesser known species should be promoted taking into consideration availability, logistical costs, uses, processability and sustainability. The cost of using new species also needs to be lower
- Investment in new industrial processing lines
- The most critical part is in meeting downstream needs: sawmills and consumers, mix of timber for products but consumers must be able to accept that
- Individual markets have an important influence: they choose the species (not necessarily for being the most popular or have the best quality, but sometimes just fashion) and pay accordingly
- Scale of production of lesser known species needs to be enough to provide a reliable supply. Problem with scale also because markets for multiple species are more fragmented. Costs can become too high, especially logistical costs
- Opening new markets is expensive, but governments, international organizations and others could help investing in information on availability of species, suitability etc. FSC created a platform for lesser-known species and in partnership tries to promote them to particular applications such as construction
- Know what abundant species are in the forest, which of them are high valued and what the consumer needs are. Price is an important factor (lower taxes, incentives), so companies need to be able to reduce their costs per unit
- Government and scientific research bodies can contribute to produce and disseminate information on the market needs and potential use of lesser-known species, but companies can also take actions such as trial shipments
- Certification matters: it lowers costs and FSC-certified timber can get into the market. Ways of promoting lesser-known species include FSC-certified premium, branding, differentiating the product (story plot)

Strategies to increase concessions profitability

- Attractiveness to investors: forest policy and legal conditions should be stable. Other conditions include the institutional framework and tenure security
- Lack of clear view of cost structure is a problem. A good planning should take into consideration cost and prices structure. Know well how to manage the business not only the forest. Concessions should be run as a profit and loss center
- Regulations might be preventing optimal sustainable use of forests and therefore reducing profitability. There is a need of a simplified legal framework
- Organize campaign to counterbalance prejudice against natural forest timber
- Good governance, especially with participation and transparency, can increase profitability
- Connect loans/mortgage to concessions
- Change banks mindset about the collaterals by accepting trees as collaterals
• Timber alone won't sustain forest concessions. It is important to consider multiple-use of forests and increase the revenues in-between cycles
• Fight illegal logging
• Increase stability of legal framework and visibility of sustainable forest management
• For communities, partner with other concessions to reduce the cost of sharing equipment, lowering operational costs or having incentives or tax rebates is important to reduce their costs
• ATIBT is working in Africa (with support of Germany and France) to systematize information on timber characteristics and industrial processing requirements, map availability of stocks, usage, etc. in order to increase the level of information and enhance opportunities to commercialize lesser-known species

**Improved Forest Management (Group C)**

**QUESTIONS TO THE GROUP:**

1. *What are the improvements in forest management practices needed to ensure sustainable timber production in forests entering the second rotation (and beyond)?*
2. *How can forest concessions systems promote or on the contrary impede the implementation of such new forest management practices?*

**REPORTING FROM THE GROUP:**

The context

- The future production forests will be different from forests currently exploited (less volume, more sensitive to climate change).
- Need to look ahead and develop adapted management practices.
- Compatibility between new practices and concession systems

**Improvements needed – What helps most:**

- **Silviculture -** Enrichment and plantations in deforested or degraded areas
- **Monitoring and research -** Permanent plots, inventories, monitoring of forest dynamics, studies on new species
- **Management techniques –** Reduced impact harvesting, management plans, more intensive timber harvesting
- **Multiple use –** NTFP, ecosystem services
- **Social inclusion –** Community forest management
- **Market –** New species
- **Law strengthening –** Silviculture

As a conclusion: The concession system promotes silviculture and sustainable management practices, but it doesn’t promote multiple use, social inclusion and markets

**Recommendations**

- Post-harvesting silviculture
- Research to better understand species ecology
• The success of concession systems depends on external conditions such as the market
• Need to develop community forest management and multiple use

5. Advancing alternative allocation models (Session 4)³

In this second group work, participants were divided in groups according to geographical interests (Africa, Asia, Latin America and Brazil) to discuss and come up with recommendations on alternative allocation models for managing public forests where community and/or customary rights exist. The session started with an introductory presentation by Alain Karsenty from CIRAD on “Toward Concessions 2.0 - Articulating exclusive and inclusive management in industrial and community concessions” (see Annex 4).

The underlying rationale for alternative contractual arrangements is to design Public-Private Partnership (PPP) mechanisms that recognize existing rights of local communities and empower them to become partners in sustainable management of forest resources. In that regard, the questions asked for the groups were:

1. What do the experiences / cases tell us about the challenges and opportunities for the proposed models? How operational is the proposed model? - A) Overlapping rights “by layers”; B) Associating Concessions 2.0 and Community Concessions?

2. What key conditions or elements need to be in place or promoted to foster partnership between industrial and community concessions? What changes in policies, economic instruments and administrative procedures can improve the design and operation of alternative models in each of the tropical regions?

African work group

What potential evolution of the industrial concessions and what relationships with community forestry? Two questions were addressed:

1. What is the potential evolution of the industrial concessions with respect to tenure claims and social development needs?

2. What are the mutually beneficial relationships between industrial concessions and community forests/concessions?

Five elements for a potential evolution

• Mapping of customary territories (‘terroirs’) overlapping the concessions
• Timber benefit-sharing based on the importance of overlapping areas (‘terroirs” included in the industrial concessions)
• Legal possibility to develop new commodity chains within the industrial concessions (multiple use) in joint partnerships between concessionaires and communities
• More inclusive/democratic governance of the industrial concession based on the recognition of overlapping areas (‘terroirs’)
• Association between the industrial concession and neighboring community concessions (logistic, market access, traceability of timber...)

Opportunities

³ The title of this session was modified from the previous one - Enhancing the role of local communities in public-private partnerships through innovative contractual arrangements.
• Mapping, recognizing and managing overlapping rights in industrial concessions meet stakeholders expectations
• Mapping ‘terroirs’ provides a framework for timber benefits sharing
• Joint governance backed by timber benefits sharing help to better monitor resources (especially if those shared benefits are conditioned by contractual commitments such as to comply with micro-zoning of the concession area)
• More employment opportunities for local inhabitants/communities
• Local empowerment and opportunities to better capture added value in the new commodity chains

Risks/ Challenges
• Existing management plans based on land sparing
• Transaction costs of joint governance of the multiples layers (who will pay the extra costs?)
• Risk associated with introduction of perennial crops in industrial concessions (spillover risk)
• Mapping might create conflicts of boundaries amongst communities
• Financial viability of the new commodity chains?
• Some NTFPs chains already allocated to specialized operators (e.g. in Cameroon)
• Will concessionaires propose fair contracts to communities?
• How to articulate local councils with communities (which do not have legal personality) when both claim for (the same) forests?
• The Concession 2.0 should not prevent the possibility of creating community concessions allowing for viable small- and medium-scale enterprises (SMEs)

Recommendations
1. Build on existing frameworks as much as possible and on the local (institutional, socioeconomic, cultural) dynamics
2. Involve communities from the beginning of the design of the concessions, not only afterwards
3. No consensus, but many would recommend systematic mapping of the ‘terroirs’ (customary territories) overlapping the industrial concessions areas (and beyond…)
4. Timber benefit sharing generally recommended (in addition to existing social contracts) but capacity of communities to use this money for development is sometimes questioned (e.g. Congo)
5. No consensus on the community rights to be recognized: for local needs only or for commercial activities?
6. Priority given to local council’s forestry or community concessions?
7. Joint management committees in the industrial concessions should be introduced or reinforced, with the objective of empowering communities
8. External support for covering transaction costs and helping the development of new commodity chains would be needed (e.g. ODA)

Asian work group

Strengths of partnerships between industrial and community concessions
• Ideal and best solution
• Empowerment of communities (recognition of tenure rights resulting in high commitment)
- Benefit sharing, improved livelihoods (poverty reduction)
- Improved SFM (shared responsibilities, control and protection by communities)
- Improved governance (transparency)
- Conflict resolution
- Increased economic value (multiple use, optimization of productivity of degraded lands)

**Weaknesses of partnerships between industrial and community concessions**
- Possible source of conflicts (interests between communities, overlapping rights)
- Weak governance and low capacity can lead to conflicts, elite capture, increased power of concessionaires
- Complex approach needing more rules
- High costs of implementation, time consuming, limited benefits for industrial concessions
- Increased deforestation

**Recommendations for Concession 2.0**

<table>
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<tr>
<th>Governance</th>
<th>Economics</th>
<th>Forest management</th>
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| - Theory of change  
- Enforcement of forest policy  
- Benefit sharing based on shared responsibilities  
- Clear definition of rights  
- Guaranteed long term rights, renewable  
- Streamline legal framework  
- Provide legal/regulatory framework for multiple use and value added from other than timber  
- Government and concessionaires to work on poverty reduction | - Tax incentive for partnership  
- Better marketing  
- Increased business opportunities  
- Formulation of multiple use, multiple products and services business models  
- Strengthening benefit sharing for needs of communities | - Forest land use planning in participatory process  
- Optimize SFM, investment in stand management/regeneration/silviculture  
- Engagement of communities in patrolling silviculture  
- Need robust mechanism for conflict resolution  
- Industry partnership and technology development  
- Need people with solid abilities in social sciences |

**Recommendations for Community concessions with or without partnership with Concession 2.0**

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<th>Enabling laws and regulations</th>
<th>Development of SMEs on forestry-based business</th>
<th>Strengthen community capacity (institution, leadership, entrepreneurship, technical management)</th>
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<td>Regulatory framework compatible with local/customary institutions</td>
<td>Establish SMEs cooperation</td>
<td>Support from government and concessionaires for training and capacity building</td>
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<td>Tenure security of customary lands (long-term/permanent)</td>
<td>Engagement in plantation management and agro-forestry</td>
<td>Access to market information</td>
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<td>Simplified regulations and guidelines (reduced bureaucracy)</td>
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<td>Access to financial sources (credit for investment)</td>
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<td>Participatory development/planning</td>
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<td>Enforcement of regulations by administration</td>
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<td>Mechanisms for effective monitoring</td>
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- Development of SMEs on forestry-based business
- Establish SMEs cooperation
- Engagement in plantation management and agro-forestry
- Strengthen community capacity (institution, leadership, entrepreneurship, technical management)
- Support from government and concessionaires for training and capacity building
- Access to market information
- Access to financial sources (credit for investment)
Latin American work group

**General comments**
- Stigmatization of the concept of concession in Latin America
- It is impossible to grant a right over already granted rights
- Rights have been granted to indigenous communities over soil and forests under other legal arrangements, and that meet or allow to meet the same functions of forest concessions
- It is possible to have public forest lands without any prior tenure right on which the granting of concessions could be applicable

**Conditions**
- Land use planning and allocation of defined rights
- Mapping of land use based on customary use
- Capacity for management and regulation at different levels of government
- Alignment of legal frameworks
- Clarity, commitment and defined roles in the State and social actors
- Consider the cultural vision of the actors over the use of forests

**Opportunities**
- Grants to communities / local populations for non-consumptive non-timber products, and tourism in zoned areas within protected areas
- Arrangements among actors for communities to extract non-timber products
- Technical capabilities are generated together
- Improve levels of transparency in forest management
- The use of infrastructure to diversify production is optimized
- Development of shared responsibilities
- Development of governance
- Opportunity to bring value and participation in protected natural areas

**Disadvantages**
- Stigmatization the concept of concessions
- Low institutional capacity at government level and weak policy alignment
- There are communities that are still in the process of recognition and granting of land, which reduce the possibility of consolidating their territorial rights
- Social conflict of interests by overlaying use rights
- Negative cultural impacts could be generated by the interaction of actors
- Negative impacts on ceremonial areas
- Lack of updated instruments such as the land use map, the tenure map, the map resulting from tenure allocation and customary use areas

**Final consideration**
- The group considers that PPP are an absolutely viable business opportunity, where the State should play a role in articulating and generating business opportunities
Brazil work group

Main obstacles and opportunities for Concessions 2.0

Obstacles
- Conflict with the Brazilian legislation that already provides regulation for commercial concessions and communities, including the surrounding communities
- Ability to fuel conflicts with communities and area managers

Opportunities
- Multiple use of resources
- Community engagement

Conclusion
- Not applicable to the case of Brazil, which has legislation that protects communities, their traditional uses and security on land rights

Recommendations for a better relationship between commercial and community concessions

Governance
- Increased transparency in management/administration with local instances of participatory management
- Establish local entities to accompany/monitor business
- Fair contracts, brokered by non-governmental institutions and with institutional strengthening of the states, municipalities and NGOs to carry out this mediation and control
- Community participation in planning forest operations
- Increased concentration of responsibilities on concessions on a single governmental body
- Investments in education for management and more qualified participation
- Minimize bureaucracy

Economy
- Share the tracking system of commercial concessions with community concessions and non-timber management, increasing transparency and availability of information on volumes
- Increase the chances that for community participation of new activities in concession areas that add value to standing forest
- Ensure a greater harvesting of forest resources for multiple use (timber products, non-timber forest products and environmental services)
- Commercial concessionaires should prioritize the use of local inputs and also offer to communities the waste not usable by the company
- Concessionaires can facilitate credit for communities – as risk reduction agents, transfer of funds, etc.
- Strengthening the business capacity of the communities through training, preparation of investment projects etc.
- Non-timber forest products must be appropriately priced (information on prices should be made available) – if not, the relationship between the commercial concessionaire and communities will be unhealthy
- Profit application/investment in the community

Management
- Transparent monitoring both for timber and non-timber forest resources
- Encourage new technologies in forest management operations
- Capacity development and training offering communities the access to innovations
- Shared preparation of management plans
- Valorization of traditional knowledge

**Concessions 3.0**
- A single government body responsible for the whole concession process; a stronger institutional framework/capacity with more autonomy
- Small areas and timber auction for using standing timber
- More effective fighting against illegal timber to value the products coming out of concession areas
- Education for a more positive relationship between commercial and community forest operations and greater social benefits
- Realignment of contracts incorporating the lessons learned
- Ensure improvement of technology and post-harvest practices
- Concessions that put more value to the environmental asset
- Concession management with greater participation of surrounding communities
- Concessions better understood by society

6. **Towards a collaborative roadmap**

The almost 4-days workshop was very intense and productive with presentations, discussions in working groups and plenary as well as many occasions for interaction between participants. There was a shared feeling that the main objective and specific objectives of the meeting were achieved. The results of the working groups produced important thoughts on which to reflect and organize the next steps in the framework of the Forest Concessions Initiative.

Three specific items were mentioned as part of a roadmap:

1. The creation of a community of practice or network of practitioners and policy makers interested in regularly sharing experiences, good practices and specific actions around the broad theme of concessions and other public-private arrangements for managing production public forests. FAO could promote this mechanism.

2. The production of updated guidelines for effective management of public production forests in tropical countries through forest concessions in the context of Agenda 2030. These would be guidelines aimed at advising policy makers, forest entrepreneurs and forest communities, and should focus on forest management, governance, economic, environmental and social aspects of forest concessions, including good practices and innovative approaches. The guidelines would be built upon the different reports already prepared as part of the FCI, the results of the workshop and further search of information and consultations at regional level. FAO and partners, including PROFOR, are ready to work with governments in the development of this product through a consultative process to take place during 2017.
### A-1 List of participants

**International Workshop**

**“What future for forest concessions and alternative allocation models for managing public forests?”**

**13-16 September 2016, Porto Velho, Brazil**

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<tr>
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**NORTH AMERICA**
### A-2 Workshop programme

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<tr>
<td><strong>DAY 1</strong></td>
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<td>08:00 - 09:00</td>
<td>Registration of participants</td>
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<td>09:00 - 09:40</td>
<td>Opening remarks</td>
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<td>- Secretary for Environment of the State of Rondônia, Mr. Vilson de Salles Machado</td>
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<td>- Director of the Brazilian Forest Service, Mr. Raimundo Deusdará</td>
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<td>- FAO Country Representative, Mr. Alan Bojanic</td>
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<td>- ITTO representative, Mr. Steve Johnson</td>
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<td>- ACTO representative, Mr. Carlos Salinas</td>
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<tr>
<td>09:40 - 10:00</td>
<td>Workshop background, objectives, expected outcomes, methodology, programme and participation</td>
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<td><strong>SESSION 1:</strong></td>
<td>Overview of forest utilization contracts in tropical regions</td>
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<tr>
<td>10:20 - 11:00</td>
<td>Keynote presentation: Experience and lessons learned with forest concessions around the world: Main findings and recommendations from the regional reports and background paper prepared as part of the Forest Concessions Initiative (FCI)</td>
<td>FAO (Thais Juvenal)</td>
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<td></td>
<td>Q&amp;A</td>
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<tr>
<td>11:00 – 12:30</td>
<td>Panel discussion: Opportunities and Challenges for Forest Concessions</td>
<td>Moderated by Mr. Raimundo Deusdará (SFB)</td>
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<td></td>
<td>- Guillaume Lescuyer, CIFOR</td>
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<td>- Plinio Sist, CIRAD</td>
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<td>- Thais Juvenal, FAO</td>
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<td>- Steve Johnson, ITTO</td>
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<td>- Marcus Vinicius da Silva Alves, SFB</td>
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<td>- Gerardo Segura, World Bank</td>
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<tr>
<td></td>
<td>Open discussion</td>
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<tr>
<td>12:30 - 14:00</td>
<td>Break for lunch</td>
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</tr>
<tr>
<td><strong>SESSION 2:</strong></td>
<td>Case experiences with concessions and other contractual arrangements for different purposes and under different modalities</td>
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<tr>
<td>14:00 - 15:40</td>
<td>Introducing the session</td>
<td>Moderated by Mr. Steve Johnson (ITTO)</td>
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<td>- Case 1: Forest Concessions in Brazil: Strong Roots but Slow Growth (Henrique Dolabella, SFB)</td>
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<td>- Case 2: Certified Forest Concessions: the Indonesian Experience (Art Klassen TFF)</td>
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<td>- Case 3: Compagnie des Bois du Gabon (CBG): Un modèle de Création de Valeur Partagée (Emmanuel Groutel, CBG)</td>
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<td>- Case 4: Concession for Multiple-Use in the Deramakot Forest Reserve, Sandakan, Malaysia (Indra Purwandita Sunjoto, SFD (Sabah Forestry Department)</td>
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<td></td>
<td>Q&amp;A</td>
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<tr>
<td>15:40 - 16:00</td>
<td>Coffee/tea break</td>
<td>Moderated by Ms. Claudia de Azevedo Ramos</td>
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<tr>
<td>16:00 - 18:00</td>
<td>- Case 5: Concessions for restoration: PT Restorasi Ekosistem Indonesia – REKI (Effendy Sumardja, PT REKI) - tbc</td>
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</tbody>
</table>
### SESSION 1: Exploring the impact of forest concessions

- **Case 6**: Upper Essequibo Conservation Concession, Guyana (Curtis Bernard, CI Guyana)
- **Case 7**: The process of community forest concessions of the Maya Biosphere Reserve and the case of Sociedad Civil Laborantes del Bosque, Guatemala (Elmer Salazar, ACOFOP)
- **Case 8**: Community-based forest cooperative COOMFLONA, Tapajós National Forest, Brazil (Lucian Gomes de Oliveira / Arimar Feitosa Rodrigues, COOMFLONA)
- **Case 9**: Concessions to small-scale associations, Ghana (Samuel Kwabena Nketiah, Tropenbos International)

**Q&A**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>18:00 – 18:15</td>
<td>Introduction to the field visit</td>
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<tr>
<td>19:00 - 21:30</td>
<td>Cocktail hosted by FAO</td>
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### DAY 2

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>06:45 – 18:00</td>
<td>Field visit to a forest concession area in Jamari National Forest</td>
</tr>
<tr>
<td>18:30 – 20:00</td>
<td>Dinner</td>
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<tr>
<td>20:00 – 22:00</td>
<td>Continuation Session 2 – Experiences from the countries</td>
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<td>- Global comparison between the Congo Basin and the Amazonian models (Arlei Fontoura, FRM-Brasil / ATIBT (Association Technique Internationale des Bois Tropicaux))</td>
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<td>- Development of Permanent Forest Management Units and New Governance for Forest Concessions in Indonesia (Agus Setyarso, former Head of the National FMU Secretariat, Indonesia)</td>
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<td></td>
<td>- Forest Concessions in the Brazilian Amazon: progress, challenges and recommendations (Leonardo Sobral, IMAFLORA)</td>
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<td></td>
<td>- Enabling conditions for sustainable forest management in timber concessions as a mitigation option in the Peruvian forestry sector (Roberto Kometter, Helvetas)</td>
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</tbody>
</table>

**Moderated by Mr. Natalino Macedo Silva**
(Universidade Federal Rural da Amazonia – UFPA / Instituto Floresta Tropical – IFT)

### DAY 3

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>08:30 – 09:00</td>
<td>Synthesis of days 1 and 2</td>
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<td>Participants feedback</td>
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**SESSION 3: Improving forest concessions policies and practices**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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</thead>
<tbody>
<tr>
<td>09:00 – 09:30</td>
<td>Introducing the session &amp; group organization</td>
</tr>
<tr>
<td>09:30 – 15:00</td>
<td>Group work</td>
</tr>
<tr>
<td>(Coffee/tea break included)</td>
<td>- Theme 1: Governance of forest concessions</td>
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<td></td>
<td>- Theme 2: Economics of forest concessions and sustainability</td>
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<td></td>
<td>- Theme 3: Improved forest management</td>
</tr>
<tr>
<td>12:30 – 13:00</td>
<td>Group reporting</td>
</tr>
<tr>
<td>13:00 – 14:00</td>
<td>Break for lunch</td>
</tr>
<tr>
<td>14:00 – 15:00</td>
<td>Continuation of group reporting &amp; Plenary discussion</td>
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**SESSION 4: Advancing alternative allocation models**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tbody>
<tr>
<td>15:00 – 15:30</td>
<td>Introducing the session &amp; group organization</td>
</tr>
<tr>
<td>15:30 – 15:50</td>
<td>Coffee/tea break</td>
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<tr>
<td>15:50 – 18:00</td>
<td>Group work</td>
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<tr>
<td>Time</td>
<td>Event</td>
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<tr>
<td>19:30 – 22:00</td>
<td>Typical Brazilian dinner hosted by ITTO</td>
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<tr>
<td><strong>DAY 4</strong></td>
<td></td>
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<tr>
<td>09:00 - 10:30</td>
<td>Group reporting &amp; Plenary discussion</td>
</tr>
<tr>
<td>10:30 - 10:50</td>
<td>Coffee/tea break</td>
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<tr>
<td>10:50 – 12:00</td>
<td>Towards a collaborative roadmap</td>
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<td>12:00 - 13:00</td>
<td>Main conclusions and recommendations of the workshop</td>
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<td>Next steps</td>
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<td></td>
<td>Closure</td>
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<tr>
<td>13:00 - …</td>
<td>Lunch &amp; Departure of participants</td>
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</tbody>
</table>
A-3  **Keynote presentation**

See Power Point document in a separate folder of the FCI website.

A-4  **Presentations of cases / experiences**

See Power Point documents of all 13 presentations in a separate folder of the FCI website.

A-5  **Complementary documents**

See documents in a separate folder of the FCI website.

A-6  **Photo album**

See photos from the field visit to the Jamari National Forest and some of the workshop sessions in a separate folder of the FCI website.