

1.21 Forest Concessions

RECOGNIZING that forest concessions in many parts of the world are operated in an unsustainable manner causing environmental damage, social dislocation and long-term economic loss;

FURTHER RECOGNIZING that forest concessions are frequently the primary catalysts for forest conversion and forest degradation as ranchers, farmers and settlers enter previously inaccessible areas;

NOTING that in many countries the financial and economic benefits from forest concessions are often far less than the potential benefits;

ALARMED by the increasing trend of major enterprises seeking concession rights to large forested areas, particularly in economically vulnerable developing countries and countries in transition without adequate conditions to ensure that their operations are conducted sustainably;

RECALLING Recommendations 18.21 (Environmental Standards of Companies Operating Outside their Country of Primary Incorporation), 19.22 (Indigenous People) and 19.34 (Environmental Impact of Transnational Corporations) of the 18th and 19th Sessions of the IUCN General Assembly;

ALSO RECALLING Action 14.9 in *Caring for the Earth* which recommends: “Set stumpage prices to reflect the timber’s full value; charge license fees that discourage exploitation of stands of marginal commercial value; and auction concessions competitively”;

The World Conservation Congress at its 1st Session in Montreal, Canada, 14–23 October 1996:

REQUESTS:

1. All States and responsible government agencies to redefine the concept of forest concessions more broadly by designing “forest management” concessions, rather than narrow “logging” or “timber harvesting and processing” concessions. These forest concessions should include, for example, watershed or other appropriate ecosystem-based management planning, ecosystem analysis, low impact harvesting systems, and protection of parts of large concessions;
2. States, government agencies, corporations and other private landholders to apply the following principles governing forest management concessions and sale or transfer of forest land:
 - a) the process should be pursued in an open and transparent manner, including effective and equitable public participation by local communities and indigenous peoples; there should be public review and comment with mechanisms to respond to public comments prior to concession, sale or transfer, and to address further public concerns during the operational phase of concession management;
 - b) environmental and social impacts of concessions should be assessed in a thorough, credible and professional manner prior to a decision on granting the concession,
 - c) areas of critical environmental or cultural significance, as defined both by social, economic and environmental analysis and by participation of interested stakeholder groups, should not be opened to forest concessions;
 - d) existence of adequate institutional arrangements for monitoring compliance with the concession terms should be a precondition for initiating new or expanded concession operations, and concession contracts should be continued or renewed periodically by the appropriate authority based upon the concession holder’s compliance with the agreed concession terms during the previous operational period;
 - e) agreement should be reached on locally applicable best management practices and their application, e.g. protection of riparian zones, establishment of special forest reserves, creation of biological corridors, setting aside commercially inoperable areas, etc.;
 - f) forest concession fee structures should be devised to capture most of the potential forest “rent”, and further ensure equitable sharing of financial benefits from the concessions to society, including through mechanisms such as fees and taxes;

- g) forest management authorities, forest concessionaires, local communities, resident indigenous peoples and other stakeholders should cooperate to devise agreed approaches for managing access to public forests opened by concessions;
 - h) in addition, innovative mechanisms should be developed to improve forest management and conservation through, for example, tax incentives for conservation, performance bonds and public competitive auctions;
3. Consistent with the principles outlined above, the corporate sector entities to follow a corporate code of conduct for forest management concessions and forest stewardship;
 4. Landholders engaged in the sale or transfer of large tracts of forest land to consider the environmental and social values that might be affected by such sale or transfer, and to engage local communities and other interested stakeholder groups within the local jurisdiction and to seek their views on options for the management and disposition of the land;
 5. Appropriate international institutions and organizations to develop model forest concession laws which could be adopted at the national level;
 6. States and government agencies to devise minimum standards for concession leases and transfer and sale of public forest land which are consistent with the principles described in Operative Paragraph 2 above; downward harmonization of such standards and processes should be discouraged in recognition that it is inappropriate to encourage investment by relaxing environmental protection; States and government agencies should collaborate to promote the highest possible standards at a regional level and that neighboring jurisdictions and countries do not engage in downward harmonization of environmental, social and economic standards to compete for foreign investment;
 7. The Director General and IUCN members to develop and implement programmes and initiatives to assist nations in minimizing environmental, social and economic problems posed by forest concessions and sale or transfer of forest lands.

Note. This Recommendation was adopted by consensus. The delegation of the State member Australia indicated that had there been a vote that delegation, and those of the Government Agency members Western Australian Department of Conservation and Land Management, the Queensland Department of Environment, the New South Wales National Parks and Wildlife Service, and the Northern Territory Parks and Wildlife Commission, would have abstained. The delegation of the State member United States indicated that had there been a vote the delegation would have abstained.

The use of the term "indigenous peoples" in this Recommendation shall not be construed as having any implications as regards the rights which may attach to that term in international law.