

One of Latin American poorest countries, Bolivia has often been known to the world by its political instability, its economic hardships and the weakness of its institutions. In the last twenty five years however, the country has made significant steps in a number of areas which have strengthened both democracy and a free market oriented economy, efficiently regulated in some key areas.

With a total land area of 1.095.581Km<sup>2</sup> roughly half of it in tropical lowlands, Bolivia has more tree cover than Central America and Mexico combined. Until the mid nineties, however, the country was on its way to being denuded because those forests were being cut at unsustainable rates by a limited number of private companies which exploited mainly Mahogany, oak, and cedar straining the environment by contributing to erosion, water pollution and unplanned settlements.

That devastation prompted the Bolivian government and the U.S. Agency for International Development (USAID) to create the Bolivia Sustainable Forest Management Project, BOLFOR, in the framework of the strategic objective of supporting Forest, Water and Biodiversity Resources Management for Sustained Economic Growth.<sup>1</sup> Launched in 1993, with the goals of protecting Bolivian biological diversity and keeping the country's forests, soils and water healthy, by promoting sustainable forestry, the project was coordinated by Chemonics International, Conservation International, Tropical Research and Development and the Wildlife Conservation Society.

In 1996 the forestry legislation was reformulated through approval of a new Forestry Law (LF No. 1700),<sup>2</sup> which replaced other legislation that had been in effect for 20 years but barely implemented due to political interference and high-level corruption. The new Forestry Law assumes that sustainable forest management is possible through the implementation of appropriate management practices.

To that end, a monitoring system was created for lumber management and extraction, together with some market regulations and tax reforms to make unsustainable and illegal forest operations less attractive. That same year the National Agrarian Reform Service Law (known as INRA Law No. 1715) was approved, aimed at clarifying the rights of agrarian ownership through a process of write-offs and titling; the creation of a rural property cadastre was also approved.

The new Forestry Law established the “forestry regimen of the nation,” which is defined as “a set of norms that regulate the sustainable use and protection of forests and forestland, and the legal system that defines the rights of private individuals, clearly stipulating the defined rights and obligations”<sup>3</sup>

The following are the main forestry regulations:

- a) The public institutional system is made up of the Ministry of Sustainable Development and Planning (MDSP) as the normative entity, the Forestry

Superintendence (SIF) as the regulatory entity, and the Forest Development Fund (FONABOSQUE). The Forestry Law also created the Natural Resource Regulatory System (SIRENARE) to regulate and control natural resource use.

As an institution of Regulation and Control, the Superintendence of Forestry (SIF)<sup>4</sup> is responsible for supervising the execution of the Nation's Forestry Regime. The Forestry Law establishes that the Forestry Management Plan is an indispensable requirement to carry out forestry activities, and the Superintendence of Forestry regulates and controls its execution. Thus, as a State representative, it guarantees that forestry activities support sustainable management, in addition to developing guidelines, and instructions for greater and better application of the Forestry Regime

b) Public forests may be assigned to companies through a system of long-term concessions for a 40-year period, renewable every 5 years.

c) Small-scale loggers may apply for concessions within the areas to be declared municipal forest reserves, which correspond to up to 20% of the total public forests existing within each municipal jurisdiction, although to do so they must organize into what are called Local Social Associations.

d) Indigenous peoples have the exclusive right to use the forest resources within their territories an issue that is in essence a very important factor that has permitted the creation of thousands of jobs and much needed income for poor areas in Bolivia.

e) Individual landowners acquire ownership rights to the forest resources on their property.

f) All above-mentioned forest users must pay a forest license fee (US\$1 per hectare/year), which applies to all forested areas.

g) All commercial operations to extract timber and other forest products require a management plan. Both forest concessionaires and private owners are obliged to design management plans (including forest inventories, species mapping and estimates of the forest potential) as the main regulatory instrument for logging.

The management plans must follow strict technical criteria<sup>5</sup> set and controlled by the SIF including the fact that forest management must respect a 20-year cutting cycle between operations in the same area and that a minimum diameter must be respected for cutting. The approach for non-timber products is quite similar to the logging norms, except that the user license fees are 30% lower than the forest fee (US\$0.30 per hectare/year).

h) Clearing forest areas also requires formal authorization, following the evaluation of annual clear-cutting plans that must be formulated based on plot-level land use plans known as POP. Forest clearing license fees are 15 times the value of the forest license fee (US\$15 per hectare), plus the equivalent of 15% of the value of the timber cut. The clearing of up to five ha of land surface, considered cumulatively, is tax exempt .

Due to the success of the first stage, the second project was launched in 2003. USAID selected The Nature Conservancy to coordinate BOLFOR II, a six year project (2004-2009), that seeks to strengthen the Bolivian forestry sector, providing technical and financial support to communities, private business and government as a means to protecting the country's threatened forests.

Meeting the twin goals of conservation and socioeconomic development is challenging and efforts are focused on encouraging the democratization of access to forest resources and promoting and strengthening the productive chains of sustainably managed timber and non-timber forest products. An important objective is the empowerment of communities<sup>6</sup> to manage their forests by creating jobs and expanding economic opportunities in community-managed forests, including many run by indigenous groups.

Locals, and especially indigenous<sup>7</sup> communities and women<sup>8</sup> are already experiencing the results, enjoying the benefits of sustainable forestry development. Another factor that has contributed to this process is the formal transfer of natural resource management responsibilities including certain aspects of forestry management to the municipal level by the 1995 decentralization law, which was "partly the result of regional struggles to ensure that forested regions would benefit from the lumber use and, a response to the growing international consensus favouring greater local participation in forest management."<sup>9 10</sup>

As a result of the implementation of the new laws, rules and regulations, with the assistance of USAID and several other European, and Japanese Aid agencies "Bolivia has become the country with the largest area of certified natural forest management in the tropics. Thanks to the way the country now manages its forests, it is home to almost eight percent of the world's eco-certified forests and the country's exports of certified products have soared from less than two percent to ten percent."<sup>11</sup>

The Forestry Superintendence (SIF) is a key piece in the system given that it is in charge of assigning forest concessions, authorizing forestry permits, approving raw material management and provision plans, monitoring the transport of forest products and confiscating illegal lumber, as well as supervising forest management. In contrast with what occurred only ten years ago, no one can transport uncertified wood in Bolivia risking penalties and confiscation if they do it<sup>12</sup> and the SIF is an active institutional actor in this process.

The SIF is part of the three regulatory systems have been created in Bolivia: 1) the Sectoral Regulation System (SIRESE); 2) the Financial Regulation System (SIREFI), covering the Superintendence of Banks, Pensions and Insurance and that of Hierarchical Resources, and 3) the Natural Resource Regulatory System (SIRENARE), on which the Forestry and Agrarian Superintendences depend.

The sustainability of Bolivia's forests has been praised as an example that other third world and Latin American countries should follow and has made the country a leader in the field. Highly under publicized, it has been a process with problems and challenges, mainly those related to the costs of certification which is only accessible for big companies.

Non governmental certification processes like the Rain Forest Alliance (RFA) and the Forest Stewardship Council (FSC) also must be praised by their contribution to sustainability of Bolivia's Forests but only concern 16 operations, due to a high cost to medium, small, local and indigenous operations.

The forestry sector is a cornerstone sector in Bolivia's economic and social development. Estimates indicate that with additional targeted and well-conceived interventions in the sector, forestry exports could more than quadruple from about \$150 million annually to over \$600 million annually, while employment in the sector could increase from about 50,000 jobs currently to more than 80,000.<sup>13</sup>

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<sup>1</sup> <http://bolivia.usaid.gov/US/4Env.htm>

<sup>2</sup> The complete text of the Forestry law in Spanish is available at <http://www.elaw.org/resources/text.asp?id=1230>

<sup>3</sup> Forestry Law, art. 3e.

<sup>4</sup> The web site is being renewed but available at <http://www.sforestal.gov.bo/SFInicio/>

<sup>5</sup> <http://www.ceadesc.org/?p=40>

<sup>6</sup> <http://news.bbc.co.uk/1/hi/sci/tech/2271076.stm>

<sup>7</sup> <http://www.nature.org/wherewework/southamerica/bolivia/work/art12260.html>

<sup>8</sup> <http://www.nature.org/wherewework/southamerica/bolivia/work/art15921.html>

<sup>9</sup> [http://www.idrc.ca/fr/ev-43419-201-1-DO\\_TOPIC.html](http://www.idrc.ca/fr/ev-43419-201-1-DO_TOPIC.html)

<sup>10</sup> <http://www.ceadesc.org/?p=40>

<sup>11</sup> [http://www.usaid.gov/stories/bolivia/cs\\_bolivia\\_ecoforestry.html](http://www.usaid.gov/stories/bolivia/cs_bolivia_ecoforestry.html)

<sup>12</sup> [http://www.idrc.ca/fr/ev-43419-201-1-DO\\_TOPIC.html](http://www.idrc.ca/fr/ev-43419-201-1-DO_TOPIC.html)

<sup>13</sup> <http://www.cfb.org.bo/CFBInicio/BoliviaForestal/PotencialForestal.htm>