



Peru – preliminary risk findings

Timber Regulation Enforcement Exchange – Prague – April 2016



Overview

- Currently being undertaken as part of the Controlled Wood project with FSC.
- NEPCon are working with Rainforest Alliance to carry out the assessment.
- Completed draft expected June/July
- Current draft: legal framework overview (incl. Overview of forest sector, Source type overview, Identification of legal sources) and categories 1-7 of 21.





Peru – legal framework overview

- 57.3% of Peru is forest areas distributed in the coastal region (3.2%, called dry forests) the sierra region (0.20%, called Andean forests), and the jungle region (53.90%, called rain forests of the Amazon).
- 60% of the production of these natural forests (2013) is of the species: *Cedrelinga catenaeformis*, *Virola* sp, sp *Iryanthera*, *Coumarouna odorata*, *integrifolia* sausage, *Calycophyllum spruceanum*, *Clarisia biflora*, *Guazuma crinita*, *Cariniana domesticata*.
- The reforested area nationwide is about 1'042,08 has a 85% saw reforestation with *Pinus radiata* and *Eucalyptus* sp species. 617.628 has have FSC certification of which 1,004 hectares are forest plantations of native species in the Amazon.
- Ownership of forests (to 2010) it was 82.5% public and private in 17.5%, with no wooded areas of unknown property.



Peru – nominally legal sources



Peru – summary of findings

Legal rights to harvest

- 1.1 Land tenure and management rights
- 1.2 Concession licenses
- 1.3 Management and harvesting planning
- 1.4 Harvesting permits

Taxes and fees

- 1.5 Payment of royalties and harvesting fees
- 1.6 Value added taxes and other sales taxes
- 1.7 Income and profit taxes

Timber harvesting activities

- 1.8 Timber harvesting regulations
- 1.9 Protected sites and species
- 1.10 Environmental requirements
- 1.11 Health and safety
- 1.12 Legal employment

Third parties' rights

- 1.13 Customary rights
- 1.14 Free prior and informed consent
- 1.15 Indigenous/traditional people's rights

Trade and transport

- 1.16 Classification of species, quantities, qualities
- 1.17 Trade and transport
- 1.18 Offshore trading and transfer pricing
- 1.19 Custom regulations
- 1.20 CITES

Diligence/due care procedures

- 1.21 Legislation requiring due diligence/due care procedures



1.1. Land Tenure and Management rights - main risks:

- High levels of corruption (CPI of 38 in 2015)
- The results of supervisions and inspections of OSINFOR during 2014 showed that the holders of the authorization certificates were failing to comply with its contractual obligations and administrative procedures in 93.75% of the areas inspected, that included also the suspension of the rights of tenure and management, for the duration of the administrative process. 37% ended in forfeiture of the right of forest use .
- Failure management plans also led to illegal wood mobilization 7 species.
- The analysis shows that there are laws to prove ownership of resource use; however, corruption levels show that the law could not adequately fulfilled thus it is a specified risk.



A unique perspective

Thank you

Alexandra Banks

Senior Forest Legality Specialist

alb@nepcon.net

**CERTIFIED
WOOD
UPDATE**

www.nepcon.net/newsletter

NEPCon works to ensure responsible use of natural resources and secure sustainable livelihoods by transforming land-use, business practises and consumer behaviour.