

Evaluation of forest concession policy

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Introduction

Malaysia is committed in managing its forests in a sustainable manner in order to meet the social, economic and political objectives of the country. Forest management activities and specifications are being refined so that they conform to the agreed upon principles, criteria and indicators of sustainable forest management. Field audits have been done in some states of the country. In spite of this development, little work has been carried out to study whether or not government's policy related to forest management promotes the attainment of sustainable forest management objective. Forest concession policy is one the fundamental policies influencing successful achievement of sustainable forest management. Effective forest concession policy, among other things, ensures that government captures optimum forest revenue, promotes investment in forest management, encourages good forest management practices that give due importance to environmental protection. Faulty forest concession policy could contribute to excessive deforestation of tropical forest (Gillis, 1988; Repetto and Gillis, 1988; Vincent, 1990). The government forest concession policy should be critically evaluated and modified, wherever necessary, to ensure that it compliments and not negate current efforts in achieving sustainable forest management. The objectives of the study are to understand and compare forest concession policies of selected states in Malaysia, and to assess the sustainable forest management performance of forest concessionaires and identify factors influencing it.

Materials and Methods

Location of study

The study was conducted in selected states, namely Sabah, Pahang, Kedah and Selangor. The main reasons in selecting these states are forest endowment and convenience. The selected states are still active in forest harvesting activities and they still have relatively large forest resource base. In addition, the research group has a well established rapport with the forest authorities of the respective states.

Selection of Respondents

The respondents of the study were the forest authorities and forest concessionaires. All relevant officers in the selected State Forestry Departments were interviewed during the study. However, due to time limitation, only selected concessionaires were interviewed. The selection of respondents was done based on the advice given by the State Forestry Department. A maximum of ten concessionaires were selected for each state.

Data collection and Analysis

Data and information were collected through direct interview with the relevant personnel of the Forestry Department and the forest concessionaires. Interviews with the forestry authorities were done using open-ended questions while a structured questionnaire was used in interviews with the concessionaire. The questionnaire comprised five parts: namely, background information, contract logging practices, logging costs and tendering, human welfare and investment, sustainable forest management requirements, and value-chain analysis.

Answers given to the questionnaire will be analysed in order to gauge the sustainable forest management performance of the concessionaires. Appropriate statistical techniques were then applied to determine the relationship between the performance of the concessionaires and their company and concession area characteristics.

Results and Discussion

At this stage, officers in two State Forestry Departments, seven long-term concessionaires and about twenty short-term concessionaires have been interviewed. In addition, during the interviews with the forestry department officers, secondary data were obtained on several long-term concessionaires. However, due to the small number of concessionaires interviewed thus far, little detail analysis has been done on the data and information gathered. In spite of this fact, quite a good understanding has been obtained on forest concession policy in the states concerned as well as the performance of the forest concessionaires. Future analysis will determine the relationship between the concessionaire background and their sustainable forest management performance.

State forest concession policy

The main line of enquiries is to understand who gets what and why, in terms of forest concession, and the role of the forestry authority. The findings thus far reinforce the fact that forest is a state matter and decisions on who gets what and why are the sole jurisdictions of the state authority. The forestry authority has very little role in the decisions to award forest concessions.

Policies vary between states. For example, there exist specific criteria for the award of concession in one state and not in the other. Also, the size and length of concession is now fixed in one state and not in the other. Furthermore, tendering is practiced in one state and not the other. Nevertheless, it appears that decisions on forest concession are driven more by the political and socio-economic requirements of the state than by sustainable forest management requirements. This finding supports the results of an earlier study by Fadzilah (1999).

Types and characteristics of forest concessionaires

Forest concessionaires can be divided into two main groups, namely, short-term and long-term concessionaires. The study focuses more on the later group since they have bigger roles in achieving sustainable forest management.

The long-term concessionaires can be grouped further into four main categories, namely, government agencies with and without wood processing facilities and private companies with and without wood processing. It was observed that forest management performance vary between these four categories of concessionaires. At the outset, it can be seen that some forest concessionaires sell their areas or timber outright since they do not have wood processing facilities. Such concessionaires include not only those from the government sector but also the private sector. This is a surprising finding since such practices run counter to the principle of awarding long-term concessions for achieving sustainable forest management. Theoretically, long-term forest concessions should be awarded to parties that have forest management capability and wood processing capacity (Gray, 1999).

Data gathered thus far show that most of the long-term concessionaires have had a long experience in forest management and this augurs well with sustainable forest management principle. It was made to understand that, in one of the states, the more well-established concessionaires perform better in forest management than their newer counterparts. This is rather an obvious finding but it questions the wisdom of awarding forest concessions to parties with little forest management experience particularly when there are other well-established companies to award to.

Sustainable Forest Management (SFM) Performance

Performance is judged by the practices of the concessionaires on certain key forest management aspects, namely, dependence on contract logging, costs of operations, investment in SFM and positions towards SFM.

Results show that concessionaires do not carry out logging by themselves and they rely extensively on logging contractors. This suggests that the performance of contract logging is crucial to the attainment of SFM objective. It was also found out that the bigger the concessionaires the higher is the logging costs. In terms of positions on SFM, the long-term concessionaires are aware of forest management certification. However, not many of these concessionaires have taken conscious efforts towards making their forest harvesting and management practices certifiable.

Conclusions

Current forest concession policies as practiced by the selected states need to be reviewed if it were to contribute to SFM. There is a need to review on the system of awarding concessions to ensure that only those with experience and capacity get the concessions. Also, the system must ensure that the state governments get a fair share of the revenue from timber. Long-term forest concessionaires, particularly those with forest management and wood processing capability should be the key players in SFM. They must be given the required support by the government in their efforts to achieve SFM. In addition, the state governments have to constantly monitor the performance of the other types of concessionaires. Due to the intensive dependence on contract logging, there is also a need to look at its performance in the context of SFM requirements. Finally, it appears that the requirement for forest certification is not really felt by many long-term concessionaires despite the aggressive and intense campaigns and initiatives conducted by the government.

Benefits from the study :

Nil

Patent(s), if applicable :

Nil

Stage of Commercialization, if applicable :

Nil

Project Publications in Refereed Journals:

Nil

Project Publications in Conference Proceedings:

Nil

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