Ecuador

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Ecuador is considered one of the world's "mega diverse" countries, with the Amazonian region in particular containing large tracts of intact natural forest of global conservation significance. It is divided into four distinct natural biogeographic regions: the Amazon, the Andes, the Pacific coastal plain and the Galapagos Islands. The majority of forest biomass - approximately 9.8 million hectares - is in the Amazon region (80%), with about 13% near the coast and the remaining 7% in the Andean highlands.

Forest Management

In early 2013, Ecuador was one of 12 countries targeted by an Interpol operation to crack down on the illegal timber trade in Central and South America. The country has also prioritized lowering its deforestation rate through a number of national policies:

1. Becoming the first country to grant inalienable rights to nature in its constitution,
2. Launching the SocioBosque Program in 2008 to incentivize the protection of forests, and
3. Developing the country's Plan for Good Living in 2009, setting a national goal to reduce deforestation by 30% by 2013.

The SocioBosque Program is an incentive-based policy for forest conservation developed by the Ministry of Environment of Ecuador. Plans were drawn up for a dual-purpose program in forest conservation and poverty alleviation. The program attempts to achieve its dual goals by proving direct monetary, per hectare incentives to local landowners and indigenous communities that conserve native forest. Since its inception the program has expanded to cover areas of high-altitude grasslands (páramo) and forest restoration. As of October 2012, the Socio Bosque program protects over 1.1 million hectares of native ecosystems and has over 123,000 beneficiaries.

There are currently three kinds of permits under which legal harvesting is carried out: cutting permits; areas harvested according to simplified forest management plans (Programas de Aprovechamiento Forestal Simplificado – PAFSIs) involving non-mechanised extraction; and areas with integrated management and sustainable management areas (Programas de Aprovechamiento Forestal Sustentable – PAFSUs) – involving larger areas suitable for industrial harvesting. It is thought that the short term logging permits, in addition to their impact on the quality and efficiency of logging operations, have discouraged the development of a large commercial forestry industry in Ecuador, along with geographical constraints such as mountainous terrain, low timber density and difficulty of access. Nevertheless, the usage of short-term logging licences has encouraged foresters to consider other ways of ensuring future long-term supplies of timber, particularly through the development of forest plantations and agroforestry.

Ecuador is also currently engaged in initial, informal Voluntary Partnership Agreement discussions with the European Union under the auspices of the EU's FLEGT (Forest Law, Enforcement, Governance and Trade) program. The VPA would ensure that timber and timber

products exported to the EU come from legal sources, and would help Ecuador stop illegal logging by improving regulation and governance of the forest sector.

A different forest management plan, asking that rich countries compensate Ecuador for not drilling in an Amazon rainforest reserve -Yasuni National Park – has been abandoned in August 2013. When first proposed in 2007, President Correa sought US$3.6bn in contributions to maintain a moratorium on drilling in the remote Yasuni national park, which was declared a biosphere reserve by the United Nations in 1989 and is home to two indigenous tribes living in voluntary isolation. However, after not receiving enough pledges, and insisting that Ecuador alone would decide how the donations would be spent, President Correa declared he had to go ahead with drilling.

Transparency

According to the Corruption Perception Index 2013 from Transparency International, which measures perceived levels of public sector corruption in countries around the world using a score of 0-100 (where 0 is highly corrupt and 100 is completely clean) Ecuador is ranked 102nd out of 177 countries assessed. It has scored a corruption index of 35, meaning it has a perception of relatively high corruption. The levels of perception of corruption has improved a little from 2012 where Ecuador was ranked 118 out of 174 countries with a corruption index of 32.

Transparency International's country profile on Ecuador

Transparency International's 2013 Corruption Index interactive map

The World Bank compiles a set of Worldwide Governance Indicators for all world economies. This country data report on Ecuador can be found in the full data set.

Laws and Regulations

Forestry Laws

In 2008 the Ecuadorian people approved a Constitution that was the first in the world to recognize the Rights of Nature. The forests were declared fragile ecosystems, requiring special treatment like moors, wetlands and mangroves. The Ecuadorian Constitution, specifically Articles 10 and 71-74, recognizes the inalienable rights of ecosystems to exist and flourish, gives people the authority to petition on the behalf of ecosystems, and requires the government to remedy violations of these rights.

According to its Article 425, the Constitution has supremacy over all other laws, norms and regulations, both national and international.

Article 74 of the Constitution regulates environmental services to ensure that people, communities and indigenous groups have the right to benefit from the environment. It also states that “environmental services are not susceptible to appropriation; that their production, provision and use will be regulated by the National Government.” The Constitution guarantees the participation of indigneous peoples and communities in decision-making on activities to be carried out in their territories.

More information and web links to the regulations can be found both on Ecuador Forestal's website and Forest Transparency's website.

The Forestry and Conservation of Natural Areas and Wildlife law "Ley forestal y de Conservacion de Areas Naturales y Vida Silvestre", has been in effect since 1981 (Ley 74, publicada en el Registro Oficial No. 64 del 24 de agosto de 1981) and was amended in 2002. It outlines the powers and functions of the Ministry of Environment for forests as well as the control and mobilisation of forest products. The forestry component emphasizes forest management, production forests (native forests and plantations), forestry control and research.

Ecuador is currently formulating an updated forestry law.

In order to facilitate forest administration and use (both of State and private forests), the following classification has been established:

1. Permanent state production forests,
2. Permanent private production;
3. Protective forests;
4. Special areas including areas for research.

The National forest programme / statement "Texto Unificado de la Legislación Ambiental Secundaria" (Unified Text of Secondary Environmental Legislation of the Ministry of Environment (TULAS)) which was enacted in 2002, establishes the basic environmental policies of Ecuador and ensures coherence among public sector entities and the private sector in Ecuador in the identification and implementation of specific policies and strategies, policies and guidelines to achieve sustainable development.

The strategy for sustainable forest development in Ecuador (which came into effect in 2000) promotes conservation and the sustainable use of forests.

In 2011 the Under-Secretariat for Natural Heritage of the Ministry of Environment (MAE) published a document which explains and defines the Ecuadorian forest governance model. In 2012, the Secretariat for forest production at the Ministry of Agriculture, Livestock, Aquaculture and Fisheries developed a national forestation and reforestation policy (Plan Nacional de Forestación y Reforestación), supported by the MAE, Ministerio de Industrias y Productividad (MIPRO - Ministry of Industry and Productivity) and Secretariá Nacional de Planificación y Desarrollo (SENPLADES - National Secretary of Planning and Development).

Executive Degree 931 February 2008 assigned responsibility of industrial plantations and agroforestry to the Ministry of Agriculture. It paved the way for the implementation of the 2012 National Forestation and Reforestation Plan, which committed the government to providing tax incentives and financial resources for the establishment of 750,000 hectares of commercial monoculture tree plantations.

In April 2000, the Executive Decree No. 346 introduced substantial changes to the pre-existing Law on Forestry and Conservation of Natural Areas and Wildlife. An especially important and innovative aspect of these reforms was to incorporate the following basic criteria for sustainable forest management into the legal framework for Ecuador's forestry sector:

- Sustainability of production;
- Maintenance of forest coverage;
- Conservation of biodiversity;

- Co-responsibility for management; and
- Reduction of negative environmental and social impacts.

It established simple requirements for the harvest and transport of timber, but doesn't cover the effectiveness of timber milling or promote reduced-impact logging.

The National Plan for Living Well (Buen Vivir) 2010 - 2013 established the development priorities, strategies and objectives of the government for its second term, including reducing the deforestation rate by 30% by 2013.

The Environmental Management Law (Ley no. 37, 1999) sets out principles and guidelines for environmental policy; determines the duties, responsibilities, levels of participation in the public and private sectors in environmental management and indicates the permissible limits, controls and sanctions in this matter.

Both the Forest Law (Art 39) and the Environmental Management Law state that indigneous and Afro-Ecuadorian peoples will have priority in the use of community lands and forest products, and that the local authorities must consult these peoples before issuing environmental policies and policies for demarcation, management or administration of conservation areas and ecological reserves.

The Biodiversity Law (Ley de Biodiversidad) focuses on the protection of the biodiversity of Ecuador including genetic and ancestral resources. The Biodiversity Law has been in force since September 10, 2004.

Various Ministerial Decisions have been developed including:

- No. 244 - purpose is to establish regulations for sustainable forest management and use of dry forests, the recommended techniques, commitments and responsibilities in the implementation of plans, management, forest use and conservation of their environmental services.
- No 39 - Standards for sustainable forest management for timber harvesting in rainforests.
- No. 139 - Standards of administrative procedures to authorize the use and timber harvesting.
- No. 40 - Rules for use of wood in cultivated forests and wood grown in agroforestry systems forests.
- No. 128 - Standards for sustainable management of Andean Forests.

Harvesting in state production forests require the following: a forest inventory, the preparation of a forest management plan, the physical demarcation of concession limits, as well as social payments and payments for silvicultural treatments.

Executive Order No. 998 in 2005, "Declaration of State of Emergency regarding the Control and Monitoring of the Ecuadorian Forest Sector", (Declara en Estado de Emergencia el Control y la Supervisión de Sector Forestal Ecuatoriano) - this was renewed by Executive Order 1196 in 2006. Its main aim is to reduce the impact of deforestation and wildlife, through integrated forest monitoring to conserve and sustainably manage natural resources system.

Processing/Manufacturing Laws

Article 5 of the Forest Law 2002 states that promoting and implementing policies relating to the conservation, development, protection, research, management, processing and marketing of forest resources, as well as the natural areas and wildlife, are part of the functions and responsibilities of the Ministry of Environment.

Art. 62.- The Environment Ministry will also promote the improvement and control systems, harvesting, primary processing and industrialization of forest resources and wildlife.

The Forest Law also states (Art. 64) that primary processing establishments can only use authorised raw materials. Records must therefore be taken, and made available to the Ministry when requested to prove the legality of materials.

Transport Laws

According to the Law on Forests and Conservation Areas of Nature and Wildlife "Ley forestal y de áreas naturales", Art. 82. states that whoever transports wood, wood forest products or wildlife products without adhering to the rules of the Act would receive a fine of between one to five times the general minimum wage and confiscation of the proceeds.

Art. 78. of the same law indicates that if anyone transports forest products or wildlife or different timber forest products from state or private mangrove forest areas without the relevant contract, license or authorization of use or if they transport beyond what is authorized, they shall be punished by a fine equivalent to the value of one to ten general minimum wages and confiscation of goods, tools, equipment, transportation and other instruments used in these actions under the terms of Art. 65 of the Penal Code and the Special Law for the Conservation and Sustainable Development of the Province of Galapagos.

The Facilitation Act Export and Waterborne Transport law relates to the export of all kinds of goods and services products. It is in place to promote and diversify exports through the application of mechanisms consistent with current international trade.

Tax Laws

Article 1 of the 2002 Forest Law indicates that fees for investments in forest contracts, particularly for afforestation, are transferred to the Ministry of Environment.

Article 54 states that forest land covered by forests, natural protective vegetation or cultivated that are planted with a timber species or the formation of any kind of forests that meet the standards established in this Act, shall be exempt from tax on rural property. The National Estimates and Catastros, in making the assessment and determining the tax, apply that exemption.

Act 442 amends the regulations for implementation of rural land tax. It provides that land under forestry will not be subject to the payment of rural land tax.

Trade Laws

Article 47 of the Forest Law, 2002, the export of semi-finished forest products shall be authorized by the Ministries of Environment and Foreign Trade, Industrialization, Fisheries and

Competitiveness only when the internal needs and minimum levels are found satisfied.

CITES

CITES is an international agreement among governments whose purpose is to ensure that international trade in wild animals and plant species does not threaten the survival of these species. 180 countries (September 2014) have agreed to be bound by CITES, which is a binding legal agreement. It is up to each Party to CITES to draft its own domestic legislation in order to comply with its CITES obligations. Ecuador acceded to the Convention in 1975.

Aniba rosaeodora is one of the commercially important sources of rosewood oil, which has led largely to its over-exploitation. Overharvesting has led to the listing of Aniba rosaeodora species in CITES. The CITES listing for Aniba rosaeodora applies to logs, sawn wood, veneer sheets, plywood and essential oil (excluding finished products packaged and ready for retail trade). Finished products containing such extracts as ingredients, including fragrances, are not considered to be covered by CITES.

Importers of CITES-listed species into the United States can also use the handbook from APHIS. It contains a number of useful flowcharts and examples of permits so that importers can see what is needed.

A full contact list for official national CITES authorities, including Management Authorities competent to grant permits.

The IUCN Red List of Threatened Species

IUCN Red List: Information on Aniba rosaeodora

Forest Resources

There are three major forest types in Ecuador:

1. Amazon rainforest, comprising about 62% of the forest estate;
2. Montane (sierra) forests of various types in the Andes (on the western and eastern slopes, at lower and upper levels, and towards the Andean high peaks), comprising about 21% of the forest estate;
3. Tropical rainforest in the coastal plains of the Pacific region, comprising of about 17% of the forests.

Mangrove forests were once widespread, but now cover only about 158,000 hectares.

The country has experienced major changes to its forest cover for many decades, mostly due to agricultural expansion and illegal logging, and has traditionally had one of the highest deforestation rates in the world. Between 1990 and 2000, Ecuador experienced an annual deforestation rate of 1.5%; between 2005 and 2010, the annual average rose to 1.9%. According to Ecuador's Ministry of Environment, the national deforestation rate from 2008 to 2012 was approximately 0.6%, or an average of 74,400 hectares per year. Just under half of the country's forested areas are comprised of primary forests.

The execution of the 2012 National Afforestation and Reforestation Plan (PNFR) is now underway

throughout continental Ecuador. It aims to increase the total area of forestry plantations during a 20-year period by one million hectares; covering:

1. Industrial and commercial forest plantations;
2. Social forestry and agroforestry activities;
3. Plantations to restore, conserve and protect natural resources; and
4. Programs to support the PNFR, especially those related to financing, training and forestry research.

Forest Products

Production Status

- AIMA Asociación Ecuatoriana de Industriales de Madera Ecuador Wood Industry Association
- ASOTECA Asociación Ecuatoriana de Productores de Teca y Maderas Tropicales Ecuadorian Association for Teak and Tropical Wood Production
- COMAFORS Corporación de Manejo Forestal Sustentable Ecuador Sustainable Forest Management Corporation

Contacts

Industry Associations

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Civil Society Organizations

- Fundación Natura Nature Foundation
- ICAA - Initiative for Conservation in the Andean Amazon A long-term regional program created by the United States Agency for International Development (USAID), which brings together and integrates the efforts of more than 30 partner organizations, both local and international, to strengthen conservation of the Amazon biome in Colombia, Ecuador and Peru.
- COICA - Coordinadora de las organizaciones indígenas de la cuenca amazónica Co-ordination of nine national Amazonian indigenous organizations, including CONFENIAE
- CONFENIAE - Confederación de Nacionalidades Indígenas de la Amazonía Ecuatoriana Confederation of Indigenous Nationalities of the Ecuadorian Amazon
- CEDA - Centro Ecuatoriano de Derecho Ambiental Ecuadorian Center for Environmental Law

Government Ministries

- Ministerio del Ambiente Ministry of Environment
- Dirección Forestal Forest Service - is under Sub-Secretaría del Patrimonio Nacional. Administers forests and protected areas, enforces the Forest Law and international treaties, implements international conservation projects, and approves environmental assessments.
- Ministerio de Agricultura, Acuacultura y Pesca Ministry of Agriculture, Aquaculture and Fisheries - responsible for industrial plantations and agroforestry
- PROFORESTAL Unidad Para el Desarrollo Forestal del Ecuador/Ecuador Unit of Forestry DevelopmentCreated in 2008 by Ministry of Agriculture, Aquaculture and Fisheries to take responsibility of agroforestry and industrial plantations.
- SENPLADES - Secretaría Nacional de Planificación y Desarrollo National Secretariat for Planning and Development - in charge of the implementation of the overall devleopment plan for Ecuador. Close coordination of forest planning with the Forest Service and PROFOESTAL.
- Instituto Ecuatoriano Forestal y de Areas Naturales y Vida Silvestre (INEFAN)Ecuadorian Institute of Forests and Natural Areas and Wildlife
- SUAI - Sistema Único de Información Ambiental Environmental Information system

Tools and Resources

- National Afforestation and Reforestation Plan (Ecuador)
- ReddX Tracking Forest Finance - Ecuador
- Ecuador - A Forest Trends REDDX report, 2013
- Ministero del Ambiente del Ecuador, "Programa Socio Bosque," Accessed September 19th 2014.
- Conservation International Deforestation Guide: Ecuador
- Global Witness, 2014. "Major breakthrough in fight to end illegal logging as Interpol arrests 200 across 12 countries."
- Forest Resources Assessment Programme: Country Report
- Aprovechamiento de Recursos Forestales en el Ecuador
- The Best of Ecuador - Wood Overview
- Balsa Trees and Balsawood
- CIFOR, 2013. "Who buys, who sells, how much? Mapping Ecuador's timber markets."

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