GLOBAL FOREST & TRADE NETWORK

In Brief

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Better Business, Brighter Future for Peru's Shipibo-Konibo People

Working with WWF's Global Forest & Trade Network to achieve certification has brought clear benefits to indigenous communities.

by Julia Cass

Five years ago, the Shipibo-Konibo living along the Ucayali River in the Peruvian Amazon fished in the river, grew corn, beans, yucca and plantains near the banks, and hunted in the dense forests. Their subsistence economy was precarious—a poor year for crops or fishing meant they went hungry—and they were losing young people, who migrated to cities to find work. Sometimes illegal loggers gave them clothing or 20 *soles* (about U.S. $6) to cut down trees–often mahogany–on their land, contributing to the near-extinction of this species in Peru and endangering wildlife habitat.

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Today, through the efforts of WWF and a Peruvian non-governmental organization, the Association for Integral Research and Development (*Asociación para la Investigación y el Desarrollo Integral*-AIDER), five Shipibo-Konibo communities manage their own forests, harvest the trees, and market the lumber following a long-term plan that will sustain the forest and maintain its variety of species. In a considerable achievement for a people with no previous business or forest management experience, 35,000 hectares of rainforest belonging to these communities are close to obtaining certification to the standards of the Forest Stewardship Council (FSC). It will be the first forest in Peru to achieve the exacting FSC label that certifies the use of strict environmental and social standards. Now, hardwoods from these indigenous communities are beginning to make their way to international markets with help from WWF's Global Forest & Trade Network (GFTN), which connects suppliers that are certified or committed to achieving certification with buyers committed to obtaining products from well-managed forests.

"When I was a boy, men came in and cut down so many mahogany trees," said Juan Chavez, a Shipibo-Konibo involved in the forestry project. Sometimes, he said, they gave community leaders goods or a few *soles* beforehand; other times, they cut the trees and offered payment afterwards. "We didn't know, in money, what our forest was worth," Chavez said.

Nor, he said, did the Shipibo-Konibo know what the forests were worth in non-monetary terms. "We didn't know we had rights. We didn't know how to negotiate with outsiders. It's been a long process, not just technical but social."

The Global Forest & Trade Network is WWF's initiative to eliminate illegal logging and improve the management of valuable and threatened forests. By facilitating trade links between companies committed to achieving and supporting responsible forestry, the GFTN creates market conditions that help conserve the world's forests while providing economic and social benefits for the businesses and people that depend on them. Visit www.panda.org/gftn.

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Vast panorama of the Ucayali River and surrounding forest.

The Shipibo-Konibo Project

The Ucayali River in eastern Peru is a principal tributary to the Amazon. The region is rich in plant species, especially among palms, and contains a number of valuable tropical hardwoods. More than 600 bird species have been recorded here, as have some 188 mammals including agile titi monkeys and jaguars. Invertebrates, amphibians, and reptiles are also abundant and diverse.

While the more remote parts of the Ucayali forests are fairly intact, intensive deforestation has occurred along the roads to the port towns of Pucallpa and Iquitos. Illegal logging near the Shipibo-Konibo villages–located at least three hours by motor boat from a road or a town–is decimating populations of mahogany, tropical cedar, and kapok. An analysis financed by WWF found that big-leafed mahogany in Peru could be commercially unviable in five to ten years.

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The Shipibo-Konibo project began in the late 1990s, when representatives from AIDER talked with the national association of indigenous people about an economic development program for the Shipibo-Konibo. The mission of AIDER is to improve the quality of life for marginalized Peruvians through the development of skills.

Although forest certification wasn't initially envisioned by AIDER, "we focused on forest management from the start because we saw that commercializing the forests would be the best means of economic development in these communities," said Jaime Nalvarte, a forester who is president of AIDER. Fishing and handicrafts were other resources that AIDER intended to help the Shipibo-Konibo develop and market to improve their standard of living.

With these projects in mind, AIDER received funding from the Royal Embassy of the Netherlands in 2000 to work with 16 Shipibo-Konibo communities. The money paid the salaries of foresters, sociologists, economists, and other specialists, as well as expenses such as transportation and equipment.

Building Trust and Skills

At first the Shipibo-Konibo were suspicious of AIDER's motives. "In one community we visited to explain the proposed project, the leaders said they wouldn't meet with us unless we paid them," said Pio Santiago, an AIDER forester who works with the community of Calleria. "Most all their interactions with outsiders had involved either exploitation or paternalism. They had never been equals."

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The Shipibo-Konibo are known for handicrafts such as this intricate embroidery.

Traditionally, the Shipibo-Konibo used the forests to obtain fuel, medicines, dyes for their textiles, and lumber for their houses. “We did not even know, at the start, what kinds of trees we had,” said Chavez, the Shipibo-Konibo who was enlisted by AIDER to serve as a liaison with his people. Training in forestry skills began with learning the species and low impact methods of extraction. AIDER bought logging equipment for the communities with the more valuable forests, along with small barges to take the wood to Pucallpa. Individuals showing the most interest received training in the fields of record-keeping, accounting, pricing, marketing, and negotiating.

The breakthrough for the Shipibo-Konibo, the point when people became convinced of the value of community forestry, came three years after the project started when they shipped lumber to Pucallpa and were paid for it, “Many people have to see to believe,” Nalvarte said. “When a tree brought 1,000 *soles* instead of 20, this wasn’t a discourse or talking pretty or putting up signs. This was business.”

Certification and Market Links

WWF came into the project in 2003. Jessica Moscoso, a WWF forest coordinator, had visited some of the Shipibo-Konibo communities when AIDER began working with them. When she returned three years later she found a “very big change in forest management and the structure of the community. We saw a good opportunity for an indigenous community to become certified.”

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Nalvarte saw several benefits of FSC certification: The process provides a good structure for long-range forest management, certification would set these forests apart from others, and the communities would get help from WWF’s GFTN to find new markets for their wood. Following many meetings five communities decided to seek certification with AIDER as the entity being certified on their behalf. WWF-Peru, with financing from the U.S. Agency for International Development (USAID), provided technical assistance for the certification process.

Lumber from the community forests is now sold primarily to sawmills and wood flooring exporters in Pucallpa, several of which are committed to responsible purchasing or chain of custody certification with WWF-Peru. Six months after completing the certification process the communities have more demand than they can fill. “This is an advantage of certification,” Nalvarte said. “Before we looked for buyers; now buyers look for us.”

In addition to local marketing contacts, the GFTN has made a promising link between the Shipibo-Konibo forests and South Cone, a California-based wholesaler of fine furniture sold in the U.S. to independent high-end furniture stores and large retailers. Its factory in Lima is Peru’s largest furniture manufacturer, responsible for 75 percent of the country’s total furniture production.

When South Cone stopped buying mahogany in 2000, it used funds from WWF and USAID to test several “lesser known species” of South American hardwoods to determine whether they have the functional and aesthetic qualities needed for fine furniture. South Cone found that *Cachimbo rojo* has characteristics similar to mahogany and made plans to begin buying this species from the certified forest of the Shipibo-Konibo village of Preferida.

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The village of Calleria.

A Visit to Calleria

In October, 2005 a group of WWF foresters and other specialists visited Calleria, the Shipibo-Konibo community closest to Pucallpa, for a first-hand look at the forestry operation and its impact on community life. Getting there involved a three-hour boat ride on the Ucayali, a wide river lined with trees, vines, and occasional settlements, followed by a short trip up a tributary to the village. At the junction of the rivers, pink freshwater dolphins leapt up as if in greeting.

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Shipibo-Konibo people welcome visitors to Calleria with traditional song and dance.

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At the top of the muddy bank leading to Calleria, eight young people and an older man, Hernan Mori, danced and sang a traditional greeting song. Mori said that the pride the Shipibo-Konibo have gained from managing their forests and competing in the market has produced new interest in old traditions. “Recently, we had our first traditional festival in many years,” he said.

WHY COMMUNITY FORESTRY MATTERS

In recent years, WWF and other conservation groups have placed more emphasis on working with indigenous communities to manage their forests and market their products. “If we want to achieve our goal of increasing the number of well-managed forests, we have to work with communities. That’s where the forests are,” said Steve Gretzinger, regional coordinator of WWF’s Global Forest and Trade Network (GFTN) in Latin America and the Caribbean.

A 2002 study by Forest Trends entitled “Who Owns the World’s Forests?” found that in developing countries, community-owned and -administered forests totaled at least 377 million hectares, or at least 22 percent of all forests in developing countries and three times as much forest as is owned by industry or individuals. The study also showed that the area owned and administered by communities doubled between 1985 and 2000 and is expected to at least double again to 700-800 million hectares, reflecting strong demands on governments to recognize community property rights and to devolve forest management to communities.

Somewhere between 1 and 1.5 billion of the world’s people live in and around forests. According to the World Resources Institute, about 80 percent of the extreme poor – those living on less than a dollar a day – depend on forest resources for their livelihoods. Many are indigenous people. Since forests are their key assets, learning to manage and generate benefits from them has become a crucial element in their economic development and cultural survival.

Recognizing both the conservation and social benefits of community forestry, WWF’s GFTN now works with indigenous and local communities throughout the world. As the Shipibo-Konibo story demonstrates, community forestry projects can be more challenging than working with established timber companies, but the rewards can also be great.

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Children return to their villages after school in Calleria.

Calleria has a population of 315, from 70 families. Houses, set up in two rows and raised to prevent flooding in the rainy season, are made of wood, some stylishly designed with parquet-type panels or alternating colors of wood. Between the neat rows of houses is a grassy esplanade with a few palm trees. Children on a break from school were playing soccer on the soccer field a short distance away.

Now that the community knows the value of its forest... it has set up a vigilance committee to keep illegal loggers away.

Many inhabitants were on hand in the community meeting house for a presentation on the forestry business by Alfredo Rojas, trained by AIDER to run Calleria's Organization of Economic Production (OEP). This is the business entity that manages the forestry, handicraft, and fish nursery businesses. Behind him were three flip charts. One showed the community's forest plan: 20 parcels to be harvested in 20 years. Another titled "before" carried the words "no planning, sales at low prices, cutting destroying natural regeneration, no consideration for minimum diameter to cut."

Now, Rojas proudly explained, "we protect the new seedlings, we plan for the long term, we have respect for regeneration and we know to use most all the wood."

He then got down to business: The Shipibo-Konibo receive 3,000 *soles* (about U.S. $880) for a barge load of 3,000 board feet (two to three trees, depending on their size) – substantially more than the 20 *soles* (about U.S. $6) they used to receive per tree. Most of the wood they now sell is cut into *cuartones* (squared logs) in the forest and delivered by barge to Pucallpa. Costs (payroll, supplies, transportation) are about 1,900 *soles* for the 3,000 board feet, which means a profit of a little more than 1,000 *soles* (about U.S. $295).

In 2004, he said, the community sold 45,000 board feet of lumber, worth approximately U.S. $13,200. Of each year's total sales, the net proceeds from 18,000 board feet (U.S. $3,000 a month for the six month logging season) goes to the community. With the remainder, the OEP pays salaries and costs and invests in the business.

"We are still learning and are not yet at our capacity but we are making a profit," Rojas said. Now that the community knows the value of its forest, he said, it has set up a vigilance committee to keep illegal loggers away.

Into the Forest

Seeing the parcel of forest being logged this year meant another boat ride and a short walk between towering trees. In one clearing, workers wearing safety gear cut the huge trunk of a *quinilla* tree, a hardwood generally used for flooring, into *cuartones* with a portable sawmill that can be moved from place to place by several men.

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Workers from Calleria use portable equipment to mill wood in their ancestral forest holding.

In another clearing, workers cut *cuartones* into planks on a small mill. Nearby, another machine made precise cuts on the edges of the planks for a buyer who ordered wall paneling. In another Shipibo-Konibo community called Puerto Belen, women participate in the forestry business, measuring the wood. Women in Calleria run the community's handicraft business.

"I'm impressed," Steve Gretzinger, GFTN coordinator for Latin America and the Caribbean, said later. "The machines are appropriate. The production is low pressure on the forest. The volume is low, but they're making money, not a lot but more than they were before." Acknowledging the resources expended to bring the Shipibo-Konibo this far, he said, "These kinds of projects are complex but what's the alternative? Poverty and illegal logging are even more costly."

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Asked how the community had changed, Atilio Maseda, the teacher at Calleria's government-financed school, said he thought people were happier in their work. "It belongs to them. They feel more protected and are not so worried about the future. They value the work and feel more valued."

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A Shipibo-Konibo girl shows interest in a community meeting in Calleria.

AIDER is scaling back its activities in the community as the first phase of the project comes to a close. Santiago is confident that community people will be able to proceed with less direct involvement from AIDER and is especially encouraged by the interest of young people, who no longer are leaving in such great numbers. In November, AIDER held a series of workshops on the management of communal forests for young people in the five villages with certified forests.

"At the end," Santiago said, "they created an organization of indigenous young people with a mission of sustaining their forests and their culture."