



FEDERAL FOREST CONCESSIONS IN **THE BRAZILIAN AMAZON:**



Socioeconomic and
Environmental Advances in
Nearly 20 Years of Public Policy





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FOREWORD

Forest concessions were established in Brazil by the Public Forest Management Law (Law No. 11.284/2006) with the objective of being an instrument to reconcile conservation, the economic use of resources, and social benefits in the territories of influence—an arrangement where the State defines rules and safeguards, and the execution of forest management is carried out by companies selected through public bidding, using reduced-impact techniques and subject to socio-environmental conditionalities.

It is in this context that this study is situated, offering an evidence-based reading on the performance of federal forest concessions in the Amazon region and what they have delivered to society nearly two decades after their creation.

The need for a study like this stems from the instrument's stage of consolidation and the demand for assessments that go beyond normative descriptions.

The study combines administrative and technical-operational data, information from audits and monitoring, qualified interviews, and documentary evidence of resource application, adopting triangulation for validation.



The approach also includes geospatial analysis and statistical modeling to assess environmental impacts and an econometric Differences-in-Differences (DiD) design based on a panel of 772 municipalities (2005–2025), comparing municipalities with active forest concessions to those where there are National Forests eligible for concession, according to the latest published Multi-Year Forest Grant Plan (PPAOF 2024–2027).

In other words, it addresses “what changed, where, and why,” focusing on identifying causal effects.

This e-book translates the main findings of this effort for a broad audience, such as professionals in the forestry sector, investors, policymakers, academics, journalists, and readers interested in sustainability and the bioeconomy, without sacrificing technical precision.

It is an invitation to an evidence-guided reading, gathering information that demonstrates how forest concessions constitute a strategic policy for keeping the Amazon rainforest standing.

Finally, we note that the study is the result of a project supported by the UK Pact, developed by Imaflora through the Forest Legality Initiative, in partnership with the Brazilian Forest Service and Systemiq.



INTRODUCTION

Since 2010, federal forest concessions have placed ~2.5 million m³ of traceable timber on the market and have accumulated R\$240.4 million in revenue collected by the public sector.

More than just volume and revenue, these numbers show a public policy that internalizes conservation costs and returns benefits to the territory via transfers, social investments, and institutional strengthening.

The transition to a forest-based bioeconomy depends on a legal and transparent supply of native timber, anchored in reduced-impact forest management and socio-environmental safeguards.

In Brazil, ~1.3 million hectares in the Legal Amazon are already under federal forest concession, distributed across 22 Forest Management Units (FMUs) in 08 National Forests, operated by 12 concessionaires—a scope sufficient to assess impacts, identify bottlenecks, and refine the tool's design.

Table 1 - Active Federal Forest Concession Contracts in the Legal Amazon (Mar/2025).

FLONA	UF	Municipality(ies) where located	# of FMUs	Concessionaire companies (by FMU)
Jamari	RO	Porto Velho; Candeias do Jamari; Cujubim; Itapuã do Oeste	3	FMU I – Madeflona Industrial Madeireira; FMU IV – Madeflona Industrial Madeireira; FMU V – Forest Ark Flona do Jamari
Jacundá	RO	Porto Velho; Candeias do Jamari	2	FMU I – Madeflona Industrial Madeireira; FMU II – Madeflona Industrial Madeireira
Saracá-Taquera	PA	Oriximiná; Faro; Terra Santa	3	FMU IA – Ebata Produtos Florestais; FMU IB – Samise Indústria, Comércio e Exportação; FMU II – Ebata Produtos Florestais
Crepori	PA	Itaituba	2	FMU II – Brasad'oc Timber Comércio de Madeiras; FMU III – Brasad'oc Timber Comércio de Madeiras
Altamira	PA	Altamira	4	FMU I – RRX Agroflorestal; FMU II – RRX Agroflorestal; FMU III – Patauá Florestal; FMU IV – Patauá Florestal
Caxiuanã	PA	Melgaço; Portel	3	FMU I – Benevides Madeiras; FMU II – Benevides Madeiras; FMU III – Cemal Comércio Ecológico de Madeiras
Amapá	AP	Pracuúba, Ferreira Gomes e Amapá	4	FMU I – RRX Timber Export; FMU II – Viviane Miyamura Loch; FMU III – RRX Timber Export; FMU IV – Viviane Miyamura Loch
Humaitá	AM	Humaitá	1	FMU I – Ápice Florestal

Source: SFB (2025); Forest Concession Impact Study (Imaflora/Forest Legality, 2025).

This material is the result of a study that assessed the impacts of Federal Forest Concessions in the Amazon.

We highlight the main findings and connect them to the questions of those working in the sector: where are the gains? where do the gaps persist? and what measures can increase the scale and effectiveness of this public policy?

Our role here is to “extract what matters most from the technical report” and put it into action.

Throughout the next chapters, you will find:

1. Overview and governance of forest concessions: how they work, where they are, and how they generate benefits;
2. Methodology in simple language: from qualitative surveys to geospatial analysis and the DiD that estimates causal impacts;
3. Environmental, social, and economic results: what has already changed, where, and why, focusing on formal employment, wage bill, revenue, and land use;
4. Challenges and recommendations: what depends on institutional adjustments, scale, and complementary policies to accelerate local development gains.


The results demonstrate that the federal forest concession policy in the Amazon has fulfilled its role of structuring a sustainable and formalized production base, but it still lacks the scale and integration to generate broad impacts on regional development.

The continuity and expansion of concessions, combined with complementary policies, are fundamental for the observed benefits in terms of production, employment, and legality to translate into inclusive growth and lasting prosperity for the Amazon.



CHAPTER 1

OVERVIEW OF FEDERAL FOREST CONCESSIONS IN THE LEGAL AMAZON



Forest concessions are an instrument through which the State delegates to companies, selected via public bidding, the right to conduct management activities in public areas under socio-environmental rules and safeguards, for a pre-established contract period that can last up to 40 years.

In practice, this means: environmental licensing, annual monitoring, independent audits, public hearings—in addition to a financial architecture that links part of the revenue to funds and subnational entities, ensuring that a fraction of the value generated returns to the territory in services and institutional capacity.

How does the
concession process work?

STEPS:

1



Planning

preparation and publication of the PPAOF;

2



Structuring of concession bidding documents

conducting technical studies and economic and legal modeling;

3



Public consultation

holding hearings, consultations with local and indigenous populations, and technical meetings with sectors and organizations;

6



Monitoring

use of computerized tools with field visits to ensure that the commitments made are being met and meet the proposed performance indicators;

5



Administrative and financial contract management

billing for production, maintenance of contractual guarantees and valid insurance, formalization of amendments;

4



Bidding

bidding process up to the contract signing;

7



Transfer of funds to states and municipalities

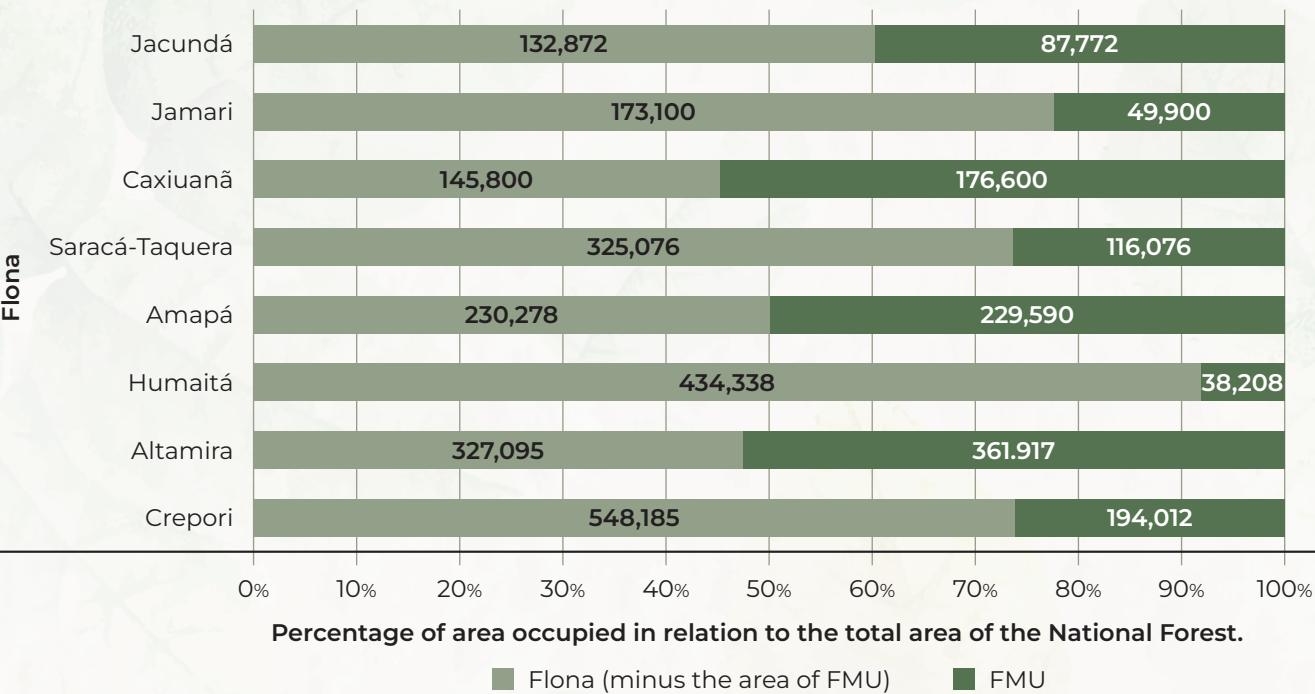
the Brazilian Forest Service distributes the resources collected from forest production to the federal government (Forest Service, ICMBio, IBAMA, and National Forest Development Fund), states, and municipalities where the concessions are located.

Where they are and the current scope of federal forest concessions in the Amazon

For nearly two decades, federal forest concessions have been consolidating and have a sufficient scope to allow for performance and impact analyses in different dimensions (environmental, social, economic).

In 2025, about 1.3 million hectares of the Legal Amazon are under federal forest concession, with 22 Forest Management Units (FMUs) distributed across 08 National Forests managed by 12 concessionaires.

Graph 1: Proportion (%) of the Flona territory divided by the areas occupied by FMUs and by the other portions of the Flona, not considering the FMU areas.



Source: Prepared by the authors based on geospatial data from ICMBio and SFB (2025).

Fundamental principles

The governance of this instrument is based on detailed and well-established legislation, where the selection of the company that will have the right to carry out the activities planned in the forest concessions is defined through a competitive bidding process, with the responsibilities and obligations of the forest concessionaires clearly established in contracts.

Some of the fundamental principles of the forest concession instrument include:



Sustainable management

The exploitation of forest resources must ensure the protection of the ecosystem and responsible management.



Transparency and equity

The bidding process and contract administration must be transparent, ensuring fair competition among interested parties.



Combating deforestation

The concession mechanism aims to curb illegal logging and the advance of deforestation in these areas.



Social participation

Local communities, including indigenous peoples and traditional communities, must be considered in the process.

It was noted that the formalization of dialogue with communities, mitigation of conflicts, strengthening of local trade, and partnerships with public universities and entities have been strengthening.

This arrangement reduces litigation and increases social capital, a key factor for operational continuity in complex territories.



What has changed in practice

Expanded dialogue with local communities, both with concessionaires and public agencies, improvement of communication channels (radio, WhatsApp, technical meetings/visits), mitigation of operational conflicts (e.g., road maintenance and traffic routines), and partnerships with universities and local institutions—reducing disputes and increasing social capital in the territory.

• ILLUSTRATIVE CASES

Terra Santa (PA)

The municipal government structured the Municipal Secretariat of Environment and Mining (SEMMAM) using funds from the transfers, based on planning and validation with the Environmental Defense Council (CODEMA)—an example of resource transfer from concessions + social participation fostering the role of local public authorities (inspection, licensing, services).

Oriximiná (PA)

Concession resources applied to environmental projects and acquisition of permanent materials, in addition to acquiring vehicles and a motorboat—supporting the municipality's licensing and inspection actions.

Itapuã do Oeste (RO)

Social housing project using wood (30 units)—promoting access to housing and boosting the timber production chain.

• WHY IT MATTERS

Resource transfers and social investment as a materialization of the social benefits provided by the forest concession policy.

The financial architecture: Where it comes from and where it goes

The total revenue collected by the public sector from federal forest concessions was R\$240.4 million (2010–2025), and an upward trend has been noted since 2018, peaking in 2024 at R\$40.5 million.

The collection method based on the volume of timber managed and the subsequent annual transfer to the FNDF, ICMBio, and subnational entities align production, monitoring, and conservation.

The revenues collected from concessions in Federal National Forests are divided into payments of a Minimum Annual Value (VMA) and payments of Other Values (DV) by the concessionaires.

Minimum Annual Value - VMA

The VMA is a percentage of the Contract Reference Value (VRC), which is an estimate of the annual production value for the conceded area, well-defined in the bidding documents.

The Minimum Annual Value represents the minimum amount to be paid annually by the concessionaire, even if there is no production in that year.

When the concession is in a Federal National Forest, this value is allocated to the Brazilian Forest Service for the agency's institutional strengthening and its operations.

Other Values - DV

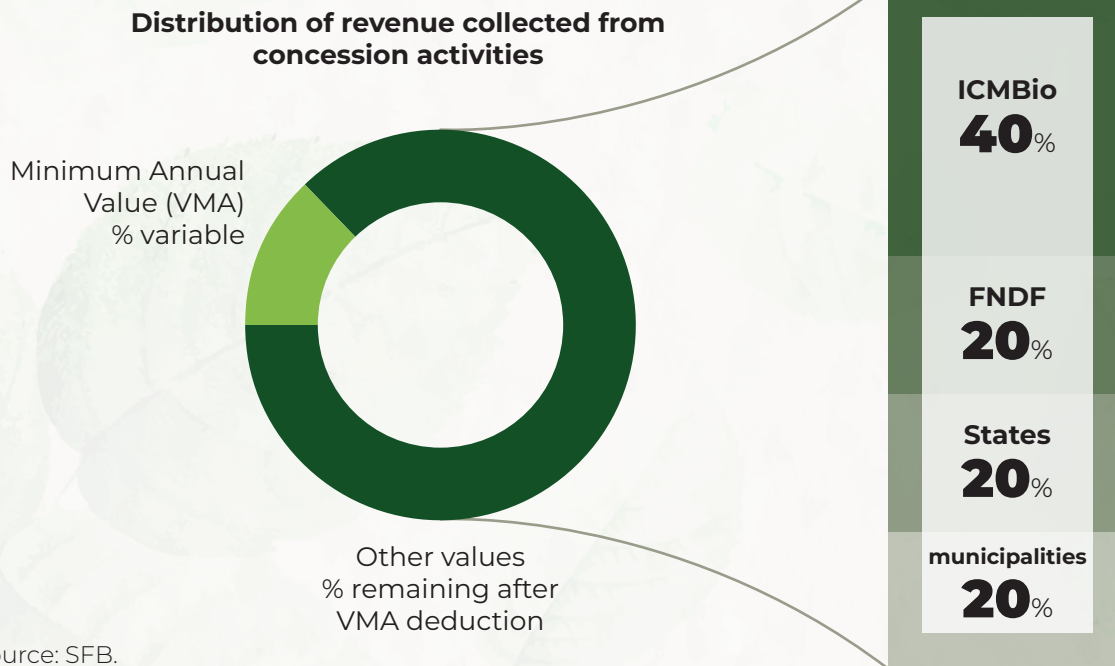
Any amount collected above the VMA is destined for distribution among the states and municipalities where the forest concession plots are located, the National Forest Development Fund (FNDF), and the Chico Mendes Institute for Biodiversity Conservation (ICMBio).

This amount can be called Other Values.



According to Federal Law No. 11.284/2006, the financial resources from the prices paid, excluding the Minimum Annual Value (VMA), are distributed as follows:

Figure 1: Distribution of revenues collected



Source: SFB.

- The Chico Mendes Institute for Biodiversity Conservation (ICMBio) will use the financial resources in the management of sustainable use conservation units;
- The FNDF will apply the resources according to the definitions of the Annual Plan for Regionalized Application (PAAR), the Fund's planning document;
- The states and municipalities will use the resources to support and promote the sustainable use of forest resources.

Tabela 2: Public revenue collection via federal forest concession

Total collected per year (in R\$)			
Year	VMA	Other Values	TOTAL
2010	580,581.54	0.00 *	580,581.54
2011	745,591.75	248,649.39	994,241.14
2012	990,999.82	931,987.38	1,922,987.20
2013	1,078,931.88	4,263,094.07	5,342,025.95
2014	2,606,052.50	4,734,034.24	7,340,086.74
2015	1,348,791.29	5,383,485.45	6,732,276.74
2016	4,115,238.06	4,634,650.29	8,749,888.35
2017	731,391.04	5,267,635.09	5,999,026.13
2018	6,161,707.19	8,716,969.61	14,878,676.80
2019	6,946,138.94	9,532,700.08	16,478,839.02
2020	10,105,691.53	17,889,181.37	27,994,872.90
2021	9,625,638.23	19,252,043.54	28,877,681.77
2022	11,927,760.19	21,520,482.97	33,448,243.16
2023	12,959,325.02	22,330,722.28	35,290,047.30
2024	12,641,928.31	27,913,374.33	40,555,302.64
2025	2,724,647.62	2,491,988.96	5,216,636.58
Total	85,290,414.91	155,110,999.06	240,401,413.97

**In 2010, there was no production exceeding the Minimum Annual Value. Updated February/2025*

Source: SFB/ICMBio; prepared by Imaflora (Forest Legality) based on the Impact Study.

CHAPTER 2

ENVIRONMENTAL DIMENSION



Federal forest concessions in the Legal Amazon operate within the category of Sustainable Use Conservation Units, in National Forests (Flonas), which permit the practice of forest management, according to the rules provided in legislation and under constant monitoring.

To understand if this arrangement helps to curb the advance of deforestation, this study combined the analysis of a series of official geospatial data, such as the boundaries of Flonas, FMUs, the surrounding area, and historical deforestation series.

The design sought to answer where deforestation occurs—and where it does not—by evaluating the Flonas under concession.

Methodology

The environmental impact assessment aimed to understand the deforestation dynamics in the Flonas with federal forest concessions and their surrounding areas.

The scale of analysis was built in three complementary layers for each Flona: (i) each concession FMU; (ii) the interior of the Flona (excluding the FMU areas); and (iii) the surrounding area, defined by a 10 km buffer, where anthropic pressures and logistical chains that can “leak” into the Flona are generally concentrated.



This approach captures internal differences within the CU and the “neighborhood effect” of the immediate territory.

The data sources were: shapefiles of Conservation Units from the MMA (2025), FMU boundaries provided by the SFB, PRODES/INPE (1988–2024) for accumulated deforestation, and the SIMEX Network for timber exploitation—with series from 2020–2023 (or 2007–2023 for the Flonas in Pará).

The procedure included integration, validation, and multi-scale reading, with aggregated descriptive analysis and, when necessary, individualized reading by Flona to qualify context effects (road access, historical pressures, and start-of-operations timeline).

Overall result

The eight Flonas with concessions total 3,570,818 ha, of which 1,254,075 ha host 22 FMUs, meaning about 35% of this territory is designated for concession.

The configuration among the Flonas, however, is not homogeneous. This distribution matters because it conditions the relative exposure of each Flona to external pressures.

Overall, it was detected that accumulated deforestation (1988–2024) occurred in only 2% of the total territory of the Flonas.

And a key piece of data emerges when separated by zone: only 8% of this total occurred inside the FMUs; 92% was concentrated outside the FMUs (in the portion of the Flona that is not under concession).

In other words: forest management under concession appears associated with a lower incidence of deforestation within the operational areas.

The contrast between contexts also reinforces this reading: more isolated Flonas, like the Amapá Flona, show low deforestation rates and an absence of illegal logging; whereas Jacundá and Jamari (RO), surrounded by consolidated agricultural frontiers (soy/cattle ranching), endure historically higher pressures.

Even so, it is noteworthy that 88% and 96% of all accumulated deforestation in these two Flonas occurred before 2009, a period prior to the concessions—which suggests that, even in pressured areas, the management and inspection regime helps to contain conversion within the CU.

When detailing by CU, the pattern of “concentration of occurrence outside the FMUs” appears clearly.

In the Altamira Flona, for example, more than half of the total area is designated for FMUs; however, only 3% of the accumulated deforestation occurred within them (908 ha). The remaining 97% (32,701 ha) occurred in portions of the Flona that are not under the concession regime, suggesting that the presence of legal management, with planning and inspection, functions as a barrier to the advance of illegal deforestation and logging fronts.

This reading, consistent with the literature on the “order effect” in managed zones, gains additional relevance when confronted with the behavior of the surrounding area, where pressure often remains high.

In summary, three environmental messages stand out:

1. Most of the deforestation within the Flonas under federal forest concession in the Amazon does not occur in the FMUs—92% happens outside the managed areas, even though they occupy ~35% of the total territory analyzed; this suggests a containment effect associated with sustainable forest management.
2. Context matters: relative isolation (Amapá case) and historical pressure (Jacundá/Jamari cases) explain differences in rates; even so, the historical peak of deforestation precedes the concessions in several CUs, reinforcing the stabilizing function of the model.
3. The surrounding area remains critical: 10 km buffers continue to concentrate pressure; the policy gains effectiveness when combined with territorial control outside the CU and legal supply chains that drain the demand for illicitly sourced timber.

(Reinforce with the “Deforestation in the surrounding area” graph, already present in the document.)



CHAPTER 3

ECONOMIC DIMENSION



What drives the analyses in this chapter is the reflection: do forest concessions change the “shape” of the local economy—employment, income, production base, and revenue—or do they just add another flow of timber to the territory?

The evidence points to structural reorganization: where operations consolidate, there is a professionalization of labor, an increase in the wage bill, and signs of diversification towards processing activities and services connected to the forest supply chain.

At the same time, GDP and tax revenue react more slowly, which is consistent with the cumulative and long-maturing effect of the concessions.

Methodology

The economic analysis combined three articulated blocks:

1. **Production, value, and share of timber** in the municipal economy (volume, value of extraction, and share in VA/GDP);
2. **Labor market and income** (formal employment and total and sectoral wage bill, including CNAEs close to the concessionaires);
3. **Aggregates and public finance** (total and per capita GDP; value added by sector; poverty/extreme poverty; municipal revenue and the share of concession transfers in revenues).

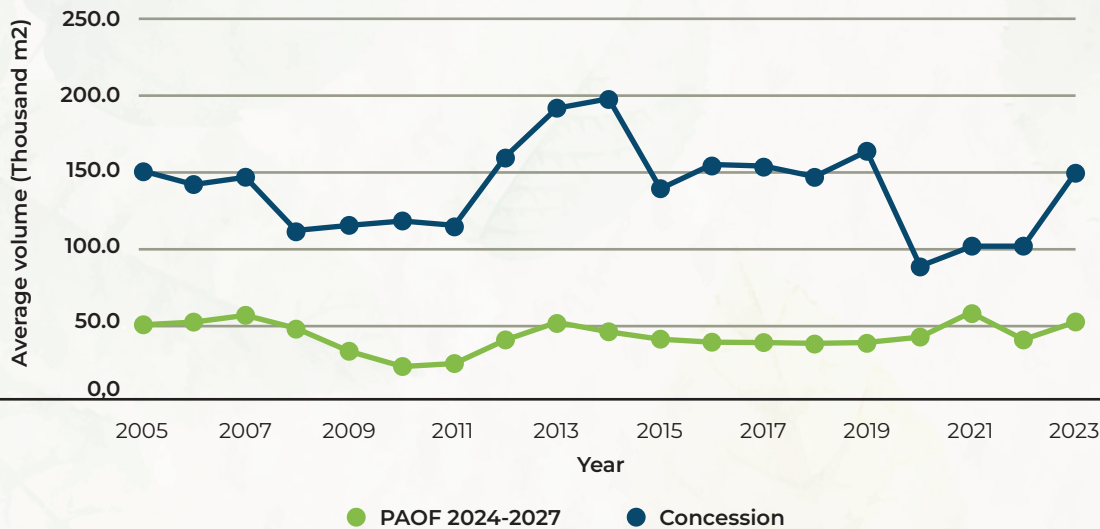
To estimate impact, a panel of 772 municipalities (2005–2025) and Differences-in-Differences (DiD) models were used, comparing municipalities with active concessions to a counterfactual group formed by localities with Flonas eligible for concession (PPAOF 2024–2027), referred to in the analyses as eligible municipalities.

Thus, the reading goes beyond description and isolates the policy’s effect on employment, income, productive structure, poverty, and revenue.

Production, value, and share of timber

The municipalities with forest concessions registered average timber production volumes and extraction values substantially higher than those observed in the eligible municipalities.

Figure 2. Quantity of roundwood produced in the municipality.



Source: Prepared by the authors based on data from IBGE (2023).

The start of management operations, from 2010 onwards, marks a structural leap in the production and formalization of the forest supply chain, with an emphasis on the increase of timber destined for industry and the share of concessions in the total timber originated.

The average effects of the concessions on timber production and value are highly positive and significant, with estimated growth between 90% and 300% in the analyzed variables.

The combination of a legal and traceable supply (via concessions) with local processing is the main path to increasing the value generated in the territory—that is, less log exportation, more processing.

This is the link that connects management, industry, and services (logistics, maintenance, IT, training), generating linkages that are reflected in the aggregates.

Formal employment and wage bill

Federal forest concessions are a structural driver of formal employment in territories with a low supply of qualified labor.

For example, in 2023, concession operations generated 1,616 direct jobs and 3,232 indirect jobs, totaling 4,848 occupations for the year.

The clearest effects appear in the labor market: in municipalities with concessions, formal jobs associated with concessions already account for >7.5% of employment, as shown in the figure below; after the start of operations, employment in the forestry sector grows by an average of ~62%, accompanied by a ~75% increase in the wage bill of companies in the sector.

The pattern indicates a substitution of informality with stable employment and higher-level wages, consistent with the greater qualification required by the operations.

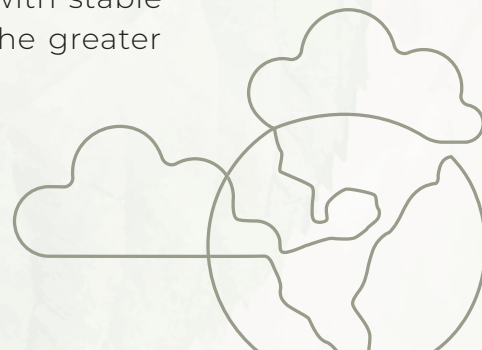
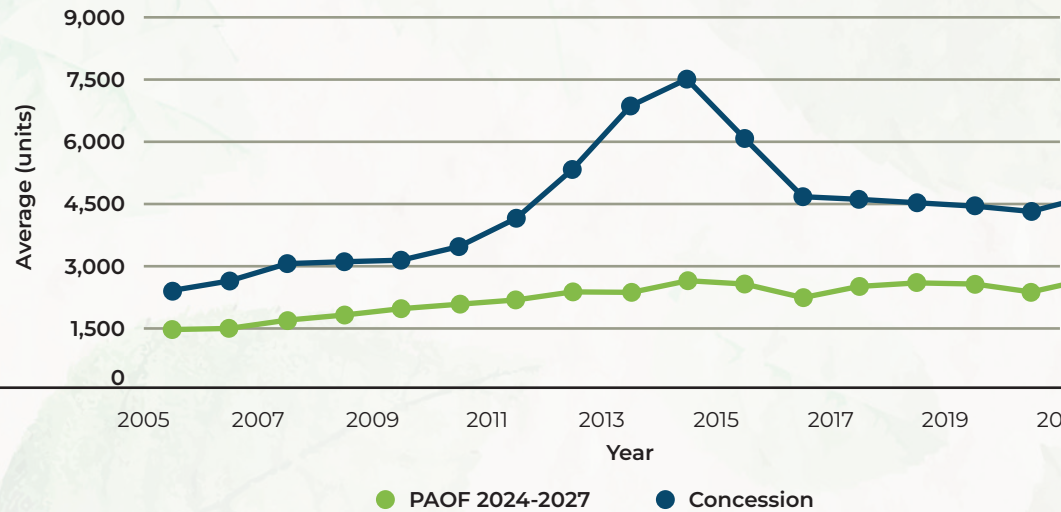
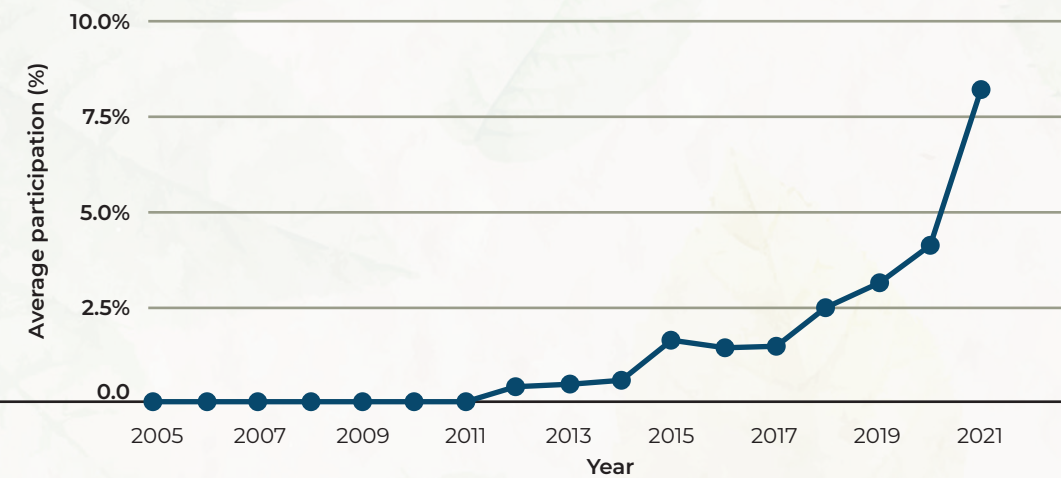


Figure 3. Formal jobs in the municipalities



Source: Prepared by the authors based on data from RAIS (2021).

Figure 4. Share of forest concession jobs in total formal jobs.



Source: Prepared by the authors based on data from RAIS (2021).

When we compare municipalities with active concessions to those merely with areas planned in the PPAOF, the former show, on average, growth of about 65% in formal jobs and 27% in the wage bill, highlighting the concessions' ability to boost the local economy and improve the quality of jobs.

GDP, sectoral value added, and poverty

Regarding macro aggregates, the results are modest: total and per capita GDP follow stable and similar trajectories between the treated and comparison groups, with no statistically significant differences in the period.

On the other hand, there are signs of sectoral reorganization: industry and services grow relatively more in municipalities with concessions, suggesting diversification and integration of the supply chain with tertiary activities; agriculture/extractivism lose relative weight, signaling a transition from a primary model to a more diversified arrangement.

Poverty/extreme poverty indicators maintain a gradual reduction, but the econometric estimates are neutral or slightly positive (increase) in the period—a result influenced by the COVID-19 pandemic, which increased vulnerability throughout the region.

In short: concessions contribute to diversifying the municipal economy and strengthening the secondary and tertiary sectors, but their effects on aggregate growth and poverty reduction are still gradual.

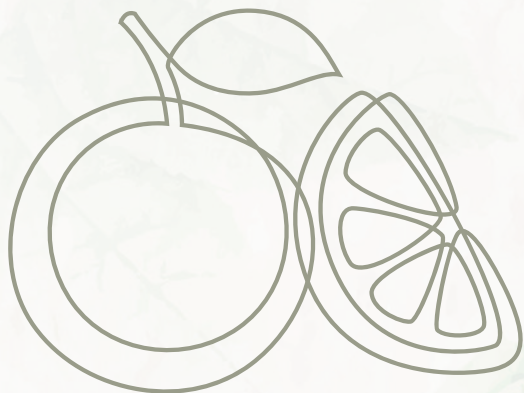
Tax revenue (the financial engine)

On the fiscal side, municipal revenue shows continuous growth in all municipalities, but it is more accelerated in areas with concessions after 2015. However, the estimated effects remain statistically neutral.

This does not invalidate the mechanism: concession transfers (a fraction <1% of municipal revenues) function as a trigger for institutional strengthening and public planning—especially when there is a dedicated technical team to access, execute, and account for the funds.

What this means for decision-making (public management, companies, and investors)

1. **Strongest short/medium-term impact channels:** Formal employment and wage bill grow robustly in municipalities with forest concessions—these are the quickest indicators for communicating value and guiding local qualification and hiring policies.
2. **GDP and revenue advance gradually**—they require scale and industrial linkages (processing, furniture making, biomaterials) to have a more significant effect.
3. **Productive diversification is already perceptible:** Industry and services gain relative weight; design public/private procurement and financing oriented towards local processing and logistics to accelerate this transition.



CHAPTER 4

SOCIAL DIMENSION

Forest concessions transform not only land use, but also the local labor market, income circulation, and the daily life in surrounding communities.

From a social point of view, the key question is direct: has the forest management regime in Flonas generated better formal jobs, more stable income, and public services/infrastructure that make people's lives easier?

The answer, based on the study's evidence, is that there are consistent gains in employment and income, positive externalities in mobility and services, and improvements in dialogue governance; at the same time, structural challenges persist that require continued action.

Methodology

The social assessment combined three layers of evidence:

1. **Analysis of secondary data**, from Public Forest Management Reports (RGFPs), Independent Forest Audits (IFAs), and analyses of federal forest concession contracts;
2. **Structured qualitative interviews** with concessionaires and the SFB (validated script, 20 themes in three blocks), to map impacts, challenges, and advances; and
3. **Geospatial analysis** integrated with the environmental dimension (to situate pressures and territorial connectivity).



What the data shows

The results indicate a significant injection of financial resources into the concession municipalities, translated into structuring local investments:

- Of the total value collected by federal forest concessions between 2010-2025, R\$62 million is destined for transfers to the beneficiary states and municipalities, with a total of R\$44,469,166 already executed.
- Through the social indicator mechanism, R\$4.91 million was applied in the territories between 2015 and 2024.
- There is an increase in mobility: maintenance and improvement of roads used for timber transport.
- This is reflected in a benefit to the local population by facilitating daily travel and access to markets, schools, and health services.
- The **increased demand for local purchases and services** activates other productive sectors and boosts the economy in municipalities of influence.
- The concessionaires' operations generate **positive externalities**: maintenance/improvement of roads, logistical support, and activation of local purchases and services; multifaceted dialogue channels (radio, WhatsApp, meetings) and territorial presence (offices, teams) strengthen social governance and contribute to mitigating conflicts.



The role of transfers and the social indicator in people's daily lives

The mechanism of transfers to states and municipalities benefiting from federal forest concession resources, by having a quarterly operational routine of guides, creates predictability for public investments.

Of the R\$44,469,166 executed, R\$24,869,988.80 was transferred to the states and R\$19,599,177.81 to the beneficiary municipalities, with a further R\$17.5 million yet to be executed.

With incentives for technical training and structured governance, the resources translate into institutional strengthening and policies/services that matter to the population.

One successful example of this resource application is, for instance, in Terra Santa/PA, which managed to structure its local Municipal Secretariat.

The transfers allow for the operationalization of community projects and local infrastructure, with examples ranging from social housing (wood) (Itapuã do Oeste/RO) to environmental education projects in riverside communities, forest management courses, and distribution of açaí, cupuaçu, and graviola seedlings for cultivation in rural areas (Melgaço/PA).

These investments make the perceived benefits tangible and reduce transaction costs in daily life.

Table 3: Application of Transfers from Federal Forest Concessions

Entity	UF	Main Applications/ Investments	Categories (summary classif.)	Value (R\$)
State of Pará	PA	Inventory; Environmental reports; Training center; Vehicles; IDEFLOR-Bio systems	Estudos/diagnósticos; Infraestrutura institucional; Equipamentos/veículos; Sistemas/tecnologia	R\$ 18,7 mi
State of Rondônia	RO	Socio-environmental diagnostics; Management plans; Rubber supply chain; Basin monitoring	Estudos/planejamento; Cadeias produtivas; Monitoramento ambiental	R\$ 6,1 mi

Entity	UF	Main Applications/ Investments	Categories (summary classif.)	Value (R\$)
Oriximiná	PA	Materials; Environmental projects; Vehicles; SEMMA HQ; River base	Equipamentos/materiais; Projetos ambientais; Veículos; Infraestrutura institucional; Infraestrutura operacional	R\$ 6.2 mi
Terra Santa	PA	SEMMA; Brazil nut supply chain; PES; Solar kits; Community projects (stingless beekeeping, AFSs)	Institucional; Cadeias produtivas; Instrumentos econômicos (PSA); Energia renovável; Projetos comunitários	R\$ 1.6 mi
Faro	PA	SEMMMA; Vehicles; Fire brigade; Mini Brazil nut plant	Institucional; Veículos; Proteção/defesa civil; Processamento produtivo (castanha)	R\$ 3,1 mi
Altamira	PA	Technological equipment; Sustainable Markets and Fairs Project	Tecnologia/equipamentos; Promoção comercial/feiras	R\$ 617,582
Itaituba	PA	Structuring of SEMMA; Inspection	Institucional; Fiscalização/monitoramento	R\$ 674,235
Portel	PA	Pickup truck; Açaí palm management courses; Agricultural support; Environmental education	Veículos; Capacitação técnica; Apoio produtivo; Educação ambiental	R\$ 2.6 mi
Melgaço	PA	Environmental education; Municipal nursery; Workshops and equipment	Educação ambiental; Produção de mudas; Capacitação; Equipamentos	R\$ 1.5 mi
Itapuã do Oeste	RO	Popular housing (wood) (30 units)	Habitação social; Madeira legal	R\$ 2.2 mi
Porto Velho	RO	Pickup trucks; Boat; Drones; Monitoring equipment	Veículos; Embarcações; Drones; Monitoramento	R\$ 603,073
Candeias do Jamari	RO	Monitoring vehicle; GPS; Drone; PPEs	Veículos; Monitoramento; EPIs/Segurança	R\$ 187,421
Cujubim	RO	Vehicle acquisition	Veículos	R\$ 129,801

Source: SFB.

Another social element of the forest concessions is the **Social Indicator**, which has consolidated as a mechanism for the direct redistribution of benefits to the surrounding area, stipulated in the bidding's technical proposal and executed by deposit into a specific account or direct application with accountability.

Between 2015 and 2024, deposits totaled R\$6.26 million, with R\$4.91 million applied and R\$1.34 million pending execution.

The applications cover community infrastructure (sheds, auditoriums, kitchens, churches, and cultural/sports spaces), transportation and energy (boats, speedboats, motors, micro-systems), a project for solar kits for traditional communities (Terra Santa/PA), water (artesian wells), health and social support (clinics, APAE), and productive projects (agriculture, Brazil nut, poultry), creating installed capacity and economic opportunities.

Table 4: Application of resources from the social indicator

Municipality (UF)	Amount	Main focus of applications
Oriximiná (PA)	R\$ 3.39 mi	"Community infrastructure; transport (speedboats/boats/motors); water/energy; health and social support (clinics, support house); productive projects (chicken, flour mills)."
Faro (PA)	R\$ 0.63 mi	"Artesian wells; water micro-systems with solar energy."
Itapuã do Oeste (RO)	R\$ 0.70 mi	"Community infrastructure; solar energy; agricultural implements/productive infrastructure; support for APAE."
Terra Santa (PA)	R\$ 0.16 mi	"22 solar panel kits for traditional communities."
Cujubim (RO)	R\$ 0.05 mi	"Renovation of APAE (structure and functionality)."

Source: SFB.



**Points of attention
(for public policy and
for companies)**

The advances do not eliminate some structural vulnerabilities present in the region, such as historical deficits in public services and the high turnover of technical staff in municipal secretariats, mainly due to political changes, making it difficult for teams to consolidate knowledge on accessing and executing resources from the transfers, which interferes with the fluidity of this process.

Such factors limit scale and effectiveness—reinforcing the need for continuous training, transparency, active councils, and standardized social monitoring.

CHAPTER 5

ALESSONS LEARNED AND CHALLENGES



Federal forest concessions demonstrate the ability to organize the territory, increase formal employment and the wage bill, and return revenue to the public sector, while managing, in the environmental dimension, to curb the advance of deforestation in managed areas.

To convert this performance into a systemic standard and accelerate socioeconomic gains, we propose some recommendations that cover the spheres of governance and execution, monitoring of social indicators, the real economy and linkages, and communication and legitimacy.

Governance and execution

The current design of the transfers, when well-governed, converts revenue into public capacity (protection, planning, services), but there is currently still a demand to strengthen the understanding of the steps to access and execute the resource.

- **Recommendation 1.1 — “Capacity Tracks”:** A short, continuous training program for municipal secretariats, aiming to mitigate the impact of high technical turnover.

- **Recommendation 1.2 — “Territorial Focus”:** Support the development of projects with direct benefits to communities to broaden social perception and, simultaneously, improve transparency rules that strengthen social control of the resources.

Monitoring social indicators (measure better to decide better)

Improving which indicators and goals are fundamental to be more accessible to the general public, as well as developing this specific methodology to strengthen social monitoring, with comparable baselines and improvement tracks, would be an important aspect (e.g., professional qualification, occupational safety, participation of women and youth).

- **Recommendation 2.1 - “Public Dashboards”:** Publish historical series (employment, wage bill, revenue, applications of Transfers and Social Indicator) on a digital dashboard—the “showcase” of transparency that reduces controversies and accelerates learning. (The study already systematizes the bases and results.)
- **Recommendation 2.2 - “Social Monitoring”:** Develop simplified protocols for local councils and organizations to track the evolution of concession metrics.

Real economy and linkages (from management to local development)

Forest concessions generate more stable, qualified, and better-paying jobs, contributing to income circulation and the formalization of local economies.

They also contribute to diversifying the municipal economy and strengthening the secondary and tertiary sectors, but their effects on aggregate growth and poverty reduction are still gradual.

With gains in scale, it could have a greater effect on GDP, however, this potential is limited by the lack of guarantees and adequate credit lines for financing.

- **Recommendation 3.1 — “Labor and Productivity”:** Local qualification and agreements with SENAI/IFs/universities; safety protocols and certifications to reduce turnover and increase productivity (evidence of +62% employment in the sector and ~+75% wage bill after operations).
- **Recommendation 3.2 — “Credit and Guarantees”:** Financing lines with guarantees adjusted to the management cycle (high initial capex; turnover tied to the operational plan), favoring light vertical integration (extraction → first processing) in the territory.
- **Recommendation 3.3 — “Procurement that Drives the Supply Chain”:** Public/private procurement agreements that prioritize legal/concession timber in construction, school furniture, and social housing—the Social Indicator cases show traction and feasibility (e.g., social housing (wood), solar kits, community infrastructure).

Communication and legitimacy (showing value, reducing friction)

Despite the advances, there is still a need to improve communication with surrounding communities, opening permanent channels for listening, with a visible territorial presence and partnerships with universities and local institutions to qualify information in the territory.

- **Recommendation 4.1 — “Transparency”:** Local (Municipal) pages updated with revenue, transfers, applications, and results (work delivered, service activated, families assisted).



- **Recommendation 4.2 — “Active Councils”:** Strengthening Councils and community communication means (radio, WhatsApp, itinerant meetings)—territorial presence mitigates conflicts and accelerates problem-solving.
- **Recommendation 4.3 — “Metrics That Matter”:** Adopt annual perception indicators (trust, perceived utility of works/services, quality of dialogue) to close the legitimacy cycle.



FINAL CONSIDERATIONS: WHAT CONCESSIONS ALREADY DELIVER AND HOW TO TRANSFORM EVIDENCE INTO ACTION

If we had to summarize this study in one sentence, it would be: forest concessions organize the territory and professionalize the local economy, with signs of curbing the advance of deforestation within the managed areas and improvement in social indicators in the municipalities.

In the environment, the picture is consistent: in the eight Flonas analyzed, only 2% of their area was deforested (1988–2024), and only 8% of this total occurred inside the FMUs—92% was in the non-concession portions.

In historically pressured areas, like Jacundá and Jamari (RO), 88% and 96% of the deforestation occurred before 2009, suggesting that the combination of management + presence + inspection helps to contain conversion within the CU.

The surrounding area (buffer) remains a critical frontier and demands coordination with control policies outside the Flonas.

In the social dimension, the clearest driver is the labor market: after the start of operations, formal employment in the forestry sector grows,

on average, by ~62%; the wage bill in the sector's companies by ~75%; and jobs directly linked to the concessions already account for >7.5% of employment in the localities with concessions.

In 2023, there were 1,616 direct jobs (with a 2:1 multiplier, >4,800 total occupations), generally with better health, safety, and compliance standards.

These gains coexist with classic challenges: low education levels, turnover, and negative perceptions about traffic and job openings—all variables that call for continuous training and transparent communication.

In the economy, the message is one of maturation: the leap appears quickly in employment and wage bill (the core of the chain), while GDP and revenue lag behind—a sign that macro effects depend on scale and local processing.

The transfers function as a “lever” to strengthen public management and enable services: of the total value collected by federal forest concessions between 2010-2025, R\$62 million is for the beneficiary states and municipalities.

Of this amount, the value effectively transferred to the states was R\$24,869,988.80 and R\$19,599,177.81 to the municipalities; where there is a plan, team, and active council, the money turns into institutional capacity (e.g., R\$294,222.94 to structure SEMMAM in Terra Santa/PA).

In summary, the main messages we conclude from the study:

1. Federal forest concessions in the Amazon stimulate an increase in formal production and a reduction in illegal timber;
2. The number of formal jobs in the forestry sector grew, on average, by 62% in municipalities with areas under concession;
3. The value collected from forest concessions between 2010 and 2025 totals R\$240.4 million, with R\$62 million destined for transfers to states and municipalities;
4. Forest concessions play an important role in reducing deforestation;

5. Concessions contribute to diversifying the local economy and strengthen the secondary and tertiary sectors;
6. A large effect on municipal tax revenue was not detected, however, there is great potential if the concessions scale up.

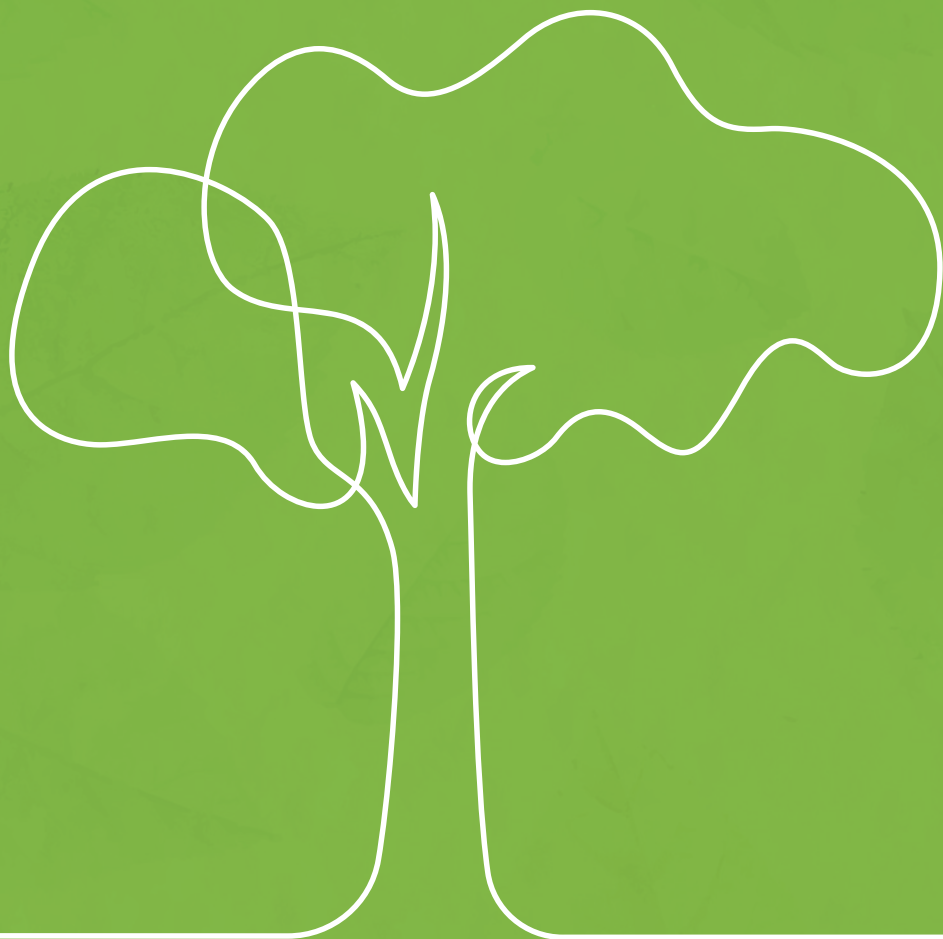
It is fundamental that the forest concession policy gains scale to generate broad impacts on regional development that translate into inclusive growth and lasting prosperity for the Amazon.

This e-book “translates” the impact study for a broad audience, without losing technical rigor.

Throughout the chapters, we saw that the concession policy is not just a way to produce legal timber: it is a territorial development strategy that, when supported by qualified execution, transparent monitoring, and productive linkages, raises the bar for forest protection, income, and public capacity in the Amazon.

The agenda moving forward is pragmatic: scale + execution + communication.







Organization



Support



Partnership



MINISTÉRIO DO
MEIO AMBIENTE E
MUDANÇA DO CLIMA

