

Book Urges Folks to See Trees Through Forest

By Sam Jacoby

Nica Times Staff

The fate of a single tree might not seem to make much of a difference in a country that loses approximately 85,000 hectares of forest each year, but a book published last June by a local sustainable wood company is urging people to see the trees through the forest.

"One Tree: Hope for Nicaragua's Tropical Forest," documents the transformation of an 80-year-old cedar into more than 200 finished products. The tree's passage from the forest of the indigenous Laya-siksa community in the North Atlantic Autonomous Region (RAAN), to the workshops and sawmills of dozens of artisans and craftsmen, is richly documented through the book's glossy pages.

The book project, a collaboration of the World Wildlife Fund (WWF) and a Managua-based furniture company, *Simplemente Madera*, showcases the potential of sustainable logging and processing techniques in an industry that has been besieged by legal trouble and public-relations woes in recent years.

Responding to widespread illegal logging, the government placed a logging ban and dramatic restrictions on the export of high-quality tropical lumber in June, 2006. That move sent reverberations through the industry, but has provided a commercial opening for other forestry-management techniques.

The One Tree project highlights a promising element of the Nicaraguan timber trade, one that may help to undo some of the damage already done to the country's nearly 6 million hectares of forest.

Certified lumber from properly managed forests, where trees are selectively cut in accordance to rigorous international specifi-



Courtesy of *Simplemente Madera*

cations, is in high demand. And when done correctly, certified lumber logging operations actually protect the forests and reduce levels of deforestation caused by unregulated cutting and the expansion of the agricultural frontier.

Matthew Falkiner, owner of *Simplemente Madera*, gave up working with endangered wood species in 2003 to work with certified wood. And he hasn't looked back.

"One Tree" is an expression of that commitment to sustainable forestry practices, and a means by which to give back to the real owners of the land.

All of the proceeds from the sale of the book go toward funding scholarships for Miskito students from the Laya-siksa community.

"For each 100 books sold, we're able to



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send another four students to university," said Rufino Johnson, a Laya-siksa community leader, adding that four students have already been enrolled at schools in Managua and Puerto Cabezas, the capital of the RAAN.

Funds from the direct sale of the certified wood – a sum that exceeded \$20,000 in 2004 – goes toward supporting other community initiatives.

"We send the money to the church, the school, and to fund an elderly home," said Johnson.

Already there are plans to build another school house to meet the increasing demands of enrolment in the community, Johnson said.

The success of the sustainable cut has

shown the 750 members of the Laya-siksa community the economic potential of properly managing the rich tropical forests in which they live.

"The forest is our best hope," Johnson said. ■

Where to Buy the Book

"One Tree, Hope for Nicaragua's Tropical Forest" is on sale in Managua for \$17 at *Simplemente Madera* (150 meters north of Enitel Villa Fontana), as well as the following bookstores: *Frontera Books*, *Hispamer*, *Book Shop* (in the airport), and *Book Center*. For more info write becas@simplementemadera.com, or visit www.simplementemadera.com.

'Law 306' Helps Open Door for Tourism Investment



Diana Zelaya & Amilcar Navarro

The World Tourism Organization defines the tourism industry as "all activities carried out by people during their travels and stays in places different than their habitual surroundings."

Such activities can be done for the purpose of recreation, business or other reasons. But regardless of the motives for travel, it is clear that tourism has a lot of advantages to the growth of a country's economy.

And in Nicaragua, tourism has become the number-one economic motor in recent years and has been identified by the government and private sector as a developmental priority for the country.

Countries must prepare themselves to be tourism destinations in order to attract more visitors and investors and to convince them to extend their stays once they are here. In order to accomplish this goal, it is necessary for governments to develop new policies to stimulate tourism investment and growth and to establish clear "rules of the game" for investors.

Nicaragua first responded to this new challenge eight years ago with the creation of Law 306, "The Tourism Incentives Law," which answered the need in the tourism sector – and the country in general – for a legal

framework that grants benefits and incentives to persons and corporations who invest in tourism.

The law entered into force June 21, 1999, when it was published in the official daily *La Gaceta* No. 117.

Article 2 of Law 306 states that the law's main purpose is to grant incentives and benefits to national or foreign persons or corporations that invest in tourism activities. Law 306 also establishes that tourism is of "national interest."

In 2006, Law 575 was passed as an "Amendment to Law 306." This amendment looks to extend the benefits of Law 306 to include small- and medium-sized tourism companies, known in Nicaragua as a "PYME."

To apply for the benefits established under Law 306, is necessary to be engaged in one of the following "tourist activities," as established under Article 3: a) Hotel Services (hotels, hostels, guest houses, condo-hotels); b) Aerial Transport; c) Aquatic Transport; d) Internal and receptive tourism, terrestrial collective transport; e) Food, drinks and recreational services; f) Movie filming; g) Car and water vehicles rental; h) Investment in tourism infrastructure; i) Nicaraguan handicrafts, typical music, folklore dance.

To apply for benefits, tourism-related businesses or investments must first be approved by The Nicaraguan Tourism Institute (INTUR). Following approval from INTUR, construction of the project must start within an established period of six

months, and the project should be fully operation within a period of three years following initial approval.

Additional requirements vary depending on the particular category of investment.

For example, for a hotel project to qualify under Law 306, the law requires minimal project investments of \$500,000.00 for hotels located in Managua, and \$150,000.00 for hotel projects located outside of the capital. If the tourist project accredits itself as a small- or medium-sized company under the amended Law 575, the minimum-investment requirements are reduced 40%.

It is important to note that the value of the terrain purchased for the tourism project is included in the total amount of investment.

The minimum-investment requirement also applies to other tourism-related business activities such as restaurant services, investments in natural reservoirs, investments in public or private projects directed toward the improvement and promotion of tourist activities.

The minimum investment amounts for other activities vary depending on the category of investment.

Law 306 and its amendment Law 575 establish different tax benefits for qualifying and approved projects. In general terms, the most important tax benefits are:

- Exemption on import duties and taxes.
- Exemption on sales tax on the local purchase of construction materials and equipment.

• Exemption on property taxes for 10 years, for properties designated for the development of the tourist activity.

• Partial exoneration of income tax.

Nicaragua is a country whose tourism potential has not yet been completely taken advantage of. But thanks to Law 306, which has already approved more than \$2.9 billion in projects, we are confident that Nicaragua will soon become a major tourism destination in both the Americas and the world. ■

Diana Zelaya and Amilcar Navarro are junior attorneys at Garcia & Bodan law firm.

Know a good plumber? Or a good handyman, gardener or electrician?

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