



WRM BULLETIN

World Rainforest Movement



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THE FOCUS OF THIS ISSUE: FSC's PLANTATION CERTIFICATION REVIEW

Since October 2004 the FSC has been carrying out a plantation certification review whose outcome is yet unclear. The WRM has consistently raised its concerns about the social and environmental impacts of certified plantations, highlighting that certification was undermining local peoples' struggles and empowering plantation companies. The outcome of the current review is therefore very important, both for the FSC's credibility and for local peoples opposing large scale tree monocultures. We hope that the information and analysis provided in this bulletin will be a useful input to this debate, both inside and outside the FSC.

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OUR VIEWPOINT

- Plantation certification review process: The future of the FSC at stake

With regards to plantation certification, FSC has reached a crossroads where no less than its credibility is at stake. The internal process for the review of plantation certification is fairly advanced and in September this year the Working Group set up for this purpose will submit its recommendations.

In this respect, it is of interest to note that there are various worrying aspects in this process. On the one hand, since its initiation, FSC has continued to certify vast tracts of plantations. In 2002, when the Assembly decided to initiate the process, 3.3 million hectares had been certified. In 2004 when the review process was finally implemented, the figure had increased to 4.9 million hectares and today, it reaches 7.4 million hectares. Although WRM and other organizations formally requested a moratorium to the certification of plantations until the review process was finalized (see <http://www.wrm.org.uy/actors/FSC/lettermoratorium.html>), the request was rejected.

Of even greater concern is the fact that there is talk of totally eliminating Principle 10 (that expressly refers to plantations). For years now we have pointed out the serious weaknesses of this principle – that enables practically any plantation to be certified – with the aim of substantially improving it (see <http://www.wrm.org.uy/actors/FSC/comments.html>). To consider that its elimination would be a solution – as is the intention now – is, to say the least, astonishing. Furthermore, this would lead to an even greater conceptual confusion, because in this way FSC would definitively be considering that forests and plantations are synonymous.

It should also be noted that the present review process does not address a very important issue: that of the certification firms' vested interests, whose profits depend more on the quantity of hectares certified than on the quality of the certification they are carrying out (see article "The rot at the core of the FSC apple: Vested interest and so-called 'independent certification'").

As evidence of the above, it is illustrative to note FSC and the certification firms' reaction to the publication of an investigation by WRM on four plantations certified in Uruguay (see <http://www.wrm.org.uy/countries/Uruguay/book.html>). Smartwood's reply in addition to adulterating the truth, does not respond to the criticism made in the report (see http://www.wrm.org.uy/actors/FSC/fymnsa_clarifications.pdf). The other firm involved (SGS) prepared a reply which it submitted to FSC but did not make public. Based on the reply of the parties involved in the complaint and without contacting WRM or the author of the study, or launching an internal investigation, the Director of FSC International, Heiko Liedeker, publicly dismissed the report in a statement -issued on July 14, 2006- under the title of "FSC guarantees peace of mind to consumers" (available at: http://www.wrm.org.uy/actors/FSC/Peace_mind.pdf). As authors of this report, we can guarantee that none of these plantations should have been certified.

The attempt at reinterpreting existing criteria - that in fact are not complied with - is also a matter of concern, seeking to adapt the criteria to the plantations and not the other way round (see the comment on criteria 6.3 in article "FSC Plantations Review: Raising the Bar or Lowering Standards?"). In fact, if strict compliance with all FSC principles and criteria were to be a requisite for plantation certification, no large-scale monoculture tree plantation could receive the FSC seal. However, thanks to the "flexibility" of the certifiers, they manage to obtain it in most cases.

Moreover, neither the FSC nor the Working Group seem to take seriously into account the documented evidence on the negative impact of plantations in general and of certified plantations in particular. However, the evidence showing the accumulated impact of the plantations, particularly on flora, fauna, water and society are abundant and show the need to consider the joint impact of all the plantations in a region and not just one in isolation.

Of course it is not up to us to tell the Working Group what it should do. But we can demand that the result of its work serves to ensure fulfilment of FSC's express mandate that all certified operations (be these forests or plantations) are "environmentally responsible, socially beneficial and economically viable." Given that many of the plantations presently certified do not comply with one, two or all of these three elements, it would be appropriate for their recommendations to include:

- the immediate de-certification of the most questioned plantations, whose social and environmental impacts have been sufficiently documented.
- the immediate launching of an independent investigation on all the other questioned plantations
- the implementation of a moratorium on further certification of major plantations until a serious study has been made of whether these large-scale monoculture tree plantations can or cannot comply with the three elements of the FSC mandate.

WRM's position is well known regarding plantation certification by FSC as well as our opposition to the expansion of monoculture tree plantations in general. However, what is important to us in the present review process is that radical changes be introduced to avoid that – unintentionally – FSC should continue to undermine local struggles against companies that have an impact on the environment and on the local communities' livelihoods. We are not concerned about definitions; it is people and their environment that are a matter of concern to us.

If this process does not lead to much stricter requirements for plantation certification, then it will have been useless. This would be a defeat for FSC as it would accelerate loss of support from social and environmental organizations ensuring its credibility. The case of Spain, where organizations are campaigning to convince others to withdraw from FSC (see article below) should be taken seriously into account.

In short, the Working Group is presently facing an enormous responsibility. It can choose to "change something so nothing changes" or it can introduce radical changes in the policy implemented so far. The future credibility of the organization depends on the option it chooses.

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CONTRIBUTION TO THE REVISION PROCESS

- FSC Plantations Review: Raising the Bar or Lowering Standards?

In November 2002, Forest Stewardship Council's General Assembly passed a motion requiring FSC to revise its plantation policy. At the time, an area of 3.3 million hectares of plantations had been certified as well managed under the FSC system.

Almost two years later, FSC launched a Plantations Review at a meeting in Bonn, Germany. By then, the area of FSC certified plantations had increased to 4.9 million hectares.

The Plantations Review consists of two phases: a Policy Phase and a Technical Phase. The Policy Phase is currently drawing to a close. At its fourth meeting in April 2006, the Policy Working Group produced a set of "Draft Recommendations". The area of FSC certified plantations has now reached 7.4 million hectares.

Since November 2002 and the General Assembly motion, FSC has certified an additional 4.1 million hectares. It did so using a draft plantation policy which is "not clear enough and needs improvement", in the words of the motion passed by FSC's members.

At its fourth meeting the Policy Working Group produced a vision of what it would like FSC to achieve in the next ten years. The Working Group describes this vision as "Raising the Bar", implying that as a result of the Plantations Review process FSC's standards will be improved. But the vision and the Working Group's recommendations suggest that little will change for local people affected by industrial tree plantations.

The Working Group suggests that FSC should introduce a "Social Management System" for forest and plantation managers to use "to address social issues in forest and plantation management, which certification bodies would then be able to audit". This proposal overlooks the fact that local communities are sometimes in direct opposition to plantation managers. In some cases, it can be extremely dangerous for them to speak out against plantation companies. To suggest that the plantation managers simply need to refer to a Social Management System is ludicrous.

According to the Working Group, plantation managers are to be responsible for "consultation". FSC's Certifying Bodies are supposed to be able "to determine if consent has been 'manufactured'" and whether "the manager's research into the local community has identified all affected parties". But plantation managers have little interest in uncovering problems with their plantation operations. Meanwhile, determining whether all affected parties have been identified and whether consent has been manufactured could require months and years of study - certainly longer than the few days that FSC's Certifying Bodies spend assessing plantation operations.

Currently if a plantation manager has cleared forest in order to establish plantations since November 1994, then that operation cannot be certified under FSC. There are problems with this, since it does not exclude certification of plantations established since 1994 on grasslands, for example. Raising the bar might include, for example, prohibiting the conversion of grasslands and other ecosystems to plantations.

The Working Group suggests another review to look at conversion, which will consider other ecosystems. However, the Working Group suggests that the review should reconsider the 1994 cut-off date, partly on the grounds that the current system "may exclude responsible managers who had never heard of FSC in 1994 and converted from natural forest to plantation in good faith, but who are now locked out of the certification process."

At the 2004 meeting to launch FSC's Plantations Review, one of the people who questioned the 1994 cut-off date was Arian Ardie, director for sustainability at Asia Pulp and Paper. Obviously APP has an interest in changing this cut-off date. Over the past five years, APP has been responsible for clearing about 450,000 hectares of forest to feed its Indah Kiat pulp mill in Riau, according to WWF Indonesia's Nazir Foad. But in the bizarre world of FSC, APP is a stakeholder, whose views need to be taken into account.

Back in July 2002, Tim Synnott, then FSC's Policy Director, wrote: "FSC P&C [Principles and Criteria] and guidelines are not always clear or precise, leading to different and contradictory interpretations by assessors, managers and FSC members". Four years later the Working Group has not clarified the situation. Instead, in the report of its fourth meeting, the Group states that, "the lack of confidence in FSC certification of plantations, is not because of the structure, nor the content of the P&Cs." The Working Group suggests leaving any changes to the Principles and Criteria to a separate review process.

FSC's Criterion 6.3 states that: "Ecological functions and values shall be maintained intact, enhanced, or restored, including: a) Forest regeneration and succession. b) Genetic, species, and ecosystem diversity. c) Natural cycles that affect the productivity of the forest ecosystem." This Criterion should exclude all industrial tree plantations from FSC certification.

But rather than recommending that FSC's Certifying Bodies should apply this Criterion rigorously, as it is written, the Working Group proposes that it should be interpreted as follows: "An FSC certified plantation will take an active approach to optimising its conservation strategy." This amounts to a serious weakening of the Criterion.

In its vision for FSC, the Working Group hopes to see a "significant demand for certified forest products" within ten years. In the context of a Plantations Review this is an extraordinary statement. Many industrial tree plantations provide raw material for the pulp and paper industry. The Working Group is therefore hoping for a "significant demand" for paper products. This undermines both local struggles against industrial tree plantations and NGO campaigns in the North aimed at reducing the consumption of paper.

Instead of excluding industrial tree plantations from the FSC system, the Working Group is making it easier for such plantations to be certified. The Working Group is not raising the bar, it is lowering standards. In fact it has to do so, if FSC is to stand a chance of meeting the "significant demand for certified products" hoped for in the Policy Working Group's vision for FSC.

By Chris Lang, email: chrislang@t-online.de

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FSC is inviting comments on the Policy Working Group's "Draft Recommendations": http://www.fsc.org/plantations/public_consultation.

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- The rot at the core of the FSC apple: Vested interest and so-called 'independent certification'

As one of its Founder members, I am at least partly responsible for having allowed a fatal flaw to be built into the FSC system when it was established: quite simply put, the so-called 'independent' certification bodies that are accredited to the FSC are not, in fact, independent at all. Having been a close observer of the FSC since it was established, it now seems clear to me that this flaw underlies much of what has subsequently gone wrong – and why we now see so many utterly unjustified certificates being issued to logging and plantation companies that fail to comply with the majority of the FSC Principles and Criteria (P&C).

The problem is that, at present, contracts for certification assessments are arranged directly between logging and plantation companies and the FSC's accredited certifiers. Because of this – and especially because the award of a certificate will ensure future profits for the certifiers from monitoring visits and re-assessments – certifiers have a strong financial incentive to award certificates even when the logging/plantation company does not comply with the FSC's P&C.

Another consequence is that certifiers are effectively competing with each other to show prospective 'certifyees' that they are the most likely to award a certificate – and the way that they do this is by lowering their assessment standards, 'turning a blind eye' to any major problems that they find, or taking a very 'sympathetic' view towards the logging or plantation company under scrutiny. In effect, the accredited certifiers are in a commercial 'race to the bottom' in terms of the rigour of their assessments. This serves to completely undermine the integrity of the FSC system.

The evidence for this is plentiful. For example, four years ago, the Rainforest Foundation obtained internal documentation from one of the accredited certifiers showing that it had deliberately ignored the demands of the entire environmental and social NGO community in Indonesia – who were calling for a complete moratorium on certification – in order to pursue its own "strategic economic interests". This involved, amongst other things, issuing lucrative FSC certificates to at least one company that was self-evidently in gross breach of the P&C (and which, after a protracted campaign, subsequently had to be withdrawn).

In other cases, certifiers' internal assessment systems appear to have been manipulated in order to ensure that the

logging/plantation company under inspection just achieves the 'pass mark' necessary to qualify for a certificate. In other cases still, the supposedly independent 'certification councils', which are meant to oversee the decisions of each of the accredited certifiers, have blatantly ignored the assessors' actual findings or any adverse recommendations, and instead recommended that a certificate be awarded nonetheless – thereby promoting the economic interests of the certification company that, in reality, they are working for.

Through its monitoring and accreditation procedures, the FSC should be dealing with these problems. However, in practice, it cannot and does not. The FSC's legally binding contract with the certifiers prevents it from doing anything that might 'harm the economic interests' of the certifiers. Moreover, some of the 'Big 4' certifiers (SGS, SCS, SmartWood and Soil Association Woodmark) have simply threatened to leave the FSC if it is too strict in applying the rules. No doubt aware of how this would be viewed by its competitors and funders, the FSC has therefore been cowed into complete submission – with the result that it continues to allow totally inappropriate certificates to be issued around the world, including in Brazil, Cameroon, Ecuador, Indonesia, Ireland, Slovakia, South Africa, the USA...

A further consequence of the present structure is that the vast majority of the 'income stream' from certifications is captured by the certifiers, whilst the FSC itself is left permanently short of cash and dependent on donors, who themselves have their own agendas for the organisation.

Of course, the benefit of hindsight is a wonderful thing. But it seems clear that this problem of conflict of interest at the heart of the FSC has to be addressed if any meaningful progress is to be made in making the FSC work for the objectives that most readers of this bulletin share. For example, one has to question the value of putting a lot of effort into the Plantations Review process when, even if P10 is radically improved, the certifiers would be allowed to continue to totally ignore it anyway.

The direct financial link between the certifiers and the logging/plantation companies has to be broken. One way to do this would be for logging/plantations companies to have to contract directly with the FSC Secretariat for certification assessments. The sub-contracts for carrying out the assessments (and subsequent monitoring) could be awarded by the FSC to certifiers on the basis of competitive tenders, with the certifier promising the highest standards of assessment, at the best price, winning the contracts for any given assessment. The present 'race to the bottom' would thus immediately be transformed into a 'race to the top'. Certifiers could be obliged to include, for example, a certain percentage of community forest certifications in their total 'portfolio' in order to be eligible to bid to certify the larger, more lucrative, industrial forestry operations.

The FSC Board would be responsible for commissioning an independent evaluation of a random sample of certifications each year to ensure that the certifiers were fulfilling their contracts – and any that were not would be heavily penalised or have their contractual payments withheld. The FSC Secretariat would charge for its services, thus ensuring a steady income stream and reducing its dependence on external funders.

Of course, the certifiers will fiercely resist these changes – as it would force them to increase the rigour of their assessments. But the choice seems to be simple: either the certifiers' stranglehold on the FSC is broken, or the FSC will continue to slide towards total collapse of its credibility.

By Simon Counsell, Rainforest Foundation, email: simonc@rainforestuk.com. Note: A more detailed briefing and proposal on this matter is available on request from the author.

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- **Brazil: Asking explanations from FSC, Imaflores/Smartwood and Aracruz**

On June 1st, 2006, the Seminar on "The Rights of Indigenous Peoples and the Advance of Agribusiness: issues and challenges" took place in the town of Vitória, Espírito Santo, Brazil. The Seminar gathered the Tupinikim and Guarani communities and also other communities affected by large-scale monoculture tree plantations, in addition to various sectors of civil society in the State of Espírito Santo, for a thorough reflection on the subject.

They discussed the complete lack of suitability of the present development model which follows the expansion in Brazilian rural areas of large-scale monoculture plantations, such as eucalyptus, pine, soya and sugarcane. The reform of this model is urgent –they claimed- beginning with the financing of productive activities on totally different bases, giving priority to life, to diversity and to the people and communities affected by large-scale monoculture tree plantations, especially women who are those who most suffer from these impacts.

At the meeting, the case of Aracruz Celulose, that tried to get the FSC certificate in 1999 for its eucalyptus plantations in the state of Bahia, was highlighted. At that time a strong and massive mobilization of organizations, communities, movements and citizens prevented Aracruz from succeeding in obtaining the certificate. The company then 'purchased' this certificate when, in 2003, it acquired about 40,000 hectares from the Riocell company in the State of Rio Grande do Sul, which had its plantations certified by the FSC in 2001. However, action by the Tupinikim and Guarani before the International Secretariat of the FSC led the company to announce that they had 'demanded the canceling of the FSC-certificate' themselves.

Aracruz, though, went unpunished and local communities question how it was possible that for around two years the company succeeded in maintaining in the region where it operates a certificate that demands respect for the rights of indigenous peoples and their lands, while in another region where it is active it violates these same rights.

They now demand "a necessary explanation about what happened on the part of the involved parties:

1. FSC – Why did FSC allow Aracruz to bear the FSC-certificate since 2003 while it was occupying indigenous lands? Why was it that FSC did not act after the indigenous communities self-demarcated their lands in May 2005, and after they were violently evicted from two villages in January 2006, when the Guest House of Aracruz was used as Federal Police Headquarters and as a police station where two Indians were kept prisoners for several hours? Does FSC believe that such a company deserves this certificate for even one day?
2. Aracruz Celulose – if the company is publishing the news that there had never been Indians on their lands, if it affirms, with such conviction that it legally bought its lands in Espírito Santo, including those which are indigenous, why did the company decided to desist from the FSC-certificate?
3. Imaflora/Smartwood – Why is it that Imaflora/Smartwood did not study the Aracruz Celulose Company when it bought up the Riocell company? Why did it allow Aracruz to hold the certificate for about two years while occupying indigenous lands in Espírito Santo, even though there was much public information about the issue on the Internet?

We expect public explanations from the three actors involved in this issue. And we hope that in future FSC will no longer give permission for the certification of forest management units of companies which violate human rights and/or jeopardize local communities, be these indigenous, quilombolas, fisherfolk or peasant communities. The time has come for FSC to promote good diversified forest management with benefits for all. For this purpose FSC has an excellent opportunity at its disposal with the current international review process on the certification of tree plantations."

Excerpted from the open letter "The harshness of capital against life --but Aracruz Celulose lost the FSC-certificate!", issued by the Alert Against The Green Desert Movement", on 4th July 2006 (at http://www.wrm.org.uy/countries/Brazil/Open_Letter_Aracruz.html). For more information on Brazil's FSC Review Process, see "Documento para o Grupo Internacional de Revisão dos Princípios e Critérios do FSC para plantações

de árvores" (in Portuguese, at http://www.wrm.org.uy/paises/Brasil/Carta_Revisao_FSC.pdf)

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- Certified plantations in Uruguay: Can the FSC really guarantee peace of mind to consumers?

In March 2006, the WRM released the publication "*Greenwash: Critical analysis of FSC certification of industrial tree monocultures in Uruguay*" (see at <http://www.wrm.org.uy/countries/Uruguay/book.html>). The report addressed the four main certified plantation companies and included a very detailed critique of the certifiers' reports, complemented with interviews with workers and people from local communities in the vicinity of the plantation areas. The report concluded that none of those plantations comply with FSC's mandate because they are not managed in an "environmentally appropriate, socially beneficial or economically viable" way.

The two certification companies involved (SGS and Smartwood) reacted to the report by sending their response to FSC. Based on that "evidence", the FSC disseminated a statement titled "FSC guarantees peace of mind to consumers" (see at http://www.wrm.org.uy/actors/FSC/Peace_mind.pdf). Heiko Liedeker, Director of FSC International, is quoted as saying that "Reading the certification body's reports it is apparent that some information in the WRM report was based on misunderstandings or in some cases presented out of context" and ends promising that "Consumers can count on the FSC system as a guarantee for good forest management".

We honestly believe that by acting in this way, the FSC is missing a good opportunity for change, particularly in the context of the current plantation certification review the organization is working on. The WRM report is in no way "based on misunderstandings" or presenting anything "out of context"; it is based on facts.

Unfortunately, much as we would like to, we cannot comment on SGS's response, for the simple reason that the document they presented to FSC is not publicly available. We can however comment on Smartwood's (available at http://www.wrm.org.uy/actors/FSC/fymnsa_clarifications.pdf), which states that "The WRM report findings related to stakeholder interaction do not agree with SW's records or information on numerous elements." In this respects, Smartwood provides the following information:

"The WRM report states that the head of a local workers union (Jose Bautista) indicated to SW his perspectives on FYMNSA certification and SW ignored them ("lo que dije a SmartWood sobre la certificación de FYMNSA no lo tuvieron en cuenta para nada" y que "luego que vino SmartWood a los pocos días había un gran cartel de la certificadora en las oficinas de la empresa"). ["everything that I told SmartWood with regard to the certification of FYMNSA was completely disregarded." Meanwhile, after SmartWood came to assess FYMNSA's operations, "within a few days there was a big SmartWood poster hanging in the company's offices"]. We would clarify the following: SOIMANORPA, which Mr. Bautista heads up, was established in 2003. He was never interviewed during the initial assessment of FYMNSA simply because this organization did not exist at the moment. He was interviewed during subsequent assessment of another operation, Villa Luz, where he met with SW auditors Jacques Boutmy and Rolyn Medina. During that meeting he indicated that, from his perspective, WRM was not up to date on actual social or worker realities of operations in the field. He also indicated that FYMNSA was a leader in allowing the workers union to interact with FYMNSA workers, that his union maintains constant and very open communication with FYMNSA."

That is Smartwood's version, which apparently Mr Heiko Liedeker believes to be true. I spoke on Thursday, 20th of July with Mr Bautista and asked him if he agreed with the points raised above by Smartwood. His answer was: "It's all false" ("es todo falso"). Mr Bautista is a very well organized person and keeps record of all he does. He was therefore able to track the meeting quoted above with Jacques Boutmy and Rolyn Medina, and discovered that it took place on 20 October 2004, well before WRM had even thought about carrying out this research!

I asked him more specifically on whether in his view "FYMNSA was a leader in allowing the workers union to interact

with FYMNSA workers". Once again he replied: "it's false". With reference to SW's statement that "his union maintains constant and very open communication with FYMNSA", Bautista explained that even though the company receives the union, that's just a mere formality. And added: "three days ago I was interviewed in Rivera [the capital city of the province where FYMNSA is based] by TV Channel 6 and by four local radios and I said that the company was violating labour rights and that it should have never been certified. Maybe that's the reason why Smartwood has reacted in this way".

In its report to FSC, Smartwood adds that "FYMNSA has now hired an External Labor Auditor to ensure compliance with labor laws, regulations and procedures for all staff and contractors. This auditor sends monthly reports to FYMNSA on these issues, including corrective action requests (CARs)."

I also asked Mr. Bautista about this and he replied: "I don't know anything about that". One might think that the union leader with which apparently FYMNSA maintains such a good communication would be the first person informed about such good news. Unfortunately, this is not the case.

Even worse, Mr Bautista explained at length the present very conflictive situation resulting from the company's violation of labour regulations and sent me in writing a summary of the main points of the conflict (see http://www.wrm.org.uy/actors/FSC/Letter_Batista.html). Contrary to what Smartwood's response seems to imply, the document ends stating: "Dialogue with the Union still exists but the reverting of FYMNSA's breaches of labour legislation and respect for trade union organization and workers has not been achieved."

Even without taking into account all the other environmental and social impacts detailed in the WRM report, the above is sufficient to emphasize that in this case –where labour rights are being violated- the FSC cannot seriously pretend it can "guarantee peace of mind to consumers".

By Ricardo Carrere, World Rainforest Movement, author of the report mentioned in this article. E-mail: rcarrere@wrm.org.uy

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- The power of corporate groups. The case of the local Ecuadorian FSC

Ecuador is a country with one of the highest rates of deforestation in the world. In this process various actors are involved, not only the major timber companies that typically carry out both lawful and unlawful timber extraction activities, but also companies undertaking deforestation to install vast monoculture tree plantations, ranging from African palms to pine and eucalyptus.

In order to appease world opinion that has become aware of these problems and rejects them, the market has found a solution: certification. It is thus that today in Ecuador both projects causing major environmental impacts as well as very destructive companies now have FSC certification, as is the case with the PROFAFOR del Ecuador S.A.'s large scale monoculture tree plantations for carbon sinks and the ENDESA and BOTROSA industrial tree plantations.

The national group legally recognized by FSC in Ecuador is the Ecuadorian Council for Voluntary Forest Certification (Consejo Ecuatoriano para la Certificación Forestal Voluntaria -CEFOVE). As is the case with FSC, it comprises environmental, economic and social chambers. The presidency of the Board of Directors of CEFOVE regularly rotates among each of the three chambers and in theory power of decision is equitably spread among the three chambers. However, no measures have been taken to ensure that the members of the chambers really occupy their corresponding posts and it is thus that various irregularities exist in addition to arbitrary action undertaken by the logging companies of the Durini Group (Setrafor, Endesa, Botrosa, Acosa) and its lobbying organizations: Fundación

Forestal Juan Manuel Durini (FFJMD), Corporación de Manejo Forestal Sustentable (COMAFORS) and Asociación Ecuatoriana de Industriales de la Madera (AIMA). Furthermore, the economic chamber is totally dominated by the Durini Group which, through membership of four of its companies and two of its lobbying organizations, holds the absolute majority of votes in the chamber.

As an example, PROFAFOR del Ecuador S.A., responsible for generating and negotiating carbon bonds on the stock-market is involved in the environmental chamber, when in fact its place should have been in the economic one. The other members of the environmental chamber have protested but PROFAFOR has refused to change. In 2006 the presidency of CEFOVE corresponds to the environmental chamber and PROFAFOR has been appointed as its president. Last year Juan Carlos Palacios from COMAFORS was president on behalf of the economic chamber, which means that for two consecutive years economic groups have predominated.

Furthermore, the coordinator of CEFOVE works half time at CEFOVE and the other half time in the office of the National Forestry Director in the Ministry of the Environment. This situation leads to a serious conflict of interests and the possibility that the Ministry of the Environment's public interests can influence CEFOVE policy and vice-versa.

Mid-2005, Acción Ecológica and WRM published the book "Sumideros de Carbono en los Andes Ecuatorianos" (Carbon Sinks in the Ecuadorian Andes), a thorough study on the impact of PROFAFOR plantations. However, the study has not been addressed by the members of CEFOVE and no comments have been formulated regarding the question revealing that the granting of certification to these monoculture plantations ought to be impossible. On the contrary, the election of PROFAFOR to the presidency of CEFOVE's Board of Directors can only be explained as institutional endorsement for this very debatable company.

The economic chamber now holds the power in CEFOVE, a fact that was clearly reflected when in 2005 the Federation of the Ecuadorian Awa Centre (Federación del Centro Awá del Ecuador - FCAE) (a member of the environmental chamber) lodged a complaint against Setrafor, Endesa/Botrosa (members of the economic chamber) and against Plywood Ecuatoriana and CODESA (indirectly members of CEFOVE through membership of COMAFORS and AIMA). The complaint involved the invasion of their territory and their forests legally recognized as the Ancestral Awa Settlement's Ethnobotanical Reserve, causing serious environmental and social damage within the Awa territory and immediately surrounding areas considered as the buffer zone, and for removing trees without the corresponding permits from FCAE legal representatives.

Ironically, in this case it was FCAE that ended up by being challenged for denouncing one of the members of CEFOVE. No measure was adopted to halt the timber companies. On the contrary, CEFOVE resolved that "SETRAFOR, CODESA and PLYWOOD do not have absolute control over the procedures and attitudes of their employees and contractors in the field." Worse still, Endesa/Botrosa, with the endorsement of CEFOVE received FSC certification this year, issued by the GFA Consulting Group for its monoculture tree plantations. This certificate wipes off the board the record of 40 years of violation of Human Rights of the local peoples and systematic environmental degradation by the Durini Group companies. The vast international market is now open to one of the companies that does the most to destroy Ecuadorian primary forests.

However, CEFOVE's lack of credibility has become evident with the recent resignation of FCAE and the Altropico Foundation, one of the founding and promoting members of this initiative. Jaime Levy, its executive director in his public letter sent to the members of FSC and CEVOFE on 13 July 2006 explains that: "We consider that it is impossible to continue sharing a space where the objectives are framed in achieving better environmental forest management, true respect for its owners and an equitable sharing of economic benefits from forestry operations, with members such as COMAFORS and companies producing plywood, who to our way of thinking are responsible for the almost complete disappearance of the Choco forests of Esmeraldas". "This Heritage belonging to Ecuadorians and to the world is now seriously threatened by the action of these companies and in spite of their discourse on conservation and sustainable management of the remaining forests and in spite of being members of CEFOVE and FSC, what we

have seen over the past few years in the north of Esmeraldas is a completely different situation. And presently exploitation with heavy machinery in the remnant forests continues at a fast pace and with scant control by the Ministry of the Environment.”

The certified plantations in Ecuador are a sample of the system’s shortfalls. It is in the hands of economic powers that dominate the Ecuadorian FSC group – CEFOVE. Its enormous power and influence is detrimental to the local inhabitants and to the need for forest conservation.

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RESEARCH ON CERTIFIED PLANTATIONS

Over the past few years, WRM has coordinated research with local organizations from several countries in Africa, Asia and Latin America to document the impacts of large scale tree monocultures on people and nature (see at <http://www.wrm.org.uy/publications/index.html#books>). Some of those case studies included certified plantations, while one was entirely focused on FSC-certified plantations (Uruguay). This section of the bulletin includes short summaries of the case studies, providing evidence of problematic certifications.

- Brazil: Certification of V&M and Plantar plantations

The Alert against the Green Desert Movement is a broad network of opposition to the expansion of large scale eucalyptus tree plantations in the region which covers the States of Minas Gerais, Espírito Santo, Bahia and Rio de Janeiro and Rio Grande do Sul. Its existence and struggles arose from the proven social and environmental impacts of these plantations, some of which presently enjoy FSC certification.

A team from this Network took part in a case study carried out at the end of 2003 (Certifying the un-certifiable. FSC certification of tree plantations in Thailand and Brazil” (<http://www.wrm.org.uy/actors/FSC/text.pdf>) and investigated the plantations of V&M and Plantar S.A. Reflorestamentos, certified by FSC through the certifying bodies Société Générale de Surveillance (SGS) and Scientific Certification Systems (SCS).

V&M owns 235,886 hectares of land in the State of Minas Gerais, distributed among 25 properties of between 1,000 and 36,000 hectares. Plantar is the owner of some 15 rural properties totalizing 280,000 hectares.

The study observed that some of the certified plantations occupy lands by encroaching on their originating inhabitants, thus undermining the struggles of the local peoples to recover their lands. Other disputes were also identified between small farmers and the companies regarding the use of agrochemicals, blocking of roads or the alteration of access to and management of water resources.

In Brazil, FSC certification has also seriously undermined workers’ rights: “Nothing can excuse SGS’s and SCS’s absolute silence, in their Public Summaries and annual monitoring reports, regarding the serious labour problems in V&M’s and Plantar’s certified forestry management units, especially given the prominence of the issue in local political discussion and the Minas Gerais press and on television. Sub-human labour conditions, excessively long working hours, child labour, illegal outsourcing, subjection of workers, irregular transportation, unhealthy and degrading work, blacklisting of worker leaders, lack of freedom and lack of union autonomy – all this has been the subject of innumerable articles in the regional mass media as well as public debates in several municipalities and the state and

federal parliaments.”

Restoring lands planted with monoculture tree plantations back to forests is no easy task, either politically or practically. In the case of certified plantations, the difficulty is even greater and certification becomes a tool which the plantation owners use to confront the local communities.

The Brazilian case study also documents how eucalyptus plantations – including those of the two certified companies – have been one of the major causes of destruction of the native cerrado vegetation. As a result, local communities have been deprived of sustainable means of livelihood. For the purposes of FSC certification, it may matter little that the plantation companies burned this cerrado for the sake of charcoal and eucalyptus plantations, since the destruction took place before November 1994. Nevertheless, “the impact of the destruction of the biome is felt up to today, mainly by the local people who lost much of their flora, fauna and water and suffered the consequences of the application of agrochemicals. Far from protecting what native vegetation remains, the thousands of hectares planted with eucalyptus ended up becoming a hazard.”

The study contends that the economic and social benefits of products such as charcoal for steel production or timber for paper pulp production are “small compared with the negative social impacts of the associated industrial plantations on the lives of workers and the negative socio-economic impacts on the life of local communities.”

An issue related with the certification process as a whole should also be noted, namely the irregularities in the certification process that have led to non-observance of FSC criteria and to the influence of the certifying organizations’ vested interests. The study concludes that V&M and Plantar’s forestry management infringes national and international legislation, such as some of the International Labour Organization’s treaties. Regarding environmental legislation, V&M and Plantar have failed to observe the resolution requiring that enterprises of their size must obtain permits through the submission of an Environmental Impact Assessment.

The report also documents the fact that V&M and Plantar do not fulfil some of FSC criteria as the majority of the plantations were established on lands covered by native “cerrado” vegetation. They contributed to destroy this threatened biome, simultaneously causing social, environmental, cultural and economic prejudice.

The FSC prides itself on its attention to social issues. Consultation with local people, communities and organizations lies at the core of its credibility. However, in the case of Brazil, consultation has been lacking. The Public Summary for V&M enumerates various “interested parties” with which, according to SGS, “meetings and discussions were held”, but does not comment on the results of these meetings and discussions. Trade union members mentioned in the list of “interested parties” supposedly consulted by SGS deny that they were consulted during the certification process in 1998.

Furthermore the services of the certifying firms are paid by the companies wishing to obtain certification. This gives the firms a strong incentive to grant quick certification, without imposing too many conditions or monitoring the fulfilment of FSC criteria in a strict way.

Finally, the reports by the certifying organizations regarding the plantations owned by these companies lack a careful analysis of the socioeconomic universe in the places where they have been established and have not been placed in context. The reports reflect the fact that the auditors made a subjective interpretation, ranging from the selection of content and priority items in their study, to the selection of less critical interlocutors. They made field visits oriented by an extremely narrow interpretive horizon, ignoring the territory’s temporal and spatial references.

The conclusion of the study is that: “after having assessed the certification of Plantar S. A. and V&M, we can state that any such consumer certainty would be sadly misplaced.”

- Ecuador: Zero community benefits from FACE PROFAFOR certified plantations

In 1999, the FACE Forestación del Ecuador S.A. programme, known as PROFAFOR, hired the Swiss certification firm SGS-Société Générale de Surveillance to assess the forestry management of 20,000 hectares of its monoculture tree plantations in the Ecuadorian Andes. In 2000, SGS granted a certificate to PROFAFOR's plantations for absorbing carbon dioxide emissions (this was the first case in which storage and uptake of carbon dioxide were certified in tree plantations and not in real forests), and in December 2000 granted the Forestry Certification Seal accrediting that PROFAFOR fulfils "FSC Principles and Criteria."

What is FACE-PROFAFOR? FACE (acronym meaning Forest Absorbing Carbon dioxide Emissions) is a Dutch Foundation that was established in 1990 by the Board of Management of the Dutch Electricity Generating Companies, N.V. Sep, with the initial objective of establishing 150,000 hectares of tree plantations to compensate for the emissions from a new coal fired electricity generation plant to be set up in the Netherlands. The new project was to represent millions of tons of carbon dioxide released into the atmosphere. Due to the costs involved, they turned to the establishment of tree plantations in developing countries. This is how FACE came to Ecuador where it established the FACE Forestación del Ecuador (PROFAFOR) programme, and funded the PROFAFOR del Ecuador company to establish monoculture tree plantations of exotic species (pine and eucalyptus) to "store" atmospheric CO₂.

Following the serious negative environmental and social consequences generated by the establishment of the tree plantations, in 2005 the Ecuadorian organization "Acción Ecológica" carried out a research, resulting in the report "Carbon Sink Plantations in the Ecuadorian Andes. Impacts of the Dutch FACE-PROFAFOR monoculture tree plantations' project on indigenous and peasant communities", available at <http://www.wrm.org.uy/countries/Ecuador/face.html>

The field work identified that - in addition to not guaranteeing economic, social and environmental benefits to the communities under a certified forestry project - in the case of the indigenous communities in the Ecuadorian Andes, FSC Certification has led to a situation which is precisely the contrary, insofar as the communities find themselves obliged to absorb the costs of the project as well as its impacts.

Additionally, with certification FACE PROFAFOR has improved its image and managed to make the negative impacts generated by the project invisible. The local communities affected by certified projects must face the force and weight of the "Green Label" which deprives their struggles and claims of credibility.

The report has identified what PROFAFOR obtains from the communities: land, labour and money.

Under the terms of the contracts signed, FACE does not pay any kind of rent for the community-owned lands where the "Carbon Intake and Storage" that it is negotiating on the international market, takes place. FACE PROFAFOR keeps 100 per cent of the Rights for Absorbing Carbon while it requires that the communities do not use these lands for any activity other than maintenance of the carbon sink during the 25-30 years duration of the contract.

Furthermore, the project's offer to "generate employment" is fictitious. Indeed, the communities have to absorb the negative impact of the project as, in order to comply with the FACE PROFAFOR contract, on occasions they have had to resort to hiring people from other places, either because they do not possess the necessary skills to carry out certain jobs in conformity with technical specifications or because the plantations are located in places of difficult access and subject to extreme climatic conditions.

Regarding money, out of the figure originally offered to the community, over the first three years PROFAFOR deducts

the “cost” of the plants and technical assistance it provides. In addition to the communities receiving almost half of what was initially offered, the contracts oblige them to use the resources provided by FACE exclusively for the Plantation Contract, but these resources are generally insufficient to cover the communities’ expenses in completing the establishment of the plantations.

Additionally, the contracts ban activities such as grazing. In many cases this implies that the families owning cattle have to rent land for their animals, an expense that previously did not exist. Sometimes due to lack of grazing land they have to reduce their heads of cattle.

To improve its image, FACE alleges that its activities are carried out on degraded lands and at altitudes where agriculture is impossible and where grazing is not profitable.

The true situation is very different. FACE introduces pine plantations in primary ecosystems, not on degraded lands. The plantations are established in a very fragile ecosystem, of great hydrological importance: the Paramo, fundamental for the regulation of regional hydrology and a source of water for most of the population in the Andes. The great amount of organic matter enables these soils to retain much water. The implantation of alien tree species in the Paramo does NOT favour ecosystem stability. On the contrary, it transforms and damages the fragile soil structure, causing serious cracking due to the changes in the water regime. It also affects the flora and the fauna and determines that the plantations have a poor yield, which finally leads to prejudicing the carbon sequestering it intends to achieve.

Eight years after launching its activities, FACE obtained FSC Certification. It was of scant relevance that to establish its plantations primary systems were destroyed, nor did it matter that no measures to mitigate the impacts generated by the project were demonstrated.

Summing up, FSC Certification in the FACE PROFAFOR plantations in Ecuador does not guarantee that the communities “benefiting” from the project receive economic, social or environmental benefits. Rather it shows a considerable – and questionable – “flexibility” in the application of FSC Principles and Criteria.

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- South Africa: Research views FSC certified tree plantations as a legacy of apartheid

In South Africa, a thorough research carried out by John Blessing Karumbidza --“A Study of the Social and Economic Impacts of Industrial Tree Plantations in the KwaZulu-Natal Province of South Africa”, available at <http://www.wrm.org.uy/countries/SouthAfrica/book.pdf> -- has identified a host of damaging economic, social and environmental impacts of monoculture tree plantations affecting local communities, water resources and ecosystems.

The introduction of industrial tree plantations in the country witnessed in the 1980s a new wave led by timber companies Sappi and Mondi, both with FSC certified plantations: Mondi Business Paper, with 399,068 ha, and Mondi Millennium Newsprint with 48,530 ha, both through the FSC-accredited certification company SGS; and SAPPI Forests Group Scheme with 76,041 ha, and SAPPI Forests with 383,164 ha, both through the FSC-accredited certification company Soil Association Woodmark (SA).

The growing of large scale monoculture tree plantations was possible thanks to artificially low input costs, especially wages and land acquisition, as well as generous subsidisation of and provision by the government at that time. As a result, two processes were put in motion: the hastening of rural capitalist relations and the intentional use of trees as landscape modifiers. This development took place within the framework of segregation and apartheid policies that have been instrumental to determine the racial and spatial nature of South Africa’s agrarian landscape. Since the first

democratic elections in South Africa in 1994, the primary initiative of the industrial tree-growing sector has entailed two particular strategies: the establishment of out-grower schemes promoted as social or corporate responsibility or as employment creation schemes, and the attempt to bring on board a BEE (Black economic empowerment) component into the existing asset structure of the major industrial tree-growing companies. However, it is becoming increasingly clear that these programmes have failed to ameliorate the ever-increasing list of negative social, economic and environmental impacts of the industrial timber plantation sector's activities.

Timber industry plantations have displaced people from their original homes disrupting traditional livelihood mechanisms and replacing rich and diverse grasslands with a checkerboard of plantations and fields. Soil and water are being polluted by insecticides, herbicides and other chemical contaminants used in timber plantations including fuel and engine oil spilt from vehicles and chain saws. Plantation trees also change soil pH and all plantation tree species used by the industry invade river-courses, forests, grasslands and wetlands, necessitating the use of more polluting chemicals and fuels for their eradication. Plantation workers are seldom provided with adequate safety equipment and are exposed to the fumes from spraying pesticides and heavy plantation vehicles.

However, and despite the problems with industrial tree plantations in South Africa, an area of 1.665.418 Hectares is certified by the Forest Stewardship Council as being well managed.

The case of the SiyaQhubeka Consortium, certified by SGS, is mentioned by the FSC as "changing the paradigm of plantation management" (FSC no date). However, the referred study reveals that the joint venture group called SiyaQhubeka is more a Mondi partnership with government (sharing 90% between them) rather than a genuine empowerment deal. There is also no definite time frame put in place for the transfer of Mondi's shares to the community, and this transfer will come as Mondi's initiative rather than of the community or government.

It was agreed upon transfer that, wherever possible "local communities and black South Africans are given opportunities to benefit from the industrial activities of the company". Much of the timber grown by the state South African Forestry Company Limited (SAFCOL) was unsuitable for Mondi's pulping needs, as it was largely pine and mostly in saw-log rotations. Instead of investigating alternative land uses that could direct SiyaQhubeka towards developing agri-forestry, the land cleared of pines is being quickly converted to eucalyptus, a task that will take five years to complete. The unplanted areas are also being planted to eucalyptus, without the option of any alternative land use.

SiyaQhubeka controls three separate land holdings. St. Lucia plantation in the north has 12,550 ha planted. It runs along the western border of the Greater St. Lucia Wetland Park and is entirely enclosed within the park game fence. The reasoning behind this was to allow elephant, buffalo and rhino access to SiyaQhubeka's plantation lands, including 2,171 ha of unplanted areas. North of Richards Bay is the KwaMbonambi plantation which has 6,257 ha of trees and 1,516 ha of unplanted areas. To the south of Empangeni, is the Port Durnford plantation (3010 ha) with 947 ha of unplanted areas. Altogether SiyaQhubeka has 21,817 ha of timber plantations, and 4,634 ha of land not planted to industrial plantations. The unplanted areas are mostly roads, servitudes, service areas, firebreaks and unplanted slopes or wetlands.

In making the decision to award the deal to SiyaQhubeka, the Department of Water Affairs and Forestry (DWAFF) emphasised that local community members in the three areas where the plantations are found, namely Mtubatuba, KwaMbonambi and Port Durnford, would be sub-contracted to provide services. The key activities around which contracts are sourced are planting, slashing and clearing bush in the plantations and, to an extent, clear felling. Felling trees has recently become increasingly mechanised with the industry acquiring integrated machines that cut, strip and stack the logs, making them ready for loading. Felling is one of the most labour intensive and expensive processes. By mechanising this stage of the timber management process, this limits the potential for job creation in the sector. It is not surprising that the only community contractors that are operational in the former SAFCOL plantations are only involved in planting and cleaning plantations. These are processes that do not require heavy capital investment. In

many of the contracts, the workers actually use their own tools. Examples of these include Umbonambi Forestry Services (UFS), which was awarded the contract to plant SiyaQhubeka's eucalyptus trees at KwaMbonambi plantation. UFS employs only 17 people with one supervisor and expects its team of workers to plant at the rate of 6 ha per day. In the Mtubatuba plantation, Thalaku, a joint ownership contractor of three entrepreneurs from the Khula Village in Dukuduku, is involved in slashing and clearing undergrowth in the plantations. Thalaku employs in the range of 40 to 45 people depending on the size of the contract. It also contracts to undertake pine sapling removal from the St. Lucia Eastern Shores area that is being rehabilitated for conservation purposes.

The author of the study concludes that "in fact FSC is certifying a legacy of apartheid."

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- Swaziland: Impacts of Mondi Peak plantations certified by FSC

About 9% of Swaziland is now under timber plantations (eucalyptus, pine and acacia). In December 2004 Wally Menne, a member of the South African Timberwatch Coalition made public his research: "Timber Plantations in Swaziland: An investigation into the environmental and social impacts of large-scale timber plantations in Swaziland" (available at <http://www.wrm.org.uy/countries/Swaziland/Plantations.pdf>).

Menne's study also covers the certified tree plantations of Mondi Forests (a subsidiary of the giant Anglo-American Corporation), which operates in Swaziland through its associated company Peak Timber Ltd, and its South African owned sister company Mondi Timber.

Mondi Forests (also known as Mondi Peak) owns almost 32,000 hectares of land at the village of Pigg's Peak, in northern Swaziland, of which about 20,000 hectares is under plantations (about 90% of the plantations in the Pigg's Peak area). These consist of nearly 6,000 hectares of pine and 14,000 hectares of eucalyptus and there is a small area of about 30 hectares under Blackwood Acacia. Most of the eucalyptus is exported for pulp production and about 75% of the pine is exported. Over the past ten years there has been a systematic conversion from pine to eucalyptus, which is believed to deliver greater returns due to the quicker rotation, and now makes up 75% of the Peak plantations.

FSC certification of the Mondi Peak plantations was first awarded in 1996, as part of the Mondi owned plantations in South Africa. From the FSC website, it appears Mondi has no certified plantations in Swaziland, because they are included in the total area certified for Mondi in South Africa. The certification is reviewed every 5 years and will come up for review again in 2007. Annual inspections are conducted by FSC-accredited certification company SGS.

The field research tried to determine whether those tree plantations had benefited the local communities, and what follows are some of the answers received:

Nhlanhla Msweli, from the social organization Swaziland Campaign against Poverty and Economic Inequality (SCAPEI), recalls that around 1997 there were major retrenchments in the timber industry --including Mondi. Economic hardship was raised as the reason for reducing staff, but at the same time the work was "outsourced" to contractors, who were often ex-employees who had been assisted in establishing their own "contract businesses". This has led to an extremely competitive labour market. Outsourcing of activities by companies has not benefited many people, because it is really a way of passing on risks and costs to the new companies that are established. When they eventually fail, and investments made with retrenchment payouts are lost, poverty becomes greater.

Mrs Duduzile (Matilda) Zwane, a School Principal of the Primary School of Ekuthuleni (Mondi Peak main sawmill worker village), held a negative view of timber plantations. She believed that the community had not benefited much

from their establishment, either from the point of view of people working in the industry or living in the area. Labourers received low pay although some rations were also received. There had been a strike at the sawmill recently and while the strike was in progress an accidental fire, started by a spark from a welding machine, had ignited sawdust and caused serious damage to the mill. Although the strike had ended, workers were retrenched afterwards. The sawmill was to be upgraded and new technology equipment would be installed. It was an issue that the company used big machines to do work instead of giving more jobs to people.

There was very little done by the company to help the community. Only bona fide employees and their direct family could use the Mondi health clinic facilities. Others had to use the government hospital at Pigg's Peak. The poverty in the community was causing young girls to become prostitutes. They would accept as little as 2 Emalangeneni (One US Dollar is equal to 6 Emalangeneni) for sex, usually from older men who had jobs at the mill. She added that most girls in the area became pregnant before they reached the end of Standard 5 (the seventh year of school).

No bursaries were offered, and assistance with building a community church had not been forthcoming. The school was in desperate need of more classrooms and teacher accommodation. There is no playground at the school and the roads in the village are in a very bad state. The general condition of workers homes is very poor.

Mrs Zwane stated that she had noticed that rivers in the timber growing areas had dried up over the years. She could remember places where people could swim when she was a child, that are now dry.

The above is in line with what Rex Brown –from Environmental Consultancy Services- replied during the research. He stated that the establishment of the three main plantations in the country (Shiselweni, Usutu and Mondi) happened with little consideration given to their short and long term impacts on the environment, livelihoods, water and pollution. Regarding water, Brown said that the plantations appear to act as sponges and partially as a result of their species composition, absorb great quantities of water that is not released into the rivers and streams. This combined with ever increasing water demands within the catchments, leads to annual shortages of water.

As a final conclusion the author of the study says: "The plantations in the Pigg's Peak area could at best be described as very poorly managed, and at worst – absolutely disgusting. It is unbelievable that these plantations that in some areas are a totally unmanaged mix of species, heavily infested with alien invader plants, could have been given FSC certification."

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- Uruguay: Four companies that should not be certified

In 1987 legislation was adopted that implied the promotion – by means of tax exemptions and subsidies – of large-scale monoculture alien tree plantations (mainly eucalyptus and pine) for export. It is thus that the country up till then based on agriculture and stock raising, started to convert part of its fertile grasslands into "green deserts" which presently cover over 700,000 hectares.

Concurrently, increasing opposition to monoculture eucalyptus and pine plantations took place. This opposition was partly the result of years of campaigns and concrete condemnations by local environmental, social and trade-union organizations who have been documenting the impacts of this "forestry" model. However, "credit" also goes to the forestry companies themselves, as their plantations have proven to have the negative impacts predicted by civil society organizations, while the companies' social practices have left much to be desired.

In 2001 the Forest Stewardship Council – FSC entered the picture, certifying 5,000 hectares of plantations owned by Industrias Forestales Arazati (through the SmartWood certifier). For those familiar with the company and its long track record of environmental destruction (desiccation of wetlands) and anti union policy (including threats to shoot

Woodworkers Union representatives off the premises), it was clear from the start that if this particular company could be certified then all the others would be as well. And this is in fact what has happened. One after another, the companies requesting certification have obtained it, but the negative impacts continue and worsen as monoculture tree plantations – certified or not – grow to cover increasingly larger areas of land in different points of the country.

In August 2005 seven companies in Uruguay had plantations certified by FSC, with a total certified area of 133,711 hectares. Out of these, five had plantations covering areas over 5,000 hectares, while two were small plantations (31 and 184 hectares respectively). Regarding the origin of the capital, two were foreign (the Finnish company COFOSA and the Spanish company EUFORES) and the remaining companies were national. Five were certified by SGS Qualifor, while the other two were certified by SmartWood (Rainforest Alliance).

Field work carried out by WRM at the end of 2005 and published in March 2006 (“Greenwash: Critical analysis of FSC certification of industrial tree monocultures in Uruguay”, <http://www.wrm.org.uy/countries/Uruguay/text.pdf>), describes the main certified companies in Uruguay (EUFORES, COFOSA, FYMNSA, COFUSA) and reaches the conclusion that none of four companies examined complies with the explicit mandate of FSC which sets out that “The Forest Stewardship Council promotes environmentally responsible, socially beneficial and economically viable management of the world’s forests”[sic].

In WRM Bulletin No. 104, we made reference in our article on Uruguay to the results of the study. The serious negative impacts on water, flora – particularly affecting grasslands, the country’s main ecosystem and basis for agriculture and animal husbandry production – fauna and landscape reveal that the certified plantations do not fulfil the conditions of “environmentally responsible” natural resource management.

Furthermore, the promotion of monoculture tree plantations has led to various trends. Company benefits from the forestry model are optimized under a latifundium system with an increase in the purchase of vast tracts of land – mainly by foreign companies. In turn this is an activity which excludes other productive activities because of the negative impacts it causes, thus contributing to rural migration. And employment promoted under this system is unstable, seasonal and outsourced. All these circumstances go to demolish the “socially beneficial” requisite

Regarding the requisite of “economically viable,” what can be observed is that, had it not been for the enormous direct and indirect subsidies – ranging from tax exemptions to highway building and maintenance – received from the State, that is to say, from the Uruguayan people, tree plantations would certainly not have been implemented in the country.

Finally and in the concrete case of Uruguay, certification of these plantations does not contribute to the promotion of sustainable forest management (forests are protected by law) and endorses the complete destruction of the country’s main ecosystem (the grasslands).

Additionally, certification implies a weakening of local opposition because the companies receive a so-called “green label,” granted by a prestigious institution, in which social and environmental NGOs actively participate and that were actually those that created and promoted this certification scheme.

The fact is that these certifications erode the credibility of FSC, as its original terms of reference were aimed at the protection of forests through their appropriate management. The very fact that FSC considers plantations to be “forests” is detrimental to its credibility and added to certification of large monoculture tree plantations, in fact implies that it declares them to be “environmentally responsible, socially beneficial and economically viable” (as defined by its mandate).

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OTHER CHALLENGED CERTIFIED PLANTATIONS

WRM has disseminated much information about certification of plantations, including two books, two special bulletins and numerous articles on a large number of countries (see at <http://www.wrm.org.uy/actors/FSC/index.html>). This section includes a short number of recent cases which we believe deserve to be addressed by the FSC's plantations review.

- Australia: Certified monoculture tree plantations challenged for aerial spraying and loss of biodiversity

Currently the main plantation companies operating in Australia certified by FSC are: Albany Plantation Forest Company Pty Ltd (23,509 ha), Timbercorp Forestry Pty Ltd. (97,000 ha), Integrated Tree Cropping Limited (166,536 ha), Hancock Victorian Plantations Pty. Limited (246,117 ha).

Among the main impacts concerning certification of the newly planted blue gum (*Eucalyptus globulus*) plantations in Australia is aerial spraying regimes of pesticides on tree plantations and subsequent pollution of drinking water. The problems related to aerial spraying of Hancock plantations in water catchments that provide thousands of Victorians with drinking water can be tracked at http://www.forest-network.org/Docs/amis_fsc_05-04.htm

Brenda Rosser, from the Tasmanian Clean Water Network, gave notice of the health impacts of uncontrolled use of pesticides in Tasmania: a surge in cancer and neurological cases, increase in the incident rate for non-Hodgkins lymphoma, prostate cancer, thyroid cancer, and all cancers combined, as well as the highest percentage of people suffering diabetes in Australia, and higher rates of coronary heart disease, obesity, hypertension and high blood cholesterol than other Australian States (see WRM Bulletin N° 97). Brenda Rosser's conclusion about the FSC Review is that "If FSC continues to keep 'sustainability' as a loose and woolly objective then FSC will become (and I think it may be already) nothing more than a corporate means to enhance the image of the 'forest' industry."

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- Colombia: The incredible and sad certification of Smurfit plantations

In 2003, WRM paid a field visit to Colombia to acquaint itself with the communities affected by Smurfit plantations and to gather evidence. At that time, we published the following in an article:

"...The local people told us that 'the plantations have finished off the water,' that "spraying has finished with everything there was in the soil,' that 'there is hardly any fauna left,' that there used to be 'clouds of birds' and that now 'only in the summer does some bird appear, but not in winter time,' and that 'there are no fish left either.'

Regarding employment, we were informed that 'all the work is seasonal' (it is outsourced) and that 'the contract implies working like two and earning like one.' Only the fittest survive: 'if [the worker] doesn't reach production, they remove him, workers can't be over 40 and all have to be strong to reach that production.' Regarding worker organization, not only is there no trade union, but 'he who grumbles is out' and 'no comments are allowed here.'"

At that time we thought that with this background, it would be impossible for the company's plantations ever to obtain certification of a socially and environmentally responsible timber production. However, that same year and in spite of its abominable track record, Smurfit managed to have certified 38,000 hectares of plantations. Concurrently in 2003 we observed with great concern that in spite of its background, Smurfit – through Victor Giraldo – became a member of the Board of Directors of the Forest Stewardship Council, according to information appearing in the FSC Web page.

Recently WRM was again invited to Colombia to visit areas covering vast tracts of plantations belonging to the same company. The situation is just as it was before or even worse as the impacts have become more acute. In the

meanwhile Smurfit continues to be a member of the FSC Board of Directors.

For more information on the impacts of Smurfit plantations in Colombia we recommend reading:

<http://www.wrm.org.uy/bulletin/77/Colombia.html>; <http://www.wrm.org.uy/bulletin/107/Colombia.html>, and “Cómo afecta a las comunidades campesinas y a la biodiversidad. La industria papelera en la zona Andina” (How the pulp industry in the Andean zone affects peasant communities and biodiversity), Guillermo Castaño Arcila, Revista Semillas en la economía campesina, N° 20, December 2005, <http://www.semillas.org.co/articulos.htm?x=24037>

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- Ecuador: Endesa-Botrosa's certified plantation in Rio Pitzara (*)

In April 2006, the German certifying firm GFA Consulting Group granted the FSC seal to Endesa-Botrosa's timber operations and to its tree plantations located in the Rio Pitzara plot covering 8,380 hectares on the Ecuadorian coast (GFA-FM/COC-1267). FSC certification of Endesa Botrosa, belonging to the Durini Timber Group, represents a severe setback to the hundreds of local peasant, indigenous and Afro-Ecuadorian communities whose forests and livelihoods have been devastated for decades by this company.

From the start, the certifier GFA's evaluation process of Endesa-Botrosa has been superficial and GFA has systematically ignored Endesa-Botrosa's lack of compliance with FSC Principles and Criteria. The evaluation was based on the qualification of a questionnaire that GFA sent at the beginning of 2005 by e-mail to a group of 39 people from NGOs, institutions and companies in Quito. In this way, GFA did not receive any important criticism of the timber company. It should be pointed out that not all the people on the list supplied by GFA received the questionnaire and that others did not reply.

But what is even more serious is that GFA did not consult a single representative of the owners of the natural forests where Endesa-Botrosa obtains its supply of 73% of the timber used. Most of the natural forests exploited by SETRAFOR, the Durini Group's harvesting company that supplies Endesa-Botrosa, have been irreparably degraded or totally destroyed by the logging company, with serious negative impacts on the local population. Furthermore, in June 2005, the Ecuadorian organization Acción Ecológica sent a detailed and formal complaint to the certifier (available at <http://www.wrm.org.uy/>). During the weeks that followed, meetings were held with GFA, both in Ecuador and in Germany, at which the complaints against Endesa-Botrosa were presented.

According to the report by the GFA certifier, the Endesa-Botrosa Rio Pitzara property is located between the provinces of Esmeraldas and Pichincha. Its natural vegetation is Tropical Humid Forest and Premontane Humid Forest. The plantation covers 5,406 hectares and some 1,800 hectares are to be added over the coming years.

The report does not contain concrete and detailed data on when and under what circumstances the land was acquired and allocated to Endesa Botrosa, nor about the previous owners nor on its original use and vegetation. However, precisely in this area, land allocation to Endesa-Botrosa has led to severe and unresolved conflicts, complaints by local peasants and by the NGO Accion Ecologica, in addition to research and verdicts against the company by public institutions.

A well documented case is that of a property covering 3,123 hectares known as El Pambilar, allocated to Botrosa in 1998 by the National Agrarian Development Institute (INDA). After over two years of violent confrontations between peasants and company staff, complaints and official investigations, in 2000 the Ministry of the Environment confirmed that 90% of the land (2,830 has) was located within the State Forestry Heritage (PFE) and had been illegally allocated. The Ministry decided that Endesa-Botrosa must return the land to the State and the Constitutional Tribunal resolved that the peasants should be compensated by the company for the prejudice caused to them.

Furthermore, the management of tree plantations by Endesa Botrosa is poor. In 1997, a GTZ study of the Pachaco species (*Schizolobium parahyba*) plantations described that "it was only possible to determine limited sustainability of timber production" and that "fundamental elements are missing for a sustainable concept of forest management." In particular, shortfalls were detected in the surveys of the forestry site, the soil and in the nutrient analysis as well as in adaptation of the machinery to the small dimensions of the timber and in operator training." Additionally it was observed that many trees became sick when reaching the age of seven, finally dying off and that "an increasing number of trees in the older surfaces of the plantation are in very poor condition." As a result, the company lost some 2,500 hectares of plantations with the Pachaco species.

Another study points out that the African species *Terminalia superba* in Río Pitzara was planted in secondary forests and that the natural vegetation was cleared to establish the plantation. Even worse, according to the IUCN Red List, the area of Río Pitzara is the only habitat of a very rare endangered species of frog: the Río Pitzara Robber Frog (*Eleutherodactylus helonotus*). This frog is only found in two places close to the Río Pitzara, in a total area of less than 10 square kilometres. The conversion of its natural habitat into industrial tree plantations may mean the extinction of the species.

Outside its plantation there is another very important FSC requirement that Endesa-Botrosa is not complying with. All non-certified timber processed by the company must be "controlled timber," which means that it is timber used legally.

In short, the unlawful actions involving Endesa-Botrosa such as the unlawful allocation of land belonging to the State Forestry Heritage to the company, the violent conflict over lands with the local peasants and the crimes committed against them, the felling of forest remnants and the fact that the forest zone where the Río Pitzara plantation has been established is possibly the only habitat of an endangered species of fauna should be a deterrent to FSC certifying the plantation. However, today it bears the FSC seal.

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(*) Endesa-Botrosa is well-known for the massive destruction caused by its activities in Ecuadorian forests. However, in this article we want to point out the connotations regarding certification of its plantations, as this is the focus of this bulletin.

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- Ireland: Coillte's FSC certified plantations questioned

In the last few centuries, there has been a massive deforestation of Irish land. What has been replaced, has been by and large replaced with foreign exotic near-monoculture conifer plantations, mainly by one company: Coillte, which owns 438,000ha of certified plantations.

In 2002, Coillte Teoranta obtained Forest Stewardship Council certification from the Soil Association/Woodmark (they were formerly certified by SGS).

However, certification of these plantations has been strongly criticised in Ireland for a number of reasons, among which because they:

- have contributed to pollution of water due to acidification, siltation and contamination by phosphate fertilisers.
- kill native flora due to the enormous decrease in light reaching the ground.

- create a higher risk of insect infestation and disease (e.g. pine weevil outbreaks, which were previously unknown in Ireland, have now taken place).
- are highly susceptible to fire due to the resin content of non-native species. This risk is increased on peatland.
- contribute to physical damage due to drainage, planting, road-making and felling.
- contribute to depopulation and decline of rural villages. Ireland's current type of forestry uses highly mechanised processes, and leads to minimal labour input.
- destroys native bio-diversity.

Due to the above, the Woodland League in Ireland has declared that "Despite all this, Coillte have managed to obtain FSC certification, to a National Standard that is far weaker to the FSC principles, developed by a company called IFCI."

Further information about the case of Coillte's plantations can be read at:
<http://woodlandleague.org/info/info/IT&F-Coillte&CertificationJan2005.htm>

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- Spain: Spanish groups withdraw from FSC

For over a year now, Spanish organizations have been demanding the annulment of the certification of "sustainable forestry management" granted by FSC to a branch of the ENCE (Norfor) pulp/plantation company, but so far with no results. In June 2005, the "Asociación pola defensa da Ria" (Association for the defence of the Ria), a member of the Galician Ecologist Federation (FEG) submitted an urgent request for the annulment of such certification (<http://www.wrm.org.uy/actores/FSC/cancelacionNORFOR.pdf>) to FSC's delegation in Spain, accompanied by a critical report on Norfor's certification. (<http://www.wrm.org.uy/actores/FSC/informeNORFOR.pdf>). They also requested that this report be sent to the central body of FSC for it to proceed with the review of all other certification processes in the world and the possibility of excluding the certifier SGS from the certification process.

Due to the lack of reply from FSC and to the fact that they consider that legitimization of FSC certification is basically due to the presence of environmental groups among its members, the Galician Ecologist Federation resolved by a decision taken at an Assembly held on 20 May to withdraw from the FSC National Support Group in Spain and also to ask other Spanish environmental groups to adopt the same measure (see http://www.wrm.org.uy/actors/FSC/Defensa_Ria.html)

The organization stated its concern over the alarming expansion of large scale monoculture tree plantations – particularly of eucalyptus for pulp – and their effects on soil degradation, accelerated loss of biodiversity and disappearance or impoverishment of rural communities. Furthermore, it identifies FSC certification as "one of the tools companies are using to obtain authorizations and economic support, in addition to strengthening their position on the market." To face this the Galician Ecological Federation declared that "support by the ecologist movement to the FSC cannot be taken as a blank cheque and has a sense if behind each certification forest management involved can reasonably be affirmed as being 'environmentally responsible, socially beneficial and economically viable,' something that today is very far from the true situation."

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- Venezuela: A Chilean company's plantations certified by SmartWood are challenged

Here below are the conclusions submitted in a travel report (available in Spanish, at: <http://www.wrm.org.uy/paises/Venezuela/Gira2006.pdf>) on the investigation carried out recently by 4

representatives of the Latin American Network against Monoculture Tree Plantations in the area where the so called "Uverito plantations" are located. These are some 600,000 hectares of pine plantations in the States of Monagas and Anzoategui. In 2003, SmartWood certified 12 plots covering a total of 139,650 hectares, owned by Terranova de Venezuela (TDV) and which form part of those plantations. TDV belongs to the Forestal Terranova Group, with headquarters in Chile and is linked to other Chilean companies and North American capital.

"Throughout the whole of our trip around the pine plantation area we observed very poor villages with practically no services. Incredibly this is also pointed out in the SmartWood certification report which states that "most of these villages have an insecure situation regarding housing and the related water, sewage and garbage collection services, added to low levels of health care and education." Apparently these plantations have not brought significant improvements to the villages in the area or anything like what had been announced by the companies and those related with them when promoting monoculture tree plantations. Not even in villages such as Chaguaramas, where we were informed that there was practically no one left in the village because most people were working in the forestation company's nursery, could we see that the people had benefited from these jobs. In general terms it may be stated that from the social standpoint, these plantations have not been socially beneficial to the neighbouring communities.

Cracked land and continuous fires in the plantation areas are a clear sign of a dramatic change in the ecosystem that shows totally different features where it has managed to survive. The degree up to which the ecosystem and water resources of the zone have been affected, although in many cases visible to the naked eye, warrants a more intensive study. The few existing studies published in this respect mention important structural changes in the soil and affectation of water resources, although what has generally been analyzed is the degree to which these factors have had an impact on the pine trees and not on the natural ecosystem. From simple observations during the trip, it is clear that the plantations have generated a favourable environment for fires, causing serious environmental, social and economic prejudice, that the water courses largely depending on natural systems have been affected and that many of the water courses such as the Morichal River are contaminated and very probably as a consequence of the great quantity of agrochemicals used in plantation areas. From the environmental standpoint the situation warrants at least a serious study of existing impacts before continuing with large scale plantations. .

Finally, from the economic standpoint, the Uverito plantation project has been possible not only because of the 275 million dollars needed to establish it, as affirmed by the representatives of the responsible government body, CVG Proforca, but because it has also received other types of economic support from the government in facilities. Among these, as confirmed by the government, 800 million dollars already allocated for the construction of a bridge and a similar amount promised for this work and to complete the new highways. These were seen during the trip to benefit almost exclusively the multinational companies related to the plantations. We were unable to ascertain exactly how much the Venezuelan State has received from the multinational company TDV, although we do know that the negotiations have been denounced as fraudulent and that TDV, certified by SmartWood, has replaced its trade name by the multinational company Masisa. In short, the plantations and the industrial concerns related to them would not have been possible without the Venezuelan State contributing much more than it has apparently received or will receive, in exchange."

In spite of the fact that, as pointed out in the report, for many years we have heard say, by Government and company representatives, academics and even Venezuelan NGO representatives that "Uverito plantations" have never caused any problems and that they were established in places where there was "nothing," this report considers such affirmations to be debatable and questions the analysis carried out by SmartWood on the ecological, economic and social sustainability of these plantations.

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