
Brazil: The case of Plantar – the FSC at the service of the sale of carbon credits

Companies that promote large-scale monoculture tree plantations do not seek the FSC label solely to increase the value of their final products. There are also companies that use the FSC for a very specific and very different purpose: obtaining certification to sell carbon credits. This is the case of Plantar, a company based in the state of Minas Gerais, Brazil.

Over 10 years ago, Plantar presented a carbon trade project proposal to the World Bank's Prototype Carbon Fund (PFC). The Fund was seeking carbon trade pilot projects to be executed through the Clean Development Mechanism (CDM) in various sectors of production, so that these "good" examples could later be replicated.

In its original project proposal, Plantar argued that it needed money from the sale of carbon credits to plant 23,100 hectares of monoculture eucalyptus plantations. Otherwise, it would be "forced" to use coal, another source of energy which, according to Plantar, provided a much cheaper way to smelt pig iron at its plant in the city of Sete Lagoas. Plantar stated that using coal, a fossil fuel, would produce more carbon emissions than the use of plant-based charcoal. The latter, according to the company, is a "renewable" source of energy, since it would be made from the eucalyptus trees, which would be replanted numerous times. Since the project involved eucalyptus plantations and would serve as a model project for the World Bank, it obtained the FSC label, which served as a guarantee that it was a "good project" that would practice "good forest management" on those 23,100 hectares.

Plantar first received FSC certification in 1997. It should be mentioned that at that time, it was reported that Plantar was seeking this certification to produce barbecue charcoal. This claim seemed odd, however, since only a small portion of the charcoal produced from the certified plantation areas would be used for this purpose, while the majority was intended for the Plantar iron and steel works in Sete Lagoas. Moreover, this certification, like the certification of many other monoculture tree plantations, was highly criticized because of the negative impacts of Plantar plantations on the environment and local communities. (1) Plantar's interest in selling carbon credits became increasingly evident, and for this it needed the FSC.

It is rather interesting that on its website, the FSC states that it "provides a credible link between responsible production and consumption of forest products, enabling consumers and businesses to make purchasing decisions that benefit people and the environment (...)." Despite this claim, up until now, the FSC has not adopted a clear position regarding companies like Plantar, which have been using the FSC for years to guarantee the sale of their carbon credits. Carbon credits cannot really be considered under the category of "responsible consumption". Carbon trade projects fall under a completely different category: that of false solutions to the climate crisis.

In a paper that specifically addresses "forest carbon", the FSC stated in December 2010 that "FSC should not prevent its certified beneficiaries access to carbon markets, but will have to ensure that this does not bring about reputational risks for FSC." (2) In the meantime, however, Plantar's sale of

carbon credits from its FSC-certified plantations is yet another factor contributing to the erosion of the FSC's credibility.

In September 2010, dozens of NGOs and social movements from Brazil and around the world submitted another letter to the Executive Board of the CDM – a mechanism of the United Nations Framework Convention on Climate Change (UNFCCC) – to protest this UN body's official registration of the Plantar project as a CDM project. The organizations highlighted the negative impacts of eucalyptus plantations and further stressed that these eucalyptus trees only store carbon temporarily, which is why "it is unacceptable that the carbon stored in eucalyptus trees be used to justify the emission of an equivalent amount of carbon through the burning of fossil fuels by polluting companies in Europe." The result is a net increase in carbon emissions, which demonstrates that this is a false solution for the problem of climate change. Despite this new letter, Plantar succeeded last September in registering the last and most controversial component of its CDM project with the CDM Executive Board: the use of its eucalyptus plantations as carbon sinks.

Just recently, on 14 February 2011, the CDM Executive Board responded to the letter that had been submitted by NGOs and social movements regarding the Plantar project. According to the Board, the letter expressed concern that the Plantar project did not contribute to sustainable development in Brazil, but this sort of assessment is the responsibility of the Brazilian government. In other words, the CDM Executive Board is hiding behind the Brazilian government's perverse official policy of promoting the expansion of monoculture tree plantations to satisfy business interests, causing numerous conflicts and negative impacts in the country. Moreover, the Board completely disregarded the argument put forward by the NGOs and social movements who signed the letter regarding the fact that the Plantar project merely aggravates the climate crisis. Given their role as "experts" on the subject of climate change, this is something the Board members obviously should have addressed in their response, and yet they did not acknowledge it whatsoever. This can only be interpreted as a total lack of consideration for civil society.

Plantar and other companies in the sector will now undoubtedly attempt to register more carbon projects to seek increased funds and profits for their business operations. Lorentzen Empreendimentos, a company run by Haakkon Lorentzen, son of the founder of Aracruz Celulose – now Fibria – has joined forces with Plantar in a new joint venture called Aflopar. This company has already acquired at least 60,000 hectares of land in the state of Minas Gerais. (3)

Aflopar's objective, according to Lorentzen, is to produce charcoal, but the company also plans to operate in the carbon trade sector, in other words, to sell carbon credits to polluting companies interested in buying them. For his part, the owner of Plantar, Geraldo Moura, after noting the difference in costs between using coal and plant-based charcoal, declared: "When the iron and steel companies that switch to charcoal start to compensate for that difference by selling carbon credits, they will realize that this substitution is a good business move." (4)

We have long denounced the lack of credibility of the FSC as it ultimately legitimates monoculture tree plantations and weakens the resistance struggles of impacted communities. If the FSC starts certifying tree plantations that want to profit also from carbon credits, it will only confirm that FSC's "green" label just helps to increase corporate profits and further exacerbate the climate crisis.

(1) www.wrm.org.uy/actores/FSC/certificaport.html

(2) http://www.fsc.org/fileadmin/web-data/public/document_center/News/Climate_change_news/FSC_FCWG_Issue_Paper_Carbon_FINAL.pdf.

(3) Ferreira, Rodrigo, "Bioenergia e o mercado de carbono: oportunidades para a cadeia produtiva

da siderurgia”, presentación powerpoint durante el “Seminário Bases Bioenergéticas para uma Industria Verde”, 6 April 2010.

(4) Herzog, Ana Luísa, “Agronegócio, eles querem florestas...”, http://planetasustentavel.abril.com.br/noticia/desenvolvimento/conteudo_270602.shtml?func=1&pag=0&fnt=9pt, Revista Exame, February 2008.