<u>Certified plantations in Uruguay: Can the FSC really guarantee peace of mind to consumers?</u>

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".

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