Forest Stewardship Council (FSC) certifies Thailand's chief logging agency

In July 2001, Thailand's chief logging agency, the state-owned Forestry Industry Organisation (FIO), received "sustainable management" certification of two teak plantations. Undertaken by SmartWood, a forest management certification organisation that is accredited by the Forest Stewardship Council (FSC), the certification would help solve the agency's financial troubles as well as cover up its infamous past.

The Swedish International Development Cooperation Agency (SIDA) that provides aid to developing countries supported the FIO's certification process by funding SCC Natura (formerly Swedforest International AB), a Swedish forestry consultant company, to develop a business management plan.

The FIO was founded in 1947 as a state-owned forestry enterprise with the mandate to manage logging concessions in Thailand's forests. In the past, the FIO has been caught up in controversies about dubious logging and plantation projects as well as mounting debts. By the late 1990s, the agency had accumulated nearly US$12 million in debts after the Thai government declared a nation-wide ban on logging concessions in 1989 that deprived the agency of its logging revenues.

The FSC-approved certification of the FIO's plantations would provide a lifeline to the struggling agency by assisting the sales of "certified" timber to markets in Europe and North America seeking timber from "sustainable" and "well-managed" sources. The certification would also support the ongoing efforts of the agency to remake its image as a "sustainable" forest management agency.

The FIO has a total of 160,000 hectares of tree plantations, mainly of teak, rubber and eucalyptus. The FIO also owns three sawmills for processing teak and non-teak tree species.

Winai Subrungruang, FIO's managing director, said that the FIO had been practicing "sustainable forestry management" since 1997 on teak plantations covering 2,880 hectares (ha) in Phitsanulok province and 2,480 ha in Kanchanaburi province.

Winai said that the FSC certificate was valid until May 2006; the FIO has plans to obtain certification for all its 134 tree plantations.

FIO's newly acquired "sustainable" forest management image, however, falls apart under close scrutiny of the agency's notorious past.

One of the most controversial FIO projects in the past was to cut 24,000 hectares of old-growth pine forests in Ban Wat Chan in Chiang Mai province in north Thailand in the early 1990s. The Ban Wat Chan pine forest is the largest area of indigenous pines in Thailand and comprises the main watershed of one of the main rivers --the Mae Chaem River-- in north Thailand. The government eventually cancelled FIO's logging plan in end 1993 after strong opposition by 4,000 Karen ethnic communities who have been living in the area for more than 100 years who were concerned about the impacts on their livelihoods from the logging of their watershed forests.

In 1994, the FIO faced charges of illegal logging after police found logs in a protected forest area in Thailand and discovered that the wood belonged to the FIO. The amount of logs imported from Burma appeared to exceed a quota agreed to between the FIO and the military dictatorship in Burma.

Witoon Permpongsacharoen of the Bangkok-based environmental group, Towards Ecological Recovery and Regional Alliance (TERRA), stated that the FIO's operations such as the auction of confiscated wood actually help to increase illegal logging in Thailand. "The logging companies can mix the illegal timber from Thailand with the cut logs from Burma. Also when the illegal timber is confiscated by Thailand's Royal Forestry Department (RFD), the loggers can simply buy back the wood from the FIO's auction thus legitimising the illegal wood," he said.

The FIO has faced constant opposition from local communities against its commercial plantations, particularly of eucalyptus tree species in northeast Thailand, established as "reforestation". The agency establishes plantations on "degraded" forests --often areas degraded by logging concessions granted by the FIO and the RFD. The agency uses the labour of village people near its plantations areas to secure a continuos supply of timber from its tree plantations. About half of the timber from the plantations is supplied to local companies, 20 per cent is exported and the remaining 30 per cent is used to make products for the government and state agencies.

Since the 1980s, Thailand's local communities have fought bitter battles against the government and the private sector tree farms --especially of eucalyptus-- that appropriate village farmlands and replace common forest areas, lead to water scarcity and soil erosion, and cause loss of local biodiversity. In many of these plantation areas including the FIO's eucalyptus plantations, local communities in northeastern Thailand have succeeded in forcing the government to remove the eucalyptus trees and return the lands to village communities for farming and recovery of community forest.

Despite these problems, however, the Swedish government provided a US$400,000 grant in 1993 for the FIO to hire SCC Natura, a Swedish forestry consulting company, to develop a business development plan that includes a "sustainable plantation management" plan. The "sustainable plantation management" aims to develop a village forestry system on deforested land allocated by the RFD. According to the FIO, the forestry villages are "former shifting cultivators" who will work for the FIO on plantation land. Although the village people cannot own the land, they can plant cash crops as well as have some land for permanent cultivation of rice.

Controversy also remains about the lack of efforts of SmartWood and FIO to seek the wider participation of local people and NGOs in the certification process. The SmartWood team spent a week visiting the FIO's plantation areas in October 2000; there were no formal forums or meetings organised to obtain the views of the many local people affected by the FIO's logging and plantation projects in the past. Smartwood did not consult with representatives of the local community networks, NGOs and academics in different parts of the country involved in the continuing movement to protect Thailand's remaining forest areas from commercial logging and industrial tree plantations.

Clearly, the FIO's dubious past as well as the perspectives of Thailand's environmental movement assumes little relevance in the FSC's plans to impose "certification" and sustain the growth of the global timber industry.

"The forest situation in Thailand is different from Sweden or other countries in the North. The FSC was established to improve commercial logging practices. But in fact, Thailand does not need the FSC because we already have a ban on commercial logging. Therefore, when SmartWood comes

and provides ‘certification’, it undermines the whole of Thailand’s environmental movement and the ongoing local processes for increased community control over forests. It renews the commercial influence on Thailand’s forests so that these agencies can resume their logging practices,” said Witoon.

“In fact, in the recent past, Thailand’s environmental movement has called for the dismantling of the FIO since the agency has accumulated massive debts. The FSC and Swedish government’s assistance for certification is helping the survival of an agency that has outlived its purpose in the post-logging ban era,” he stated.

By: Noel Rajesh,