
Costa Rica: the "green gold" bluff

Critics to tree plantations mostly refer to eucalyptus or pine monocultures and to their negative environmental and social impacts. Here we present a different case, based on interesting comments whose more relevant fragments we transcribe- we have received related to a recently published book on a teak plantation project in Costa Rica, written by Dr. P. Romeijn:

"An interesting new book is out: "GREEN GOLD - On Variations of Truth in Plantation Forestry". It methodically recounts the technical, legal, political and ethical aspects of a teak plantation established in Costa Rica by the Dutch company "Flor y Fauna", and its astonishing sequel of events.

The largest environmental groups in the world, the World Wide Fund for Nature (WWF) and one of the largest insurance and banking companies in the Netherlands, OHRA, soon became partners in the business. This seemingly odd trio went on to promote investments in the project as green and ethical, while making a parallel with investments in "Green Gold" due to its unusually high financial returns.

The returns offered to investors were based on "scientifically sound" and "conservative" production estimates of over 1000 cubic meters of commercial timber per hectare at the age of 20 years. Such figures, it was assured, were further based on 'local experience'.

Thousands of unaware citizens were convinced by the unparalleled investment campaign and the credibility derived by the endorsement of the project by the World Wide Fund for Nature, the participation of the insurance company OHRA, and the subsequent endorsement of the project by the Rainforest Alliance and the Forest Stewardship Council. 'WWF has ascertained that, in ecological and financial terms, the Flor y Fauna plantations set a worldwide example', read one of Flor y Fauna's advertisements.

Millions of dollars quickly poured into the project. The case was brought to the attention of the Dutch parliament, with statements of support by the Minister of Agriculture and the Minister of International Cooperation of the Netherlands. The project was referred to by OHRA as an example of "modern development aid" and as a mean to enhance forest conservation in Costa Rica.

The project became certified by the Rainforest Alliance as "well managed", based on the principles of forest management subscribed by the Forest Stewardship Council (FSC). The project was so appealing that the FSC publicly endorsed the certificate issued by the Rainforest Alliance, even though this organization had not yet been accredited as an official FSC certifier for plantations at the time.

A notorious public campaign was launched to incorrectly inform the public that the project had been 'certified by the FSC', an organization supported by a wide variety of environmental groups, and better known to the Dutch public than the Rainforest Alliance. Investments in the project continued to rise. It was later ruled by the Dutch Advertising Standards Committee that claims made in public ads were 'misleading'.

Dozens of similar Dutch plantation initiatives soon followed suit, most of them in Costa Rica, in attempts to cash in the overwhelming receptivity of the public for such visionary, exemplary, green and profitable investments. A dream come true.

But the dream was soon shattered. At the end of 1995, a couple of investigation reporters from the most reputable news commentary program on Dutch television, NOVA, dug out a confidential report on the project, commissioned a couple of years earlier by the head office of WWF-International to clarify the business arrangement between WWF-Netherlands, OHRA and Flor y Fauna. Among the report's astonishing conclusions were the following:

- '- WWF seems involved in a commercial operation with questionable technical, financial and ethical implications.
- It would be convenient to clarify if making exaggerated claims such as those referred to in this report is considered a violation of laws in the Netherlands.
- Expected yields "...exceed by a factor of 4 what are considered high yields for teak on good soil.
- This may be considered fraud.'

An additional and shocking embarrassment came when it was also exposed that WWF would be 'compensated' for its endorsement of the project with an estimated payment of 86 million dollars, '5% of the turnover of plantation section Teakwood VI', according to WWF-Netherlands. Teakwood VI refers only to the portion of the plantation established in 1993 alone: 750 hectares. Later on WWF also endorsed Teakwood VII and VIII, an additional area of 820 hectares, with alleged proportional 'compensations'. The total area planted by Flor y Fauna in Costa Rica exceeds 3.000 hectares.

In consecutive attempts to justify the unjustifiable, Flor y Fauna, OHRA, WWF and the Rainforest Alliance each time modified their previous position and arguments, falling in increasing contradictions, undermining their own position and credibility, and consistently molding 'the truth' to fit the arguments of the time. Therefrom the subtitle of the book: "On variations of truth in plantation forestry".

Investments in the project quickly came to a halt, while it was subject to the scrutiny of courts of law. Amongst those most seriously damaged from the exposure of the speculative and fraudulent internalities of the case were the World Wide Fund for Nature (WWF), individual investors, the credibility of both the Forest Stewardship Council (FSC) and the Rainforest Alliance, the reputation of the forestry profession in the Netherlands, and the reliability of forest investments in the tropics."

This case shows another aspect of the plantation model: that of commercial practices at odds with ethical standards aiming to attract unaware investors by showing them that plantations are not only a profitable but also a "green" business. A similar approach is that of plantation companies that promote investments in eucalyptus monocultures by small owners, promising them high revenues in a period of ten or twelve years, without taking into account the instability of the world markets.