Aviation and false solutions: The farce of the "Florestal Santa Maria" REDD project in Mato Grosso, Brazil

The Florestal Santa Maria REDD project (FSM-REDD) covers almost 70,000 hectares of the Brazilian Amazon and **has sold carbon credits to offset programs for at least two airline companies**: Delta Airlines and TAP. Yet

behind this is an **increase in deforestation in the region, a history of land grabbing, the use of certifications that no longer exist and unfulfilled promises to local communities**.

Despite the fact that REDD has been proven not to be a real solution to climate change, the **Council of the International Civil Aviation Organization (ICAO)—which is meeting in Montreal from June 11-19—is moving forward with plans to allow airlines to mitigate their emissions through carbon offset projects and the use of agrofuels** based on industrial monocultures, which wreak havoc on forests and their inhabitants in the Global South.

Organizations around the world, through a letter, are calling on the ICAO to abandon its mitigation plans with false and destructive solutions, and to start reducing air traffic.

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The farce of the “Florestal Santa Maria” REDD project in Mato Grosso, Brazil

The Florestal Santa Maria S/A REDD project – also known as the FSM-REDD project – covers a forest area of ??71,714 hectares, in the municipality of Colniza, in the northwest of Mato Grosso, in the Amazon region of Brazil. The project claims to avoid around 30 million tonnes of CO2 emissions between 2009 and 2039. The company intends to sell this alleged emission reduction in the form of carbon credits. The project was drafted by consulting firm Plant Environmental Intelligence and others, and has been validated by US company Rainforest Alliance, according to the Verified Carbon Standard’s (VCS) certification system for REDD projects.1

The stated land use of ??the FSM-REDD project area is so-called “sustainable forest management”, the same as before the beginning of the REDD project. In parallel with the preparation and implementation of the REDD project, in 2012 Florestal Santa Maria’s forest management plan obtained FSC’s (Forest Stewardship Council) forest certification seal.2

The project has already sold carbon credits to at least three transnational companies. Bunge Environmental Markets was a purchaser at the time of design and early during implementation. This global food and agricultural commodities company states that it provided technical advice when the project was being drafted and that it "made a commitment to purchase part of the carbon credits, allowing for early negotiation".3 Another buyer of credits is a programme offering carbon credits to clients of Delta Airlines, a US airline that offers carbon credits from five carbon offset projects, including FSM-REDD’s. Delta Airlines states that the project “promotes better forest protection” and

“supports communities through reforestation and conservation education”.4 Another airline programme that has bought credits is linked to TAP Portugal. The airline information about the project states that the project “promotes the protection of 77 thousand hectares of the native Amazon Rainforest, subject to deforestation pressure with consequent loss of biodiversity. Within the framework of the project, a model that generates employment in a sustainable manner regarding the forest – with specific training in sustainable timber production, stopping illegal exploration and protecting local flora and fauna – is being worked out with local communities".5

Is FSM’s REDD+ project area really in danger of being cleared?

According to Plant Environmental Intelligence, the baseline of this REDD+ project, that is, the deforestation estimate without the project, suggests that 87.6% of the FSM area would be deforested because of timber extraction, and subsequently transformed mainly in pasture areas but also in coffee plantations – a common practice in the municipality.6

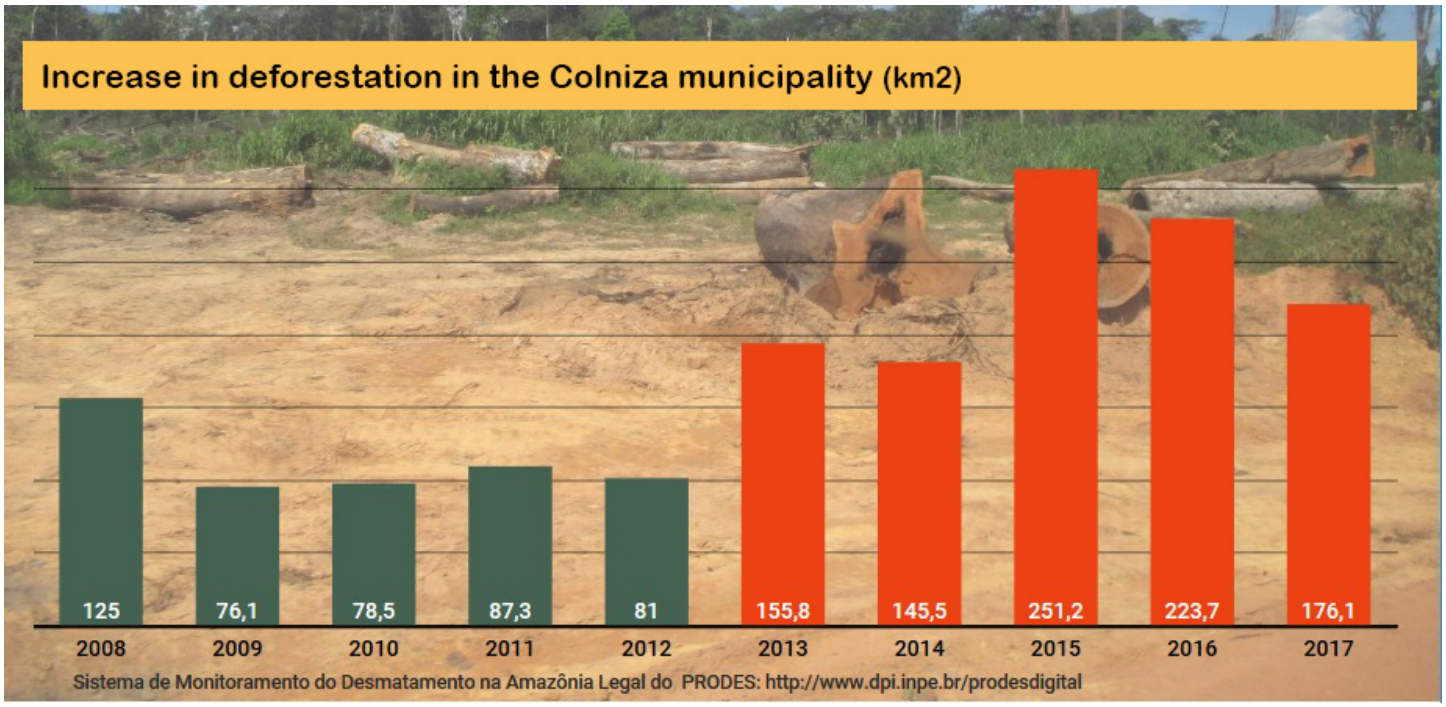
However, for a number of reasons, we find it hard to believe that the FSM-REDD project area is really in danger. Firstly, the project area already has an owner who claims to have a legal title to the land: a logging company that holds the title for the land that is part of the REDD project. It is quite difficult to imagine that another logging company or people decide to invade the area of ??this company, which, actually, happens to be the only company in the municipality with a “management plan” licensed by the State. Furthermore, the area is in the hands of the powerful family-owned business group that – according to the project’s own text – claim to be the "original landowners" who acquired the land from the federal and state government in 1975, along with the right to “colonize” Colniza.7

Given this context, anyone attempting to invade and destroy the Florestal Santa Maria forest area can only be in search of trouble. The project's own documentation quotes a public hearing organized in Colniza in 2002 – before the REDD project started – with 300 participants, where the population was alerted about the risks of invading the company's property. This had never before happen in the region. The company says it maintains a surveillance system with eight bases within the area. The project says that invasions "were eradicated and registered with local authorities and noticed through the farm’s self-vigilance system”. The company also said that “these invasions resulted in judicial prosecutions for repossession of land tenure.”8 The company Rainforest Alliance, which validated the project, quotes an incident report filed at the police station and a reinstatement of tenure issued by local authorities against invaders in 2004.9 All these facts corroborate the hypothesis that there was no credible danger that the area would be destroyed because its owners were protecting it from outside intrusions and 'illegal' logging already before the REDD project started.

Moreover, it is not credible for the project to predict that, in the next 30 years, the property would be almost totally and to a large extent, illegally deforested – since it would exceed the 20% of the property limit allowed by law. The company argues that that has been common practice in this region of Mato Grosso for the last decades.

In recent years, the Mato Grosso government has been aiming to eliminate illegal deforestation in the state by 2020, starting in 2017, with support from cooperation agreements totalling around 40 million euros with the German Bank KfW and the UK government . Therefore, the reference used to create the supposed baseline of the FSM-REDD project cannot be solely grounded in speculation based on a linear continuation of the history of illegalities and environmental destruction of the broader region in the past, assuming that it would simply be replicated in the specific area of ??the project. The specific situation of the area and in the forest policy proposals that have been discussed in recent years and implemented by the authorities to combat deforestation in the near future suggest such a

future scenario would be highly unlikely (and involve illegal deforestation).10



The FSM-REDD document also states that another goal would be to contribute to the reduction of deforestation in the region: “efforts will be made with the SEMA-MT in order to create an environment management model highly replicable in other previously identified areas with potential to receive future REDD projects”. This would make sense because outside the REDD project area there was, in fact, a lot of deforestation due to logging activities and to the expansion of pasture for livestock farming. However, since the project began, there is no news regarding the creation of “environmental management” projects and future REDD projects in the municipality of Colniza and the surrounding region. On the contrary, after years of a downward trend, as in much of the Brazilian Amazon, data on deforestation in Colniza, especially since 2013, indicates a new increase in deforestation. This increase took place with the FSM-REDD project already in operation. In 2015 in particular, there was a strong increase in deforestation in the municipality. News articles of the regional papers in Mato Grosso mentioned Colniza as ranking first among the municipalities with the highest deforestation in the entire state of Mato Grosso.11 The rate of deforestation in the municipality between 2008 and 2012 – before the start of the FSM-REDD project – was at 125 km2 in 2008, 76.1 km2 in 2009, 78.5 km2 in 2010, 87.3 km2 in 2011 and reached 81.0 km2 in 2012. From 2013 onwards – with the FSM-REDD project in operation –a phase of strong increase in deforestation began: 155.8 km2 in 2013, 145.5 km2 in 2014, 251.2 km2 in 2015, 223.7 km2 in 2016 and 176.1 km2 in 2017.12

Benefits for local communities?

In its propaganda on the FSM-REDD project, the Delta and TAP airlines carbon offset providers emphasize the benefits to communities around the project area. One project document cites, for example, the qualification of the local community to engage in FSM's "forest management" activities, FSC certification of the area, protection of the company's area from long-term invaders, improvements in area inspection of the project, organization of fire-fighting brigades, creation of incentives to recover degraded areas around the area, together with a feasibility study to establish a small non-timber processing unit and the organization of a forestry technical school in the municipality of Colniza.

However, to date, we have been unable to find any information on activities being implemented for

the benefit of local communities, such as, conducting studies and/ or opening a technical school or processing unit. We asked some people living in the municipality and around the FSM-REDD area, and no one was aware of these proposed actions or information about the REDD project.

Only a few actions seem to have been carried out, such as training of the company's own workforce, because these activities were of interest to the company and even were in response to irregularities identified by the FSC audit team: “There is no effective training program for workers involved in the forest management unit.”13 In addition, the local community is involved in fire-fighting, which is regular practise in the whole region during the driest season of the year, and this is also of direct commercial interest to the company.

An FSC certified “forest management”?

Statements by buyers of REDD offset credits and information on the FSC are contradictory. While the QAS, an auditing system for companies that want to claim carbon neutrality still states on its website in June 2018 that the FSM-REDD project area is FSC certified, FSC's own website information proves otherwise: FSC reports that the company's certification was terminated in 2017.14 QAS refers to the TAP Air Portugal carbon offset programme and cites FSC certification as apparent proof for 'good forest management'.

The reason for the company's interest incertification by FSC is revealed in the report of the auditing company Imaflora, which performed the FSC certification audit. They state that "the main objectives of [FSM’s] forest management are “to fulfil the requirements of carbon validation.”15 That is, without FSC certification, the company would not be able to sell carbon credits validated by the VCS system to interested buyers. It appears as if the FSC certificates functions as a label to confirm the quality of the company's forest management.

The fact that FSC certification appears to facilitate the FSM-REDD project certification by VCS which in turn allows it to sell carbon credits, suggests that the company would not have invested resources to meet the FSC seal requirements without the prospect of carbon credit sales. This seems to be confirmed by the large list of irregularities and illegalities encountered by the FSC auditors in 2012 when comparing the principles and criteria of the seal with reality in Florestal Santa Maria: violations of labor laws, damage to the forest caused by timber extraction, including logging in areas of permanent preservation – strictly protected by law – and the lack of many management plans and procedures that should be part of its so-called "sustainable forest management".16

It is worth mentioning that this reality is not uncommon in FSC certified areas and, in addition, communities that depend on forests and coexist with this "management" have questioned the supposed "sustainability" of this forest extraction land use for them. In the Brazilian state of Acre, and in other countries such as the Democratic Republic of Congo, so-called "sustainable forest management" has led to the gradual destruction of the forest.17

What is also striking is that, despite all the illegalities and irregularities found, Imaflora awarded the FSC seal to Florestal Santa Maria in 2013, betting on the expectation that the company will improve its performance and solve the long list of problems and lack of compliance with FSC standard requirements that the auditors encountered. However, three years later, in the monitoring report for 2015, the auditing team for the FSC certification eventually required the suspension of the FSC certificate because the company was still not in compliance with FSC requirements.18 In 2017 - after the company enjoyed four years of benefits from having the FSC seal and obtained the VCS seal as a result (VCS documents make extensive reference to the Forest Santa Maria FSC label) – the FSC

itself reported that the certification was “terminated”.19

The story of land ownership: a distorted story?

It's striking that the VCS as well as FSC auditors, reproduce the story about supposed legality of the land title and the process of occupation of Colniza as told by FSM-REDD project owner without any further comment. The reality, however, is that there are very different stories about the history of Colniza and the project area. There is much documentation available of the history of land grabbing, environmental destruction and violence that has marked the Amazon colonization process, yet the auditors do not seem to have investigated these other stories of colonization in the specific case of Colniza for the FSC and VCS certification except for brief comments on the presence of indigenous peoples in the region, mentioned in the reports of the FSC auditors.

A comprehensive investigation regarding the complex land and occupation issues in this region of the Amazon is beyond the scope of this report. Two issues are nonetheless important to highlight. The first, is that the alleged owners of the REDD project area - the Lunardelli family - were the "colonization" company whose activities eventually led to the foundation of Colniza. This company was called COLNIZA Colonização e Comércio Ltda. In 1975, the company acquired 400,000 hectares from the colonization company of Mato Grosso (CODEMAT). COLNIZA received the land on the condition to contribute to the federal and state governments' programme to colonize an area of ??2 million hectares in this region of Mato Grosso.

A second point worth calling attention to is the statement in the REDD project documentation that the first settlement of landless families was only created “some 20 years after the initial land purchase”. That this happened so long after the company obtained the land, is justified by the alleged “lack of infrastructure to implement the initial colonization project” and an “uncontrolled pressure for land occupation”. To make up for the delay, the documents suggest that the company has donated land to INCRA – the National Institute of Colonization and Agrarian Reform. In the documents this is described as the company "showing goodwill" to comply with the original requirement to contribute to the colonizing of the land as a condition for receiving the land originally. All this raises many unanswered questions: what did the contract signed in 1975 to colonize the region say exactly? What happened during the long period between 1975 and 1991 (the supposed date of creation of the first settlement of farmers in the region) – a period simply invisible in the project documentation? Why is the first settlement set up by INCRA described as an act of “good will” of the company COLNIZA who received the land originally with mandate to help settle peasant communities in the area?

After consulting some complementary sources on the history of Colniza, it's fair to conclude that the story told in the report of the FSM-REDD project seems to be distorted. This is not a surprise as experience suggests that one has to be very careful with any version told by big companies about that phase of history in Brazil, since it was a period of military dictatorship (1964-1985). The totalitarian regime persecuted and tortured opponents while handing out financial and tax incentives and other benefits to large private companies. Obtaining rights over 400,000 hectares in that period would have been possible only for a company with close ties to the military dictatorship, something that receives no mention in the project's carbon validation reports or FSC certification reports.

This analysis of the historical context is also fundamental to fully analyze and understand the process of occupation in Amazonia, which occurred mainly during the military dictatorship. According to a researcher from the Federal University of Mato Grosso, who studied the historical process of land occupation in the region20 since the end of the nineteenth century, when land that had no title passed into the hands of the Brazilian State and became public land, so-called colonization

programs, such as that of Colniza, were forms of privatization of land by passing large public lands into the hands of private companies. The researcher points out that the Lunardelli family's company, COLNIZA, is one of four to be given a portion of the 2 million hectares of land that the government wanted to distribute at that time in this region of Mato Grosso. COLNIZA was also one of three of those four companies that did not comply with the condition included in the contract with which the government handed over the land. This contract obliged the company to colonize the region within five years. According to the researcher, COLNIZA put “land allotments on the real estate market, rather than fulfilling [the colonization commitment] that had been initially agreed with the State.” The researcher analyzes that this was common practice among the private companies who had received public land under these colonization programmes on the condition that - irrespective if the colonization company was state or privately owned - part of the land would have to be destined to the so-called settlements. Instead, the researcher reports that most “used the land to speculate for their own benefit.” In May 1995, 20 years after COLNIZA acquired 400,000 hectares, the Lunardelli family's company, according to the researcher, “expelled from its area more than 350 squatters who (...) occupied part of the land that had been sold to individuals [rather than set up as settlement]". The company appealed to the court which granted an injunction to reinstate possession. The State then intervened and the company agreed to return part of the area, which gave rise to INCRA's proposal to settle the families.21

Still, on what happened between years 1975 and 1991, a period that is not mentioned in the report of the WSF-REDD project, residents of the region and also available documents point out that instead of colonization, what prevailed, as in other nearby regions, was gold panning, and illegal activity that was at the same time very lucrative and destructive.

Final considerations

This brief investigation into the Florestal Santa Maria REDD project raises even more questions than the ones we set out to investigate.: How does this project continue to sell carbon credits to airline programmes offered by Delta Airlines and TAP, even though the project is located in an area in Colniza that is not and was not at risk of deforestation? How does information advertising this project continue to advertise benefits to the local community even though the communities never saw any such benefits? How did a company whose “forest management” was in breach of the labour legislation and FSC standard requirements and caused damage to the forest still obtain the FSC certificate in the first place? Why are carbon offset credit buyers still advertise the FSM-REDD project as being FSC certified in mid-2018 when the FSC certification terminated in 2017?

The story presented in REDD and certification documents of Florestal Santa Maria's owners' involvement in the colonization history of the municipality of Colniza also needs to be rewritten to reflect what actually occurred. The company of the Lunardelli family was among the private companies that came to the region to profit from access to large amounts of land, which were then parcelled out as private lots, like in other states of Brazil and even Paraguay.23 The main objective was to make a profit quickly from selling this land to individuals rather than setting up the settlements as mandated in the government contracts. Land grabbing, logging activity with the connivance of the authorities and with extreme violence against migrant squatters and small farmers in search of a piece of land to survive were common characteristics of this period of colonization, also in the Colniza region.

The REDD project seems to have been identified by Florestal Santa Maria's owners as another easy profit opportunity in Colniza, and the project's bottom line seems to be maximizing profit. Those who benefit from this "opportunity" of the REDD mechanism in Colniza are again the certifiers and the big

companies, be it Florestal Santa Maria, Bunge, Delta Airlines or Air Portugal, through the carbon offset providers that offer carbon credits from this REDD project to the airlines' customers.

Meanwhile, deforestation continues at full speed in the municipality of Colniza and in this region of the Brazilian Amazon where measures to stop it are fundamental and urgent. REDD has not contributed to this.

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1. http://www.florestalsantamaria.com.br/site/documentos/57FSM_REDD_VCS_PD_pt.pdf

2. When REDD + was launched in 2009, the REDD mechanism started to cover the possibility of carrying out REDD projects also in areas of "sustainable forest management". The sustainable forest management proposes not to cut clear the forest, but to chop trees selectively, in order to keep the "forest standing".

3. http://www.bunge.com.br/Imprensa/Noticia.aspx?id=365

4. https://news.delta.com/delta-offsets-carbon-emissions-100000-customers-tuesday

5. http://www.tapairportugal.com/pt/responsabilidade/compromisso-ambiental

6. http://www.florestalsantamaria.com.br/site/documentos/57FSM_REDD_VCS_PD_pt.pdf – p. 82

7. Ibid

8. Ibid

9. https://www.rainforest-alliance.org/business/sites/default/files/climate_project/florestalsantamaria-vcs-verification-report.pdf

10. http://www.matogrossoeconomico.com.br/noticias/governo-de-mato-grosso-assina-acordo-com-alemanha-e-reino-unido-para-investimentos-de-r-170-milhoes/16679;

11. http://www.colnizamtnoticias.com.br/artigo/municipio-de-colniza-e-o-municipio-que-mais-desmata-no-estado-do-mato-grosso

12. http://www.dpi.inpe.br/prodesdigital/prodesmunicipal.php

13. Resumo Público Certificação Florestal Santa Maria, 2013, Imaflora

14. https://qascarbonneutral.com/tap-portugal-carbon-offset/? and https://info.fsc.org/details.php?id=a0240000007mgyJAAQ&type=certificate

15. Resumo Público de Avaliação de Certificação do Manejo Florestal da Florestal Santa Maria S/A em Colniza, MT, Brasil, 2013, Imaflora

16. Ibid

17. https://wrm.org.uy/pt/artigos-do-boletim-do-wrm/secao1/brasil-vozes-de-comunidades-no-acre-alertam-sobre-as-violacoes-envolvidas-no-manejo-florestal-sustentavel-comunitario/ and https://news.mongabay.com/2017/01/logging-in-certified-concessions-driving-intact-forest-loss-in-congo-basin/

18. Resumo Público de Auditoria Anual 2015 do Manejo Florestal da Santa Maria Florestal em Colniza, MT, Brasil, 2015, Imaflora

19. https://info.fsc.org/details.php?id=a0240000007mgyJAAQ&type=certificate

20. https://periodicos.ufsc.br/index.php/geosul/article/viewFile/18833/20128

21. Ibid

22. https://pt.wikipedia.org/wiki/Colniza

23. http://www.lagea.ig.ufu.br/xx1enga/anais_enga_2012/eixos/1015_1.pdf

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