WORLD RAINFOREST MOVEMENT MOVIMIENTO MUNDIAL POR LOS BOSQUES TROPICALES

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OUR VIEWPOINT

- Climate Change: There is still time to avoid disaster ... but not much

For many years people have been hearing about climate change and the terrible impacts it would entail. In spite of warnings of the pending disaster, a group of scientists in the service of corporate interests has been trying to cast doubts on the scientific evidence. At the same time, another group of academics and technocrats has been inventing absurd mechanisms to "compensate" for carbon emissions in order to allow fossil fuel use to continue. Among these mechanisms are large-scale plantations of fast growing trees – located in the South, of course.

Against this background, it is encouraging to see scientists challenging power from within. Such is the case of Jim Hansen, the director of the NASA Goddard Institute for Space Studies in New York, who, despite a history of early outspokenness on climate change, is President George Bush's top climate modeller. On 17 February, Hansen published an article in the British newspaper The Independent noting that "a satellite study of the Greenland ice cap shows that it is melting far faster than scientists had feared --- twice as much ice is going into the sea as it was five years ago. The implications for rising sea levels -- and climate change -- could be dramatic."

Hansen poses the question: "How fast can this go?" and his answer is: "Right now, I think our best measure is what happened in the past. We know that, for instance, 14,000 years ago sea levels rose by 20m in 400 years -- that is, five metres in a century. This was towards the end of the last ice age, so there was more ice around. But, on the other hand, temperatures were not warming as fast as today."

Hansen explains that "The last time the world was three degrees warmer than today --which is what we expect later this century -- sea levels were 25m higher. So that is what we can look forward to if we don't act soon. None of the current climate and ice models predict this. But I prefer the evidence from the Earth's history and my own eyes. I think sea-level rise is going to be the big issue soon, more even than warming itself."

Hansen's statement suggests that we are on the edge of a major climatic catastrophe – imagine a 25m rise in sea level! -- and that urgent and drastic measures need to be taken to avoid it. He obviously wanted to make the public aware about the danger. "Yet," Hansen cautions, "a few weeks ago, when I -- a NASA climate scientist -- tried to talk to the media about these issues following a lecture I had given calling for prompt reductions in the emission of greenhouse gases, the NASA public affairs team -- staffed by political appointees from the Bush administration -- tried to stop me doing so. I was not happy with that, and I ignored the restrictions. The first line of NASA's mission is to understand and protect the planet."

That should be the mission of all governments: to understand and protect the planet, as a means of ensuring the survival of humanity. At present, the main threat to the planet is global climate change and urgent action needs to be taken. Hansen asks the crucial question: "How long have we got?" His answer is: "We have to stabilise emissions of carbon dioxide within a decade, or temperatures will warm by more than one degree. That will be warmer than it has been for half a million years, and many things could become unstoppable. If we are to stop that, we cannot wait for new technologies like capturing emissions from burning coal. We have to act with what we have. This decade, that means focusing on energy efficiency and renewable sources of energy that do not burn carbon. We don't have much time left."

None of the above, of course, is news. What is news is Hansen's breach in the wall of the corporate establishment and his example encouraging those within the scientific community to speak out and join the struggle to avert climate change. We really don't have much time left!

Note: Jim Hansen's article is available at: http://news.independent.co.uk/environment/article345926.ece

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LOCAL STRUGGLES AND NEWS

AFRICA

- Chad-Cameroon: Report highlights EIB role in oil and pipeline project

A new report by Friends of The Earth International; "Campagna Per La Riforma Della Banca Mondiale"; CEE Bankwatch Network, and World Economy, Ecology & Development issued in January 2006, highlights the role of the European Investment Bank as financer of so called "development" projects in the South, including Africa. The question raised is: development for whom? The research, entitled "The European Investment Bank In The South. In Whose Interest?", gives insights around that question.

The European Investment Bank (EIB) acts on behalf of European citizens and the European Union Governments that own it, lending about 45 billion euros a year of public money for projects that claim to help development and cohesion of the European Union (EU). According to the report, "In the 1960's the EIB started to finance projects in Africa and today about ten percent of the EIB's financing is outside Europe, in countries from China to Brazil. This lending covers a wide spectrum of project investments including in energy, water, communication, industry and financial intermediaries. But in whose interests are these projects?"

The report argues that the EIB appears to be responding to the needs of its clients, readily financing projects where economic returns are high and guaranteed. But it has rarely subsidised environmental projects, or invested in renewable energy. Several case studies in the report illustrate how EIB financed projects have often damaged communities and the environment.

In Africa the EIB manages a significant share of EU commission budget money for development cooperation (up to 13.5 billion euros during the last ten years) and this tendency is increasing with the creation of the new EIB's Cotonou Investment Facility, expected to disburse 2.2 billion euros of the EU budget between 2003 and 2008. This report shows how the first few loans disbursed by the Facility went predominantly to the private sector, to large European corporations or large local companies. In Africa, as in Latin America, the preferred targets of EIB loans are within the extractive industries sector.

The Chad–Cameroon Oil Pipeline (see WRM Bulletins 72, 66, 45, 41, 35, 14, 2), a 1070 km-long pipeline from southern Chad to neighbouring Cameroon's Atlantic Coast, was the largest project ever funded by the EIB in Africa. According to the report, construction of the project was completed more than a year ahead of schedule, but social and environmental mitigation measures continue to suffer serious delays and threaten to undermine the poverty-alleviation goals of the project.

The World Bank also takes part in the project, since its participation was the pre-condition for the Exxon Mobilled consortium to go ahead with the US\$3.7 billion project. Additionally, the EIB provided loans in 2001 not only to the Chad and Cameroonian Governments (35.7 million euros and 20.3 million euros respectively) but also provided an additional 34 million euros to Chevron and 54 million euros to Exxon.

Both institutions promised that the Chad- Cameroon project -- nominally expected to generate US\$2 to US\$3 billion in revenue for Chad and US\$550 million for Cameroon over its 28-year operating period-- would transform oil wealth into benefits for the poor, alleviating poverty and promoting economic growth in both countries. However, in January 2001 it became public that Chad had used part of a US\$25 million signature bonus from the Oil Consortium for weapons purchases.

The report denounces that both Chad and Cameroon have for many years occupied top positions on Transparency International's Corruption Perception Index. Yet the banks did not require provisions for transparent revenue management for Cameroon. In the case of Chad, the World Bank did require adoption of a revenue management law as well as the establishment of an Oversight Committee, which is responsible for authorising expenditures. This system, intended to ensure transparent revenue management, has now broken down. In October 2005, the Chadian Government announced that it will substantially modify the law to include spending for security expenditures and will abolish a fund that had been set aside for future generations in the post-oil era.

Several problems and even serious violations of World Bank policies – especially in the area of environmental assessment and public health, have been pointed out. Poor sanitary conditions, a growing migrant work force, and increasing prostitution have led to the spread of diseases, including HIV and AIDS.

The report highlights that the current impact of the pipeline on biodiversity and wildlife suggests that environmental considerations have not been well managed. The World Bank's own monitors warn that greater access to remote areas created by the project represents a serious threat to endangered gorillas and chimpanzees. The sponsors sought to compensate for the loss of biodiversity along the pipeline route by establishing two so-called 'offset' areas, the Campo Ma'an and Mbam-Djerem national parks. But funding for the management of these parks has not been forthcoming and their viability is now open to question. Severe dust pollution is adding to public health problems, and bad waste management of the oil and drilling fluids threaten groundwater supplies in the oil field region.

The Bakola 'pygmy' people live in the southwest of Cameroon (see WRM Bulletin N° 87). They still rely mainly on the forests to secure their livelihoods by hunting and gathering. Their traditional forest lands are crossed by the southern portion of the pipeline. The EIB has no policies or procedures to protect indigenous peoples. For Cameroon, the World Bank's Operational Policy on Indigenous Peoples requires that an Indigenous Peoples' Plan be undertaken in a participatory manner. However, the World Bank has not complied with its own policy and the semi-nomadic were not adequately consulted. As a result, the Indigenous Peoples' Plan does not address the critical question of land security on which the survival of the Bakola depends. There is no indication that the EIB is taking steps to address this problem.

The EIB simply relies on World Bank monitoring and assessment, which has proven to be inadequate. Without urgent measures –concludes the report-- the Chad-Cameroon project will do little more than write another chapter in the tragic history of Africa's plundered resources.

Article based on information from: "The European Investment Bank In The South. In Whose Interest?", Friends of The Earth International; Campagna Per La Riforma Della Banca Mondiale; CEE Bankwatch Network, and World Economy, Ecology & Development, January 2006. <u>http://www.foei.org/publications/pdfs/eibinthesouth.pdf</u>

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- Congo (Democratic Republic): NGOs press for peoples' rights at Forest Forum

On February 15, 2006, Kinshasa was the venue of a National Forest Forum where global financial institutions, government authorities, environmental experts, human rights campaigners and local people discussed ways to protect the rainforests of the Democratic Republic of Congo (formerly Zaire), the world's second largest after the Amazon.

National and international NGOs participated in the event reaffirming the need for a sustainable management of forest ecosystems in the DRC, respectful of the rights and interests of local communities.

The declaration of national organizations gathered in the Reseau Ressources Naturelles (Natural Resources Network) declared: "At the latest Forum, we conveyed our concerns about the local communities' and indigenous peoples' rights and interests, and about the preservation of our forest ecosystems, currently endangered and sacrificed by a forest policy essentially focused on industrial timber exploitation."

The NGOs supported the Presidential Decree of May 2002 which introduced a moratorium on the allocation of new forestry concessions, but at the same time denounced its violation by the Government. Though in 2005 there was another decree reaffirming the validity of the moratorium, the national NGOs said that lack of control and impunity had rendered the decree a dead letter.

In a statement, national NGOs exposed that government partners like the FAO and the World Bank (WB) have acted in disregard of indigenous peoples interests. The NGOs supported the development of comprehensive new forestry laws in the country, and challenged the "zoning" of DRC's entire forest area which would imply some 60 million hectares being opened up to logging companies: "The zoning, which was intended to be participatory, is still casually done, although the entire process rests upon it. The non-consultation of local communities and indigenous peoples clearly shows that the principle of free and prior consent has been given up. We similarly denounce some steps taken by the Congolese government and its partners, such as FAO, which undertook the task of disseminating the Forest Law in a simplified manner without taking into account neither the size of the country nor the need to reach the most concerned people." "This criticism includes the World Bank, which knowingly declined to enforce its own policies and guidelines on forests and indigenous peoples. After a number of steps and remarks to the World Bank on this matter, the Pygmy indigenous organizations and support organizations were forced to submit the matter to the Bank's Inspection Panel, in order to bring the Bank to change its policy in Democratic Republic of Congo."

In support of the national NGOs, several international NGOs, on their part, suggested "the immediate and severe punishment of all logging companies that have violated the moratorium, including an immediate halt to their illegal operations, cancelling their other logging titles and banning them from operating on Congolese soil".

The need for participatory zoning was another priority action suggested by the international NGOs, with the recommendation that "a participatory zoning plan also be implemented as a sine qua non condition for the lifting of the moratorium, aimed at recognising the traditional rights of local communities, including indigenous peoples, on the basis of the principle of free, prior and informed consent". As part of the active involvement of local communities, they also recommended that "the different processes for formulating implementing measures for the Forestry Code should be undertaken in such a way as to enable the rights of local communities, including indigenous peoples, to be taken into account".

Reaffirming their "commitment to work together, alongside local communities, with partners motivated to achieve the sustainable management of the DRC's forests, respectful of the rights and interests of local communities, including indigenous peoples", international NGOs support the demand of the Reseau Ressources Naturelles that states: "We repeat our demand that the Government and its partners develop different alternatives to industrial timber exploitation, as well as the application of mechanisms for community forest management, prioritizing studies on non timber forest products. This is an approach much more likely to ensure the protection of our forest ecosystem and to achieve more success in the poverty alleviation programme".

The DRC NGO statement to Forest Forum is available (in French) at http://www.rainforestfoundationuk.org/s-DRC%20NGO%20Statement%20to%20Forest%20Forum%20-%20February%202006

The International NGO statement to DRC Forest Forum is available at <u>http://www.rainforestfoundationuk.org/s-</u> Int.%20NGO%20statement%20to%20DRC%20Forest%20Forum%20-%20February%202006%20-%20English.

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- Kenya: The roots of the current drought

Ongoing heart-rending stories of starving people in Kenya are highlighting the problem of drought and its causes. Kenya, east Africa's richest nation and a top attraction for tourists who flock to its reserves and parks for safari holidays, is under a severe crisis of poor rains that hits its harvests. The number of people who face starvation is spiralling ever higher: from 2.5 million in December to 4 million now, according to Kenya's minister for emergency operations.

Drought has been a feature of the region, a natural climatic phenomenon. However, two things have changed: deforestation and the emergence of global climate change.

Large scale destruction of forests, where evapo-transpiration from their dense vegetation contributes in a great percentage to rainfall -even more than oceans and seas- is the local source of the current drought crisis. The precise area of forest lost from Kenya over recent decades is partially known. It is estimated that the country currently has under two per cent of the original forest cover left. Clearing forests to establish industrial tree plantations using mainly exotic species, conversion of forests into agricultural land, logging, forest excisions with the intent of converting the area to other land uses like settlement or private agriculture are some of the underlying causes of deforestation in Kenya.

Notwithstanding destruction of the forest has come from outsiders, mainstream approaches try to put the blame for deforestation on indigenous people, proposing their eviction from the forest. Such has been the case with the Ogiek, that have lived in and from the Mau forest since time immemorial collecting honey, wild fruits, nuts, and game meat. While other Kenyan forests were being destroyed by "development", Ogiek traditional forest management ensured the conservation of the Mau forest. If Kenya is to reverse deforestation, the country should learn from the Ogiek's traditional forest use practices and try to replicate them in the rehabilitation of the remaining forest areas –instead of trying to evict them from their forest.

On the other hand, global climate change is also almost certainly at the heart of the current drought. It has long been predicted that climate change will result in more extreme weather events like droughts, floods and hurricanes. Within that context, extreme droughts such as this one should not come as a surprise.

It is also important to underscore that both deforestation and climate change can be traced back to the industrialized North, whose wealth and power arose –and still arises- from overexploitation and overconsumption of natural resources from forests and forest lands –particularly in the South- within a fossil fuel-based energy economy. Both processes –deforestation and fossil fuel burning- result in increasing amounts of carbon emissions that further contribute to global warming. For many Southern countries, like Kenya, the result is extreme climatic events such as the current drought that lead to increased poverty, suffering and hunger.

Article based on information from: "Underlying Causes of Deforestation and Forest Degradation in Kenya", Lynette Obare and J. B. Wangwe, <u>http://www.wrm.org.uy/deforestation/Africa/Kenya.html</u>; "Hunger kills in Kenya's north as drought takes toll", January 20, 2006, Nita Bhalla, Reuters News Service, <u>http://www.planetark.org/dailynewsstory.cfm/newsid/34595/story.htm</u>; "Deforestation, Climate Change Magnify East African Drought", ENS January 16, 2006, <u>http://earthhopenetwork.net/Deforestation_Climate_Change_Magnify_East_African_Drought.htm</u>

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- South Africa: A South African view of the FSC seal on industrial tree plantations

Although miles and miles of pine monoculture can be visually appealing to those of us with a more northern hemisphere way of looking at things, they can also be seriously bad news environmentally. Exotic tree plantations have earned the name 'green death' from eco-activists, who point out that they displace native species, very few of which can live in plantations.

Plantations in the eastern parts of South Africa are particularly notorious for consuming grassland, now considered our most threatened biome due to 60% (ACTUALLY 80%) of its area being lost.

Industrial plantations also consume vast amounts of water, and have been blamed for drying up wetlands and contributing significantly to many of the once perennial rivers in the Kruger National Park becoming seasonal streams, dry for much of the year. In many places pines have jumped plantation fences and have become increasingly invasive, smothering the countryside in a dark green suffocating blanket.

And we haven't even got to the pulp mills yet. Sappi got a rude PR shock in 1989 when an effluent spill from the giant Ngodwana Mill killed virtually all aquatic life in the Elands River for miles downstream. They've since spent a

lot of time trumpeting their green credentials, and are especially proud of their role in the development of an industry-standard oxygen pulp bleaching process, which eliminates the use of toxic chlorine in that part of the paper making process.

What they don't bleat about quite so loudly is that, until a few months ago, they used an old-style chlorine bleaching unit on their Stanger mill, just upstream from the Mvoti River estuary, famous migratory bird stopover. The estuary was closed to fishing and swimming this year owing to a Sappi survey which found levels of chlorinated organic pollutants 'above acceptable levels' in the estuary.

It thus came as a pleasant surprise to see the logo of the Forest Stewardship Council (FSC) on a box of Sappi's Typek A4. The presence of the logo persuaded us to buy the paper, even though it was more expensive than another brand also made by Sappi that didn't carry the FSC mark. The FSC (based in Bonn, Germany) is a body that certifies products like timber and paper, via local agents, as coming from well managed forests. It is a laudable initiative to keep products from illegal clearcutting out of the market, and make sure that the forests are managed to minimize their environmental and social costs. The idea is that eco-friendly types (like you, dear reader) should only buy wood and paper with the FSC logo on it, to force producers to clean up their acts.

We find it hard to consider industrial monocultures of alien trees to be 'forests', but a quick web trip to <u>www.fsc.org</u> reveals that they do in fact certify plantation products as well as those that come from (real) forests. The organization has a set of 10 'principles and criteria of forest stewardship' that form the basis of their management standards. Principles 1 to 9 deal with things like the environmental and social impacts of forests product extraction. Principle 10 allows plantations to be FSC certified, and lays out in general terms how they need to be planted and managed to qualify.

The nine criteria under Principle 10 go into more detail on how this should be done, and, ecologically speaking, there are a lot of good words in there, including stuff on the conservation of biodiversity and maintenance of ecological functionality. Criteria 10.6, for example, says the choice of tree used in a plantation "shall not result in long term soil degradation or adverse impacts on water quality (or) quantity".

We wondered how on earth any local pine plantation got OK'd by the FSC. The devil is, as usual, in the fine print, and how it is read.

It turns out that the FSC is so forest-centric, that despite its fine words about conserving biodiversity, they will only disallow FSC certification to plantations whose construction has resulted in the destruction of natural forests since 1994. (Plantations that destroyed natural forests before that date can be certified.) However, plantations that destroy other habitat types, like grassland, savannah, etc. are OK as far as the FSC is concerned.

Also, it is up to the local certifying agent to interpret the FSC's principles and criteria for local conditions. SGS Qualifor, the leading certification agent in South Africa, provides a 71 page outline on the internet of their Forest Management Standard, against which applicants for FSC certification are assessed. SGS Qualifor provides for each criterion a list of 'indicators' or norms to achieve, and 'verifiers', which are examples of the specific things that inspectors need to look for or confirm in order to ensure compliance with FSC standards.

Under the above mentioned FSC criterion 10.6 which forbids long term impacts on water quantity, we found no indicators or verifiers against which one would be able to determine reductions on runoff or stream flow. Elsewhere in the qualifor Standard there is brief mention of the fact that plantations should have a permit from the department of Water Affairs and Forestry an implicit admission that plantations generally do reduce stream flow.

Even if all companies' plantations are FSC certified, their pulp mills often get pulp from outside sources. The logo on the box is no indication of who grew the trees. This means that, today, you can buy a box of paper with a FSC "green" label that is probably made of 30% water-sucking, grassland destroying, rare species threatening local plantation stock and 70% Lord-knows-where-from wood.

Some local eco-activists formally asked the FSC to stop certifying plantations distinct from natural forests until a review of principle 10, already under way, is complete. The FSC have told them (very politely) that it will carry on certifying plantations. Why? Money. Or, as the FSC euphemistically puts it, because it feels that a moratorium on plantation certification won't be supported by the majority of its membership. Many of the members, surprise surprise, are from the timber industry.

The timber industry needs to be involved in the FSC for it to succeed. What it doesn't need is for the timber industry to run it. It is one of the few organizations that can turn the market away from dodgy forest products, but its reputation is going down the Elands river, along with the slow-flowing effluent from the Ngodwana mill.

Excerpted and adapted from: "Selling Our Forests Down The Elands River", Adam Welz, E-mail: <u>adamwelz@yahoo.com</u>, 'noseweek' #74, December, 2005, <u>http://www.noseweek.co.za</u>, <u>http://www.fishingowl.co.za/sawacdec051.html</u>, sent by Phillip Owen, GEASPHERE, E-mail: <u>wac@geasphere.co.za</u>, <u>http://www.geasphere.co.za</u>

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ASIA

- Burma: Selling timber, buying instability, poverty and destruction

Burma, with a population over 40 million, is endowed with a great variation of rainfall, temperature, soil and topography, resulting in many different forest types, from temperate to tropical landscapes that range from the Himalayas in the north and east to the lowland forest, mangroves and coral reefs in the south. Part of Burma's global conservation significance derives from the fact that it contains ecotypes, such as lowland peninsular rainforest, that are already depleted in neighbouring countries. The forests of this region are unusually rich in plants and animals.

The Northern Kachin State, bordering China, is one of the world's most biodiverse areas, but its forests are under threat from illegal, unsustainable and destructive logging. The vast majority of the resultant timber is illegally exported into Yunnan, China. Burma exports both hardwood and softwood species to China.

The value of such illicit timber trade --increased by almost 60% between 2001 and 2004-- has been estimated at US\$ 250 million annually and the volume over 800,000 m3 of timber per year.

As reported by the October 2005 document by Global Witness, "A Choice for China. Ending the destruction of Burma's northern frontier forests", logging companies have built almost 700 kilometres of roads in New Democratic Army (Kachin) territory, to facilitate logging and mineral extraction. On the other hand, logging companies encroach deeper upon Burma's forests in their search for timber as large parts of forest along the China-Burma border have been destroyed.

"Destructive logging of the kind taking place in Burma, leads to a decrease in the amount of timber and nontimber forest products available to the rural population and an increased incidence of poverty. Forest loss also has an adverse impact on water supply and hence agricultural production. This results in food security problems and poverty. Impoverished local communities are more likely to resort to poppy cultivation", reports Global Witness. Burma is today the world's second largest producer of opium after Afghanistan. Drug traffickers have invested heavily in logging businesses as a means of money laundering. Also, logging working conditions on the China-Burma border are very harsh, and loggers turn to drugs as an escape.

Logging is having an adverse effect on both the local population and the environment. The likelihood of flooding following heavy rainfall increases with deforestation. In July 2004, Burma was hit by the worst floods for decades, most likely made worse by logging in the headwaters of the Irrawaddy river. Floods submerged Myitkyina, the capital of Kachin State, affecting 3,700 families, with a toll of more than 30 people dead.

After the floods, an officer of the State Peace and Development Council (SPDC), made clear his views on the links between deforestation and flooding: "He [the general] said ... special care should be taken in such a hilly region like Kachin because deforestation would have a deteriorating effect on natural environment followed by adverse weather conditions, drought and inundation." (The New Light of Myanmar, 26 July 2004)

All in all, logging trade has created a disabling environment: it increased factionalism, corruption, cronyism, intensified ethnic tensions between Kachin sub-groups, entrenched power structures and created conditions under which local warlords have thrived. Quoting Global Witness report: "Revenue generated from the cross-border timber trade with China has funded conflict in Kachin State, led to human rights abuse and to increased poverty. Competition over territory between armed opposition groups, business interests and others, seeking to control the trade is a proximate cause of violence, and a source of instability that has the potential to transcend the border.

It is hard to believe that logging trade is conducive to either stability on the border, development or political progress in Burma.

Article based on: "A Choice for China. Ending the destruction of Burma's frontier forests", Global Witness, October 2005, <u>http://www.globalwitness.org/reports/show.php/en.00080.html</u>

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- Indonesia: WWF Wrongly Endorses Shrimp Farming in Aceh to Boost Tsunami Recovery!

At the recent "Seafood Summit" conference event in Seattle organized by Seafood Choice Alliance (January 29-30, 2006), the WWF's "Aquaculture Specialist", Aaron A. McNevin, PhD, announced that WWF has formed the Sustainable Aquaculture Alliance, which is itself working towards some sort of farmed shrimp certification based upon Best Management Practices. He further stated that WWF is working with the Indonesian government, the FAO (Food and Agriculture Organization), UNEP (United Nations Environment Programme), NACA (Network of Aquaculture Centres in Asia-Pacific) and the World Bank to re-establish the shrimp farms that had been destroyed by the tsunami along the coast of Aceh in Sumatra, Indonesia.

WWF claims that they are doing this to help the local fishing communities in Aceh recuperate economically from their losses from the tsunami. According to McNevin, the shrimp farms were prior run by small-scale farmers, and this plan to re-establish these destroyed ponds was a way WWF saw to help these same local communities get back on their feet economically!

This so-called "recovery plan" for Aceh is a shocking revelation for many working for many years to halt further expansion of unsustainable shrimp farming. After all, it was the shrimp farm industry, along with other unsustainable developments, that removed the mangroves and other important features of a natural coastal greenbelt in the first place. Such a natural greenbelt or buffer zone had once offered some protection from hurricanes or tsunamis in the past, but these coastal areas were cleared and leveled to make way for shrimp ponds, tourist hotels, marinas and other developments, thus making the coastal areas much more vulnerable to natural disaster events, such as the tsunami of 2004.

It has even been rumored that the Indonesian military, which has been fighting against a persistent guerrilla insurgency in Aceh Province for over 30 years, may actually have intentionally encouraged shrimp ponds to replace the cover of mangroves to eliminate places where the insurgents could take refuge.

Although the tsunami event was a natural disaster resulting from the immense earthquake which occurred on Dec. 26th, 2004 off the north coast of Sumatra around Aceh province, the high death toll can be partly, if not largely, attributed to a man-made, unnatural disaster. This unnatural disaster preceded the tsunamis that struck such a fatal blow along the coasts of Asia and Africa. This earlier disaster, which set the stage for the subsequent tsunami events, was man-made by greed and shortsightedness, resulting in the clearing of the natural buffer zones once present along the same coastlines which were so hard hit by the tsunamis. Extensive mangrove

forests, coral reefs, sea grass beds, sand dunes, peatlands and other natural features served as barriers to wind and wave. Once these natural protective buffers were removed, the full forces of the tsunamis lashed the vulnerable coastlines resulting in the higher death tolls in both Asia and East Africa.

It is now believed by many experts studying the disaster that where mangroves, coral reefs and other natural barriers still stood the resultant destructive force of the tsunamis was much less, and in these same protected areas many lives were spared.

As asserted above, the early warning system had long ago been sounded. These were the cries of warning from mangrove ecologists, local communities and non-governmental organizations (NGOs) that protested the illegal expansion of shrimp aquaculture, tourism and other unsustainable industries along these same contested coastlines.

The local communities, once sheltered from the storms by these natural barriers, were exposed to this type of disaster because of the prior onslaught of another disaster—largely unregulated, poorly planned, industrial development along the vital coastal zone. This often illicit and controversial development was largely supported and promoted by such international lending agencies as the World Bank, the Asian Development Bank, and US AID, as well as the UN's Food and Agriculture Organization. These often controversial institutions should be spotlighted for their prior grievous wrongs in supporting the kinds of destructive and unsustainable developments that laid the coasts of the affected regions open and vulnerable to the fatal blow of the December tsunamis.

Though there had been earlier warnings that such a disaster would take place, few in government or industry paid attention. Instead they ignored the ample warnings in favor of proven unsustainable management policies that further degraded these protective coastal zones. Throughout the 1980s and 1990s, shrimp farming itself was heavily supported by millions of dollars of World Bank loans, as well as by NACA and the FAO via research and development programs along the same coastlines where the tsunamis struck.

"The World Bank participated actively in the launching of the shrimp industry in Asia. Out of an investment of US\$ 1.685 billion in 1992 for Indian agriculture and fisheries, the World Bank allocated US\$ 425 million for aquaculture development (Mukherjee, 1994). A substantial part of this sum seems to be destined for intensification and expansion of shrimp ponds. The involvement of the World Bank in shrimp aquaculture, and the development of related hatcheries and other shrimp facilities, illustrates of the trends towards internationally organized vertical integration of this industry (O'Neil, 1994, 10-11)..." (Solon Barraclough, et al, Some Ecological and Social Implications of Commercial Shrimp Farming In Asia, 1995)

This massive support by these governmental and inter-governmental agencies led to rapid and uncontrolled expansion of the shrimp aquaculture industry in the Developing World, especially affecting the mangrove forested regions. Shrimp farming is considered to be the number one cause of mangrove forest loss by many researchers who have documented the rate of mangrove loss, which now stands at around 1% to 2% per year.

Instead of re-establishing an unsustainable shrimp farm industry in the mangrove related wetland areas of Aceh Province, a more effective path towards a protective greenbelt restoration and long-term, local community reparation must be offered in hopes to avert such an unnatural natural disaster in the future. WWF needs to revise its plans for tsunami recovery, as their promotion of shrimp farming as a means for economic benefit to the poor coastal communities is a terrible mistake in both judgment and policy!

By Alfredo Quarto, Mangrove Action Project, E-mail: <u>mangroveap@olympus.net</u>, <u>http://www.earthisland.org/map</u> **o top**

- Laos: ADB's eucalyptus plantations increase poverty

It's official. The Asian Development Bank's Industrial Tree Plantations Project in Laos has increased poverty. In a December 2005 report, the Bank's Operations Evaluation Department (OED) concludes that the project "failed to improve the socioeconomic conditions of intended beneficiaries, as people were driven further into poverty by having to repay loans that financed failed plantations."

The ADB rated the Industrial Tree Plantations Project, which ran from 1993 and 2003, as "unsuccessful" and the ADB's performance in the project was "unsatisfactory", according to the November 2005 Project Completion Report.

The ADB's response? Another tree plantations project in Laos. On 16 January 2006, the Bank's Board of Directors approved a six-year Forest Plantations Development Project. The project will set up a Lao Plantations Authority and establish about 9,500 hectares of "small livelihood plantations". The Bank will give a US\$7 million loan and a US\$3 million grant towards the project costs.

Akmal Siddiq, ADB's Principal Project Economist, describes the Lao Plantation Authority as "a one-stop window for private investment in plantations". He said this during an ADB-supported Private Sector Consultation Workshop in Vientiane, in August 2004. The aim of the workshop was "to present the investment opportunities to multinational pulp and paper companies".

During the workshop Siddiq said that the goal is 500,000 hectares of industrial tree plantations in Laos by 2015. He added that the ADB sees Laos as the pulp producer for the region. Among the companies present at the workshop were Oji Paper (Japan), APRIL (Indonesia), BGA (Laos) and Phoenix Pulp and Paper (Thailand).

Clearly, Siddiq did his job of selling Laos as a new target for the international pulp industry: "Oji Paper Company Ltd of Japan, introduced to such opportunities in Lao PDR for the first time, was so convinced that it acquired BGA Plantation Company Ltd within months," states an ADB project report.

The ADB's Industrial Tree Plantations Project established plantations on "degraded forest land". But, according to the OED's evaluation report, "in many cases, such lands were reported by farmers to be areas traditionally used for shifting cultivation." The Bank's Project Completion Report states that "Most villages expressed the opinion that they have no degraded forest land." The report adds, "Most farmers use forest land for harvesting logs and bamboo, collecting fire wood and non-timber forest products. Together with rice production and livestock breeding this use of forest is one of the three important main sources of income."

This information seems not to have filtered through to the ADB's headquarters in Manila. Under the new project, "Plantations will be established on degraded forestlands that have little or no alternative economic value," according to a Bank project report.

As part of the Bank's previous plantations project, the Agricultural Promotion Bank handed out a total of US\$7 million in loans to farmers, individuals and companies to set up plantations. Many of these plantations failed. "Plantations (comprising Eucalyptus camaldulensis) established and managed by the majority of farmers and individuals were unproductive or had low yields," states the OED's evaluation report. "Thousands of inexperienced farmers and individuals were misled by prospects of unattainable gains, leaving the majority of farmers with onerous debts, with no prospect of repaying their loans, and with failing plantations." Repayments on more than 82 per cent of the loans are overdue by more than one year.

The OED's evaluation report states that "There were allegations of ghost borrowers, misuse of credit funds, inflated development costs, and overdisbursements of loan funds." The ADB's Project Completion Report uses the word "fraud". The OED has reported the allegations of corruption to the Integrity Division of the Office of the Auditor General of the ADB.

Had the Bank made more effort to monitor the project, its highly paid staff might have noticed something was going wrong. But the OED found that Bank missions included few trips outside Vientiane. Between 1996 and 2003 there was no forestry specialist on any of the Bank's project review missions. Between July 2000 and February 2002 there were no ADB review missions at all.

The ADB's Principal Project Economist, Akmal Siddiq, maintains that the new project is about poverty alleviation. "The development of livelihood plantations is an effective way to reduce poverty," he said in a press release announcing the project.

Siddiq, it appears, doesn't read the Bank's own documents. A report produced during the preparation of the new Bank project refers to an ADB "Participatory Poverty Assessment" conducted in 2001 in Laos. "The message from the villagers", states the report, "to the PPA study team was: 'Please, start the development process by building upon what we already know -swidden fields, livestock and forest."

Another report produced during project preparation was based on a rapid rural appraisal in six of the villages where the Bank plans to establish fast growing tree plantations. The ADB's consultants reported that "discussions with farmers (women and men) in the 6 villages revealed that their priorities in livelihood improvement do not include tree plantations of the kind offered by the proposed project."

The ADB claims that its overarching goal is poverty alleviation. This is a lie. The Bank's loans to Laos for industrial tree plantation projects reveal the ADB's true overarching goal: to prise open the country to multinational corporations.

By Chris Lang, E-mail: chrislang@t-online.de

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- Thailand: People, not state, protect forests

Can people co-exist with forests? This nagging question will come to the fore once again if the controversial community forest bill makes it to Parliament for a final vote. This is a case of asking the wrong question. If we really want to protect the remaining forests that have survived a series of state plundering, a different question must be asked: Can our forests survive state mismanagement and exploitation if we don't allow people's participation and public monitoring?

For that is the heart of the original version of the people's draft bill. No matter what the opponents say, their arguments boil down to their belief that the villagers - particularly the hill peoples - are forest destroyers. And that the forests will remain in good hands under state control.

Sadly, this myth also runs deep among the city middle-class who have been brainwashed by mainstream education and mass media to blame deforestation on the hill peoples and poor forest settlers.

But who really are the bad guys?

Within only 40 years, Thailand's forests which once covered half of the country have dwindled to just about 20%. This should be no big surprise.

Although commercial logging was banned in 1989, illegal logging supported by men in uniform continued unabated. Meanwhile, the policy of successive governments to expand cash crops for export has caused massive land-clearing and deforestation. The same can be said with the military's counter-insurgency policy to destroy guerrillas' strongholds by building roads and human settlements in forests. More forests also fell prey to big dams, commercial tree farms and encroachment by big-time land speculators.

To cover up their failure, the forest authorities increased the figures of forest cover by speeding up the number of national parks and wildlife sanctuaries while barring human activities there.

The fact is, all forests have long been inhabited, both by the indigenous forest dwellers and by the more recent settlers who first came with state endorsement. But the 1962 National Park Law has since then turned more than one million poor families into criminals and subjected them to the misery of eviction.

Meanwhile, the forest authorities continue to turn a blind eye to illegal logging and forest encroachment by influential people while renting out good forests for peanuts to commercial tree farm investors.

Exactly 25 years ago, Ban Huay Kaew in Chiang Mai became the first village to fight for community rights to protect their forests from investors' encroachment. It quickly grew into a nationwide movement demanding state recognition and support for local communities' participation in forest conservation and rights to sustainable use. The demand for community rights to co-manage their natural resources is endorsed in the 1997 charter as a constitutional right. Hence the people's community forest draft bill.

But the Thaksin government wants to retain the power to evict forest dwellers at will. A new phrase was added into the people's original version to give the authorities sole power to demarcate special forest zones where villagers must be evicted.

Note, however, that the Thaksin government has plans to build more dams in forests as well as open up national parks -- more to the tourism industry and to lift the tourism ban in wildlife sanctuaries. Plans also are afoot to build roads in Thung Yai, a World Heritage site. Strong resistance to these plans comes mainly from community forest groups. It is understandable why the authorities want them out.

Last month, Somyong Oongaew of Petchabun's Nam Nao community forest was the latest in a long list of forest fighters gunned down because they stood in the way of those with money and power.

As long as we make the poor the scapegoats of deforestation, the local communities' struggle to protect their forest homes will remain an uphill battle. Many more forest fighters like Somyong are also likely to lose their lives - thanks to our wrong question, which leads us to the wrong answer.

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CENTRAL AMERICA

- Guatemala: Documentaries on mining impacts

We would like to share with our readers an announcement on two documentaries on the disastrous impacts of mining in Guatemala.

The first documentary is called: "Explotación de oro a cielo abierto en Guatemala; Proyecto Marlin" (Open-Cast Gold Mining In Guatemala: The Marlin Project). This documentary addresses the activities of a trans-national mining company that started prospecting for gold in part of the San Marcos territory in 1996.

The Mining Law, passed in 1997, established low royalties for mineral extraction and tax exemption for those importing capital goods and inputs, creating the necessary conditions to make this business very profitable for the companies. Added to this, the World Bank's International Finance Corporation approved a 45 million dollar loan to partially finance the mine.

The same company is extracting gold in Honduras through a branch company: damages to the environment and to the neighbouring population are high. The mining process is the same as the one to be used in Guatemala. Even before starting exploitation of the mine, serious impacts have been felt on the ecosystem (including a total lack of water in some communities), damage to the health of the population, negative socio-economic consequences and serious violations of Human Rights and of the Indigenous Rights of the Sipakapense People.

The documentary is a case study on how globalization affects the Indigenous Peoples, leaving many losers and few winners.

Because of the wide dissemination given to the documentary, the issue of open cast-mining using chemicals and its serious consequences (on the environment, on health, on human and indigenous peoples' rights, together with negative socio-economic impacts) has now taken "root" in Guatemala and a new mining bill (more beneficial to the country) is being debated. Civil society is also strongly debating the advisability or not of the mass development of these industries.

The documentary was to be presented in the framework of a Forum on Extractive Industries, Indigenous Peoples and the Environment at the Rafael Landivar University, with the presence of a Nobel Prize winner and German scientists (experts in this matter). The Forum was postponed on two occasions and finally cancelled.

On Saturday 18 July 2005, a Grass-roots Consultation was carried out in the affected zone. A total of 2,415 people voted NO to mining and only 30 people voted YES in favour.

The title of the second documentary is "Explotación de níquel en tierras mayas: Proyecto Fénix" (Nickel Exploitation In Mayan Lands: The Phoenix Project).

This case deals with a Canadian mining company that is developing a major project for nickel extraction from lands belonging to the Mayan People. The operation had been abandoned at the beginning of the 1980s because of the low international market value of this mineral. From the time of prospecting to mining exploitation, serious violations of Human and Indigenous Peoples' Rights took place.

In December 2004 their mining exploitation licences were renewed and at the same time, a mock sale of the company took place. The new mining process will use sulphuric acid and dump waste water into Lake Izabal, part of a protected ecological area.

Due to the fact that Guatemala has signed International Labour Organization Convention 169, a prior consultation must be made with the indigenous inhabitants of the affected zone to find out whether they accept mining exploitation. The consultation was never made and the inhabitants, in their majority, are against mineral extraction starting up again.

The documentary narrates, through the words of witnesses, the multiple problems that this foreign enterprise caused and continues causing in the Q'quechi' area: violations of Human and Indigenous Peoples' Rights, damage to the health of the inhabitants, environmental disasters and finally, a negative socio-economic impact on the region.

Both documentaries were made by Kristina Hille and Mariano Aiello. Those wishing to obtain copies should address themselves to the following e-mails: <u>blackspringamericas@gmail.com</u>, <u>marianoaiello@gmail.com</u>

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SOUTH AMERICA

- Argentina-Chile: Young Mapuche opposed to the advance of plantation companies seeks political asylum

On 6 December, 23-year-old Pascual Pichun Collanao, a member of the Antonio Nirripil community from the Temulemu sector in the southern Chilean commune of Traiguen, formally requested political asylum in Argentina. The young man had been on the run since November 2003 when, with his brother Rafael they decided not to give themselves up to justice after being refused the right to freedom under surveillance because they were unable to pay a court fine. The brothers had been given a 5-year jail sentence for setting fire to a truck belonging to Forestal Minico in March 2002. Presently Rafael is serving a sentence in Traiguen prison following his arrest in July 2005.

"We are Mapuche, children of the earth and for this reason we have always defended it. Since 1998 our community has strongly defended our ancestral territory against the advance of plantation forestry companies and we have denounced the serious damage caused by industrial plantations, using all public fora to express our unrest." These are the words of the lonko (traditional community authority) Pascual Pichún Paillalao and his son Rafael in a letter sent to the Secretariat of the Committee for Eligibility to the Status of Refugees in Buenos Aires, supporting the petition made by the young Pascual. "This has caused an unending campaign of legal and political persecution against our family and against other members of our community which comprises some 80 peasant families of humble origin."

In April 2004, the lonko Pichun Paillalao, father of the asylum-seeker, was given a 5-year jail sentence for the crime of "terrorist threats" together with his peer, Aniceto Norin, the lonko of the neighbouring community of Didaico.

"Our struggle is the struggle of a people for its rights, it is the struggle of a community for the good of its members, for the defence of our culture and our language, for the traditional medicine that lives in our forests and for water that is scarcer now than ever before" explain lonko Pichún Paillalao and his son. "If this is an act of 'terrorism' so be it, but we have the conviction that it is a legitimate struggle and that in no case do we represent a 'danger to society' as the Chilean Government and tribunals have stated. It is for this reason that we have been irregularly sentenced, in shamefully racist court cases."

According to Juan Pichún Collonao, spokesperson for the Antonio Ñirripil community, "Monoculture pine and eucalyptus plantations cause ponds and streams to dry up making it hard for people to live there. We also have airborne contamination from spraying (from the air) with chemical products to achieve quicker production and spraying from the ground to leave just the pine trees. This goes to the streams or wells where most of the Mapuche families obtain their drinking water and causes biological problems. There are children who are born with six fingers, children who get ill when they are very young, who have died without the cause being known."

Around 1997 Mapuche community members started a series of 'productive recoveries' that is, occupation of large tree plantations, felling them and growing crops. In this way they fulfilled the double objective of satisfying their territorial demands and curbing monoculture tree plantations. State response was an escalating process criminalizing mobilizations with the application of the laws for Interior State Security No. 12.927 and Antiterrorism N°18.314, inherited from the dictatorship.

According to Juan Pichún Collonao, the fire for which the brothers Pascual and Rafael were sentenced was staged by people who work in the Nancahue estate controlled by Juan Agustín Figueroa, a man with a strong political background – he was minister of agriculture during the presidency of Patricio Aylwin (1990- 94) and member of the Constitutional Tribunal until very recently – whom the Mapuche consider to be a new Inquisitor.

Criminalization of the Mapuche demands in Chile has been denounced in international spheres for almost a decade now. Various international organizations have recommended to the Chilean authorities that they should introduce changes in their policies regarding these people. Presently a dozen Mapuche leaders are in Chilean

prisons serving sentences that vary from 5 to 10 years, while a similar number have gone underground. State repression also was responsible for the death of 17-year-old Alex Lemun, murdered by the Special Police Forces in November 2003 during eviction from an estate.

In 1974, shortly after the imposition of General Augusto Pinochet's dictatorship in Chile (1973-90), decree 701 was promulgated for the promotion of the plantation forestry industry. This involved subsidizing almost all the costs of companies investing in the sector. This regulation and the counter agrarian reform carried out by the military government put an end to indigenous community property and shattered the policy of the socialist government of Salvador Allende (1970-73) of access to land in Chile.

"Following that decade — affirms Lorena Ojeda, of the Temuco Association of Young Professional Mapuche Konapuewman — the companies continued to expand, covering many hectares of territory. This led to the Mapuche communities being fenced in by the forestry companies, causing mass migration of rural people to the city, with the loss of identity that this implies." As a paradigmatic point, it should be noted that the temu -the tree predominating in the Antonio Nirripil community and closely linked to their spiritual life- has almost disappeared as a result of the advance of monoculture tree plantations.

By Hernán Scandizzo, Colectivo Pueblos Originarios - Indymedia Argentina, e-mail: <u>herscan@yahoo.com.ar</u>

For more information: Comisión por el Refugio Político en Argentina a Pascual Pichun Collonao – COPP, <u>libertad_pascualpichun@yahoo.com.ar</u>; Model letter to send to CEPARE in support of Pascual Pichún Collonao's request for political asylum <u>http://www.argentina.indymedia.org/news/2006/01/368597.php</u>; the web pages: <u>http://www.nodo50.org/azkintuwe</u>, <u>http://www.argentina.indymedia.org/features/pueblos</u> may also be visited.

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- Brazil: Quilombolas protest against Aracruz Cellulose

In November 2005, hundreds of quilombolas marched through the streets of São Mateus in northern Espírito Santo to protest against Aracruz Celulose, the world's largest producer of bleached eucalyptus pulp. "Aracruz Celulose: you are against the life, return our lands to produce food", "Workers Mutilated by Aracruz Celulose demand their Rights", "President Lula: The future of indigenous people is more important than exporting pulp!" read some of the banners. I took part in the march and walked with the quilombolas, to the sound of drumming, through the town. We walked to the river, down to the square where slaves were unloaded during colonial times.

Quilombo was the name given to communities of escaped slaves during the colonial period in Brazil. By the seventeenth century the Portuguese colonists had brought hundreds of thousands of African slaves to Brazil. Many of them escaped. The most famous quilombo settlement was in an area called Palmares in north east Brazil, named after the wild palms growing on the hills. By the middle of the century, about 30,000 people were living in Palmares, in large fortified towns with chapels, statues and palaces. The first leader of Palmares was Ganga Zumba, the great ruler.

The Portuguese sent expedition after expedition to try to wipe out the Quilombo dos Palmares. One after another, the expeditions failed. But in 1678 Ganga Zumba agreed to a settlement with the Portuguese. The remaining quilombo leaders refused to accept any deal while Africans remained enslaved. They made Zumbi, Ganga Zumba's nephew, their new leader.

Zumbi was eventually taken prisoner and beheaded in November 1695 and almost 100 years of quilombo resistance came to a close. Zumbi became a hero and a symbol of black freedom in Brazil.

The colonists planted monocultures of sugar cane for export. The quilombolas planted maize, beans, manioc, sweet potatoes, bananas and vegetables. They raised hens and pigs, fished in the rivers and hunted in the forests.

Today, another monoculture threatens the descendents of the quilombos. Aracruz has planted hundreds of thousands of hectares of industrial tree plantations on the quilombola's land.

The day after the march in São Mateus, I visited some quilombola villages together with activists from the Rede Alerta contra o Deserto Verde (Alert against the Green Desert Network). Villagers told us how their community had been completely surrounded by eucalyptus plantations. "Aracruz finished our land," said one man. The company bought the land either very cheaply or fraudulently, by using a middle-man to buy the land for them.

Two hundred people living in one village used to be employed by Aracruz as chain saw operators, but all have now lost their jobs. "Most people have moved away since Aracruz arrived. They now live in the favelas in big cities, like Vitória," a villager told us.

Aracruz took all the best land, leaving the quilombolas with only the areas that the company cannot plant. "There is not even space to keep a horse," a villager complained. "When young people marry, they have nowhere to go, so they are staying. This means that there is even less land available," added another man.

Since Aracruz established its plantations villagers have difficulty finding a safe water supply. "We are afraid of the water. No one drinks it any more."

We visited another quilombola village where villagers had not sold any of their land to Aracruz. Villagers have set up an organic garden where they produce banana, jackfruit, papaya, sugar, pineapple, coffee, genipapo (used by Indigenous Peoples to paint their skin), tomatoes, passion fruit, herbs and manioc. But Aracruz's monoculture eucalyptus plantations are immediately next to their garden. Although the villagers use no chemicals on their crops, they cannot get a certificate to prove that their produce is organic because of the pesticides that drift over from Aracruz's plantations.

The contrast between Aracruz's monocultures and the diverse quilombola gardens is dramatic. On one side are flowers, fruit trees, food crops, houses and people. On the other are rows of eucalyptus trees. Villagers told us that they can only grow manioc near to the plantations in the first couple of years after the trees are planted. After that the trees are too big and there isn't enough sunlight to grow manioc. After only five months, Aracruz's eucalyptus trees are more than six metres high.

Villagers described how they have become isolated as the eucalyptus plantations have taken up more and more land. "Aracruz has been here for more than 30 years. Before then we had many friends. On Sundays we used to visit them to carry out rituals and have parties. Now many people have moved away and some of the rituals have been lost."

A quilombola villager explained what they want from the company: "Aracruz can export its pulp, that's OK. But people need jobs and to get back their own lives. Aracruz needs to resolve all these problems before it can export." Another quilombola put it more simply. "I want Aracruz to disappear from here," he said.

By Chris Lang, e-mail: <u>chrislang@t-online.de</u>

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- Brazil: Follow-up of Tupinikim and Guarani struggle against Aracruz Celulose

Following the violent eviction of the Tupinikim and Guarani villages by tractors of the plantation and pulp company Aracruz Celulose with the support of the Federal Police in January (see WRM Bulletin N° 102), hundreds and hundreds of international messages of solidarity with the struggle of the indigenous people to recover their legitimate lands were sent to the Brazilian authorities.

The attention abroad for the police violence and the several irregularities involving the Judge's decision (being now investigated by the Federal Public Prosecution Service) that motivated the police action, led to the decision of the Royal House of Sweden to withdraw their financial investments from the Aracruz company (partner of the Finnish-Swedish company Stora Enso in the Veracel pulp mill in the state of Bahia). The Swedish royal family's private investment firm, Gluonen -which is owned by Crown Princess Victoria and her siblings, Prince Carl Phillip and Princess Madeleine- had valuable shares in Aracruz. The royals decided to sell their shares after media criticism increased, a move that was welcomed by Swedish environmental NGOs.

On 28 January, Tupinikim and Guarani, helped by supporting groups and movements such as students and the MST (landless peasants movement), reconstructed during a whole day the shattered indigenous village of Olho d´Água.

On the legal field, the Federal Public Prosecution Service in Espírito Santo is preparing a new appeal in which they demand the Federal Judge to give the Tupinikim and Guarani a right to occupy the area until a final decision on the demarcation is taken by the federal government.

On 30 January, with the support of several authorities, a delegation of 8 indigenous leaders had a 30-minutes meeting with President of the Republic Luíz Inácio Lula da Silva, at the Vitória Airport, at the end of a short visit of the President to the Espirito Santo State. Lula promised that he would send the Minister of Justice Márcio Thomaz Bastos to talk directly with the Indigenous Peoples in order to solve the demarcation issue.

Lula kept his promise. On 9 February, an indigenous commission of 20 chiefs and leaders had a meeting of one and a half hour with the Minister of Justice and the President of FUNAI (Federal Agency on indigenous issues), Mércio Pereira Gomes, who promised to publish the new study on the indigenous area (carried out in November/December 2005), which aims to update and to complement in some aspects the FUNAI-studies from the period 1994-1998.

The study by the FUNAI Working Group carried out in Espirito Santo was published at the end of February and proves the legitimacy of the indigenous lands, establishing their occupation from time immemorial and stressing the "successive subtraction of land from their traditional territory based on mistaken policies that have over the years restricted and to a certain extent made the rights and prospects of the Indigenous peoples unviable." The study is an update of a first work carried out by the Working Group in 1997, which also recognized the lands in the north of the State as indigenous lands. The confirmation of this study represents an important step forward in obtaining the final homologation of the 18,070 hectares of indigenous land in the north of the State.

The study also reports on the transformation of the indigenous peoples' traditional way of life, imposed on them following the arrival of Aracruz Celulose in the region. The presence of monoculture eucalyptus plantations introduced and maintained by Aracruz Celulose was qualified as responsible for causing "deep transformations" in the environment "that the company insists on denying." In the opinion of the Working Group, the indigenous communities today face degradation of environmental conditions, such as the destruction of forests and fauna, dried up or contaminated rivers and impoverished land.

Before this, hunting was abundant and varied (giant armadillos, peccaries, spotted cavies, deer, guans, the tamandua ant-eater, the jacutinga and the jacupemba, the solitary tinamon and the coati). However, deforestation has caused the almost complete extinction of the native fauna. Presently, the still incipient breeding of domestic animals such as chickens, pigs, goats and cattle, complements available food and is an alternative source of income.

The scarcity of rivers and streams close to the villages is also reported in the study. According to the Working Group, rivers and streams in the region have been contaminated and there is also a transposition of the waters of the River Doce to the River Riacho to supply Aracruz Celulose, making traditional species used by the indigenous people disappear or considerably diminish and giving way to predatory and highly competitive species such as the piranha and the African catfish. Thus the Working Group technicians not only recognize the legitimacy of

indigenous lands, but also the cultural, environmental and social damages arising from the arrival of Aracruz Celolose in the region.

The phases of the agreement between the indigenous people and the multinational company are also reported in the study, with data on demarcation as authorized by the former Minister of Justice, Iris Resende, who demarked only part of the indigenous land, and highlighting irregularities that have even been acknowledge by the Public Ministry of Espirito Santo. This demarcation, considered as illegal by the indigenous peoples, is responsible for the use of indigenous lands by third parties and for soil erosion, leaving them with scantly fertile land.

With the publication of this study, the 90-day period for the multinational company to reply and send its report to FUNAI has started running. For its part, FUNAI will have 60 days to analyze and sign a report that will be sent to the Ministry of Justice.

On 14 February 2006, the Federal Public Prosecution Service (Ministério Público Federal) in the Espírito Santo state sent to the Regional Federal Court of the 2nd Region in Rio de Janeiro an appeal in which attorney André Pimentel Filho demands that the indigenous people get permission to reoccupy the area from which the Police tried to evict them with violence on 20 January, until the final decision of the federal government (the decision of the Minister of Justice is expected in July/August of this year). If the Court accepts this appeal, it will mean that the indigenous people can return to the villages and maintain the occupation without being afraid of a new eviction.

The struggle of the Tupinikim and Guarani continues and they ask you to continue supporting it!

Article based on information from: "Follow-up on the violent Federal Police action against the Tupinikim and Guarani indigenous peoples in Brazil", Alert against the Green Desert Network, 10 February 2006, sent by Winfridus Overbeek, FASE – ES, E-mail<u>winnie.fase@terra.com.br</u>; "Funai publica estudo que confirma ocupação de terras indígenas pela Aracruz Celulosa", Flávia Bernardes; "Royal News Swedens Royals Sell Forestry Shares", Femalefirst, <u>http://www.femalefirst.co.uk/lost/132772004.htm</u>

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- Uruguay: Pulp mills and citizen participation – the World Bank in the limelight

A member of the Bretton Woods family since its creation in 1944 together with the International Monetary Fund (IMF), the World Bank continues to be one of the main actors in drawing up and applying macro-economic policies in Southern countries, financing public and private companies in what it qualifies as "development" projects (ranging from the construction of highways to the installation of pulp mills).

These loans are granted under conditionalities that imply the implementation of economic policies involving from privatization of state or public services to the deregulation of labour and environmental laws. The objective has been to leave the State with minimum functions so that it is market competition that serves "public interest." In fact these "development" policies have been instrumental to insert the countries of the South in a global architecture based on a central-peripheral relation of dependency.

The World Bank has been decisive in the consolidation of industrial tree plantation projects, supplying the necessary funds to offer "incentives" (tax exemption, reimbursements, soft loans, direct and indirect subsidies, etc.) to plantation forestry companies, providing the opportunity for this export-oriented production to take off. We have already commented on this in the case of Uruguay (see WRM Bulletin 83).

However, in this country plans have not gone as smoothly as the World Bank and the paper industry groups would have liked. For them, the installation of pulp mills on the Uruguay River has become a thorn in the flesh. The opposition that it has given rise to, both in the country itself and in Argentina among the population neighbouring the projected mills – which has deployed such a high degree of mobilization that the Argentine

Government has taken up the position of the local groups, leading to a diplomatic confrontation with Uruguay – is a difficult obstacle to overcome in the participation policy of the World Bank itself.

To this are added the faults committed in this respect within Uruguay. As part of the consultation and dissemination process related with the draft report on the accumulated impact of Botnia and Ence pulp mills entrusted by the Bank to Pacific Consultants International, on 14 February the International Finance Corporation (the WB branch responsible for private sector loans), held a meeting in Montevideo "to help inform about its taking a decision to consider funding" for the mills.

The Guayubira Group – that has systematically faced up to the expansion of the large-scale monoculture tree plantation model and its corollary, the pulp mills – decided not to take part in the public hearing, considering that the objective was to achieve endorsement of the report. Previously Guayubira had told World Bank officials that the report on the accumulated environmental impact of the pulp mills is totally biased in favour of plantation forestry and of the pulp mills and that it lacks the necessary objectiveness to be considered a serious and informed basis for discussion on such an important issue. In this respect, Guayubira had recommended that the Bank demand the consulting company to substantially improve its report to enable it to serve as a basis for the broad consultation that the Bank wanted to carry out. However this was not the case and for this reason the group decided not to participate and to make public its well-founded criticism of the report, and to demonstrate in the streets its opposition to the funding of the pulp mills by the World Bank (see the arguments in <u>http://www.guayubira.org.uy/celulosa/audienciaBM2.html</u> and photos of the demonstration in <u>http://www.guayubira.org.uy/celulosa/fotos IFC BM.html</u>).

Furthermore, the World Bank had not invited the Uruguayan Network of Environmental NGOs to the public hearing. This Network formally participates in the Ministry of the Environment's Technical Advisory Commission on the Environment (COTAMA). Although at the last moment – and by chance – the Bank was able to repair its serious omission, the Network ended up by tangentially receiving a last-minute invitation.

Acknowledging that these industrial projects are part of one of the most contaminating sectors of industry in the world, the Uruguayan Network of Environmental NGOs submitted its comments on the Accumulated Impact Assessment at the Public Hearing. Some of the most noteworthy arguments are: the assessment has serious technical errors such as confusing shads with sardines; not respecting the requirements of the National Environmental Office; lack of scientific knowledge and concrete data necessary to make a true assessment; there are doubts on the economic benefits as there is no official data on job generation; because they are located in an Free Trade Zone, these projects do not collect taxes. The Network stated: "We consider that merely in IRIC (Tax on Industrial and Trade Income), Uruguay will give up receiving approximately US\$ 120 million per year. However, part of this figure --that will add profit to the companies-- will be eligible for a similar tax collected by the Finnish and Spanish States. This means that the Uruguayan State will resign to an amount close on US\$ 40 million per year that will go to increase the coffers of European states, an inadmissible situation given the comparative economic conditions of our countries. Moreover, while the State leaves off collecting taxes that legitimately correspond to it, it will have to make a series of expenditures arising from the needs for facilities and services that these industrial activities demand. In addition to all this, monoculture tree plantations will increase, without us knowing what their environmental impacts will be" (see the complete report in http://www.uruguayambiental.com/articulos/RedUruOngAmbCelulosa.pdf).

The World Bank did not have the endorsement of any of the most outstanding social actors involved in this process. The Guayubira Group decided not to participate in the public hearing due to the lack of seriousness of the report to be discussed and submitted its criticism in writing. The two Guayubira delegates who wished to make a brief declaration explaining the reasons for this position were not authorized to take the floor. The Uruguayan Network of Environmental NGOs – invited at the last minute – submitted a well-founded exposé of the criticism made to the accumulated impact assessment giving rise to the meeting. The National NGO Association (ANONG) was not even invited. The delegate from the Workers Trade Union (PIT/CNT) who was foreseen to participate in the panel of speakers, informed at the last minute that he could not attend, so organized workers

were also absent. Now the issue is on the front page of the world news and the World Bank, one of the makers of the process, is in the limelight...

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