[Brazil: Plantar's 'new' eucalyptus projects advance towards CDM validation](#)

In mid-July the Clean Development Mechanism (CDM) Executive Board accepted a new methodology proposed as part of the controversial Plantar project in Minas Gerais, Brazil (see background on Plantar on WRM bulletins 84,http://www.wrm.org.uy/bulletin/84/Plantar.html, 70 and 72).

Plantar SA is a pig-iron and plantation company whose CDM project in the state of Minas Gerais, Brazil, was one of the first to be supported by the World Bank Prototype Carbon Fund (PCF), which anticipated the purchase of over 1.5 million CERs (around $25 million, assuming credits are sold at $15) in "emissions reductions" by 2012.

Plantar and the World Bank promoted the project as a model operation. However, the company's activities in the area of the project have illegally dispossessed many people of their land, destroyed jobs and livelihoods, dried up and polluted local water supplies, depleted soils and the biodiversity of the native cerrado biome, threatened the health of local people, and exploited labour under appalling conditions.

The company plants one species of non-native tree in an industrial plantation model for the sole purpose of burning them, thus releasing CO_2 and other pollutants. The trees are burned in small ovens to make charcoal that is then used for the company's pig iron operations, yet a considerable amount of destruction was required to clear a path for this industry.

The original proposal for the project, submitted as a forestry offset, was rejected by the CDM Executive Board. At first, Plantar claimed that there would be an "accelerated reduction in the plantation forestry base in the state of Minas Gerais." It presented its plantations as forests and claimed that, once it had cut down the trees and burnt them to make pig iron, it would not replant them unless carbon finance was forthcoming. When reminded that CDM rules do not allow credit to be provided for "avoided deforestation", the company rewrote its design documents to emphasise other justifications. The second attempt claimed that Plantar was preventing an otherwise necessary switch in the fuels for its pig iron operations from eucalyptus charcoal to more carbon-intensive coal or coke.

In other words, the company claimed that carbon credits for its 23,100 hectare project were the only thing that could ensure charcoal supplies, even though Minas Gerais alone boasts 2 million hectares of eucalyptus plantations. Plantar itself owns rural properties covering more than 180,000 hectares, mainly devoted to eucalyptus for charcoal and almost all located in Minas Gerais, and provides management services for more than 590,000 hectares of plantations for itself and other companies in Brazil.

The repeated rejection of this project should have led to it being scrapped, as some 143 local groups and individuals argued in a letter to the CDM Executive Board of June 2004: "[T]he claim that without carbon credits Plantar . . . would have switched to coal as an energy source is absurd." The project was instead repackaged and resubmitted to the CDM in its component parts, which included a project to reduce methane in the tree-burning process, a revised reforestation project and a further project linked to the reforestation project, which claims to introduce a new iron ore reduction system in pig-iron processing.

In 2007, Plantar first managed to gain access to the CDM for its methane reduction project, which it expects to generate 112,689 CERs over a seven-year time span from 2004 to 2011.

The methodology of the second project, “Use of Charcoal from Planted Renewable Biomass in the Iron Ore Reduction Process through the Establishment of a New Iron Ore Reduction System,” was accepted by the UN Methodology Panel in mid-July 2009. Plantar argues that a new CDM methodology should be created relating to what it describes as an innovative method for reducing CO_2 emissions from blast furnaces. In fact, the project is wracked with discrepancies. For example, the Project Design Document admits that multiple sources will be used for the supposedly “sustainable” charcoal, but no environmental assessment has been made of the plantations that would be used in addition to those of Plantar itself.

The resubmitted reforestation project, linked to the iron ore methodology, promises “dedicated plantations” grown for the production of charcoal that is referred to, euphemistically, as “renewable biomass.” The company claims that the original rejection was not due to flaws in the project, but was rejected because CDM regulations on land-use, land-use change and forestry were not finalised when originally submitted. It attempts to backdate the claim for carbon credits to 2000 – although the fact that the activities described in the project have already been underway for nine years is *prima facie* evidence that there is nothing “additional” about it.

Plantar anticipates that the reforestation project would reduce over 3 million tonnes of CO_2 over its 30 year time span, which could fetch the company around $45 million from its buyer, the Netherlands CDM Facility, a Dutch government scheme managed by the World Bank. The iron ore reduction project aims to generate 2,133,551 CERs (around $30 million) over a seven year time frame.

Plantar’s projects, like all CDM projects, do not result in emissions reductions. Each project that is developed in the South allows more pollution to issue from fossil-fuelled power stations or heavy industry in the global North. The attempt by carbon offset promoters to distinguish between “good” and “bad” projects misses the point and seriously undermines constructive struggles on the ground. Not designed to deal with the real complexities and intricacies of communities and livelihoods, they require –particularly in the case of tree plantations- enormous quantities of land, water, machinery and are not set up to benefit the local communities or ecology. They generally take place in regions where people have little power, deepening the North-South gap while continuing to reinforce an unsustainable development paradigm.

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