
Thailand: SmartWood suspends FSC certification of two plantations

On 1 December 2003, SmartWood suspended the Forest Stewardship Council certification of two of Forest Industry Organisation's teak plantations. SmartWood is accredited by FSC to assess whether forestry operations conform to FSC's principles for well managed forests or plantations.

FIO was established as a state-run logging company in 1947. When the government imposed a logging ban in 1989, many Thai NGOs demanded that FIO be closed down. Since then FIO has tried to reinvent itself as a plantation company. With the FSC certificate suspended, FIO cannot credibly claim that any of its plantations are well managed.

In fact, by logging its teak plantations, FIO is encouraging illegal logging. Veerawat Dheeraprasert, chairperson of the Foundation for Ecological Recovery, a Thai NGO, explains: "If FIO does logging there is an increased chance that there will be illegal logging because the FIO will log and sell to sawmills. These sawmills can easily mix the FIO's logs with other logs from illegal log sources."

When SmartWood awarded FIO its FSC certificate in June 2001, it also issued 26 conditions, 15 of which FIO had to meet within one year. A year later, SmartWood determined that FIO had not met twelve of the conditions. SmartWood, however, did not suspend the certificate. Instead, it issued 13 corrective action requests, six of which had to be met within six months.

In January 2003, SmartWood found that FIO had not met four of the corrective action requests. SmartWood, however, did not suspend the certificate. Instead, it issued six corrective action requests, all of which were "effective immediately".

In June 2003, SmartWood discovered that FIO had still not met five conditions and two corrective action requests. Five months later SmartWood, at last, suspended the certificate.

Certifying FIO was controversial from the start. In November 2000, before SmartWood issued the certificate, Thai NGO TERRA published an article in its magazine "Watershed" about the certification. Rainforest Foundation included a case study on the FIO in its November 2002 critique of FSC, "Trading in Credibility". In April 2003, Foundation for Ecological Recovery wrote to FSC demanding that FSC withdraw the certificate. WRM Bulletin has covered the issue several times (see WRM Bulletins 48, 64 and 72) and in August 2003, WRM published a book titled "Certifying the Uncertifiable" which included a detailed study that I wrote on the certification of FIO.

Without the pressure of this civil society monitoring, SmartWood may not have suspended the certificate.

When SmartWood suspended FIO's certificate, it also issued 16 corrective action requests, five of which must be met before FIO's certificate can be reinstated. Among SmartWood's corrective action requests are two relating to chain of custody (the technical term for tracking timber from the forest to the end use). More than two years after issuing FIO's certificate, SmartWood is now asking FIO to "improve the chain of custody system, so that the system consistently documents the movement of

logs from the cutting blocks to the log yard.”

The clear implication is that currently FIO cannot reliably track its timber. In this case, there is no way of knowing from which plantation FIO's timber comes – or even whether the timber is legal or illegal.

One of FIO's most controversial activities is its role in auctioning illegally logged timber. When illegally logged timber is discovered by the authorities it is passed on to FIO to auction.

For cash-strapped FIO, these auctions are an important source of income. For loggers, they are a way of making illegal timber legal.

Suraphon Duangkhae, secretary general of Wildlife Fund Thailand, describes how logging companies send workers into forests to log illegally. “Then they ask the forest officer to arrest the workers,” he says. “But when the forest officer gets to the area there are no workers, just logs. So they arrest the logs! And then FIO holds an auction and the company that's behind the scenes comes back and they win the auction.”

In 1997, FIO was embroiled in a major logging scandal. Loggers were illegally cutting trees in the Salween National Park and fraudulently stamping the logs as coming from Burma. Perhaps surprisingly, given that the forestry official who exposed the swindle also revealed that FIO officers were involved, FIO was among the organisations responsible for storing the confiscated logs. Perhaps not so surprisingly, by April this year more than half of the confiscated logs had “disappeared”. In May, FIO was ordered to move the logs to an army camp in Saraburi to prevent further theft.

Recently the Thai government has started to ask awkward questions about the legality of 100,000 teak logs sunk in Chiang Saen Lake in northern Thailand. The owner of the logs, Archa Land Company, claims to have bought the logs from FIO. The problem is that no one can prove where the logs came from. The Nation newspaper reported Thai Prime Minister Thaksin Shinawatra as saying, “I believe such a large amount of wood would include some illegal timber. There are many ways to falsify records and corrupt officials are involved in the scam.” As if to confirm Thaksin's worries, 200 of the logs mysteriously caught fire - the day before Natural Resources and Environment Minister Prapat Panyachatraksa was due to inspect them.

On 12 December 2003, an editorial in The Nation pointed out that in order to deal with illegal logging in Thailand, the government must look into the FIO's role. FSC certification had made the situation worse by enabling FIO to export its timber, thus making “illegal logging even more desirable.” The editorial asked “whether Thailand still needs the FIO, an agency that seems to do more harm than good to the country's forest conservation efforts.” The editorial's headline leaves no doubt about The Nation's opinion: “Do the right thing: abolish the FIO”.

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