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## [Greenwashing continues: FSC certifies industrial tree plantations as forests and RSPO oil palm plantations as sustainable](#)

For over 20 year now, certification schemes such as the Forest Stewardship Council (FSC) and the Roundtable on Sustainable Palm Oil (RSPO) (1) have helped plantation companies secure their profits and protect their reputation. How do they do that, when the impacts of large-scale industrial eucalyptus, pine, acacia and oil palm plantations are so obvious for all to see?

When reports of plantation companies breaching FSC and RSPO standards come to light, the certification schemes refer to their internal complaints and conflict resolution processes developed to address these situations. Reference to these processes gives rise to a false impression that their labels are trustworthy. FSC and RSPO market the message that their labels stand for thorough field assessments of practises at the plantations; that the 'multi-stakeholder' processes from which the certification standards emerged, were open to all concerned parties; that products carrying their label stand for decent working conditions on the plantations, and that expansion and management of these large-scale monoculture plantations minimize harm to communities and their cultures and customs, to soil, water, land and landscape. This marketing world of plantation schemes is far away from the reality in which communities enclosed by large-scale industrial tree plantations live. Theirs is an experience of an inherently unsustainable and harmful industrial plantation model that grabs prime agricultural land, turns diverse forests into monocultures; destroys and pollutes water sources, and causes grave harm to local communities, their economies, cultures and customs. (2)

Yet, the 'green consumption' promise is powerful and attractive in European, US-American and urban markets in so-called emerging economies with growing numbers of environmentally conscious buyers. In fact, the 'green consumption' promise that FSC and RSPO plantation certification labels provide, is crucial to maintaining consumer support for an excessive and destructive production and consumption model of which these plantations companies are part. These labels mask the reality that plantations carrying the green seal nonetheless are part of a model that is a root cause of current crises including climate change, soil degradation and the major wave of extinction of biological diversity (see also article ['Why the RSPO facilitates land grabs for palm oil'](#) in the WRM Bulletin 219, 2015).

### **More misleading marketing messages**

Although websites and marketing material of both FSC and RSPO prominently feature images of small-scale producers, the labels have proven particularly useful to large corporations. By August 2017, RSPO had certified 2,46 million hectares of oil palm plantations, producing more than 11,7 million tonnes of RSPO-certified palm oil (around 19 per cent of globally traded palm oil). (3) Only about 12 per cent of 2016 volumes of RSPO-certified oil was grown by smallholders who are part of corporate outgrower schemes or are otherwise obliged to sell to corporate mills. Less than 0.4 per cent of RSPO-certified palm oil was grown on plantations of independent smallholders. (4) Figures for 2015 show the extreme concentration of RSPO-certified palm oil production in the hands of a few very large producers: 65 per cent of global RSPO-certified palm oil supply was produced by only 10 companies. Oil palm plantation giant Sime Darby alone produced 25 per cent of the global RSPO-

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certified palm oil on its roughly one million hectares of certified plantations (5).

Perhaps, such figures are no surprise considering that while appearing inclusive and consensus-oriented on paper, "RSPO certification largely favours three dominant groups of stakeholders when it is implemented: the downstream agro-business firms, the international environmental NGOs and the largest palm oil producers." (5). Palm oil buyers which dominate the global palm oil trade to 'green' consumer markets in Europe or the US, hold over 80 per cent of votes in the RSPO's General Assembly. Among the top-ten countries for RSPO membership, only one is a palm oil-producing country (Malaysia), and among ordinary members, oil palm growers are far outnumbered by palm oil processors, traders and global food companies such as Unilever. (4) Researcher Denis Ruyschaert notes that almost all local social and environmental NGOs have left RSPO, and that no local actors remain on the RSPO Board of Governors since Sawit Watch, a network of Indonesian social organisations, gave up its seat in 2012. (5)

The situation is similar for the FSC, where in 2015, certified 'smallholders' accounted for only 4 percent of the total of 198,6 million hectares of FSC certified forests and plantations, and. Worthy a note also that the FSC defines forests as "a tract of land dominated by trees". With such a definition it is perhaps no surprise that the FSC continues to greenwash plantations by including them in statistics as FSC certified 'forests'. In fact, over 17 million hectares of what FSC markets as 'FSC certified forests' on its homepage should correctly be labelled as plantations – the large majority most likely large-scale industrial tree plantations occupying thousands of hectares. According to the FSC 'market info pack' 2016/17, 9 per cent of the total certified area and 27 per cent of 'forest management' certificates are in reality handed out to plantations companies, not for forest management. This figure is likely at the low end, because many additional plantation areas are included in what FSC calls 'semi-natural and mixed plantation and natural forest'. (6)

One consequence of this extreme imbalance between small-scale producers and large-scale industrial operations that carry FSC or RSPO labels is that certification de facto allow large-scale producers to dominate this 'green' market and further consolidate their dominance in the global market. In addition, the bias of certification towards industrial tree plantations creates the false impression that industrial plantation companies operate in a more environmentally and socially benign way than small-scale producers whose products do not carry these 'green' labels.

### **Certify first, request end to violations later**

Both FSC and RSPO have developed impressive - some might say, intimidatingly large - online libraries filled with documents explaining their respective 'Principles and Criteria' and the various national adaptations and other policy decisions relevant for certification. But the quantity of documents cannot hide laxness of criteria and inherent contradictions they contain. Despite well-documented negative impacts of industrial eucalyptus plantations, for example, on biological diversity and water, (2) many such plantations have been certified by FSC as complying with its Principle 6 on 'Environmental Values and Impacts'. On paper, this principle requires that in certified plantations, the continued existence of naturally occurring native species and genotypes is effectively maintained, the loss of biological diversity is prevented; that natural water courses are protected or restored and that negative impacts on water quality and quantity are avoided, mitigated and remedied. It is hard to image how any industrial eucalyptus plantation managed for maximum yield and profit could possibly satisfy such a condition. And yet, thousands of hectares of industrial tree plantations in South Africa, Brazil and elsewhere carry the FSC logo.

Both certification schemes have issued certificates even though auditors note violations ('non-

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compliance' in the language of the certification schemes) of the certification standards. This is possible through a tool called "corrective action request". These "corrective action requests" are issued where management of a plantation does not meet certification requirements, but where a certificate already has been or will soon be issued regardless of the violation. Depending on the seriousness of the violation, auditors might carry out another visit to assess whether some action has been taken to end the violation of the standard, but eventually, an auditor will downgrade any 'major' violation to a 'minor' one, and a certificate can be issued or renewed even though the violation might be far from resolved.

"Corrective action requests" are a convenient tool for certificate holders because it means they can violate principles and criteria without a risk of losing the certificate easily once they have received it. They can thus continue to market their operations as being in compliance with international certification standards when, in fact, they are in breach of them. A recent report released by the US-based NGO Mighty Earth, in collaboration with the Gabonese NGO Brainforest, for example, shows that Olam, an RSPO-certified company, has cleared about 20 thousand hectares of forests in Gabon across its four concession areas since 2012. (7) Many more examples could be cited. (8)

In a 2016 article, Marcus Colchester, Senior Policy Advisor with the UK-based Forest Peoples Programme, describes how through the use of "corrective action requests" in the RSPO system, in Indonesia, "land-grabbing based on imposed concessions remains the norm". (4) This happens when, for example, companies are certified to RSPO standards before they have demonstrated that they have fulfilled the RSPO requirement for free, prior and informed consent (FPIC). In addition to a violation of the requirement for *prior* consent, such a practise also puts communities in a very weak position to withhold their consent, because the company already has what it wants – the FSC or RSPO label which secures access to key consumer markets. Although both FSC and RSPO have set up complaints mechanisms that could be used in such cases, communities face a complicated, tiresome and in most cases, eventually unsatisfactory process to see their grievances addressed once a certificate has been issued. (9) In almost all cases where complaints have been filed by communities, the community has had to rely on outside support from NGOs familiar with the certification system and able to provide resources for a community to access the complaints system and present the evidence in a manner required by the certification system.

### **After drawing out conflict resolution mechanisms for as long as possible, companies give up certificate rather than address violations**

Most conflicts between companies and local communities are not registered as complaints in the certification systems and continue to affect community life and livelihoods despite the company holding a 'green' label. Of the complaints that are picked up by the RSPO and FSC certification systems, few are resolved to the satisfaction of communities. In comparatively few cases, companies do not succeed to see violations downgraded to 'minor' without the remedial action interfering with the company's bottom line or a community regaining access to land lost to the plantation company. In those situations, companies have repeatedly chosen to simply give up their FSC or RSPO membership rather than change their practises. One such recent example is the decision of Melka Group subsidiary Plantaciones de Pucallpa in Peru in late 2016 to exit the RSPO. The company was faced with RSPO complaint panel sanctions over destruction of more than 5 thousand hectares of forests in violation of the RSPO standard. "What hope for justice or reparation can there be for communities if companies can neutralize a complaint by simply withdrawing from RSPO?", the Forest Peoples Programme notes in a press release on the Plantaciones de Pucallpa announcement to terminate its RSPO membership, asking "What is the real value of this industry standard if members can simply withdraw when they fear that the Complaints Panel will rule against them?"

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Another example is a subsidiary of one of the world's largest agribusinesses, Singapore-based Wilmar. PT Asiatic Persada, an Indonesian company partly owned by two Wilmar subsidiaries, had taken over indigenous lands in Jambi, Indonesia, without consent or compensation. After a seemingly endless dispute and efforts by a mediation panel to negotiate a solution, the company called in the local mobile police brigade, who chased the indigenous peoples off their lands, while equipment of company contractors was used to destroy their houses (11). When complaints continued, Wilmar sold off its ownership in PT Asiatic Persada in 2013 without any resolution to the certification standard violations or the harm caused through destruction of houses in the indigenous village. Despite refusing to take responsibility for the damage and harm caused by PT Asiatic Persada when Wilmar subsidiaries held substantial ownership of the company, Wilmar remains a certified member of RSPO to this day.

### **Nothing new, but worth reiterating**

RSPO and FSC are not working to transform a heavily concentrated and unequal production model that provides cheap vegetable oil and fibre for global food, energy or pulp and paper industries into a localized model of small-scale production based on agroecological and social justice principles. Their certification practise is also not aiming to end but rather to facilitate the continued expansion of this large-scale industrial monoculture plantation model with their countless negative impacts for local communities and their environment. They are about increasing the share of RSPO-certified palm oil and FSC-certified wood products and the safeguarding of corporate profits through providing a 'green' label to greenwash ultimately inherently unsustainable industrial monoculture plantations.

In the past, many social and environmental NGOs, especially in industrialized countries, focused on denouncing such destruction of forests for industrial tree plantations and making the contribution of these companies to tropical deforestation visible through public action. Today, such public action has been largely replaced by negotiations with agribusiness and pulp and paper companies. Instead of questioning the underlying model of large-scale plantations controlled by a small number of transnational corporations, they legitimize this concentration of control over community land by discussing voluntary certification principles and criteria with these companies. Yet, as we have seen, companies can abandon these standards without consequences if they do not like the sanctions imposed for violation of the certification standards. This joint involvement of NGOs and corporations in certification schemes often weakens local community struggles, for example when companies now say 'we have support from the NGOs'. And banks can continue to finance the expansion of the destructive plantations model with reference to financing only expansion of companies that adhere to RSPO or FSC (12). Yet, the destruction of forests and the violation of community rights continues where large-scale industrial tree plantations operate, whether they are certified or not.

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(1) The FSC was founded in 1993 with the mission to "promote environmentally appropriate, socially beneficial, and economically viable management of the world's forests". FSC defines "environmentally appropriate" as management that "ensures that the production of timber, non-timber products and ecosystem services maintains the forest's biodiversity, productivity, and ecological processes". The RSPO was founded in 2001 as a joint initiative between the palm oil industry and some international NGOs, with WWF as one of the main actors. The RSPO now has over 750 members; only 13 of them are NGOs, the remaining well over 700 members are companies related to the international palm oil trade. The RSPO delivers certificates to palm oil producers, based on a set

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of principles and criteria approved by RSPO members and checked in the field by third-party auditors paid by the companies applying for certification.

(2) See, for example, the collection of materials at <http://wrm.org.uy/all-campaigns/international-day-of-struggle-against-monoculture-tree-plantations-2017/> and <http://wrm.org.uy/browse-by-subject/tree-plantations/certification/>

(3) RSPO website: Impacts. <http://www.rspo.org/about/impacts>

(4) M. Colchester, 2016. Do commodity certification systems uphold indigenous peoples' rights? Lessons from the Round Table on Sustainable Palm Oil and Forest Stewardship Council. In: Pavel Castka et al. Certification and Biodiversity – How Voluntary Certification Standards impact biodiversity and human livelihoods. Policy Matters, Issue 21. <http://bit.ly/2kH1H95>

(5) D. Ruyschaert, 2016. The Impact of Global Palm Oil Certification on Transnational Governance, Human Livelihoods and Biodiversity Conservation. In: Pavel Castka et al. Certification and Biodiversity – How Voluntary Certification Standards impact biodiversity and human livelihoods. Policy Matters, Issue 21. <http://bit.ly/2zfl7VS>

(6) FSC Market Info Pack. An overview of the Forest Stewardship Council market developments, statistics, and trends. <https://ic.fsc.org/en/for-business/fsc-tools/local-market-successes/fsc-market-info-pack>

(7) Mighty Earth, 2016. Palm Oil's Black Box. How agribusiness giant Olam's emergence as a major palm oil trader is putting forests in Southeast Asia and Gabon at risk. [http://www.mightyearth.org/wp-content/uploads/2016/07/Olam-technical-report\\_Dec-9\\_with-images\\_lowres1-002.pdf](http://www.mightyearth.org/wp-content/uploads/2016/07/Olam-technical-report_Dec-9_with-images_lowres1-002.pdf) See also WRM Bulletin article "Green" oil palm plantations are a scam: The case of OLAM. WRM Bulletin 230. <http://wrm.org.uy/articles-from-the-wrm-bulletin/section1/green-oil-palm-plantations-are-a-scam-the-case-of-olam/>

(8) For more examples, see FSC Watch website: <https://fsc-watch.com/>

(9) WRM, 2013. FSC consultation and complaints procedures: the case of Veracel Celulose in Brazil. <http://wrm.org.uy/books-and-briefings/new-briefing-on-fsc-certification-of-plantations/>

(10) *Condenan a Plantaciones de Pucallpa por destruir 5000 ha de bosques.* <https://www.servindi.org/24/05/2017/rspo-condena-plantaciones-de-pucallpa-por-su-destruccion-de-mas-de-5000ha-de-la-amazonia>

(11) M. Colchester et al. 2011. Human rights abuses and land conflicts in the PT Asiatic Persada concession in Jambi: report of an independent investigation into land disputes and forced evictions in a palm oil estate. <http://www.forestpeoples.org/en/topics/palm-oil-rspo/publication/2011/human-rights-abuses-and-land-conflicts-pt-asiatic-persada-conc>

(12) Greenpeace, 2017. Dirty bank' cleaning up its act? <http://geographical.co.uk/places/forests/item/2326-dirty-bank-cleaning-up-its-act>

