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## Brazil: Research questions FSC certification of two plantations

A group of seven researchers assessed the certifications of the V&M Florestal Ltda. Company (Vallourec & Mannesman), which obtained FSC certification in 1999 for its whole area of 235,886 hectares, through the certification firm SGS. They also assessed those of Plantar Reflorestamentos S.A., which obtained SCS certification for an area of 13,287 hectares. With this certification, V&M Florestal became the company with the largest certified area in Brazil. Out of the total area, 128,326 hectares are planted with eucalyptus, while the remaining area of 107,560 hectares, are abandoned cultivation areas and "cerrado" areas, the region's typical bush-like vegetation (the cerrado is a tropical savannah in which herbaceous vegetation co-exists with over 420 species of scattered trees and bushes). Plantar has close on 280,000 hectares, which means that it only certified 4.8% of its land. Thus, we are dealing with two mega-companies in the eucalyptus plantation sector in Brazil, with a production aimed at making charcoal.

Almost all the eucalyptus planted by V&M Florestal is used to make steel tubes at V&M's factory in Brazil. Both companies have a single owner and nearly all the capital is Franco-German. In turn, Plantar S.A., a company with Brazilian capital, uses its eucalyptus for iron smelting, except in the area certified by FSC, where the wood is used for the barbecue. Plantar is also attempting to participate on the "carbon market" aiming at selling carbon credits from its plantations. Summing up, the main activities of the companies assessed are planting and harvesting of eucalyptus for charcoal production.

We have verified that the certifying companies SGS and SCS committed a series of irregularities during the certification process:

- They did not make an in-depth study of the context surrounding the companies planting eucalyptus and neglected a series of important social, economic and environmental aspects;
- They listened to only a few "stakeholders" and then only to the least critical ones. They did not listen to the most important "stakeholders" and therefore, did not obtain essential information on a series of serious problems involving the companies;
- It was not clear whether the conditions and recommendations in fact reverted the evident lack of compliance with certain FSC principles and/or criteria and whether an adequate follow-up regarding compliance with these conditions and recommendations is being carried out
- They did not disseminate the public certification summary for the knowledge of local and regional civil society and the public bodies. SGS did not even place a version of the public summary in Portuguese, the official language of Brazil, on internet.

The following are some of the companies' main breaches of FSC Principles and Criteria, as verified during the research:

- It was verified that neither the V&M Florestal Company, nor Plantar had made an Environmental

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Impact Assessment or Report (EIA/RIMA), a legal requirement in Brazil before carrying out any undertaking that may potentially cause environmental impacts. As verified, a deadlock exists between the technicians of the responsible state entity, the State Forest Institute, who demand the assessment, and V&M Florestal, that does not want such an assessment to be made.

- There are strong indications that a major part of the companies' land was what in Brazil is known as "devoluta" land, that is, common land and therefore, belonging to the State. Thus, the companies could not have purchased this land. Even so, when searching for land, the companies managed to rent these lands from the dictatorship government during the seventies, by means of contracts with the state agency Ruralminas for a 20-year period. Over the past years, these contracts have started to expire, threatening continuity of tenure.

- Conflicts exist over the land with local owners who have the companies' eucalyptus plantations on their property.

- Since September 2002, a Parliamentary Investigation Commission, installed in the Parliament of the State of Minas Gerais, has its sights on the companies V&M Florestal and Plantar S.A., to investigate the labour conditions of the workers in the extractive industry in Minas Gerais. In March 2002, the Regional Labour Commissariat brought action against both companies for not respecting Brazilian labour laws. Presently the Public Ministry of Labour is bringing them to trial through a Public Civil Action, on the charge of illegal practices of sub-contracting as well as of degrading and precarious work conditions.

- Most of the workers in the certified areas are sub-contracted, with fewer rights and benefits than the companies' permanent staff; it should be noted that the tasks they carry out are extremely heavy and dangerous. According to the Public Ministry of Labour, there is a "black list" in both the companies assessed, indicating that the companies persecute the workers and their leaders, violating ILO agreements 87 and 98.

- Eucalyptus plantations do not generate social, environmental or economic benefits for the neighbouring communities. The "cerrado" zones, which have always been used by the communities due to their extraordinary biodiversity, were fenced in by the company, preventing these lands from being used collectively by the local communities. The "cerrado" has always fulfilled all the conditions for sustainable use and management, generating employment and income.

- Cerrado deforestation and plantation of eucalyptus by the companies has caused rivers and water sources to dry up, the flora and fauna of the region to decrease, it has encouraged erosion and has poisoned workers, the fauna and existing water resources with agro-toxic products. The V&M Florestal Company continues to use the herbicide oxyfluorfen, defined as toxic and persistent by FSC itself in the year 2000, according to a follow-up report by SGS in 2001.

- Close on 25% of V&M Florestal's eucalyptus plantations are located in a region having an annual rainfall of some 1000 mm, an amount considered as unadvisable for this type of large scale plantation, as witnessed by the dried up rivers, streams and wetlands in the region.

- The companies have a management plan that is only implemented for the eucalyptus areas and not for the others. In the case of V&M Florestal, 46% of the certified area does not have an implemented management plan. Following certification, this company started to submit flora and fauna surveys and follow-up plans for these areas, objectifying a management plan that so far has not been implemented.

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- The V&M Company of Brazil, which buys all its charcoal from V&M Florestal, continues buying charcoal from "cerrado wood", to supply its furnaces and without information on the chain of custody, that is to say, there is no guarantee that the certified charcoal really comes from certified Forestry Management Units.

The report concludes that FSC should divide its label into two new ones: one for the management of native forests and the other for plantation management. From these case studies, it is clear that Principles 1 to 9 were established for the management of native forests and that in their majority, are absolutely inadequate for monocultivation of tree plantations, whose specific characteristics are totally different from those of a native, diversified and heterogeneous forest. Furthermore, the transparency and credibility of FSC vis-à-vis consumers would be greatly enhanced if they were able to differentiate the origin of the product they are purchasing: from an "industrial" plantation made by a mega-company with exotic trees installed in the middle of the "cerrado", or by a cooperative of local communities, managing the cerrado and its native species, in a sustainable way.

In order to "construct" a new and credible certification scheme for plantations, specific principles and criteria need to be discussed based on a wide debate, necessarily involving local communities, to guarantee that future certified plantations offer social, cultural, environmental and economic benefits. This implies introducing a minimum biodiversity of species in each plantation, guaranteeing multiple use and benefit from forest products by the local communities, the ecological stability of the site and a better adaptation of the plantation to its environment.

Therefore FSC has two paths it can take: either it continues certifying millions of hectares of plantations, losing each time more credibility and damaging the local communities, or it reviews the certification of major plantations and takes a new orientation, respecting and desiring to benefit the local communities and their environment, in addition to enhancing its own credibility, and therefore, consumer's trust.

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The above article summarises the main conclusions of the report on the certification of two plantations in Brazil, which will soon be available (in English and Portuguese) at:  
<http://www.wrm.org.uy>