



WRM BULLETIN

World Rainforest Movement



Issue 124 - November 2007

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THE FOCUS OF THIS ISSUE: Climate Change and the Expansion of Tree Plantations

Climate change is not only already happening and impacting on the lives and livelihoods of millions of people, but is set to accelerate if actions to address the problem are not urgently implemented. The resulting extreme winds and temperatures, floods, droughts and rise in sea levels will affect increasing numbers of people, millions of which will be forced to migrate and become environmental refugees.

Within such dramatic scenario, governments have until now refused to focus on the real problem –fossil fuel emissions– and have centred their attention on cheap false solutions. Many of those “solutions” are linked to the promotion of tree plantations as either carbon sinks, as sources of biodiesel (oil palm) or aimed at the production of cellulosic ethanol (eucalyptus, poplars, willows, etc.). The biotechnology industry has also contributed to these plans with research on genetically engineered trees able to either store more carbon (with more lignin content) or produce more ethanol (more cellulose content).

To effectively counter those policies, it is important to learn about the different mechanisms used by governments for the promotion of tree plantations and about those used by local populations and organizations to oppose them. We

hope that the information provided in this issue of the bulletin will serve that purpose.

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OUR VIEWPOINT

- The 13th round of the climate game in Bali

In 1992, governments acknowledged that climate change was real and that something needed to be done to avoid a major catastrophe. As a result, they signed and ratified the United Nations Framework Convention on Climate Change (UNFCCC). Fifteen years have passed and the Convention's Conference of the Parties will meet for its 13th time in Bali, Indonesia, from 3-14 December 2007.

How much has this convention achieved to counter the problem it was created to address? Have the main emitters reduced their emissions? The press release prepared for this event by the Convention's secretariat gives a clear answer to both questions, when it says:

"According to data submitted to the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC), the total greenhouse gas emissions of 40 industrialized countries rose to an all-time high in 2005, continuing the upward trend of the year before."

This means that the countries that bear most of the responsibility for destroying the Earth's climate are continuing to do so. In spite of that, they will again attend the Climate Change Convention and will put forward new proposals ... for continuing business as usual.

Business: this is the best way to describe this Convention. It's all about saving and making money. Paraphrasing former president Clinton, during his 1992 presidential campaign, it's not the climate: it's the economy, stupid!

Again the Convention secretariat's press release provides evidence on the above by saying that "The Kyoto Protocol has spawned international emissions trading worth 30 billion dollars in 2006, with the bulk of emissions trading taking place within the European Union's emissions trading scheme (EU ETS). The EU ETS will be linked to trading under the Kyoto Protocol next year. The Protocol's CDM is already enjoying rapid growth."

It is access to those billions of dollars –and not climate– that matters. New clever schemes are being invented all the time, hidden under obscure acronyms that the general public is unable to decipher: CDM, JI, PCF and many others. In Bali there will now be discussions on two new acronyms –RED and REDD– which stand for "Reducing Emissions from Deforestation", and for "Reducing Emissions from Deforestation and forest Degradation".

The RED/REDD game is about to start in Bali. Southern government players, actively destroying forests in their countries –and thereby releasing enormous amounts of carbon dioxide to the atmosphere– will declare that they need to be "compensated" in order to conserve forests and the carbon stored therein. Northern government players, actively contributing to the destruction of those same forests through investments and trade will declare that they are willing to pay if their own releases of enormous amounts of carbon dioxide to the atmosphere are "compensated" through carbon trading.

Of course those forests need to be conserved, but not simply because of their carbon storage capacity. Among many other reasons, because they help to regulate the water cycle and contain most of terrestrial biodiversity. Even more importantly, because they are home to countless peoples and cultures that depend on them. In that respect, Southern governments need to be reminded that forest conservation is an obligation towards their own peoples and not a negotiable market commodity. For their part, Northern governments need to be reminded –by the world at large– that

their fossil fuel-related emissions are destroying the planet's climate and cannot be "compensated" by paying for forest conservation or by buying carbon credits from others.

The question is: can we expect something positive from the Bali meeting? The sad answer is that we very much doubt it. To make matters worse, the World Bank will use the opportunity to try to sell its more recent invention –the Forest Carbon Partnership Facility– while carbon brokers, nuclear energy companies, agrofuel proponents, hydroelectric corporations, biotechnology firms, assorted consultants, will all try to sell their goods and services in what has become something more akin to a market than to a UN Convention.

Of course NGO participants in Bali will be able to do some damage control regarding some of the more damaging proposals put forward by governments, but their main responsibility will be to later inform people about what their governments are NOT doing to address climate change. It is people –and particularly the more vulnerable groups such as poor women, men and children– who will suffer the most and who therefore need to be well informed, because only informed peoples will be able to force governments into real action before it is too late. It's not the economy: it's humanity, stupid!

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GREEN DESERTS IN THE MAKING

- Policies and actors behind monoculture tree plantations

The present expansion of monoculture tree plantations has not happened by chance or just because some governments got this idea. On the contrary, it is the result of the action of a group of actors that set out to promote such plantations.

In the fifties, the FAO became the main ideologist behind the large scale monoculture eucalyptus and pine plantation model in the South (as part of the so-called Green Revolution, promoted by this organization), as a response to the needs of large industrial companies that were exhausting their traditional sources of raw material.

In the subsequent decades a series of actors entered the scene – the World Bank, IMF, Inter American Development Bank, Asian Development Bank, United Nations processes on forests (IPF, IFF, UNFF), bilateral agencies such as GTZ and JICA, consulting firms such as Jaakko Poyry- providing arguments in favour, technical knowledge, research and funding to convince governments about the benefits of this model. The plantation model quickly expanded as a result of the growth of a voracious consumer market – encouraged by industry itself – until reaching its present enormous expansion.

As a result of those external influences, many southern governments put in place national policies -already defined and often copied with slight variations– for the promotion of tree plantations aimed at export markets: the cosmetic industry and recently agro-fuels from oil palms, timber and pulp from pine trees, pulp and paper from eucalyptus, and rubber for the automobile industry.

According to the conditions in each country, State policies adopted various forms of promotion, ranging from direct and indirect subsidies (such as tax breaks, partial refund of plantation costs, soft long-term credits, tax rebates on imports of machines and vehicles, infrastructure, equal benefits for foreign investment, research), to concessions in forest lands.

Direct subsidies were instrumental in countries such as Chile and Uruguay, while concessions in forest lands – including commercial logging and subsequent conversion to plantations- was the main mechanism for promotion in Indonesia, Malaysia/Borneo.

At the same time, States undertook – with no cost to the companies – social control and -whenever necessary- repression of local opposition. In most cases, repression is part of the “promotion,” both to ensure eviction of peasant and indigenous communities to transfer their lands to the companies in the case of concessions – such as happened in Indonesia, Colombia, Papua-New Guinea, Swaziland, South Africa – and to guarantee the stability of the property in the hands of large national and foreign companies in the case of land acquisition.

In both cases, the State took on the function of guaranteeing safe land tenure to the companies, repressing any local claim, as has been the case with the Mapuche in Chile, the Tupinikim, Guarani and Pataxo in Brazil, the Afro-descendant communities in Colombia, Brazil, Ecuador, the indigenous communities in Western Kalimantan in Indonesia and Sarawak in Malaysia, the Lahu, Lisu and Palaung ethnic groups in Thailand, just to name a few.

In fact, the development of large-scale tree plantations took place, in many cases, under the protection of military dictatorships, as was the case in those countries having the largest plantation areas: Indonesia during the genocidal regime of Suharto, Chile during the dictatorship of Pinochet, South Africa during *apartheid* and Brazil during the military dictatorship.

As if the existing stimulus to the promotion of plantations were not enough, the Kyoto Protocol, adopted in December 1997 as part of the United Nations Convention on Climate Change, has become another important actor in the promotion of large-scale tree plantations, insofar as it enables industrialized countries to “compensate” their carbon dioxide emissions with the establishment of tree plantations in unindustrialized countries. As pointed out in the editorial, the Kyoto Protocol endorsed the creation of an international emissions trading market, worth US\$ 30 billion in 2006. The market mechanism for “carbon credits” thus results in an additional subsidy for the promotion of tree plantations.

The new agro-fuel business is yet another turn of the screw in the promotion of industrial tree plantations, creating another market outlet for oil palm as raw material for biodiesel and likely to span other tree plantations, such as eucalyptus, for the production of cellulosic ethanol from transgenic trees.

However, simultaneously with the promotion of tree plantations, processes resisting them have taken place, adopting various forms, ranging from legal mechanisms to grass-roots’ struggles, and generally taking on both forms. The result is that State bodies are now having pressure put on them to adopt measures to limit the expansion of these monoculture plantations. The following are some examples to illustrate this situation:

In Chile, Parliament recently adopted Agreement Project 416, that entrusts the Natural Resources and Environmental Commission with investigating and compiling the social, labour and environmental impacts of the forestry model, implying a request for reports from ministries and the summoning of various persons to declare before the Commission.

In Ecuador, the Confederation of Indigenous Nations of Ecuador (CONAIE), is putting forward a constitutional proposal to the Constitutional Assembly, including the following concepts: “The State shall permanently seek the overall and sustainable development of agriculture, animal husbandry, artisan aquiculture and fisheries, and agro-industry, supplying quality products for the internal market, with the aim of achieving food sovereignty for the population, giving priority to the supply of nutritional requirements over the production of bio-fuels...” “A sustainable farming model implies the preservation and enhancement of crop genetic diversity, the prohibition of transgenic crops and monoculture practices in general, all reducing genetic diversity.” “The amassing of land and latifundia are prohibited, and the lands shall serve to integrate small-holdings in productive units, promoting community property and cooperative organization.”

In Tasmania, King Island Council banned plantations on farm land and eliminated tree plantations as an acceptable

agricultural land use from its plans (see WRM Bulletin no. 115). There has been increasing mobilization against the pulp and paper company Gunns, with a large demonstration in the capital city, Hobart, in which 15,000 people took part.

It should be mentioned that some regulations in force have contained the indiscriminate expansion of monoculture tree plantations. Such is the case of the South African National Water Law (No. 34 of 1998), which recognizes that the reduction of water courses can be caused by tree plantations and establishes limits to their expansion.

Here below, and as a typical case, we present a more detailed analysis of the situation in Brazil (one of the countries hosting the largest areas of plantations): the actors promoting the large-scale plantation model, the process of its implementation, the diverse mechanisms that end up by shaping State policy. Various grass-roots initiatives are also described, giving voice to the many sectors that have been deprived of their lands and livelihoods, their culture, their environment and their future and who, through organized struggles, are also paving the way to hope.

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BRAZIL: A FLAGSHIP CASE

- Pulp giants wipe out peoples, culture and the environment in Southern Brazil

With the ideological discourse of big capital masquerading as sustainable development and as saviours of the poor, the pulp giants advance on the State of Rio Grande do Sul. With their capital they finance electoral campaigns, pay for misleading advertising and twist public power around their little fingers.

These are documents to adjust conduct (TAC) to allow for the development of plantations from now on, with the argument that the companies should not suffer economic losses. This involves financing electoral campaigns and changes of directors in environmental bodies, in addition to putting pressure on the experts of these institutions to accelerate environmental authorizations.

Unscrupulous company directors, publicly declare that environmental bodies with technical competence must obey the orders of the State government, clearly showing that this is a political decision. The State and Federal government are in favour of tree plantations. The political orientation of Lula's Government is to increase pulp and bio-fuel production. Eucalyptus plantations contemplate these two interests that must be promoted at all costs.

Rejection of the regulatory document

To analyze the state's area and the impact of tree plantations, a division into plantation zones was made, according to decisions of the previous State government. This is a document (bill 6424/05) gathering laws, rules and standards to guide plantations, identifying the more fragile and less fragile areas for this activity, in consideration of social and environmental aspects.

According to the demarcation, the state was divided into 45 Natural Landscape Units (NLUs). In a NLU, the environment's response to eucalyptus plantations is identical all over its area, contrary to the case of hydrographical basins – as suggested by some critics of the division into zones - which present very heterogeneous features.

NLUs were classified as being of high, medium or low restriction for tree plantations. Criteria applied, such as the existence of (Federal, State or Municipal) Conservation Units, the presence of critically endangered fauna or flora (among them the last fragments of native grasslands), water availability and the potential risk of water deficit in the summer, soil fragility, a socio-economic analysis, the record of indigenous and quilombola* territories.

According to these criteria, some eight million hectares were liberated for tree plantations, many more than the million hectares expected by the companies. Even so, both the companies and the state government have rejected the document and many mechanisms have been set up to prevent it from coming into force. Until it is adopted by the competent environmental body (CONSEMA) it has no value as a law, and what would be a framework for the state, has been set aside due to political pressure.

Political pressure in the state has generated the removal from their post of four presidents of the State Foundation for the Protection of the Natural Environment (FEPAM), the state body responsible for authorizations and for changes in the Environmental Secretariat. The election of a new environmental secretary -an attorney- seemingly wants to exert moral pressure on the actions of the public ministry (from the judicial power) to deter compliance of its tasks in defence of the environment and the population's rights.

Fraudulent public hearings

The division into zones should be submitted to the population in each of the NLUs during public hearings held in situ. However, the hearings held so far have been full of officials from the pulp companies, who travelled from one hearing to another. The local population, directly affected by the plantations, did not learn of the contents of the document and were unable to enter the hearings because all the places had been taken.

The dates of new public hearings have been set for addressing Environmental Impact Assessments, as a first step in the process of analysis of the Environmental Impact Reports of the companies Aracruz Celulose, Derflin (Stora Enso) and Votorantim Celulose e Papel. The expectations are that the same show will be repeated. Studies that should be carried out over at least a decade -for example the hydrological studies- have been submitted as completed.

Making laws more flexible endangers the environment

Frontier zones, illegally acquired by Stora Enso and thwarting the corresponding national legislation, have been authorized for the plantations of Delfrin -a company bearing a Brazilian name but operated with Stora Enso capital. Attempts have been made involving parliamentarians to change this law.

A bill aimed at making environmental laws more flexible and proposing changes in the Forestry Law has been submitted at federal level by the rural sector having a marked interest in eucalyptus latifundia, as they consider that this will prevent the advance of agrarian reform settlements, considered by them to be a threat.

Bill 6424/ 05 is presently being considered by the Chamber of Deputies. Among the suggested changes is the plantation of exotic trees in legal reserve areas. Current Brazilian legislation establishes that the area of Legal Reserves must be 80% in the Amazon, 35% in the Cerrado region within the states comprising the Legal Amazon and 20% of the property in other regions of the country. The Legal Reserve is an area maintaining native vegetation fulfilling an ecological habitat function for biodiversity and/or providing environmental services, such as a reserve of forest products, soil and water protection, pest and fire control and atmospheric carbon trapping. If adopted, the project will enable large scale plantation of raw material for the production of bio-fuels - mainly of oil palms in the Amazon- and the advance of monoculture eucalyptus plantations in the rest of Brazil.

The expansion of areas under eucalyptus plantations, initially for the production of pulp and paper, will be transformed in the medium term into monoculture plantations for the production of bio-fuels. José Goldemberg, a research worker at Sao Paulo University, affirms that the solution to the energy crisis in scientific terms is to invest in research to extract fuel from pulp, with an energy yield of up to ten times more than Brazilian alcohol. Today the technology to transform eucalyptus pulp into fuel is still sophisticated and is in the hands of Shell and British Petroleum. In this way, eucalyptus plantations serve to ensure hegemony and control over agro-fuels. The change in the energy matrix from oil to other products is generating changes in society, already foreseen by the Rockefeller Group, which is

consolidating its domain over the planet's energy matrix.

Fortunately, ants also bother giants

The illegal activities of the companies in confabulation with the state became evident following the signature of contracts with the agrarian reform settlers for planting eucalyptus in their plots under the mechanism of "outgrower schemes". The contracts should not have been signed with the settlers as they do not yet possess the land. Plantations in settlements were a good marketing strategy. The companies disseminated that monoculture plantations were good and fulfilled their social function because even the settlers were planting. In May this year the settlers pulled up the eucalyptus trees or saplings that they had planted in the plots.

The Movement of Landless Rural Workers (MST), carried out a march involving 1700 people, between September and November. October 16 was designated as the Day against Multinational Companies and for Food Sovereignty. They camped in front of Votorantim Celulose (Bagé) and Stora Enso (Rosário do Sul) as a strategy to attract the attention of the population and of the government, asking it to allocate public resources to purposes other than the large companies.

This year, Votorantim (VCP) received 40 million reais (some 22 million dollars) from the National Economic and Social Development Bank (BNDES), (which is only social in name). Caixa RS, Barrisul and BRDE stated that they had an excess of resources to finance tree plantations. The pulp companies are linked to European crowns, and in Brazil they receive financial incentives and tax exemptions under the Kandir Law. Thus, ninety-five percent of the pulp is exported tax free. In the State of Rio Grande do Sul, export companies are exempt from paying ICMS (Tax on the Circulation of Goods and Services). In the meanwhile, the population is indefinitely waiting for loans for small tourism and agro-ecology projects and to set up a productive network generating sustainable development.

In addition to popular pressure, environmental NGOs have lodged a civil lawsuit, demanding that environmental laws be enforced and attention be paid to the division of zones for plantations. Lately, the decision of the federal judge, Clarides Rahmeier transferred from the state sphere to the federal organization, IBAMA, the mission of freeing zones for plantations in Rio Grande do Sul. This provision reinitiated the debate. The mayors of some municipalities went to the capital city to question the legal decision. Any change however small it may be, in the plans stipulated by the Government and the companies, generates great pressure from the latter and the dissemination of fantastic economic sums of possible drops in investment in the State.

Interviewed about this decision, Aracruz's director of operations, Walter Lídio Nunes, stated "We were invited to develop the Southern Half [of the state]. We are surprised that the judge should question a state in which the rule of law prevails. We will fall behind in our schedule." In fact we do live in a state where the rule of law prevails: the rule of capital dominating the environment and the population. As a result of social and legal mobilization it is hoped that something will change in the current policy. Finally, thousands of ants also have the force to overthrow a giant.

By Ana Paula Fagundes, biologist, e-mail: sorriam@hotmail.com. More information on the subject can be found in the webpage: www.defesabioqaucha.org

*Quilombola: descendents of runaway slaves in Brazil

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- Brazil: Social organizations in Bahia demand a moratorium on eucalyptus plantations

The Government of the State of Bahia, through the Centre for Environmental Resources, (CRA) held a seminar on 7 and 8 November with the purpose of "initiating a process of discussion and reflection on the environmental, social and

economic prospects of eucalyptus plantations in the South and Extreme South of the State, taking a territorial approach as a basis, centring on the construction and consolidation of public policies for the region." This event represented the continuity of a process of discussion launched in June this year by the CRA, seeking participative and negotiated solutions for the main environmental and socio-economic conflicts associated with this activity in the region.

Many people were present, including representatives of pulp companies, representatives of some Municipal governments, the Environmental Forum (a forum sponsored by the pulp companies with participation of some NGOs) and the Socio-Environmental Forum of the Extreme South (including Social Movements, Trade Unions and NGOs).

The presentation made by CRA was timid, but included figures that were very different from the previous ones. Civil society knows that they do not yet correspond to the true situation in the region. The institution even admits that various properties with eucalyptus plantations do not possess a registered legal reserve as required by the legislation, that are also part of the conditions for the authorization to implement the project. According to the State Public Ministry, represented by Dr. Sérgio Mendes, the CRA does not have the capacity to control, follow-up and demand that at least this requirement be fulfilled.

The CRA also invited lecturers from various areas, Professor Fernando Pedrão, an economist from the Institute of Social Research, spoke about the economic development model based on the exploitation of natural resources, land expropriation and large landed estates, with the consent of the Federal and State governments. Professor Pedro Rocha, from the Biology Institute of the Federal University of Bahia, clearly showed the negative impacts of monoculture eucalyptus plantations in the Extreme South of Bahia on the local fauna and flora, the disappearance of some species and the great effort that the remaining species must make to survive. According to the professor, many species do not even cross the eucalyptus plantations.

Walter de Paula Lima, Full Professor at the Department of Forestry Sciences of the University of Sao Paulo, an old acquaintance of member organizations of the Socio-Environmental Forum of the Extreme South for having taken part in the implementation of the Veracruz Florestal project, today known as Veracel Celulose. He provided data and information from South Africa dated 1997, and made comparisons between eucalyptus plantations and grasslands. During his presentation he criticised the banners in protest borne by the social movement organizations, scattered around the auditorium. In his presentation he mentioned the slogan "Eucalyptus are not edible" used by the Landless Rural Worker Movement (MST) in Bahia in 2005 when it occupied an area of Veracel Celulose as a protest over the lack of an Agrarian Reform policy in the State of Bahia. He affirmed that we must be careful with these slogans, because behind the banners there are always "other" intentions. He laughed at the demonstrators, looking down on them and showing a total lack of respect for those present.

During the debate, many people had the opportunity to show their indignation. Melquíades, a member of CEPEDES, brought up the issue of de Paula Lima's participation –through a technical report- in the implementation of the Veracel project, and described the project's irregularities and fraud in the Environmental Impact Assessment carried out by the pulp company. He revealed that a number of pages from de Paula Lima's book had even been copied by the authors of the document as if they had been written by them. He also showed that the information used in Professor Lima's presentation was outdated and that any rural worker knows that monoculture eucalyptus plantations deplete water resources, dry up the soil and eliminate biodiversity, in line with what Professor Pedro Rocha from the Biology Institute of the Federal University of Bahia stated in his presentation. Melquíades also highlighted the Professor's lack of respect towards the social movements and said that many things are hidden under the words expressed in the meeting, such as hunger, violence, lack of respect, non-compliance with legislation and that behind the scientific evidence presented by the Professor there is funding from pulp and paper companies such as Aracruz, Suzano, Bahia Sul and Stora Enso.

The following day was the turn of civil society. Father Jose presented a document on behalf the Socio-Environmental

Forum of the Extreme South, asking for a moratorium on eucalyptus plantations, considering that the body responsible for authorizing plantations has admitted that it does not have the capacity to act according to the dictates of the laws, on affirming that they only have 20 technicians to cover the whole of the State of Bahia.

OPEN LETTER TO SOCIETY AND THE ENVIRONMENTAL BODIES ON THE SOCIO-ENVIRONMENTAL IMPACTS OF MONOCULTURE EUCALYPTUS PLANTATIONS IN THE SOUTH AND EXTREME SOUTH OF BAHIA

Twenty years ago, during the second half of the eighties, public hearings were held for the first pulp and paper company, Bahia Sul Celulose. A small group of people had prepared themselves well to make a critical follow-up of the implantation of this first "Development Plan" for the Extreme South region, participating in all the public hearings regarding Localization, Implantation and Operation.

Right from the start we always demanded compliance with existing laws. In this way, at all these hearings we asked for an Ecological Economic Zoning (EEZ) to be prepared before anything else, with the participation of representatives of the Extreme South community. This was because both the representatives of the company and the Government confirmed that an EEZ was not only important but necessary to guarantee sustainable development. On 7 February 2001, State Environmental Legislation 7799 was created, contemplating this request in chapter IV of Environmental Zoning, article 42, which states that: "Environmental Zoning, prepared by the Public Powers, at State and Municipal level in their respective fields of authority, is aimed at harmonizing public policies with environmental policy, oriented towards socio-economic development, in order to guarantee environmental quality and the distribution of social benefits."

Additionally, we sought fundamentals in the Federal Constitution, which set out that it is the common responsibility of the Union, the States, the Federal District and the Municipalities:

- "To protect the environment" CF/88, article 23, subsection VI
- "To preserve forests, fauna and flora..." CF/88, article 23, subsection VII
- "To promote farming and cattle-raising and organize food supply". (CF/88, article 23, subsection VIII)

Later we attended all the Aracruz and Veracel public hearings (for Localization, Implantation and Operation), at the time that the three companies requested the "International Green Label." At all these meetings we denounced irregularities, non-compliance with the laws, and every time we requested, calmly and politely, that the EEZ be prepared. We would like to remind people here, that at one point, when we denounced that a stream had dried up, the reply by the certifying company was "the stream is not within the area of the company!" (As if eucalyptus trees were only to consume water from the place where they are planted!).

During the last major "public hearing" organized by IBAMA in 2005, here again in Porto Seguro, we gave out dozens of photos proving irregularities, we provided GPS positioning to facilitate monitoring, again requesting the EEZ ... and we are still waiting, at least for a reply. In the knowledge that this Seminar should also indicate guidelines for environmental authorization and the Ecological-Economic Zoning of the region, according to the invitation we received from the CRA, we have again come to take part in this seminar on the issue of monoculture eucalyptus plantations, but not to request an EEZ because it is already too late. Merely for illustrative purposes, a few days ago, when we went out to the countryside we observed the following: along the road, where on one side was a monoculture sugar cane plantation and on the other, a eucalyptus plantation, we found an undernourished and anguished cow that had just given birth to a calf. Surrounding the calf were at least 50 vultures attacking it while the mother was too weak to defend her baby. The disappearance of streams and rivulets, "water holes" and the changes in fauna and flora, make the hungry vultures attack new-born calves to feed themselves.

This is not the first time either that we hear the illustrious Professor Walter de Paula Lima here in the region. He, like other illustrious professors have visited us several times. Over all these years we too have informed ourselves. We

have discovered that in spite of the arguments in the old controversy over the environmental effects of monoculture eucalyptus plantations – usually based on scientific work sponsored by the large companies that carry out industrial exploitation of eucalyptus trees – endeavouring to place on the list of simple “myths” the curses caused by monoculture eucalyptus plantations to soil fertility and water springs, that there is also a vast amount of world literature proving at least, the following basic points:

- 1) The high demand for water in fast growing monoculture eucalyptus plantations can deplete soil humidity and damage groundwater recharge, unbalancing the water cycle.
- 2) High nutrient absorption in fast growing monoculture eucalyptus plantations may generate a great deficit in the soil, destabilizing the nutrient cycle.
- 3) The liberation of chemical substances or the allelopathic effects on micro-fauna may affect growth of other plants and micro-organisms thus further diminishing soil fertility.
- 4) Genetically modified trees are a definite threat to still existing native forests.
- 5) For the local species of fauna, monoculture eucalyptus plantations are food deserts, which is the reason for their disappearance.
- 6) The problem of the effluents from pulp mills using the ECF system (Free from Elemental Chlorine) to bleach pulp and containing organochloride compounds (dioxins and furans), which are persistent cancerogenic substances, with the capacity to accumulate in animal organisms, causing cancer, hormone and neurological disorders, infertility, diabetes and weakness of the immunological system.

In view of the above and CONSIDERING that “everyone has the right to receive information from public bodies of their particular interest or of collective or general interest, which shall be provided within the term foreseen by the law, under penalty of responsibility...” (Federal Constitution art., 5º, subsector XXXIII)

IN THIS RESPECT WE REQUEST:

A) A COMPLETE REPORT from the State bodies responsible for the environment, identifying those responsible for technical inspection, in addition to the instruments and methodology applied for inspections in the South and Extreme South region of Bahia.

B) A COMPLETE REPORT on monitoring, research and surveys made by these bodies over the past 15 years in the South and Extreme South region of the State, in monoculture eucalyptus plantations, including: Name of State entity, Name of the responsible person, Type of work (monitoring, survey or research), places where it was carried out, participation of third parties and the results of these works regarding:

- 1) The impacts of monoculture eucalyptus plantations on water, such as:
 - the level of the water table.
 - poisoning of the water table.
 - disappearance of streams and rivulets in the region
- 2) The impact of eucalyptus plantations on the soil because of allelopathy:
 - where are the points/places to verify the impacts of allelopathy?
 - which toxic substances were found?
 - what has been the loss of soil, nutrients and soil fertility due to erosion during the period the soil was left with no cover?
- 3) Fauna and biological imbalance in monoculture eucalyptus plantations:
 - what fauna-related research and surveys have been carried out in the eucalyptus plantation
 - what were the results?
- 4) Flora in monoculture eucalyptus plantations and in the region and mainly soil fauna:
 - What toxic elements are being found in the soil in monoculture eucalyptus plantations and what other changes have

there been in the flora in plantations and around them?

- Which are the differences between the soil fauna in monoculture eucalyptus plantations and in other plantations?
- What adaptations have been made by the companies to the physical, chemical, biological and hydrological properties of the existing ecosystems, in order to minimize noxious effects?

5) Plantations of manipulated and/or genetically modified trees:

- At a meeting in Eunápolis with Deputy Zilton Rocha, then president of the Environment Commission of the Legislative Assembly, representatives of Veracel admitted that they have been making alterations with genetic modifications to prevent the trees from flowering. In addition to this, we have observed on many occasions and in different places, diseases in a large part of the eucalyptus plantations. How is the State following up on plantations of manipulated and genetically modified trees?

The State of Bahia also has the duty to clarify to society the following issues:

I) Until the sixties, monoculture eucalyptus productivity was 20 m³ ha/year of timber, which increased to 40 m³ ha/year in the eighties. Today, there is talk of a production of up to 60 m³ ha/year. Does this increase in production per hectare further accelerate the process of desertification, depleting the soil even faster? Does this increase in production per hectare justify the amount of land that the companies are occupying to reach the production of timber established in the requests for authorization submitted to public bodies? What has the State done to monitor and control this brutal and unlimited soil exploitation in the region? What surveys have been made in this respect and what have been the results?

II) SUZANO increased production of its factory in Mucuri from 680,000 to 1,680,000 Ton/Pulp/Year. In order to produce 680,000 ton/year it required an EIA/IIA, and also Public Hearings. In the almost triplication of production, there have been no EIA, nor IIA, nor Public Hearings. Triplication of production implies, among other negative impacts, to triple the amount of water consumed during the process, the need to increase the capacity of the Water Treatment station, the need to control and make the generating company responsible for the solid and industrial waste generated during the production process, particularly special waste and agrochemical containers, among other factors. How has the State resolved the authorization and the triplication of this Company's production? What were the problems this caused to the already critical situation of the Mucuri River? What surveys were made in this respect and what were the results?

III) We would also like to receive a report on how many times the State has analyzed the effluents of the Suzano and Veracel pulp mills and on how it is addressing the final disposal of this highly toxic waste.

IV) As the industry usually invokes to its benefit the creation of new work stations, it is necessary for these figures to be made known and to be analyzed by local society and compared with the negative social impacts on family and peasant farming. It is urgent to question whether the DRT (Regional Labour Delegation) has satisfactorily fulfilled its role as monitor. The labour health plan and other factors related with the labour environment must be made known.

V) It is well-known by all that the large corporations only establish themselves in developing countries, through tax breaks and incentives, while the national micro, small and medium-sized companies must pay all duties, generating a perverse concentration of wealth precisely in the hands of the richer and more powerful sector of society. We need to know the tax instruments in force and their representation in the economic growth model defended by these companies.

The unchecked expansion of monoculture eucalyptus plantations is also causing socio-environmental conflicts and violations to human rights. We do not have the time to give details of these facts, but it is essential to record the illegal occupation of indigenous peoples' land, the lack of respect of the rights of the still remaining peoples from the quilombos (communities of descendants of runaway African slaves); the aggravation of family and peasant farming

conditions; the paralysation of the Agrarian Reform, the constant increase in the price of land in the region; the growing slum-like conditions of the population evicted to the city belts, where they are obliged to survive under subhuman conditions; the lack of supply and food insecurity, caused by the drop in farming families, the exaggerated allocation of land for monoculture plantations and finally, the lack of adoption of affirmative action towards sustainable and inclusive development.

Considering that it is the common responsibility of the Union, the States and the Federal District and Municipalities to:

- "Protect the environment..." CF/88, article 23, subsection VI
- "Preserve forests, fauna and flora" CF/88, article 23, subsection VII
- "Foster the production of agriculture and livestock and organize food supply" (CF/88, article 23, subsection VIII)

We request information on what the State and the Municipalities have done to comply with the Federal Constitution of 1988, article 23, subsection VIII.

FINAL OBSERVATION:

Finally, an additional observation is essential: humbly, we do not believe that the State has the human and physical conditions required to fulfil its role: That of guaranteeing a sustainable environment for the present and future population.

During various meetings, the Director of CRA, Mrs. Bete Wagner, told us that on taking up the direction of the State environmental body, she found that she only had 20 environmental technicians for the whole State, and only 3 engineers specialized in public health, having to make temporary contracts to double this figure, while waiting for the 2008 public prequalification process.

Faced with this terrifying picture, the conclusion is obvious: that the State is not prepared to assess and resolve on activities having a highly negative environmental impact. Therefore, we beg for the immediate paralysation of any authorization for new monoculture eucalyptus plantations (a moratorium on eucalyptus plantations), until the State is in the necessary condition to guarantee a healthy environment now, and in the future for the population of Bahia, ensuring the participation of civil society in all stages of monitoring.

In our opinion, most of the Extreme South of Bahia is already "HOSTAGE" to the pulp and paper companies and the South of Bahia is heading towards the same fate, and this is absolutely UNACCEPTABLE.

Porto Seguro, 18 November 2007

Socio-Environmental Forum of the South and Extreme South of Bahia

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- Brazil: Tree monoculture promotion mechanisms and opposition

In order for vast extensions of industrial plantations to be viable in Brasil direct interactions were established between the government, companies, banks, universities, media, as well as with international and financial institutions, producers and buyers. A broad political orchestration resulted in the creation of a number of mechanisms related to legal, taxation, financial, technical, scientific, agrarian and logistic support. In the same manner articulations opposing those policies increased as monocultures expanded.

Initially forest policy sought to define a conjunction of techniques capable of managing the utilization of forest resources. The first forest regulation in Brasil dates to 1934 with the first Forestry Code that defines some protected areas but also includes the possibility of substituting forests for tree monocultures.

In 1965, through Law 4.771 a second Forestry Code was adopted, which included new categories of conservation units. In this same context, Law 5.106 of September 1966, regulated tax incentives for reforestation, benefiting physical and legal entities contributing to income tax. Physical entities could discount from aggregate income (used to calculate income tax) all costs deriving from the activity up to a limit of 50% of income. Legal entities could deduct the value of costs incurred from the activity in up to 50% of due tax. In 1970 a modification passed through decree-law 1.134 (16/11/70) allowed the contributor to discount up to 50% of taxes due, to invest in forestry instead of deducting expenditure costs from the value of taxes due.

During the first decades of the 20th century some states established forestry departments linked to the Ministry of Agriculture and in 1967 Decree- Law 289 established the Brazilian Institute for Forestry Development (IBDF for the abbreviation in Portuguese) under the Ministry of Agriculture.

In order to promote economic growth large investments were made in scientific and technological development. In 1967 the first generation of professional foresters graduated from a course supported by an agreement between the IBDF and FAO. In 1968 the Institute for Forestry Research (IEPF) was established through a joint initiative between the Higher School of Agriculture Luiz de Queiroz (ESALQ- USP) and the companies Champion, Duratex, Rigesa, Suzano and Madeirit. The objective of IEPF was the development and dissemination of technology in the forestry sector with funding for carrying out research with resources from the public sector through financial incentives for reforestation.

Financial support from the State, through the National Development Bank (BNDE), made it possible for leading pulp-producing companies to benefit from Decision N° 196/68 for installation and/or augmentation projects that exceeded a production capacity of 100 tonnes a day and that ensured self sufficiency in the supply of wood equivalent to at least 50% of estimated need. As from 1972 priority was given to incentives for projects with a production capacity exceeding 1000 tonnes per day, but accepting that this aim could be achieved in two stages of 500 tonnes each.

The proliferation of sectoral executive groups led to the creation, in 1969, of the Industrial Development Council, integrated by representatives from the economic ministries, the armed forces, BNDES, Bank of Brazil and representative private sector institutions such as the pulp and paper group that was given the function of formulating and coordinating the orientation guidelines of the expansion of this sector.

The stage of greatest financial incentive for tree plantation took place during the 1970's and up until the mid 1980's with the Second National Development Plan. According to this plan the aims that had to be achieved between 1974 and 1979 for pulp and paper production represented an increase of 85% and 28% respectively.

The BNDE action plan for the period 1974-78 included support to large pulp projects so that the sector could reach a level of production higher than 2.5 million tonnes in 1978.

The Sectoral Incentives Fund (FISSET) established by Decree- Law 1376/74 provided the principal source of tax incentives between 1974 and 1988, providing long-term loans at reduced interest rates and allowing deductions in income taxes for investments in reforestation projects.

The National Pulp and Paper Plan (PNPC) was launched in 1974, with the aim of establishing 4 million hectares of tree plantations. To achieve this, a programme was approved for the establishment of 30 "forestry districts" –areas selected for avoiding the dispersal of forestry resources. A division was established between pulp production and energy production sub districts. The minimum area demanded was 1000 hectares per project and the proximity to the industries was also taken into account. Industries having their own wood supply from plantations were privileged. In order to ensure large contiguous areas, the government would promote the establishment of plantations in defined areas.

Other incentive modalities provided to private companies were the exemption of Import Tax and of the Tax on Industrialized Products, in addition to stimulating the expansion of export-oriented products.

The Second National Pulp and Paper Plan adopted in 1987 established the expansion goals until 1995 (imports of equipment, new reforestation and export of production). The projected expansion of pulp production implied an increase from 3.5 million tonnes per annum to 6.6 million/tonnes/per annum.

In addition to large scale financing from BNDES, another financing and capitalization mechanism, mainly for pulp companies was provided by loans from international institutions like the International Finance Cooperation (IFC) of the World Bank. Raising resources in the international market included a number of operations with commercial banks, like in the case of Aracruz Cellulose with the Den Norske Bank (Norway), Citibank, J.P. Morgan, Chase Manhattan, and the New York stock exchange.

The National Forest Programme (PNF for the Portuguese abbreviation) was created in 2000 within the Environment Ministry and placed under the responsibility of the National Forest Programme Directory. The programme was implemented with resources coming from the national Treasury and external financial and technical cooperation, principally from the International Tropical Timber organisation (ITTO), the Pilot Programme for the Protection of Tropical Forests (PPG7), the Global Environment Facility and the governments of Japan, the Netherlands and United Kingdom.

From 2004 to 2007 one of the goals of the PNF was the expansion of the plantation area through the planting of 800,000 hectares in small and medium sized properties and 1.2 million hectares in corporate programmes.

A number of financial sources for the establishment of tree plantations were created, the main ones being: BNDES-FINEM (Direct financing for investments), PRONAF Florestal (coordinated by the Ministry of Agrarian Development since 2002), PROPFLORA (coordinated by the Ministry of Agriculture since 2002).

Other additional funding sources were regional forestry funds like FNO Floresta (northern region), FCO Pronatureza (central west region), FNE Verde (North East region).

Among other financial stimuli favouring tree plantations are the National Programme of Agrarian Credit as part of the National Plan of Agrarian Reform of the Agrarian Reform Ministry which derives from a loan agreement with the World Bank.

Having succeeded in creating such a broad set of mechanism for the viability of monocultures, the companies make strong investments in electoral campaigns of candidates of all parties and in this way secure parliamentary support as, for example, with the Parliamentary Front for Forestry as well as with the ruralist parliamentary group.

Of more recent origin, another strategy promoting the expansion of tree plantations in Brazil is that of carbon credits, originating in the Kyoto Protocol. One of the primary markets that negotiates these credits is the Brazilian Carbon Market (MBRE) –a joint initiative of BM&F (stock exchange) and the Ministry of Development, Industry and Trade.

Another potential market in Brasil is that of biofuels based on cellulose that is already attracting investments for research.

There are also some proposals for introducing changes to the Forestry Code (at the National Parliament) aimed at reducing the area of legal reserve in the Amazon from the current 80% to 50% in areas that have already been logged. In the remaining 30% property holders could plant exotic species.

Initiatives that oppose industrial monoculture tree plantations

The expansion of tree monocultures has been accompanied by a number of articulations aimed at restricting the planted areas, stopping the expansion and even stopping large-scale plantations.

The following are some of the restrictive actions:

* state legislation such as law 6.780/01 of Espírito Santo State that prohibits eucalyptus plantations aimed at the production of pulp until an Ecological Economic Demarcation has been concluded and promulgated. Yet the Supreme Federal Court left it without effect in June 2002.

* laws that guarantee the territorial rights of traditional peoples like the Quilombolos (decree-law 4887/03) can also limit the possession of lands in the hands of pulp companies.

* the articulation of civil society networks that have been organised to generate awareness on the impacts of monocultures, to denounce, to put pressure on the government and companies, to propose alternatives to the prevailing development model amongst other actions. Among these are the following: the Network against the Green Desert, the National Agroecology Articulation, the Brazilian Network for Environmental Justice and the Brazilian Network on Multilateral Financial Institutions.

* civil society participation in public hearings for the presentation or expansion of industrial projects. Public hearings condition the approval of industrial investments; however, in practice they do not decide on anything.

* complaints to the Public Ministry, to international institutions, legal actions.

* in several regions of the country occupations by rural social movements have taken place on lands planted with eucalyptus, principally by the Landless Workers Movement demanding Agrarian Reform whilst questioning the productivity and the social function of these large estates (in line with articles 185 and 186 of the Brazilian Constitution).

* There has also been a strong articulation of civil society to demand from BNDES that it complies with its function as a public bank and that it establishes policies of openness, dialogue and transparency regarding its investments, that it defines more appropriate social and environmental criteria to diminish social inequities within the Brazilian population and that it stops investing in private projects of agribusiness, like in the pulp and paper sector in line with the 2007 "BNDES Platform".

By Daniela Meirelles and Alacir De Nadai, FASE-ES, email: fases@terra.com.br

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AN EYE ON REGIONAL SCENARIOS

- Indonesia: Government Policy on Palm Oil Development

Based on an analysis of the evolving legislation on plantations, it is possible to identify five phases in government policies for palm oil development in Indonesia. We shall call these the PIR-Trans phase (up until October 1993), the Deregulation Phase (1993-1996), the Privatisation Phase (1996-1998), the Cooperatives Phase (1998-2002) and the current Decentralization Phase (2002-2006). It should be noted, however, that these phases were neither wholly discrete nor did the initiation of a new phase imply the ending of the previously launched processes.

PIR-Trans: Before October 1993, Government efforts to establish oil palm plantations were centred on taking over forested areas on the Outer islands and allocating these areas to PTPN [State-owned plantation company] operators, which controlled both *inti* [large-scale operations on extensive areas] and *plasma* [individually operated smallholdings] holdings, supplied with a workforce and smallholders through the Transmigration programme. Laws were passed in 1986 and 1990 designed to ensure better coordination between government agencies and so speed up the process of permitting required to release forest lands for conversion. Control of forests remained centralized with regional forestry offices (*Kanwil Kehutanan*) only being authorised to release up to 100 ha. for plantations.

During this period, resident communities' customary rights in land were often not recognised. Instead indigenous peoples were inserted into the Transmigration schemes either by being resettled as Transmigrant villages made up of local people (*Translok*) or by being slipped into mixed settlements (*Transmigrasi sisipan*) comprising local people and State-sponsored migrants from Java, Madura and Bali. Most PIR-Trans schemes allocated only 2 hectares to each Transmigrant family, half of which they were expected to plant with rice and half of which was to be developed as oil palm to supply the mills established alongside the nucleus estate. Migrants complained of sub-standard housing, low prices for fresh fruit bunches of oil palm (FFB) and long delays in the payment of wages, settling debts and transferring land titles.

Deregulation Phase: In October 1993, the government passed two laws as part of a National Deregulation Policy Package. The overall aim of the policy was to give local governors greater authority to promote regional development, while seeking to ensure that private companies had a long term commitment to the areas they were investing in. Under these laws, Governors could issue permits for the conversion of forest areas up to 200 hectares, while areas over 200 hectares remained the responsibility of the Directorate General of Estate Crops in Jakarta. Private companies applying for forest conversion permits, on the other hand, were not allowed to transfer ownership of leaseholds so secured.

Privatisation Phase: The final years of the Suharto dictatorship saw a concerted drive across several sectors, including estate crops, to privatise para-statal companies, encourage private sector initiatives and facilitate foreign direct investment. A number of laws were passed designed to accelerate estate crop development in this way and ensure fair play between companies. The procedures by which companies secured permits for developing estates were clarified – a temporary, one year, start-up permit (*ijin prinsip*), which could be converted to a permanent permit (*ijin tetap*) and to which an expansion permit could be added (*ijin perluasan*). Requirements were introduced to ensure that companies planning to convert forests first secured the consent of any logging companies with logging permits (HPH) over the same areas. A new law also clarified that forest lands cleared and planted with estate crops were to be classified in Provincial Spatial Plans as agricultural lands but with no rights to plantation permits attached.

Cooperatives Phase: The fall of the Suharto regime resulted in an era of reform (*reformasi*) which allowed politicians with alternative ideas about rural development to gain power temporarily. Efforts were made to encourage models of development that would allow local communities to benefit more directly from lands and natural resources. While a law was passed prohibiting forest conversion in protected forests (*hutan lindung*), so harmonizing local and regional spatial planning procedures, a decree was passed to allow three-year plantation permits (*ijin usaha perkebunan*) to be granted to cooperatives for areas up to 1000 hectares by provincial Governors or up to 20,000 hectares by the central Ministry of Forests and Estate Crops.

Decentralization Phase: The fall of Suharto also ushered in a period of radical political change in Indonesia, whereby far greater powers to control lands, resources and to administer regional budgets were entrusted to local governments and legislatures. Since 2002, these changes have also had some impact on the development of the palm oil sector, while still limiting local authorities to encouraging medium-scale plantations. A new law allows district level regents (*bupati*) to issue permits of up to 1000 hectares, while any areas overlapping district boundaries remain the prerogative of Provincial Governors. However, authority to issue permits of over 1000 hectares was entrusted to the Ministry of Agriculture. Moreover, responding to concerns about the rate at which forests were being cleared for

plantations even though vast areas of degraded lands were available for planting, in 2005 the Government passed another law establishing a moratorium on forest conversion for estate crops.

The moratorium was introduced following the signing of a letter of intent between the Government of Indonesia and the IMF, although this did not make clear for how long the moratorium should be maintained and whether it referred to a moratorium on actual conversion of forest cover or a moratorium on changing the status of forest lands to allow planting. In February 2005, the Ministry of Forests released two contradictory circulars to the local government. One stated that the moratorium was still effective, while the other stated that in order to optimise the use of forest land for estate crops the Ministry would evaluate proposals for conversion on their merits. The same split views can be discerned in the way the Ministry has responded to the proposal to establish 1.8 m. ha. oil palm plantation in the heart of Borneo.

Excerpted from: "Promised Land: Palm Oil and Land Acquisition in Indonesia - Implications for Local Communities and Indigenous Peoples", by Forest Peoples Programme, Sawit Watch, HuMA and the World Agroforestry Centre, [http://www.sawitwatch.or.id/images/Publikasi/Land%20Acquisition%20\(English\).pdf](http://www.sawitwatch.or.id/images/Publikasi/Land%20Acquisition%20(English).pdf)

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- Laos: Promoting tree plantations

Over the last two years, Laos has seen a dramatic increase in foreign direct investment for commercial tree plantations. The Lao Committee for Planning and Investment shows 21 projects worth US\$17.3 million value were approved in 2005, which rose to 39 projects approved with a value of US\$458.5 million in 2006 and by February 2007, 9 projects had been approved and 16 were pending, with a total value of US\$342 million. To give a somewhat simplified overview: Chinese investors are investing in rubber plantations in the north of Laos, Vietnamese rubber companies have set up in the south of Laos and four companies are establishing pulpwood plantations in the central area (Japan's Oji Paper, Thailand's Advance Agro, India's Grasim and Sweden-Finland's Stora Enso). The reasons behind this year on year increase are complex, but a key set of government policies have been instrumental in promoting industrial tree plantations. There have been a series of national forest plans and strategies implemented since the 1989 ban on exports of processed wood and the 1991 decree to ban commercial logging.

The latest is the Lao National Forestry Strategy to the Year 2020, published in July 2005 after a 5 year process. The 2020 Strategy plans to increase "forest" cover from 40% to 70% by 2020, involving the planting of over 1 million hectares of bare land with industrial tree crops. Tree plantation businesses are exempt from land taxes and fees, and gain rights of land use for 30-50 years or longer in special economic areas.

However the roots of the plantation boom cannot be explained without a discussion of the land and forest allocation programme which has been (and remains) instrumental in making land available for commercial plantations.

Land allocation activities began in the early 1990s, and were eventually consolidated into a national programme for forest land allocation in 1996. The Land and Forest Allocation (LFA) programme was established as the primary mechanism for delineating customary village boundaries, giving villagers temporary rights to utilise forest resources, as well as land resources with a (mostly unfulfilled) promise of granting permanent rights in the later stages of its implementation.

The Land and Forest Allocation process soon became one of the major tools to achieve the target area of tree plantations. The land within the traditional village's boundary was consolidated and reclassified to fit a new map. This new village map was designed to accommodate the current population of the village with some reserve land kept for future generations. Agricultural land was allocated according to statutory entitlements per labour unit, and the forest land was categorised according to the five forest types identified in the forest law.

While there were many progressive elements to this programme, this reorganisation and reallocation had serious impacts for the traditional communities who form 80% of the Lao population. This is because it was implemented hand in glove with the policy to stabilize and then eliminate traditional shifting cultivation by 2010.

With pressure from this 'national goal', unfarmed swidden fields were no longer recognised as a valid land use and they were systematically designated under the LFA process as 'degraded forest'. In fact, this represented a stark deviation from the terms of the forestry law which states that degraded forest land is land where the forest will not regenerate naturally. Fallow land is normally just the opposite – land which has been set aside under the traditional rotational swidden farming system specifically for the purpose of regenerating the land and returning it to its natural state, which in most cases is forest.

The area classified as unstocked and degraded forestland under the LFA reached one third of the total land area, that is, vast tracts of fallow land were erased from the maps and reallocated for tree plantation development across the country.

This of course served the tree plantation companies who were keen to gain access to the fallow lands, rather than being constrained (by law) to the worst and most infertile degraded lands where no forest would regrow. In some cases companies actively influenced the classification of fertile land as degraded. The Decree formalising land and forest allocation programme allowed both Lao groups and foreigners to gain rights to forest land for tree plantation.

One such company was BGA, a New Zealand based company, whose plantation concession was later taken over by the Oji Paper company from Japan. Although there are examples of villages refusing to allow Oji to establish tree plantations on their land, in many cases plantation company staff were able to get the choicest lands by joining the land and forest allocation team at the local area and then pointing out which land should be considered "degraded" according to satellite images. Then the government officials helped the company to obtain the land from the village people.

The Lao government's enthusiasm for tree plantations has been shown time and again to be misplaced. In far too many cases companies who applied for land for plantation simply exploited the rules, obtained healthy forested land, logged it for the plentiful and valuable timber species on the land, replanted with a sorry looking tree crop, folded up quietly and fled. Earlier this year, the government acknowledged the problems and the government declared a moratorium on new land concessions larger than 100 hectares.

By 2003, a total area of 113,000 ha of plantations had been established in the country. The area rose to 146,000 ha of plantations in 2005, with a 66% survival rate. As the Strategy 2020 itself acknowledges, the productivity is lower than anticipated. Unfortunately the plans for improving the situation include improved tree growing technology, and larger plantations. This is likely to lead to another wave of problems for local people who have little opportunity to voice their opposition to these changes.

On a more positive note however, the latest news is that government has now taken stock of the decline in forest areas and the massive increase in land concessions handed to both foreign and domestic companies across the country. In 1982 forests covered 47 percent of land in Laos; this has now been assessed to decline to 35% of the country. The new National Land Management Authority has called a moratorium on land concessions for agriculture and tree plantation projects in order to reassess the policy and review the past projects to ensure they are in line with the law. The Laotian people will be anxious to know the results of this review.

By: Rebeca Leonard, <http://www.terraper.org>

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- Cameroon: State mechanisms for the promotion of oil palm plantations

One of the main characteristics of Cameroon's economic policies since independence is their institutional promotion of large-scale industrial plantations. Between 1971 and 1981, the state allocated to them no less than 60% of the public funds reserved for agricultural development. The most important feature of these large-scale plantations was – and still is – their domination by only a few agro-industrial firms, highly protected, oligopolistic, and dependant on capital-intensive technologies. The establishment and the expansion of these plantations involved big investments (loans) and created a strong dependency on foreign capital as well as on foreign technologies and management.

The recent most important initiative promoting oil palm plantations is the 2001 “oil palm project” of the Ministry of Agriculture. Considered as a “national priority”, this project was launched within the framework of a “volontarist modernisation of the agriculture”. It aims at promoting the development of the agro-industrial sector as well as the “village plantation” sector – which is mainly a way of subcontracting in favour of the agro-industries and which embodies the “new era” of oil palm extension in the country. The objective is to increase the plantation area by at least 5000 ha per year in order to produce 250,000 tons of palm oil by 2010.

However, a few other initiatives were already in place during the 90s: The state promoted the development of so-called village plantations through three main projects. The “Pépipalm” project – financed by the European Union and coordinated by the Ministry of Agriculture – aims at technically supervising and financially supporting a network of private nurseries of selected oil palm seedlings. The project implemented a system of monitoring and regular controls. Globally, these nurseries sold to small planters about 45,000 plants in 2000, 73,000 in 2001 and about 130,000 in 2002. Another project is the “South West Development Authority” (SOWEDA) which promotes different actions in rural technical education and in the supervision of village plantations. Also, the “Project of Rural Development Centres” (PPDR), created in 1993, focused its attention on the promotion of contractual village plantations.

At the international level, the main programme promoting oil palm plantations is a result of the initiative “heavily indebted poor countries” – launched in 1996 by the G7 and managed by international financial institutions. In order to be eligible for this category, a given country has to meet several strict conditions and notably has to produce a “document on poverty alleviation strategy” which must show how resources obtained through debt alleviation will be used. In Cameroon, this document includes a specific section devoted to the oil palm sector. Its goal is to increase the oil palm production and productivity in order to cover national needs (in deficit) and to improve international competitiveness. The development strategy is based on: (1) the development of the agro-industrial sector (through privatisation, increase in production, and implementation of new contractual relations with village planters); (2) the development of the village sector (use of improved seedlings, technical education, increase in productivity); and (3) the implementation of an improved research framework, mainly through the state-owned Institute of Agricultural Research for Development (IRAD) which is particularly active in the production and selection of oil palm seeds. The World Bank and the FAO are key actors in the promotion of this programme, while France provides with financial and technical support, notably through the CIRAD (Centre de coopération internationale en recherche agronomique pour le développement). The funding of the programme has already reached about 6 million euros and at least 8,000 ha of selected oil palms had already been planted in 2004.

This brief review of the main programmes promoting oil palm plantations in Cameroon shows that the role of the state – as well as the role of international actors – were and continue to be important, even during the age of so-called non-interventionist neo-liberalism.

By Julien-François Gerber, e-mail : JulienFrancois.Gerber@campus.uab.es. This article is based on C. Bakoumé et al. (2002), *Revue du secteur rural. Rapport palmier*, Yaoundé: IRAD/CIRAD/IITA/FAO ; and on M.-A. Monfort (2005), “Filières oléagineuses africaines”, *Notes et études économiques*, n°23, p. 55–85.

- Colombia: By law, the forest must disappear

The disappearance of the forest would seem to be the premise in the various political instruments created in Colombia for the forestry sector. However, most of them euphemistically set out objectives for conservation and protection.

Official forestry policy declarations have been issued in the country in 1974, 1984, 1989, 1993, 1996 and 2000, in addition to the signature of various international conventions and treaties aimed at forest conservation. However the present circumstances involving forest cover and the populations closely related to it show that their objectives have only partially been achieved. This is one of the conclusions of one of the reports by the Audit Office of the Republic on the state of natural resources and the environment (General Audit Office of the Nation, 2002). In this way, the State auditing bodies themselves have reported on the inefficiency of the policies, resulting -in addition to other factors- in deforestation and degradation of the country's forests.

The above mentioned policy declarations, together with the National Forestry Development Plan were the background documents for the preparation of law 1021, or the general forestry law, issued in April 2006, governing activities geared towards the forestry sector which, as we will see further on, is facilitating actions to the detriment of forests and of the communities who live therein. This is further aggravated by the national policy for the promotion of agro-fuels, in force since 2002.

The present situation of Colombia's forests is a matter for concern and its similarity with what is happening in other countries of the inter-tropical zone responds to an extractivist rationale, which is limited to the consideration of nature as a source of wealth and accumulation, revealing great disregard for forest peoples and environmental rights. It is thus that the country has a considerable package of rules promoting forest exploitation and the establishment of plantations, many of them copied from the forestry model of countries shown as a prototype, as for example, Chile.

The first laws formulated affecting Colombian forests, show the imprint of this noxious rationale. Such is the case with the 1936 law 200 on land regime, which stipulates as private property "the estates owned by private parties, in the understanding that this possession involves economic exploitation of the soil by means of positive actions carried out by the owner, such as plantations or agricultural crops, occupation with cattle and others of similar economic, importance." (Colombian Senate, 1936). Thus deforestation is clearly promoted together with plantations as a positive action, a notion perpetuated to our days, although the drafting of texts resorts to euphemisms to indicate the contrary. This same consideration of ecosystem destruction as an improvement, is promulgated by the International Monetary Fund in its manual on public finance statistics (IMF, 2001)

In the manner described above, the way to acquire land ownership has been regulated and following this it has never ceased, with Colombia reaching one of the highest levels of private property concentration in the world, amassed in the hands of five thousand large landowners (Mondragón, 2003). It should be noted that this concentration has been achieved through a process of violence, ranging from dispossession of indigenous peoples' lands, to paramilitarism and the rule of drug lords (Mejía, 2007).

However, national policy guidelines have not been limited to the level of resource use -meaning exploitation- but have also included the promotion and creation of agro-industrial investment companies largely responsible for devastating ecosystems and violating human and environmental rights in the country, as in the case of the violent appropriation of community land in the Chocó Pacific for oil palm crops (Mejía, 2007). An example of such policies is the 1995 CONPES 2786 document. In his 2007 paper, Mejía makes the following inventory of the promotions, incentives and exemptions seeking to encourage late yielding, export and fuel crops, based on documentation from the Ministry of Agriculture:

CIF – Forest Incentives Certificate: Law 139 of 1994: donation of up to 75% of plantation establishment costs and 50% of maintenance costs from the second to the fifth year.

ICR – Rural Capitalization Incentives: up to 40% of the loan for rural modernization, establishment and sustenance of small farmers.

AIS – Safe Agro Income: for small farmers, covers up to 100% of the project. For medium-sized farmers, up to 80% of the direct costs, with low interest rate, for a 15 year period and 3 years grace.

FAG, that endorses the re-discounting of credits submitted to FINAGRO when the farmer does not give the guarantees required by normal banking.

Decree 1970 of 2005: exemption of net income tax for ten years for late yielding crops.

Rubber promotion according to Law 686 of 2001, on the basis of a fund set up with 3% of sales.

Fund for Stabilizing palm oil prices, Law 101 of 1993

Law 788 of 2002 exonerating ethanol from value added tax – VAT – and from taxes and surcharges on fuels. These exemptions have been estimated at 100 million dollars per year (Mondragón, 2007, quoting Aurelio Suárez Montoya).

In addition to the above, the tax exemptions for reforestation contained in the Colombian tax regulations should be noted. They reduce taxes to such a low amount that the major plantation companies such as Smurfit-Kappa prefer to apply to these exemptions rather than use the other list of incentives, as they are more profitable. (CORPOCALDAS official, personal communication).

All this set of promotional measures for the forestry sector and its undertakings are placed in a general framework provided by the present forestry law which, as has been mentioned before, is highly damaging to Colombian forests and to communities. This may be seen on examining the law from different perspectives, for instance, the social, cultural and even the legal position, explaining why two lawsuits have been filed against the law. The public actions of unconstitutionality against the law seek, in the first case, that the totality of the law be declared unenforceable and the second that several of its most damaging articles should be eliminated. At a given time this gave rise to declarations by different sectors of the Colombian population, among them environmentalists, Afrocolombians, Indigenous peoples, peasants and academics.

Some of the more serious implications of this law are related with the promotion of renewable energies (agro-fuels), setting down conditions making the communities authorize exploitation on their collective territories; eliminating the functions of regional environmental authorities to exert control and monitor monoculture tree plantations, which is what is in fact happening with carbon sink plantations; defining forests as mere stocks of timber and facilitating their being granted as concessions; using forest certification to award more benefits and exemptions to timber companies; promoting illegal logging; weakening the rights of peoples, communities and ethnic groups, acquired through historical struggles and now being decimated by the law.

Given the evident inadvisability of this law, particularly in terms of community rights, the responses requested by the Constitutional Tribunal to entities as relevant as the Office of the Attorney General of the Nation, ask for the entire law to be declared UNENFORCEABLE (Attorney's Office, 2007), thereby ratifying the validity of the complaints made by diverse social sectors.

Once that legal channels are no longer considered to be the only way to achieve the demands of social movements and affected peoples, these have joined their efforts and work to resist the aggression of the forestry model and its

plantations, setting up the "Front for Life and Against the Green Desert," a movement that is linked to the struggle in defence of the territory, the peoples and their heritage, promoted in the continent by groups involved in the Latin American Network against Monoculture Tree Plantations (Red Latinoamericana contra los Monocultivos de Árboles - RECOMA).

This group comprises grass-roots organizations, peasant communities, social organizations and indigenous councils from the Southwest of the country, a region where pine and eucalyptus tree plantations are concentrated in the middle Cordillera zone, attacking and threatening the territory, water, traditional ways of life and indigenous and peasant cultures. From this movement, the resistance of the Colombian people is moving forward, against a model we do not accept and which consequently lacks legitimacy. At the same time, this movement builds up proposals that make it possible to recreate life in a way we imagine from day to day.

It is bitterly concluded that, in the case of Colombia, as in so many others, legislation, standards, exemptions and incentives designed for the forestry sector contribute to forest destruction and degradation, and therefore to worsening the living conditions of the peoples and communities that live in the forest and depend on it for their survival.

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- Australia: The many subsidies enjoyed by Gunns in Tasmania

A short while ago on the international tourist scale, Tasmania was voted the second most beautiful location to visit in the world. It has spectacular mountains and ancient forests, pristine beaches, an abundance of unique wildlife, a cool temperate climate and a low population.

Much of this has been declared World Heritage and there are walking and hiking trails that are breathtakingly beautiful. Despite its small size, it also has some of the best farmland in Australia enjoying a generally good rainfall, and is proud of its 'clean, green image'.

But the very thing that makes it so attractive has also spelled its potential downfall, for it is not just the tourists and inhabitants who want this, it is also a magnet for predators. These come in the form of the timber giants and the logging industry - businesses that see our heritage purely in terms of money. Now they are destroying what should belong not only to the Tasmanians, but the whole world.

But it is largely endemic, for the biggest danger is actually home-grown. For many years the Tasmanian firm of Gunns has gradually gained control of not only the forests, but also the government, to such an extent that it now virtually owns the entire State. It is the largest single company in Tasmania and one of the largest woodchip suppliers in the Southern hemisphere. It currently exports more woodchips than all the other Australian states put together, and this one is by far the smallest of them all, with a population of a mere 500,000. Gunns is referred to locally as "The Gunnerment", for such is their influence. Now they want to build a Pulp Mill, and the State and Federal governments have stood themselves on their heads to oblige. Huge subsidies and funding have been poured into this project, and in return, Gunns has become a major donor to ALL party political funds. Despite almost complete opposition from the people of Tasmania, who in poll after poll have stated categorically that they don't want this mill and all the other nasties that go with it, it has nevertheless been rammed through on a fast-track approval process, short-cutting all environmental assessment factors with minimal rules applying to them. In fact, they have been exonerated legally from any damage claims against them that might arise in the future from their actions!

Along with the Mill have come the Managed Investment Services (MIS) companies. These are huge multinational corporations that deal in tax-exempt 'woodlots', otherwise known as monoculture plantations. The Federal

Government has granted this tax-exempt status on the fallacious grounds that growing plantations can be used as a carbon sink and can be traded off against industrial pollution. As Australia has not ratified the Kyoto Protocol, this gives the government an excuse to continue with the greenhouse gas emissions from its heavy industry, Australia, at 22 tonnes per person having the highest CO2 rating per capita in the world!

The fallacy of this lies in the fact that plantations are merely a longer term rotational crop and are not a carbon sink as claimed, and no carbon dioxide can actually be offset. For it to be a carbon sink, the timber would have to left standing for a period of 50 years or more. The thirteen year growing period is an illusion used by the politicians and the MIS companies to justify these crops. After the first thirteen years, this becomes an annual harvest - merely a continuous production cycle that adds the same amount of carbon dioxide back into the atmosphere as has been offset. We have gained nothing from the process, except the MIS companies have made a lot of tax free money and the Government continues to allow pollution elsewhere.

But that is only one aspect. With their tax-exempt status, the inflow of investment money is such that the MIS companies are now buying up all the existing farmland in Tasmania for conversion to monoculture plantations. Gunns itself is one of these companies. They can outbid any genuine farmer for this land, and recently have used their money and influence to have plantations defined as a 'crop', and then changed the laws regarding the Protection of Agricultural Land (PAL) Act to give this new 'crop' precedence over all others. Under the law as it now stands, plantations are exempt from all the other laws and planning schemes that govern genuine agriculture, and they pay neither land tax nor rates. The profits from this operation are such that the first 'crop' sold, not only makes a profit for the company in its own right, but it gives to them the land free of charge. After that, everything is sheer profit.

However, it is not these plantation crops that Gunns requires to feed the Pulp Mill. Those are for the export woodchip market. What is being fed into this mill is the remaining old growth forests that make Tasmania so unique. In a private deal surrounded in secrecy, Forestry Tasmania has given to Gunns twenty years access to the remaining unprotected forests of the country at a rock bottom price. What they pay is a mere AU\$12 per tonne, which is half the price of plantation timber. Even this is not guaranteed, for it has been fixed to the international price of pulp, and if this goes down, which it is expected to do, then the price Gunns pays for its timber also drops, and if it falls below US\$500 per tonne, this price will go negative! In short, we will be paying Gunns for destroying our forests.

As unlikely as this may seem, it is almost at that situation right now, where Forestry Tasmania has made a ZERO return to the state coffers for the past two years, and prior to that was only achieving a price of AU\$2.61 per tonne. Yet Gunns itself posts huge profits, all of which head offshore to the mainland and international shareholders. The benefits to Tasmania are the few crumbs that are paid in minimal wages to the subcontractors who cut and haul this bounty to the 3 huge chipping mills - currently 3.5 million tonnes per annum, increasing to 8 million tonnes when the mill comes into production.

The local Government is fully complicit with this and has resisted strongly any calls for investigations of corruption by either a local Crime Commission or by a National Royal Commission. Every major politician in the state and country seems to be in bed with these timber giants, and one wonders exactly how and where some of these major subsidies that they receive are being spent. It is not insignificant that two ex-Premiers of Tasmania are now on the Board of Gunns.

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Monthly Bulletin of the World Rainforest Movement

This Bulletin is also available in French, Spanish and Portuguese

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