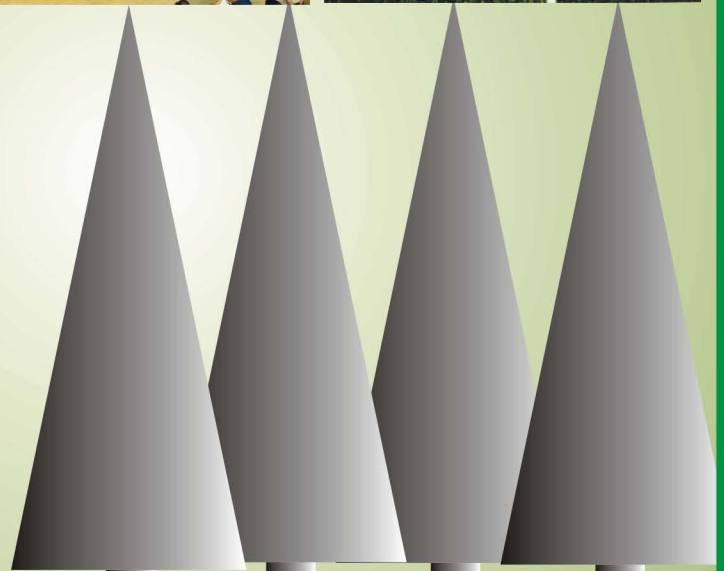



Responsible for Socio-environmental violations: Veracel Celulose, a company owned by Stora Enso and Aracruz Celulose



**A history of lawlessness,
neglect and greed!**



CEPEDES - Centre for Studies for the Development of the South of
Bahia


**RESPONSIBLE FOR SOCIO-ENVIRONMENTAL
VIOLATIONS: VERACEL CELULOSE, A COMPANY
OWNED BY STORA ENSO
AND ARACRUZ CELULOSE:**

A history of lawlessness, neglect and greed

IVONETE GONÇALVES DE SOUZA
WINFRIDUS OVERBEEK (ORGS.)

**expressão
POPULAR**

São Paulo
2008



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Rua Paulino Mendes Lima, 53 – Anexo - Centro
45820-440 – Eunápolis - BA
Tel/Fax: +73 3281 2768

Written by Ivonete Gonçalves de Souza and Winfridus Overbeek
Series Editor: Expressão Popular
Design: Aline Guimarães Pereira and Roberto William Oliveira de Carvalho
Text Review: Ariadini Silva Santos

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CEPEDES
Rua Paulino Mendes Lima, 53 - Anexo - Centro
45820-440 - Eunápolis - BA
Tel/Fax: + 73 3281-2768

This publication is dedicated to all people around the world who strive for a more just and egalitarian world. In particular, it is dedicated to our friend Gildásio Sales Ribeiro, the *Cabacinha* from MST, tireless in the fight against the Green Desert, who died in July 2008.

500 anos¹

500 anos de ofensa
500 anos de horror
500 anos sofrendo nas mãos do branco opressor

500 anos de guerra
500 anos de dor
500 anos lutando para não perder o valor

Desde o princípio da terra já tinha seu morador
O povo aqui já vivia era seu dono e senhor

Tinha seus mitos, costumes, tinha sua lei, sua fé
Mas o invasor tomou tudo, a terra e a vida até

Índio não quer caridade, só seu direito a viver
Com a mesma dignidade que todo mundo quer ter

Letra e música: Lindalva Macuxi/Roraima

*(Text presented in the National Meeting of Indigenous Leaders held in
Porto Seguro, Bahia, in 1999)*

Contents

¹ The colonization of Brazil began in 1500 with the arrival of the first Portuguese, led by Pedro Álvares Cabral in the region of Porto Seguro, Extreme South of Bahia. That is why at the turn of the 21st century many events occurred to remember the 500 years of the invasion of Brazil especially in this region.

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INTRODUCTION

Pulp companies usually advertise extensively that they promote ‘development’ and improve the lives of people. They rely on the government providing public resources for setting up their factories and tree plantations. However, the reality experienced by the communities surrounded by the plantations and factories is far from the story presented in these advertisements.

In 1991, *Veracel Celulose*, then called *Veracruz Florestal*, arrived in the Extreme South of Bahia, promising ‘development’, jobs and progress for the region. Today, 18 years later, the many promises remain unfulfilled. Instead, *Veracel* is leaving a trail of destruction in the region. Even so, the Swedish-Finnish company *Stora Enso* and *Aracruz Celulose*, owners of *Veracel*, are aiming to double production and the area of eucalyptus plantations, because of huge profits that the company generates.

With the planned expansion of its production in sight, *Veracel* and its partners need, at any cost, sell the image that theirs is a sustainable company. One of its latest initiatives in this direction was the certification of its plantations through an international green label of ‘sustainable forest management’, called FSC².

This publication aims to document the social abuses and violations committed by *Stora Enso* and *Aracruz Celulose* in the Extreme South of Bahia, primarily to make this information available to the population in the region, who often only have access to the company’s advertisements, and also for the people of Sweden and Finland, where *Stora Enso* is closing pulp mills, because it is more lucrative opening new production units in Brazil.

This publication will look at the history of the Extreme South of Bahia and the process of ‘development’ which began in recent decades. Throughout the document, it will consider issues such as the arrival of *Veracel Celulose* and deforestation of the Atlantic Rainforest, the irregularities

² Forest Stewardship Council - International initiative for certification of forests and tree plantations. See also chapter 6.2

linked with the process of licensing and the acquisition of the company by *Stora Enso* and *Aracruz*. Furthermore, the publication will describe the company's socio-environmental crimes and impunity, as well as the attitude that provides for the continued occurrence of various crimes; the relationship between the company and society, based on issues such as employment. The rural exodus and resistance in the rural areas, expansion of the peripheries of cities in the region and the problems arising from it are equally discussed. The publication then looks at the recent company strategies to attempt to respond to the harsh reality of the negative local impacts generated by its business – strategies necessary to ensure the continued expansion of Veracel's business. In conclusion, some Brazilians, Swedes and Finns will give their perspective on the global problem sponsored by multinationals in an era where the need for another model of production and consumption, based on respect for nature, people and their prospects for the future, is increasingly evident.

We hope that this publication is useful for all men and women who still believe that the Extreme South of Bahia is a region that deserves another future, a future that goes beyond only generating profits for European companies and benefits for a few Brazilians. This region must be built on the aspirations, demands and proposals of the local society, in the rural areas and in the city. In this scenario, there is no place for large-scale eucalyptus monocultures to produce disposable and special paper for those societies that are based on excessive consumption of paper and other products.

In this sense, alliances among Brazilians, Swedes, Finns and others, to build a juster world and without violations, is of the utmost importance.

2. The region of the Extreme South of Bahia

2.1 Brief history and characteristics

The region of the Extreme South of Bahia contains 21 municipalities in an area of 30,420 km², with a total of 690,814 inhabitants³. It is located in one of the most important ecosystems on the planet: The Atlantic Rainforest biome, which has been reduced to only 7% of its original area in Brazil. In the Extreme South of Bahia, that percentage is even lower, at around 4.82%⁴.

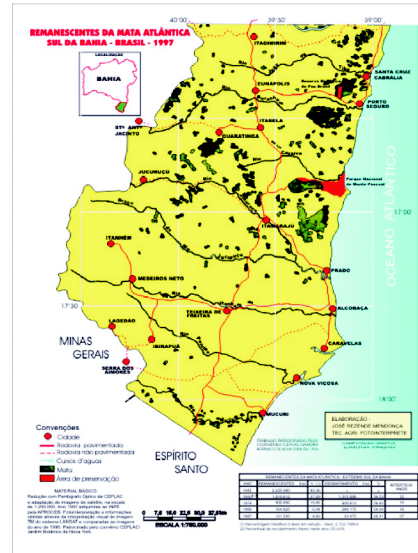
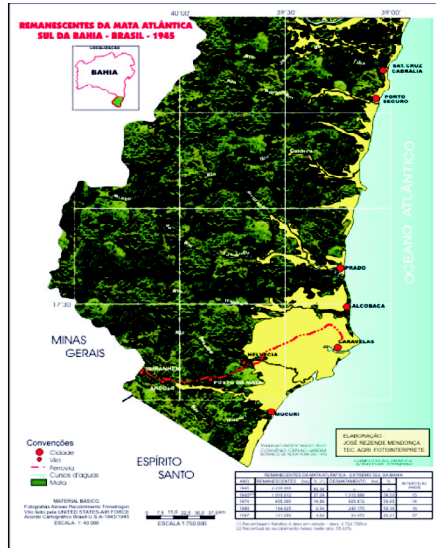


³ Census from IBGE - Instituto Brasileiro de Geografia e Estatística, 2007

⁴ Mendonça, A Mata Atlântica, 1998

The region of the Extreme South of Bahia

Remnants of Atlantic Forest in the Extreme South of Bahia – 1945 and 1997



THE ATLANTIC RAINFOREST

In 1500, the Atlantic Rainforest covered 15% of Brazil's territory, an area equivalent to 1,306,421 km². This area has been reduced to 7% or 102,000 km².

The Atlantic Rainforest is home to the "greatest biodiversity of the planet, with 450 plant species per hectare as against the 300 record in the continent, the Peruvian Amazon, according to the New York Botanical Garden." It is the second-most threatened ecosystem at risk of extinction in the world!



Originally, the region characterized by a humid climate was covered by several types of Atlantic Rainforest, the remnants of which continue to be devastated and replaced by crops, pasture and forestry⁵ (monoculture of eucalyptus).

⁵ Profile of the Economic Region 'Extreme South', Centro de Estatística e Informação - CEI. Bahia, Salvador, 1992.

The level of humidity decreases in tracks parallel to the coast, resulting in different environments from the coastal strip towards the interior. The coastal plains and coastal plateaus have warmer weather, resulting in the kind of subhumid and humid climate characterized by the presence of numerous springs that feed major river basins in the area such as the Jequitinhonha River.

Since 1500, the region has been suffering from environmental, ethno-cultural and social exploitation. All began with the arrival of the Portuguese “who docked in the region and took possession of the newly discovered land”⁶ to start the exploitation of natural resources and the process of violent occupation, which, according to Koopmans, was “motivated by feelings of greed and carried out with disregard for everything and everyone”, especially the native population, like the Pataxó.

➤➤ The Pataxó ‹‹‹



Currently, some 8,000 Pataxó live in the Extreme South of Bahia, divided in 19 villages. Since 1500,⁷ they have been resisting the process of colonization including, the village settlements (*aldeamentos*) created in the region in order to attract them, surviving in the abundant forests existing until recently. Over the centuries, they were massacred, suffering many kinds of violence, until, in the twentieth century, the

Brazilian Constitution finally began to ensure their rights as indigenous peoples.

Traditionally, the Pataxó live from hunting and gathering, despite the fact that they incorporated features from other peoples with whom they live. They speak the Portuguese language, but also they use the “Patxorá”, the “warrior language”, a mixture of the language of *Maxacali* peoples with words that the elders kept in memory. Overcoming fear and discrimination, today they fight to guarantee recognition of their territory and reaffirm their own identity within a constant process of redesigning the culture, for example, through the redemption of the language.

⁶ Koopmans, Pe. José. *Além do Eucalipto: o papel do Extremo Sul*, 2a. ed. 2005 p.11

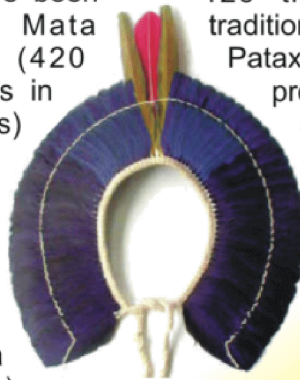
⁷ The villages are: Barra Velha, Meio da Mata, Boca da Mata, Trevo do Parque, Guaxuma, Cassiana, Aldeia Nova do Monte Pascoal, Corumbauzinho, Craveiro, Águas Belas, Alegria Nova, Tauá, Pequi, Tiba, Cahy, Aldeia Velha, Coroa Vermelha, Mata Medonha, Ibiriba (CIMI's data)

The region of the Extreme South of Bahia

With the creation of the National traditional territory of the Pataxó Park of Monte Pascoal in 1943, p e o p l e s began the latest process of In 2008, the National Indian expelling Pataxó from their land. Foundation (FUNAI) published for Since then, farmers in the region, the first time the identification of a the government - with the creation of larger land area, 52,748 hectares in parks for nature conservation - and the region of Monte Pascoal, as a more recently, Veracel Cellulose, land traditionally occupied by the have been invading the Pataxó Pataxó. land.

The fight for the demarcation of their land had the first concrete results in 1982 with the demarcation of an area of 8,627 hectares, Barra Velha, around the Park of Monte Pascoal. Three more areas have been demarcated since: Mata Medonha in 1992 (420 hectares), Águas Belas in 1996 (1,200 hectares) and Coroa Vermelha in 1998 (1,272 hectares).

Currently the Pataxó Front of Resistance and Fighting is leading the fight to recover a unified (continuous)



The Pataxó Front of Resistance and Fighting formally challenged this proposal, demanding instead as a basis the study done previously by anthropologist Maria do Rosário, which identifies an area of about 120 thousand hectares as traditional Pataxó territory. The Pataxó argue that the FUNAI proposal, by identifying a smaller, fragmented area, benefits farmers and, especially, Veracel Cellulose.⁸

Despite the long history of the colonization in the Extreme South of Bahia dating back to the sixteenth century - the process of occupying Pataxó territory began only in the mid-twentieth century. Fifteen of the twenty municipalities that comprise the Extreme South of Bahia were created after 1950 in an era of livestock expansion, the cultivation of cocoa and the exploitation of forests in the region. Within this process of accelerated exploitation, the construction of the BR 101 in the 1970s, which connects the two cities of Vitória, in Espírito Santo and Salvador, in Bahia, facilitated the exploitation of forests.

⁸ Diário Oficial da União, no. 41, 29 Feb 2008, pg. 109-113 and CIMI - Conselho Indigenista Missionário.

2.2 The 'development' of the region

Development

Few know the origin of 'development', a word, a concept currently so much used.

'Development' as a concept was launched by the U.S. government shortly after the end of World War II in 1945. The U.S. President at the time, Truman, formulated the idea as follows:

"We need to engage in a daring program that makes our modern scientific advances and industrial progress available for our growth and the advancement of the underdeveloped areas. The old imperialism - the exploration for foreign profit - has no place in our plans. What we are thinking of is a development program based on the concepts of a democratic and fair distributio"⁹

Unfortunately, what President Truman envisioned had little to do with the reality that followed. In the name of development, a new domination, a new imperialism of the countries of North America and Europe over the vast majority of the other countries in the world began to be built. Ever since the invention of 'development', the world has been divided in a 'developed' part (including Sweden and Finland), modern, 'civilized', consuming, and using the latest generation technologies, and in another, an 'underdeveloped' part of the world (including Brazil), delayed, non-modern, only somewhat 'civilized'. The concept of development allowed the West and its multinational companies to dominate and appropriate the world, disqualifying other options for production and non-Western ways of life.

It is in this line of thinking that Otávio Pontes, president of Stora Enso Latin America, says in an interview in 2007 that "the consumption of paper is also a measure of the level of education of the population, that is to say, the more consumption of paper, the more educated the population."¹⁰ With this, he suggests, that people in Europe, who consume on average about 190 kg of paper per year each person (in 2006), are at least 5 times more educated than people in Latin America, who consume 'only' 35 kg!¹¹



⁹ Truman, Harry S. Discurso inaugural, 20/01/1949, in "Documents on American Foreign Relations. Connecticut", Princeton University Press, 1967.67.

¹⁰ DVD: Porque nos não comemos eucalipto? Escola Nórdica, UbV, MST, 2007

¹¹ Swedish Forest Industry Association: www.skogsindustrierna.org

The region of the Extreme South of Bahia

In practice, all this 'progress', this 'development', caused an environmental destruction and cultural, social and economic injustices never seen in the history of mankind. Large companies seek to circumvent this reality saying that they practice 'sustainable development'. Indeed, many companies make use of this new term as a strategy to hide the negative impacts and the injustices and ensure the continuity of their astronomical profits, as is also the case with Stora Enso and Aracruz Celulose. (also see Chapter 6.1)



The process of “development” in the Extreme South of Bahia promoted by Federal and State governments was based on the exploitation of natural resources. The construction of the BR 101 highway in 1973, has facilitated access by road, by giving support to logging activities. In 1990, the region had reached a number of about 300 mills, with the owners coming mainly from the neighboring state of Espírito Santo¹².

Because of these developments, deforestation at that time reached very high levels. The main economic ‘phases’ - exploitation of pau-brasil, precious stones, livestock, export of wood, farm buildings and, more recently, the monoculture of eucalyptus - triggered the process of environmental degradation, resulting in a drastic reduction of biodiversity and in the change of the water cycle.

Some Conservation Units were created to protect remnants of the Atlantic Rainforest: Monte Pascoal National Park, created in 1961; Abrolhos Marine Park, 1983; National Park Pau Brasil in 1999 and the National Park of Discovery in 1999.

According to Koopmans, the lack of commitment to safeguarding natural resources is very serious and more serious is that this “development model” for the region, based on deforestation, violence, expulsion of people from the rural areas, was stimulated by governments, mainly by the state government, through bodies like the State Council of Environment – CRA and the

¹² CEPEDES and CDDH. Eucalipto: Uma Contradição, Impactos ambientais, sociais e econômicos do eucalipto e da celulose no Extremo Sul da Bahia. Teixeira de Freitas, 1992.

The region of the Extreme South of Bahia

Center of Environmental Resources of Bahia - CEPRAM, which facilitated the process of implementation of the monoculture of eucalyptus and pulp mills in the Extreme South of the state.¹³

With the decline of logging, the government of Bahia, without consulting the regional society, strengthened the proposal promoted since the 1970s that the region of the south had a 'vocation' to 'reforestation' with the monoculture of eucalyptus. Another major project identified as the region's vocation was tourism and it had Porto Seguro and its international airport as its center.

¹³ Cf., KOOPMANS, 2005, p.90

3. Veracel Celulose: a history of lawlessness

3.1 The arrival of Veracruz/Veracel in the region.

In mid - 1991, Veracruz Florestal, at the time a subsidiary of the Odebrecht Group, acquired 47140.79 hectares of land from the company Vale do Rio Doce¹⁴. These were distributed over 85 properties located in the municipalities of Eunápolis, Porto Seguro, Santa Cruz de Cabrália, Prado and Belmonte. At least 28 of these properties contained remnants of Atlantic Rainforest¹⁵

In 1992, the IBAMA granted approval¹⁶ to the company Veracruz Florestal for clearing properties and planting of eucalyptus¹⁷. And in the same year, Veracruz sought and obtained, by the CEPRAM¹⁸ and the CRA, a license for the location and implementation of the project. The authorization of IBAMA and the CRA were granted without requiring any environmental impact assessment, normally required for projects of medium and large-sized¹⁹.

As of November 1992, civil society organizations like the Center for Human Rights - CDDH-Teixeira de Freitas, and the Research and Development Centre of the Extreme South of Bahia - CEPEDDES, received several complaints that Veracruz Florestal was using hundreds of timber trucks removing native forest to plant eucalyptus. The timber was destined for sawmills, charcoal, posts and much wood was burned. Along with

¹⁴ Companhia Vale do Rio Doce – Former Brazilian state company, privatized in the 06 May 1997, during the government of President Fernando Henrique Cardoso.

¹⁵ Source: Jornal A Tarde, 11 de May de 1993, pg 15 of Dossiê FASE/IBASE/ GREENPEACE

¹⁶ IBAMA – Instituto Brasileiro de Meio Ambiente, órgão governamental. Autorização nº 002319 de 06 de junho de 1992 e autorização nº 30492 de 21/12/1992, conforme citado no Laudo de Inspeção.

¹⁷ Veracruz Florestal – The Veracel Celulose’s company name until 1998. (Source: CRA)

¹⁸ CEPRAM – Conselho de Meio Ambiente do Estado da Bahia

¹⁹ The venture, work or activity which causes significant environmental degradation must submit the Environmental Impact Assessment and Environmental Impact Report (EIA/ RIMA) before the desired permission under current federal law: Article 225 § 1. IV of the Federal Constitution, Law no. 6938, of 31 August 1981 and its regulatory decree, no. 99274 of 06 June 1990; beyond CONAMA Resolutions No 001 of 23 January 1986, which states on general guidelines for use and implementation of the Environmental Impact Assessment, and 237 of 19 December 1997, setting standards on environmental licensing.

entities such as the Ordem dos Advogados do Brasil (OAB – Brazilian Lawyers Association), Grupo Ambientalista da Bahia (Gambá – Environmental Group of Bahia) and Conselho Indigenista Missionário (CIMI- Indigenist Missionary Council), the organisations publically denounced the plans which attracted the attention of the press and the community.

In February 1993, the NGOs CDDH - Teixeira de Freitas and CEPEDES, when visiting new areas acquired by the company, found big tractors connected by *correntões* (chained trucks) and a large amount of wood, including *braúna* and other native wood species. The NGOs Greenpeace and SOS Mata Atlântica (SOS Atlantic Forest) were activated and sent a team that filmed the deforestation in the act. In an interview, the head of the office of IBAMA in Porto Seguro, Geraldo Pereira Machado, confirmed the accusations and further said: “*The institution does not have the minimum requirements for monitoring the region because of lack of working conditions, we have no fuel, no tires, no cars*”. He added: “*Thanks to the power of communication from those who commit deforestation, having radios, fax and fast cars, by the time the supervision comes to the location, it cannot do anything because all the blatant criminal activity has been undone*”²⁰.



Deforestation with chained trucks

In a press conference in May 1993, organizations showed footage to the CRA, to IBAMA of Bahia and to the press, which widely reported the fact that: “*Veracruz Florestal has been illegally deforesting large stretches of Atlantic Rainforest, to carry out a project for production of cellulose.*”²¹ “*(...) The process of deforestation was carried out using a method known*

²⁰ Jornal a Tarde 11 May 1993, pg 15 of Dossiê FASE/IBASE/GREENPEACE

²¹ Jornal O Estado de São Paulo, 11 May 1993, pg 14 of Dossiê FASE/IBASE/ GREENPEACE.

Veracel Celulose: a history of lawlessness

as “correntão” (chained truck), where a heavy metal chain is placed between two large tractors to drag and overturn the forest that is ahead of them²².”



The then-Minister of Environment, Fernando Jorge Coutinho, on May 11, 1993, halted the project and ordered a technical assessment by the IBAMA “to ascertain the validity of the complaint²³.” After that, the CRA and IBAMA of Bahia, “without the Minister being informed, carried out a hurried assessment²⁴” with the support of the ‘independent’ technicians, hired by the Veracruz company, who together produced a report that sought to “deny” the environmentalists’ claims²⁵:

...Concluded that the accusations made by NGOs are unfounded, as all the cleaning up operations on the properties used for planting EUCALYPTUS implemented by the Veracruz Florestal Ltda were made in areas previously released by IBAMA, with no type of vegetation that can be characterized as primitive forest or Atlantic Forest in advanced or medium stages of regeneration ²⁶

The report, signed by Cesar Monteiro Pirajá Jr., from IBAMA, and Helder Almeida de Souza, director of the CRA in office, who fiercely defended the company, delivered an opinion which generated “*suspicious about its smoothness and was immediately rejected by the Minister who held a public hearing in Eunápolis to hear the versions of all parties* ²⁷”. The Superintendent of IBAMA, Cesar Monteiro Pirajá Jr., insisting on denying the facts, eventually lost his job.

Also the company continued to deny the fact and its Director, Luiz Villar, stated that “*the company has all the legal permits for its activities and the official of IBAMA, [in the video] must be misinformed About the images of logged forest with the practice of correntão [chained truck], which pulls over dozens of trees per minute, Villar said that it is not*

²² Jornal a Tarde 11 May 1993, pg 14 of Dossiê FASE/IBASE/GREENPEACE.

²³ Jornal O Dia 29 June 1993, pg 98 of Dossiê FASE/IBASE/GREENPEACE

²⁴ Jornal, O DIA, 29 June 1993, pg 98 of Dossiê FASE/IBASE/GREENPEACE pg 98

²⁵ Laudo de Inspeção 03 June 1993 dossiê FASE/IBASE/GREENPEACE pg 50 and 51

²⁶ Laudo de Inspeção 03 June 1993 dossiê FASE/IBASE/GREENPEACE pg 50 and 51

²⁷ Jornal, O DIA, 29 June 1993 of dossiê FASE/IBASE/GREENPEACE página 98

*Atlantic Rainforest*²⁸. Besides not having a license to operate, the company's director underestimated the intelligence and knowledge of the environmentalists²⁹, asserting that this was not the important biome that the Atlantic Forest is.

From 23 to 29 June 1993, a new assessment was conducted with the participation of IBAMA, the company itself and NGOs. At the beginning of July of 1993, 34 regional and national authorities concluded and published their assessment report, which confirmed the authenticity of the allegations and criticized the "quick and secret" assessment that had been rejected by the minister, listed the irregularities in the implementation of the project of that company and forwarded the following proposals:

1. Conservation of the Americana³⁰ farm (6,100 hectares) because of its recognized value in the maintenance of some ecosystems of the Atlantic Forest;
2. Recomposition of the areas of native forest improperly cleared, as well as the edge of *grotas* (*the hilly areas surrounding river basins*) that were not maintained;
3. Enrichment and/or increasing density of the permanent preservation areas, which are very degraded;
4. Ratification of the company statements, where errors were found in the classification of vegetation;
5. Realization of a survey, with the participation of NGOs and within a month, of the company's property not included in projects (*for eucalyptus plantations*), but which could be included in future;
6. New assessment with participation of NGOs in 11 (*eucalyptus plantation*) projects (on farms) to be visited within six months;
7. Holding account of the company and IBAMA / BA for the errors committed by Veracruz Florestal.³¹

²⁸ Jornal do Brasil, 11 May 1993 dossiê FASE/IBASE/GREENPEACE pg 13

²⁹ O Estado de São Paulo, 11 May 1993 dossiê FASE/IBASE/GREENPEACE pg 14

³⁰ RPPN (Private Reserve of Natural Patrimony) Estação Veracruz.

³¹ Report of NGOs on the joint survey in Veracruz Forestry Projects. Dossiê FASE/IBASE/GREENPEACE pg 136 to 14

Estação Veracruz



The Veracruz Station, Private Reserve of Natural Patrimony, held by Veracel Celulose, is part of the properties bought from the company *Florestas Rio Doce*, and was then called the Fazenda Americana, that was on target to be cleared. It was only preserved thanks to the denunciations of environmentalists. Today, it is used as the Veracel postcard image, spread to show to the public its commitment to environmental preservation!

Only on 08 July 1993, IBAMA and the Ministry of Environment released the official conclusion of the comprehensive survey and forced Veracruz to replant the Atlantic Rainforest it had deforested; to replant the wide stretches of land that it had devastated; to preserve *the capoeira* (forest in regeneration) that would be deforested; to pay through penalty for the illegal logging; to present in the period of 180 days the Environmental Impact Assessment (EIA/ RIMA) and a Forest Assessment; to transform the Fazenda Americana into a conservation area³².

At the same time, the embargo on the basis of the complaints brought about the reaction from the regional community in favor of the venture and its promise of jobs and much 'development'. Faced with pressure from the community, the Minister of the Environment himself, Coutinho Jorge, chaired a public hearing in Eunápolis in July 1993.

According to Francisco Menezes, a researcher of IBASE, "during the hearing, the company, the city and merchants of Eunápolis presented a lamentable spectacle." The mayor of Eunápolis, Feruk Abraão, decreed a holiday on that same day, while simultaneously, making use of public funds, recruited staff and presence of a group of people from the part of the population least likely to protest against the embargo: "There was then a reproduction of the old discourse, claiming that the action of environmentalists put at risk the jobs that were offered by the industry in this impoverished region³³". This 'developmental' discourse was

³² Information of Non-Governmental Organizations, in August 1993, pg 14, Dossiê FASE/IBASE/GREENPEACE.

³³ Jornal O dia, 29 June 1996, Dossiê FASE/IBASE/GREENPEACE, pg 98

encouraged by the company, by a group of politicians and by opinion formers called 'Fostering Progress', inciting the population who, irate, tried to attack the environmentalists who were forced to leave the place in a hurry.

The embargo caused a great concern and anxiety not only among the company's directors and the local and regional governmental authorities but also in the public opinion, because the company, deceiving the people, promised thousands of jobs to the people expelled from their land. The schedule of the day was prepared well in advance, and we, considered by Veracruz and by politicians as the "opposition group" were asked to propose 3 people who would make statements and exposing our thoughts about the situation. I, Fr. José, would be the first person to speak on behalf of this group.

When we arrived in Eunápolis, thousands of people were on the street. The mayor of the city had declared a holiday because of the hearing! The company, prepared in terms of marketing, with the local and state governmental authorities, had mobilized the people who came from the periphery to receive the minister. Besides these people, hundreds of children came from public schools with various banners saying "My father wants to work" - "Long live to Veracruz" - "We do not want to die from hunger" and so on. The mass of "manipulated" people stopped the traffic in the city and created difficulties to get to the auditorium of the Ceplac where the public hearing would be held.

During the speech of the Minister and of the group who supported the company, the crowd paid much attention and there was much applause. When I started to speak, as the first representative of the 'critical' group, the people, encouraged and manipulated by 'well prepared agents', began to scream and create such a fracas making it impossible to hear my speech. Two, three times, the minister himself asked for silence, but even more encouraged by 'agents', they screamed more and more. Finally, when I finished my speech and left the building of CEPLAC, a friend of mine pulled my arm strongly and pushed me inside a car with the engine running. I didn't understand what was happening and I was very scared. I was calmed down by that person who explained what was happening, I felt sad and worried. Sad, because I knew the manipulated people, full of hope to win a job, were being deceived by "agents of the company and henchmen of politicians", and I was worried because I didn't understand anything of that situation.

After, I knew that people wanted to lynch me. After this incident, it took several months for me to return to Eunápolis. But recently I have heard: "Yes, Fr. José, at that time you were absolutely right, because the city grew, violence has increased and jobs are few." (Father Joseph Koopmans)

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Two months later, the Minister decided to approve the project, making recommendations for adjustments requiring that a Environmental Impact Assessment and Environmental Impact Report (EIA/RIMA) be carried out. At that moment, the local community led by leaders of the Board of Directors of Stores of Eunápolis (CDL), completely seduced by promises, was on the streets again to express itself favorably to the project.



Demonstration in favor of Veracel Florestal- 1993

The Federal General Attorney, sued by the NGOs Greenpeace, SOS Mata Atlântica (SOS Atlantic Forest) and IBASE, sent in October 1993 a Public Civil Lawsuit against Veracruz, CRA and IBAMA and obtained in the Federal Court (Ilhéus) the embargo of the company's activities until, in conformity with the law, the reports of the EIA/ RIMA were submitted. But the Federal Judge of the 2nd Section of the TRF granted the injunction sought by the company and suspended the embargo. Days later, the Judge capitulated again in his decision and reinforced the embargo. Once again, the Judge of the 1st Section of the TRF, regranted the injunction and gave permission for the functioning of the company operations until a judgement had been made on the merits of that Civil Lawsuit.

On June 17, 2008, after 15 years of discussion, the Federal Court of Eunápolis finally declared the company Veracel Celulose guilty for the environmental devastation committed in its first years of operation until 1993, and fined the company in R\$ 20 million of reals. Also, the environmental permits granted for the planting of eucalyptus were cancelled. The decision means that Veracel will have to remove the eucalyptus planted in accordance with the old licenses and replant these areas with Atlantic Rainforest species³⁴. According to the judge, Marcio Mafra Leal, "*there is no environmental impact assessment of the region. (...) The whole approach is viewed from the perspective of the company and its strategies and does hardly describe the possible alternatives to circumvent such harm of the eucalyptus monoculture*³⁵".



Is Veracel Celulose the same as Veracruz Florestal?

A very interesting fact was the change of name of Veracruz Florestal to Veracel Celulose in 1998, apparently marking the beginning of a 'new life' for the venture. However, for critics, this change is interpreted as a strategy by Veracruz to 'clean up' its name, giving the illusion of a new company. The general impression was that the company did not like to be reminded of its past, marked by deforestation of the most diverse and most threatened region of Brazil and the world. The recent Court decision, condemning Veracel Celulose to pay \$ 20 million of reals as a penalty for crimes committed by Veracruz Florestal, clearly shows that there is no point changing the name to get rid of the past.

³⁴ Diário da Justiça Federal. Ação nº. 2006.33.10.005010-8, 17/06/2008, pg. 60.

³⁵ Correio Brasiliense. O preço da devastação: maior rigor para novas concessões. 26 Aug 2008

3.2 Environmental Impact Assessment and Environmental Impact Report (EIA/RIMA)

After the disastrous start of Veracruz Florestal, including having its operations halted by the Minister of Environment, one would have imagined that the company began a new phase in 1994 with the preparation of an EIA/RIMA following the law with the utmost rigor. But this was not what happened. Already the drafting and debate on the EIA / RIMA, were marked by several irregularities and illegalities. Here are some key examples:

Studies done in a hurry

For an enterprise like Veracruz Florestal to obtain licensing for the implementation of its industrial and forestry project, the environmental agency responsible should request the carrying out of an Environmental Impact Assessment (EIA³⁶). The EIA should be in accordance with the Laws of the National Council on the Environment (CONAMA) and follow the requirements of the State of Bahia, based on a document entitled “Terms of Reference” and be accompanied by a public summary: Environmental Impact Report (RIMA).

However, the company received initial licensing without presenting the studies (see chapter 3.1). Furthermore, the EIA/RIMA were prepared in a period from March to October 1994, while the terms of reference was approved by CEPRAM only in October 1994³⁷.

To prepare the EIA/RIMA, Veracruz Florestal hired a Finnish company, Jaakko Poyry Engineering, the current Poyry, the world’s largest consultancy company for lobby and engineering services to the plantations

³⁶ To draw up the Environmental Impact Assessment or EIA, the company hires an institution composed of a multidisciplinary team of specialists. For mega-projects such as a pulp and paper industry, should be part of the study, specialists in the areas of economics, sociology, anthropology, ethnology, archeology, urban planning, demography, geography, cartography, public health, occupational medicine, media, marine biology, oceanography, botany, agronomy, forestry, environmental and sanitary engineering, chemical engineering, mechanical engineering, civil engineering, industrial, security, transportation, geology, pedology, hydrology and meteorology.

³⁷ CEPEDES/CDDH. Uma visão geral do Processo Veracruz. Eunápolis, 1995

and pulp sector, with operations in over 30 countries, including Brazil³⁸. The company submitted the EIA / RIMA in a record time. The poor quality of the document was questioned by specialists from universities and NGOs.

One of the quality auditors, hired by the CRA in order to examine the EIA/ RIMA, Dr. Walter de Paula Lima, from the Department of Forest Science at the University of São Paulo (USP), gives an example of the poor quality of the document when he comments:

“As determined in the Terms of Reference, the RIMA should also contain a bibliography, because this is the document to which the public will have access”. And on the subject of literature: “With regard to literature, yet there is another more worrying aspect. In Volume II, to start the discussion about the controversy surrounding the eucalyptus, the authors refer to the book: ‘Environmental Impact of Eucalyptus’, written by us and published by EDUSP in 1993. However, the authors copied in full about twenty pages of the book (on page 10 to 26) as if these texts were theirs. The copy was so faithful that even the references contained in the excerpt were also copied. But the bibliography of the EIA acknowledged neither the author of the book nor any other references that appear in the copied excerpt “.³⁹

³⁸ http://www.brazil.fi/brazil/filemanager/como_exportar_FIN_2007.pdf ; today this company is called Poyry.

³⁹ Lima, Walter de Paula. Parecer sobre EIA/RIMA Veracruz. 1995: pg. 4

The Game of vested interests and favours

The company Jaakko Pöyry decided not to produce the entire EIA / RIMA, but to hire the José Silveira Foundation (FJS), to carry out the study of the Human Environment in the EIA. It happened that Mr. Norbert Odebrecht, owner of Veracruz Florestal, had and still has strong links with the Foundation. Jorge Calmon, former editor-in-chief of the daily newspaper *Jornal A Tarde* commented on the participation of Mr. Odebrecht in the Foundation:

“I have had the privilege of participating in meetings of the board of trustees in which Norberto is also a member. These are the boards of the Sister Dulce Social Works Association and the Foundation José Silveira, which maintains the Ibit and the Hospital Santo Amaro. Rarely, mainly when traveling outside the state, he isn't present at the meetings of these boards. And he is one of the first to arrive. Attentive to the development of the work, usually refrains from participating in the discussions, except when all of the people present have spoken. He makes notes of the pronouncements in a small notebook. Then, finally, he summarizes what the others said, and at last he gives his own opinion. And that is the one that always prevails, by its objectivity and wisdom⁴⁰. “

This further indicates a relationship of complicity between the contracted company and the cellulose company. Walter de Paula Lima observes in his report: “(...) the document had an exaggerated connotation of having been written to defend the venture, which is not the objective of the EIA / RIMA”.⁴¹

It is worth noting that Article 7 of resolution 001 of 1986 of the National Council of Environment requires independence of the authors of the studies, i.e., the company contracted to carry out the technical studies must not have connection with the entrepreneurial company.

Finally, it is unacceptable that a company, specialized in providing consultancy for new pulp mills and plantations, in other words, which has an interest in the implementation of the project, also produces the EIA / RIMA's. In this sense, it does not come as a surprise that Poyry has Veracel among its clients.⁴²

⁴⁰ <http://www.odebrechtonline.com.br/materias/00301-00400/346/> Odebrechet online – Uma Escola sem Paredes

⁴¹ Lima, Walter de Paula. Parecer sobre EIA/RIMA Veracruz. 1995: pg. 4.

⁴² www.poyry.com.br

The profit above the environment: to produce with chlorine

There are basically two options when the technology for the production of cellulose is chosen: the chemical or mechanical production. To obtain high-quality bleached paper, chemical production offers the best results from the economic point of view, using sulphate in the process ('Kraft' method). At the same time, this method causes more pollution, particularly the formation of organochlorines such as dioxin from the (elementary) chlorine, one of the most toxic products in the world! To avoid this, the best alternative is the TCF technology, which at the same time is the most expensive. Another option, advocated by the industry for being cheaper, is the ECF technology (elemental chlorine-free, using chlorine dioxide), which significantly reduces, but does not prevent entirely the formation of organochlorines.⁴³

The "Terms of Reference"⁴⁴ from the EIA of Veracruz describes the project as a "complex, producer of fully bleached chlorine-free cellulose of eucalyptus." Information reaffirmed by the RIMA: "The agro-industrial complex VERACRUZ FLORESTAL comprises a producer of bleached chlorine-free pulp (TCF)."

At the time, the CRA explains the importance of this choice by Veracruz:

The company presented a technology proposal for its production considered environmentally as the best available technology. The TCF process adopted by the industry is a major step forward in reducing the environmental impacts caused by a plant for the production of bleached pulp, considering that the operation of chlorine-free bleaching totally eliminates the formation of organochlorine responsible for the high toxicity of liquid and solid waste generated in the manufacturing process.⁴⁵

But in 2003, when the construction of the pulp mill began, Veracel changed the original project. Veracel chose to disregard "(...) the Environmental Impact Assessment with the connivance of the CRA and incorporated the

⁴³ FASE/ES. O caso da Aracruz Celulose no Brasil: ECAs exportando insustentabilidade. Vitória, 2003

⁴⁴ from CRA 21 Sept 1994

⁴⁵ CRA -Centro de Recursos Ambientais (Environmental Resource Center) Parecer Técnico number 138/95; item 2.2.1

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chlorine dioxide in the bleaching of pulp, ECF⁴⁶. The CRA didn't take any action to cancel the license and / or request, at least, an additional study of the resulting environmental impact.

Note that when questioned by auditors of the EIA / RIMA on the environmental aspects of that venture, Veracel said that it is a company that "takes seriously" the environment, making the option for the "bleaching of pulp totally chlorine-free, implying in an additional cost of production of US\$ 35/ton⁴⁷."

This additional cost may have been the reason that explains the radical transformation of the company to use 100% of ECF technology.

The power of the company: the EIA / RIMA is still valid

Even with the irregularities and illegalities and with the fact that between the preparation of the EIA / RIMA in 1994 and the inauguration of the factory in 2005, 11 years went by, the CRA did not see any need to require a new EIA / RIMA.

At the time of the EIA/RIMA, the CRA recognized that both the plantations and the factory would cause impacts that needed to be considered:

"There are two types of impacts arising from the project: the first, already in progress with the implemenation of 16,000 hectares of eucalyptus representing 18% of the total 90,000 hectares. In this case, the primary concern at the socio-economic and cultural level is the concentration of land in the hands of a few owners and consequent impacts on small and medium-owned rural and indigenous areas. The second impact is the project of implementation of the pulp mill in the municipality of Eunápolis, close to the Santo Antonio River. The implementation of a local industry will affect the surrounding populations, such as the towns of Marília, Ponto Central and Barrolândia more directly, and the towns of Petrolândia and Brejinho more remotely."

CRA also lists the following questions:

- 1. Pressure on the small towns and districts near the site of the factory installation;*
- 2. Pressure on areas occupied by indigenous groups in the region;*
- 3. Pressure on areas occupied by small and medium production;*

⁴⁶ Jornal a Tarde, Veracel vai produzir sem cloro 18 April 2004.

⁴⁷ Veracruz Florestal. Comentários ao parecer do engenheiro florestal Walter de Paula Lima: pg.8.

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4. Pressure in the provision of public services;

5. Pressure in the provision and the value of land located on the perimeter.

And then adds:

“on these five points, the analysis of the human environment [i.e. the social impacts] shall focus on suggesting mitigating measures to minimize the impact of the venture.”

And further,

“the question of land use should be better assessed by the EIA/RIMA team, considering the impact on small and medium-sized farms, a mapping of those areas should be undertaken and proposals made to prevent them being surrounded by eucalyptus planting. Also important is the need to conduct studies that could subsidize the municipalities affected by the allocation of their agricultural areas.”⁴⁸

To try to soften the impact, the CRA has formulated a series of conditions to be implemented by Veracel (see some of them in chap. 4 and 5), initially for the plantations of eucalyptus, later also in relation to the pulp mill.

⁴⁸ CRA (Centro de Recursos Ambientais): Parecer Técnico number 138/95; item 2.2.1

3.3 Stora Enso and Aracruz: in search of profit

In 1997, the company then still called Stora, a Swedish company, bought part of the shares of the company Odebrecht and became one of the main owners of Veracel. In 2000, Aracruz Celulose bought the shares that were still owned by Odebrecht, to form, along with Stora Enso, a joint venture⁴⁹, each one with 50% of the shares.

Who are Stora Enso and Aracruz Celulose ?

Aracruz Celulose is the largest producer of bleached pulp in the world, has operations in the states of Espírito Santo, Bahia, Minas Gerais and Rio Grande do Sul. With about 450 tons annually coming from its participation in Veracel, its participation in the global supply of the product rose to 30%.

Dados gerais:

Foundation: 1967

Major shareholders (owners): Lorentzen Group (28%), *these shares were purchased in January 2009 by Votorantim*, Safra Bank (28%), Votorantim Group (28%) and BNDES (12.5%).

Production of cellulose: 3.3 million tonnes (estimates of 4.65 million in 2010)

Area under control: 456,000 hectares (own land) and 96,000 hectares (out-sourced planting by farmers through the *fomento florestal* program)

Number of mills (cellulose): 5

Number of employees (in 2007): 2495

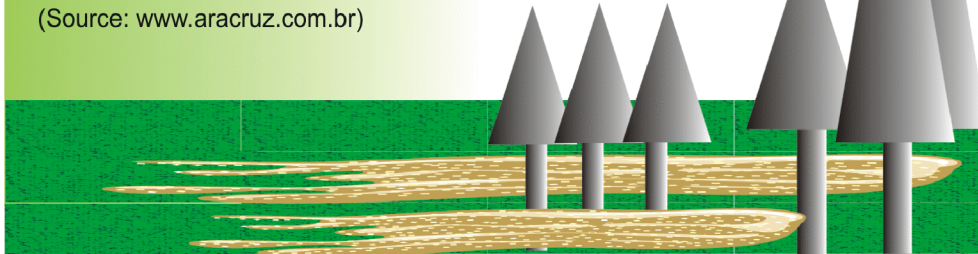
Sales in 2007: U.S. \$ 2.1 billion (U.S. \$ 3.5 billion)

Operating profit income: U.S. \$ 662.044 (U.S. \$ 1.1 billion)

Countries where it operates: Brazil with offices in the U.S., Europe and Asia.

Quote of the company: "The company's activities are guided by the concept of sustainable development in which economic and social progress is achieved in harmony with nature."

(Source: www.aracruz.com.br)



⁴⁹ It is an association of companies, not final and for-profit, determined to exploit some business (es), without loss of legal personality for none

Stora Enso is the largest producer of paper and paperboard in the world and 2nd largest producer of forest products, with more than 40 industrial units in Europe, Asia and the United States. The Swedish-Finnish company will use its share of the pulp production from Veracel (50%) in paper mills to produce printing and writing papers and special papers of a highly aggregated value in Europe and Asia at its paper mills in Oulo (Finland), Utersen (Sweden) and Suzhou (China).

General Information:

Foundation: around 1288 (Stora), one of the oldest companies in the world

Foundation of Stora (Sweden)- Enso (Finland): 1998

Major shareholders (owners): Foundation Asset Management (Sweden), Finnish state, funds Finns and Swedes

Production of paper products: 13.1 million tonnes (2007)

Production of cellulose: 7.7 million tonnes (2007)

Number of mills: 72 (paper products) and 22 (cellulose)

Number of employees: 38,000

Area under control: 319,600 hectares (own land) and 760,100 hectares (leased by third parties)

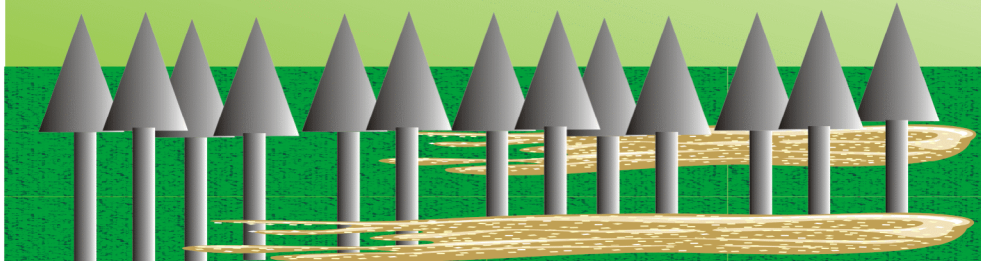
Sales in 2007: EUR 13.4 billion (U.S. \$ 34.8 billion) (2007)

Countries where it operates: 40 in 5 continents

Operating profit: EUR 1172 billion (U.S. \$ 3.05 billion) (2007)

Quote of the company: "The economic, environmental and social responsibility supports our thinking and our approach to every aspect of doing business"

(Source:Annual Report of Stora Enso: 2007; www.storaenso.com)



The sales of the shares of the Lorentzen Group and also of the Safra Bank to the Votorantim Group happened in January 2009 (Coutinho, Daniele, "Votorantim assume 100% das ações da Aracruz Celulose". estrategiaemercado.blogspot.com, 04/01/2009)

The purchase of Veracel by two 'giants' of the pulp and paper sector is characteristic of the very nature of the pulp market. In times of prices considered as low, hindering the high investments in new mills to expand the production, the purchase of other businesses becomes more attractive to reduce the dependence on buying pulp from other firms. For Stora Enso, a major producer of paper, to have more pulp for its paper mills in Europe reduces dependence on the purchase of pulp on the world market.⁵⁰

In addition, the market for pulp, different from other sectors of the global economy, is still a very fragmented industry: in 2000, the five largest producers of forest products had only 15% of total production capacity of paper and cardboard. In other sectors, this average was already around 50 to 60%.⁵¹

The financing of da Veracel Celulose

he viability of this project at a cost of \$ 1.24 billion was only possible through high subsidies from state investment banks. The main ones are:

- U.S. \$ 1433,333.00 from the National Bank for Economic and Social Development (BNDES)**
- U.S. \$ 80,000.00 from the European Investment Bank (EIB)**
- U.S. \$ 70,000.00 from the Nordic Investment Bank (NIB)**

Veracel's pulp mill started its operations in May 2005. In 2006, the unit has already presented a performance 8% above the planned capacity - about 900,000 tons -, totaling 975,000 tons. In 2007, Veracel reached a new record in operational technology and production, 1,052 million tons of pulp. The nominal capacity, which is 900,000 tons annually of cellulose, was exceeded by 17.1%. The factory also registered the lowest production cost in the world.

⁵⁰ Urgewald. Banks, pulp and people: a primer on upcoming international pulp projects. Alemanha, 2007

⁵¹ O papel. Stora-Enso: volume de capital e tecnologia a caminho de mercados estratégicos. February, 2000

Investments on this scale to increase the cellulose production happen only with significant [public] financial support. To create the necessary investment climate, pulp companies in Brazil, together with several other associations in the area of plantations, have intensively lobbied the Lula's government, which won the presidential elections in 2002. First, they financed the campaign of the then candidate to the presidency and then the industry managed to be one of the first to meet with the new president, as early as January 2003. There, representatives of the industry presented their bold plans, proposing to increase the area of monoculture plantations of eucalyptus and pine in the country from 5 to 11 million hectares by 2013⁵².

The government responded positively to the proposal by the sector. The first case of financial support by the Lula government was to Veracel Celulose (see above), which was to become the biggest investment of the Lula government to a private company at the time. Then, through the National Forest Plan (PNF), the federal government decided to provide the financing for the planting of 2 million hectares of new plantations of eucalyptus and pine by 2007, again with BNDES as the main source of funding. The expansion plan of Aracruz for an amount of U.S. \$ 2.6 billion, announced in 2008, will also be supported with financing from the BNDES⁵³. Further indication that the industry managed to convince the president of its success and importance are the words from the then Labor Minister Jaques Wagner, now governor of the state of Bahia "Veracel was made for President Lula." ⁵⁴

⁵²ABRACAVE e outras. Proposta de agenda para o setor brasileiro de florestas plantadas, versão final. November, 2002

⁵³ Jornal Correio do Povo. Aracruz abre 7 mil vagas, verba de US\$ 2,8 bilhões servirá para ampliar fábrica, adquirir área de plantio e qualificar modais. 16 April 2008.

⁵⁴ Jornal do Brasil (JB) Ecológico. Veracel avança. 06 Feb 2004.

What is the BNDES?



The *Banco Nacional de Desenvolvimento Econômico e Social* (BNDES) is a state-owned bank, created by federal law in 1952 to boost economic and social development of Brazil.

The BNDES invests primarily in large companies (for example, it is a shareholder of Aracruz Celulose with 12.5%) and also provides loans with low interest rates with the argument of supporting the development of the country, such as helping pulp and paper companies. In 2005, BNDES lent U.S. \$ 47 billion, of which about 75% comes from the Employee Support Fund (FAT), in other words, public money. The proposal is to invest U.S. \$ 20 billion in the pulp and paper sector in the period 2007-2010.⁵⁵

⁵⁵ Rede Brasil sobre Instituições Financeiras Multilaterais. O BNDES visto pela sociedade civil. 2006; e <http://www.bndes.gov.br>: Horizonte de Investimentos: Emani Teixeira Torres Filho e Fernando Pimentel Puga, 2006.

4. Socio-environmental crimes of Veracel: the impunity

4.1 The impacts on the environment

Water resources and agrochemicals

"Submit to the Environmental Resource Center - CRA, within 60 (sixty) days, a plan for monitoring water streams that pass by farms of Veracruz, considering the following parameters: DO [dissolved oxygen], nitrite, phosphate, pH and Pesticides" (source: Resolution 707/93 of the CRA; constraints).

A crucial aspect to discuss the impacts on water resources of plantations of eucalyptus and the application of agrochemicals is the lack of plans for monitoring these impacts, as the CRA confirmed in 1993. In 2008, 15 years later, an audit team of the FSC noted that "(...) *the company lacks appropriate procedures to monitor environmental impacts on the water before, during and after planting activities*".⁵⁶

The controversy between the companies and local communities is huge. On the one hand, companies argue that the monoculture of eucalyptus, if it is planted according to the 'technical criteria', would not have negative impact on water resources, and the same would apply to the application of agrochemicals. However, the communities adjacent to eucalyptus plantations in various parts of the world, are unanimous in pointing out that there are negative impacts, both in quantity and in quality of water availability, because of the high water consumption by plantations, as well as because of the application of agrochemicals.

Recently, complaints from these communities have gained important scientific support with a study published by the renowned scientific journal 'Science'. In this study, the authors compare some 500 documented observations from plantations of trees in relation to the impact on water, and evaluate other factors. The authors argue, for example, that:

"Our global analysis of 504 annual catchment observations shows that afforestation dramatically decreased stream flow within a few years of planting," and, "monoculture plantations... have considerable impact on runoff and

⁵⁶ FSC. FSC Surveillance of SGS Qualifor em 2008. Forest Management Audit to Veracel, Brazil, 26-28 March, 2008.

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*groundwater recharge, as shown in our analysis. In these situations, plantations are likely to have adverse side effects, including reduced stream flow (...)*⁵⁷

This analysis of the water situation is confirmed by residents of the Ponto Maneca community, in the municipality of Eunápolis. A neighbor, DMV, 32 years, says that *“the rivers, the streams and our lakes are drying up quickly after the planting of eucalyptus and the remaining ones are poisoned because of the use of poison in the plantation.”* Rural workers say they have lost animals, poisoned by the water in lakes and streams.

These observations also ought to be of interest to the authorities, because the most frequently used agrochemical, Roundup, may have much more serious impacts than previously thought. Veracel often uses the product even in areas of environmental preservation, i.e. close to water resources. According to the company, this application is necessary to ‘recover’ the area (see 4.2).



Drying lake



Santa Cruz River

⁵⁷ Revista ‘Science’. Trading Water for Carbon with Biological Sequestration. Robert B. Jackson et al. Dezembro de 2004, vol. 310: p. 1944-1947.

Glyphosate or 'Roundup': less harmful than table salt?

Staff employees of eucalyptus companies have for years been insisting that the agrochemical used most in plantations in Brazil, the herbicide 'Roundup' from Monsanto (active substance: glyphosate), is "*less harmful than table salt.*"

Recently, information has been published, indicating that Roundup may be a very dangerous poison. According to Kaczewer (2002), recent toxicological studies, conducted by independent scientific institutions, seem to indicate that the basis of glyphosate herbicide can be highly toxic to animals and humans. Toxicology studies revealed adverse effects on all categories of toxicological tests in laboratory in the majority of the doses tested (sub-acute toxicity, chronic toxicity, genetic damage, reproductive disorders and cancer).

Kaczewer (2002) shows that those responsible for the toxicological studies in the U.S., studies which are officially required for the registration and approval of the herbicide, are being taken to court on accusations of fraudulent practices such as falsification of data and routine omission of information about many disorders in mice and guinea pigs, falsification of studies and manual manipulation of scientific equipment to obtain false results.

Moreover, the addition of herbicide contains besides glyphosate, other substances, called 'surfactants', to facilitate the application and absorption of the product from the plant. It means that the product must be assessed as a whole, glyphosate and the 'surfactant', to assess the impact on the environment and human health.

Therefore, one can conclude that glyphosate is much more harmful than table salt!⁵⁸

MORE THREATS TO THE ATLANTIC RAINFOREST

After the first phase of Veracel, marked by the deforestation of the Atlantic Forest, it was expected that the company would take a special care of the remaining biome. However, the anxiety in planting eucalyptus throughout the area, searching only profits, constitutes once again a threat. The

⁵⁸ Carrere, Ricardo. Hormigoso y forestación, 2004

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biologist Elbano Paschoal, visiting the region, says, indignant:

(...)The contempt and cruelty granted to wildlife by the promoters of eucalyptus monoculture, using fully the flat land, leaving only a few *grotões* (islands of steep areas) for the wildlife to find “refuge” is frightening. Many species do not live in (they are not adapted to) steep areas, and they are locally becoming extinct, especially rare and endemic species. Moreover, there is no connectivity among the islands of native vegetation, through corridors of (native) vegetation, immersed in the sea of eucalyptus. The eucalyptus plantation does not represent a true ecological corridor, because, we, environmentalists, scientists, entrepreneurs, technicians from the government, and so on, know that many species do not cross or use the eucalyptus plantation. Some species, even birds, whose ability to shift is larger than that of other species, even do not cross an open road in a natural environment”. (Source: Testimony from Elbano Paschoal, biologist - Environmental Group of Bahia - GAMBA)



Occupation of the 'tabuleiros' areas - flat and agricultural lands - by the eucalyptus of Veracel



A particular problem is the planting of eucalyptus close to national parks in the region. IBAMA said in April 2006 that “*there are about 400 thousand hectares of eucalyptus planted in the extreme south of the state and about 12 thousand hectares of plantation are in the vicinity of some federal conservation units.*” The leader of IBAMA further added that the extreme south of the state also is home to the most important remaining forests of northeastern Brazil. ⁵⁹

Another problem was detected by a study about Veracel carried out by the Swedish NGO Swedwatch in 2003, concerning the rainforest rehabilitation program of the company. The NGO concluded that Veracel apparently continued to practice deforestation of the Atlantic Rainforest on a small scale, which was observed during a visit in the presence of company representatives. A representative of the CRA, which preferred to stay anonymous, told the NGO that everyone knows that Veracel destroys some forest, but he believes that it is better than many other landowners. Raquel Moura, from the Institute for Studies of Southern Bahia (IESB), said to Swedwatch that a part of the lands purchased by the company is covered by *capoeira* (atlantic forest in regeneration) and the state should control about what happens to these areas. But in practice, this does not happen, allowing the deforestation. (see 4.2)⁶⁰

National Parks and the Pataxó People

“Ensure that the period, the rhythm and the pattern of development of the implementation of the forests (*read: plantations*) minimize the harmful impacts to the environment and to the culture of the Indians” (Resolution 1.239/96 of the CRA; recommendations to the company Veracel)

“(…) Not allow the planting of eucalyptus trees in buffer zone areas in a radius of 10 km surrounding the Conservation Units of direct use, incorporating the SNUC (National System of Conservation Units), i.e. the National Parks of Discovery, Monte Pascoal and Pau Brasil, the Biological Reserve of Una and other CU’s existing in the south and extreme south of the Bahia state”. (Recommendation. 1 of the Federal Public Prosecution Service - MPF; Ilhéus, 18 Nov 2005)

By expanding its eucalyptus plantations, Veracel and also Aracruz moved closer to the margins of the National Parks in the region, against the aforementioned recommendation of the MPF. These same areas, invaded

⁵⁹ Jornal A Tarde. Ibama multa Aracruz em R\$ 606 mil, 04 April 2006.

⁶⁰ Swedwatch. Swedish pulp in Brazil: the case of Veracel. Andersson, Mans e Örjan Bartholdson.2004

Socio-environmental crimes of Veracel: the impunity

by the companies, are traditionally occupied by the indigenous Pataxó peoples.

Within the land identified by FUNAI as Pataxó territory, there are 1,645 hectares of eucalyptus from Veracel Celulose, proving that the company is illegally occupying indigenous land. However, the indigenous area invaded by Veracel is significantly bigger. The Pataxó Front of Resistance maintains that the presence of Veracel Celulose on land belonging to the Pataxó peoples (120,000 hectares) reaches about 30 thousand hectares.

For the Pataxó the monoculture of eucalyptus is a plantation which they do not want inside their land. They complain that Veracel has appropriated land occupied illegally by farmers; it deforested, poisoned and poisons water sources with pesticides, killing animals and fish. Chief (*cacique*) Jurandir, from the Jitaí village, in an interview in the middle of a eucalyptus area in the indigenous land, states:

“We call this a *green desert* because this eucalyptus plantation results in much pollution for us, results in many problems for us and for our children. The green desert does not result in health for us, it does not result in education for us, it does not result in food for us, not even the birds are free to live in this plantation. It only results in wealth for people outside, but for us it does not result in anything. I feel angry because I am here inside a green desert within the indigenous territory.”⁶¹



The Guaxuma Indigenous Pataxó Village surrounded by eucalyptus plantations and on the background the Monte Pascoal National Park

⁶¹ Interview: Cacique Jurandir, Jitaí village, in 09 April, 2008.

Socio-environmental crimes of Veracel: the impunity

Over the years, the Pataxó have fought for the demarcation of their land and they have held protests against the eucalyptus plantations. For example, in 2004, they maintained a blockade of the main highway in the region, BR-101, for 19 hours, stopping 34 trucks from Veracel. They also held an occupation of a eucalyptus plantation in 2005, cutting down 3 hectares of eucalyptus, but they withdrew from the area under the pressure from FUNAI and Veracel itself.⁶²



Cutting of eucalyptus trees by Pataxó Indigenous

4.2 The governmental authorities

The state authority for the environment of Bahia, the CRA, is responsible for licensing and inspecting the operations of Veracel Celulose. But on issues related to lands under federal direction, such as national parks and indigenous lands, IBAMA has the power to intervene, as well as FUNAI in cases concerning the issue of indigenous lands.

⁶² Data from CIMI – Conselho Indígenista Missionário

Socio-environmental crimes of Veracel: the impunity

The authority that fulfills the role of receiving complaints and monitoring the performance of the public bodies is the Public Prosecutor, with competence at the state level (State Public Prosecutor) and federal level (Federal Public Prosecutor). Moreover, the municipal, state and federal legislative powers have legislative power where use of the territory for the common good is concerned. It is also the competence of the Executive to implement this legislation.

The capacity of the state to intervene

A big problem for the authorities to monitor the activities of a company like Veracel is the total lack of structure and personnel of its institutions. The Center for Statistics and Information (CIS) of Bahia stated in 1994: *“the deforestation of the Atlantic Forest [in Bahia] continues, despite the existing legislation forbidding and controlling its use. This occurs because of the increasing lack of resources available to environmental agencies responsible for inspection at both the federal and state level.”*⁶³

Recently, the Director of CRA, Elizabeth Wagner, said in a seminar in Porto Seguro in November 2007, that the body has only 20 technicians to evaluate all projects in Bahia, a state which contains 418 municipalities. For the Extreme South of Bahia, there is only one inspector available in an area where the pulp companies occupy no less than 400,000 hectares. At the same time, the State Prosecutor of Justice, Dr. Sergio Mendes said: *“if the CRA had to work only with the legal reserve areas [only 20% of the territory], it would not have the capacity...”*. And finally: *“The state has no control over its territory, we have neither instruments nor infrastructure”* says Dr. Eduardo Mattedi, Superintendent of Public Policies for Sustainable Development in Bahia.⁶⁴

⁶³ Centro de Estatística e Informações – CEI. *Uso atual das terras Centro Sul, Sul e Extremo Sul da Bahia*. Salvador, 1994.

⁶⁴ 1ª Oficina de Metodologias e Materiais para a Formação Social do Educador Ambiental Popular realizada pela Comissão Interinstitucional de Educação Ambiental – CIEA-Ba with the support from Diretoria de Educação Ambiental – DEA / Superintendência de Políticas para o Desenvolvimento Sustentável – SDS – SEMARH as a partnership with IBECC/UNESCO-SP, Ministério do Trabalho e Ministério do Meio Ambiente in late Clube da Bahia – Porto da Barra – Salvador – Ba, April, 2008.

Socio-environmental crimes of Veracel: the impunity

In view of these statements, various entities in the Extreme South of Bahia asked for a moratorium on the planting of eucalyptus in the region until an economic-ecological zoning was completed and the State would have technical conditions to license and inspect the companies, also to ensure areas for other purposes, such as small-scale family agriculture:

The environmental crimes and not obeying of the laws remain: there are numerous environmental permits granted by the state without the companies showing the exact location of the area where the eucalyptus trees will be planted. There are other irregularities such as plantations in areas of permanent conservation (slopes, banks of streams, lakes and rivers, opening of roads, digging, planting within communities, in cemeteries, etc.). The process of socio-environmental degradation also remains. There is no specific monitoring of planted areas based on the conditions proposed in the license. There are no serious studies and independent inspections of the release of effluents from factories located on the banks of the rivers Mucuri and Jequitinhonha. There are many mills without proper licensing and which are licensed only on a date close to the planned harvest. Permits are not based on a maximum ceiling for the planting, linked to the production of the pulp mill. Plantations are established according to the interest of companies to expand the pulp production and the environmental bodies do not require a new Environmental Impact Assessment - EIA. There is no Ecological Economic Zoning as foreseen in the Forest Code (Law N. 4771/65) and other state laws; there is no respectful treatment and recognition of traditional cultures; the pulp and paper companies ignore the Quilombola [African descendents who were brought to Brazil as slaves and struggling against slavery, created free communities, quilombos], Indigenous and Ribeirinho [traditional communities inhabiting riverside areas] territories. They promote the weakening of the struggles in the communities through the co-opting of the leaders which results in delays and conflicts in the territories which are in the process of demarcation.⁶⁵

But even in the absence of the ability to fulfill their duties, the CRA continues to license more land to be converted into tree plantations. Thus, it can be concluded that the environmental policy of Bahia favors the economic interests of Veracel and other companies to the detriment of the Common Good.

⁶⁵ Fórum Sócioambiental do Extremo Sul da Bahia, 23 Aug 2007.

Socio-environmental crimes of Veracel: the impunity

In this context, the State Public Prosecution Service (SPPS) in Eunápolis, concerned with the reduction of areas for the planting of food in the municipality, has recommended⁶⁶ to the CRA to reconsider the limit of 20% for eucalyptus plantation in the municipality, imposed as a condition to Veracel in order to minimize the social and environmental impacts. Today, Veracel occupies 15.1% of the area of the municipality with eucalyptus. However, the SPPS proposed that the limit would be applied only to agricultural lands in the municipality, cognizant that Veracel already holds 40% of those lands in the municipality. The SPPS believes that only through such a revision of the criteria for setting the permissible limit for plantation occupation can the planting of other crops and thus the economic sustainability of the municipality be guaranteed.

In the case of planted forests, the government will ensure that, in each municipality, the areas for the production of basic food and grazing be preserved aiming to fulfill the local supply. **Article 46 of the Forest Code.**

Fines and lawsuits in progress

“It is not allowed (...) that the company reforests [with eucalyptus] areas where the native vegetation consists of Atlantic forest, savanna and restinga (coastal forest), or areas of ecological tension between them. (...)A management plan must be implemented within 180 days for the areas intended for permanent preservation and forest reserve, which will ensure its real maintenance, being submitted to the CRA for its approval”. (Source: Resolution 707/93 the CRA; conditions)

Despite the problems, a number of fines, lawsuits and administrative procedures are in progress against the companies Aracruz and Veracel related to environmental illegalities and irregularities committed by them.

Here are some examples:

⁶⁶ State Public Prosecutor. Recommendation number 001/2008 from 1 July 2008 as part of the civil investigation No 03/2008 which aims to “*Failure of the State of Bahia in proceeding with the Ecological Economic Zoning, which makes the command of Article 46 of the Code Forestry as a dead letter; omission of the CRA to proceed with the effective enforcement of environmental degradation caused by VERACEL and environmental degradation caused in the city with the indiscriminate planting of eucalyptus trees, damaging the economic sustainability of the city of Ba-Eunápolis.*”

Socio-environmental crimes of Veracel: the impunity

- Veracel was fined by IBAMA for the amount of \$ 400,000.00 (U.S. \$ 250,000.00) in March 2007, for making illegal use⁶⁷ of a toxic substance (herbicide) in 31.6 hectares of permanent preservation area⁶⁸. The Santa Cruz river, which supplies many rural and urban communities, including the town of Santa Cruz de Cabralia, the cradle of Brazil's 'Discovery', was the most affected. "The company, contacted by the body, tried to deny the fact, saying that it did not know the fact and asked the governmental body to take them to the site and only admitted the irregularity after verifying that the body had evidence. Arriving at the site, the employees of Veracel confirmed that Veracel used the herbicide stout-NA (active ingredient: glyphosate), manufactured by Monsanto of Brazil. We noticed that the permanent preservation, springs areas and, margins of streams were not respected, killing all the vegetation"⁶⁹. Given this," the State Public Prosecutor (SPP) has denounced the company Veracel Celulose S/A to the Court for environmental crime. The lawsuit was sent after receiving the advice of Ibama⁷⁰.

- Veracel Cellulose was fined for the amount of \$ 360,900.00 (U.S.\$ 225,563.00) by IBAMA for avoiding the regeneration of natural vegetation of Atlantic Rainforest with projects of eucalyptus plantation in an area of 1,203 hectares, in disagreement with the received license and authorizations⁷¹. This offense had as an outcome a Term of Adjustment of Conduct, proposed by the company, signed between Veracel and CRA, and according to which Veracel should reforest only 602 hectares. The State Public Prosecutor installed the administrative procedure No. 15/2008 to investigate the facts, since it believes that the term is inadequate, saying that it determines that the company Veracel "*would reforest only 602 hectares, while the area in regeneration, deforested to plant eucalyptus, was 1,203 hectares*"⁷².

⁶⁷Law No. 9.605/98 and Decree 3179/99.

⁶⁸ IBAMA. Statement of Violation No. 368874. 13 March 2007.

⁶⁹ IBAMA. Relatório de fiscalização do IBAMA on 26 March 2007.

⁷⁰Jornal a Tarde. Ministério Público Denuncia Veracel por Crime Ambiental 13 August 2007.

⁷¹ IBAMA. Statement of Violation No. 212132. 22 Dec 2007.

⁷² State Public Prosecutor of Bahia. Ordinance No. 15/2008, Promotoria de Justiça da Comarca de Eunápolis/BA, 26 May 2008.

Socio-environmental crimes of Veracel: the impunity



Application of the poisonous substance 'Roundup' in a Permanent Preservation Area

- The IBAMA also issued a fine to Aracruz Celulose of R\$ 606,000.00 (U.S. \$ 378,750.00) for planting eucalyptus trees around the National Park of the Discovery, not observing the guidance of the National System of Conservation Units - SNUC, Law No. 9985/2002, which determines the buffer zone areas, and the orientation No. 013/90 of the National Environment Council, which sets 10 km buffer zone, as for national parks. *"Veracel Celulose also has eucalyptus plantation in the neighborhood of national parks. According to the manager of Environment and Quality of Veracel, Zeila Piotta, the total area planted around the Monte Pascoal and Pau Brasil parks is 7,428 hectares, which is, according to them, 4.4% of the buffer zone area of these parks. The plantations of the company had an environmental license, issued by CRA."*⁷³

- The State Public Prosecutor (SPP) is moving a Public Civil Lawsuit (Nr. 1081418-5/2006), against the Municipal Council of Environment and Urban Development (COMDAU), against Veracel Celulose and other companies with a request to declare invalid a vote about environmental permits for 4 *fomento florestal* projects (out-sourcing of eucalyptus plantations to farmers) in the municipality of Eunápolis. In the lawsuit, the SPP argues that Veracel influenced the vote of the environmental permits *for fomento florestal* areas in their interest. The SPP declares the vote is illegal because it states that it is not a legal competence of the municipality, but instead of the state to grant this type of license. Also no EIA / RIMA had been carried out, necessary because several areas with over 100 hectares of plantation were included for which this type of study and report is needed, according to Resolution 001/86 of CONAMA. It is also worth

⁷³ Jornal A Tarde. Ibama multa Aracruz em R\$ 606 mil. 04 April 2006.



Plantation of eucalyptus in the surroundings of the Monte Pascoal Park

mentioning that the SPP says in the lawsuit document (p.4) that the President of COMDAU *“is now Secretary of the Environment [of Eunápolis] as a condition of the company, from which the administrator of the town expected to receive in advance taxes, which was not achieved because of the intervention of the undersigned, already close to the elections of 2004 when he sent a letter to the company, notifying it that such a conduct would be criminal.”*

- The State Public Prosecutor (SPP) is moving a Public Civil Lawsuit (nr. 1081431-8/2006) for administrative improbity, against the former mayor of Eunápolis, Gediel Sepúlvida Pereira, and against two directors of COMDAU, in addition to Veracel and others. The lawsuit also deals with the aforementioned vote, accusing the COMDAU advisers and also the mayor of the city of administrative improbity, clearly benefiting the interests of the Veracel company.

Socio-environmental crimes of Veracel: the impunity

- The Federal Prosecutor initiated in 1993, the Public Civil Lawsuit (nr. 2006.33.10.005010-8). Recently, on 06/17/2008, the Federal Court of Eunápolis made its judgment. The decision included a fine payable by Veracel of \$ 20 million (U.S. \$ 12.5 million), the cancellation of the environmental permits granted between 1993 and 1996, and it declared illegal at least 49,000 hectares of eucalyptus plantations and requested the re-vegetation of the area under license – 96,000 hectares of eucalyptus - with native forest and other areas of rainforest that disappeared⁷⁴. The CRA and IBAMA also were convicted, the first to pay the fine and the second to prepare the EIA / RIMA.

Since the 1990s, civil society demands the respect of existing laws. In all public hearings promoted by the government, the drafting of the Ecological Economic Zoning (EEZ)⁷⁵ with the participation of representatives of the regional community has been requested. The Environmental Legislation of the State of Bahia, through Law 7799/01, chapter IV about Environmental Zoning, art. 43 states that: “*The Environmental Zoning, prepared by the State and Municipal Public Power, in their respective fields of competence, aims to align public policy with environmental policy, guiding the socio-economic development to ensure the environmental quality and distribution of social benefits*”. So far, this Zoning is still a document on paper only and it is a long way from being implemented in a responsible and participatory manner. This is another indication of the influencing power of companies like Veracel towards the state government. A zoning, made with the effective participation of the population, is not of Veracel’s interest because it certainly would impose limitations on the planting and expansion of eucalyptus monoculture in Extreme South of Bahia.

Because of the charges by the communities and the constant complaints that the eucalyptus is getting increasingly close to the cities, districts and rural communities, councilors of some municipalities try to develop laws that could restrict and define limits to the planting of eucalyptus, such as in Canavieiras, Itagimirim, Santa Cruz de Cabrália, Porto Seguro and Eunápolis. For the Councilors of Santa Cruz de Cabrália, Dalvino Nascimento de Souza and Romildo Dantas da Silva, Veracel does not

⁷⁴Federal Public Prosecutor of Bahia. *Nota à imprensa: Veracel é condenada a pagar R\$ 20 milhões por desmatamento*. Press Office, 10 July 2008.

⁷⁵ ZEE – *Zoneamento Econômico-Ecológico* in Portuguese.

Socio-environmental crimes of Veracel: the impunity

fulfill the Urban Master Plan, a law, adopted unanimously by the Board of Councilors, that establishes a distance of 3 km between eucalyptus plantations and springs and inhabited areas. Even so the planting is less than 50 meters away from the Ponto Central village - a clear challenge to local authorities.⁷⁶



Plantation of eucalyptus in an urban area – Ponto Central, district of Santa Cruz Cabralia

⁷⁶ www.atlanticanews.com Cabralia Proíbe Plantio de Eucalipto 16 Jan 2007.

THE RESTRICTION OF EUCALYPTUS PLANTATION EUNÁPOLIS -
A NOVEL IN TWO CHAPTERS

Chapter 1

Several attempts were made through the Councilors of Eunápolis to prevent the planting of eucalyptus in communities, as the Law proposal Nr. 014/2007, from the councilors Aldermen Vasco Queiroz and Fábio Roldi, proposing restrictions on the planting of eucalyptus. The law also *"provides for the prohibition of eucalyptus in a radius of 10 kilometers within the urban perimeter of the town and demanded of the companies involved in the cultivation of eucalyptus, to provide the Municipal Department of Environment a map of each area, identifying the planted areas and the quantity of hectares occupied"*⁷⁷. But, faced with so many pressures from the company, it was not possible to make progress with the proposal and it has been dragging on since August 2007. At first, it was approved but in November it was discussed again, under the claim that it would be necessary to add a paragraph to determine a protected area for urban expansion. The councilor, Junior Bahia, asked to replace the word *"replanting"* to *"planting"*. In December, the project also was withdrawn from voting, based on the argument of the absence of some of Councilors, such as Claudionor Nunes. Only on February 15, 2008, it came to be adopted at the first vote, *"by seven votes to zero - three councilors did not attend."*



Plantation of eucalyptus in the urban area of Eunápolis

⁷⁷ www.radar64.com 14 Feb 2008.

Chapter 2

In the second session, also in February, the law was repealed: "With five votes in favor and four against, the Town Council of Eunápolis rejected the Law Proposal 014/2007." According to the newspaper *nossacara.com*, "The councilors who voted against the LP 014 are: Claudionor Nunes, Junior Bahia, Carmen Lucia and Ubaldo Suzart. Those who voted in favor: Vasco Queiroz, Fábio Roldi, Sebastião Brito, Moacir Almeida and Félix Ruth. Councillor Benedito Carvalho abstained from voting".

According to witnesses and to the newspaper *nossacara.com* "on March 26, the Town Council was full of employees from several companies which provide services to the 'cellulosing' monoculture [read: of Veracel], and from the company itself, which were used as "mass to be used" for the expansionist interests of the green desert. The front of the house was taken by vehicles that do the daily transport of such employees. The truck from a private company was stationed in the courtyard of the Town Council, therefore, in a public space, and was the beginning of a queue for hundreds of employees who received bread and a beverage before entering into the "circus" to put pressure on an issue of which many did not have the slightest idea of what it was about. In its majority, these were ordinary people who had been arriving there since dawn. None dared to give interviews or to identify themselves, but from talking with some of them, it was not difficult to notice that their comments were all very similar. Staff personnel from various companies said the same, and if not, in the same way. - It will be impossible to plant eucalyptus, the company will close and I'll lose my job they said. Anyway, what was clear with this intervention of Veracel to send, a part of its work force of its production chain to the Town Council, is its undeniable intention to secure the expansion of its eucalyptus plantations in Eunápolis. Veracel used many busses to take the employees to the Board".

According to the public notice, distributed by councilors who defended the project, " Veracel was invited to attend the sessions and present their views or objections, however, the company did not appear. Certainly not having arguments, it preferred lobbying and making use of business sectors and the population as "mass to be used", as it always does".⁷⁸

⁷⁸ www.nossacara.com 28 Feb 2008.

And the most serious is that Veracel, through representatives from out-sourced companies, would have offered money to councilors to vote against the project, according to the complaint of one of the councillors: *"The councillor Moacyr said that he was invited and participated in a meeting with some representatives of out-sourced companies, and money would have been offered to him in exchange for votes, and that he would not have accepted it"*.⁷⁹ This fact was confirmed later by the councilor to the State Public Prosecutor, as it introduces according to the ordinance 14/2008 a survey to ascertain the facts. It is stated that: *"On 15.04.2008, the councilor Moacyr Almeida Silva came to the Prosecutor and said he received proposals from contractors of Veracel for financial aid in the campaign for councilor if he would vote against the project which was in progress in the Town Council of Eunápolis, about the prohibition of eucalyptus plantations in the rural area close to the urban perimeter of Eunápolis. He also informed that the councilors Claudionor Nunes, Pastor Bené, Ubaldo Suzart and Carmen Lucia were approached by representatives of Veracel, and a meeting for this purpose was held at the home of councilor Junior Bahia."* The mentioned councilors "coincidentally" voted against the project, which the State Public Prosecutor *"has characterized as an act of dishonesty under Article 11 of Law 8429/92, because such conduct of the councilors can be characterized as crime of passive and active corruption."*⁸⁰

THE IMPUNITY

In Brazil, there is a saying: "there is justice only for the rich." In this group, we can include a company like Veracel, since there is no knowledge of cases where the company has fulfilled court convictions for any of those illegalities outlined above. Regarding the fines, the company usually does not pay them. About the most recent fine of \$ 20 million issued in relation to deforestation in the 1990s, the company said "it has taken all appropriate legal measures"⁸¹. Given the company's financial power, it can count on good lawyers and thereby avoid that fines and/or judicial decisions that punish the company are met.

⁷⁹ www.nossacara.com 31 March 2008.

⁸⁰ State Public Prosecutor of Bahia. Portaria 14/2008, 16 April 2008.

⁸¹ <http://www.radar64.com.br> Veracel se posiciona em relação à multa milionária. 10 July 2008.

Socio-environmental crimes of Veracel: the impunity

Finally, it is difficult to make progress with the monitoring of companies when the State is not equipping itself to carry out this work, and if it does not provide a permit with strict conditions to examine and solve any questions and complaints. We have noted that the government shows no willingness to tackle the problem, certainly it is discouraged by the importance that companies like Veracel and others, such as Aracruz, have to guarantee financing of campaigns for political candidates. For example, in 2002, Aracruz was one of the main financiers of political campaigns in Brazil (see ch. 6.1).

Even so, there is a part of the Public Prosecution Service and Judicature that operates against the power of Veracel, indeed seeking to bring to justice officials who do not fulfill their duty, benefiting themselves financially from the large enterprises.

“The SPP, in addition to the investigations about environmental degradation, is seeking to hold members of environmental licensing agencies criminally responsible, who are benefiting companies like Veracel, through negotiations, and must respond criminally because the act is then not just an environmental illegality but also a criminal illegality. More worrying than the environmental degradation is the fact that those ones that are in relevant positions and should protect the environment, are corrupt, operating in a criminal organization in the benefit of these companies. We have evidence of crimes by members from licensing bodies who commit acts of corruption and then want to hide behind the body”.⁸²



Plantation of eucalyptus invading the urban area of the municipality of Eunápolis

⁸² Brasil de Fato Newspaper. Veracel compra servidores na Bahia para plantio irregular de eucalipto. Edição 285, 14 to 20 August 2008.

5. The relationship with society: unfulfilled promises

5.1 The myth of job creation

The fable's creation

In regions where the monoculture of eucalyptus is established and pulp is produced, it is well known that these activities contribute little to the generation of jobs, something undesirable in a country which suffers from a high rate of unemployment, officially estimated at 8%.⁸³

The Government of the State of Bahia admits that the production of pulp generates relatively few jobs: “*By its structural features, the major production units of cellulose are less intensive in labor and establish low levels of linkage with the local economy*”⁸⁴. It is a highly mechanized industry that, with few workers monitoring and managing the production process, is able to achieve high productivity.

Therefore, Veracel Celulose needs to create a ‘fable’ in the imaginary of politicians and the regional population that it is a major generator of employment. It began to do that when it established itself in the region in 1991, specially starting from the announcement of the construction of its pulp mill, and it continues doing this until today.

At the Public Hearing for granting the environmental license, in Eunápolis, in July 1993, “the population was mobilized. Stores and banks did not open until two o’clock in the afternoon. The most humble people were on the streets, holding banners, posters, of which they could not even read the words that were written” and “the company paid Cr\$ 12 billion to the banks and the Merchant Directors Club (CDL) to stop the town in order to show the importance of the implementation of an additional pulp company: Veracruz (. . .) The theater put up in Eunápolis transforms Veracruz into a miracle which comes to solve the problem of unemployment, hunger and misery of thousands of people in the region”⁸⁵.

⁸³ IBGE - Instituto Brasileiro de Geografia e Estatística . January 2008.

⁸⁴ SEPLAN. Bahia 2020: O futuro a gente faz: plano estratégico da Bahia. Governo do Estado da Bahia, Salvador. 2003.

⁸⁵ “Nosso Papel” Newspaper; Dossiê FASE/IBASE/GREENPEACE. 1993: page 82.

The relationship with society: unfulfilled promises

At that time, according to the people of the community, there was an advertisement where the company promised 20,000 jobs. In Eunápolis it was propagated by Mr. Alberto, known as Betão by the population.

“(…) Headed by Alberto, Betão, then henchman from Veracruz, the movement included episodes unheard-of in the town, such as the mayor Feruk distributing pamphlets in the commerce area or the car with a loudspeaker passing in the early morning on the day of arrival of the Minister, promising 20 thousand direct jobs and calling the people to go on the streets.”⁸⁶

However, in the EIA-RIMA of the Veracel project, a document obviously read by very few people in the region, only “2,240 jobs in the forest area and 560 jobs at the pulp mill”⁸⁷ are promised. And according to Veracel: “Although the means of production - including land - will be concentrated in Veracruz, their property and benefits will not be: 2,800 people, well paid and assisted, will be employed in a permanent way, one for each 34 hectares planted”.⁸⁸

But when the EIA / RIMA became very criticized, Veracruz sought to increase this number, e.g. by including temporary jobs that would be created in the construction phase: “*We would like to highlight the positive impacts on the regional economy, such as the creation of more than 12,000 direct and indirect jobs, during the pulp mill construction, which will move the economic chain of the municipalities under influence*”.⁸⁹

The real situation of job creation

The pulp mill construction created a relatively large number of jobs, not 12,000, as promised, but still around 9,000 jobs, according to the company⁹⁰. But when the time for the inauguration of the pulp mill was approaching, and with all licenses granted, Veracel started to spread a different reality in terms of employment. “*When the plant is in full operation,*

⁸⁶ A gazeta Newspaper, Mobilização Popular. 07 Feb 2000.

⁸⁷ CEPEDES/CDDH. Uma visão geral do Processo Veracruz. Eunápolis, 1995

⁸⁸ Veracruz Florestal. Comentários ao parecer do engenheiro florestal Walter de Paula Lima: page 8.

⁸⁹ Veracel Celulose. Carta da Veracel à sociedade, Cícero Antônio Lima, gerente geral de Meio Ambiente e Relações Institucionais, 03 Nov 2003.

⁹⁰ SSNC. Respostas da Stora Enso para SSNC. Diálogo SSNC com Stora Enso e WRM – “*On Northern pulp and paper companies in the South*”. 2006.

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next September, it will employ only 380 people. Few of the workforce will be from this region, due to lack of expertise.”⁹¹

In 2006, with the pulp mill in full operation, the company employed at the mill and in its plantations 741 workers, generally well qualified. No less than 41.7% of Veracel's employees have a university education and 39.7% has completed high school⁹². With the investment in the pulp mill of \$ 1.5 billion, each direct job was created at a cost of US \$ 2.02 million, or in terms of lands occupied, Veracel creates 1 direct job for each 103 hectares of eucalyptus.

The fact that the company did not create thousands and thousands of jobs has caused a great revolt among the regional population. According to Fernando, trade unionist and resident of Itapebi, a city of about 12,000 inhabitants, close to the factory of Veracel:

“At the time of the construction of the pulp mill, there were 2,700 workers here. Today there are 2 employees from Veracel here and two busses of outsourced companies leave daily. We have hundreds of girls who became pregnant by the construction workers. Certainly these children will not know who their fathers are. In other words, the balance to the region is very negative. The company bought the land and marginalized the region and the company never worried about it, it only worried about itself. “

Seeking to reinvent the fable, the company recently appealed to the Getúlio Vargas Foundation, which produced a report called “ *De portas abertas para o desenvolvimento sustentável: Veracel Celulose – With the doors opened towards sustainable development: Veracel Celulose*”. According to this report, the company Veracel, besides the 741 jobs created directly, sustains “another 29,600 jobs in other sectors of economic activity in Brazil, totaling 30.400 jobs in 2006,” created in the forestry, trade, services and transport sectors.⁹³

While the FGV study talks about ‘sustaining’ 29.600 jobs, Veracel

⁹¹ Gazeta Bahia, Fábrica da Veracel vai gerar poucos empregos 07 Jan 2005.

⁹² FGV. De portas abertas para o desenvolvimento sustentável: Veracel Celulose. São Paulo, March 2007.

⁹³ FGV. De portas abertas para o desenvolvimento sustentável: Veracel Celulose. São Paulo, March 2007

manipulates the public and says that it is the company itself which is creating these jobs, as the note to the press about the launch of the study by Veracel: “Veracel creates 30.400 jobs in the country, the FGV study points out”.

At a seminar in Sweden in April 2007, the President of Stora Enso for Latin America, Otávio Pontes, also said in his speech that Veracel creates 29.600 jobs. But when he was asked which jobs exactly were those “29.600 jobs”, he said that these were not Veracel jobs, but jobs in companies that served in some way to Veracel Celulose. This means that, for example, employees of banks, restaurants, garages, leasing of vehicles, in short, all types of service provided to the company in the region, has been registered as being sustained by Veracel.

Actually, there is a much smaller number of jobs directly related to Veracel. They are called outsourced jobs. But they are jobs that offer risks for the worker, as we shall see below:

The working conditions

A study about employment and work in eucalyptus plantations, conducted in 2005 by the World Rainforest Movement (WRM), notes that the outsourced workers in this sector do not have the same rights as the own workers of the company, in addition to receiving a much lower salary. Moreover, working conditions pose a risk to the worker’s health, for example, those who apply agrochemicals, one of the main activities in the field, despite claims of the out-sourced companies that, using the individual protection equipment, there is no health hazard for the employee.⁹⁴

⁹⁴ WRM. Promessas de emprego e destruição de trabalho: o caso Aracruz Celulose no Brasil. Uruguai, 2005.

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In the case of Veracel, the trade unionist Fernando, from SINTEPAV, resident of Itapebi, says that “*Veracel never has assumed anything.*” When accidents during the construction phase of the factory happened, “*the contractors had to fix them.*” He also states that “*outsourcing is never good, it serves to reduce costs and the trade union has to watch these operations.*” He also states that “*the trade union has no dialogue with Veracel, because it does not want to talk to anyone.*”

According to the Stora Enso Annual Report of 2007, 3 outsourced workers died at Veracel in 2007. In only three years of operation, several accidents have been recorded at the company and this causes concern among the workers. “Operating above its normal production capacity may be causing the accidents,” says one of the directors of the *Sindicato dos Trabalhadores da Indústria de Celulose e Papel* - Workers Union of the Pulp and Paper Industry.

“Veracel is the worst direct job reference in Brazil. It is the most outsourced business, because it produces 1 million tons with 410 direct employees. It invests heavily in outsourcing and this results in precarious working conditions. Today we know that the plantation and industrial activity of the pulp and paper sector has a risk. In the case of forest activity, there is contact with chemicals, pesticides, which also causes occupational diseases.

We have lawsuits in the courts, for example lawsuits about dangerousness, unhealthiness, repetitive strain injury, overtime, additional income, income correction. They are lawsuits that we have against these companies in the extreme south, in the capital and in *Recôncavo*.” (Carlos Ribeiro Monteiro - Vice President of the Trade Union of Workers in the Pulp and Paper industry - SINDICELPA)

“Veracel talks about all these jobs, that it creates 30,000 jobs, but even in the pulp mill there are only around 410 direct jobs. When it comes to creating jobs, it is a complicated issue because it is not only the quantity but the quality of employment. There are workers in Suzano, in Veracel that do not even earn 1 minimum salary. We cannot only discuss generating jobs, but quality of employment.” (Fábio Moraes - from the Trade Union of Workers in the Pulp and Paper Industry - SINDICELPA)

“Of 196 workers with the cutting machines, 12 were expelled because of repetitive strain injuries, and 68% are working but with some kind of illness caused by overwork. We asked the Public Prosecution Service for Labor to carry out an investigation to verify this situation” (Eugênio de Jesus – from SINDICELPA)

Veracel Celulose is involved in 863 cases in the Labor Court⁹⁵. In 2007, in one of these cases, Veracel was condemned by the Federal Court of Labor to pay compensation to the forest worker, Joaldo Miranda de Oliveira, for moral damage. *“According to the verdict, the KTM – an outsourced company- and Veracel dealt with workers who provided services in the eucalyptus plantation areas in a ‘debasement manner’, providing food of poor quality, with meat unfit for human consumption, containing even stones and germs.”*⁹⁶

Another glaring situation is the one of women working in the tree nursery of the company, earning around one minimum salary. The woman E.P. began working in the nursery in 1994. Soon she began to feel pain in her arm due to repetitive activity in using scissors and the constant loading of boxes with seedlings. She underwent an operation of the arm in 1997, but the problem was not resolved. The person in charge (at Veracel) suggested she use the other arm, however, also in that arm she began to feel pain. Despite the pain, and a medical recommendation that she stop working, she had to continue working, until she was fired from the company in 2006. She went to Court against Veracel, along with two colleagues who were also fired, to demand their rights, *“Veracel is rich, so it could retire people rather than fire people, as they did to me. I came in healthy, and I left crippled.”* She adds that the majority of workers in the tree nursery are women and that many of them suffer similar problems.

5.2 Rural communities: the rural exodus and the resistance

“Supporting programs that encourage the retention and stimulate economic activities existing in the area such as: small-scale production for subsistence and small conveniences (agriculture, fishing, crafts, summer holidays, tourism) in order to maintain a symbiotic and harmonious coexistence with these without causing them damage or contribute to their exclusion of these areas.” (CRA Resolution 1239: conditions to Veracel. 07/19/1996)

⁹⁵ Survey conducted in 2007 by CEPEDES from data from the Labor Court; Regional Labor Court, 5th. Region.

⁹⁶ www.jornalradar.com/justica/2565.htm

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Since the arrival of Veracel, the reality of the rural areas has little resemblance with the contents of this condition described above. According to residents of rural communities and members of rural social movements, the company has only promoted land concentration, monoculture and the expulsion of the rural population. Two alternatives remain: to leave the rural areas or to resist.

According to a study realized by the government of Bahia, *“the agro-industrial ventures in the pulp and paper industry were responsible for producing the greatest changes in the patterns of socio-economic organization, of land use and regional habitation, considering the huge forest plantation areas located in the north and south of the region, on land used before as pasture and agricultural land, also for food crops.”*⁹⁷

Communities of small rural producers

In *Ponto Maneca* and *Colônia*, traditional region of small-scale farmers in the municipality of Eunápolis and very much affected by the eucalyptus plantation of Veracel, farmers try to resist to the pressures from the company. Veracel, by using *“laranjas”*, third parties (individuals), tries to buy the land in this region, seeking to expand its areas above the limit set in the condition of the CRA, which states that the company can occupy with eucalyptus at most *“15% of the land of the coastal municipalities and 20% of the land of other municipalities of areas of direct influence.”*⁹⁸

According to the vice president of the Association of Small Agricultural Producers of the Colonial Center of Ponto Maneca: *“The pressure is great for people to sell the land”*⁹⁹. *“Nowadays, people who had a small land are living here working as meeiro (farmer who rents land from another – bigger – farmer). The owner separates 6 tarefas (1 tarefa= 0,4ha) to plant. He stays with 2 and the meeiro with 4 to divide among his partners. In this example, 03 meeiros hired a dozen workers, men and women, to weed the land. One of the workers, Mr. A.V.S., 63 years old, had a property of 3*

⁹⁷ SEP - Superintendência de Estudos Econômicos e Sociais da Bahia. Mudanças Sóciodemográficas Recentes: Extremo Sul da Bahia. Salvador, 1998.

⁹⁸ CRA. Resolution 1239; condition for Veracel. 19 July 1996.

⁹⁹ Association has 120 members.

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Plantation of eucalyptus at the Cemetery of the communities of Colônia and Ponto Maneca



Manioc Flour production unit at Ponto Maneca (Photo Urbino Brito)

alqueires (1 *alqueire*=4.8 ha) along with his 09 brothers, got surrounded by eucalyptus trees and had to sell the land, but the money was little and spent: “if some land owners would not give us some land to weed and plant, we already would have died of starvation. The youngest here is 52 years old and he began life in the countryside, he does not know what else to do...” Still, the residents fear for their families and many are already selling their land. D.M.V. adds that:

“Some friends got surrounded by eucalyptus trees and they had to leave their land and today they live in town, starving. I’m afraid because if I have to live on the streets, I cannot survive ... I do not know reading, I’ll have to starve or steal. On my little piece of land I lived well with a full stomach. Veracel only brought hunger to the people, it buys the land and destroys everything, houses, fruit plantations, everything. Only eucalyptus remains, who will eat wood?”.

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E.S.S., 37 years old, states that:

“In the farm where there is the cemetery, 60 families worked. There were several plantations and even a sugar cane liquor distillery that created many jobs, too. I lived on this farm for 18 years with my family of 12 people. My father also lived there for forty years. When the owner sold the land to Veracel we had to leave and look for a job. It was very difficult for us.”

But nobody is successful in getting a job at Veracel, according to A.M.C (21 years old): “Nobody from Ponto Maneca is working at Veracel, not even to kill ants!”

The village of Marília in the municipality of Belmonte, existing before the arrival of Veracel, does not exist anymore. The pulp mill was built exactly on this site.

“The small landowners who lived there had their cattle, pigs, chickens, crops of manioc, potato, etc. and that was enough to feed their children. These families now live throughout the suburbs of towns such as Itapebi, living in 4 X 4 meter rooms with their whole family, suffering deprivations, because in the urban area people need money to have access to food, but here in Itapebi there is no job and those few outsourced jobs that appear at Veracel are very disputed, even by people who came from other regions.”¹⁰⁰

Ponto Central and Barrolândia, also neighboring communities, experience serious health and employment problems. The communities are surrounded by eucalyptus trees. In the towns of Petrolândia and Brejinhos



Plantation of eucalyptus surrounding the Cemetery – Ponto Central (Santa Cruz Cabrália/BA)

¹⁰⁰ Interview: Fernando Sintepav-BA - Sindicato dos Trabalhadores nas Indústrias da Construção Pesada, Montagem e Manutenção do Estado da Bahia.

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many small landowners sold their land, because they got surrounded by eucalyptus trees.

The public prosecutor, João Alves da Silva also commented on the issue:

There are data showing that certain subsistence crops do not even exist anymore in the municipality (Eunápolis); the area of beans, for example, got restricted to only 20 hectares. It is absurd to consider that products for subsistence and even areas of pasture for breeding cattle have been reduced on account of eucalyptus plantations.

Another issue with a direct impact is that the planted area of Veracel also includes the *fomento florestal* areas (eucalyptus planted by farmers) and even the illegal *fomento florestal*, areas that have not yet received permits for planting. Some people are buying lands as “figure-head” (not being the real owner), not only for planting, but for other negotiations and exchanges. For example, Veracel has an interest in land for its business, but the owner does not want to sell it. So it convinces him exchanging. It shows the farms that it has in other places and the person can choose the land in another region. In the end, the person runs away from his land, in order to be swallowed later, because for sure eucalyptus will also be planted there too. And this prevents undertakings focused on subsistence agriculture.

Another impact is that Veracel contributed to inflate the value of land today. It is impossible to buy a property in the municipality, because no agricultural activity, not one as its size, guarantees consistent profits for that price.

And as if it was not enough to buy all the land, it is still entering in *devolutas lands* (lands without land titles, belonging to the state, and occupied by small-scale farmers), Yesterday I took testimony from a man who occupied a piece of land, and coming back from a journey, found the area of 30 acres was occupied with eucalyptus. He went to look for the staff of Veracel and they tried to waffle him and said that it was not their eucalyptus. When he said he would go to Court to guarantee his rights, they responded, in a threatening tone, that he should be careful about what he would do, since he would be making a mistake if he would try to guarantee his rights.

Another fact is that the violence increased a lot in town because of this process. This may be perceived by the figures about the rural exodus. There are few people who are still living in the rural areas.

This company moves a predatory process, through which it buys land, clears everything, demolishes houses, enclosures for cattle, so that no traces remain of people and their habitation.”¹⁰¹

¹⁰¹ Jornal Brasil de Fato. Veracel compra servidores na Bahia para plantio irregular de eucalipto. Edition 285, 14 to 20 Aug 2008.

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Destructed houses – Properties bought by Veracel for eucalyptus plantation

Social Movements

For over 20 years the MST, Landless Rural Workers Movement, has been fighting for agrarian reform in Brazil in order to give land to the landless families, whether rural workers or residents of the towns who were expelled from their land in the past. The first organized groups of landless workers in the Extreme South of Bahia, appeared in the period of 1985-1987, from families that were coming from rural communities.

“Moved by the vision of solidarity, by having a right to the land and to happiness, they submitted themselves to live in tents of black canvas under the heat and the cold, facing the police, landowners, discrimination.” (Araújo, 2007)

“(…) Thousands of men, women, children and young people face the social exclusion to which they have been submitted, breaking the walls of injustice, challenge the institutional order and the brutalities of capital.”(Araújo, 2007).

Today, according to figures of the Movement, there are 1,823 families settled and about 4,800 families still camped out in the Extreme South of Bahia, dreaming of returning to the land and recovering their lost dignity. In 2004, the MST held one of their major occupations in an area of Veracel Celulose, with 3,000 families, and cut about 25 hectares of eucalyptus. At the time, the president of the company threatened to stop investing in Brazil, seeking to force a rapid governmental intervention. Veracel Celulose’s chairman demanded from President Luiz Inácio Lula da Silva “vigorous action” against the landless workers. “The president needs to act with precision and speed, if not he will create doubt and concern for foreign investors,” said Costa. The Court in Porto Seguro, where the farm is located determined the immediate end of the occupation of the landless workers.

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“The biggest obstacle for the implementation of Agrarian Reform in the Extreme South of Bahia is the super-exploitation of land fostered by Veracel since it pays a higher value for the land than the market price. It has the best lands and makes the purchase of land for other purposes impracticable. For us, Veracel is a great usurper of rights, of life, of consciousness. Its behavior with respect to the regional society, based on cooptation, lure and corruption, can be considered indecent. The established settlements are not enough for so many families. There are many families who are living under the black canvas, in this burning heat on the edge of the road seeking their rights, their dignity.” (Valdemar dos Anjos - MST)



Occupation in a eucalyptus area – MST 2004

Other organized movements in the region face the same situation such as the Movement to Fight for Land - MLT and the Federation of Workers in Agriculture. The movements identify companies like Veracel Celulose as a major obstacle to the process of agrarian reform in the region.

“If we arrive in the district of Colônia, here in the town of Eunápolis, we will always see a rural worker moving with his family to town, either because he sold the land, or because he lost his job in the property of someone who sold his land for the purpose of planting eucalyptus. There was once a rural worker who had come to live in town and even did not know what money was. So how will this worker, coming from the rural areas, find work in town? The situation is unsustainable.” (Natanael Braga - Secretary of Agrarian Policy and Environment of the Rural Workers Union of Eunápolis)

The monocultural model extinguished the family agriculture, generating continuous waves of migration of families to the towns of the region, undermining food security. If the regional land structure was already victim of a perverse concentration, this model further deepens the problem, such as increasing land price.

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The small advances in agrarian reform were conquered solely through the action of the organized movements, giving a bit of encouragement to the despair in the suburbs of the towns and at the expense of great suffering: police violence during the execution of court decisions to take landless people out of occupied farms.

Today, in order for agrarian reform to happen, it is necessary to restrict the eucalyptus monoculture in the Extreme South of Bahia, considering the impossibilities of creating settlements in Permanent Preservation Areas - APPs in the few remaining areas with Atlantic Rainforest, once companies, with much more financial resources, dispute areas likely to be expropriated for agrarian reform.

The eucalyptus monoculture: people not allowed

A survey conducted by Veracel, in 2003, shows the rural exodus in the areas where it established its plantations, mostly former cattle farms. Some results of this research:

- Today, on 146,927 hectares of land used by Veracel, only 71 people live and only 1 job is created in every 156 hectares of land.
- More than 800 people had to leave their homes because of Veracel, losing their means of livelihood.
- In Santa Cruz de Cabrália, from the 193 workers and employees that existed on the land bought by Veracel, only 56 workers remained and from 240 residents only 14 remained.
- In the municipality of Porto Seguro, the number of workers / employees on the land acquired by Veracel decreased from 88 to 2, and the number of residents decreased from 138 to 9.

Except for its plantation workers, Veracel Celulose does not accept human beings in its plantations, even for doing activities that can generate income without disrupting the main activity of Veracel. An example is the activity of collection of the remaining eucalyptus wood after harvesting for charcoal, noting that these rests do not serve for making cellulose. This activity is sometimes the only way of survival for an unknown number of landless families in the Extreme South of Bahia and in the urban peripheries.

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A practical example of Veracel's socially unjust policy was commented on by Jaime Botelho da Silva, an official of CEPLAC. He did a survey showing that in the municipalities Belmonte, Santa Cruz, Canavieiras, Itapebi and Itagimirim, Veracel bought 78 properties. According to his survey, there were 137 families living and working on these farms, generating about 411 direct jobs and over 82 temporary ones. After purchasing these farms, Veracel kept the existing plantations of cocoa, 527 hectares in total. However, all people had to leave because these areas were considered now as preservation areas by the company, since it is a type of plantation that grows associated with the atlantic forest. On the remaining 19,785 hectares in the 78 properties, eucalyptus trees were planted.

At a public hearing, Jaime submitted a plan for these areas of atlantic forest with cocoa trees, proposing to employ again the families who lost their livelihood with the purchase of land by Veracel, thus enabling the creation of jobs and income and also stimulating environmental recovery through a responsible management plan. However, Veracel did not accept the plan in a very clear signal that for the company the only thing that matters is planting eucalyptus and profiting the maximum with this activity, without worrying about the situation in which the regional population is left behind.¹⁰²

A study carried out by the state government of Bahia affirms that "*The expansion of the cattle-raising and reforestation activities [with eucalyptus] seem to have contributed in a decisive manner, not only for the destruction of traditional market-oriented agriculture and subsistence farming that prevailed in the area, but also for the growing concentration of land ownership in the Extreme South, in the 60s to 80s, and that continued in the 90s, with the purchase of vast tracts of land by large companies from the pulp industry that started to operate in region.*"¹⁰³

¹⁰² Interview with Jaime Botelho da Silva, February 2008.

¹⁰³ According to SEP, 1998.

5.3 URBAN AREAS: THE SWELLING AND THE LACK OF EXPECTATIONS

The growth of urban centers

Between 1980 and 1996, the population in the Extreme South of Bahia rose from 456,463 to 602,903 inhabitants and between 1991 and 1996 the population growth came to be the highest in Bahia¹⁰⁴, exactly when companies such as Veracel began to establish themselves in the region. According to the same source, *“this growth was driven mainly by a sharp intensification of migration flows to this region.”*

In the region of Eunápolis, this growth was mainly because of the arrival of Veracel. In addition to migration from other regions, there was the process of expulsion of the peasants: *“These great changes, in good measure, meant removing significantly job opportunities or earnings for small independent and poor producers. (...) In many of the municipalities (...) there was a large and increasing loss of rural population.”*¹⁰⁵

“I lived a whole life in Ponto Maneca working on plantations or producing flour to sustain my family. Today, as my boss sold the land to Veracel, and I got unemployed, I live in the neighborhood of Alecrim in Eunápolis. There I cannot find service, so during the day I come here [to Ponto Maneca] to do some services that friends arrange for me so that I can take food home.” (M.F.D, 61 years old)

In 2005, Cepedes found through an investigation coordinated by the social scientist and researcher Cristiano Raykil, that Eunápolis lost about 7000 families from its rural areas between 1996 and 2000, based on data from the IBGE (Brazilian Institute of Geography and Statistics). For that very reason, the urban population increased: from 75,769 inhabitants in 1996, with 88.1% of total population concentrated in the urban area, to 91.085.mil inhabitants in 2004, with 94.1% of total population concentrated in the urban area.¹⁰⁶

¹⁰⁴ According to SEP, 1998.

¹⁰⁵ According to SEP, 1998.

¹⁰⁶ <http://www.cepedes.org.br> and According to SEP, 1998.

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Officials of the Guardianship Council of Itapebi reported that the town attracted many people in search of employment for being neighbor of the Veracel company. They also stated that during the pulp mill construction, prostitution grew to alarming proportions. “*Today the number of children aged 03 to 05 years who do not know their parents and where no father is named in the birth certificate is big.*”



Protest on Brazil's Independence Day – 7 September – against the planting of eucalyptus

Eráclito Lima Santos, an official from the Town Hall of Belmonte, reports that in the village known as Barrolândia, “*during the construction period of the mill, we had about 4000 men housed here, working in the construction of the factory. . This resulted in problems such as sexually transmitted diseases*”. He talks about the consequences of this invasion: “*With this volume of people coming here, all male, many girls eventually arranged a boyfriend while others became prostitutes due to the lack of employment. As a result, we stayed with many children. Some workers already must have had a family. So they came and constituted a family here too. At the end of the work, they left while the ‘children of Veracel’ as these children are now known in the village, stayed.*”.¹⁰⁷

Another fact that happened without the authorities taking serious measures is the planting of eucalyptus in the districts and towns. In some neighborhoods, the community had to organize itself and prevent the planting. In Eunápolis, for example, there is eucalyptus plantation in the urban area. In Itapuã, a neighborhood, the community was obliged to organize itself and prevent the planting.

¹⁰⁷ Correio Brasiliense. Os filhos esquecidos da Veracel. 28 Aug 2008.

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“Every day new reports about affected areas appear, as in the neighborhood known as Itapuã, which received a eucalyptus plantation as a gift in the backyard of the newly built Municipal College and health post.”¹⁰⁸

In the Sapucaieira neighborhood, according to the Association of Residents, the company also tried to plant eucalyptus through the *Fomento Florestal* program:

“Dr. Manoel Peixoto was planting eucalyptus on the property next to the neighborhood, but we organized ourselves and talked to him. He explained to us that planting eucalyptus is a profitable activity and that Veracel presented a good proposal to him. Fortunately, the owner heard the community and gave up, even taking some losses, because he had sold his cattle and taken down the fence.” (Manoel Leandro Valley



Areas prepared for eucalyptus plantation in the Itapuã neighborhood (Photos Urbino Brito)

¹⁰⁸ www.atlanticanews.com/giroextremo/2974.htm

6. The new offensive of Stora-Enso and Aracruz Celulose

6.1 Towards a new strategy

Large-scale eucalyptus plantations for exporting pulp have been expanding in Brazil since the 1960s and 1970s. Since the plantations started to take hold of the regions where they were implemented, the world has changed in many ways, both from an ecological point of view, as well as in economic terms.

The environmental crisis, through unbridled pollution and unlimited exploitation of natural resources, reached a level that led the UN to bring together member countries to discuss, for the first time in history, this theme in a world conference, as happened in Stockholm in 1972 and in Rio de Janeiro in 1992. The pulp and paper industry was considered one of the villains as one of the most polluting industries in the world, even leading the Greenpeace ship to close the Aracruz export harbor during the Conference in Rio, in order to denounce the indiscriminate pollution of the sea by the pulp mill effluent, containing organochlorines such as dioxin. (see also chapter 3.2)

In those years, a committee was formed, led by Prime Minister of Norway, Gro Harlem Brundlandt, that launched a new concept, 'sustainable development', as an attempt to ensure economic growth in an environmentally appropriate, socially just and economically viable manner. When the concept was launched, it already received criticism: how to ensure the sustainability and at the same time wanting to maintain economic growth? And how to deal with the fact that the richest 20% of the world consume 80% of natural resources knowing that if it is to universalize this consumption level of the richest 20%, there is no '*sustainable development*' capable to save the world.

At the same time as this environmental crisis 'exploded', with the fall of the Berlin Wall and the collapse of the former Soviet Union, the capitalism ideology has become hegemonic in the world. The process of economic globalization started in which the multinationals were in an extremely favorable situation. Globalization facilitated their investing anywhere in

the world, where a particular type of activity or operation was financially more profitable. Meanwhile, the states that received the companies were increasingly competing among each other, trying to offer the best conditions for multinationals that want to invest.

In this context the Rio +10 Conference in 2002 happened in the city of Johannesburg, South Africa, where a quite different situation could be witnessed from that of the Rio-92 conference. Big companies that contribute most to the global pollution and to the exploitation of natural resources presented themselves as companies committed to '*sustainable development*'. They said that instead of being the major cause of environmental problems, they could be the solution. A new phase of the global economy started in which the power of multinationals was strengthened, while at the same time the biggest environmental problem of today, climate change, already showed that it has impacts that affect all humanity, biomes and ecosystems in a serious and irreversible manner. And, so far, there are no signs of structural changes in the production and consumption patterns that can benefit the environment and mankind, or point to real prospects for the future.

Profits put above the environmental crisis: the expansion of Stora Enso in Brazil

Brazil has become the country in the world where eucalyptus pulp is produced with the lowest cost: U.S. \$ 70 per ton according to Stora Enso, against U.S. \$ 112 in Indonesia and U.S. \$ 120 in China¹⁰⁹. Even though in these last two countries labour is cheaper than in Brazil, here technology is available, lands are easy to be bought by companies and the productivity is the highest in the world. Thus, the country is a real paradise for Stora Enso.

As a result, in recent years, Stora Enso has been closing mills in Sweden and Finland, reducing the cellulose production capacity by 550,000 tonnes of pulp per year and of paper products by 853,000 tonnes/year, while, firing 2,109 workers in their countries of origin. This had quite a lot of

¹⁰⁹ <http://www.anave.org.br>. ANAVE, Stora Enso inicia montagem de unidades no Cone Sul. 2008.

The new offensive of Stora-Enso and Aracruz Celulose

repercussions because of the impacts on workers and the local economy.¹¹⁰

The excitement of Swedish and Finnish consultants for Brazil led a consultant of Poyry (Finland) stating at a seminar in Stockholm in April 2007 before the Royal Swedish Society for Forestry: *“If you want to earn money, learn Portuguese.”* Magnus Diesen, vice president of Stora Enso, said in an interview in 2000 that *“Without doubt, I would say that the factors of success in Brazil are the staff of the mills and the excellent climate for the growth of trees.”*

Stora Enso intends to expand their land holdings in Brazil and Uruguay by over 200,000 hectares in the next 5 years, and build two new pulp mills, both worth U.S. \$ 2.4 billion in investments, and representing over 2 million tons of cellulose¹¹¹. And Aracruz Celulose announced in 2008 the construction of a new pulp mill in Rio Grande do Sul, Brazil, to produce another 1.35 million tons of pulp per year, investing \$ 2.6 billion, including buying more land¹¹². Both companies focus on the increase of the price of short-fiber pulp on the world market since 2005 when the price reached U.S. \$ 635. In the year 2008, the price had risen to U.S. \$ 805 per ton¹¹³. In this climate of optimism, it is expected that Brazil will have the largest increase in pulp production capacity in the world (6.7 million tons) to address, according to the companies, a continuous increase in the consumption of paper products in the coming years.¹¹⁴

¹¹⁰ <http://www.storaenso.com>. Store Enso Annual Report. 2007.

¹¹¹ ANAVE, Stora Enso inicia montagem de unidades no Cone Sul. www.anave.org.br, 2008

¹¹² Estado de São Paulo Newspaper, Caderno Economia, 16 April 2008.

¹¹³ Aracruz Celulose Annual Report 2007, www.aracruz.com.br

¹¹⁴ According to Urgewald, 2007.

All indicates that Veracel has already started its expansion.

The expansion of Veracel Who is telling the truth: Aracruz ou Veracel?



Following the expansion of other large companies of eucalyptus / cellulose in Brazil, Veracel is also in the process to create another pulp mill, known as Veracel II. According to Aracruz Celulose:

"The first phase, involving the acquisition of land and the creation of forests has already begun. By the end of 2007, US \$ 65 million had been invested in the acquisition of 35,000 hectares of land and forests. Considering also the productivity gains of the first production line of the unit, it is estimated that 40% of total land and forests to support Veracel II have already been acquired. In addition, the fomento florestal program of Veracel may represent up to 30% of the total supply of wood for the new mill".¹¹⁵

Also, *"By the end of 2008, about 70% of the necessary forest base for the duplication of Veracel will have been acquired. The new line will have capacity of 1.4 million tons of cellulose, which will bring the capacity of the unit output to 2.3 million tons (50% for each of the partners, Aracruz and Stora Enso)".¹¹⁶*

However, it is at least contradictory, when the President of the company states the following to the FSC audit team: *"In the final audit of ASI, Mr. Alípio, Director-President of Veracel, said to the SGS and ASI audit teams that no decision had been taken on the expansion of the activities of Veracel. He indicated that, at that time, shareholders had only given the "green light" to start a feasibility and impact study for this project".* Does this mean that the aforementioned information of Aracruz is false? Who is lying? And the environmental authorities, are they aware of this extension? Where is the licensing process?¹¹⁷

¹¹⁵ http://www.aracruz.com.br/show_press.do?act=news&id=1000557&lang=1

¹¹⁶ Jornal A Gazeta newspaper. Informe publicitário: relatório anual Aracruz Celulose de 2007, 16 Jan 2007.

¹¹⁷ According to FSC, 2008.

In Rio Grande do Sul, where the company wants to buy 100,000 hectares, not even legal restrictions impedes Stora Enso to purchase lands.



Stora Enso and Aracruz Rio Grande do Sul

In the state of Rio Grande do Sul (RS), Stora Enso already owns an area of 45,000 hectares, waiting for an environmental permit to start the planting of eucalyptus. The problem, as the journalist André Vieira of *Valor Econômico* reports, is that the Swedish-Finnish are having difficulties to carry out the proper registration of lands in the border area of the state, because it is a foreign company. Brazilian law stipulates that foreigners need special permission from the Council of National Defense to get the registration of lands on the border strip, currently set at 150 km from the limits of Brazil with neighboring countries. Meanwhile, Sérgio Zambiasi, Senator of Rio Grande do Sul for the PTB party tries to hurriedly pass in Congress a legislative proposal to reduce this strip from 150 km to 50 km.

While most parliamentarians in Brasilia dedicate themselves to the approval of the project of Zambiasi, the way found by Stora Enso to circumvent the law is to register lands on behalf of a Brazilian company called Azenglever. Azenglever is owned by two executives from the Latin American subsidiary of Stora Enso, Derflin Agropecuária. They are Brazilian, born and resident in the country, and became the largest landowners of the Rio Grande do Sul in 1,5 year time. Their names are Otávio Pontes (vice president of Stora Enso for LA) and João Borges (Forestry Director). "The company Azenglever Agropecuária Ltda was founded in 2006 and has its social capital held by Brazilian individuals, living in Brazil, aiming to give legal security to the land acquisition (and bookkeeping records) until its approval is obtained from the Council of National Defense", admits João Fernando Borges, forestry director of Derflin. (Source: article of Ulysses Nene, to the Ecoagência www.ecoagencia.com.br)



FEDERAL POLICE INVESTIGATION AGAINST STORA ENSO

The Ministry of Justice forwarded the complaint about this situation to the Federal Police, at the request of the Federal Deputy Mr. Adão Pretto. Of the 94 farms purchased in the years 2004 and 2005 by Stora-Enso in RS, 52 have been registered on behalf of Azenglever and are located in the southwest of the state, near the Argentine and Uruguayan border.

FEDERAL PUBLIC PROSECUTION SERVICE OPENS INVESTIGATION TO VERIFY COMPLAINTS

The Federal Public Prosecutor, Domingos Sávio Dresh da Silveira, described Stora Enso's conduct as the "*use of 'laranja'* [intermediaries] *and it could mean, in theory, at least a crime of ideological falsehood.*" He asked for a public investigation into the matter in a correspondence to the Chief Prosecutor of the Republic in Rio Grande do Sul, Carlos Eduardo Copetti Leite. Domingos also warned that it is a federal responsibility to license in border areas and not a state responsibility. Therefore, he said, the Terms of Adjustment of Conduct signed between the paper companies, the State Government of Rio Grande do Sul and Prosecutors from the same state are illegal.

It is important to add that the bleached pulp of short-fibre eucalyptus from Brazil has a very defined destination: the so-called *fine papers* and sanitary papers. 'Fine paper' is a high quality paper and it serves, for example, as raw material for the more expensive magazines circulating in Europe and all other kinds of fine and special paper, considered luxury. In addition, high quality disposable paper as paper 'tissues', sanitary paper and soft white paper handkerchiefs are preferably made from the pulp coming from Brazil, with its lower production costs. Therefore, the country has become very strategic to be the supplier of the mills for the production of Stora Enso's fine paper in other parts of the world.

In this scenario of business and interests of the global forest sector, Brazil promises to be the preferred country to produce wood and pulp. However, much of these investments will benefit companies owned by Europeans such as consultants and suppliers of machinery and technologies employed in the pulp mill. As the Swedish government summarized in only one sentence: "*Foreign affairs are the base of the welfare in Sweden*"¹¹⁸. And the welfare of the Brazilian people, who are settled with dealing with the serious environmental crisis, will it also be guaranteed?

¹¹⁸ DVD: Porque nos não comemos eucalipto? Escola Nórdica, UbV, MST, 2007

Aracruz and Stora-Enso: 'solutions' for the Extreme South of Bahia?

In this context, in which companies seek to ensure a new expansion cycle, Aracruz and Stora Enso set up a strategy that necessarily needs to present them as 'solutions' to the region, obviously not as 'problems'. What are the elements of this strategy?

- Financing of political campaigns

The direct financing of candidates is, among companies, a very popular manner to secure support for policies and public funding for the expansion of monocultures, preferably for those candidates who have a real chance of winning. Funds are given to every type of political function (president, governor of state, state and federal deputy, senator, mayor and city councilman). This is a legal activity in Brazil and also in Finland. In Sweden, despite the activity being permitted, there is no private company financing politicians, since this practice could generate future constraints both for companies that donate money, and for politicians who receive the money. However, in Brazil, Stora Enso did not follow the same practice; it financed candidates in the election campaign of 2006 to the tune of R\$ 1,006,604.00.¹¹⁹

More examples of financing to candidates:

- President Lula received funding for his campaign in 2002 from several cellulose companies, including Aracruz Celulose (R\$ 50,000.00) and Veracel Celulose (R\$ 20,000.00). In return, the government developed a financing plan for the pulp and paper industry through the National Forest Plan (PNF). Moreover, the first large loan in his Government from the Public Bank, BNDES, to a private company was to Veracel. It was R\$ 1.43 billion, approved in December 2003.

¹¹⁹ Stora Enso. Carta-resposta à carta da Campanha da Via Campesina Brasil contra Stora Enso. 20 Aug 2008.

The new offensive of Stora-Enso and Aracruz Celulose

- The current governor of the state of Bahia, Jaques Wagner, received funding from Veracel Cellulose for his campaign in 2006: R\$ 100,000.00¹²⁰. One of the rewards is visible on the website of the Bahia State Department of Environment, where a booklet is available, promoting the *fomento floresta*¹²¹ as an excellent alternative for farmers in Bahia, with funding and technical assistance¹²². Another state publication notes as one of the advantages of eucalyptus its ability to “*absorb large amounts of CO2 in the atmosphere, reducing pollution and heat, and combat the greenhouse effect.*”¹²³

It is important to note that at the State Conference for the Environment, held in Salvador on 16, 17 and March 18, 2008, the delegates presented a Motion of Rejection regarding the *Pronaf Florestal*, defended by the Department of Environment. Item III of the motion mentions: “*we are extremely concerned about the fact that a program that aims to reforest degraded areas and to preserve the environment is being exclusively associated with the reprehensible practice of encouraging the indiscriminate planting of eucalyptus, hindering the education and empowerment of the rural producer with respect to natural resource and biodiversity management of his property.*” As late as during 2006 Veracel financed the election campaign of several candidates of Bahia.¹²⁴

¹²⁰ <http://www.tse.gov.br>

¹²¹ Eucalyptus plantation owned by a third party, usually farmers, through a contract that

¹²² <http://www.semarh.ba.gov.br/pdf/processos/publicacoes/cartilhas/Cartilha%20Pronaf%20Florestal.pdf> ;

¹²³ <http://www.semarh.ba.gov.br/pdf/processos/publicacoes/informativo/Informativo%20Pronaf%20Florestal.pdf>

¹²⁴ Senador Rodolpho Tourinho Neto R\$ 50.000,00; Deputados Federais: Antonio Carlos Magalhães Neto R\$ 50.000,00; Fábio Loureiro Souto R\$ 80.000,00; Jutahy Magalhães Júnior R\$ 50.000,00; José Carlos Leão de Araújo R\$ 20.000,00; João Almeida dos Santos R\$ 70.000,00 e Deputados Estaduais: Sandro de Oliveira Regis R\$ 80.000,00; Ronaldo dos Santos Carletto R\$ 50.000,00 e Clóvis Ferraz Meira R\$ 25.000,00. Source: www.tse.gov.br

Eucalyptus and climate change

The pulp companies have argued that their eucalyptus plantations contribute to combating climate change, by absorbing, through photosynthesis, CO₂ in the phase of their growth. There are companies wanting to enter into the so called "carbon market". The company Plantar S/A has been a pioneer with planting 23 thousand hectares of eucalyptus in Minas Gerais, arguing that it would be benefiting the climate. It states that in 21 years, the eucalyptus could absorb 13 million tons of Co₂.



With a price of US \$ 5 per ton of CO₂ on the "carbon market", Plantar would gain no less than US \$ 65 million. However, many critics argue that the "carbon market" is based on one of the biggest scientific frauds ever seen in humanity. In the specific case of Plantar, CO₂ fixed in eucalyptus is released into the atmosphere when the eucalyptus is burned for its purpose: production of charcoal. In other words, the absorption of CO₂ is at best temporary. In addition, countries that buy the Plantar "carbon credits" may continue burning fossil fuels in the same amount as absorbed by the Plantar's eucalyptus trees, further increasing the amount of CO₂. And finally, the eucalyptus monoculture on a large scale tends to cause other negative impacts on the environment, including the climate, and local populations. ¹²⁵locais.

¹²⁵ FASE/ES e Sinkswatch. O Mercado de Carbono: privatização do ar. Vitória, 2005

Environmental education

Currently, all companies engage in environmental education, both for their own employees, as well as for the surrounding communities, many of them seriously impoverished because the people lost their jobs in the rural areas.

One question often asked in this kind of 'education' is: "*Did you do your part?*", drawing the attention of people for caring for the environment of their homes and working places, for example, separating the trash and recycling it, reducing energy consumption and rationalizing water consumption, etc. These recommendations make sense when the target audience has access to these services, but not for communities that do not even have running or treated water.

This type of 'education', carried out by large companies, contributes to people assuming an individualized view of the environmental problem. Doing so, people stop questioning the behavior of Veracel and other companies as a major polluter in the region, since each one is encouraged to "*do his/her part.*" It also serves to divert the focus away from the discussion that the pulp companies are the largest water consumers but do not pay anything for it. Patricia Grinberg, journalist and facilitator of environmental education, points out the following:

"Environmental Education? But what type of environmental education? An education totally negligent about the environmental conflicts existing locally, in the community where we are active as 'educators'?"

Well, if this 'educating' process is funded by major polluters, through enforcement of licensing conditions for the installation, operation, etc., it seems like a dead-end road...

But it is like that, there is a possibility to be independent. Today, in Porto Seguro (BA), three NGOs, contracted by Veracel to complete the excellent program DESPERTAR SENAR with elements from the reality of the Extreme South, confirmed that the company has not influenced their reports. However, both the ASCAE, as well as the INSTITUTO RECICLAR and the consultant SEMEAR EDUCAÇÃO failed in their 'contributions' to the course of Environmental Education in the Extreme South of Bahia by not mentioning one of the main problems of the region: the eucalyptus monoculture, Veracel's mill, effluents in the Jequitinhonha River, the wood transport harbor, pesticides, rural exodus, and others.

Self-censorship? We think so, mixed with very successful transactions of cooptation."

With Veracel's proposal of 'environmental education', the fact that the company's responsibility for the current and future environmental problems exists is hidden, besides the fact that this responsibility is enormously bigger than the responsibility of individuals. For example, the fact that the company uses 94,000 m³ of water/day from the Jequitinhonha river without paying for it, is not discussed. Remembering that a town like Eunápolis with about 100,000 inhabitants consumes only 6000 m³ of water/day. In general, with beautiful materials, companies seek to influence the minds of people, especially young people and children, the most strategic target group to influence for a positive view of the companies in order to facilitate current and future investments.

It is also important to remember that companies camouflage the information about excessive paper consumption in the so-called rich countries, from which it is directly dependent and benefiting.

Financing of 'social' projects

Today, the support from companies to 'social' projects in the municipalities of their area of influence has increased, mainly in the municipalities where the company produces cellulose and/or maintains eucalyptus plantations. In the years 2004-2005, Veracel affirms that it invested U.S. \$ 21 million in so-called social actions.

Veracel announces on its website (www.veracel.com.br) the following actions:

- In health, Veracel is investing in "*preventive and curative medical -hospital care, in the outpatient department and hospitalization.*" It also qualifies health professionals in the region and invests US\$ 1.4 million in a program for the elimination of leprosy. All these programs are conducted in partnership with the state government and the municipalities in the region.
- In the area of environmental sanitation, Veracel is investing in sanitation networks and construction of toilets in the residential neighborhood of Barrolândia.
- Mentioned as a social project, the company maintains partnerships with the three police corporations: the federal, civil and military police. The company constructs barracks and concedes cars, as part of "*a program to support the development of activities of these corporations.*"

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Veracel announced on its website that these projects have partial funding from the BNDES, in other words, it is public money¹²⁶ that finances such projects. However, they are presented as being company projects. Besides being apparently a substitution of the State, this application of public money further increases the power of the companies, while weakening the role of the State as a public agent, responsible for public policies, including in areas that could never be privatized such as health, education and especially the security of the population.

¹²⁶ Fundo do Amparo ao Trabalhador – FAT; main source of financing from BNDES.



INSTITUTO VERACEL: MARKETING OR SOCIAL INTEREST

" Instituto Veracel¹²⁷, ein partnership with the non-governmental organization CPCD (Center for Popular Culture and Development), is investing in training teachers to work in the projects "SER CRIANÇA" and "SEMENTINHA" with a series of courses conducted in the towns of Itapebi, Santa Cruz de Cabrália, Ponto Central, Eunápolis, Itagimirim and Barrolândia. "SEMENTINHA" and "SER CRIANÇA" are the main projects developed by the *Instituto Veracel*, and benefiting 1,350 children and adolescents and conducted in partnership with the municipalities of Eunápolis, Belmonte, Itagimirim, Itapebi and Santa Cruz Cabrália. "SEMENTINHA" is aimed at early education of children of preschool age (4 to 6 years), especially those who do not attend school. "SER CRIANÇA" is a project directed at children and adolescents aged between 7 and 15 years, aiming to complement the education provided by public schools." ¹²⁸

These projects, according to complaints from people in the community and people linked to the project, functioned during the time that it was appropriate for the company. They reported extremely absurd facts about the orientation of the coordinators of the Instituto Veracel. When the technicians from the BNDES and visitors from other countries visited the *Instituto*, coordinators were dressing children with pants and shoes to be photographed. Once they closed the photo session and the visitors had gone away, *"the pants and shoes were taken from children and given back to Veracel."* The children were sad and asked: *"Aunt, let us keep the clothes."* The project objective was to serve 300 children in Eunápolis, but it served only 100 and *"it was terminated in an unpleasant and shameful way by Veracel"* said the Promoter of Justice, Dinalmari Mendonca, from Eunápolis. When being denounced, *"the company offered 10 computers to be installed elsewhere"* causing more anger among teachers, *"as a matter of fact, most children who live in this town need a lot of educational reinforcement and not computers."* ¹²⁹

"We tried all ways to prevent that Veracel closed the program maintained by Instituto Veracel because we understood this program supported needy mothers and female workers in the neighborhood, because it ensured that children were not on the streets alone at the mercy of fate." (Jovita Lima dos Santos Silva, teacher and member of the Municipal Council for Education)

¹²⁷ Instituto Veracel was created in 2002 and it is responsible for developing the Veracel Celulose's policy in the social áreas. (www.bracelpa.org.br)

¹²⁸ <http://www.celuloseonline.com.br/pagina/pagina.asp?IDItem=6740&IDNoticia=4660>
15 June 2005.

¹²⁹ A Gazeta Bahia Newspaper, Promotor critica consultores da Veracel pela arrogância e desrespeito, 25 Oct 2006.

VERACEL: MARKETING OR SOCIAL INTEREST?



**A VERACEL
TAMBEM SE
PREOCUPA COM
O QUE SEU FILHO
APRENDE FORA
DA ESCOLA.**



A parceria da Veracel com as prefeituras de Eunápolis, Itagimirim, Itapebi, Belmonte e Santa Cruz Cabrália está ajudando a melhorar a qualidade da educação na região. Com os Projetos Sementinha e Ser Criança, a Veracel leva educação complementar a 1.500 crianças e adolescentes, de 4 a 15 anos. São atividades educativas que estimulam a solidariedade, cidadania e respeito ao próximo.

VERACEL

www.veracel.com.br

Veracel gasta quase R\$ 1 milhão com políticos e deixa crianças sem merenda



Doações milionárias para os políticos, por certo fizeram muita falta para centenas de menores que frequentavam os núcleos do "Ser Criança", nos municípios pobres da região, a exemplo de Itapebi, Itagimirim e Eunápolis.

Newspaper A Gazeta Bahia - Edition of 13 November 2006

- Foundation of NGOs, seeking partnerships and cooptation

One way to try to weaken the opposition against the company is the cooptation of leaders, a common practice among many big companies. Veracel also practices this tactic, according to a complaint of the Pataxó Front of Resistance and Struggle. The Front says that the cooptation leads to division in the community, in other words, it weakens their struggle. In the Final Document of the Fourth Meeting of the Pataxó Front of Resistance and Struggle, held in August 2005, Pataxó people say that “*This company [Veracel] has been beating our environment, coopting our leadership with distribution and promises of benefits with the clear objective to continue dividing us and invading our territory*”. They demand for the “*end of eucalyptus plantation on our lands that are under the control of Veracel Celulose, which continues to pollute our environment*”.¹³⁰ A leader also denounced Veracel, including for cooptation:

“Veracel is challenging the study about our territory, with the argument that this land is not ours, not from the Pataxó Indians. However, we were born here, we grew up here and lived here long before the existence of this company. They have now invaded our territory and planted eucalyptus, they planted around the banks of the Caraíva River next to the Barra Velha village where I live with my husband and sons. When it rains, the river fills and then within two days the river is dry again. It is a complete destruction of our land, our land is each time more deteriorating, a defeat for our people, our culture.

This company [Veracel] promotes discord among our people, there is a *cacique* (chief) receiving money to be against us. These *caciques* are selling the right of our children, grandchildren, and this is not fair. Veracel represents for us the force of evil.” (Marlene Pataxó)

Another strategy is the foundation of NGOs that, on the one hand, advocate for the preservation of the atlantic forest and at the same time, they seek dialogue with other NGOs and communities, including those that always had a critical view towards these companies. By doing so, companies try to reduce the criticism from civil society.

Veracel Celulose and Aracruz Celulose founded in 2002 the NGO *Instituto BioAtlântica*. One of the first actions from this Institute was granting the Atlantic Forest Award to the Aracruz Celulose company, its main initial

¹³⁰ WRM. Newsletter from WRM, August 2006, n°. 109.

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sponsor, knowing that it was exactly Aracruz Celulose that toppled thousands of hectares of atlantic forest, when it took control of indigenous and *quilombola lands*, in the 1960s and 1970s. According to the site of this NGO, its goal is “*to conserve the Atlantic Forest.*” However, then, it makes clear that the NGO has “*as a strategy to operate as a catalyst for partnerships, creating bridges between different sectors of society, from the business to the scientific one, including the environmentalists, the landowners, communities and the different state bodies.*”

It is in this sense that this NGO has done work as a ‘catalyst’ for the initiative ‘Dialogue for the Atlantic Forest’, in which it seeks to join, since 2005, environmental NGOs and pulp companies to discuss the topic of ‘Atlantic Forest’ and its preservation in the region. This approach has generated much controversy in the field of environmental organizations, especially when the Forest Dialogue highlights the issue of ‘trust’ between companies and environmentalists as a crucial issue for the construction of this process, as put by Mario Mantovanni, from the NGO *SOS Mata Atlântica* which participates in the “dialogue”:

“This dialogue is not a landmark. It is a moment in a history of advances in the field of certification and in the building of partnerships between two historically antagonistic sectors. The fields are still opposed, however, progress has been made. Before the dialogue, companies did not pass data about legal reserve areas to environmentalists. Of course, this is only done when trust exists. There has been a move towards transparency, which results in having closer relations. (..)” (Sementes do diálogo: records from the 1st. phase of Forest Dialogue for the Atlantic Forest 2005-2007, page 59)

The NGO Friends of the Earth (one of the world’s largest environmental NGOs), Rio Grande do Sul group, opposes the idea of participating in the ‘Dialogue for the Atlantic Forest. Hereby follows an excerpt from an Open Letter from the organization about the issue:

“We reiterate that the Group Friends of the Earth / Brazil (NAT) is not participating and has no interest in participating in the initiative Forest Dialogue(..). Companies in the sector, working in the Forest Dialogues, have interfered in the functioning of the State as a whole, changing parameters of the performance of environmental agencies, destroying management tools such as the proposed environmental zoning, and acting in a probably illegal manner, so that representatives from the State Government were substituted (..) We believe that the projects and ways of action of these companies will result in grave and unavoidable environmental impacts considering the form of the monocultural plantation, in more poverty in

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terms of quality of life for the inhabitants of the region and ultimately dismantle the democratic institutions and those with an equal participation of civil society. These spaces should be the legitimate and balanced spaces for NGOs to work in the discussion and definition of criteria for the implementation of projects, such as the State and Municipal Councils for Environment. (Letter from the Núcleo Amigos da Terra Brasil, April 2, 2008, sent to the coordinators of the *Diálogo Florestal da Mata Atlântica*)

Also, the Extreme South of Bahia Social and Environmental Forum believes that this is just one of the strategies used by the pulp company with the aim to soften the criticism. As they prepare pompous meetings and reports, the result of an initiative called 'Forest Dialogue' or 'Forest Forum', pressure continues to be put on rural communities and biodiversity continues to be destroyed:

- NGOs are being COOPTED by financing of projects without any legal or ecological traceability, donation of equipment (computers, furniture, training courses, recruitment of articulators in NGOs, miscellaneous equipment, etc.).. When it is done so effectively, companies create ties of dependency of the entities, which then lose their historical references, their statutory commitments and cease to act as guardian of the public good, the conservation and indeed sustainable development;
- NGOs assume an intermediate role: between companies and the bodies of the Legislature they fulfill faithfully the interests of the companies and take part of the government, create local "governance" processes with the objective of establishing a process of suitability of environmental irregularities, making from this a facilitating agency to obtain the so-called "green certificates" ¹³¹

Also, the pulp companies are involving themselves in strategic courses in public universities, acting in a way that this structure is set at the service of its private company and, obviously, in search of the "scientific truth" that eucalyptus does not cause negative environmental impacts. Teachers of these institutions sponsored by the companies participate in public events to discuss the impacts of eucalyptus. Two examples:

- The participation of Professor Walter de Paula Lima, from the Department of Forest Sciences, University of São Paulo, in a seminar in the Extreme South of Bahia in October 2007, where he did not make the same critical statements of 13 years ago anymore when he gave his opinion on the Veracel EIA/RIMA. This time, the professor tried to soften the eucalyptus impacts when he compared its plantation with other land

¹³¹ Extreme South of Bahia Social and Environmental Forum, 23 Aug 2007.

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uses, supposedly more impacting. Furthermore, he criticized MST members and their banners with phrases such as “Eucalyptus cannot be eaten”, used in 2004, during the occupation of a Veracel property. The professor stated that such members should be careful with these phrases, that behind these “there are always other intentions.”

“The information used by the Professor are well-known claims and any rural worker, Indian, technical person knows that the monoculture of eucalyptus destroys the water, dries the soil and finishes off biodiversity as is shown in several studies around the world. What we witnessed was a lack of respect for the social movements because we know that behind the phrase “Eucalyptus cannot be eaten” exists, as a matter of fact, a lot: there is the hunger, there is the violence, there is the disrespect, there is a breaching of the laws. And so exist behind the scientific truth that is presented, the financing of companies from the pulp and paper sector such as Aracruz, Suzano, Bahia Sul, Votorantim and Stora Enso! (Zelito Pataxó – interviewed on 07 Oct 2007)

- Another example: in April 2008, two professors from the Federal University of Viçosa (UFV) participated in a discussion about the eucalyptus monoculture, in the Town Council of Salto da Divisa, at the frontier between the states of Bahia and Minas Gerais. They attended invited by Veracel and clearly supported the company and when they were questioned, they said that their salary is low and they need an additional support.

Also in Rio Grande do Sul the same situation happens:

“In 1989 the university was an institution that joined the people to say NO to the cellulose complex. But today the situation is the contrary. They coopted the university. Today, they entered in the Federal University of Pelotas and Catholic University of Pelotas which has an Ecology course and much of this course is dedicated to work for Votorantim. This is an inconsistency, an absurdity. They are using the structure of the public university, funded with public money. We taxpayers are helping in this, so that they use teachers with master’s, doctoral and post-doctoral degrees, paid by the population, using infrastructure such as a whole laboratory, with water and electric energy, with all of this to work for private purposes.”¹³²
Luis Fernando Rampazzo - Biologist - Rio Grande / Pelotas

¹³² DVD Celulose no Pampa, Porto Alegre, Grupo Mamangava. October 2006.

- Marketing and advertising

Today, marketing and advertising are essential tools for companies to communicate with the public. Marketing generally shows company's achievements in social, environmental and educational areas.

Permanently, Veracel keeps advertisements in newspapers throughout the region and newsletters (electronic and printed). The company itself assumes the task to present the articles, ready for publication, with propaganda of 'actions' and 'infrastructure' in favor of the population. Or, the company itself assumes the task to make and distribute the newsletters.

“Today begins a new and important phase in Veracel’s management process. After consolidating the best practices of the integrated production process, which includes plantations, manufacturing and logistics, the company now focuses on the implementation of a stronger corporate governance, structured and aligned with the worldwide most advanced management practices. This means a further step in building a company that intends to be a reason of pride for the communities of Southern Bahia and the best place to work. “We feel the need to review the management model so that we create a governance that gives more independence to the strategic areas and, at the same time, allow a broad and transparent monitoring of the work of all strategic areas,” says Sergio Antonio Alípio, Veracel's President¹³³.” (Comunicação Veracel)

The advertisement usually is being presented with a lot of green, birds, animals and happy children, trying to suggest a socially and environmentally responsible attitude from the company. The content of the advertisement does not correspond with reality.

We have the example of a booklet distributed in the region of Eunápolis when the company was being evaluated to receive or not the FSC certification. In a clear attempt to manipulate the population, suggesting that the company had already won the FSC label, the booklet announced the following sentence on the cover:

*“FSC Certification:
learn more about this achievement
of which you already are participating.
VERACEL”*

¹³³ <http://www.nossacara.com/ler.php?doc=3189> Veracel aprimora governança corporativa 17 July 2008 .

The new offensive of Stora-Enso and Aracruz Celulose

So the fact that the company succeeded to obtain this label did not cause any surprise (see 6.2)



From page of a brochure published by Veracel about the FSC

6.2 The example of the FSC: the farce of the 'green label'

What is FSC?

The Forest Stewardship Council - FSC - is an international organization established in 1993, consisting of 1/3 of economic, including 'forest' companies representatives, 1/3 of representatives of social organizations such as trade unions, and 1/3 of representatives of environmental organizations.

The FSC has emerged after the trend of 'sustainable development' arose, in an attempt to certify the so-called "*good forest management*". Initially, the proposal was for the FSC to only certify forest management. However, in 1996, under pressure from the pulp companies, tree plantations were also included as areas eligible for certification.

Once certified, a company can say that its wood has been produced in a "*socially just, environmentally appropriate and economically viable*" way, adding value to the product because it differs from other non-certified products or less stringent certificates. Therefore, companies have much interest in obtaining this certification.

FSC itself does not perform the certification, it allows consulting firms to do the certification based on a set of principles and criteria. There are 10 Principles with criteria for each principle.¹³⁴

For years, FSC has been criticized by several movements worldwide for having certified already millions of hectares of tree monocultures that, in principle, different from the management of a forest, are not '*sustainable*' because of being a monoculture, because of occupying much land in the regions where they are present and because they do not offer benefits to the regional population, only a relatively small number of jobs.¹³⁵

A review of certification of plantations occurred in 2005 and 2006. In February 2007, FSC approved a document, trying to correct the mistakes made in the past in relation to the certification of fast-growing tree

¹³⁴ See www.fsc.org.br

¹³⁵ See www.wrm.org.uy or www.fsc-watch.org

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monoculture plantations of trees, considered as not certifiable because they do not comply with the Principles and Criteria.

Not certifying Veracel should have been an example of the new policy of the FSC.

The process of Veracel's FSC certification

In 2007, Veracel Celulose asked for the certification of its tree plantations by FSC principles and criteria. The evaluation process was conducted by SGS Qualifor, a certifying company accredited by the FSC, and hired by Veracel for this task.

SGS Qualifor visited the region in May 2007, for a pre-assessment¹³⁶. But the public only became aware that SGS would carry out the certification audit in the month of July 2007 (23-27). The auditors used only five days to do the field assessment in the ten municipalities that are part of the area where the company executes its activities, presented as the area under the scope of certification. This is humanly impossible because of the extent of the area and the number of districts, communities, institutions and entities that exist inside.

Faced with this situation, CEPEDES carried out field visits in the municipalities included in the scope of certification - Belmonte, Canavieiras, Eunápolis, Guaratinga, Itabela, Itagimirim, Itapebi, Mascote, Porto Seguro and Santa Cruz de Cabralia – to discover which entities, institutions and people were heard, which problems the certifier raised, and even if the community had knowledge about what certification, SGS, FSC, etc. is about.

The result was surprising: official letters and interviews showed that several important entities and institutions within the area where Veracel is active were not contacted and did not know about the certification process:

“(..). None of the members of the Legislative Chamber of Itagimirim were invited to participate in discussions related to the present certification process, (..). Thus, we demonstrate the wish to participate in a public hearing in our seat, so that we, as well as the other members from the population of Itagimirim get informed

¹³⁶ Data from SGS through an email sent to CEPEDES.

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about the certification process. (...) We emphasize that the Veracel company, in several instances, is acting not according to the legal rules in force, and therefore Law nr. 177/2007 was approved, in this Town Council, which restricts the planting of eucalyptus in this municipality (...)."¹³⁷

It was also noted that the organizations/institutions that received the questionnaire by SGS and the FSC Principles and Criteria and which were heard by SGS, do not have knowledge about what certification was, what the role of FSC or SGS was, let alone did they know about the principles and criteria and their application. For example, in the interview with the Town Council of Eunápolis, only three of the ten councilors attended. Furthermore, according to a press advisor, Teonei Guerra, the three who attended did have no knowledge about the subject.

Remarks about the process

Several organizations reacted to Veracel's certification attempt, denouncing that such a company could never become certified by this internationally recognized certification organization.

Some important aspects of this process deserve to be noted:

- *The Social and Environmental Forum of the Extreme South of Bahia* tried by means of a letter sent to SGS, dated July 5 2007, to contribute to the process, proposing a field visit so that the SGS team could learn about the impacts, and also meet with the members of the Forum. In the letter, entities, social movements and communities that compose the Forum requested:

"A field trip of at least 3 days to the areas affected by Veracel activities, including a meeting with the Forum, without the presence of representatives of the company, so that we can prove that Veracel does not meet minimally the principles and criteria required by FSC. We also inform that the planned time is very little to make a case study about the negative impacts caused by Veracel. (...) According to the agenda of the organization and partners, we suggest that the meeting and the visits to the affected areas be scheduled during the first fortnight of August."

SGS did not attend to this request from the Forum.

- On July 6, 2007, the World Rainforest Movement (WRM) proposed to

¹³⁷ Board of Councilors of Itagimirim . Ofício 102 to CEPEDES. 01 Aug 2007.

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the FSC - International, to make a field trip to learn about the impacts of Veracel and thus help to prevent the certification. The Board of FSC - International did not take up this proposal, arguing that *"We do not consider it appropriate or the role of the board to be involved in a public consultation process, and equally not to intervene directly in a certification assessment."*¹³⁸

- There was no public hearing during the certification process, recalling that the last one about the eucalyptus issue in the region attracted some 3,000 people¹³⁹ and several institutions reported that they would have liked to participate in a public hearing in order to comment on the case. SGS argued that it considered the realization of individual interviews more productive.

- 347 individuals and entities sent, in August 2007, an extensive letter to FSC-International, denouncing various impacts, irregularities and illegalities committed by Veracel. They argue that *"the eucalyptus monoculture in a large scale is an ecological disaster, socially unjust and economically perverse to the region. In this sense, it does not fit to the principles and criteria of forest management activities, valid for certification."*¹⁴⁰

Initially, probably because of the criticism, Veracel failed to obtain the FSC label during 2007. Furthermore, in early 2008, FSC announced that it would carry out an audit about the work of SGS. This news encouraged the people who criticized the certification process, once the certificate had not been issued yet.

The audit was scheduled for March 26 to 28, 2008. However, on March 13, several entities, such as Cepedes, who were opposing the certification, received the news from SGS that it had awarded the FSC certificate to Veracel, even thanking CEPEDES for its collaboration in the process: "The purpose of this letter is in the first place to thank you for your participation during the public consultation during the main assessment

¹³⁸ WRM. WRM Newsletter, Aug 2006, no.121

¹³⁹ Public Hearing occurred on the 6th Oct 2005, organized by IBAMA with the theme: *Monocultura de Eucalipto no Extremo Sul da Bahia.*

¹⁴⁰ WRM. Letter "Argumentos que evidenciam que a Veracel não deve ser certificada" www.wrm.org.uy

of Veracel Celulose SA “. It is important to remember that CEPEDES did not participate in the process because SGS did not want to accept the aforementioned proposal of the Forum.

The FSC audit of March 2008, despite being refused by the Social and Environmental Forum of the Extreme South of Bahia, concluded in a very convincing way that Veracel should not have been certified:

The FSC Audit about the

Between March 26-28, 2008, FSC conducted an audit about the certification of Veracel, as well as about the performance of the certification company SGS, which issued the certificate two weeks before the arrival of the FSC.



In its report, FSC recognizes several non-compliances of Veracel regarding to principles and criteria of FSC, and which should have prevented the issuing of the certificate, but, paradoxically, FSC did not recommend its suspension.

Hereby some of the main criticisms from the FSC report:

- FSC says that 5 days was probably insufficient to conduct a thorough audit, given the complexity of the case and the large distances.
- FSC noted that the company was not in accordance with principle 3 (indigenous question), 9 (areas with high conservation value) and various other FSC criteria, which should have prevented SGS from issuing the certificate; a major criticism was the fact that SGS was pleased with the presentation of reports or adoption of procedures by Veracel, rather than going into the field to observe Veracel's performance in practice on that particular FSC criterion and / or principle.

A nova ofensiva da Stora-Enso e a Aracruz Celulose

- Several issues were neglected by SGS, for example, the difference in salary and benefits between Veracel workers and outsourced workers, and the lack of monitoring of outsourced activities that, for example, do not always provide suitable equipment for pesticides application. It was also observed that there was no safe distance between a house and a cemetery with eucalyptus plantations (remembering that FSC did only a very limited sampling); they also observed that the company does not have adequate monitoring procedures to detect impacts on water before, during and after the implementation of the plantation.¹⁴¹

Moreover, there are aspects of reality that both the FSC team as well as the SGS team ignored in their reports, for example:



- The existence of networks of communities, organizations and movements, very important for the resistance against and criticism of the Veracel company: the Social and Environmental Forum of the Extreme South of Bahia and the Pataxó Front of Resistance and Struggle;
- The existence of more than 800 lawsuits against the company initiated by Veracel workers, according to the survey made by CEPEDES in 2007 at the Labor Court.

Considering this, it can be concluded that in the assessment process conducted by SGS, there was no clarity or transparency and a lack of legitimacy because there was no effective participation of society, [resulting among others in the failure to detect major non-compliances of the company which remain until today. Therefore, Veracel should not have received the certificate.

FSC: one more marketing tool

In addition to the other tools, dealt with in section 6.1, FSC has also been an important tool for marketing and the planned expansion of the big pulp companies.

In possession of this certificate, Veracel strengthens itself with regard to the criticism and struggles of communities and entities against the continuous expansion of its business and the increase of impacts. And from now on, it can even deceive consumers that now they are able to buy paper napkins and toilet paper with the FSC certificate, passing on the idea that it is an ecologically correct and socially fair company, which is also an extra stimulus for its sales.

¹⁴¹ According to FSC, 2008.

7. Final thoughts: voices from the North and the South

This study shows that there are several negative social effects caused by eucalyptus monoculture, and most were already highlighted in the conditions and opinions formulated 15 years ago, by the technicians from the Government and also by civil society members. And with regard to this reality, it can be observed how the governments are negligent, apart from the company's disregard for the communities. There is no respect for the human beings who make up the communities, as well as responsibility and respect for the local environment.

Despite the resistance of the population and confirmation of the adverse impacts, cellulose companies and the Government continue encouraging more planting of eucalyptus. Stora Enso and Aracruz neglect the chaos experienced by the population of the Extreme South of Bahia and they are implementing a doubling of the plantations area through land purchase, leasing and incentives for small and medium producers, because of the construction of a new mill, Veracel II, thus doubling its capacity of cellulose production.

We also note that we live in a world that is increasingly dominated and appropriated by big companies such as Veracel Celulose. In general, the media gives support to these companies, the State depends on them and benefits them, while the Judicature is also contributing, being a power that rarely persecutes the powerful, while treating very differently the poor people, such as the landless, indigenous and *quilombolas* populations, save rare exceptions, like the recent conviction of Veracel by the Federal Court of Bahia, and the activities of the State Public Prosecutor in Eunápolis.

It is a contradiction that companies claim that they are 'modernizing' themselves as environmentally correct, socially fair and economically viable companies, in possession of many labels and certificates of quality such as ISO 14001 and FSC. But the incessant search for profits, the engine of capitalism, affects fully the workers in the northern countries, for example, those from Stora Enso, who lost their jobs in recent years and are considered too expensive compared to the productivity and record profitability that the companies can achieve in Brazil.

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It is clear that companies, through their unlimited expansion, try to be profitable before anything else, in a world where everyone knows that the current production and consumption model in the northern countries is absolutely unsustainable, and this has resulted in serious environmental problems for humanity, such as climate change and the lack of food, deepening social and regional inequalities.

Therefore, it can be questioned what the prospect of future is. How do people in the North (in Sweden and Finland) and South (Brazil) face this situation?

As a final part of this publication, we will listen to some Brazilians, Swedes and Finns who do not accept this situation and fight against it because they believe that 'another world is possible', based on social and environmental justice:

"Now it is the time to be united and to open our minds. Our big problem is not environmental degradation, demolition, export of resources. This is a consequence. The basis of all lays in the corruption, the benefiting, in the practice of organized crime. Today, what we experience through the environmental crisis is a moral and institutional crisis. All this is happening because people are not idoneous. While they are acting very quickly, the measures and the results from what we do last months and years. And they become harmless with regard to the speed with which they communicate among themselves and degrade our environment."¹⁴²

João Alves da Silva, State Public Prosecutor – Eunápolis

'In the name of 'development' in the region, they are destroying the biological heritage of the Atlantic Forest in view of the negligence of the government in its three institutions, and the anger and arguing of civil society organizations. The cupidity of the promoters of "development", government and business people, in my opinion, promotes crimes of harming the Nature, harming the society, robbing the right to biodiversity from future generations, the scenic beauty, etc., in favor of the enrichment of private groups and people. Any development model that imposes a predominant dependency of one activity (monoculture of eucalyptus), is unacceptable and ignores many other regional vocations such as diversified agriculture, multiple use of forests, ecotourism, etc."

Elbano Paschoal - Biologist – Grupo Ambientalista da Bahia - GAMBA

¹⁴² Brasil de Fato Newspaper. Veracel compra servidores na Bahia para plantio irregular de eucalipto. Edição 285, 14 to 20 Aug 2008.

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“We, from Sindicelpa, see the expansion or construction of Veracel II as a great concern and negativity because it increases the production capacity with job outsourcing, through a process of unbridled precarization because there exists no serious policy of direct employment. We fear that such behavior will transform the country into a paradise of cheap labor, resulting in the closing down of mills in Europe.”

Board of Directors of Sindicelpa

I feel attacked by having to live every day in front of that “sea of eucalyptus”. Every day, we see that our streams, ponds and springs are drying. In my youth we played in between the trees, we fished in the streams and collected fruit in abundance, at lunch time at school. We brought up our children without having to buy things on the street for lunch. We had enough with what we had in our garden, with the fruit. And now what is left is that we can only miss the beauty of the place, the smell, color and the flock of birds. We lived with *pacas*, armadillos and mainly a lot of partridges. It was a celebration of beauty and abundance every day. Now there is only fear and silence! Is this the setting we will leave for our grandchildren? That is not what we want. So with all our strengths we will fight against this imposition. Here in Ponto Maneca, if it depends on us, not one more tree of eucalyptus will be planted!

(Rural Worker – Ponto Maneca)

The Kemijärvi Movement has been fighting for thousands of workplaces in eastern Lapland and Koillismaa already nine months. Insistent battle commenced 25.10.2007, when giant, Finnish-Swedish owned, international forest company Stora Enso acquainted that it will close worlds northernmost pulp mill in Kemijärvi. For the corporate it wasn't enough that the plant was surrounded by highly productive forest and in adequate condition it yielded profit superbly. By closing up profit making plants Stora Enso is, against international commercial treaty, achieving to confine the competence. The corporate strives for prescriptive market position in timber trade at Lapland and Koillismaa. Stora Enso refuses to sell the closed plant to agreeable buyers at any price.

From the start workers of Kemijärvi plant and the Kemijärvi Movement have been offering to Stora Enso different types of conclusion for the purpose to continue the pulp production in Kemijärvi plant. World best specialists have been helping to create development possibilities for the production. For example, one proposal for the corporate was to change the type of the pulp and to produce biofuel from timber and logging waste. Curtly Stora Enso has announced that new areas of activity don't belong to principal business operation and intrinsic values of the company. Stora Enso only wants to stay in the old way to produce and the corporate is not interested to develop activities to benefit peoples.

Peoples are suffering shortage of food world-wide and acute rising price of the food, this happens because biofuels are produced from food crops, they take the place of the food production. International forest corporates, Stora Enso in front line, have also been occupying tropical food producing areas to be turned as

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plantations of the timber production. The benefits of car drivers are going ahead peoples benefits. Poorest peoples in the world suffer the worse effects on this. Stora Enso is unwilling to take any account from the adversity of those peoples.

Subsequent to the climate change and effective forestry, the growth of forest have risen significantly in Northern-Finland. The Kemijärvi pulp mill locates in middle of north evergreen woods and it could show an example to the whole world. Here it is possible, besides pulp, to produce from timber and logging waste, instead of food crops, biofuel for the traffic. That, if something, would be sustainable production. This way of production would also benefit nature and all the peoples of the world. Unfortunately Stora Enso is not interested in the issue.

During the last nine months Stora Enso has received enormous stain to corporate image and that is too much to rinse it away anymore. Distort the facts, to dismiss offered solutions and even giving wrong information are very serious acts. Healthy and reliable business doesn't accept these practices. Refusing to sell Kemijärvi plant to anxious buyers, corporate intimidates to imprint huge environmental problems.

The in 2006 completed new sewage farm could resolve systematically devastating environmental problems. The area of the old wastewater lake is huge – 80 hectares. It includes 2.4 millions cubic meters of spoilt water and there are several hundreds of thousands cubic meters of poisonous sediments in the bottom of the lake. Purification of the environment is prevented by short-sighted practice of Stora Enso, the purification plant can run only when the pulp mill is working.

In spite of many hardships east Lapland and Koillismaa people believe that fighting on behalf right issue, here in north can be lived too. Enterprises come and go, but the forest grows. That gives support and faith for the future to the north peoples. Timber will be refined always. That is our future.

Kemijärvi Movement – Movement of laid off workers and others who struggle against the decision of Stora Enso to close down the pulp mill in Kemijärvi - *Finlândia*

Finland has traditionally lived from forest. The paper and timber industry is presented as high-developed national pride. Environmental movements in Finland have long history in struggling against corporate powers to turn up every square kilometer wild forest to economical forests, this struggle to maintain biodiversity is continuing. Several decades timber and paper has been as the national economy area number one until Nokia reached great results from the world market with mobile phone production. Finland has moved to high-tech and information society era and paper and pulp production transformed to global multinational business.

Nowadays Scandinavian giant paper corporations are making production in several locations in the world. At the same time, the major part of Finnish forests are economical forests, some types of natural forest had already vanished from Finland,

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and according to WWF, Finland is a remarkable importer for illegally logged timber in EU area. Finnish-Swedish forest corporate Stora Enso and Finnish UPM are both closing or reducing production in Finland because of unprofitability. The state of the paper economy is a remarkable issue in our media environment, but it is not giving a total impression from the global economy situation. Media here don't tell actively for example about the expansion of Stora Enso in Latin America. To get a more coherent picture of Finnish paper business in Latin America I need to cooperate with other NGOs and follow information sources outside national media. I think it is crucial to follow and produce independent media and cooperate internationally with NGOs. As the multinational companies are global, environmental and social movements should be global too.

Finnish economic forest can't ever been compared to plantations, paper business newest production model. Damages from the timber plantations for nature and local society are several and serious. The rainforests are essential for the planet and monoculture plantations are a serious threat to the ecological system. Environmental campaign work here is a lot of pushing information to media and trying to get peoples here conscious about social and environmental issues.

In Finland citizens have public right to use and access any forest for purpose of berry-picking or mushroom collecting, including private economic forests, they can be used for any free time activities. Media environment in the north is used to manipulate issues benefiting the economical world excessive production. The idea of the timber plantation in Brazil is almost the same as economical forest in Finland. Campaigning against excessive and destructive agro-business is a challenge, responses from corporations and politicians have tones of ignorance and intentional blue-eyed attitude.

Friends of the Earth offers worldwide a network that helps me to sustain and recreate my role, to campaign and convict peoples. I would like to see change in the national policy of Brazil, to invest and support agro-business is violating the countries' rural communities. It jeopardize balanced engender in all societies. Indigenous peoples rights are suppressed by giving priority to the benefits of agro-business. The excessive production model arises problems with local food sovereignty. Sustainable way to produce food and take care of the forest could be to let local farmers or communities rule the land and farming. It is possible to reduce negative impacts from agro-business by functional laws or steering rules for production. Usually the key problem with this is Nordic corporations greedy attitudes against Southern production together with local government's irresponsibility. Now Nordic corporate benefits by using facilities and nature in south.

Noora Ojala, Friends of the Earth— Enviromental NGO - Finland

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A testimony from our meetings with Stora Enso

Question: "What is sustainable development according to you at Stora Enso?"

Answer: "Our definition of that is social, financial and ecological."

In 2006 we had the opportunity to visit Brasil and together with members of MST investigate the, has a consequences of Stora Enso's presence in the country.

The shortage of water in certain areas due to the plantations and factories, together with the conflict over land areas and the ecological drain of nature gave us a view of how a Swedish Corporation functions in the south. The company was taking advantage of their financial power and even more so their political power which under no circumstances could have been possible in Sweden. We made an interview with Octavio Pontes, vice president of Stora Enso in Brazil, in Sao Paulo. We asked him about the different environmental organizations the company chose to collaborate with. He said:

"But then there are certain organizations you can't have a discussion with. They are too ideological"

We documented our experiences with a film camera, finally resulting in the movie we call: "It is Sweden that is too small". Once back in Sweden we have shown the film at different forums and always got very strong and upset reactions. The most common response has been: "It's unbelievable that a Swedish company can get away doing things like that!" together with "what can we do to stop it from happening?".

Fortunately Stora Enso is aware of our film and its content. Representatives of the company have shown up at several occasions, truly losing their credibility to the audiences. On one of our first shows a Mr. Hans Lindberg presented himself as having many years of experience with Stora Enso in his beloved Brazil. "Your film is well-done and interesting, but I can assure you that our work has also contributed to the development of the country. For example, when I lived in Brazil I employed two house maids and I paid them very well. With taxes and everything."

At one conference hosted by the Swedish Forest Industries Federation, one man from Aracruz Celulose told us about the beauty of the eucalyptus plantations in Brazil. We asked exactly what was so beautiful with huge square areas of eucalyptus at the expense of nature? What is so beautiful with dried out lands and rivers? What is so beautiful with farmers and families who have no say in what happens to their future?

"The beauty lies in the eye of the beholder" was the answer we received before the conference closed.

Some weeks later we were invited to the head quarter of Stora Enso in Stockholm to show our film. The company's representatives could not comprehend the magnitude of our criticism. Perhaps that is the worst part of it all. The company does in all honesty see themselves as socially responsible and part of the development of Brazil. The only concern presented to us was that we were

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spreading "lies" about them. They claim to have met only positive responses in the country. Who did they ask? Who did they not ask? We never got an answer.

Our experiences from Brazil and Sweden have shown us that Stora Enso, as a Swedish-Finnish company, has a huge discrepancy between their policy and their practice. As Otávio Pontes, vice president of Stora Enso in Brazil, told us himself: "It doesn't exist any ecological or sustainable paper production. It's just a question of marketing."

Helena Söderqvist and Kerstin Edquist

Producers of the documentary "It is Sweden that is too small".

DESERTO E LABIRINTO

Wilson Mário Farias de Santana

*No deserto a terra é seca. No **deserto verde** não só a terra é seca, mas também a solidão do ar sem pássaros, sem olor, sem polinização, sem cheiro, sem vida. Até a chuva cai triste, sem sentido, pois não gera o fenômeno da criação, da gênese, próprios do mundo biológico, biofísico, bio-diverso.*

*No deserto a sobrevivência é um ato diário de luta e sofrimento; no **deserto verde** o único sobrevivente é o eucalipto, que – curiosamente – já surge condenado à morte, ao corte, ao abate. No deserto não há labirinto. Existe a imensidão como único abismo para se travar uma luta sem vitória; no **deserto verde** os talhões soturnos formam labirintos medonhos, a enganar qualquer vivente que ouse perambular seus caminhos sem planos, seu não-futuro, suas raízes sedentas. Tal labirinto, a sufocar as referências geoculturais das antigas e novas comunidades, a ameaçar e sucumbir suas histórias de encantados, a natureza oculta dos fogos-fátuos, pedras de luz e estrelas cadentes.*

*No **deserto verde**, o labirinto dos eucaliptais impede qualquer perspectiva, olhar ou gesto que indique o horizonte. Sabemos nós que - homens e mulheres que somos - não vivemos sem horizontes, bem como ao perdemos as nossas referências históricas, as nossas lembranças de meninos, dos nossos antepassados e dos nossos lugares sagrados, perdemos a memória e o amor: um rio que seja, uma árvore que seja, uma casa, um monjolo, um moinho, uma olaria, um alambique, uma capela, um resto de mata, os campos de mangaba, o charco em que se planta o arroz, tudo ligando o que fomos ao que somos; lugares ou pontos cheios de significados e os seus nomes curiosos: quando dizemos “lá na Maurília”; lá na Boca do “Corgo”; no Putumuju; na Sapucaeira; no Bu; na Boca da Barra; no Lamarão; no Monte Pascoal; na Juerana; no Corre nu; no Ribeirão do Onça; no Puxim, nas três Barras e etc. falamos de nós mesmos e falamos a nossa língua.*

*Fiquemos então a imaginar: uma comunidade que somos, com os seus lugares sagrados, que nos une em laços sócio-culturais, que sustenta as nossas convicções religiosas, nossa visão de mundo e onde produzimos os nossos alimentos. De repente chega uma empresa com a sua lógica desenvolvimentista e num átimo, num breve instante, como uma bomba destruidora faz tudo desaparecer. Como num passe de mágica tudo é cerca, ilha ou prisão e a nossa única visão é a do labirinto, do **deserto verde**.*

*Permaneceremos perplexos até quando, num tempo que passa veloz em meio ao **deserto verde**, num labirinto sem fim?.*

Na tentativa de recriar o mundo, depois de muita destruição, depois de imensos labirintos, depois de tanto desequilíbrios na cidade e no campo, agressões tão visíveis aos nossos olhos, um mundo paralelo é criado pela empresa a nos enganar, quando somos forçados a aceitá-lo como o nosso mundo. Porque parece inútil falar de um mundo que não se pode tocar, onde os nossos sentimentos, as nossas convicções e a nossa visão de mundo não se pode medir com nenhuma medida, nem pelo mundo do trabalho, porque o mundo do trabalho também para nós tem outro sentido assim como tem outro sentido viver -, Nem pelo mundo de nós mesmos, que acreditamos e sonhamos juntos, a alimentar a esperança no futuro.

ATTACHMENTS

I - ABBREVIATIONS (in Portuguese)

CDDH – Centro de Defesa dos Direitos Humanos

CEI - Centro de Estatística e Informações da BA

CEPEDES – Centro de Estudos e Pesquisas para o Desenvolvimento do Extremo Sul/BA

CEPLAC - Comissão Executiva do Plano da Lavoura Cacaueira

CEPRAM – Conselho Estadual de Meio Ambiente

CIMI – Conselho Indigenista Missionário

CRA – Centro de Recursos Ambientais da Bahia. *Em 10/06/2008 passou a se chamar IMA – Instituto de Meio Ambiente através da Lei 11.050.*

FASE - Federação de Órgãos para Assistência Social e Educacional

FSC – Forest Stewardship Council (*Conselho de Manejo Florestal*)

GAMBÁ – Grupo Ambientalista da Bahia

IBAMA - Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis

IBASE - Instituto Brasileiro de Análises Sociais e Econômicas

IBGE – Instituto Brasileiro de Geografia e Estatística

IESB - Instituto de Estudos Socioambientais do Sul da Bahia

IMA – Instituto do Meio Ambiente (ex-CRA)

OAB – Ordem dos Advogados do Brasil

RPPN – Reserva Particular do Patrimônio Natural

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