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# THE FORESTS DIALOGUE

## ENGAGE! EXPLORE! CHANGE!

### Field-Dialogue on Tree Plantations in the Landscape (TPL) in Brazil

*12–16 March 2018 / Espírito Santo and Bahia, Brazil*

### Co-Chairs' Summary Report

By Beto Mesquita, Marcus Colchester, Maurem Alves, Miriam Prochnow, Skip Krasny

#### INTRODUCTION

The Forests Dialogue (TFD), New Generation Plantations, The Brazilian Forests Dialogue, and the Forest Forum of the Extreme South of Bahia convened a broad group of stakeholders to a Field Dialogue on Tree Plantations in the Landscape in Brazil from March 12–16, 2018. Participants spent three days in the field, visiting six different sites between Porto Seguro (Bahia state) and Vitória (Espírito Santo state), Brazil, to explore the evolving state of issues related to tree plantations and planted forests within the larger landscape context. The last two days were spent in dialogue in Vitória.

Tree plantations currently provide a third of the world's industrial wood, a proportion expected to increase significantly in coming decades. They also have potential to deliver environmental services and social benefits, such as combating climate change through carbon sequestration and implementing conservation efforts. However, many aspects of tree plantations have been and remain controversial, with concerns that associated environmental and social costs often outweigh economic and other benefits.



Small Tree Producer, Veracel Outgrower Farm

TFD launched the Tree Plantations in the Landscape (TPL) Initiative in September 2015, at the XIV World Forestry Congress in South Africa, with the first field dialogue held in Chile in 2016. The TPL Initiative in Brazil was developed to build upon TFD's previous Intensively Managed Planted Forests (IMPF) dialogue, held in 2008, which identified priority environmental and social concerns.

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Private Reserve Estação Veracel



Indigenous chiefs of Areal Village



Co-chair Maurem Alves (right) leading discussion at the outgrowers farm



Saplings for restoration in the Arboretum Project greenhouse

This TPL meeting was the first effort in the partnership with the New Generation Plantations (NGP) platform, which was launched ten years ago by WWF with the participation of many companies and government forest departments that manage plantations. NGP aims to identify and promote best practices for plantation design and management, through sharing lessons and experiences from around the world.

In order to complement and support existing processes in the sector, the TPL initiative has been developed to enhance discussions through field dialogues that address the TPL Initiative's five key topic areas, listed below:

1. Plantation Forests in the global development agenda;
2. Design and implementation of plantation forests in the context of a landscape approach;
3. Approaches to enable good governance and inclusive development;
4. Identifying key externalities associated with the development and management of plantation forests;
5. The diversification of the forms and species composition of plantation forests, the sustainability of plantation forestry systems, and access to and use of new technologies.

Local and international participants representing the forest industry, civil society organizations, indigenous and Quilombola peoples, the Landless Workers' Movement (MST), government, and academia participated in the Dialogue and field visits. The visits took place in Far Southern Bahia and Espírito Santo state within the Central Atlantic Forest Corridor and included a wide variety of sites: a private protected area, outgrowers' tree farms, and a forest restoration site, as well as Quilombola, MST, and indigenous communities.

### Brief Description of Regional Background

The remaining forests and biodiversity of the Atlantic Forest are not evenly distributed within the region. Some regions, such as the Central Atlantic Forest Corridor (CCMA), contain higher concentrations of the remaining forests and species not found anywhere else on the planet. The CCMA is home to such a high concentration of endemic species that it is regarded as "a hotspot within a hotspot".

Covering the regions of Espírito Santo and southern Bahia, the CCMA is approximately 213,000 km<sup>2</sup> in size and includes marine (37%) and terrestrial (63%) areas, extending over 1,200 km along the Atlantic coast. The terrestrial portion is composed of more than 95% privately owned lands, with the remainder being federal, state or municipal protected areas as well as indigenous and Quilombola lands – areas legally designated to protect sites where descendants of enslaved Africans can live.

This region, which covers 49 municipalities in Bahia and Espírito Santo states, is home to one million people and contains the largest remnants of the Atlantic Forest in Brazil. These fragments serve as habitats for many endangered species, most of which are endemic to the region, making the forest fragments critical for the protection of global biodiversity.

Beyond those natural conditions, land availability at low opportunity costs and existing infrastructure have attracted pulp and paper companies to this region since the 1970s and 1980s. The region visited by this Field Dialogue contains tree plantations as well as pulp and paper mills of three large-scale producers: Fibria, Suzano, and Veracel.

Fibria, Suzano, and Veracel own a total land area of 919,000 hectares, with 591,000 hectares (64.3%) occupied with eucalyptus plantations and 328,000 hectares of other areas, most of them covered by native forest remnants in many stages of maturity. This region is one of the biggest areas of homogeneous tree plantations in the country and one that provides significant challenges – and opportunities – for sustainable expansion of the industry. The three companies generate 16,513 direct jobs in this region, between company and outsourced employees, including workers in the pulp and paper mills and those working in the field (plantations and other areas).

For detailed information on this region and its background, see the Background Paper prepared for this TPL meeting, at [https://theforestdialogue.org/sites/default/files/tpl\\_background\\_paper\\_-\\_eng\\_0.pdf](https://theforestdialogue.org/sites/default/files/tpl_background_paper_-_eng_0.pdf)

## Main Expectations

In the first session of the dialogue, participants outlined six expectations:

1. Seeing what was changed: The first field dialogue was in Brazil 15 years ago on the topic of conservation. 10 years ago the IMPF Dialogue looked at plantations in this same region, and now participants have returned to look at the progress and remaining challenges.
2. Shifting the focus from the plantations themselves to their context in the landscape, creating a broader discussion.
3. Meeting commitments, since many advances in the Central Atlantic Forest Corridor were related to TFD's original discussions.
4. Focusing on people and not on trees, there must be a 'social license' to the tree plantations.
5. Understanding the dialogue process by learning, sharing, and networking.
6. Looking for Partnership solutions to achieve the three pillars of sustainability: Production, Social Justice, and Conservation.

## Site Visit Descriptions & Observations

### RPPN ESTAÇÃO VERACEL

Theme: High Conservation Value areas with legal protection status (Private Natural Heritage Reserves - RPPNs).

#### Brief Description

The RPPN Estação Veracel, the largest private reserve in Northeast Brazil and the second largest in the Atlantic Forest biome, represents one of the main forest remnants in the Far Southern Bahia and in the Central Atlantic Forest Corridor. This private protected area is one among 20 areas in the world with the largest number of tree species per hectare. It has been identified as a Key Biodiversity Area (KBA) for its important role in protecting globally endangered species of fauna and flora. It is also considered an Important Bird Area (IBA), as it shelters significant populations of globally endangered species. The importance of the RPPN Estação Veracel has been recognized internationally as a World Natural





President of the association (left) and community members of the Coxi Quilombo



Participants at the Jaci Rocha Settlement



Co-chair Skip Krasny (right) and the São Domingo co-op members



Co-op in Quilombo São Domingos

Heritage Site (SPMN), granted by UNESCO in 1999.

### Notes From the Field Visit and Dialogues

- ▶ There are nine more private reserves with the same level of protection owned by Veracel and all are recognized as High Conservation Value areas (HCV). But this is the only one with legal conservation status as a RPPN. Seven of the private reserves are dedicated to conservation of endemic and rare species, two are dedicated to sustainable use by local communities, and one is a community graveyard and is used for extraction of piaçava for traditional artisanal work to make brooms and roofs.
- ▶ There is monitoring to determine whether the fauna and flora are impacted by neighboring eucalyptus plantations. The area is also used for environmental education, receiving around 2 classes per day from local schools and universities.
- ▶ Its management plan is the first one for a RPPN that considers climate change issues for planning and applying adaptation based on an ecosystem approach. Climate change predictions were made by modeling after studies of all the species and their adaptabilities.
- ▶ There is a plan to create forest corridors to connect the RPPN to the nearby Pau Brasil National Park to allow dispersal of animals between the larger Atlantic Forest remnants. The main challenges are the lack of engagement of some landowners and a highway that crosses the corridor.
- ▶ Poaching of animals for bushmeat is a key concern within RPPN Estação Veracel and is almost a daily occurrence due to the high price of bushmeat on the local black market. The local police are always notified but efforts to stop poaching have failed to date.
- ▶ The importance of the area being an RPPN is that it is protected in perpetuity and any business that buys the land is required to maintain it as an RPPN by law. The advantages of a private RPPN are the resources and innovations that a company can provide. There are usually more investments, technologies, and human resources available in a private RPPN than in a similar public reserve.
- ▶ There are 115 springs and numerous animal and plant species within the reserve area. Springs have dried up in the other protected areas but not in the RPPN.

### Co-Chairs' Comments on Forest Conservation Issues at the Veracel RPPN

- Impressive forest gains: The voluntary commitments substantially exceed the legal requirements imposed by Brazilian Forest Code and other complementary laws and forest certification requirements.
- Environmental education is important to protect the future of the remaining Atlantic Forest.
- High investment: the private sector is able to deliver effective conservation by providing more money and personnel than can be provided for public protected areas. There exists the potential for the creation of additional RPPN protected areas by the private sector.

- The roles of High Conservation Value (HCV) areas and community participation in HCV 5 (HCVs that are resources for local communities or indigenous peoples to meet their basic needs) both need clarifying.
- Poaching levels are very high: The police have not been able to effectively deal with this challenge.
- There was not enough time to look at corridors and wider links in the area.
- We noticed notable progress from 10 years ago.

## **OUTGROWERS: COMPANY-SUPPORTED TREE FARMS**

Theme: Rural properties as producers of pulpwood and other products.

### **Brief Description**

The Monte Pascoal farm, located in the district of the same name, municipality of Porto Seguro (Bahia), is owned by Armando Rodrigues and managed by his son Renato Rodrigues. The Rodrigues family acquired the property in the mid-2000s for the initial purpose of cattle ranching. The family maintained a herd of approximately 1000 head of cattle until 2003, when Armando Rodrigues was introduced to Veracel's Forestry Producer Program and decided to join it. Since 2011, the farm has forest certification (FSC/SLIMF) and is part of the Association of Eucalyptus Producers of the Far Southern Bahia (ASPEX). The farm has about 930 hectares, 392 hectares with eucalyptus plantations (contract with Veracel), 49 hectares of independent eucalyptus plantations, and 271 hectares of remaining forest. There are 4 families working and residing on the farm.

### **Notes From the Field Visit and Dialogues**

- ▶ ASPEX is an association of small and medium farms that work supplying wood for Veracel and has existed for 10 years. With the help of ASPEX and consultants, the outgrowers and Veracel have all worked together to secure dual certification (FSC and CERFLOR [PEFC]) for their plantations and natural forest areas.
- ▶ Most of the outgrowers raised cattle and before switching their main source of income to silviculture, although some still raise cattle and depend on ranching.
- ▶ Now the outgrower farms have three different land uses: pasture land for cattle, eucalyptus plantations and native vegetation in Permanent Preservation Areas (APPs) or legal reserves (RLs).
- ▶ In total there are 10,000 hectares of preserved and planted lands on the outgrowers' farms
- ▶ The Atlantic Forest has great potential for natural regeneration, as the riparian areas and legal reserves often recover when the land is left in the appropriate conditions.
- ▶ At the Monte Pascoal Farm, trees are the main product and 4 families live there. There are 70 direct employees and more than 1000 indirect employees that are outsourced.
- ▶ The contract with Veracel states that the outgrowers will receive 100% of their investment and must sell 97% of their eucalyptus product to Veracel. They can sell the other 3% to other companies, however due to the lack of other buyers they usually end up selling the rest of their wood to Veracel as well.



Participant Petri Lehtonen at the Suzano Restoration site



Miriam Prochnow (co-chair) leads a breakout session



MST Agroecological Plantation



MST agricultural engineer

- ▶ The price the outgrowers receive from Veracel for the eucalyptus is based on fair market value and is updated every 6 to 7 years based on the inflation rate and other market conditions.
- ▶ Veracel has 20% of its eucalyptus wood needs provided by outgrowers and wants to reach 30%, but there is a difficulty in finding additional partners.
- ▶ Outgrowers are interested in diversifying the use of their lands to provide additional income opportunities. An event to discuss diversification opportunities determined that currently there is a lack of demand for biomass.
- ▶ According to outgrowers, growing eucalyptus is a lot more profitable and produces more jobs than raising cattle.
- ▶ ASPEX solved conflicts with the Landless Workers' Movement through face-to-face dialogue. Ultimately, the MST's demands were against the companies and not small private landowners.
- ▶ Outgrowers have access to credit due to the partnership with the company, but there are difficulties in finding credit for other uses.
- ▶ The impacts of climate change were felt with a severe drought in the past two years, but now the climate seems to have returned to normal. The representative of ASPEX said they tend to believe in these climate events as a normal part of climate cycles.
- ▶ The forest certification process was a challenge and brought a cultural change that can be carried over to other areas of production with assistance of the state. These changes include better compliance with legal requirements and regulations.

### Co-Chairs' Comments on the Issues Facing Company-Supported Outgrowers

- Lots of larger farmers are getting certified and restoration areas are quite extensive.
- Land use is more diverse (cattle, eucalyptus and natural forest). Diversification means multiple uses of eucalyptus wood, restored forests with a diversity of native species, and other ranching and agriculture uses.
- Certification costs pose a challenge to small farmers. The consultancy coordination is very demanding because ranchers are not traditionally organized. The association is a great model and the members have worked together to meet the legal requirements and receive certification. There needs to be a lot of learning and a mindset of change. (in order to do what?)
- Levels of employment in plantation forestry are still very low, although higher than for cattle ranching. But conditions have been improved as a result of the need for legality and certifications.
- It is difficult to scale up plantations without company subsidies. Currently, the model is very dependent on companies. How can a sustainable model be scaled up? Can companies continue paying for certification in greater scales? Costs of certification increase dependency. Diversification of income opportunities makes landowners less dependent and more resilient to market changes.

- Farmers need to diversify more to become more financially solvent and resilient to changes in economy and climate. They are trying to diversify but markets aren't there. The lack of diversity creates higher risk at the landscape level.
- Certification experiences may prepare farmers for other markets, creating wider options for income in the landscape. But the rigors of certification require farmers to have a mentality of both competition as well as compliance.
- The mindset and models for restoration (APPs and RLs) also exist in outgrower communities, which will make it easier for the farmers to restore more land.

## JACI ROCHA RURAL SETTLEMENT

Theme: Inclusion of agrarian reform settlements and smallholder communities in the forest production chain.

### Brief Description

The project started from a historic agreement between Fibria and the Landless Workers' Movement (MST). After 13 years of conflicts triggered by MST occupations, followed by repossession made possible by the former Aracruz Celulose, the two parties began a dialogue, mediated by Professor Paulo Kageyama of ESALQ / University of São Paulo, who died in 2017. The agreement includes a voluntary land provision by Fibria for agrarian reform, a training school in agroecology for settlers and their children, and development of agroforestry production models. These models are based on the principles of agroecology in order to ensure the sustainability of settlements. The Jaci Rocha Settlement has a total area of 2,800 hectares and has 207 families within, each with 10 hectares of productive plots.

### Notes from the Field Visit and Dialogues

- ▶ Resilient, complex planting systems are needed that maintain the fertility and moisture of the soil despite high ambient temperatures. This will help reduce crop losses and contribute to family subsistence.
- ▶ Historically, the landless workers worked on farms in this area and were laid off when lands were sold and developed into eucalyptus plantations. These workers had no other skills or job opportunities and forced to find work in cities. The social and political aim of the MST is to reverse that situation and give those families the capabilities to produce their own sustenance from the land.
- ▶ By forming partnerships with companies, they now have access to two government programs to sell their excess production: the national food acquisition program called PAA, in which the state buys MST products for basic food baskets; and the national school lunch program called PNAE in which the state or local city buys their products for public school lunches.
- ▶ The MST lands were previously used for cattle ranching and became very degraded. Now the MST is trying to follow more sustainable practices, such as decreasing the land use of cattle farms by moving away from the Brazilian tradition of ½ cattle per hectare and increasing density to 4 cattle per hectare.
- ▶ The MST communities are working toward an ecological restructuring by studying the topography and ecology of the landscape and dialoguing with other families to divide the land so that each family can grow its desired crops. They divided the land into nuclei based on the soil and separated the





Co-chair Beto Mesquita (left) and Ivone Namikawa at the co-op



Native seeds in the Arboretum Project



Co-chair Marchus Colchester speaks at the Dialogue



Agroecological School in Landless Movement Settlement Jaci Rocha

area like pizza slices, with each slice going to a family and a circular collective area for knowledge exchange and collective growth in the middle.

- ▶ The school has an interdisciplinary staff that teaches agroecology. The staff recognizes both the scientific and the traditional knowledge of the farmers that have been on the land for years. The school serves as an example and inspiration for local farmers to move forward and transform ideology, eliminating the unsustainable use of pesticides and fire. The school was in place before the settlements were recognized and therefore helped to plan the development of the settlements. The staff works to include agroecology in other schools and has succeeded in three locations. Schools have an important role to bring about social and paradigmatic change.
- ▶ It will be hard to expand this agroecological model to previously established MST settlements, (there are 30 and some are over 30 years old), but the Jaci Rocha Settlement is dialoguing with other settlements and offering courses at the school to incentivize the shift to agroforestry.
- ▶ The agroecological program has only existed there for a year thanks to the partnership with Fibria. The members recognize the support came from the companies towards their projects and education and they want that relationship to continue. The agroecological plantations and school have technical support from the University of São Paulo, ESALQ, and the companies are making this shift a reality, bringing knowledge and education to all. There is still conflict, but they want the continuity of partnerships.
- ▶ The settlers at Jaci Rocha are not interested in planting eucalyptus, only in planting native tree species for their own use (i.e., fences and firewood). They also don't plant eucalyptus because they are against monocultures and they would only plant trees for their own small consumption.
- ▶ Half of the Jaci Rocha area contains remnants of native forests. They are collecting seeds and partnering with the Arboretum Program to create seedlings to restore degraded areas and RLs. The goal is to combine production and preservation. They have lots of springs and water so there are many APP areas in their lands. The partnerships with the government, the companies, and the arboretum will be essential for them to recover those areas because the costs for restoration are high.

### Co-Chairs' Comments on Jaci Rocha Rural Settlement

- Even though the MST continued to oppose eucalyptus plantations due to the high concentrations of land and business models, they accepted the partnership with the paper and pulp companies and saw value in dialogue.
- The amount of area being reallocated and designated to agrarian reform and settlements under this agreement and dialogue process is impressive (30,000 ha.).
- The government has been slow to recognize and address the needs of the Landless Workers' Movement which is lamentable. Some families have been living in 'black tents' for over eight years.
- This example created only one job per 10 hectares.



- Agroecological farming is still experimental and there is a need to scale it up when it proves itself and lessons have been learned.
- The relationship between the MST and the forestry companies continues to be tenuous, and a great deal of effort is still required to evolve the relationship and continue concrete projects. Agroecology projects are an effective way forward that address the needs of both the people and the environment. There is also a need for partnerships with universities to bring technical support to these projects.
- Continued support and training from the company and university is still necessary for the project to scale up.
- Some evidence of mistrust and misinformation between MST and the companies continues. One example of this is the MST claim that the companies use planes for spraying pesticides over crops, which is illegal unless carried out under regulated circumstances. The companies deny this claim; however, they do spray fertilizers.
- The dialogue and partnering with MST is a major change from 10 years ago!

## SUZANO FOREST RESTORATION SITE

Theme: Forest restoration as part of a sustainable landscape strategy.

### Brief Description

Suzano carries out a forest restoration program aimed mainly at the recovery of Permanent Preservation Areas (APP or riparian areas) on the farms owned or leased by the company. The company is one of the founders of the Atlantic Forest Restoration Pact, which aims to restore 15 million hectares until 2050. It also has a cooperation agreement with The Nature Conservancy in order to identify and to restore priority areas in the Mucuri River basin. This particular Suzano restoration site is located in this river basin, which supplies water to the company's pulp and paper mill. With approximately 200 hectares, this area includes APP (37 hectares) and a continuous stretch of Legal Reserve (160 hectares). Due to the degraded conditions of the area and the absence of native forest remnants nearby, a dense 2x2 meter planting technique is used for forest restoration. Fast and slow growing species are planted in alternating rows in order to rapidly form a canopy but also provide species diversity. The process of restoration on this site began two years ago. In APP, the control of invasive alien grasses is done by manual mechanical weeding, while in the RL area glyphosate herbicide is used.

### Notes from the Field Visit and Dialogues

- ▶ Suzano has a 21-year lease on the site and the company must comply with the licensing and legal requirements which require that riparian areas be APP and that 20% of the land area must be an RL in the Atlantic Rainforest. The licensing requirements make Suzano responsible for the restoration of these areas. They decided to join the two areas to provide connectivity and larger contiguous corridors.
- ▶ The former landowner raised cattle and the land was still very degraded and eroded. Suzano worked to restore the land and plant native vegetation. The licensing for this plantation area established a deadline for restoration that goes beyond that required by the Forest Code, which required Suzano to plant seedlings instead of letting the land naturally regenerate. This is the most expensive method for



Yugo Matsuda explains the Suzano restoration process and requirements at the site



TPL Participants in the Dialogue



TPL participant Cecilia Alcoreza (WWF) in the Arboretum greenhouse



Gleyson Araujo, president of ASPEX, association of eucalyptus producers of Far Southern Bahia

forest restoration and is generally avoided when possible.

- ▶ Because the laws surrounding herbicides differ from state to state, herbicides are not used in the APP to avoid potential conflict with the law as well as runoff and contamination of the watershed.
- ▶ The RL is maintained using herbicide, fertilizers and machines. They use glyphosate to keep out the invasive grass. Studies with the University of São Paulo have determined that in the quantities and methods that they use, the herbicides do not contaminate underground water because they only reach 25 cm below the surface of the ground and are not applied when it rains. The dose is important: it must be small and only applied in the first year to allow the tree seedlings to survive. Water is monitored based on legal and licensing requirements and reports must be delivered for 10-15 years. Herbicide application is 30-40% of the expense of native forest restoration but manual control costs more and they are open to newer and cheaper technologies.
- ▶ They do not use airplanes for crop dusting.
- ▶ There were also studies with the university on ecosystem services of natural areas and also of the eucalyptus plantations. The APP works as a filter to clean the water that reaches the riverbeds.
- ▶ There is monitoring of fauna for herbicide contamination. There is no monitoring of neighbors for glyphosate exposure. All the workers follow the safety rules mandated by law for herbicide application and use.
- ▶ Bahia has 650,000 hectares of pending APPs (to be restored). 50% - 60% of those can be restored simply by natural regeneration.
- ▶ There is an agroecological option for weed control using legumes and herbs that also work as natural fertilizers. Agroecological methods are good for small-scale restoration but complicated for large-scale restoration, covering around 1,200 hectares per year. The model is not the same as the intensive and continuous use of herbicides by agrobusiness.
- ▶ One local partner of the restoration site is a small nursery. The owner is a former Suzano employee and now sustains his family with the nursery to provide native tree seedlings. His biggest client is Suzano but he also does some work for Fibria and a construction company called Queiroz Galvão. He also took technical support and assistance from ESALQ/USP where he learned new and more modern and efficient methods and he now produces 2 million seedlings per year. His sapling storage method changed from plastic bags to reusable tubes, which is more efficient and produces higher quality and quantity of seedlings. The contracts with the nurseries are now 2 years each, to protect small and medium producers from income fluctuations or periods of no income when there is no demand for seedlings.

### Co-Chairs' Comments on Suzano Forest Restoration Site

- Forest certification is a significant driver of restoration as well as Atlantic Forest Restoration Pact targets. Also, restoration is a legal requirement that is included in the environmental license for tree plantations.

- The cost of forest restoration via seedling planting is quite high (up to US \$6,000/ha.). Using natural regeneration can be significantly less expensive. In this particular case, environmental licensing deadlines made seedling planting the only viable option.
- Brazil has a very ambitious target of restoration (12 million hectares, according to Brazil's NDC) and as we saw here, costs can be very high. Companies have a very big role in reaching those targets. Although 50-60% could be restored by natural regeneration, the lowest-cost option.
- Representatives of civil society organizations are very concerned about the use of herbicides in the restoration process. Participants noted that MST is not using chemicals, focusing instead on organic produce, and while chemicals are not allowed in riparian areas they are used in legal reserves to meet imposed deadlines.
- Much higher rates of herbicides are being used on food production (i.e. watermelon) in the next field!
- Corridor linkage potential has not been explored enough.

## THE ARBORETUM PROGRAM

Theme: Forest restoration support as a strategy for regional development.

### Brief Description

The Arboretum Program is being implemented with funds from a Term of Conduct Adjustment (TAC, in Portuguese), a legal agreement to avoid litigation signed in 2011 by the Public Ministry of the State of Bahia with the companies Suzano and Fibria. The Program was designed to act as a central repository for technical support for forest restoration in the region, adapting restoration methods to local diversity and adding social, conservation and sustainable use interfaces.

The program goals are:

- » registration of seed matrices of threatened, rare, or endemic species;
- » establishment of germplasm banks ('arboretum'), especially of rare, endemic, and endangered species;
- » implantation of a herbarium;
- » provide greater diversity of seeds of native species with good quality and known origin;
- » generate and disseminate knowledge about seed storage of native species;
- » disseminate knowledge on the production of native species, especially endangered, rare, or endemic;
- » identify, develop, and disseminate suitable methods and techniques for restoration, conservation, and sustainable use;
- » generate scientific and technical information on restoration, rehabilitation, and recovery of areas and monitor experimental plantations;
- » support community nurseries and enable the generation of income to rural communities through





Consultant Victoria Rizo explains her work with the small producers' association ASPEX



Leadro Dominicini, MST



Participant Natalia Canova at the Suzano Restoration site



Workers at the farm neighbouring the Suzano restoration area

seed collection, seedling production, restoration, and sustainable use of native species.

### Notes from the Field Visit and Dialogues

- ▶ The TAC was made between the environmental prosecutors' office and the companies because their outgrowers were not in compliance with the Brazil Forest Code requirements for APP and RL. Veracel was not part of the TAC because they did not receive any violations.
- ▶ In Brazilian Environmental Law, there is what we call solidary and objective responsibility, where all parties are responsible for the entire supply chain regardless of intent. Therefore, the companies were all liable for their outgrowers, the small producers from whom they purchase eucalyptus.
- ▶ The TAC brought an investment of \$10 million USD for 10 years. 400 outgrower farms also adhered to the TAC.
- ▶ This program is aimed at creating seedlings of native species to make the restoration of APPs and RLs viable for small producers. They noticed there was a need to address more than 1,100 rural properties and that there were no adequate conditions for small and medium properties to comply. The program incentivizes further compliance of the law and brings job opportunities to seed collectors and seedling producers.
- ▶ There are 7 different community centers that collect seeds, maintain nurseries, and plant seedlings. These community centers also generate income in those communities.
- ▶ There is talk of putting this successful pilot in a national database to be reproduced in other regions.
- ▶ The next step for the environmental prosecutor's office is to investigate beef and sugar supply chains to create greater compliance in those areas and sustain The Arboretum Program.
- ▶ Three objectives of the program (environmental, legal and economic targets): Compliance of the law; jobs (by seed collection and nurseries); diversification of the forest and uses of RLs (they can be used sustainably).
- ▶ They use legumes (beans, etc.) as organic fertilizers when planting.

### Co-Chairs' Comments on The Arboretum Program

- Working to create conditions that allow restoration to scale up, creating supply chains and employment.
- Long-term needs and results. Valuable lessons to learn from, for scaling up.
- How can it be sustained after TAC ends? Public Environmental Prosecutor will target ranchers and meatpackers next, then sugar. This strategy, step by step, could create landscape options for corridors.
- The sustainability of the nursery businesses is unclear.

## QUILOMBOLA LANDS

Theme: Respect for the rights and opportunities of insertion in the forest production chain.

### Brief Description

‘Quilombolas’ were defined in the 1988 Constitution as the communities formed by descendants of former slaves. During President Lula’s administration the definition was broadened by decree to include descendants of slaves that lived on farms that had gone bankrupt. This is the most common case in this region. There are 5,000 areas recognized as ‘Quilombolas’ in Brazil, and 400 are in Espírito Santo state, which is the region with the greatest density of Quilombolas.

**Coxi Quilombola Association:** A Quilombola community of small farmers that is totally surrounded by Fibria plantations. The community has a tradition of producing manioc flour, which is sold at local fairs and to the food acquisition program for school feeding.

**São Domingos Quilombola Cooperative:** A cooperative created in partnership with Fibria to generate alternative income to a group of 22 families whose subsistence was the theft of wood and eucalyptus waste. Most of the cooperatives had long histories of conflicts with the company, with instances of community members being sent to prisons for theft, among other problems. The partnership with Fibria enabled the creation of the cooperative, the design a business plan, the provision of forestry services to Fibria, and the attraction of new strategic partners, such as the Votorantim Institute and BNDES (National Development Bank).

### Notes from the Field Visit and Dialogues

#### Quilombola Coxi

- ▶ This Quilombola community chose to stay in the middle of Fibria lands because all of their neighbors sold their lands, but this community’s family patriarch did not. It is one very large extended family, with 14 smaller families led by 13 sisters.
- ▶ They have had a good relationship with Fibria since their father’s time. Fibria backed the plantations up to give the family space.
- ▶ They are supported by Fibria’s program of rural development (PDRT) and incentivized agriculture and other activities. There are 18 communities in the Aracruz municipality that have benefited from this program and 17 are Quilombolas. Around 90 technicians work in this program.
- ▶ Through the PDRT program, Fibria gave the Coxi community a flour machine, tools, and helped get them access to the PAA and PNAE programs. They produce manioc flour, biju, and other products. They have papaya and other fructiferous trees.
- ▶ PAA is simpler because they take what they can get, there is a list of food and the receivers are poor families that benefit from “Bolsa Família”, a federal income distribution program that combats extreme poverty.
- ▶ PNAE is more complicated because a nutritionist is responsible for school lunches. The Fibria community program is in dialogue with the school system to make sure the nutritionists consider not only the nutritional values, but also, the cultural values of the region.
- ▶ The government is notably absent in the region. Community members suffer from unemployment,

lack of water, and health issues (glaucoma is abundant in the community). There used to be enough water to fish, but now the lack of water is affecting their agricultural activities. The community's lands used to have many springs, which are now dried, and they now use well water, which is also drying. The government promised the construction of another well to reach more water and still hasn't delivered. Nonetheless, they do not think the water dried up solely because of Fibria, since there are many other crops – including intensive irrigation system for fruit production – and pastures upstream.

- ▶ They were not able to keep the school in their community, so now the kids have to study at another Quilombola, São Domingos.
- ▶ The young people are leaving the Quilombola for the city in search for jobs. Some work at Fibria as third-party employees. Fibria has a project to increase employment in communities since 2016, training them to fight forest fires.
- ▶ The Quilombola leadership does not meet to unite and streamline their demands and struggles.
- ▶ There currently isn't any monitoring to see how plantations may affect communities' health.

### **Quilombola São Domingos (Cooperativa)**

- ▶ The co-op project was created from a dialogue with Fibria.
- ▶ The project began in 2013 and provides services in preparing the land for eucalyptus plantations. This work was initially done manually and now it is done semi-mechanically in Espírito Santo, Minas Gerais and Bahia states.
- ▶ The co-op brings employment and dignity, and allows the community to invest in other resource-generating projects such as the restaurant in their community.
- ▶ Many did not believe in the co-op and left but the ones that did are very satisfied. They used to make charcoal from plantation waste, which created more unhealthy working conditions. It took some time to adapt to new forms of work but they are now proud of what they do.
- ▶ Fibria also sponsored a consultancy that specialized in co-ops, which helped the community create structure. They began as a company but saw that the co-op model was more appropriate for their needs. They created the business plan and institutional design that would give the greatest return. The consultancy still assists when needed.
- ▶ Fibria provided working capital for the co-op to cover up-front costs such as uniforms and structure to ensure the co-op was meeting standards, legal parameters, and Fibria's policies. The Co-op is now entirely self-sustained, and recently purchased a bus with a BNDES (Brazilian development bank) grant they applied for and were awarded themselves.
- ▶ Fibria, the consultancy, and their lawyer helped create the co-op, but the original idea for it came from the community itself and created a sense of empowerment. They had to fight in courts because the Ministerio Publico claimed they were bought off by Fibria, however their lawyer as able to prove the idea came from them and was to their benefit. A co-op is simpler than a corporation and brings them direct benefits.
- ▶ Historically, the Quilombola communities have had a lot of conflict with the companies. In the past, they produced flour, manioc and brooms. When the water sources dried up, they could no longer produce these products and they became dependent on the leftover branches of eucalyptus for



charcoal production. They were forced to ask Fibria for these leftovers and this resulted in conflict, which negatively affected all parties. The conflict came because there was more demand than the company could supply, and theft occurred. There was a lot of work inside the communities and inside the company to allow this partnership to occur. There had to be a mindset change, and now the co-op brings an honest living that is better for all.

- ▶ The co-op currently has 28 workers that feed many families. They funded the restaurant and want to create more horticultural work within the community. They all split the profits evenly, except for the women who work cleaning the office (there were 4 and now there are 2).
- ▶ There are 400 families in Quilombola São Domingos. There are other partnerships with Fibria in the community, especially with women to bring income into the household with artisanal work and with agriculture.
- ▶ The Co-op currently only has Fibria as a client but are beginning to work with ECO as contractors preparing the land and planting.
- ▶ The Quilombo is still being demarcated by the government.

### **Co-Chairs' Comments on Quilombola Communities**

- Very positive that companies are engaging with Quilombolas (not seen 10 years ago) but there is a long way to go.
- Land squeeze very challenging (eg. Coxi from 200 ha -> 6 ha (not yet titled) and now 10 ha loaned for PDRT: little land for 10 families.)
- Nationally there are 5,000 claimant Quilombos: 40 in the area but many are not yet recognized, and titling has now stopped, creating a major bottleneck.
- Coxi is not yet self-sufficient and its organization is weak. Still very dependent on company resources. Completely cut off, companies are taking on the responsibilities of the government.
- A health study and monitoring are recommended to determine the causes of high levels of glaucoma and blindness in the community (Coxi) and if it could be related to agro-toxin exposure.
- Availability of water is obviously a pressing issue. Some Quilombolas think the water dried up because of the eucalyptus plantations, but the companies say it was dammed by fruit plantations upstream. Dialogue with agrobusiness would be important to resolve this.
- At São Domingos, there were 100 families producing charcoal, a practice that was very exploitative and used child labour. Middlemen were being paid poor prices. But there are 40 families still producing it.
- The cooperative created 26 jobs. Challenges remains for other people in the Quilombo, such as adopting the practice of intercropping, participating in the PDRT (Rural Development Program created by Fibria), and receiving technical support for agriculture on their own lands now that government buyouts for the Quilombos have stopped.
- The Cooperative is a pilot that can be scoped, learned from, and expanded upon if reproduced.
- Women's leadership in Coxi is encouraging; however women's role in the co-op is less valued. Women in the co-op typically work part-time in cleaning or in the office rather than in production, and receive lower pay.

- A lot has changed in the last 10 years: the companies were very resistant to engage initially but substantial benefits have come.
- It is impressive to see the programs that have been made to strengthen social capital and successes must be shared with other areas.
- Models used to restore livelihoods: Association; intercropping (crops in non-planted areas); government restitution of the land; learning techniques and cooperative principles. All of these add to empowerment and autonomy.

## INDIGENOUS VILLAGE

Theme: Respect for rights and lessons learned.

### Brief description

Areal is one of the Tupiniquim villages located in the Aracruz region, where about 60 families are living. In total, there are about 3,500 indigenous people in the 18,000 hectares of indigenous land, distributed among 12 indigenous communities (10 Tupiniquim and 3 Guarani). Most of villages have around 200 families, with the largest one having around 400 families and smallest having around 100 families. After a long legal battle against Fibria, the indigenous people finally have 18,000 hectares of land. In 1967, when Aracruz Celulose (the previous name of Fibria) arrived in the region, the indigenous people were already there but didn't have indigenous status to land (that cannot be sold), those who had land titles sold it to Fibria and only a small parcel of the land stayed with them. In the 70s and 80s they fought and got a part of the land. Then, in the 90s, there was a second struggle for the largest part of land and they got it all demarcated 12 years ago.

### Notes from Field Visit and Dialogues

- ▶ Tupiniquim people are indigenous to this region and Guarani can be found almost everywhere in Brazil and in other parts of South America, but they joined in their struggle. Indigenous identity has no borders and FUNAI supported this alliance.
- ▶ Deforestation caused their springs and rivers to dry. When the conflict ended, there were no more native species and all of the fauna had fled. The company had one last harvest of the eucalyptus plantations and the land returned to the community had to be redeveloped.
- ▶ The population is growing a lot, not only because they welcome other indigenous peoples as brothers, but also because their children are procreating.
- ▶ The land used to be full of native species and dense forests and springs. Now there is no water left. They are partnering with the state and local governments, IBAMA (federal environmental agency), IEMA (state environmental agency) and Fibria to restore the springs and are fencing them to avoid people and animals from degrading the riparian areas.
- ▶ The women of the community also have a voice. One lady already reforested her land and now, due to the partnership with Fibria, has an organic produce certificate. She sells her organic produce in organic fairs and stores and artisanal work in 3 different stores, even in malls and in the airport of Vitória.

### Co-Chairs Comments on Indigenous Communities

- Very positive, got their lands back and organized production.
- Major achievement to have restituted lands.
- Organization seems impressive, but not very clear how it works.
- Role of women is notable; they are engaged in handicrafts and farming.
- State government partnership needs clarifying. Their partner for restoration is the government through its Reflorestar Program.
- Their vision for forest restoration is ambitious and land use planning might help the community make it a realization. Landscape connections need exploring. Intention to restore up to 50% is currently just an ideal, but there are no concrete plans, mapping or methodology.
- Major improvement from 10 years ago!



Monte Pescoço, Serra Itamaraju, Parque Nacional Monte Pascoal seen from the MST farm Jaci Rocha

### **Ten years later: Have the issues identified as priorities during the IMPF meeting in 2008 been addressed?**

Participants in The Forests Dialogue meeting on Intensively Managed Planted Forests (IMPF) held in this region in 2008 indicated the following issues as priorities to be addressed with a view to regional sustainability:

- » Good governance, to achieve socially-fair and environmentally beneficial outcomes from economically-driven IMPF investments;
- » High levels of corporate social responsibility on the part of IMPF businesses, particularly – but not only - where governance is weak;
- » Respect for the rights of indigenous and local communities, based on recognition of the principle of free, prior, and informed consent for activities affecting these rights;
- » Empowerment of the forest workforce, including small holders and outgrowers through maximizing formal contracts and employment for workers engaged in “regular” work, promotion of self-organization for small growers and contractors and honoring the International Labour Organization core labor standards.
- » Effective integrated land-use planning – to protect areas of high conservation and cultural values, to



integrate IMPF with other land uses and enterprises, and to mitigate against climate change;

- » Establishing and enabling dialogue and conflict resolution processes that address the interests and concerns of stakeholders and promote mutually-beneficial partnerships;
- » Exploring and implementing models of IMPF-based development, which give effect to these principles, for example as articulated by FAO for Responsible Management of Planted Forests.

***In addition to these issues identified ten years ago, five other points were considered relevant to the reflections and conversations during this meeting:***

1. Plantation forests in the context of the global sustainable development agenda
2. The design and implantation of planted forests and forest restoration initiatives under a landscape approach
3. Approaches to enable good governance and inclusive development
4. Identifying key social and environmental concerns (externalities), from the perspective of different stakeholders associated with the development and management of plantation forests
5. The diversification of the forms and species composition of tree plantations, the sustainability of plantation forestry systems, efforts to combat climate change and to amplify conservation, and access to and the use of new technologies.

Even with the knowledge that five days of field visits and dialogue were not enough for a full assessment of progress on these issues, it was possible to witness and record some important changes. Taken together, such changes indicate that there is a process of regional transformation. However, such changes in practices, policies, and processes, and the results from them so far, do not allow us to affirm that there is a positive trend established.

Instead of analyzing one-by-one the issues listed above, we decided to record, as bullet points, the main changes and challenges identified. Most of them concern more than one of the priority points above, with some referring to a single point. This record, added to the comments registered for each of the places visited, reflects the perception of the group of co-chairs for this meeting.

- In regards to territorial governance, it was possible to note the progress made by the Forest Forum of Far Southern Bahia. Such changes are evident especially in the fulfillment of some of the voluntary agreements assumed by companies over the last decade. However, as recorded in the Background Paper and corroborated throughout the meeting, several agreements have not yet begun to be implemented or are currently under implementation.
- During visits to the company-supported outgrower farm and to the Arboretum Program, it can be noted that the fulfillment of some of the signed agreements may be due to other vectors besides the Forest Forum itself. Examples are the requirement for forest certification from the marketplace, which resulted in the certification of 100% of Veracel's outgrowers, and the Term of Conduct Adjustment proposed by the Public Prosecutor's Office, which enables the Arboretum Program and the environmental compliance of Fibria and Suzano outgrowers.
- The regional Forests Forum will be 13 years old in 2018 and is still active. However, in recent years, its organizers and participants have noted a significant reduction in the number and diversity of

participating institutions and the effective engagement of participants. It seems clear that the model adopted has played an important role but may need to be revised or reinvented.

- It seems necessary to organize and propose other models of dialogue and stakeholder engagement. Throughout this meeting we have had indications that a significant portion of the social actors in the territory - including indigenous people, Quilombolas, small farmers and producers - are not attracted or comfortable with current models of dialogue. The conventional format of meetings held indoors and away from the local communities, with frequent use of expressions and technical terms that may be hard to understand by non-specialists, does not contribute to the effective engagement of some local stakeholders.
- Perhaps it is more appropriate to adopt more horizontal formats to dialogue, in networks, where social and community leaderships have the opportunity to build their consensus. These stakeholders would also have the opportunity to nominate representatives, who would have greater legitimacy to file demands in broader dialogue environments, along with representatives from other segments.
- Another point that has also advanced since 2008 was the strengthening and organizational capacity of forest producers, especially outgrowers supported by companies. Perhaps the best example comes from Veracel, where approximately 100 producers founded an association and now have 100% of their eucalyptus plantations certified (approximately 17,000 hectares). Both the association (ASPEX) and the certification process were strongly encouraged and supported by Veracel.
- The forest certification process has resulted in producers generating a complete transformation in their farms, from advances in labor relationships to working conditions. This transformation has had an impact not only on the forest production chain, but also on the other productive chains in which these producers are involved, especially livestock.
- However, it has been observed that producers continue to have significant dependence on the companies, in regards to the costs incurred in maintaining the certification. These include not only the fixed costs, which have become greater due to compliance with the requirements, but also the cost of audits directly related to the certification.
- The best alternative to cover these costs and to increase the independence of the producers would be diversification. However, there are several bottlenecks for diversification to become a reality. The first is the difficulty that some producers have had in selling their non-contracted wood volumes into the regional market. By contract, 3% of the wood produced by the outgrowers can be sold to other buyers, rather than delivered to the pulp company. But, both the lack of confidence in the regional market and the lack of experience of producers in negotiating their wood with wood buyers results in 100% of the wood produced being sold to the pulp mills.
- The development of a regional wood/timber market, capable of absorbing the wood production in a safe, constant, and fair manner, is one of the main challenges faced by the forest producers in the region. On this, it would be necessary for the state government to act, fostering diversified forest-based industrial poles. The search for specific niche markets by producers, preferably jointly (via association), may be a short-term option. Another diversification opportunity is for producers to maintain 3% of their plantations standing and to adopt management practices that favor an increase in the volume of wood, allowing the wood to be sold in the future at prices much higher than those paid by the pulp industry. Although some producers have already adopted this path, they are few and most face a lack of 'forestry culture' and a willingness to take on long-term risk.
- The existence of almost 600,000 hectares of eucalyptus plantations in the region destined for pulp production is considered a risk to the regional landscape. Like any other commodity, pulp

suffers price fluctuations in the international market that often have little relation to productivity or regional production costs. The expansion of tree plantations by diversifying the forest base is key to the sustainability of the regional landscape. New species suitable for timber production, new management models, including mixed plantations, and the attraction of new wood-processing industries are part of the strategy for sustainable forest development.

- Social justice was strongly addressed throughout the five days of this dialogue. While considerable progress has been made in the relationship between the plantation forestry companies and the local communities - indigenous, Quilombolas, and landless people - there is still a long way to go. The efforts and investments that have been made by companies over the last few years are notable. The results of this strategy are only beginning to be seen.
- Despite the amount of social investments made in the last decade, the initiatives continue to have significant problems related to lack of local empowerment, strong dependence on companies and lack of government involvement. The various levels of public power (municipalities, states, and Federal) are mostly limited to monitoring the implementation of socio-environmental projects and programs. In almost all cases, they do not engage directly and relieve themselves of responsibilities, even on some of their basic obligations, such as health, education, sanitation and public security.
- The exception to this lack of government involvement is the Arboretum Program, which was designed by the Public Prosecutor's Office and executed under the coordination of the Brazilian Forest Service. But, as already pointed out in the comments on field visits, the sustainability of this program is directly associated with the funds from Fibria and Suzano. As these investments are due to be completed, there is uncertainty about the sustainability of this important initiative.
- The focus is on signing new Terms of Conduct Adjustments with companies that benefit from other productive chains and occupy large areas in the territory. In this way, meatpackers, dairy companies and sugar and alcohol plants are the next Public Prosecutor's targets. This strategy is perfectly compatible and desirable within a landscape approach. But there are doubts on the feasibility and cost-effectiveness of this strategy, considering the greater diversity of the players involved and the complexity in the relations between them. Additionally, in the case of pulp industry, there was market pressure via forest certification that served as incentive beyond the law enforcement efforts. The combination of 'whip and carrot' has been crucial in leveraging these transformations. Unfortunately, the lack of market pressure in the other industries means that there is not yet a 'carrot' for the beef, milk and sugarcane markets.
- The enormous land concentration among the three forestry companies remains one of the most critical issues for the landscape agenda in this region. Some municipalities in Far Southern Bahia have more than 60% of their territory owned by pulp companies. There are municipalities where more than 70% of the agricultural area is occupied with eucalyptus plantations. This land concentration, as well as the concentration of tree monocultures, is at the root of most of the socio-environmental conflicts that were identified, and constitute challenges for the landscape approach.
- The opportunity to plan, coordinate, and implement actions adopting the landscape approach and the principles of the New Generation Plantations is present in the territory. But in order to get out of the intentions and to become a scalable reality, it will be necessary to face some of the main obstacles. The business model, based on land concentration and the export of a single commodity, needs to become flexible and compatible with other models on the landscape scale. There must be clear and strong commitments, as part of the companies' core business, so that the paper and pulp sector exerts its potential as a catalyst and inducer of the transformations the region needs.
- This flexibility and responsibility on the landscape will be even more necessary in the near future, considering the announcement of the acquisition of Fibria by Suzano, which was made during the

event. In a little over a year, the landscape in which three companies are inserted now will have practically a single one, considering that Veracel will have Suzano as owner of 50% of its operations. The fact that a single private company owns nearly one million hectares can mean either challenges or opportunities - despite the land tenure implications mentioned above. It will depend heavily on Suzano's position and commitments in this new scenario.

Building a healthy, thriving and sustainable landscape is feasible in the medium term. The natural conditions and attributes are present; the business environment and the legal framework, even if they are not perfect, are favorable. The main challenges are related to the flexibility and the transformation capacity in the current model of production. Also, the skills of local stakeholders for dialogue, cooperation, and sharing in participative governance initiatives are key factors. Opportunities such as this meeting, the future actions of The Forest Dialogue, including its national and regional forum, and the New Generation Plantation initiative can contribute to these processes.

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