

MEDIA RELEASE

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A Land Grab for Pulp: Environmental Paper Network exposes problems with a new pulp project in Mozambique

A report released by the Environmental Paper Network (EPN) today highlights the environmental and social impacts of a new pulp mill project in Mozambique.

Portucel Moçambique (a Mozambican company controlled by The Navigator Company, previously known as Portucel Soporcel) will build a pulp mill in Zambézia, Mozambique. The mill will have a production capacity of 1,500,000 tonnes per year and a biomass power generation plant. The new mill, located on the shore of the Indian Ocean, will mostly provide pulp to the Asian paper industry.

Portucel Moçambique has obtained more than 300,000 ha of land to develop eucalyptus plantations. The report reveals significant problems with this land acquisition. In many cases this was local communities' land, obtained by promising temporary jobs or making small payments, without clearly communicating the impacts and consequences of plantation development, and in some cases even by direct pressure. As a result many people have been displaced to remote locations, or forced to rent land. Some complaints presented to the authorities have not been addressed.

The plantations will impact on miombo woodland forest ecosystems, as 114,000 ha of densely wooded areas will be logged to develop the plantations. Conversion into plantations will displace traditional forest uses, creating more pressure in the remaining fragments of natural forest.

Eucalyptus plantations absorb huge amounts of water from the soil. In this environment, already impacted by water stress, the expansion of eucalyptus plantations will inevitably affect surrounding areas, which could cause a severe decline in local agriculture, threatening food security.

The project is controlled and 20% financed by the International Finance Corporation (IFC), of the World Bank group, with other investors including the Norwegian government's pension fund.

Mandy Haggith, EPN co-ordinator, said, "Are the financiers of Portucel aware of the social and environmental risks of this project? There is considerable evidence that this pulp and paper project is a brutal land-grab that will impoverish vulnerable communities and harm the miombo forest. The IFC and The Navigator Company's other financial backers must question how this project can possibly be consistent with their policies."

The report outlines a number of safeguards that banks and other financiers should ensure are in place before considering financing this project.

The document can be found here, in English and Portuguese: <http://www.environmentalpaper.eu/a-land-grab-for-pulp-a-report-on-portucel-mozambique/>

Environmental Paper Network (EPN) is a global coalition of 145 non-governmental organisations working in alignment towards a common vision for pulp and paper that contributes to a clean, healthy, just and sustainable future for life on earth.

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