

## Joint Statement of Uruguayan, Finnish and International Environmental and Social Groups

July 27, 2019

UPM announced on July 23rd that it will install a second pulp mill in Uruguay, one of the largest in the world with a production capacity of about 2.33 million tons/year. This megaproject will produce significant environmental, social, and cultural damage. In the context of a global socio-environmental crisis, this project represents a step in the wrong direction.

**UPM's new megaproject will contribute to environmental degradation.** This megaproject will promote the expansion of monoculture tree plantations. UPM estimates that 180,000 - 220,000 ha of plantations are already established and that an additional 60,000 – 90,000 will be required for a sustainable supply of wood for the mill. Most of these plantations were and will be established in Uruguay's natural grasslands<sup>1</sup>. Eucalyptus plantations are less efficient as carbon sequestration than natural pastures and native forests which they displace<sup>2</sup>. These tree plantations also have a negative impact on biodiversity, in particular reducing native grasslands, birds, and fish varieties in the natural prairie ecosystem and facilitating the reproduction of alien invasive species like wild boars. The worst environmental impact will be to an already compromised water system, since this type of plantation depends on synthetic fertilizers and pesticides like glyphosate which erode soils and contaminate rivers<sup>3</sup>. These impacts on water and soil characteristics compromises Uruguay's future capacity to cultivate food. UPM2 will also impact water availability. Water source reduction due to industrial eucalyptus plantations has been documented in Uruguay since 1999<sup>4</sup>. The new pulp mill's water intake and flow demands are equivalent, to give a simple image, to daily water consumption of more than 53 million people. The pulp mill will also affect water quality through its effluents adding to already high levels of phosphates and other chemicals.

**UPM's new megaproject will further economic inequality.** The company will invest 2.4 billion dollars, while Uruguay will spend an estimated 4 billion dollars in upgrading infrastructure to satisfy the company's requirements. UPM will be exempt from paying several taxes and will sell its excess energy to Uruguay, which is obliged to buy it even if it is not needed. The company will use an estimated 137 million liters of water per day without paying for its use, while returning 107 million contaminated liters to the river per day that will require special monitoring from the Uruguayan state. The transnational company makes big profits by extracting natural goods, labor, and causing environmental damages at low costs; while the local community is left with the impacts of a contaminated and eutrophic river and the impacts of the influx of a few thousand temporary workers. The jobs created during the construction process reproduce the sexual division of labor and do not provide a long-term unemployment solution to the communities where the plant is located. Construction jobs for men who tend to come from other parts of the country increases sexual labor and trafficking for local women. Managing and technical jobs for foreign men together with the installation of big chains are accompanied by the closing of local small stores and the reduction of tourism. The jobs generated by the plant outside the two years of construction do not compensate for the jobs lost as a result of mechanized industrial tree plantations and the displacement of rural producers in the territory.

**UPM's new megaproject weakens community participation.** This project does not have social license. The agreement between UPM and ROU was not approved by congress and citizens access to information and participation in the decision-making process were not respected. Several social organizations, local citizens' groups, and stakeholders have expressed their concerns about the ways in which the megaproject will affect their lives and their concerns have not been properly addressed by the public consultation process. The project will disrupt people's lives, with a diesel cargo train transporting highly toxic substances, dividing cities and towns in the countryside, and fragmenting working-class neighborhoods in the country's capital. Furthermore, the contract includes requirements for reduction of labor rights and influences in educational policy.

There is no planet B, we cannot afford to continue promoting economic projects and practices that consider environmental impacts, social justice, and human rights as secondary issues. We support collaborations among countries that result in good quality equitable jobs that serve to regenerate and protect our environment.

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<sup>1</sup> [https://www.dinama.gub.uy/oan/wp-content/uploads/2018/02/VAL\\_Planta-de-celulosa-Paso-de-los-Toros-.pdf](https://www.dinama.gub.uy/oan/wp-content/uploads/2018/02/VAL_Planta-de-celulosa-Paso-de-los-Toros-.pdf), p34

<sup>2</sup> See Carrasco-Letelier et al., 2004; Rodríguez-Loinaz, et al., 2013

<sup>3</sup> These fertilizers and pesticides include nitrogen, glyphosate and 2,4 D among others. See Gautreau, 2014.

<sup>4</sup> See local testimonies collected by Guayubira <http://www.guayubira.org.uy/1999/10/tristezas-cerro-alegre/>, and Arrarte, 2007.

## ULOS UPM2! NO UPM2

Coordinación Nacional de Organizaciones Sociales Contra UPM2  
FUCVAM  
Comisión Nacional en Defensa del Agua y de la Vida  
Asamblea por el Agua del río Santa Lucia  
No al tren de UPM  
Coordinación contra Monsanto y el Agronegocio  
MOVUS  
No UPM Sarandí-Florida  
Red Uruguaya de Comunidades  
Colectivo Recreo  
Our Voice  
Asamblea Pachamama  
ADES (Comisión en defensa del ambiente)  
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Maldonado por la Tierra y el Agua  
Confederación de Pueblos Costeros  
Colectivo Ecofeminista Dafnias  
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Friends of the Earth, Finland  
Environmental Paper Network  
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