

Portucel and IFC Take Sustainability of Forestry Operations in Mozambique to Next Phase



Jin-Yong Cai, IFC executive vice-president and CEO, with Diogo da Silveira, Portucel Soporcel group CEO

Portucel Mozambique, a subsidiary of the leading European manufacturer of printing and writing paper, and IFC, a member of the World Bank Group, signed in Maputo, on March 19th 2015, an agreement to begin a new phase of a program under which IFC will advise Portucel in strengthening the sustainability of the company's forestry operations in Mozambique.

Portucel is investing heavily to develop eucalyptus plantations that will create thousands of local jobs. In December, IFC agreed to take a 20 percent stake in Portucel's integrated plantation forestry operations in Mozambique. IFC aims to be a long-term financial partner and advisor supporting the sustainability of Portucel's investment in the country which will create thousands of local jobs.

Through the first phase of the IFC advisory program, Portucel Mozambique and IFC created a comprehensive, multi-year community development program and stakeholder engagement strategy. This new phase of advisory support will target implementation of priority areas such as agricultural support and health services programs for farmers living in areas covered by the project. IFC will also develop monitoring and evaluations systems for the program.

Diogo da Silveira, Portucel Soporcel group CEO, said, "Portucel Moçambique is committed to ensuring that its significant investment in developing integrated plantation forestry and pulp and energy operations in Mozambique is done in a way that engages local communities and provides opportunities to improve their livelihoods. IFC's advice helps ensure that we are undertaking these efforts systematically, and helping us improve the impact of the project"

Portucel reiterated its public commitment to establishing an innovative mosaic approach to eucalyptus plantations, integrated with improvements to community farming systems, ecosystem services, and preservation of high conservation value areas so important to local communities.

Jin-Yong Cai, IFC Executive VP and CEO, said, “ This project has the potential to become one of the largest investments in rural Mozambique and to deliver positive impact on tens of thousands of households in hundreds of communities.”

Portucel Mozambique is a subsidiary of Portucel Soporcel group, the leading European manufacturer of printing and writing paper. Portucel is also one of the world’s largest producers of bleached eucalyptus kraft pulp.

Portucel has embarked on a \$2.3 billion investment program to develop the first integrated eucalyptus plantation, pulp and energy project in Mozambique. The government has awarded Portucel land use concessions of over 356,000 hectares of land in Manica and Zambezia provinces. The project is expected to generate 7,500 direct jobs and will engage with the local communities, government and other stakeholders to help create more sustainable livelihoods in the surrounding areas.