



Type what you want to search

Search

05/05/2010



Vale, BNDES, Funcef and Petros join forces to form one of the biggest reforestation funds in Brazil

Vale, the Brazilian Development Bank (BNDES), Caixa Econômica Federal workers' pension fund (Funcef) and Petrobras workers' pension fund (Petros) are forming one of the biggest reforestation funds in Brazil. The fund will invest R\$605 million up to 2014, with initial resources to be invested by a new company, Vale Florestar S.A. The financial structuring of the fund will be carried out by Global Equity Administradora de Recursos, which will also be responsible for identifying and evaluating new investment opportunities.

In 2007, Vale created the Vale Florestar project to promote reforestation on degraded areas using both native and exotic species, contributing to local social and economic development. Since it began operating, it has invested around R\$230 million, planting more than 24.5 million trees on 41 leased farms covering an area of approximately 70,000 hectares. Vale Florestar's operations currently provide around 1,500 direct jobs.

This project's assets will be transferred to Vale Florestar S.A., which will focus on developing forest businesses in Brazil. Vale will support the fund primarily through its stake in Vale Florestar S.A., while the other partners will provide capital to expand the project. The goal is to reach a total area of 450,000 hectares in 2022 - 150,000 ha of new commercial plantations and 300,000 ha of protected and restored native forest.

During peak production, more than 4,000 direct jobs will be generated. In addition, we believe that Vale Florestar S.A. will help attract further investments to the region.

Long-term investments

The establishment of the fund will enable long-term investment resources to be channeled into expanding forestry projects. It is expected that this model will attract forestry-related industries to the local area, generating a multiplier effect. It is also intended for the scheme to spread sustainable silviculture practices in the region, helping reduce pressure on native forest.

The project will operate in the municipalities of Dom Eliseu, Ulianópolis, Paragominas, Rondon do Pará, Abel Figueiredo and Bom Jesus do Tocantins. According to the state of Para's Ecological and Economic Macro-Zoning Plan (MZEE), these areas are located within a zone featuring consolidation and expansion of productive activities, in territory that is already deforested.

Carbon capture

Vale Florestar S.A. will have positive social, economic and environmental impacts for the Amazon region both in the short and long term. Society will gain from new sources of jobs and income and the promotion of a culture concerned with environmental preservation. The environment will benefit from the conservation and restoration of forest areas and reduced impacts on native forest, as well as contributions to regional climate equilibrium.

By preserving and restoring forest areas in the Amazon region, Vale Florestar S.A. will capture carbon dioxide. This is particularly important given that a large share of Brazilian emissions of greenhouse gases arises from deforestation, forest burning and other land use changes.

More information



Mônica Ferreira

monica.ferreira@vale.com

Rio de Janeiro

+55 (21) 3845-3636

Fatima Cristina

fatima.cristina@vale.com

Rio de Janeiro

+55 (21) 3485-3621
