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IFC to Advise Portucel in Promoting Sustainability of Forestry Operations in Mozambique

Maputo, Mozambique, October 22, 2013 - IFC, a member of the World Bank Group, today announced an agreement to advise Portucel in strengthening the sustainability of the company's forestry operations in Mozambique, where it has invested heavily to develop eucalyptus plantations that will create thousands of local jobs.

IFC's support will include assessments of environmental and social impact, community engagement, community development planning, and help with the implementation of community and enterprise investments. The agreement is the first step of a long-term collaboration, which is expected to enhance the developmental impact of Portucel's investment and create shared growth opportunities in its concession areas in Mozambique.

José Honório, Portucel CEO, said, "Portucel is committed to the long-term success of its investment in Mozambique and we are reaching out to partner, with IFC and the World Bank Group, to help us develop forestry in Mozambique in line with the strongest international environmental and social standards."

Jin-Yong Cai, IFC EVP and CEO said, "Mozambique needs large-scale investment to diversify its economy beyond extractive industries and create employment. IFC and our partners are working to engage with local communities and ensure that the benefits of private sector investment are broadly shared."

Portucel Mozambique is a subsidiary of Portucel, the leading European manufacturer of printing and writing paper. Portucel is also Europe's leading manufacturer, and one of the largest producers in the world, 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. Pedro Moura, Executive Director of Portucel Mozambique, highlighted that "the project is expected to generate 7,500 direct jobs and will engage with the local communities, government and other stakeholders to help find sustainable livelihood solutions".

Phase I of the Portucel Mozambique project covers a green-field plantation of up to 60,000 hectares of eucalyptus. In addition to advisory support, IFC is considering an equity investment in Portucel's Mozambique operations to promote development of this transformational project.

About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. Working with private enterprises in more than 100 countries, we use our capital, expertise, and influence to help eliminate extreme poverty and promote shared prosperity. In FY13, our investments climbed to an all-time high of nearly \$25 billion, leveraging the power of the private sector to create jobs and tackle the world's most pressing development challenges. For more information, visit www.ifc.org.

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