



Contact

In Nairobi

Houtan Bassiri

Phone: +254 20 275 9000

E-mail: hbassiri@ifc.org

In London

Carmen Powell

Phone: +44 207 286 5439

E-mail: cpowell@ifc.org

IFC Investment in Green Resources Supports Reforestation, Environment in Tanzania New Power Plant and Plantations to Create More Than 5000 Jobs by 2011

Dar es Salaam, Tanzania, June 9, 2009—IFC, a member of the World Bank Group, announced today it will invest \$18 million to help Green Resources plant 8,000 hectares of forest in Tanzania, implement international environmental standards, and increase productivity and energy efficiency.

IFC's investment includes a \$10 million senior loan and an \$8 million subordinated loan. The plantation and forest products company will plant forests on grassland and deforested areas, modernize sawmill and wood harvesting equipment, and build a 15 megawatt heat and power plant fuelled by wood waste from its own and neighboring sawmills.

"Forestation is vital to improving social and economic conditions in Africa," said Mads Asprem, CEO of Green Resources. "Working with IFC will enable Green Resources to adhere to the highest environmental standards while addressing strong demand for timber products in East Africa."

Green Resources will generate carbon credits from its operations and sell them directly to buyers from developed countries. Credits will be generated by the new plantations and power plant, which uses recycled wood, eliminating methane emissions from decomposing wood waste. Surplus capacity will be sold to Tanzania's national grid. Green Resources will sequester roughly 700,000 additional tons of carbon emissions annually from its operations.

Green Resources will also obtain certification from the Forest Stewardship Council that its plantations in Mozambique, Tanzania, and Uganda are environmentally and socially sustainable, offer favorable working conditions, and adhere to the highest international standards.

"Green Resources sets a model for how regional forestry companies can contribute to reversing deforestation and develop sustainable and environmentally friendly business models that make commercial sense," said Jean Philippe Prosper, IFC Director for Eastern and Southern Africa.

IFC's investment will help Green Resources create 500 permanent jobs and 5000 seasonal positions by 2011, mainly at its plantations.

“IFC is committed to working with companies such as Green Resources to alleviate the impact of climate change on the poorest and most vulnerable segments of society,” said Dimitris Tsitsiragos, IFC Director for Global Manufacturing and Services.

Deforestation in Africa currently affects about 4 million hectares of land annually and accounts for approximately 55 percent of total global deforestation. Deforestation globally is estimated to contribute 20 percent of the recent rise in carbon dioxide in the atmosphere.

About IFC

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. We foster sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments. Our new investments totaled \$16.2 billion in fiscal 2008, a 34 percent increase over the previous year. For more information, visit www.ifc.org.