



Sicirec Group

Making profit with nature conservation

Profitability

Biodiversity preservation

Poverty alleviation



www.sicirec.org
www.arbolivia.org

Sicirec Group

1991: Sicirec founded

Consumers organisation

Investment Management

Trading platform

2007: Company reorganisation

Own plantation forestry projects



The Sicirec Formula

Land use:

Spatial mix:

Economic land use & Nature conservation

(maintaining / restoring coherent ecological networks)

Production areas: 100% financial profitability

Conservation areas: 100% maximum values for nature

Deal:

Cheap financing, profit and livelihood improvement

in exchange for

Setting aside % of land property for nature conservation

The Sicirec Formula in practice: ArBolivia

Sicirec:

Financing, technical support, organisation

Payment for labour and fair trade timber prices

Create enduring livelihood improvement

Smallholders:

Land & cheap labour

Permanent conservation - 20% - 30% of the project area

Net timber revenues split 50% - 50%



Financing method

Equity investments

Carbon credit sales

Tree planting subsidy certificates

Other environmental services, such as REDD

Low interest Green Loans from Dutch Green Funds

Financing ingredients create very good IRR upside

Profitability for all parties

High IRR for investors for 40 years

Land use plan for whole of Smallholders' property

Smallholders paid from the start

Access to microcredit facilities

Investors and smallholders each 50% of net timber revenues

Livelihood improvement

Restoration and conservation of ecological networks

Lasting preservation of biodiversity

The ArBolivia project

7,200 hectare plantation forestry project

Start of the project in September 2007

Predominantly indigenous tree species (18+ species)

5,000 hectares forest plantations

1,000 hectares agroforestry

1,200 hectares permanent nature conservation

Cooperation with smallholders and farmers federations



Long term commitment

Smallholders' commitments legally secured

Payment for labour

Fair trade mechanism:

50% of net timber price secured by project >> 100% local timber market price

Micro credit facility – trees as collateral

10% bonus payment through cooperatives

20% of net revenues for management

Current status ArBolivia project

1,000 smallholders contracted

Project officially certified as “Green Project”

First PDD registered with UNFCCC January 2009

Total of \$ 3.0 million invested to date

1,600 hectares forest plantations planted

140 hectares agroforestry

290 hectares of nature conservation

Current status Financials

Total project costs \$ 17.2 million

\$ 3.0 million covered

\$ 7.0 million to be financed with green loans

> \$ 3.4 million CO₂ credit sales & tree planting certificates

< \$ 3.8 million needed from equity investors

Financing ingredients create very good IRR upside



Future

Extension of ArBolivia project

Smallholder projects, but also projects covering larger expanses

Opportunities for similar projects

Also in other countries and continents

Additional income from REDD

Liquidity for equity investors

First additional project in Ghana, west Africa





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