

Agroforestry



Agroforestry

Given its geographical location and climatic diversity, Ecuador is a forest paradise, with availability of suitable land and strategic location in relation to demanding markets.

The sector has special incentives through the forest incentive program. These incentives consists in a non-reimbursable economic transfer, that the Ecuadorian State delivers to disburse and/or reimburse part of the costs of establishing and maintaining forest plantation.

Opportunity of reforestation with exotic commercial species:



Pino – Eucalyptus - Melina - Rosewood- Chunchu

Forestry Incentives Program

The first 4 years

Natural and legal persons:

- Up to 75% of establishment cost
- Up to 75% of maintenance of plantation

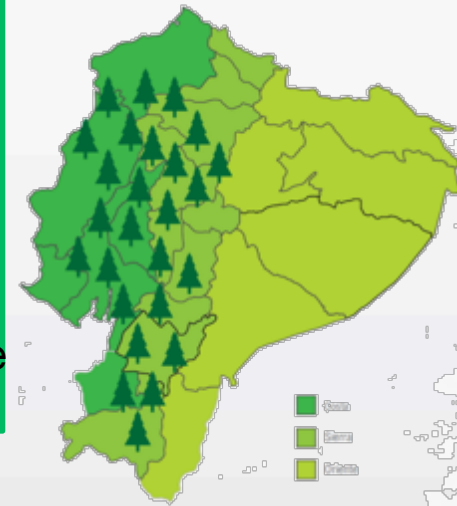
Associations, productive cooperatives and communes

Up to 100% of incentive establishment and maintenance

Local companies certifications



2'616.546 ha. available



Agroforestry

Agroforestry projects			
Nº.	Projects	Location	Investment Amount (Millions of USD)
1	Pulp plant	Guayas y Santo Domingo de los Tshachilas (TBD)	2,800.00
2	Forest expansion in the Coastal Region	Province of Santo Domingo de los Tsachilas, Los Ríos y Manabí	67.20
3	Masypro Forestry project	Province of Manabí	70.00
TOTAL			2937.20

Paper Pulp Plant

Implementation and development of forestry and paper pulp plant

Project description:

The project has two components:

- Creation of a commercial forest with 125k hectares. identified.
- Implementation of industrial plant for pulp wood production.

Objective: Implementation of forest species (eucalyptus urograndis) in order to supply 4 million m³/year of wooden log for a pulp plant (BHKP) with production capacity of 1 million tons per year.

Estimated investment:

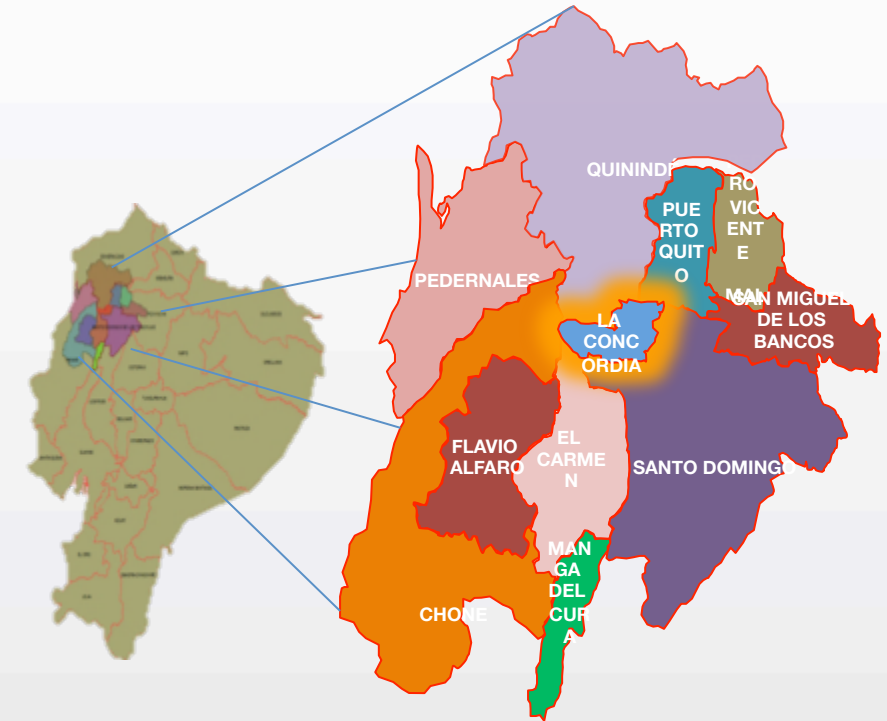
Implementation of forest: USD 800 MM

Implementation of pulp mill: USD 2,000 MM

Investment model:

Direct investment.

Location: 78% concentrated in La Concordia -Guayas and Santo Domingo de los Tsachillas Province



Implementation model:

- Public Private Partnership.

Forest expansion Coastal Region



Development of forest

Project description:

- Implementing 10,000 hectares of forest plantations of Eucalyptus urograndis, the cutting time is 7 years and is part of the forestry incentives program.

Objective:

Guarantee the supply of raw material to Aglomerados Cotopaxi.

Estimated investment:

USD 67.2 MM

Investment model:

Direct

Location: Province of Santo Domingo de los Tsachilas, Los Ríos y Manabí.



Implementation model:
Joint Venture.

Bank forestry project

Commercial reforestation plan.

Project description:

- Develop a forest plantation with 3 endemic forest species: Balsa, Salita, and Andiroba.
- Develop assembled components for clean energy generation.

Objective:

- Develop a multispecies system with sustainable forest plantations and sustainable management for the export of intermediate products.

Estimated investment:

USD 70 MM

Investment model:

Direct

Location: Province of Manabí.



Implementation model:

Technical management (self-management).
Document management is shared to the parties.
(Control, Financial / Accounting Audit Management reports).