

German State Bank Invests US\$ 11 Million in Brazilian Forest

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KFW (Kreditanstalt für Wiederaufbau), the German government owned Development Bank, is going to invest close do US\$ 11 million in the Minas Gerais Atlantic Forest Protection Program (Promata), whose objective is the recovery and recomposing of the remaining Atlantic Forest in the Brazilian state.

Minas Gerais is a state in the Brazilian Southeast. This is the second phase of the program, financed through an un-payable loan, already approved by the External Financing commission of the Planning Ministry (Cofix).

The talks that resulted in the concession of funds were closed, last week, in Frankfurt, Germany, by the Environment and Sustainable Development secretary of Minas Gerais, José Carlos Carvalho.

The Promata was implemented in 2003 and has already received a total of about US\$ 25 million. Still in Frankfurt, the secretary gave a talk at the International Wood Bioenergy Conference, promoted by the International Tropical Timber Organization - ITTO and by the Food and Agriculture Organization of the United Nations (FAO), about the Minas Gerais experience in production of charcoal from forests planted for use as energy inputs.

Brazil is presently in seventh place in the world ranking of planted forests area. Altogether there are 5.5 million hectares of forest plantations in the country (which works out to slightly less than 9% of the country's total farmland).

"This is a growth sector and the tendency is to continue growing in the near future," said Carlos Aguiar, the Association of Planted Forests Producers (ABRAF) president. "The sector is highly modernized and has invested heavily in research. We expect to double the area of planted forests by the year 2016."

Minas Gerais lead the country in area of planted forests. Other states with high level of forest planting are São Paulo and Bahia.

Anba/Bzz