Localizing ecological forest investment

The Forest Finance Experience

15 years of tropical afforestation
Overview

- Who is Forest Finance
- Our approach towards sustainable forestry
- Lessons learned
- Conclusions
Who is Forest Finance

- Working in Germany/Panama since 1995
- Currently managing almost 2000 has
- Up to 150 employees
- Cooperation with other forest service companies
Who is Forest Finance

• First company to gain FSC-Certification in Panama in 1998
• Introducing a mixed native/non-native species reforestation concept
• Reconstructing ecosystems and social perspectives
Our Approach

• Spatial mix of native species patches or stripes with teak
• Conservation and enrichment of existing forest and succession residues
• Bringing the plantation as close as possible to the forest
Our Approach
Our Approach

The Challenge
The challenge

1. Massive loss of biodiversity through expansion of cattle ranching from the 1960 on
2. Disruption of the social structure especially for the Ngobe-Indians
3. Drought problems in dry seasons due to forest cover loss
Education

1. Professional technical training of workers
2. Education offerings for consciousness of the whole community
Wood-Processing

1. Missing timber industries
2. No governmental policies
History of Funding

1. Marketing as a long term investment to small private investors
2. Slow grow from start-up through existing networks
3. Substantial growth with professional marketing towards special target groups
4. Multiple marketing channels towards small investors and institutional investors
New Elements and Products

Integrating agroforestry elements
1. Cacao
2. Field crops
New Challenges in Cooperation

Expanding to Vietnam for Carbon Sequestration Project

Cooperation with Chagres National Park Foundation in Locally controlled Forestry
Lessons Learned

Problems:

Lack of professional experience

Lack in basic training of rural workforce

Communications: Connecting first world investors to third world producers
Lessons Learned

Measures:

Collaborate with scientific institutions

Constant training of workforce

Offer insight, transparency and trust for the investors
Conclusion

Build powerful institutions connecting forester and investor

Build up capacity on the local scale

Develop clear and binding concepts

Tie and teach the investor
Thank you

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