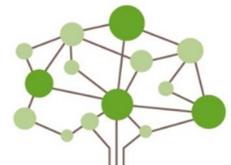


Description of best practice

Best practice	
Title	CIFA (forest insurance investment account)
Picture	
Domain	Silviculture, risks management
Source of wood	Stemwood
Location	France
Implementers	Private forest owners
Actual status	Running
Approach	<p>The CIFA is a regulated savings product, subscribed with Crédit Agricole, whose objective is to encourage wood mobilization by creating financial savings.</p> <p>Any natural or legal person who owns forest plots that have taken out storm risk insurance can build up savings.</p> <p>A CIFA can be opened with a financial institution holding a deposit account or with an insurance company.</p> <p>The funds placed in this account come only from the income from logging and will be used to finance work to reconstitute forest plots after disasters (health, climate, weather or fire-related risks) or routine forestry work (brush clearing) for the prevention of these risks.</p>
Main results	<p>Owners can invest up to 2 500 €/ha of insured forest. They can withdraw at any time up to 30% of the total sum of the CIFA per year for current works and up to 100% for works following a disaster. To open an account, the owner must have an insurance certificate, a sustainable management document and a notarized property certificate.</p> <p>The remuneration is fixed in the contract. In Aquitaine, the CIFA of Crédit Agricole d'Aquitaine sets a rate of return of 2 to 2.5%/year.</p> <p>The duration of the contract is 10 years.</p> <p>It allows 75% of the sums deposited there and the interest they generate from the sale of timber to be exempt from wealth tax, gift tax or inheritance tax. The tax benefits are then the same as for standing forests.</p>
Lessons learned	<p>CIFA helps improve sustainable forest management and requires owners to take out storm insurance. It promotes logging and therefore mobilisation by allowing 3/4 exemption from wealth tax and transfer duties.</p> <p>Without the CIFA, an owner who cut his wood was taxed 100% on the ISF. To keep a tax advantage, he left his forest standing without cutting. The CIFA then makes it possible to market wood</p>



ROSE WOOD

Sustainable Wood for Europe

	that would have remained standing.
Contact information	Eric Dumontet (secretary general of the South-West France Forestry Syndicate, SYSSO)
Link to website	http://www.maisondelaforet-sudouest.com/services/cifa/
Code	BP_FR_09

Best practice assessment

Region	FRANCE
Time scale	NA
Mobilization Potential	NA
Kind of wood concerned	Stemwood
Sustainability Potential	Very positive: 10-year investment term, renewable
Impact on environment & biodiversity	Improves forest renewal and forest maintenance operation
Ease of implementation	Very easy: contract between a banking institution and an forest owner
Economic impact	Tax benefits to encourage logging
Job effect	NA
Income effect	NA
Specific knowledge needed	NA
Costs of implementation	NA
Technical readiness level	Applicable in the next year
Key information for adoption	Precautionary savings account to add value to forest assets and optimise taxation