

FGV PROJOTOS

AGRICULTURAL INVESTMENT IN AFRICA

Brazilian Expertise to Promote Sustainable Agriculture Investments



FGV PROJOTOS

Context

Technical Cooperation Agreement Between:

- Brazil-USA technical cooperation agreement to develop bioenergy in countries in the tropical belt.
- Technical cooperation agreement between the European Union and Brazil, for a feasibility study to produce biofuel and food in Mozambique.

Results: 12 countries have received the feasibility studies of bioenergy project development: ethanol, biodiesel, electricity, steam and food projects.

Environmental

Cooperation Agreement



Agricultural



The projects were financed by the following entities:








2


FGV PROJOTOS

Motivation for bioenergy and food projects in the Tropical Belt



Tropical Belt

Tropical Belt: The majority of countries that face fuel and food shortages are located in this specific region.




Current Status

Projects: Green dots
Other national and commercial investments: Yellow dots

Brazilian Experience

- ✓ Expertise in sustainable production of biofuels and food production (ethanol, biodiesel, vegetal oil, grains and others);
- ✓ Ethanol program since 1975;
- ✓ Biodiesel program since 2005;
 - 103,000 farm families involved;
 - USD 576.5 million in purchases from family f
 - 20% of biodiesel fuel stock is supplied by family farmers.



FGV methodology

Combines all Brazilian expertise in developing sustainable bioenergy and food projects.

Phase I

Feasibility study

Phase II

Executive Project & Proof of flow

Phase III

Implementation & Start up

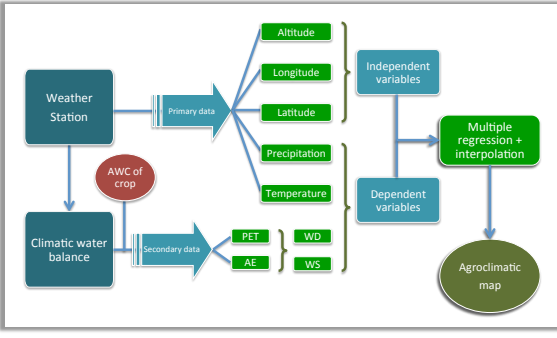
FGV PROJOTOS

Agroclimatic Zoning



FGV PROJOTOS

Methodology

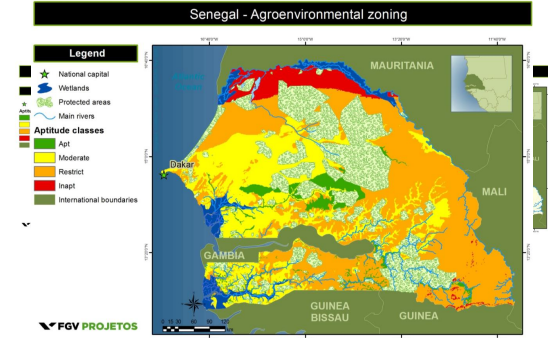


5

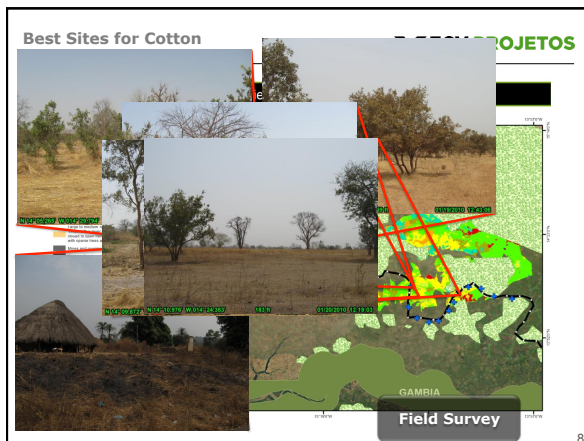
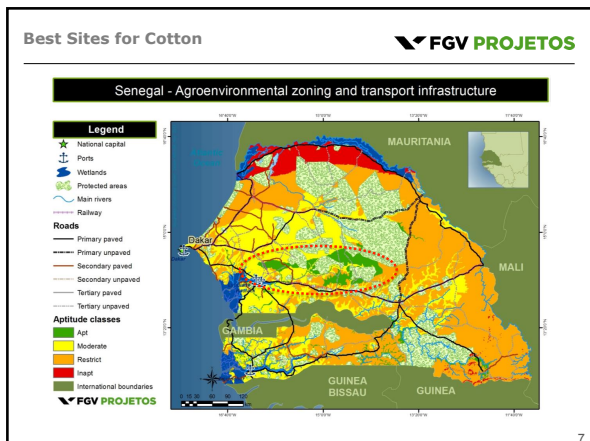
FGV PROJOTOS

Best Sites for Cotton

Senegal - Agroenvironmental zoning



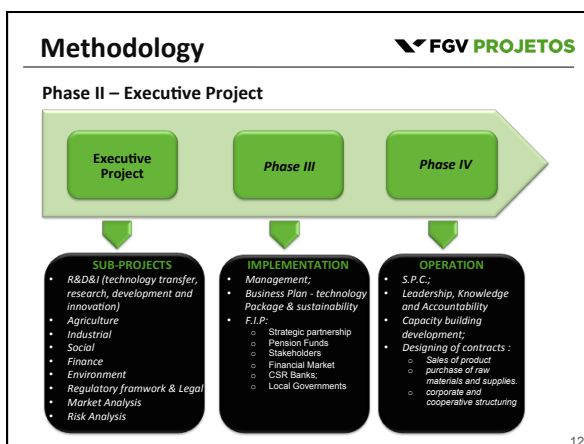
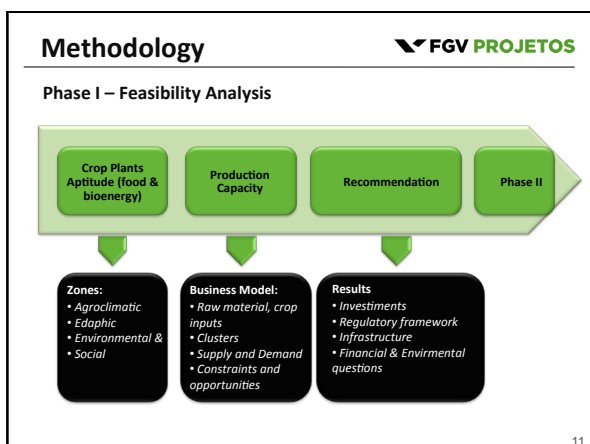
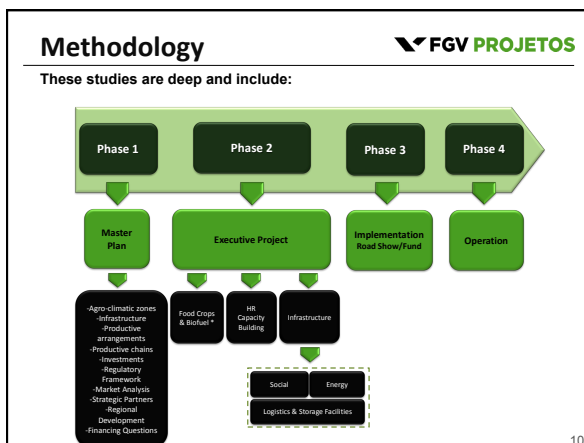
6



Best Sites

The best sites contain the following aspects:

- ✓ Suitable Edaphoclimatic parameters;
- ✓ Environmental suitability,
- ✓ Logistical adequate,
- ✓ Others.





Definition

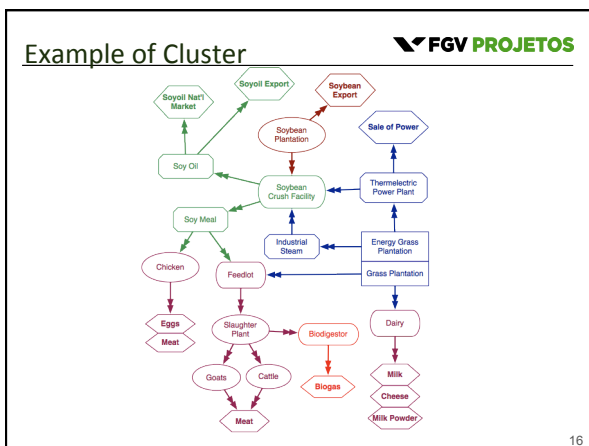
- Management Level refers to potential land use and social sustainability;
- Potential Clusters refer to the potential regional industries.
- Cluster Definition is obtained by merging data from Management Level, Potential Cluster List, Logistics, Commercial Viability, Public Policy, and other factors.

14

Process

- Step 1: Region Zoning
- Step 2: Physical Analysis
- Step 3: Social Analysis
- Step 4: Determine Management Style
- Step 5: Optimal Crops Selection
- Step 6: Define Schedule and Steps

15

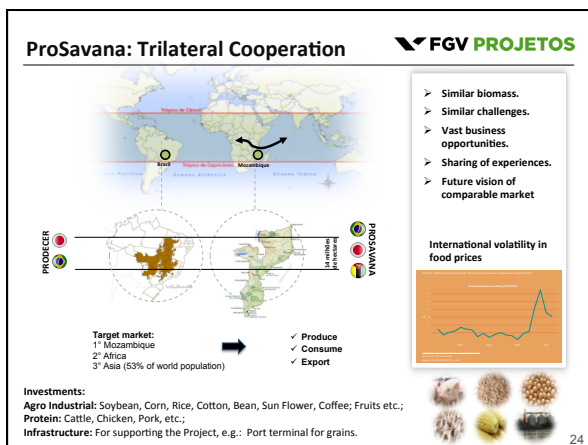
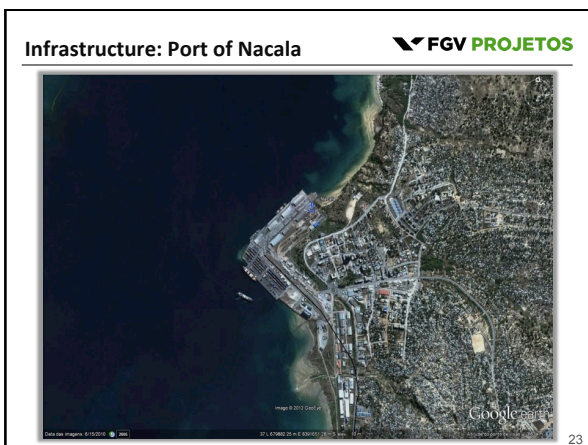
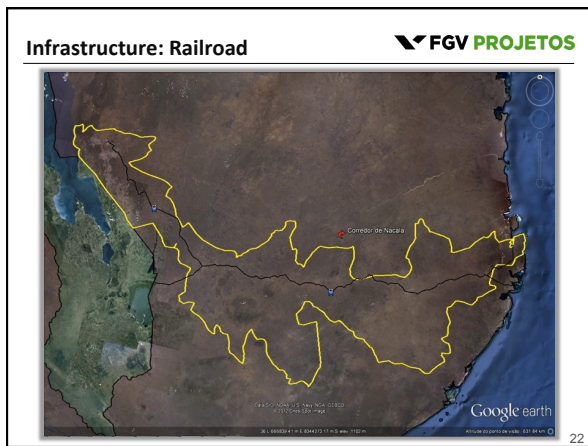
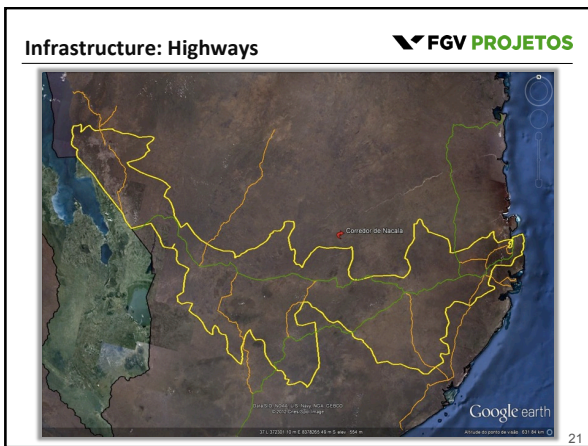
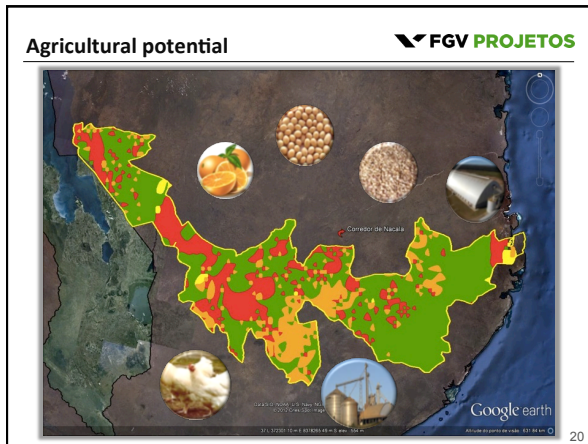


PROSAVANA

- It is a Master Plan for the Nacala Corridor, funded by the Japanese Government (JICA) and the Brazilian Government (ABC), focused on the development of Nacala Corridor;
- Its design is based on the success of the Prodecer Program - in the Brazilian Cerrado, also developed with JICA, which is currently characterized as one of the largest agricultural areas in Brazil;
- ProSavana Master Plan includes:
 - Module 1: Gathering and analysis of pre-existing data
 - Module 2: Elaboration of a current blueprint of the development in the Nacala Corridor
 - Module 3: Elaboration of agroindustrial quick impact projects
 - Module 4: Master Plan for the agroindustrial development in Nacala Corridor
 - Module 5: Investment Promotion

Master Plan will be the Guideline of Nacala Fund.

18



Partners Involved

FGV PROJETOS

25

NACALA FUND

26

Nacala Fund

FGV PROJETOS

- Support the development program of Mozambique, promoting the economic, social and environmental progress.
- Regulate the investments in the Nacala Corridor: Promoting productive arrangements through association, cooperatives and consortium.

Mozambicans → [Flags of Brazil, Japan, Mozambique] ← Brazilians
 [Flags of Brazil, Japan, Mozambique] ← Japanese

Facilitating technology transfer

- Attracting investments with low risk and high return.

= Risk: Institutional package (ProSavana program)
 + Return over the capital: Know-how, Infrastructure and market.

27

Nacala Fund

FGV PROJETOS

28

Nacala Fund

FGV PROJETOS

29

Schedule – Nacala Fund

FGV PROJETOS

30