

Tropical Belt

Nacala Corridor ProSavana Program

Tokyo, June 2012

A Private Non-Profit organization ranked among the **Top Five** Think Tanks in the world in the “policy makers” category *

- 2.100 professors and contributors;
- 2.500 undergraduate students;
- 1.100 master degree candidates;
- 218 doctoral degree candidates;
- 65.000 students involved in continuing education courses.
- More than 120 projects running per year.

FGV Foundation was invited to be the technical advisor of Brazilian government to develop agribusiness feasibility study in the following countries:

- Dominican Republic
- Honduras
- Guatemala
- Haiti
- El Salvador
- Saint Kitts and Nevis
- Senegal
- Guinea Bissau
- Guinea Conakry
- Liberia
- Mozambique
- Zambia

12 countries → 60 feasibility studies → 41 Projects pre-approved by local governments.

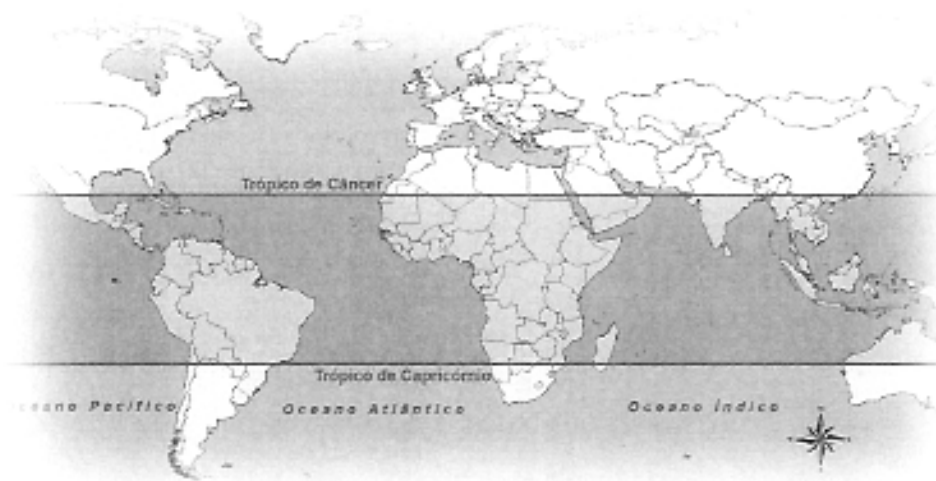
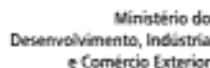
Technical Cooperation Agreement Between:



The projects were supported by the following agencies:

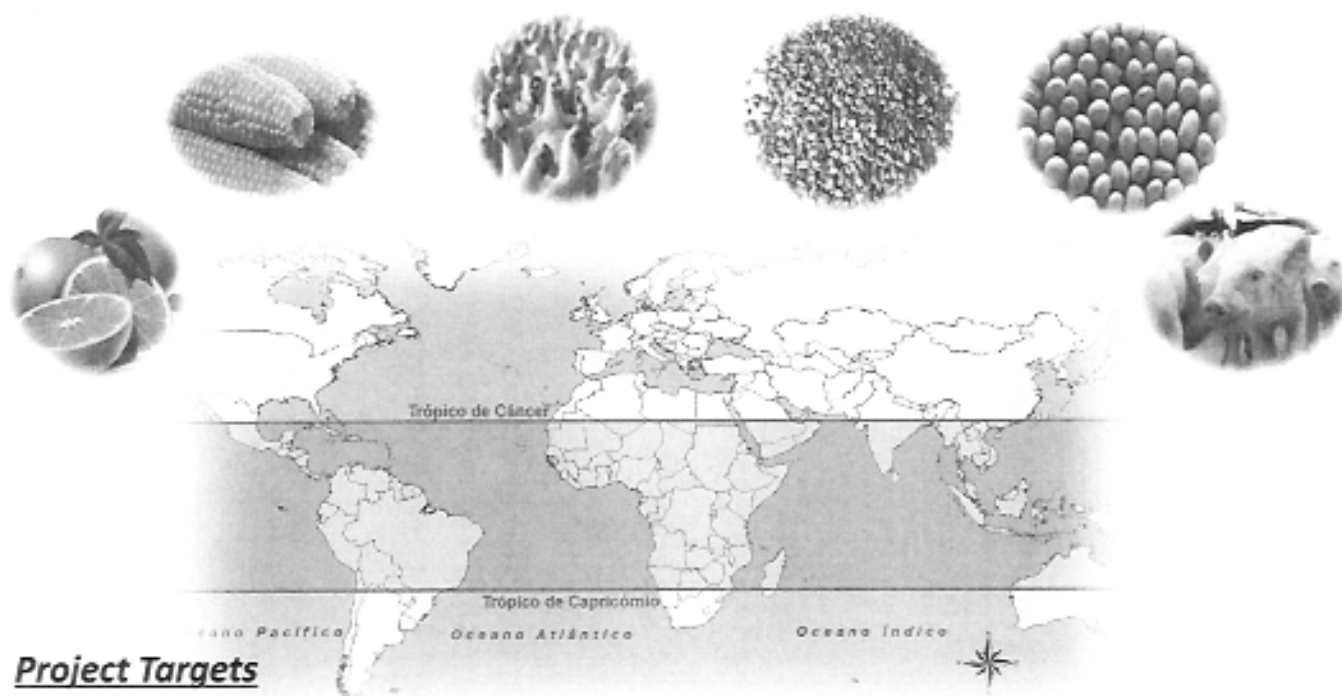


Tropical Belt Project partners



Types of projects focused On Tropical Belt

FGV PROJETOS



Project Targets

- ✓ *Wealth generation*
- ✓ *Social inclusion*
- ✓ *Development of agricultural and industrial chain*
- ✓ *Financial attractive*
- ✓ *Infrastructure development*
- ✓ *Professional training*
- ✓ *Economic progress*
- ✓ *Environmental protection*

Information Generated

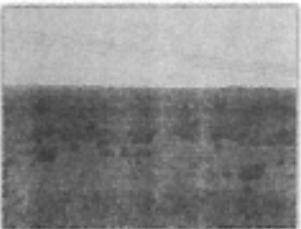
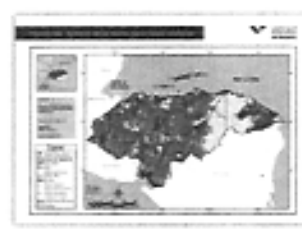
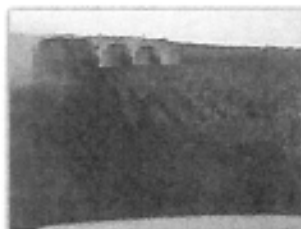
FGV PROJETOS

Over 240 million hectare studied

Over 10,000 georeferenced photos taken

Over 25,000 km traveled on field survey

Over 2,000 points of interest gathered



Up to 14 kinds of crops analyzed

36 expeditions since 2007

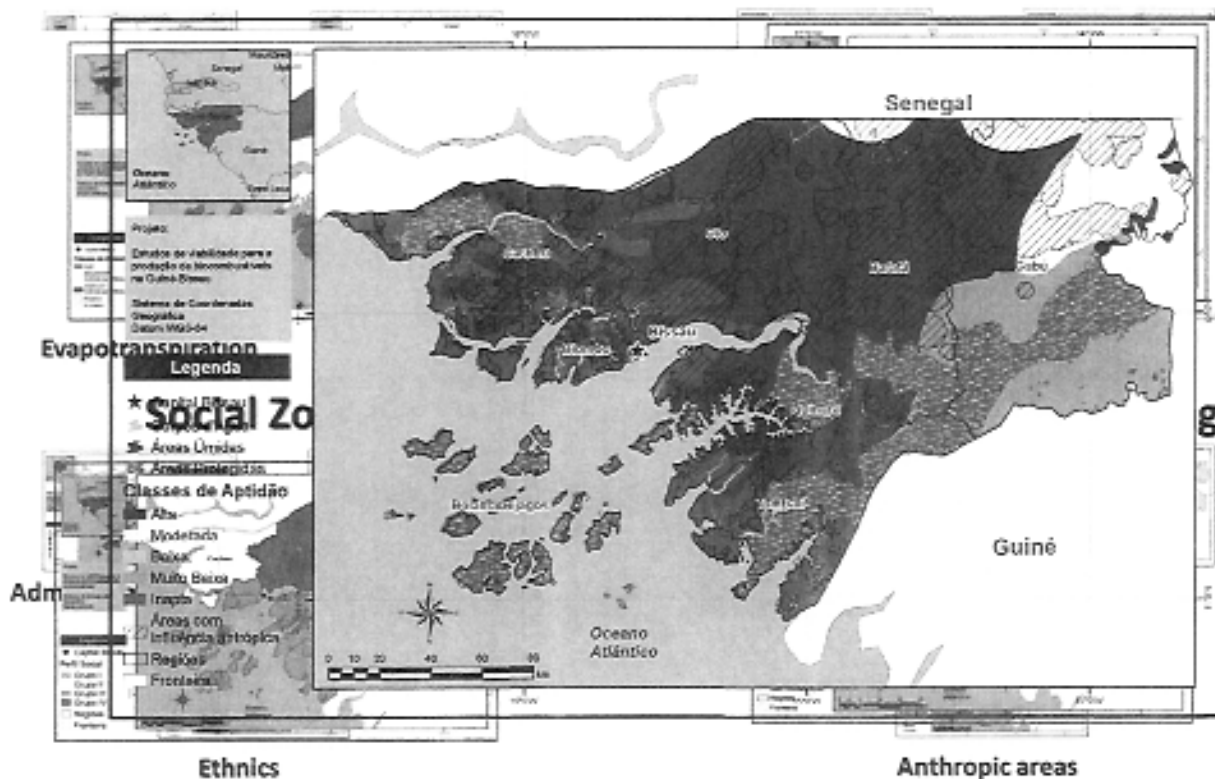
Over 100 local meetings attended

About 2,400 soils samples gathered



FGV Methodology - Example

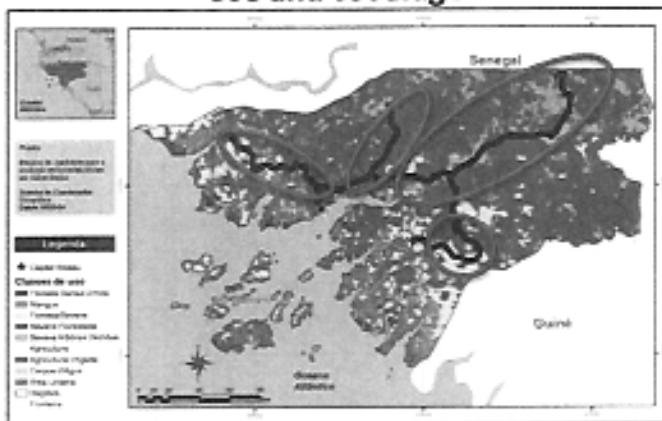
Agro-climatic Zoning Agricultural Zoning Climatic Zoning



Agricultural zoning



Use and coverage



Potential areas validation

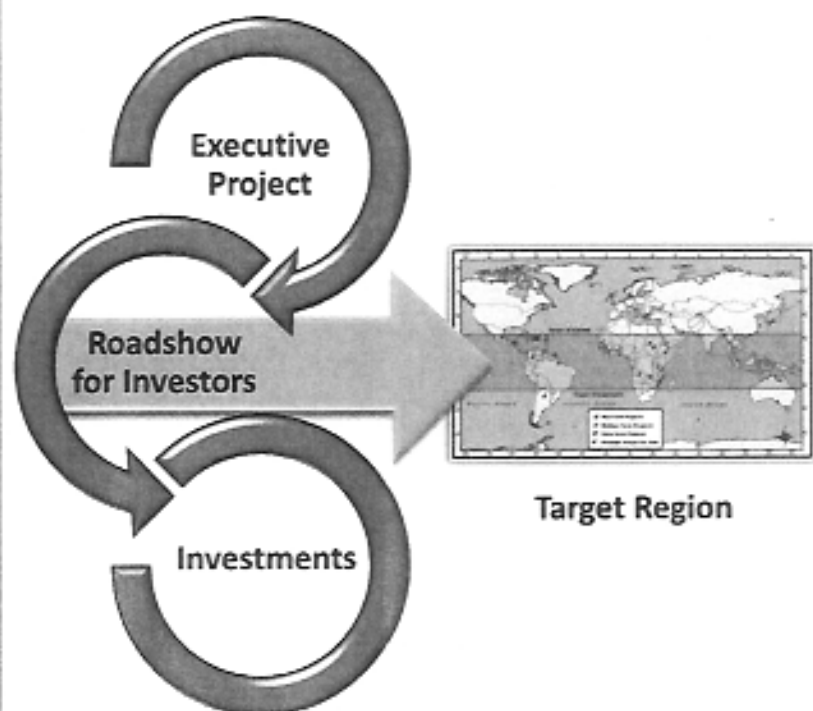
- Degraded areas;
- Suitable soils;
- Rural diagnoses;
- Infrastructure analysis;
- Use and coverage;
- Relief;
- Existing projects;
- Existing crops;
- Cultivation forms;
- Field evidence.



Executive Project

PROJECTS

- *R&D (transfer of knowledge & technology);*
- *Agriculture;*
- *Industrial;*
- *Logistics;*
- *Social;*
- *Financial;*
- *Environmental;*
- *Legal & Regulatory;*
- *Marketing;*
- *Risk analysis.*



Africa Fund Food, Bioenergy, Fertilizer and Infrastructure USD 1,2bi



FGV Projetos e BTG Pactual fecham acordo para criação de fundo de investimento lastreado em produção de biocombustíveis na África

A FGV Projetos e a BTG Pactual fecharam acordo para o lançamento de um fundo de investimento lastreado em projetos de produção de biocombustível na África. O acordo foi firmado na sede do BTG Pactual em NY, onde o Chairman e CEO do banco de investimentos Andre Esteves foi agraciado com o prêmio Person of the Year, concedido pela Câmara de Comércio Brasil-Estados Unidos. O fundo foi anunciado pelo ex-presidente Luiz Inácio Lula da Silva em vídeo gravado especialmente para o momento da premiação. Para o diretor da FGV Projetos, Cesar Cunha Campos, esta iniciativa, além do caráter inovador, contribui para o desenvolvimento dos países africanos e está totalmente alinhada com a política global de incentivo à produção de energia.

Dominican Republic Distillery of ethanol USD 0,5 bi

Dominican Republic, IDB sign bioenergy agreement

From the Caribbean Journal:

The Dominican Republic's National Energy Commission signed a series of cooperation agreements Friday with the Inter-American Development Bank on the development of bioenergy.

The agreements will develop a series of studies on bioenergy, taking into account the country's cooperation with Brazil and the United States.

The project comes at a cost of \$300,000 and provides for two components: additional technical studies on bioenergy and on the sustainability of agricultural projects.

According to Enrique Ramirez, president of the National Energy Commission, his agency will first look to establish the feasibility of various bioenergy projects, such as plans for the cultivation and industrialization of sugar cane.

Ramirez signed the agreement with Manuel Labrador, the Inter-American Development Bank's representative in the Dominican Republic.

The IDB president said he would like to identify companies located in the Dominican Republic's agricultural sector, with particular attention to those working with sugarcane and fruit and vegetables.



FGV in Mozambique

- FGV started working in Mozambique in 2010 in an initiative of the Brazilian Foreign Ministry (Itamaraty);
- We found a great potential for agricultural production, especially in the Nacala Corridor.
- The FGV & ProSavana:
 - Seminar organized by the ABC and JICA in Sao Paulo. Dr. Roberto Rodrigues was invited by the Minister Farani to **seek synergies between FGV and ABC.**
 - FGV attended a **technical mission in the Nacala Corridor.**
 - FGV was **selected to run Master Plan.**
 - We have noticed, by the Brazilian farmers, requests for development of a **funding mechanism** to produce in Africa.

Results for the Agricultural Zoning

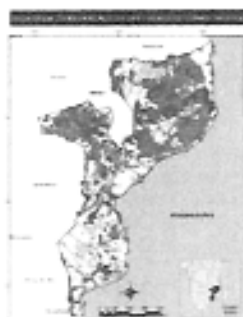
Corn



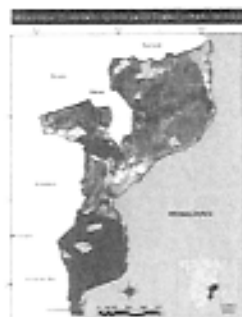
Soybean



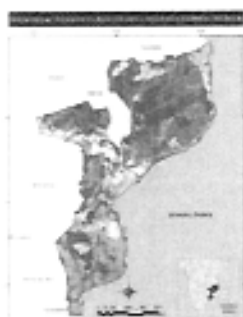
Peanut



Sunflower



Cotton



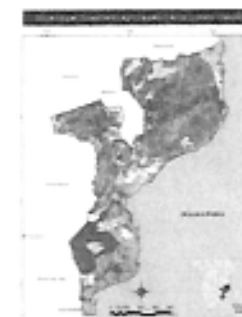
Beans



Cassava



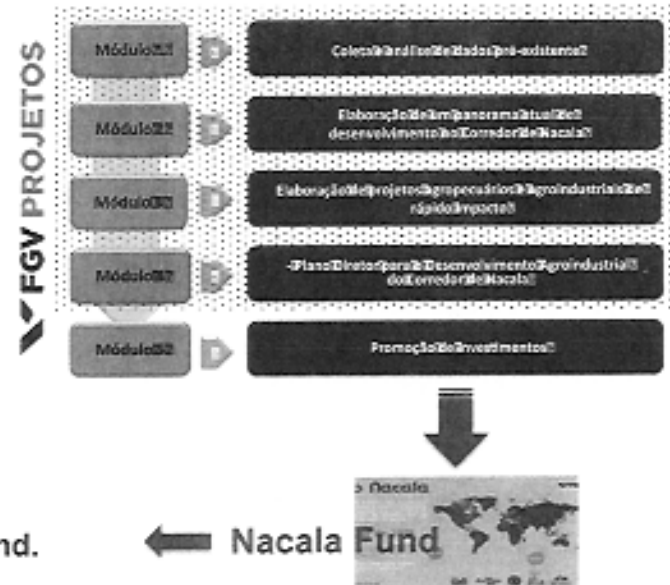
Rice



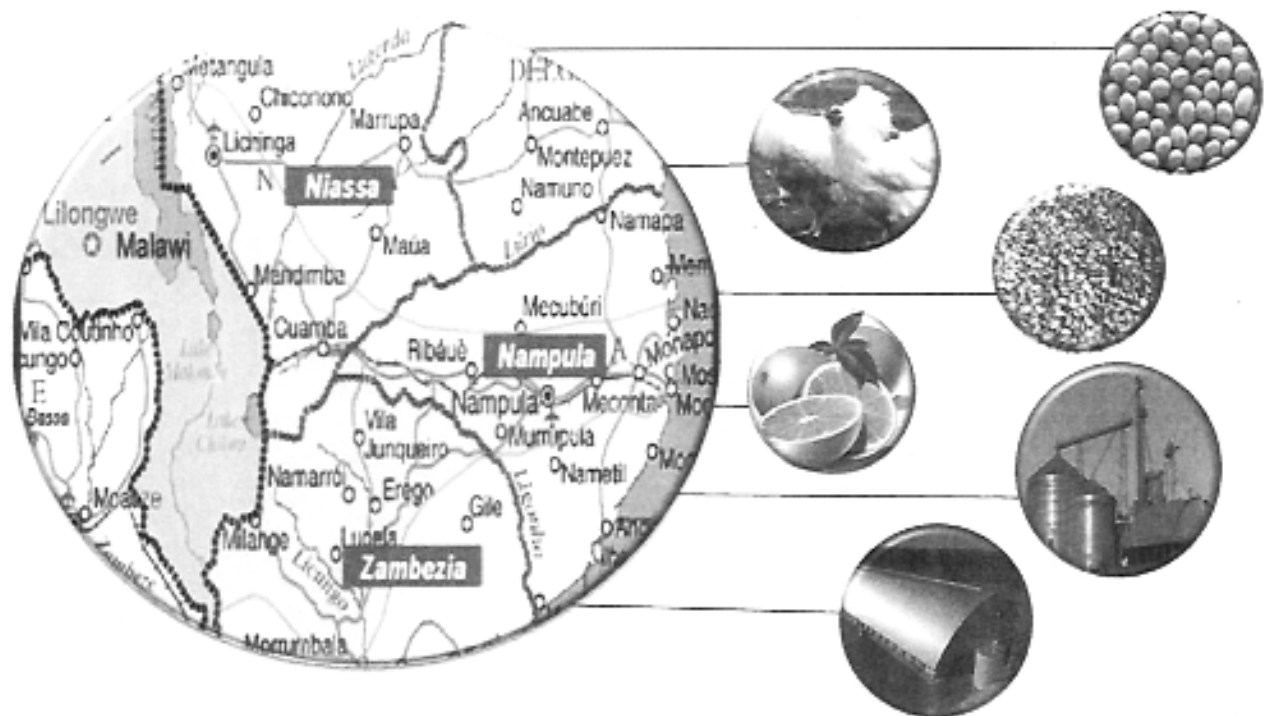
Japan & Brazil: Historical Cooperation



Japanese cooperation was unique in the **sense of institutional building**, of joining researchers and resources of the two countries to develop a particular region. It was a case of cooperation where the **two sides worked together** with the same objectives. *(Eliseu Alves)*

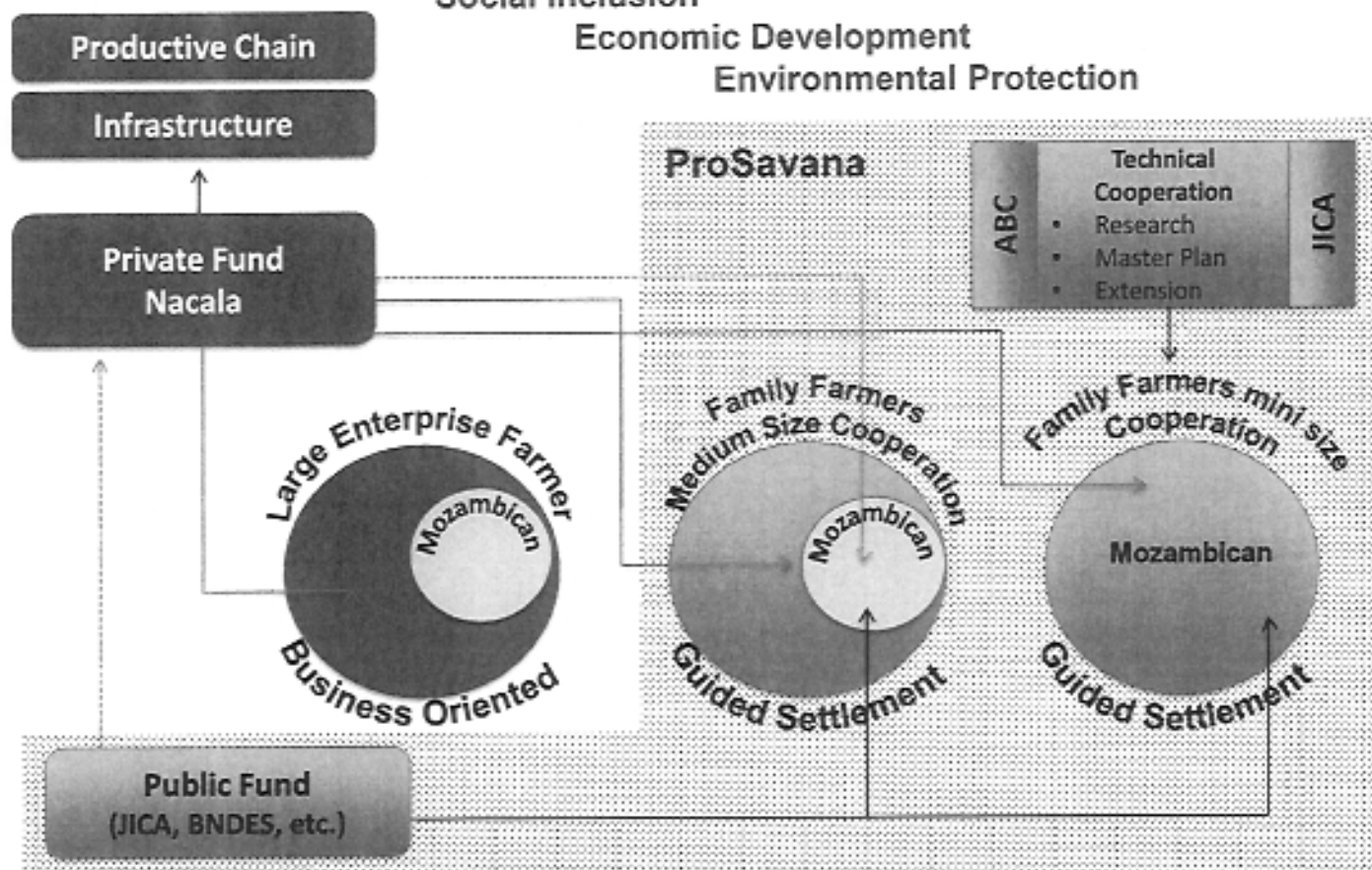


- Master plan will be the **Guideline of Nacala Fund.** ←
- The fund will also have total alignment with R&D and Capability.
- Projects of the Master Plan will generate demand for technological solutions to research programs and technology transferring.



- Agro Industrial: Soya bean, Corn, Rice, Cotton, Bean, Sugar, Sun Flower, Fruits etc
- Animal Protein: Cattle, Chicken, Pork, etc
- Infrastructure : For supporting the Project, e.g.: Port terminal for grains.

Social Inclusion
Economic Development
Environmental Protection





Nacala Fund

- **Support the Mozambique development program**, promoting the economic, environmental and social progress.
- **Regulate the occupation of Nacala corridor.** Enforce **cooperation models** (Cooperative, Consortium and Association) with the inclusion of **family farming & Technology transfer**.

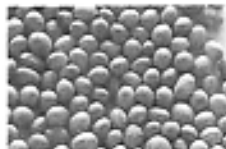


- **The Nacala fund structure will mitigate risk for investors.** The projects will be **implemented and run** by integrated and professional management through cooperative and/or consortium.
 - The cooperative and/or consortium will have the opportunity to be a partner of the Investors in the production arrangements.

- **Institutional support:** Negotiate with the local government, **regulatory requirements of the value chain.**
 - Example:  **FGV PROJETOS**
 - ✓ **Strategy of sanitary defense** for products produced in Mozambique to follow the international market demands.
 - ✓ **Tax incentives.**
 - ✓ Framework to regulate specific markets.
- Nacala corridor projects will adopt sustainable production system. **UNEP** (United Nations Environmental Program) and **Embrapa** will support the projects of the Nacala Fund.


- **JICA & ABC: Monitoring the development of projects** in the Nacala corridor through the **advisory board of the investment fund.**

- **Opportunities for Private sector of Japan and Brazil.**
 - **Supply:** Innovation and Technology, Trucks, Vehicles, Tractors, Machinery & Equipment, Technical services, Laboratory Equipment, Infrastructure and others.
 - **Demand:** Soybean, Animal Protein, Sugar, Fruit Juices, Vegetal oil, Rice and others.
 - **Participation in projects:** Strategic planning for infrastructure; agricultural and agri-industrial production.
- The Nacala Fund projects will adopt the model of **"target attractiveness"** to ensure the **best technological package.**



Structure of Nacala Fund

Global Food Demand Driver: People & Income

Since 1900 World Population quadrupled



Basic Human Needs: Food production to double by 2050



Africa: Population expected to Double



Africa's population is expected to double from current 1 billion by 2050.

African's moving into cities are forecast to be above 50% by 2030.

Africa's current GDP of USD 1.6bn could double over the next 10 years.

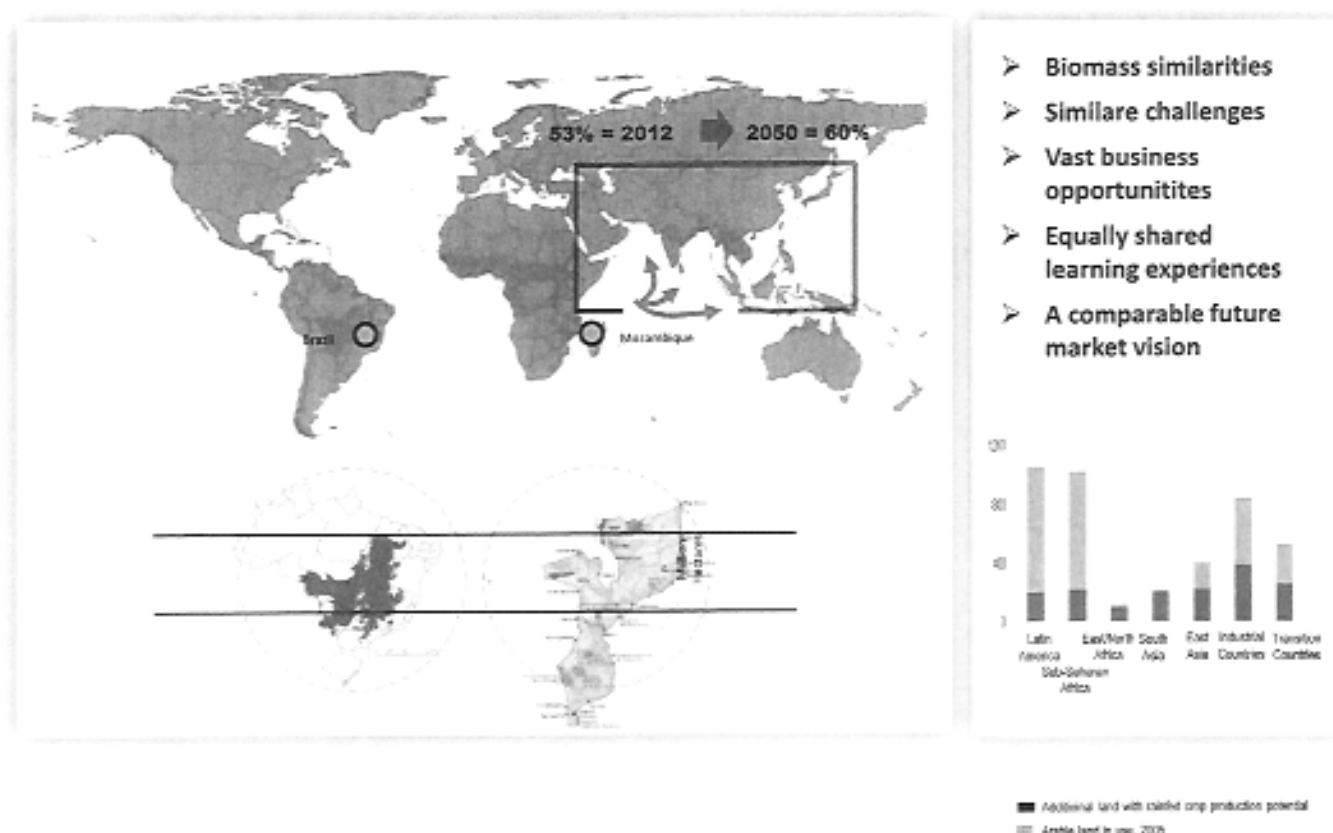
Basic Human Needs: Food production to double by 2050

■ Population and income growth are the two most powerful driving forces behind the demand for food.

■ At the global level, the most fundamental relationship in food economics remains robust – more people with more income means, diets will change production and consumption of food will rise.

Selective crops	Domestic consumption increase (2000 – 2050)	Production Increase required (2000 – 2050) ^a
Rice	48%	48%
Wheat	56%	57%
Corn	105%	111%
Sugar	93%	93%
Soy	153%	155%
All Crops	84%	86%

"Frankly, I don't think most people are even remotely aware of what needs to be done to make our world a pleasant place to live in by, say, 2050." ¹

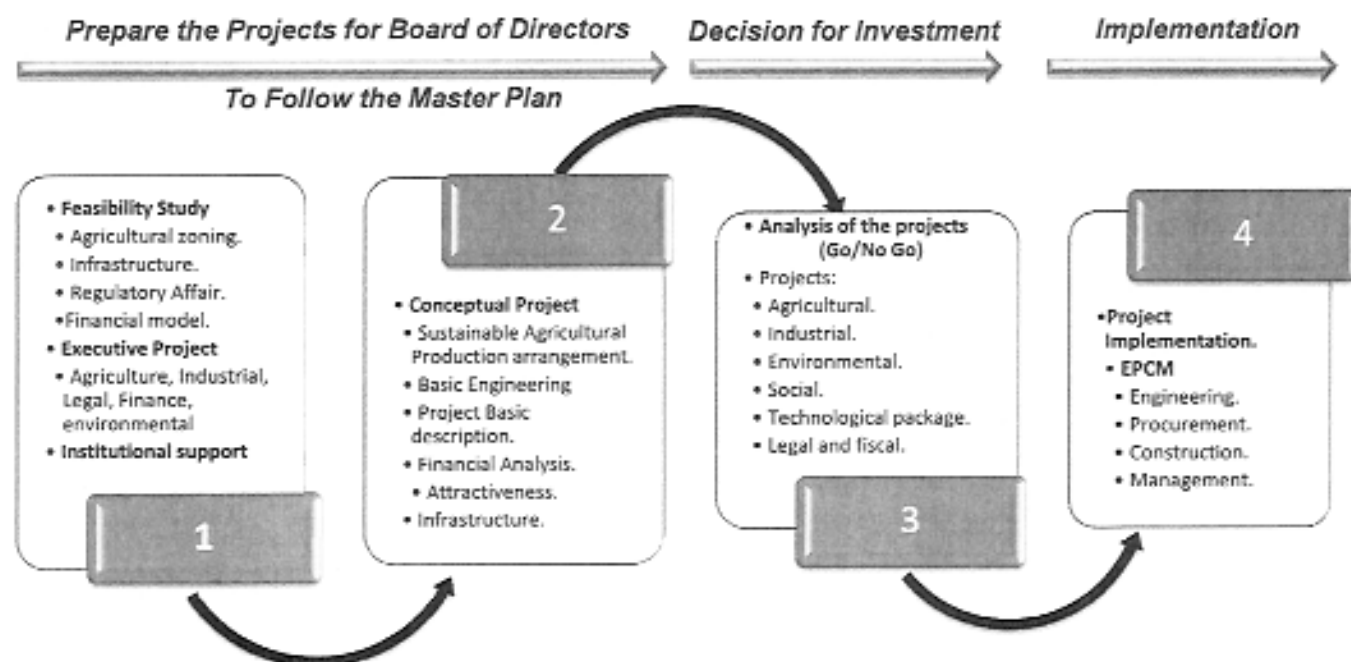


NACALA Fund.

Pioneering. Uncorrelated. Sustainable, and with attractive long-term investment returns.

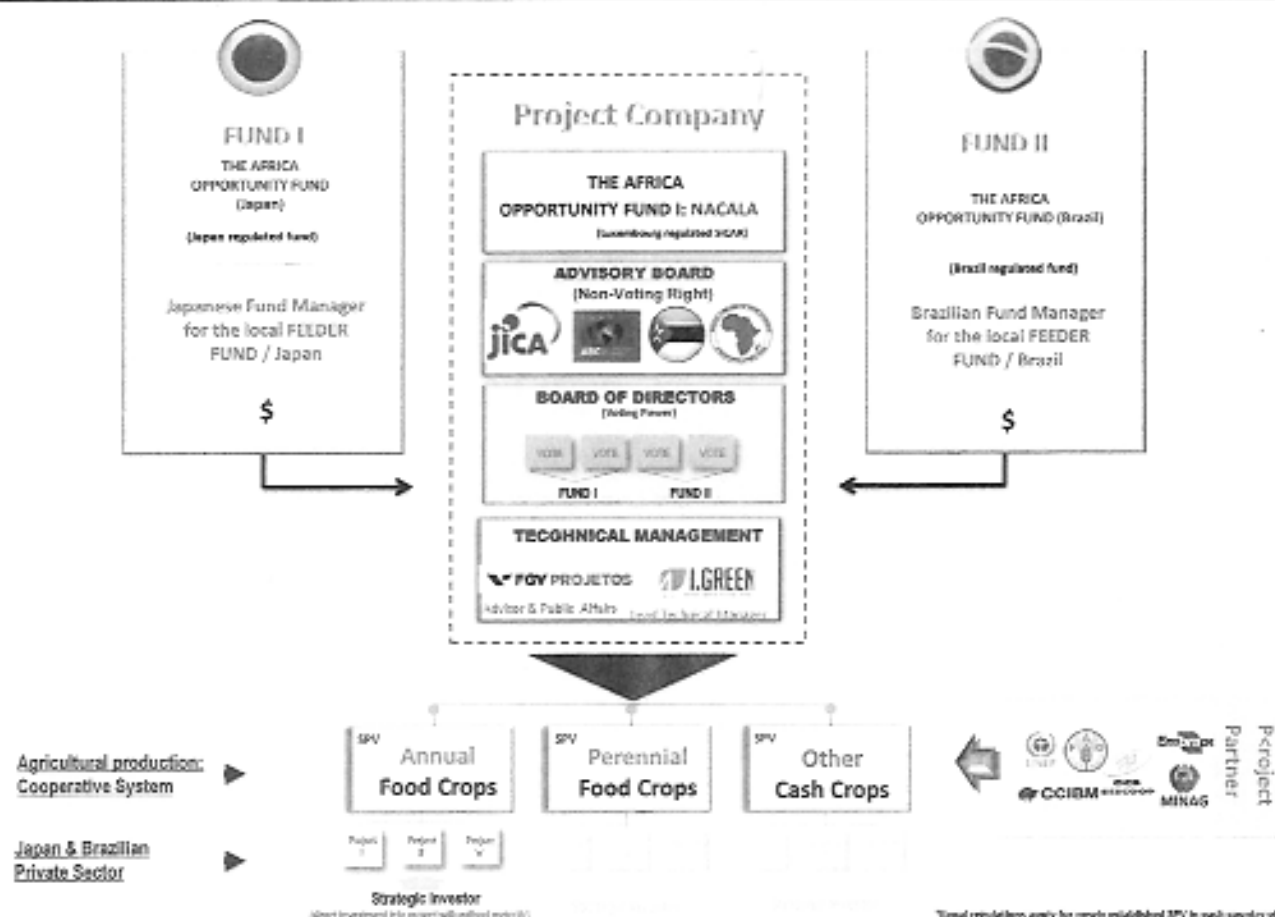
- Launch a new, uncorrelated and pioneering investment fund for direct **investments in agriculture and agriculture related infrastructure in Africa.**
- The FUND's core objective is to **produce food products** for local, regional and global markets,
- **Transfer of technology and know-how to the locals,**
- **Create an environment of fair, ethical and respectful co-operation** with whoever and wherever the FUND operates,
- Establish values and guidelines, hand-in-hand with the local communities, to **protect the local environment and natural resources,** and improve the well-being of the local population.
- **Achieve attractive mid to long-term investment returns** for the Fund's investors.

Technical Management for the projects of Nacala corridor



The Africa Opportunity Fund I: Nacala

Dedicated to the Agro-Industrial Sector



Fundo Nacala

FGV PROJETOS
GV AGRO

A Fundação Getúlio Vargas, a ABC, a Embrapa, a FAO, a JICA, a CCIBM, o MINAG e a 4iGREEN têm o prazer de convidar para o seminário de lançamento do Fundo de Investimentos em Agricultura para o Corredor de Nacala.

04 de julho de 2012

Brasília

16h00 às 18h00 | Seminário

18h00 às 19h00 | Cocktail

Auditório da Embrapa (José Inácio Cabral)
Parque Estação Biológica (PqEB), s/nº
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Embrapa



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JICA



FGV

Thank you

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