

# **Tropical Belt**

## **Nacala Corridor**

**ProSAVANA-JBM**

**2012.8**

# FGV

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



PACTUAL



DWS  
INVESTMENTS



FUNDAÇÃO  
GETÚLIO VARGAS  
FGV PROJETOS

Ministério do  
Desenvolvimento, Indústria  
e Comércio Exterior



Inter American Development Bank

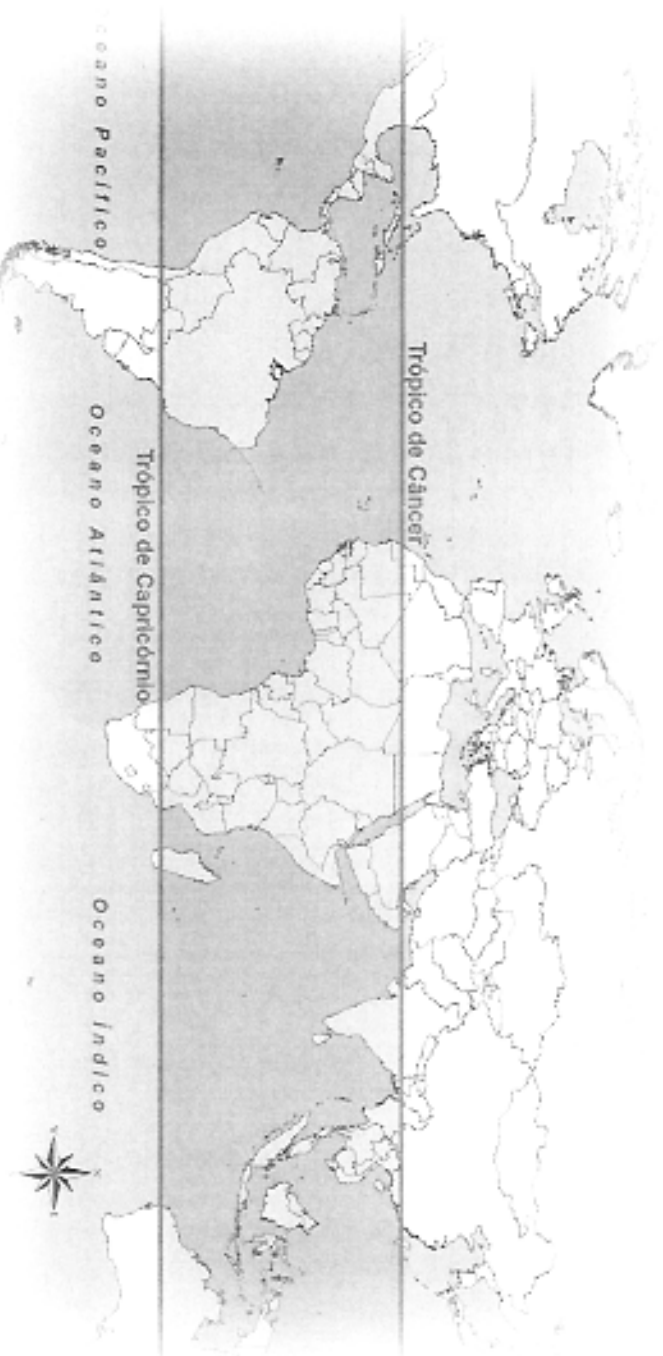
**Embrapa**



VALE



UNEP



OECD



FINANCIADORA DE ESTUDOS E PROJETOS  
MINISTÉRIO DA CIÊNCIA E TECNOLOGIA



APEX  
BRASIL  
AGÊNCIA DE PROMOÇÃO  
DE EXPORTAÇÕES E  
INVESTIMENTOS

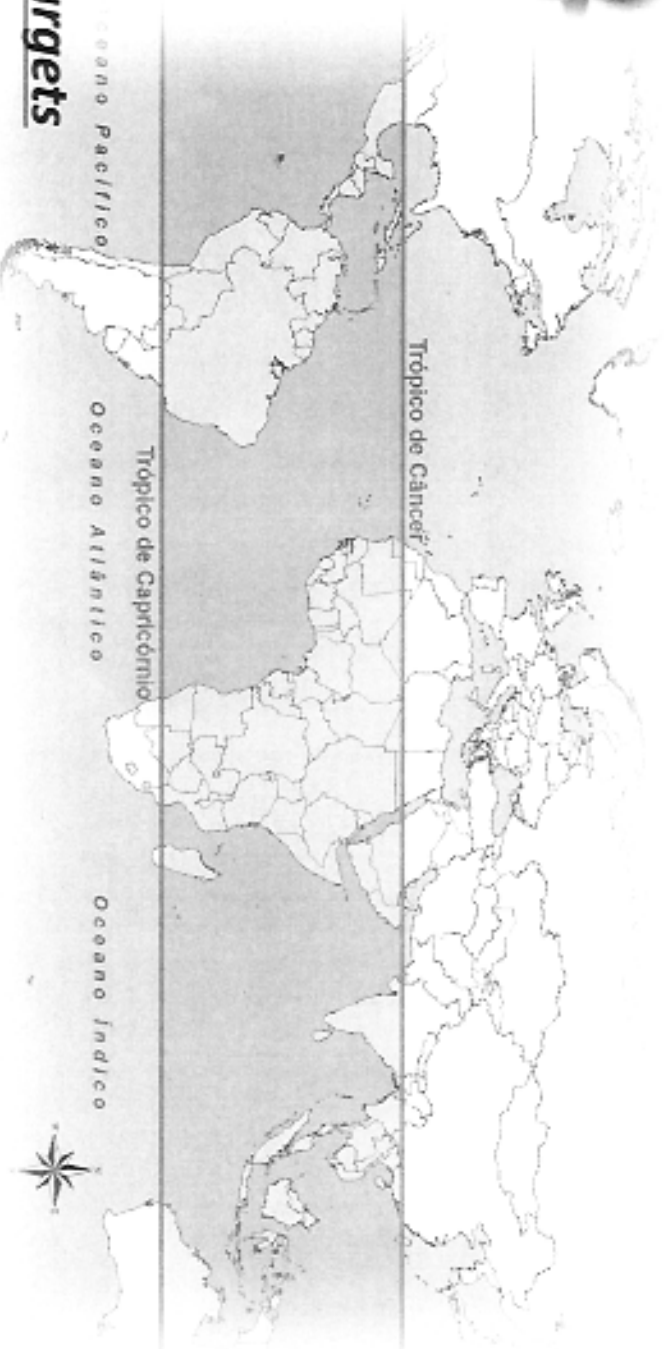
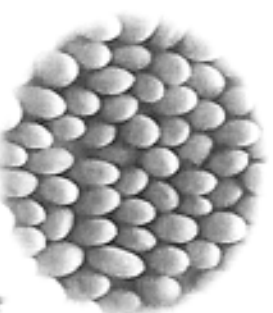


MINISTÉRIO DAS RELAÇÕES EXTERIORES



BNDES

# Types of projects focused On Tropical Belt



## Project Targets

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

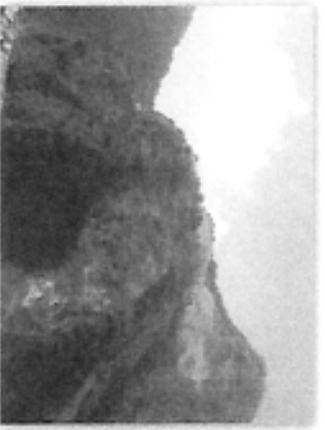
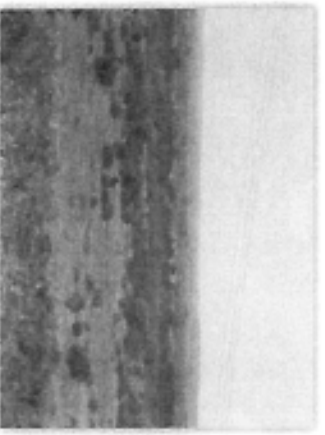
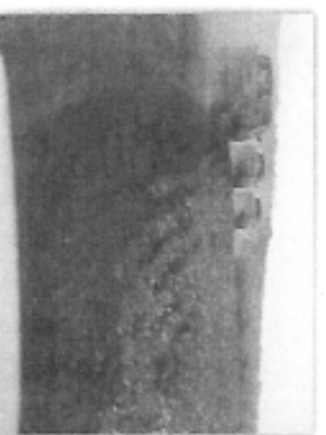
# Information Generated

**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**





# Information Generated

**Up to 14 kinds of crops analyzed**

**36 expeditions since 2007**

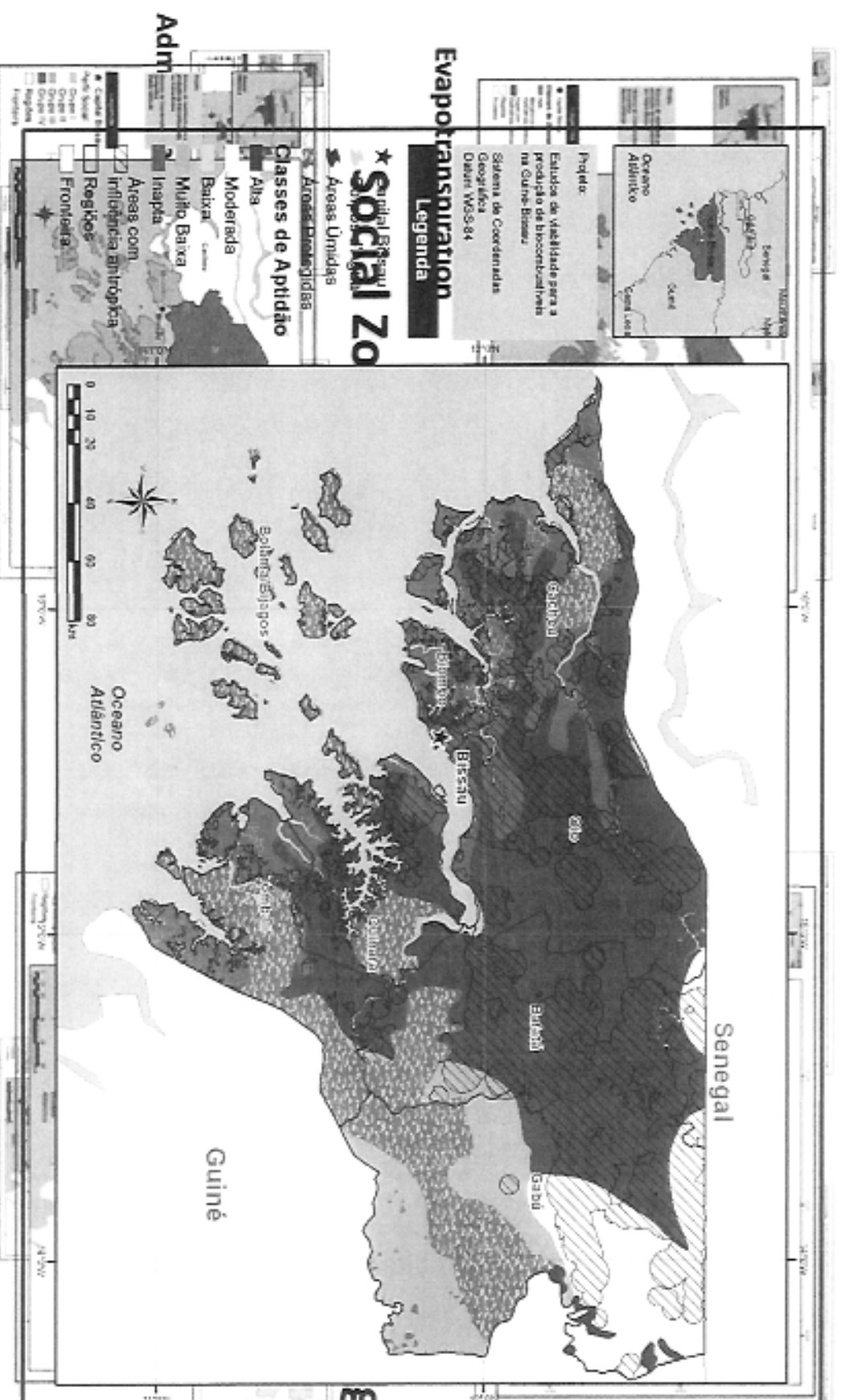
**Over 100 local meetings attended**

**About 2,400 soils samples gathered**



# FGV Methodology - Example

## Agro-climatic Zoning / Agricultural Zoning / Agroclimatic Zoning





# FGV Methodology

## Agricultural zoning



## Use and coverage



## Potential areas validation

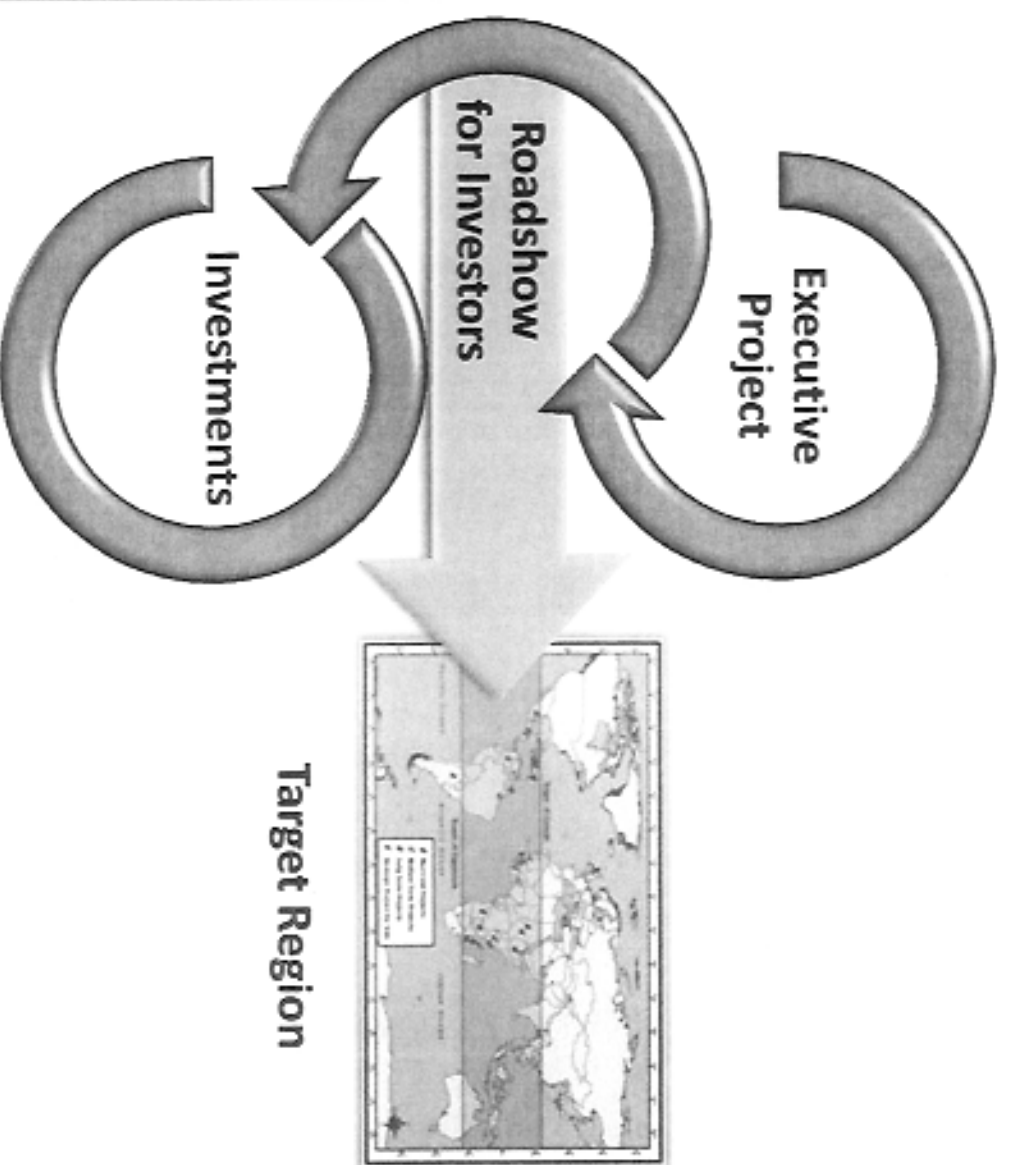
- Degraded areas;
- Suitable soils;
- Rural diagnoses;
- Infrastructure analysis;
- Use and coverage;
- Relief;
- Existing projects;
- Existing crops;
- Cultivation forms;
- Field evidence.



# Executive Project

## PROJECTS

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



# Private Investors

**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 o BTG Pactual fecharam acordo para o lançamento de um fundo de investimentos voltado em projetos de produção de biocombustíveis na África. O acordo foi firmado na sede do BTG Pactual em NY, onde o Chairman e CEO do banco de investimentos André Esteves foi agraciado com o prêmio Pioneer 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, César Cunha Campos, esta iniciativa, além do caráter inovador, contribui para o desenvolvimento das países africanas e está totalmente alinhada com a política global de incentivo à produção de energia e

**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 technical cooperation agreement Friday with the Inter-American Development Bank on the development of bioenergy.

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

The project comes as a part of IDB 2011 and provides for two complementary additional technical studies on bioenergy and on the sustainability of agricultural projects.

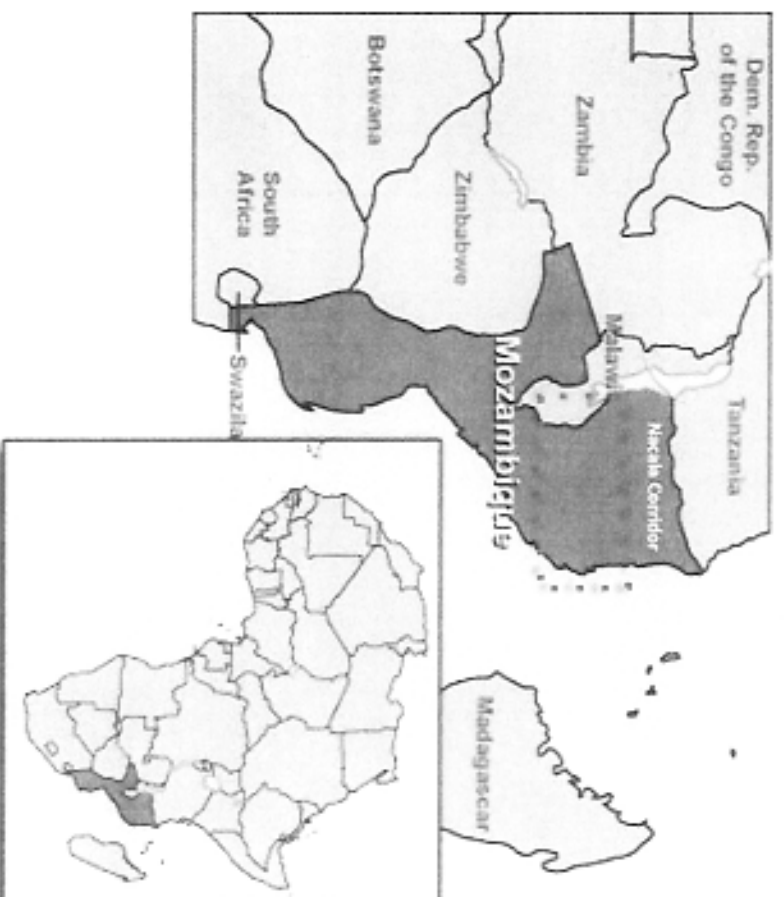
According to Enrique Barrios, president of the National Energy Commission, his agency will first look to establish the feasibility of various bioenergy projects, with a focus on the industrial and industrialization of sugar cane.

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

The IDB president said he would look to identify companies involved in the Dominican Republic's agricultural sector with particular attention to those working with sugarcane and forest and sugarcane.

# Nacala Corridor

# Nacala Corridor-ProSavanna Program



# 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.**

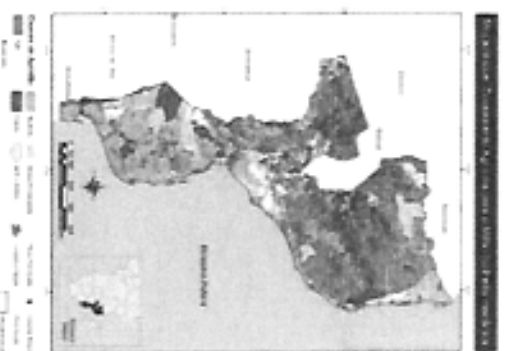
- FGV attended a **technical mission in the Nacala Corridor.**
- FGV was **selected to run Master Plan.**
- We have noticed, by the Brazilian farmers, requests for development of a **funding mechanism** to produce in Africa.



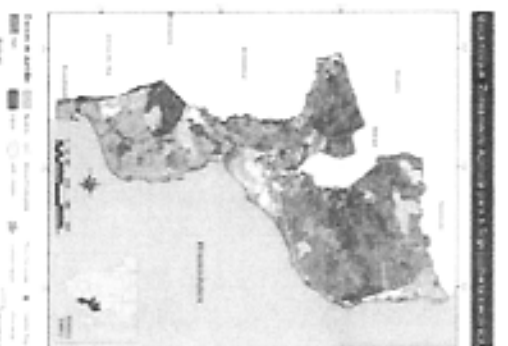
# FGV in Mozambique

## Results for the Agricultural Zoning

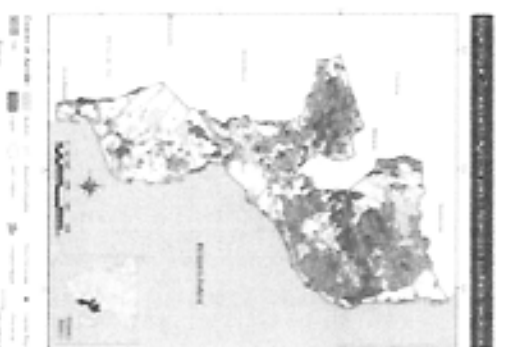
Corn



Soybean



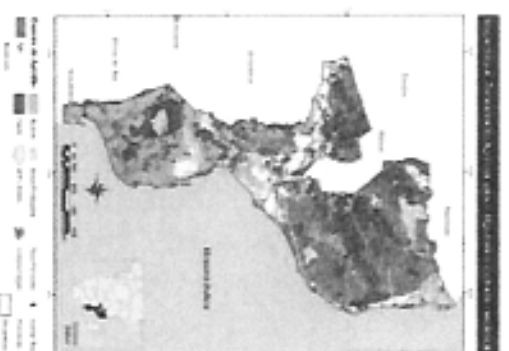
Peanut



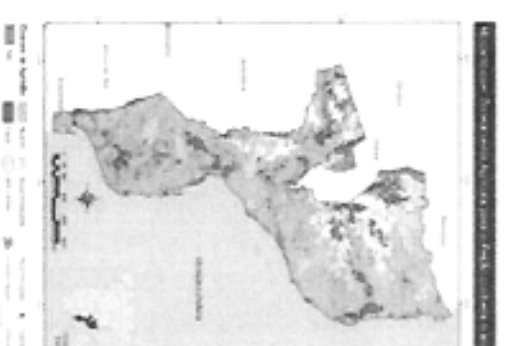
Sunflower



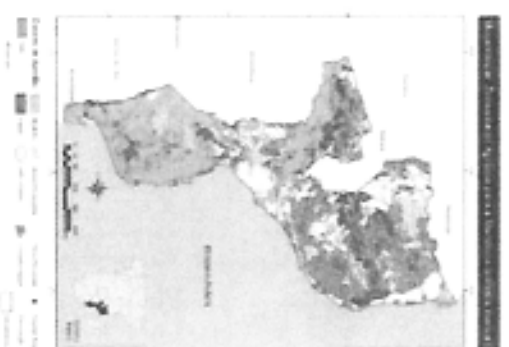
Cotton



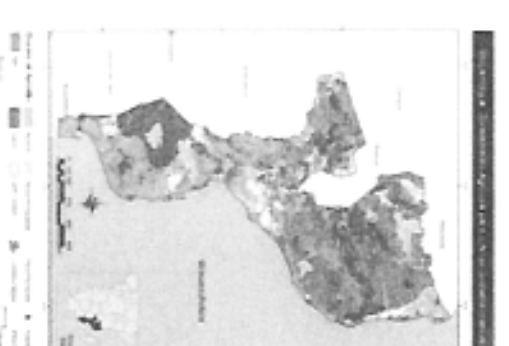
Beans



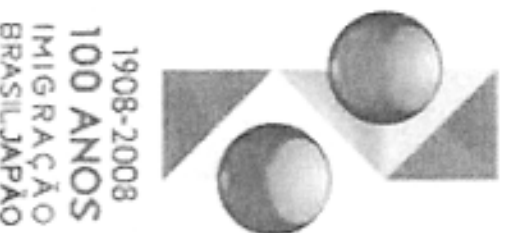
Cassava



Rice

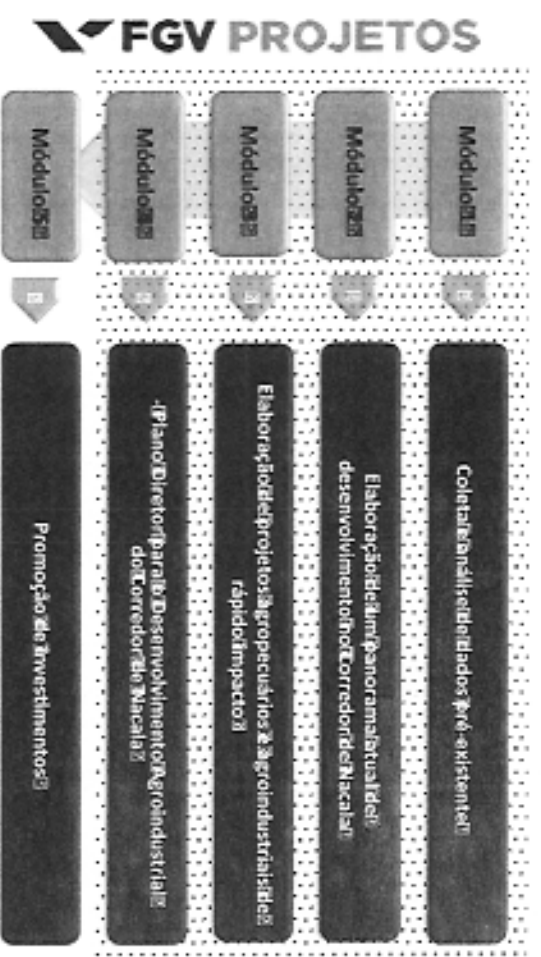
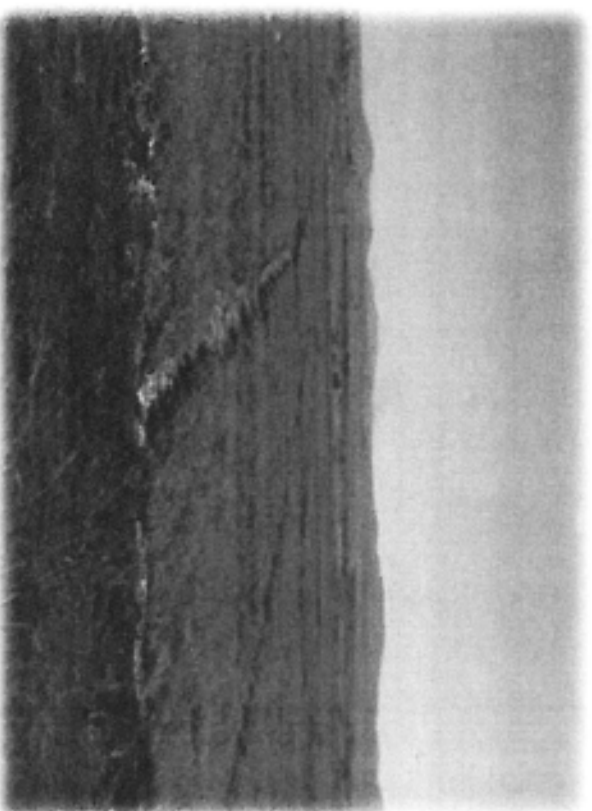


# Japan & Brazil: Historical Cooperation



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



- 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.



# Nacala Fund

Productive Chain

Infrastructure

Private Fund  
Nacala

検討中

Public Fund  
(JICA, BNDES, etc.)  
CSR Fund

Social Inclusion

Economic Development

Environmental Protection

ProSavana

ABC

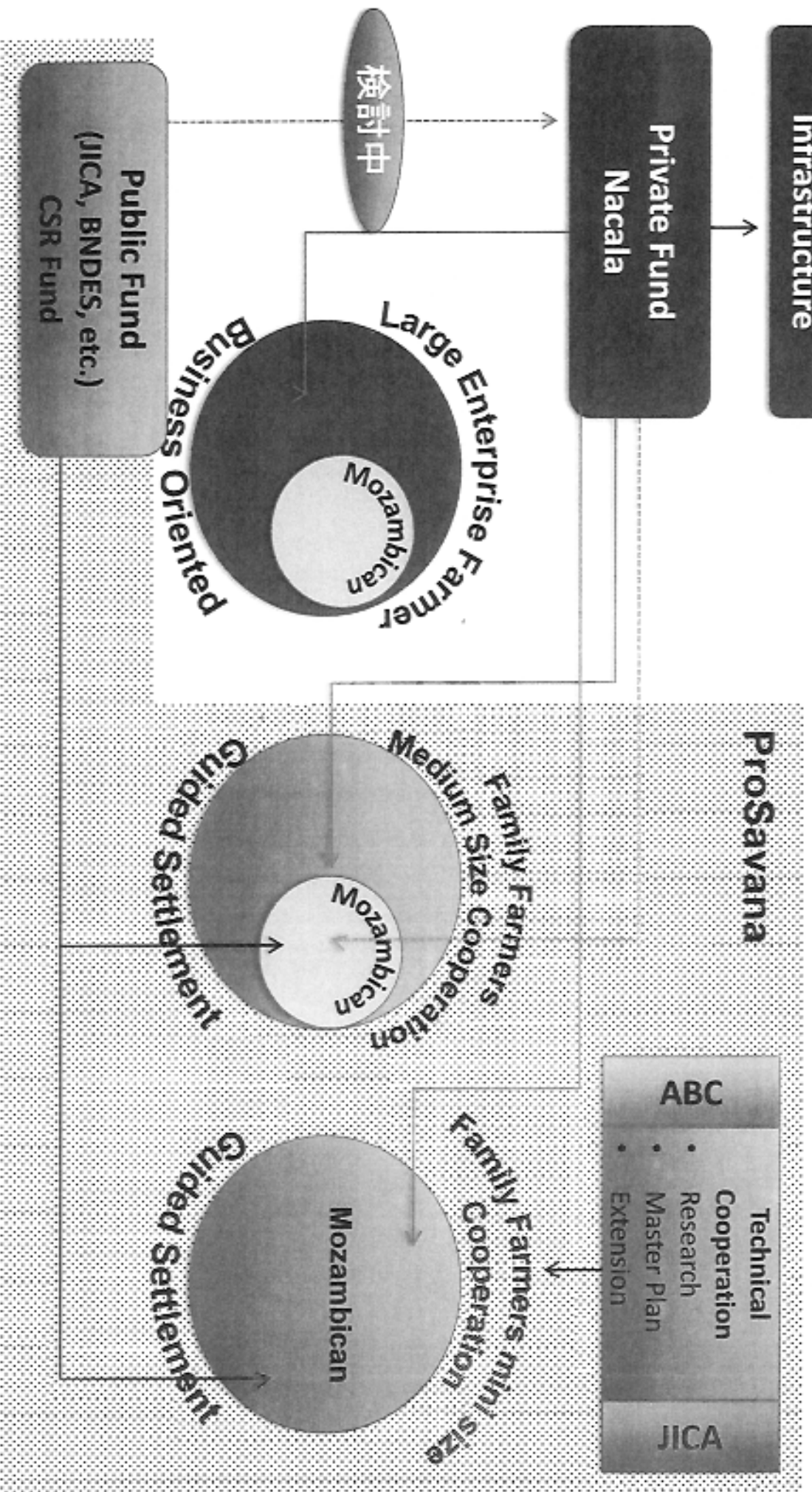
Technical  
Cooperation  
• Research  
• Master Plan  
• Extension

JICA

Large Enterprise Farmer  
Mozambican  
Business Oriented

Family Farmers  
Medium Size Cooperation  
Mozambican  
Guided Settlement

Family Farmers mini size  
Cooperation  
Mozambican  
Guided Settlement



# 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.



# Nacala Fund

- **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.

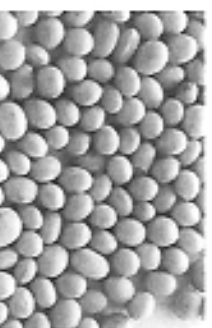
- Nacala corridor projects will adopt sustainable production system. **UNEP** (United Nations Environmental Program) and **Embrapa** will support the projects of the Nacala Fund.



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

# Nacala 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



## 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.

## Africa: Population expected to Double



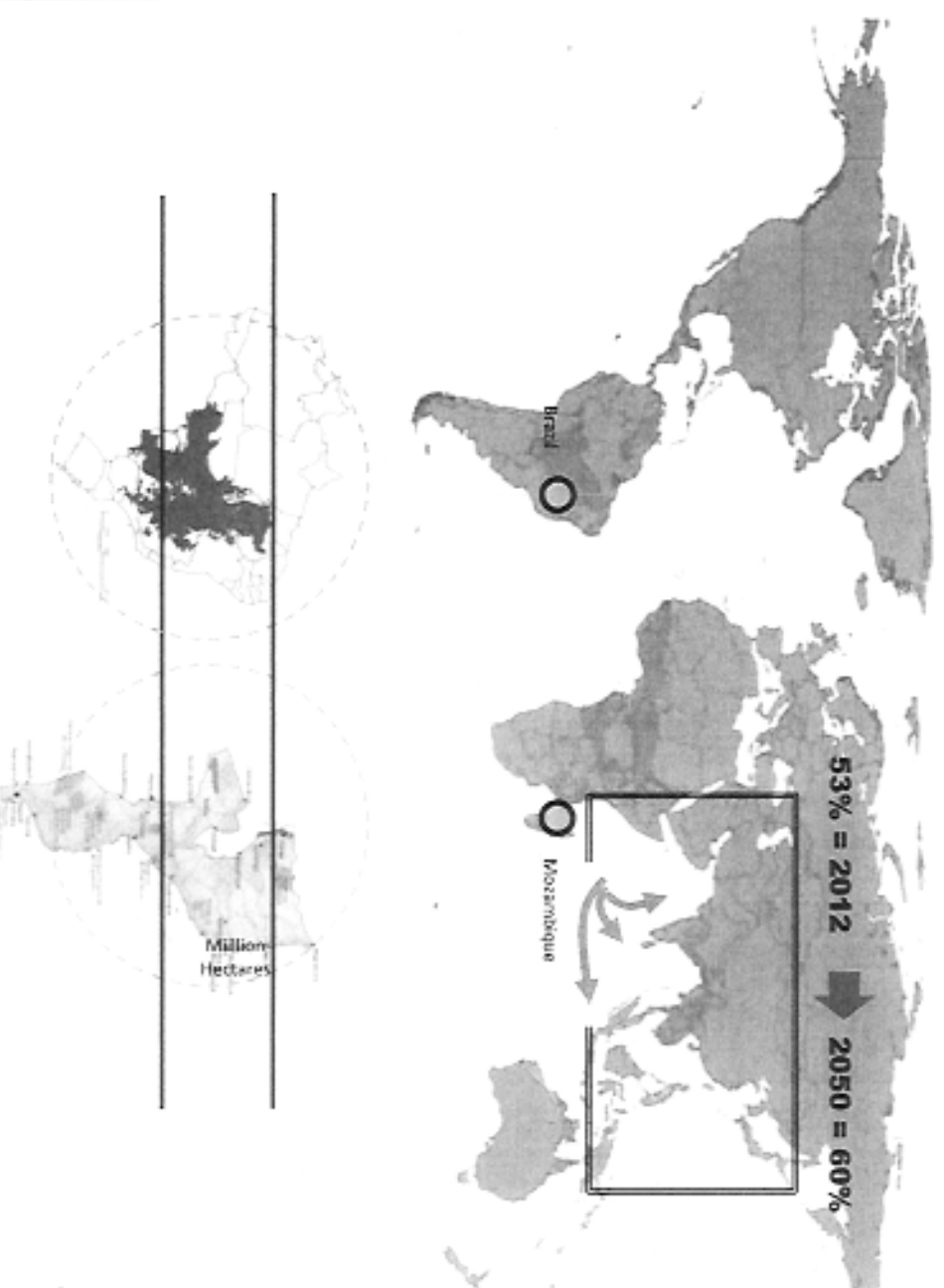
Africa's population is expected to double from current 1 billion by 2050. African's moving into cities are forecast to be above 50% by 2030. Africa's current GDP of USD 1.6bn could double over the next 10 years.

### Selective crops:

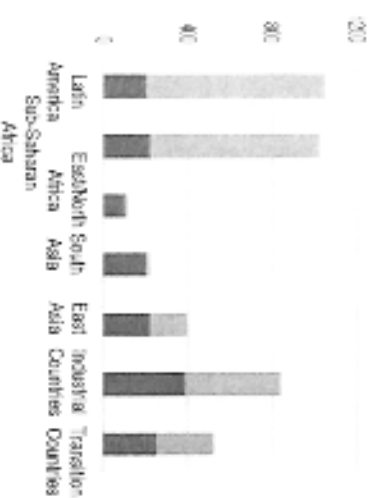
	Domestic consumption increase (2000 – 2050)	Production increase required (2000 – 2050)
Rice	49%	48%
Wheat	56%	57%
Corn	105%	111%
Sugar	93%	93%
Soy	153%	155%
All Crops	84%	86%

"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."

# Nacala Corridor-ProSavanna Program



- Biomass similarities
- Similare challenges
- Vast business opportunities
- Equally shared learning experiences
- A comparable future market vision



■ Additional land with rainfall crop production potential  
 ■ Arable land in use, 2006

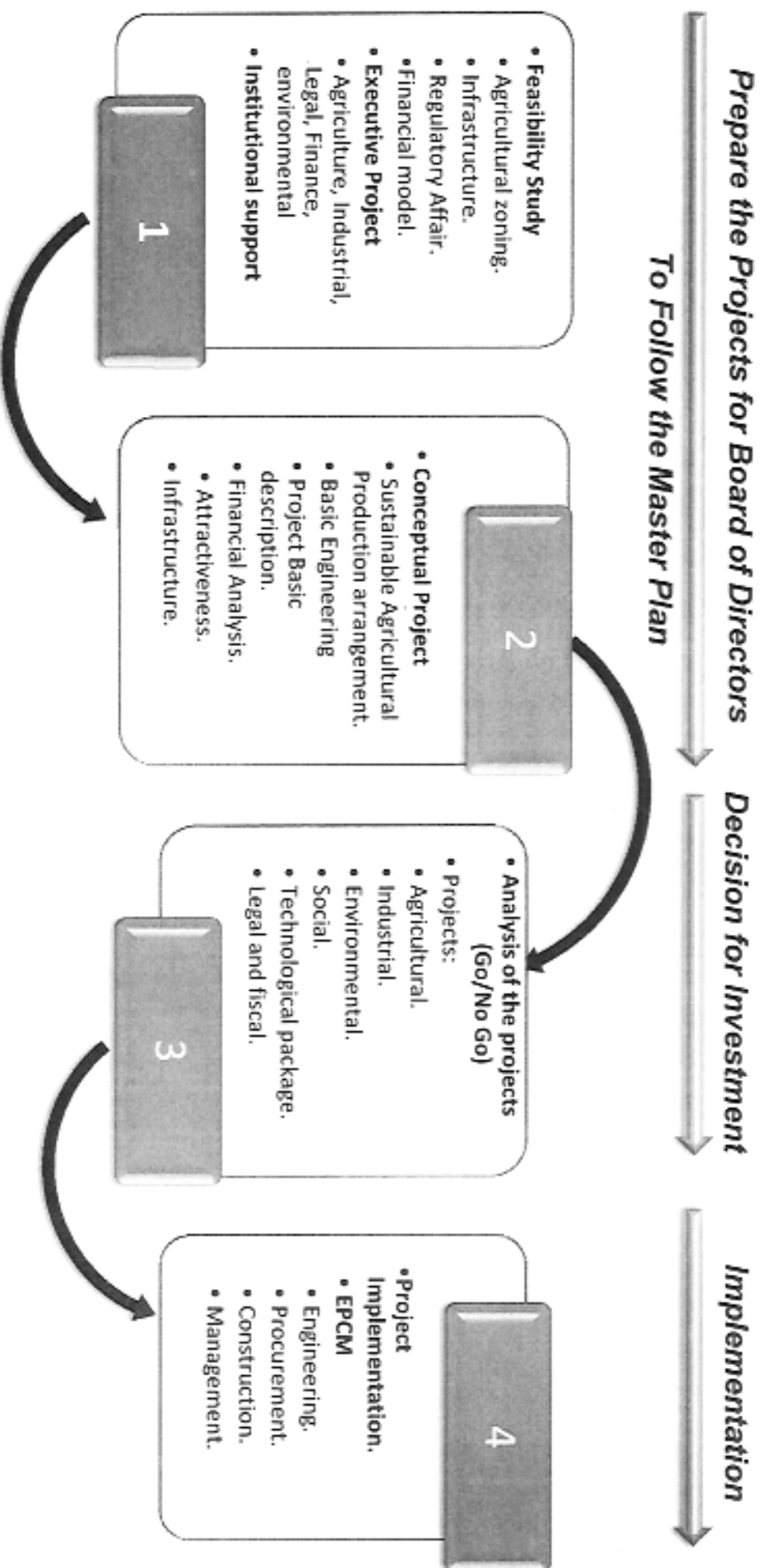
## **NACALA Fund.**

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.

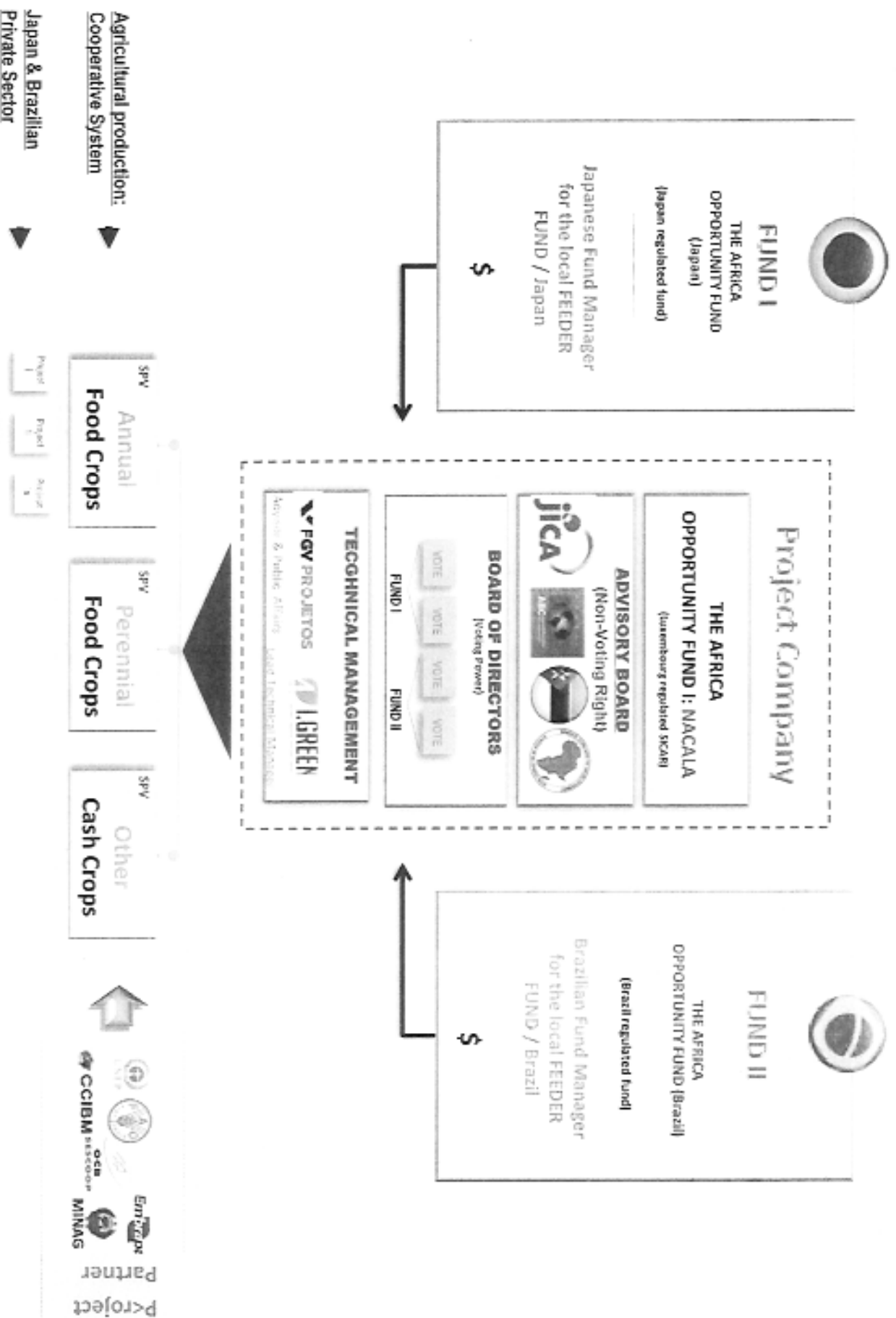


# Technical Management for the projects of Nacala corridor



# The Africa Opportunity Fund I: Nacala

Dedicated to the Agro-Industrial Sector



# The Nacala Fund

Global fund launch event #1: Brasília, June 4th, 2012

## Fundo Nacala

A Fundação Getúlio Vargas, a ABC, a Embrapa, a FAO, a JICA, a CCIBM, o MINAG e a AIGREEN 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

Audatório da Embrapa (José Irineu Cabral)  
Parque Estação Biológica (PqEB), s/nº  
Brasília, D.F. - Brasil

R.S.V.P.  
email: [diretoria.fgvprojetos@fgv.br](mailto:diretoria.fgvprojetos@fgv.br)  
tel: +55 21 3799-6044



**FGV** | **PROJETOS**  
**GV AGRO**



## 日本政府方針

以下の条件が担保されるようにデザイン出来るのであれば、参加・関与を検討する。

ア 日本企業が確実に参画でき、日本企業の利益に繋がることが期待できるか否か

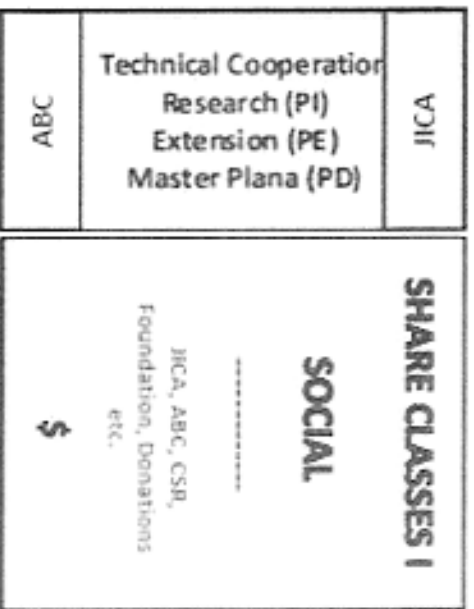
イ モザンビークの環境保全に配慮したものであるか否か

ウ モザンビークの小規模農家を配慮し、貧困削減に資するものであるか否か

エ 責任ある農業投資原則(PRAI)に沿ったものであるか否か

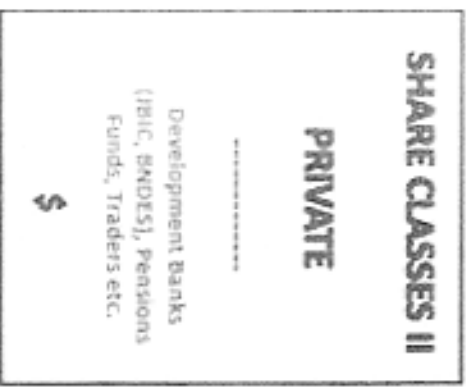
## 今後のスケジュールリング

- 2012.6 キックオフミーティング
- 2012.7 ブラジル、モザンビークでの設立構想の発表
- 2012.8～ 三カ国での議論
- 2013.4 フラントデザイン最終化・ローンチング
- 2013.9 事業への運用準備開始



Mini size and Medium Size  
Mozambican farmers  
(Cooperatives)

Loan with preferential  
interest rates



Large Enterprise farmers

Investments with  
IRR >= 20%

