



Republic Of Mozambique

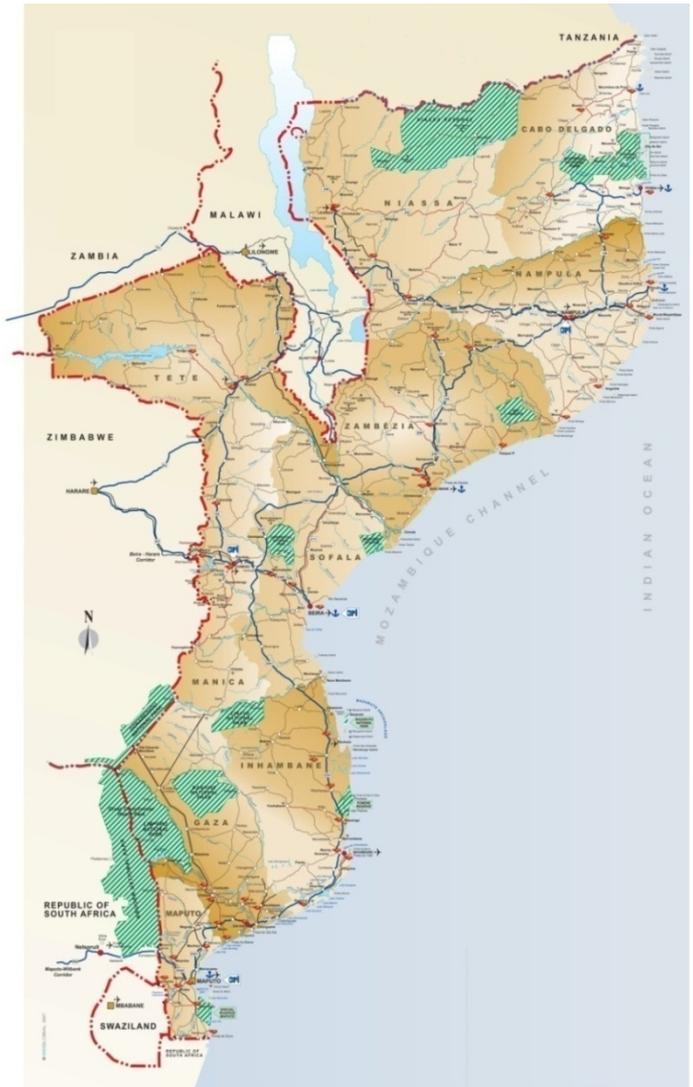
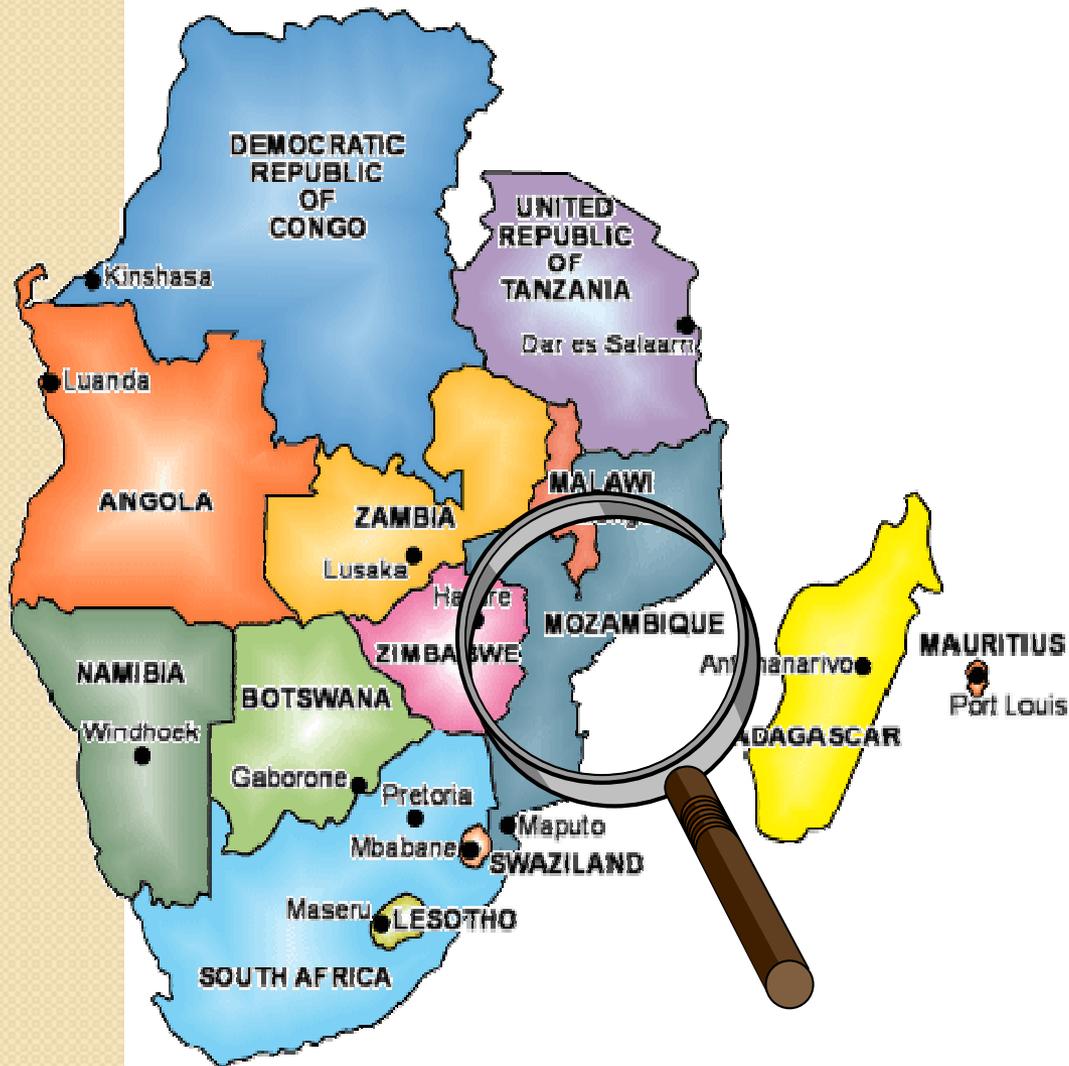
**MINISTRY OF AGRICULTURE
Agriculture Promotion Centre
(CEPAGRI)**

***PROMOTING SUSTAINABLE AND POVERTY-REDUCING
INVESTMENTS IN BIOFUELS PRODUCTION IN MOZAMBIQUE***

BERLIN, MAY 2013

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Mozambique Location

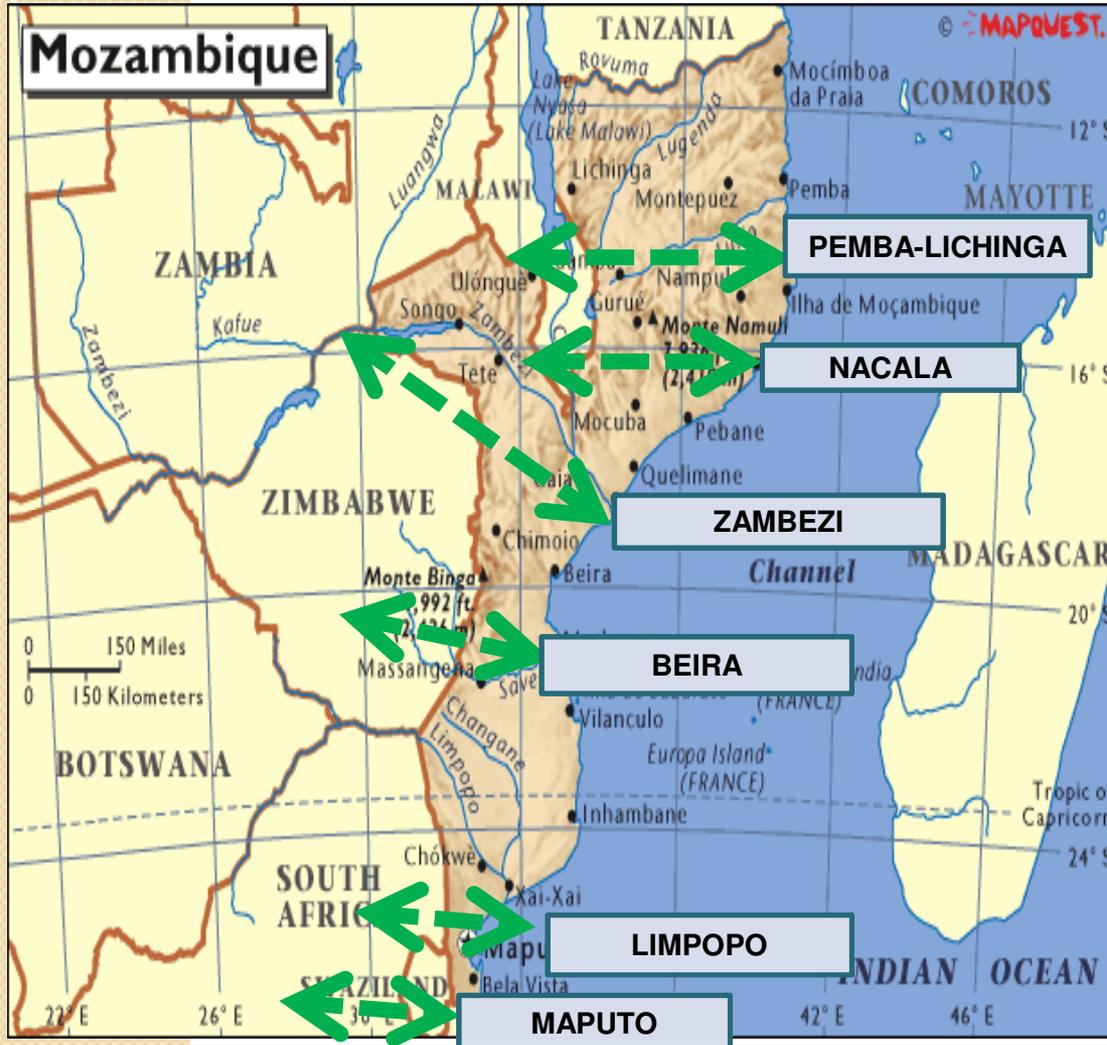


I. The Comparative Advantage on Agribusiness of Mozambique

1. **Agro-climatic conditions** allow a broad and diverse range of agricultural production;
2. Advantageous **geographical position to reach** Asian and middle East markets, and natural gateway to Southern African countries;
3. **Political stability**
4. **Safety and security** is a comparative advantage.
5. Competitive cost of **labor force**;
6. **Linkages** opportunities with ongoing **large scale projects** initiatives, such as mines, energy and forestry;
7. **Infrastructure** under massive development:
Ports and railways, Airports, Roads and bridges,
Water, Electricity.



II. Six Agricultural Growth Corridor well Known



CORRIDOR	MAIN AGRI-PRODUCTS
Maputo	Vegetable, chicken and eggs, fruits and sugar
Limpopo	Rice, sugar, vegetable, livestock products, chicken and eggs
Beira	Rice, sugar, vegetable, livestock products, chicken, eggs, Biofuels
Nacala	Cotton, Cashew nut, sesame, pulses , maize and timber
Zambezi Valley	Cotton, Cashew nut, sesame, pulses , maize, rice, tea, wheat, coconut, timber and Biofuels
Lichinga-Pemba	Cotton, Cashew nut, sesame, pulses , maize, timber



III. BIOFUELS PROGRAM

- The program '*Promoting sustainable and poverty-reducing investments in biofuel production in Mozambique*' is implemented by CEPAGRI under the Ministry of Agriculture since November 2008 and is funded by the Dutch Government. Ends 2014
- Objective:
Is to contribute to the development of a biofuel value chain that is socially, economically and ecologically sustainable and focuses on poverty reduction in Mozambique.



IV. Indicators for achieving the programme objective

- All large and small producers, processors, traders and distributors in the value chain expect to obtain in the longer run positive net income sufficient to operate;
- Inclusion of small holder production in biofuel production either through own production, in contract out grower schemes or other forms of cooperation;
- Minimised environmental impacts in terms of land degradation and/or water pollution;
- A positive CO₂ balance for the conversion of land to biofuel crops and subsequent production;
- Building local knowledge and capacity on national and international markets for biofuels as part of agricultural commodity market;

Verification of these indicators suppose to be based on the developing national sustainability

V. Some Results/activities (1-3)

- A policy on biofuel and a Legal and enabling regulatory framework established;
- Transparent procedures and templates developed that define requirements and criteria for approving foreign and national investments in feedstock production for biofuel, its processing and trading.
- Capacity created at the Government of Mozambique to conduct a comprehensive investment analysis on biofuels for the national and international markets.

V. Some Results/activities (2-2)

To achieve these results:

- CEPAGRI has forged practical and workable ties with relevant institutions across government and civil society.
- This resulted in the establishment of the biofuels task force and late on, the inter-ministerial biofuels commission (CIB).



V. Some Results/activities (3-3)

- ✚ Capacity created in the Government of Mozambique to monitor the socio-economic and environmental impact of agribusiness on a regular basis (investment tracking and impact assessment).

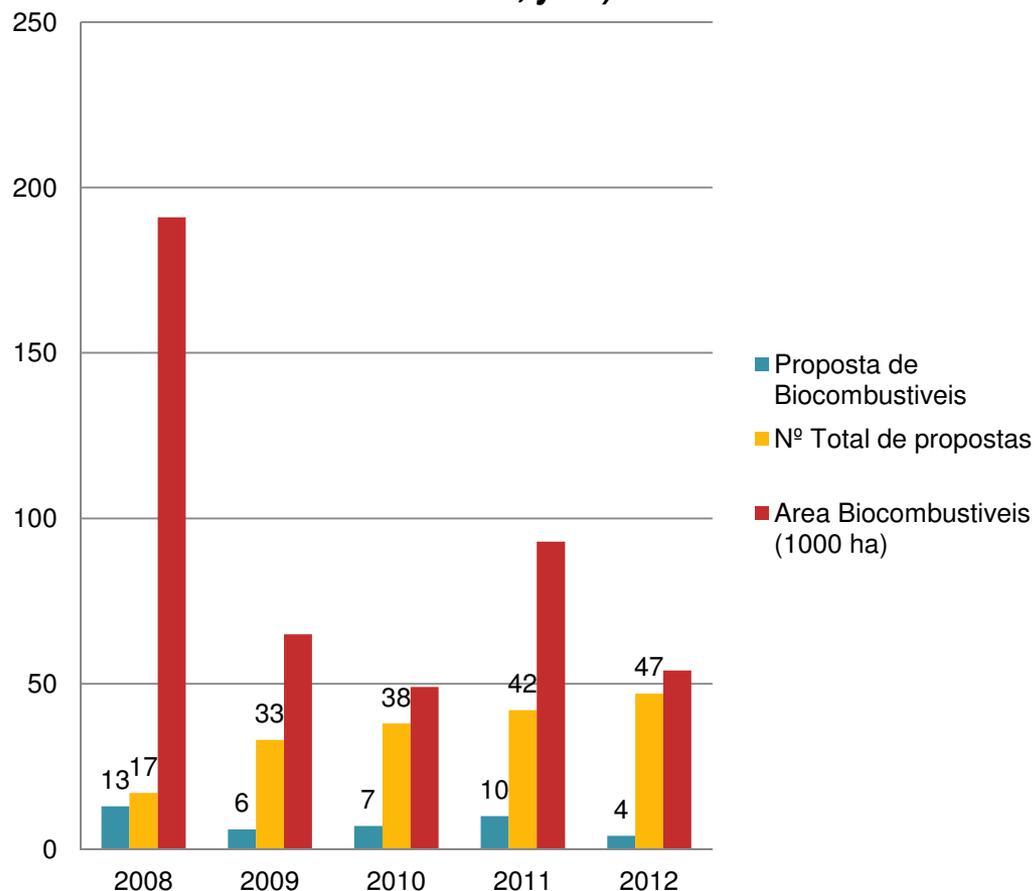
- ✚ Created a Database of biofuel projects and others agrarian investment projects to be shared with different stakerholders.



VI. Project Analyse (1-3)

0 CEPAGRI, between 2008 - 2012, analysed 117 investment proposals, of which 40 were biofuel projects. In 2012, we received only 4 proposals requesting a total area of 54,000 hectares for biofuel production

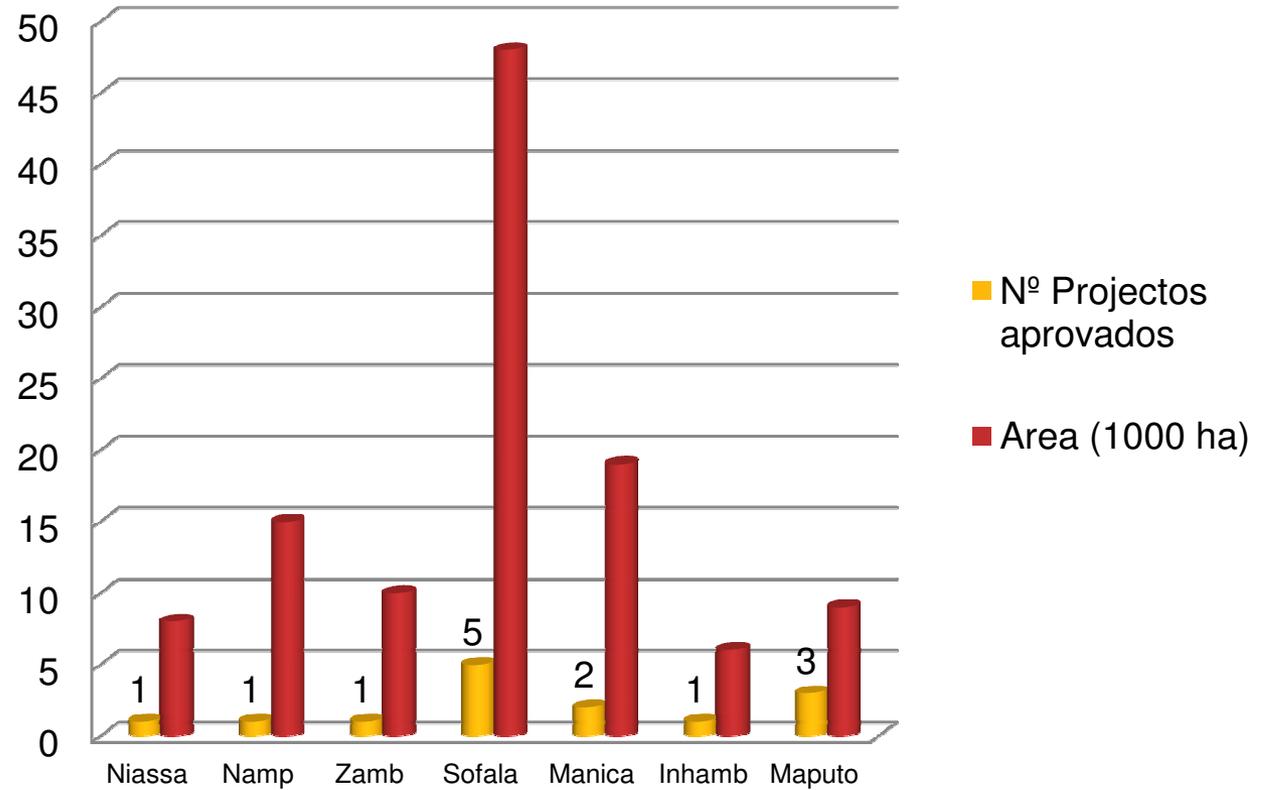
Investment proposal received by CEPAGRI (area, nº, year)





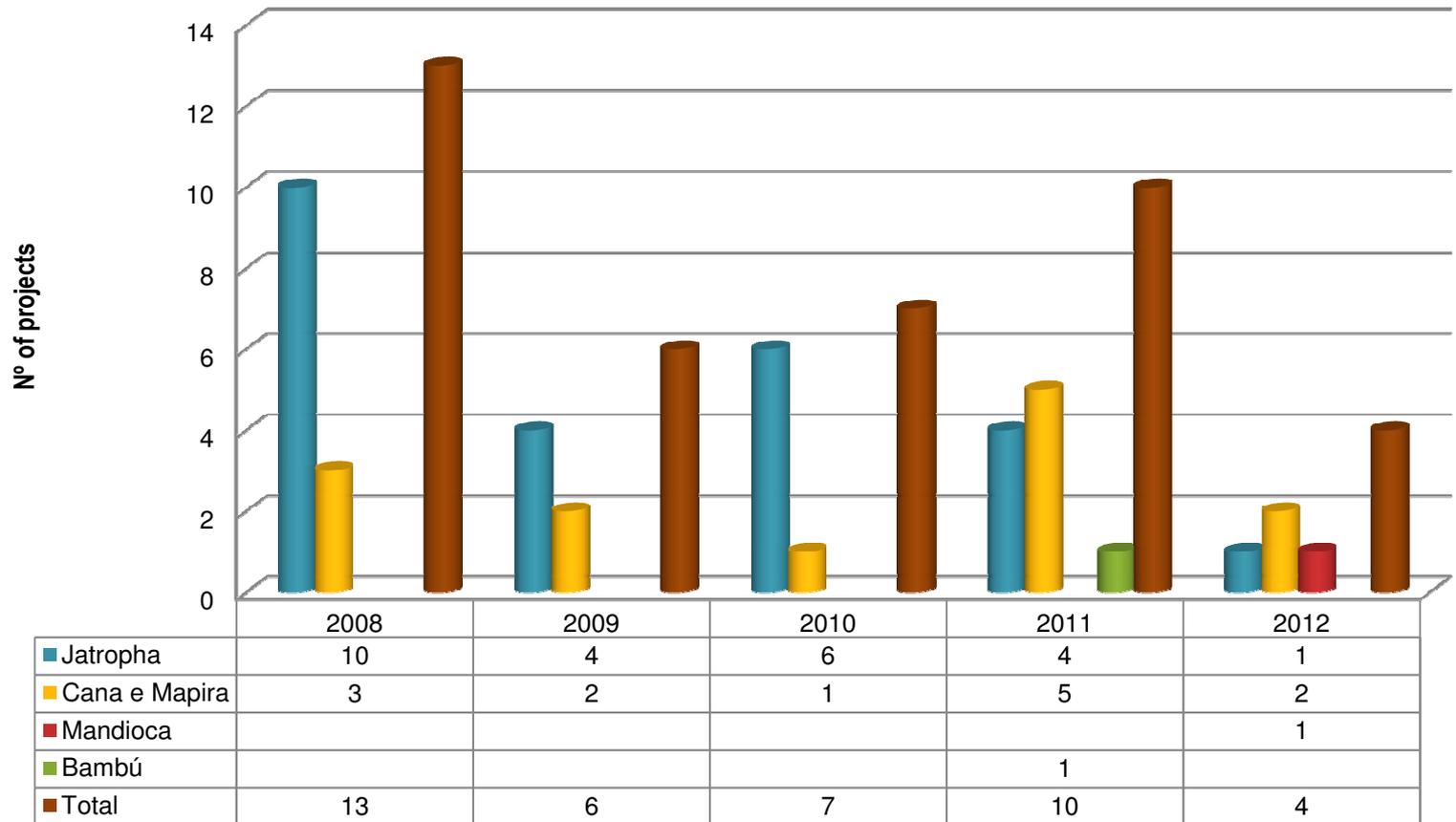
VIII. APPROVED BIOFUEL PROJECTS BY PROVINCE

Biofuel projects 2008 - 2012 (Nr, Province, Area)



VIII. Biofuel Projects by Crops (3-3)

Biofuel projects by Crops 2008 - 2012



Development on Biofuels_Moz (2008-2012)

- - Nr biofuels investments received 40
- - Nr biofuels investments approved 14
- - Total investment value USD 3.9 billion
- - Actual investment until 2012 USD
143 million
- - Land attribution 411.000 ha
- - Land planted for biofuel in 2012 8.512 ha
- - Planned jobs
148.225
- - Actual jobs (permanent) 853
(148.225 planned)
- - Out growers included 16.000

Ethanol production

- The approved sugar cane project estimate an annual production about 300 millions liters of ethanol





II. Projects Performance Monitoring

✚ We did two monitoring exercises (2011 and 2012) and was covered respectively 11 and 7 projects of biofuels. The Key Findings:

- The focus on Jatropha has not resulted in resounding successes yet. Rather, it is a complicated crop that farmers are gradually learning about;
- ***Financial crises has affected the development of several biofuel projects***
- This forces companies to change strategy (cash crop production) and to reduce the plantation area. Some company incorporated this experience in their business plan as a prevention strategy.

X. Conclusion

The overriding priority of creating a biofuel sector in Mozambique remains valid.

- The initial group of investors whose understanding of agriculture was negligible. Those producers have fallen out.
- What remains are those with parent companies in the oil or ethanol sector, whom have a long-term view of the biofuels industry.
- Sugar cane is the most promises crop for biofuels production (Bio-Ethanol)



THANK YOU