



TECHNICAL ASSISTANCE IN THE SETTING UP OF THE “MORINGA INVESTMENTS FUND”

Ref.
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Expert(s)	Country	Volume (md)	Amount* (€)	Beneficiary	Funding	Start date	End date	Partner(s)	Reference
Jérôme Maurice	France	168	92,400 <i>*For the referred expert, within ONFI</i>	The Moringa Fund	ONF International	Mar. 2010	Nov. 2012	Compagnie Benjamin de Rothschild	c.chenost@moringapartnership.com +33 698 425 455

Detailed description of the project	Services provided
<p>The Moringa Fund is an investment fund aiming at financing large-scale, sustainable and profitable agroforestry projects. It is sponsored by ONF International, the Compagnie Benjamin de Rothschild and BeCitizen. The fund targets a total amount of €100 million to be invested in Africa and Latin America. Projects must seek diversified revenue streams (crops, timber, carbon credits, etc.), positive impacts on the environment and on local livelihoods. Moreover, they must target the economic drivers of local deforestation, as well as reaching high certification standards (SFM, fair trade, voluntary carbon standards, etc.)</p> <p>Project sizes are expected to be between 5,000 and 15,000 hectares. Project activities must combine agriculture and forestry, temporally or spatially, enhancing synergies to increase productivity, diversify revenues streams, reduce projects risks and generate positive social and environmental impact. Intercropping and woodland grazing are two examples of these kinds of activities.</p> <p>The setting up of the Fund begun in early 2010 and is intended to be launched in early 2013. It has an intended duration of 15 years, with an initial investment period of five years (to select the projects, to carry out the prefeasibility studies, feasibility studies and due-diligence). Technical support is expected to be provided over 15 years before project divestment, with an anticipated net return of 10% to 12% internal revenue rate (IRR).</p> <p>Technical assistance was needed (i) to produce examples of project business plans to be used to assess projects' profitability and cashflow profiles, prior to modeling the business plan of the Fund itself, and (ii) to source potential projects, to build a projects pipeline and to start the analysis of project investment opportunities with the Fund's Investment Advisor.</p>	<p>Within the Investment Advisor's team, the expert worked on:</p> <ul style="list-style-type: none"> The development of the project's business plan standardized tool. This tool is meant to produce business plans adapted to the targeted activities of each project (mainly afforestation/reforestation, intercropping). The business plan gathers information on costs (differentiated between OPEX/CAPEX, management/operation, debt costs, taxes, etc.) and revenues (based on production and prices projections), on a yearly basis, in order to assess annual gross margin, EBT and free cashflows. Equity needs are then assessed based on the financing mix that is already known (subsidies, reinvestment, debt, etc.) The BP is also used to make IRR estimations, to assess IRR variability, and to estimate the return on equity (ROE). The elaboration of two business plans with the standardized tool, requiring two field missions in Colombia – <i>Commercial reforestation project on degraded pastures in the Magdalena Bajo region</i> – and the Democratic Republic of Congo – <i>Ibi Batéké carbon sink</i> – in order to collect the relevant information. These project's cashflow profiles helped the Investment Advisor to design the Fund's business plan. The elaboration of a projects pipeline in order to start preliminary analysis on the submitted projects' performances and to rank the submitted projects according to the scale defined by the Investment Advisor (early stages, intermediary and advanced projects). This task included the activation of ONF International's network (mainly through its subsidiaries).