

Introducing the Ngima Project at Homa Bay

The Ngima Project at Homa Bay will be an integrated sugarcane facility based near Homa Bay, Kenya designed to further develop the country's sugarcane production capacity while positively contributing to the betterment of the region.

The Luo word for "Life," Ngima attempts to encompass a broad scope of economic and social development roles while respecting the local environment. Ngima represents life in all of its forms, from the growing of sugarcane with soil and rain to the encouragement of thriving communities through new jobs, high-quality educational opportunities and healthcare services, and opportunities for those who wish to return home. Ngima is about family: employees and outgrowers of Ngima will be cared for like family while we help you to take care of yours.

HG Consulting of Brussels, Belgium is leading a team of international investors in the development of the Ngima Project at Homa Bay with the following goals:

- To develop an economically feasible sugarcane production system;
- To produce white sugar for the domestic market;
- To produce fuel-grade ethanol for the domestic and export markets;
- To produce "green" electricity for the benefit of the country;
- To develop the local community through the provision of social services including education and health facilities

The Ngima Project is based on a 1,000 acres nucleus sugarcane farm and sugarcane from outgrowers representing 42,000 hectares in the Homa Bay region (including Rangwe, Ndhiwa, Rongo, Nyatike and Gwasssi constituencies) of Western Nyanza, Kenya. At full capacity, the Ngima Project will produce 100,000 metric tonnes annually of white plantation sugar for the domestic market as well as 259 million litres of fuel-grade ethanol for the export market with availability for the domestic market once one develops. The crushing season will last nine months at 14,700 tonnes of cane crushed per day (TCD).

In addition to sugar and ethanol production, the facility will produce enough electricity from bagasse to supply the entire project's needs as well as provide 225,000MWh of electricity for the national grid. It is expected that the Ngima Project will qualify under the United Nation's Clean Development

Mechanism (CDM). It is estimated that the project will produce 217,000 tonnes worth of Certified Emissions Reductions (CERs), commonly known as carbon credits.

The Ngima Project will be entirely privately owned, with at least 5% of the company's ownership belonging to the outgrowers unions. We believe that if outgrowers are involved with the future of the company directly, and will benefit from its success, they will be even more encouraged to work towards better cane development.

The estimated start-up cost for The Ngima Project at Homa Bay is 330 million euros.

Kenana Engineering and Technical Services (KETS) of Khartoum, Sudan developed the feasibility study for The Ngima Project.

"The Ngima Project at Homa Bay is not only an enterprise, but also a way of Life. Our vision is to create a place where hard work is rewarded and we strive toward a future that will benefit all of us, on a company level through to the community level," said Meghan Sapp, Managing Director of HG Consulting in Brussels, Belgium and the Ngima Project's founder. "I truly believe there is a way to do business that will not only turn a profit but will also positively develop the region where we work. By investing in our workers and our community from the beginning, we will grow a more prosperous future together."

"The feasibility study analyzed the technical, financial, social, marketing and environmental components of the project. The Study concluded that the Ngima Project at Homa Bay is a viable project which will benefit not only the investors but also will improve the standard of living of residents around the project area and improve the region's economy. Once the project funding is secured, the next step is to start detailed planning and all aspects related to land ownership, filing proper applications, and outgrowers agreements need to be resolved. Also, HG Consulting needs to coordinate efforts with Kenya Sugar Board (KSB) and Homa Bay officials. The next phase of the project is the implementation, which includes engineering, procurement, delivery, installation, commissioning, and performance tests. This phase is expected to take approximately two years," said Abdelmuniam Kardash, Senior Engineer at KETS and project manager for the Ngima Project at Homa Bay's Feasibility Study.

Implementation of the Ngima Project will begin as soon as project funding negotiations are completed, with hopes of beginning in the first or second quarter of 2008. The project will take approximately 18 to 24 months for the first crush to begin. Implementation will be managed under contract by Kenana Engineering & Technical Services whose experience not only in the Kenyan sugar industry but also in the redevelopment of sugar industries across Africa, including Sudan and Nigeria, is recognized as a world leader.

"We chose to use KETS as the project managers and to develop the feasibility study because of Kenana Sugar Company's more than 30-year history of world class sugar production while at the same time providing top-class social services like educational and medical facilities for their workers. Kenana is one of the most cost efficient sugar producers in the world, and even so, 40% of the price of their sugar accounts for investments in their social programs," said Sapp. "And that is a model we wish to emulate at The Ngima Project."

Under KETS' management, the Ngima Project will also be recruiting many local and national staff to shadow their work under a technology transfer program so that after three to five years, the business may be managed nearly entirely by Kenyans.

Included in the overall budget is the construction of 50 kilometers of internal roads between the cane farms and 45 kilometers of roads connecting the farms to asphalt roads. In addition to these roads, it is understood from the District Commissioner that money has been earmarked by the cen-

tral government for the improvement of asphalt roads in the area as well as the construction of a small bridge that will help improve cane haulage and reduce transportation costs in the region.

The provision of social services for the local community, employees, outgrowers and their families is one of the tenets of The Ngima Project. During implementation, a township will also be developed. From the 330 million euros budgeted for the construction of The Ngima Project, more than 14 million euros have been set aside for the design and construction of the township which will include flats for senior staff and their families, a bachelor complex for 100 on-site workers, a water treatment plant, elevated water tanks, water supply networks, a sewer treatment plant, and sewer networks. In addition, a fully-staffed hospital, an elementary school and a secondary school will be built and operated by The Ngima Project.

Services will be provided to employees, outgrowers and their families either free of charge or at significantly subsidized rates with services also available to the surrounding community. Specific details regarding the social services will be developed during the design stage of the implementation period and the community will be encouraged to participate in that development through "town hall" meetings.

Future plans for social programs under the Ngima Project include additional educational and health facilities, a network of mobile HIV/AIDS vans for testing and treatment and a microfinance program that will allow the families of employees and outgrowers to develop their own businesses and continue to develop the community in their own way.

About HG Consulting

HG Consulting of Brussels, Belgium is a consortium of consultants from various aspects of the global sugarcane industry whose main purpose is to develop sustainable sugarcane-to-ethanol projects in Africa. With experts from the sugar trading, marketing, production, engineering and communications fields, HG Consulting is the first enterprise of its kind in the world to focus on the potential Africa holds to become a major ethanol-producing region while respecting the need for balance in food production and rural development. Each and every project HG Consulting develops includes free or subsidized health and education facilities for employees, outgrowers and their families.

About Kenana Engineering & Technical Services

Kenana Engineering and Technical Services, (KETS), with its headquarters in Khartoum, Sudan, is a local and regional leader in providing knowledge-driven services. With more than 150 professionals in more than five African countries, KETS provides premiere solutions to private customers, municipalities, government agencies, multinational companies, industrial concerns and organizations worldwide in the agro-business and infrastructure fields.

education **NGIMA**