

## Obtala Limited announces MOU with FundInvest SA

Obtala Limited, the Africa-focused agriculture and forestry group, announces a non-binding Memorandum of Understanding (MOU) with FundInvest SA, a private company established in 2017 and wholly owned by Mozambique's Ministry of Land, Environment and Rural Development (MITADER), to combat illegal logging by facilitating the processing and export of sustainable, legal timber.



matuska via [pixabay](#)

The MOU is an agreement to set up a joint venture company which will own and operate a timber harvesting, purchasing, processing, export and distribution business. The joint venture will be 51% owned by FundInvest, 48% by Argento and 1% by Obtala and is expected to rapidly advance to higher value-added processing such as MDF, HDF, and veneer.

The new entity will have the mandate to source sustainable timber from thousands of hectares operated by regional smallholders across northern Mozambique, to be processed at sawmills, then exported. Obtala will make its new sawmill in Nampula available for processing JV timber for a competitive processing fee. Timber produce will set the benchmark for quality, with the guarantee of sustainability and legality, while enriching the community through its support of local producers and helping to eradicate the harm wreaked by illegal loggers.

FundInvest's primary responsibilities will be to assist with purchasing timber harvested by concession holders, managing the transport of wood to sawmills, arranging export processes, and obtaining government and regulatory approvals, permits and licenses.

Obtala does not plan to invest directly into the joint venture company but will be responsible for arranging preferential rate financing from socially impactful funders and government entities. Obtala and FundInvest will work together to sell the joint venture's processed timber.

"We are honoured to take this important step alongside FundInvest towards establishing an impactful joint venture for the northern regions of Mozambique. It demonstrates our commitment to a thriving, sustainable timber market for the country and our unwavering support of the local community," said Paul Dolan, CEO, Obtala Limited.

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