

**OPENING REMARKS AT THE COMPETE INTERNATIONAL CONFERENCE AND
POLICY DEBATE ON
"Bioenergy Sustainability Schemes – An African Perspective"
ARUSHA, TANZANIA, JUNE 16-18, 2008.
ESTOMIH. N. SAWE**

Mr. Chairman/Madam Chairperson

**Honorable Isidore Shirima, Regional Commissioner, Arusha Region,
Honorable Minister from Mozambique, Your Excellencies, colleagues and
friends, Ladies and Gentlemen.**

1.0 INTRODUCTION

On behalf of the organizers of this conference, Dr. Jeremy Woods and Dr. Rocio Diaz Chavez from Imperial college, UK, with close support of the COMPETE project Coordinator, Dr. Rainer Janssen from WIP, Germany and also with local support from my colleagues, Mr. Jensen. Shuma, Pamela Semiono and Shukuru Bartholomeo from TaTEDO, Tanzania and other COMPETE partners, I am delighted and grateful for this opportunity to give this opening remarks on the overview of the COMPETE project.

I am also, pleased to welcome you to this International Conference and policy dialogue, which aim to share and deliberate on biofuels policy experiences and lessons, hoping to come up with effective and action oriented recommendations for policies and strategies for sustainable biofuels development in Africa.

Mr. Chairman

Please, allow me to extend to all of you, on behalf of the Tanzanian delegation, my warm welcome to Arusha City, indeed, one of the most attractive tourist destinations and conference Centers of Tanzania. I would like to encourage you to take some days off to visit some of these areas after the conference. I also, would like to thank you all for taking several days from your busy schedule, to participate in this conference. This is a clear indication that, we all believe that sustainable energy in particular biofuels development has a crucial role in the Continent's efforts on poverty reduction and sustainable development which are necessary for achieving the MDGs.

Mr. Chairman

As we are all aware, probably nothing can be more timely and useful than a conference on biofuels development for Africa at this period of global concerns and efforts to confront the current crisis of rising food and fuel prices from which Africa is the most vulnerable continent.

Mr. Chairman:

We have among us, outstanding participants from the International, Regional, National and Donor communities; we are also most pleased to have with us, Minister from Mozambique, all have so kindly agreed to share with us their experiences.

Mr. Chairman, Excellencies, Distinguished participants,

This conference is meant to be forward looking and a dialogue on policies for sustainable development of biofuels in Africa. It has been organized in the context of the COMPETE project, package three, on the "Sustainability analysis of alternative land use" which aim to ensure that, the project contribute to practical tools required by the continent policy makers, industries and investors.

2.0 THE COMPETE PROJECT OVERVIEW

Mr. Chairman

2.1 COMPETE PROJECT OBJECTIVE AND ACTIVITIES

The objective of the COMPETE project is to, among others; stimulate sustainable bioenergy development and implementation efforts in Africa. The project aim at establishing, a platform for policy dialogue in the major multi-and bilateral funding organizations and key stakeholders throughout the bioenergy provision and supply chains. The COMPETE project is co-funded by the European commission in the 6th Framework Programme- specific measures in support of International cooperation for the period from January, 2007 to December, 2009.

The COMPETE project activities, aim at facilitating the implementation and delivering outputs from a matrix of multi-disciplinary and cross-sectoral work packages led by several renown Scientists and Practitioners carrying out specific activities such as, evaluation of potential for sustainable provision of bioenergy in Africa in relation to land and technologies. Facilitating, South-South technology and information exchange, developing, innovative tools for funding bioenergy initiatives, supporting development of efficient policy mechanisms and establishing platform for effective knowledge sharing.

Mr. Chairman.

The COMPETE project partnership consists of twenty European and twenty three non-European partners – eleven partners are from seven African countries, three regional African policy and financing bodies, nine partners from Latin America and Asia – and the Food and Agriculture organization of the United Nations, we are pleased, most of these partners are present in this conference,

Mr. Chairman, Excellencies, distinguished participants

2.2 THE COMPETE PROJECT ACHIEVEMENTS

Some of the COMPETE project achievements, so far include the following;

- Created a website: www.competebioafrica.net and a logo.
- Developed a compete stakeholders database, published several issues of the project newsletter and flyers.
- Cooperated and participated in a variety of national and international events and initiatives.
- Participated and contributed significantly in the first high-level biofuels seminar in Africa in Addis Ababa, which was organized by the African Union Commission (AUC), the Government of Brazil and UNIDO on 30th July – 01st August, 2007.
- Also organized international workshop on improved energy crops and Agro forestry systems for sustainable development in Africa in Mauritius in June, 2007.

- Organized round tables on the occasion of the Professional System Skills and prospective of Biofuels in Africa, in Ouagadougou, Burkina Faso in November, 2007.
- Organized seminars and field trips to Brazil in October 2007. and to India in February, 2008.
- The project has been registered as official partner of the United Nations Commission on Sustainable Development (CSD).

2.3 LESSONS LEARNED

Mr. Chairman.

Please, allow me to share, some of the early lessons learned from the COMPETE Project activities, they include among others;

- Biofuels can play an important role in improving the lives and livelihoods of people in Africa. The Biofuels powered technologies has huge potential for providing modern energy services that can contribute to greater employment, income opportunities and social well being in rural areas. Presently, biofuels represent a fast growing industry seeing a more than 17 percent increase in 2006. The challenge for Africa is to come up with effective policies and strategies that will ensure African countries are secure in fuels and food.
- Liquid biofuels production is already significant in South America, North America, Europe and some Asia countries. In Africa, there are initiatives of developing a number of energy crops, ethanol production in Kenya, Malawi and Zimbabwe, but have not resulted into significant impact on the global biofuels market. African biofuels development has been hindered by several barriers including among others; low awareness and understanding of biofuels issues at all levels, land ownership uncertainties, lack of clear policies, lack of affordable financing, inadequate institutional capacity and awareness, lack of local technology production, and poor market understanding and development.
- Unfortunately, the huge potential for biofuels development to meet local energy needs, reduce dependence on imported oil and contribute to the development of the agriculture sector has not been fully recognized and appreciated by many African countries.
- **On Policy issues.**
 - Most African countries have no policy in place to support biofuels development, no fiscal and financial incentives and no blending targets. However, land grabbing and other initiatives, mostly by foreign investors interested in exporting biofuels feedstock to meet foreign blending targets are going on without appropriate regulations in place.
 - Where policies are being developed, they have tended to be driven mostly by outsiders with limited involvement of most local stakeholders, such policies also in some cases tend to favor large scale industrial farmers, with smaller scale farmers being left out, or just mentioned as providing inputs to larger

farmers with no regulations in place to protect them and ensure fair trade deals.

- With the growing interest in biofuels worldwide, many African countries at the moment are not well prepared to harness the potentials from this fast growing industry to benefit from international trade in biofuels while at the same time protecting the environment and rural communities from potential destruction of livelihoods, indecent work, exploitation, food insecurity and other disadvantages resulting from large scale cultivation of energy crops for biofuels production.

Mr. Chairman.

Indeed, the efforts of the COMPETE Project has enabled most of the participating partners to access a wide range of biofuels knowledge which is proving to be very useful in the development of policies and strategies for biofuels initiatives in the project partner countries of Africa. Also, the knowledge is providing useful inputs in implementing field activities in partner countries. For example, for my organization, TaTEDO, our on going programme to electrify more than 100 villages through straight vegetable oil powered MFPs has benefited from similar ongoing field experiences in India and Mali.

2.4 COMPETE PROJECT RECOMMENDATIONS

Mr. Chairman

From the COMPETE shared information and lessons already learned, the project is in a position to offer the following recommendations for consideration and implementation, which are African countries need;

- To develop comprehensive regional and national biofuels policies, regulations and strategies in consultation with stakeholders, including regional economic communities to include incentives for indigenous private sector and small farmers to take a leading role in the biofuels industry to ensure that local households, business, and communities capture the benefits of energy services afforded from biofuels development, as well as associated income and job opportunities. Policies should be clear, long term, stable and ensure biofuels development by local people, for local people has higher priority in Africa and should enhance the ability of local people to access modern energy services.
- To raise resources in particular financing for Infrastructural development for production, processing, storage, transporting and marketing of biofuels products. It is important to realize that biofuels needs to be seen as one aspect of an integrated framework for enhanced land management that encompass food fuels. Financing is a key barrier especially for small scale farmers who need capital for purchase of seeds and other necessary inputs to grow biofuels and develop related business. It is important to involve local finance and microfinance institutions that are close to local markets. Furthermore engaging international institutions, such as multilateral and bilateral donors, in provision of upstream grant support, long term financing, and risk mitigation will also be important to support investments in biofuels initiatives. The role of carbon financing should be fully explored.
- To commit resources for biofuels research and development (R&D), capacity building, technical support for biofuels technologies demonstration and adaptation

are crucial in order to drive down costs, enhance greater use of locally produced biofuels by rural poor to have better access to electricity and fuels for meeting productive and consumptive energy needs. . African research centers that encourage biofuels technologies especially small scale technologies should be encouraged.

- To establish a regulatory and institutional framework in order to regulate and provide incentives for development and growth of a sustainable biofuels industry. Adequate political commitment and putting in place effective policy and regulatory frameworks are crucial elements that can improve the investment climate for bioenergy. A firm legal basis is fundamental to properly regulate and support the development of biofuels. African countries which will have sound policies to promote the production and use of biofuels will be at the forefront of realizing the economic, social and environment benefits of the biofuels industry.
- To encourage international and regional cooperation, this is essential for developing sound biofuels industry. This includes cooperation with international development agencies of the UN, the World Bank and African Development Bank, and others. International cooperation activities should include an emphasis on local capacity building and technical assistance, joint R&D, technology transfer, reduction of trade barriers, investment and partnership. Many opportunities for enhanced North-South and South-South cooperation should be explored. The need for the development of local Centers of excellence is important in fostering local know-how on biofuels and South-South information exchange.

Mr. Chairman

This conference aim at contributing to a process of achieving the above recommendations and also to the on going efforts to develop policies that will capture the many opportunities expected from biofuels development in Africa while also minimizing the many potential threats that could result from implementing policies that do not encompass sustainable biofuels development in Africa.

3.0 CONCLUSION

To conclude my project overview remarks, Mr. Chairman, I would like to sincerely thank the EU for funding the COMPETE project which has made it possible to learn a lot as mentioned above and also has made it possible to organize this conference. I would also like to extend our appreciation to WIP through Dr. Rainer for the innovative efforts of formulating the COMPETE project and to all the COMPETE partners for their continuous efforts to ensure the success of the project.

Finally, Mr. Chairman, Excellencies, distinguished participants,

By hosting this conference, the COMPETE project has indeed set the ball rolling. Now, however, it is up to all of us to make this conference a success. And that success will be measured by the practical and effective recommendations that will emerge from this conference and thereafter be effectively implemented by relevant stakeholders for the betterment of the livelihoods of the majority of the African people who should indeed be our main concern in the efforts of developing sustainable biofuels industry in Africa

Thank you very much for your attention.