

# STATUS OF STRNGTHENING POLICY, REGULATORY AND INSTITUTIONAL FRAMEWORK FOR BIOFUELS DEVELOPMENT IN TANZANIA

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'Biofuel Sustainability Schemes: An African perspective'  
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# Importance of Biofuels to Tanzania

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- Reliability and security of energy supply.
- Potential to replace traditional use of biomass
- Saving on foreign currency.
- Ready market to crop products (local & export).
- Balance of trade.
- Employment/Job creation in bioenergy business chain.
- Land rehabilitation (for some bioenergy crops).
- Technology transfer.
- Eradication of poverty.

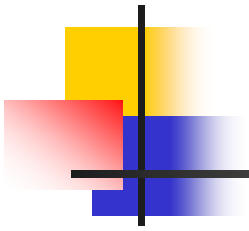


# Challenges

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- Balance between biofuels and food production
- Ensure more benefits to locals and contribution of biofuels in National economy
- Biodiversity and environmental protection

# SOME OF THE BIOFUEL ACTORS IN TANZANIA

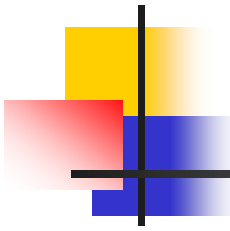


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The following are some of the actors and developers who are at various stages of developing/promoting biofuels:

- Sekab Biofuels (T) Ltd – to promote sugarcane based bioethanol Companies already working on biofuels
- Prokon of Germany [Mpanda - Rukwa],
- WILMA from United States [Croton spp.] (*muhihi*) – Biharamulo, Kagera];
- Mitsubishi Corporation of Japan [Arusha and Dar es Salaam]
- Abengoa [Stalk Sweet Sorghum, Bagamoyo]

# SOME OF THE BIOFUEL ACTORS IN TANZANIA

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- Farming for Energy Livelihood in Southern Africa (FELISA) a Tanzanian and Belgium company [Oil palm - Kigoma]
  - KAKUTE of Arusha Tanzania [jatropha, Arusha,]
  - Diligent – Dutch Firm [jartopha Oil – Arusha]
  - TaTEDO of Tanzania [jatropha]
  - SunBiofuels (T) [jatropha - Kisarawe]
  - And others [some with TIC investment certificates]



# Policy issues

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- Currently there is no specific policy on biofuels.
- National Energy Policy (2003) has statements on bioenergy.
- Problem in Handling Enquiries

Lack of specific policy, legal and instantiation framework on biofuels has contributed in delayed decision and made biofuels investment difficult.
- Realizing the difficult in handling Biofuels enquiries and interests, the Government established the National Biofuels Task Force to work out the road map for Sustainable Biofuels Development and utilization in Tanzania.
- Established on March, 2006 under MEM coordination
- On June 2006, the Task Force reconstituted under MPEE



# ToRs of Biofuels Task Force

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## **Specific Objectives**

- Review the existing environment in the biofuels sub-sector [policies, legislation (laws & regulations), strategies, programmes, standards, etc.].
- Prepare enabling environment to facilitate sustainable development, promotion and utilization of biofuels in Tanzania.
- Develop well defined, coordinated and integrated modalities and procedures for dealing with development of biofuels.
- Develop a sustainable programme for biofuels industry catering for community, commercial and national interests and linked to economic growth, poverty reduction and economic empowerment.
- Prepare modalities for immediate facilitation of biofuels developers/investors..



# Composition of the Task Force

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- Ministry Planning Economy and Empowerment (Chairperson)
- Ministry of Energy & Minerals (Secretary)
- Ministry Agriculture, Food Security and Cooperatives
- Ministry of Water
- Ministry of Lands, Housing and Settlement Development
- Ministry of Labour, Employment and Youth Development
- Ministry of Finance
- VPO-Environment
- AG-Chambers
- Tanzania Investment center
- Tanzania petroleum Development Cooperation
- Tanzania Sugar Producers Associations
- Community Finance Company





# Activities Done so far

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## Between May 2006 and January 2008

- SWOT analysis workshop for biofuels development in Tanzania was organized
- SWOTs analyzed and prioritized and strategic actions prepared
- Draft Action Plan and draft budget prepared
- Draft Biofuels Development Guidelines were prepared
- Inclusion of biofuels in Petroleum Supply Bill
- Preparation of two years biofuels project document on **“Strengthening the policy, legal, regulatory and institutional framework to support the development of a sustainable biofuels industry in Tanzania”**
  - November 12 -13, 2007 organized stakeholders’ consultation meetings
  - November 14 to 16, 2007 organized LFA workshop to prepare biofuels project document

# Biofuels in Petroleum Supply Bill



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- Recognition of liquid biofuels by including it in the definition of petroleum products.
- Section which allows blending.
- Mandate for the Minister responsible for energy to publish blending ratios, standards and regulations on liquid biofuels.



# Highlights of the Draft Biofuels Guidelines

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- Guidance on existing Laws and procedures
- Institutional arrangement (biofuels one stop centre)
- Sustainability production criteria
  - Positive impact on local community
  - No land use change/productive land for biofuels
  - Protection of vulnerable biodiversity
  - No clearing of forest
  - Protection of water sources (surface/ground/catchments)
- Thorough Environmental Impact Assessment (EIA)
- Land use for specific use (crops)
- Contract farming



# Highlights of the Draft Biofuels Guidelines

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- Biofuels seeds management
- Community engagement
- Processing of biofuels
- Storage and handling of biofuels
- Transportation and distribution
- Quality of biofuels



# Project components

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- Establish project monitoring unit within Ministry of Energy and Minerals,
- Hire biofuels experts
- Review of existing policies and legislation relevant to biofuels developments,
- Based on the review propose revision/amendment of some policies and/or legislation or propose new biofuels policy and/or legislation or both amendment and new biofuels policy
- Facilitate review of National Land Use Plan and identify suitable land for biofuels (mapping and zoning) to ensure biofuels production is sustainable and does not affect food production
- Finalize biofuels development guidelines



# Project components

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- Capacity building to Government departments and institutions to enable them to coordinate biofuels activity effectively.
- Awareness to the public so that they can benefit from biofuels business

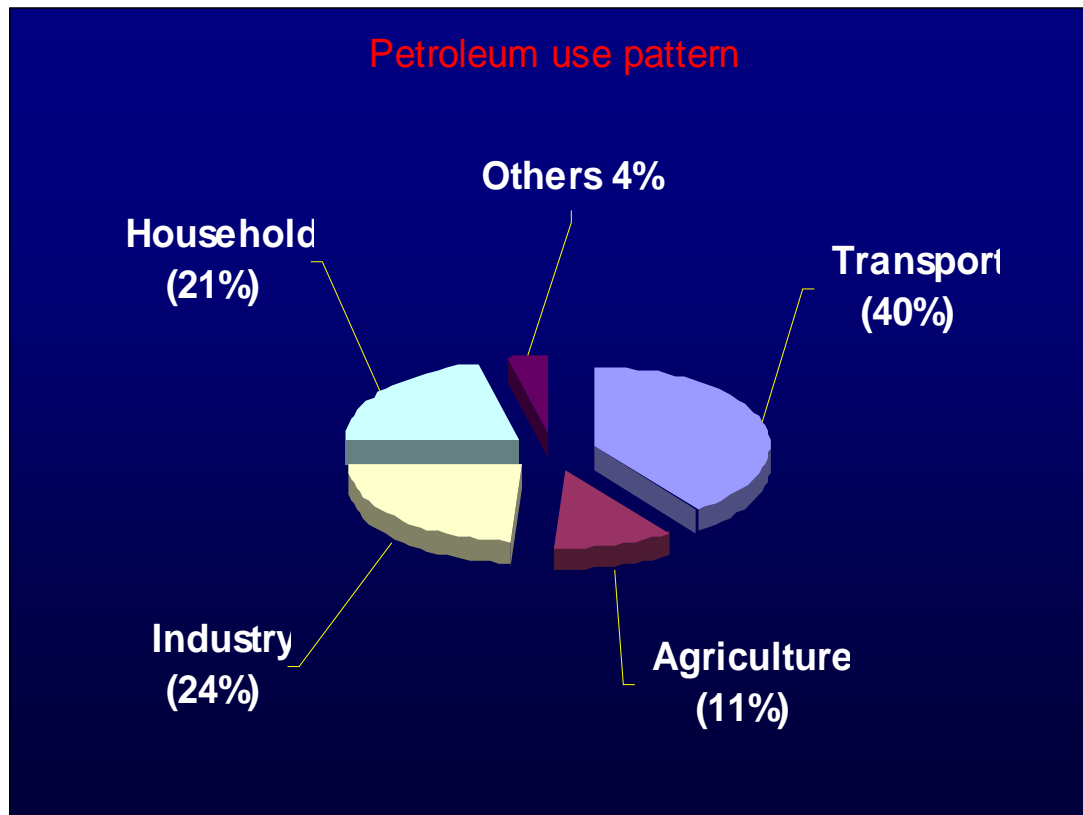


# Constrains

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- Limited knowledge on biofuels
- Lack of funds

# Petroleum Use Pattern and Future Plan for Biofuels



- Transition Period (Exporting while promoting internal market)
- For local demand, all sectors are potential biofuels as alternative to petroleum based fuels.

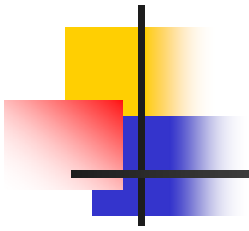




# Way Forward

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- Solicit resources for implementation of the Action Plans
- Convene stakeholders consultation meetings to generate inputs for formulation of sustainable biofuels industry in Tanzania.
- Put in place the appropriate policy, legislation, standards and institutional Framework.



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THANK YOU!  
OBRIGADO!  
MERCİ!  
AHSANTE!