



COMPETE Meeting and Workshop on Finance and Trade

Competence Platform on Energy Crop and Agroforestry Systems for Arid and Semi-arid Ecosystems - Africa

*on the occasion of the International Conference on Renewable Energy in Africa,
Dakar, Senegal 14-18 April 2008*

15 April 2008

Dakar, Senegal

Minutes

prepared by Dominik Rutz (WIP)



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1 Welcome of participants

Dominik Rutz (WIP) welcomed COMPETE partners and external participants on behalf of the organisers of this meeting Jessica Abbott (ESD), Isabelle Gilbert (ESD) and Stephen Mutimba (ESD Africa) as well as on behalf of the project coordinator Dr. Rainer Janssen (WIP).

Dominik Rutz highlighted the need of African countries for sound and sustainable investments in bioenergy projects. He also mentioned the risk of „green imperialism“, if foreign investors (global players) rush into Africa and invest in unsustainable bioenergy projects.

Due to the high potential of bioenergy in Africa, international trade could be an opportunity for income generation in African countries. However, it should be ensured that revenues are kept within African countries.

In order to evaluate these opportunities and risks, information and communication among several stakeholders is needed. The objective of this workshop and meeting was to identify opportunities and risks for financing and trade of bioenergy and to build capacity among the participants regarding these topics.

Since some of the participants met each other for the first time, all participants briefly introduced their organization and activities.

2 Presentations of the Financing Workshop

2.1 *Financing of biofuels projects – Senegal case study*

Mr. Emmanuel Mbezele (E+Co) gave a presentation about “Financing Biodiesel Projects: an investor’s perspective”.

After a short introduction about activities of E+Co, Emmanuel Mbezele gave a presentation about the “**Yellitare-Bio**” project in Senegal. The overall objective of this pre-feasibility project is to replace diesel for water pumping purposes in the Gambia River region by biodiesel from *Jatropha* as feedstock. In the Gambia River area water is needed for irrigation of bananas. Water is usually pumped by diesel engines, but due to increasing diesel prices, the interest in alternative fuels is rising.

The “Yellitare-Bio” project aims to cultivate 10,000 ha of *Jatropha* and to produce 30,000 tons of feedstock per year. The output will be 9,000 tons of biodiesel and 1,500 tons of glycerol per year. The objective is to make banana plantations energy independent and self-sufficient. It is estimated to gain significant savings in operating costs of the water pumps. The project is expected to establish direct employment of 3,000 people.

The investment costs of the “Yellitare-Bio” project are 3,875,000 Euro. 17% return on investment (ROI) is appraised. One of the main promoters of this 100% private financed project is the largest banana producer of Senegal.

The main **challenges** for the implementation of the project can be summarized as follows:

- Secure seed funding for commercial scale production
- Aggregation of the value chain to deliver a cost-effective business model
- Market capacity
- Technological challenges, lack of standards

- Local expertise in project and infrastructure development
- Forecasting impact of future oil prices on biodiesel

Critical for the successful implementation of the project are factors such as the biodiesel price, feedstock availability, feedstock costs, capacity utilization, price of derivatives, and management. These factors have to be assessed in a pre-feasibility study prior to the direct project implementation. In order to evaluate these factors, the following framework aspects have to be assessed:

- **Siting and sizing of the biodiesel plant:** Many variables influence a suitable site for biodiesel production. One of the most important issues is suitable infrastructure and feedstock management practices.
- **Feedstock origination, yield, logistics & transportation:** Logistics of feedstock, co-products and biodiesel is another important issue which influences revenues and GHG balances. Easy access to biodiesel plants has to be ensured and feedstock production sites should be in close vicinity to the plant.
- **EPC contracts & construction costs:** EPC contracts should be promoted and construction costs assessed.
- **Marketing & offtake agreements:** Offtake agreements with banana growers should be established in order to guarantee feedstock production and biodiesel sale.
- **Risk management:** Environmental (e.g. diseases) and human risks (e.g. crash of banana market, crude oil price) should be assessed and evaluated.
- **Operations, management & strategic partner involvement:** Banana growers have limited experience in Jatropha cultivation and refinery so far. They need technical assistance.
- **Financing & debt, working capital requirements:** A detailed financial plan should be elaborated.

During the presentation of this project several questions were made, a good discussion took place and the following issues were highlighted:

- It was highlighted that such a project could generate **revenues from carbon credits** (CDM). Currently a CDM-Methodology for Jatropha cultivation in Brazil is elaborated. This methodology could be also used in the “Yellitare-Bio” project.
- It was asked if enough suitable land for Jatropha cultivation is available in the Gambia River region. Emmanuel Mbezele referred to the opportunity to cultivate Jatropha plants between banana cultivations (intercropping) and mentioned that there is enough land available for Jatropha cultivation.

2.2 Carbon finance in the context of the COMPETE project

Teodoro Sanchez (Practical Action) gave a presentation about "Biofuels Carbon Credits" and stressed the difference between Certificates for Emissions Reduction (CERs) and Green Certificates.

Green Certificates also known as **Renewable Energy Certificates (RECs)** are tradable commodities proving that certain electricity is generated using renewable energy sources. Typically one certificate represents generation of 1 Megawatt hour of electricity. What is defined as "renewable" varies from certificate trading scheme to trading scheme. Green certificates represent the environmental value of renewable energy generated. The certificates can be traded separately from the energy produced. Several countries use green certificates to integrate the support of green electricity generation closer into market economy instead of using more bureaucratic investment support and feed-in tariffs. Such national trading schemes are in use in e.g. Poland, Sweden, the UK, Italy, Belgium (Wallonia and Flanders), and some US states.

A **Certified Emission Reduction (CERs)** is the technical term for the output of Clean Development Mechanism (CDM) projects, as defined by the Kyoto Protocol. A unit of Greenhouse Gas reductions that has been generated and certified under the provisions of Article 12 of the Kyoto Protocol, the CDM. The CDM is an arrangement under the Kyoto Protocol allowing industrialised countries with a greenhouse gas reduction commitment (called Annex 1 countries) to invest in projects that reduce emissions in developing countries as an alternative to more expensive emission reductions in their own countries. A crucial feature of an approved CDM carbon project is the planned reductions would not occur without the additional incentive provided by emission reductions credits, a concept known as "additionality". For African countries, CERs are a very promising source for financing new bioenergy projects.

In contrast, **Emission Reduction Credits (ERCs)** are used for Joint Implementation (JI) under Article 6 of the Kyoto Protocol. Within the JI Annex I countries can invest in emission reduction projects (referred to as "Joint Implementation Projects") in any other Annex I country as an alternative to reducing emissions domestically. In this way countries can lower the costs of complying with their Kyoto targets by investing in greenhouse gas reductions in an Annex I country where reductions are cheaper, and then applying the credit for those reductions towards their commitment goal.

According to Article 12 of the Kyoto Protocol, Certified Emission Reductions must be "certified by operational entities to be designated by the Conference of the Parties (COP) serving as the Meeting of the Parties (MOP)".

It was shown by Teodoro Sanchez that CERs from registered projects are mainly expected and implemented in Latin America and Asia. In Africa very few CDM projects are currently being implemented (see Figure 1).

Figure 2 shows the distribution of CDM projects in Africa. With ten projects, South Africa is the country with most CDM projects. Egypt and Morocco have 3 CDM projects each.

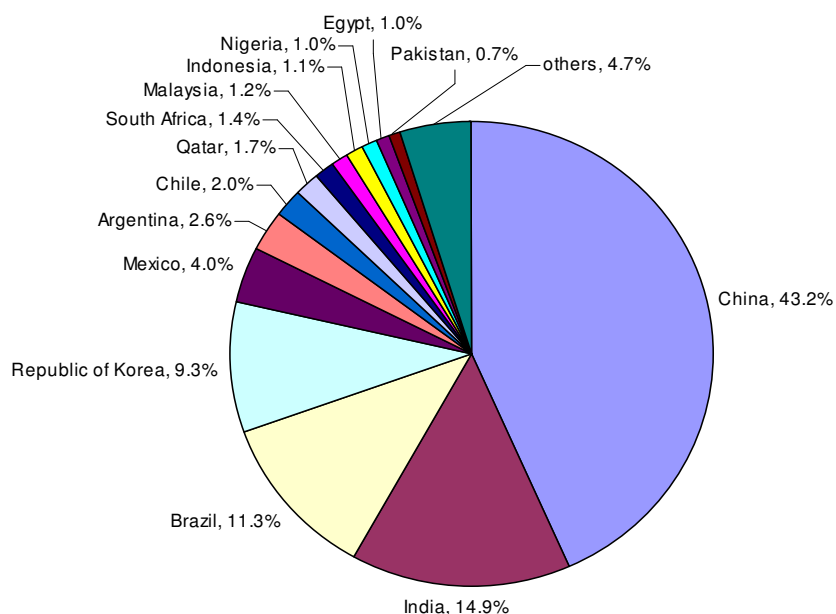


Figure 1: Expected CERs/year from Registered Projects by Host Country (Source: UNFCCC, 2007)

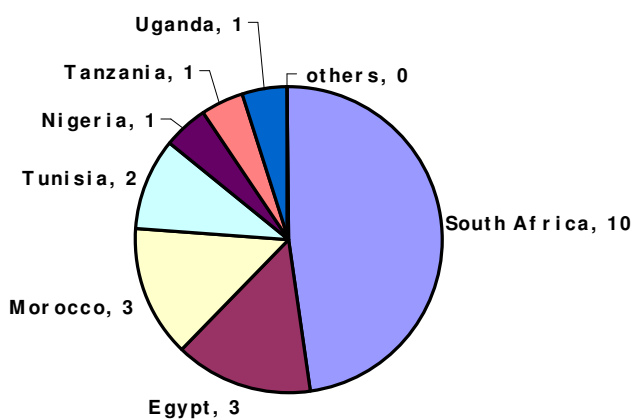


Figure 2: CDM Projects in Africa (Source: UNFCCC, 2007)

Finally, the following three conclusions were made:

- The production of biofuels qualify for CERs, and for green certificates
- Biofuels are more likely to apply for CDM rather than for green certificates, this is because the CDM has a worldwide scope, while green certificates are restricted to more specific electricity markets
- Green certificates prices will be affected by the CERs and vice versa, among other reasons because of different tax schemes on electricity and fuels

- There are only few CDM projects in Africa implemented although this would be a viable source for financing.
- It was mentioned by some participants that a main barrier for the implementation of CDM projects are the complicated application procedures and methodologies. Implementing a CDM project generally requires input from dedicated CDM experts. However, other project partners disagreed that these procedures are complicated. Prof. Yamba stressed that there are already many methodologies available which can be applied to new CDM projects in Africa.

2.3 Financing of Alternative Land Use and International Trade

A presentation by Stephen N. Mutimba (ESD) on “Financing of Alternative Land Use and International Trade” was planned in the agenda of this COMPETE workshop and meeting.

The aim of the presentation was to give an overview of financial mechanisms involved in energy crops and agroforestry development in arid and semi-arid Africa, taking into consideration risks and problems associated with each technology.

On a global basis, energy crop/agroforestry, especially biofuel projects are financed through a number of sources including corporations, private equity, commodity traders, the stock market, investment banks, venture capitalists, plantation owners and agricultural processors. Alternative methods available to those who seek funding without relinquishing control can be derived from government grants, joint venture partnerships and R&D funds.

In the tight financial context (i.e. lacking funds / financial sector infrastructure) that prevails in most African countries and in particular in the arid and semi-arid areas of Africa, financing energy crop/agroforestry projects is much more challenging.

The presentation concludes that the most relevant financing sources for energy crops- and agroforestry-based developments in these regions are smart subsidies, corporate financing (FDI), R&D funds, joint venture partnerships, carbon credit financing and multilaterals such as the Global Energy Fund (GEF), the African Rural Energy Enterprise Development (AREED, which operates in Mali, Ghana, Tanzania, Senegal and Zambia) or the Community Development Carbon Fund (CDCF, which can consider purchasing carbon from a variety of land use and forestry projects).

Furthermore, it is crucial to integrate financial risk management instruments into any holistic financing strategy for energy crops and agroforestry-based developments. Getting political approval for using soft credits from donors to co-finance energy crop/agroforestry projects seems a realistic option. Wherever possible, local farmers in rural areas of arid and semi-arid Africa should be included in the process, however, these very often do not even have capabilities to irrigate or fertilise – an aspect that can be changed by introducing holistic financing strategies for energy crop/agroforestry developments.

Inherent barriers associated with financing energy crop cultivation in Africa focus around the high risk associated with low and unpredictable land fertility and water availability. Alongside this, financial sector shortcomings, such as lack of funds, lack of sector know how and willingness to invest in RET's, politics, limited expertise in project sponsors; infrastructure etc. has meant that bioenergy financing in Africa has so far been very ineffective.

A survey of funding opportunities, focusing on East Africa, illustrates the main sources of funding for energy crops and agroforestry developments, and the problems associated with each:

Commercial Banks Bank penetration is extremely low, with inadequate branch infrastructure outside of the main urban centres. Most commercial banks prefer to invest in government bonds rather than lend to private sector companies, although this is improving with the advent of banks such as Equity, K-Rep, and Family Finance which have made the SME sector their core market. A recent development in commercial banking has been the transformation of local development finance banks (DFCU in Uganda, TDFL in Tanzania, DBK in Kenya) lending only for long term investments, to commercial banks which have a broader product range. These banks have experience of medium and long term project based lending, but now operate as commercial banks. Given their experience, they should be more open to renewable energy projects, although they do often run into their own financing constraints which limit their abilities to engage in term lending.

Bonds Bonds are a form of debt usually invested by non-bank financial institutions, unsecured, they can be backed by a bank or other form of guarantee. The main advantage of bonds is that the pricing is usually lower than bank debt, and the risk profile of the investment can be tailored. Bonds are usually issued as tradable instruments (eg. on the Nairobi Stock Exchange) and will therefore need to comply with trading regulations. It is unlikely that a bond issue will be feasible at the start of a project. However, once a project is running and generating positive cash flows, issuing a bond may become a viable option

Development Finance Banks (DFB) Development finance banks (DFB) are a viable alternative to commercial banks for debt finance, but vary considerably in their lending criteria. All the DFBs have lengthy appraisal processes. It will generally require six months or more after presentation of a detailed financing proposal to run through the appraisal process, obtain approvals for financing, completing documentation, and meeting all the conditions precedent to disbursement.

e.g. Locally Based DFB: The East African Development Bank has the core objective of promoting sustainable development in the Member States and emphasises opportunities, amongst others, for Agriculture and Agro-Processing and Infrastructure (Including Energy, Information and Communication Technology).

A number of international DFB's are also active in financing renewable energy projects; (DEG, FMO, IFC and E+Co).

All of the development finance banks listed above can provide investments in the form of both debt and equity. However, there are also a few investment institutions which specialise in providing investment capital which ranks below senior bank debt. This kind of financing sits in between bank debt and shareholders equity, and is also referred to as 'quasi-equity' or 'mezzanine finance'.

Interest for investments in Africa has increased over the last 1-2 years. As a result, there are a number of other funds in the process of being set up, and therefore there may be additional sources of financing available in the near future.

For projects in Africa political risk insurance is also required, of which there are two main sources available for projects in East Africa, the Africa Trade Indemnity and the Multilateral Investment Guarantee Agency.

3 Presentations of the COMPETE Meeting

3.1 WP 0/7 Organisation and timing of events including summary of recent events

Dominik Rutz presented an overview of the COMPETE project in order to inform the external participants about the COMPETE network and to give COMPETE partners an update about WP0 (Management) and WP7 (Dissemination) activities.

The technical **Progress Report** of the COMPETE project was finalized and submitted by the coordinator Dr. Rainer Janssen to the European Commission and sent to the COMPETE partners. The submission of the **Management Report** was slightly delayed but finalized on 23 April 2008. The European Commission will evaluate the complete Report and after approval it will initiate the transfer of the second pre-financing. This is expected for July/August 2008. Michael Madjera (EKD) took the opportunity to thank the coordinators for the preparation of an excellent report.

In the framework of the COMPETE project several events were organised. Dominik Rutz gave an overview about these events:

- **COMPETE Workshop on 'Improved Energy Crop and Agroforestry Systems for Sustainable Development in Africa'**
Organised by UKZN and WIP on 22 June 2007 in Mauritius in the framework of the ICSU 'International Field Workshop on Renewable Energy for Sustainable Development in Africa' (18-21 June 2007), www.compete-bioafrica.net
- **COMPETE Participation at The First High-level Biofuels Seminar in Africa**
Organised by the African Union Commission (AUC), the Government of Brazil and UNIDO in Addis Ababa on 30 July to 1 August 2007, www.iisd.ca/africa/biofuels
- **COMPETE Seminar Brazil**
on 22-26 October 2007 in São Paulo, Piracicaba, Riberão Preto including several field visits of bio-energy projects
- **COMPETE Seminar and Field Visits in India (South-South Cooperation)**
on 4-8 February 2008 in Pune, Chattisgarh, New Delhi
- **COMPETE Round Tables on food security and competing uses of biomass**
on the occasion of the Biofuels for Africa Conference, 27-29 November in Ouagadougou, Burkina Faso
- **COMPETE Registration as Official Partnership of the UN Commission on Sustainable Development (CSD)**, www.un.org/esa/sustdev/partnerships

In 2008 two more COMPETE events are planned in Tanzania (16-21 June 2008) and Mali (25-27 November 2008). Further details on the COMPETE events in 2008 are provided below.

1) COMPETE Conference on 'Sustainable Biofuels - An African Perspective', 16-18 June 2008, Arusha, Tanzania

- This conference will be organised in the framework of WP3 (Sustainability of Energy Crop and Agroforestry Schemes) in Arusha, Tanzania, from 16 to 18 June 2008.
- This conference will target at high-level policy makers and discuss sustainability in the context of implementation in Africa.
- The conference will be one and a half day and will take place in Arusha, and a field trip of a half day will be organised to visit energy crop plantations (Jatropha).

- The conference will be organised by Imperial College supported by TaTEDO, Tanzania, and WIP, Germany.
- During the meeting a detailed agenda was elaborated and potential speakers were defined.
- The final agenda of the COMPETE conference on sustainable biofuels will be elaborated by the main COMPETE organiser Imperial College, United Kingdom, as soon as possible.
- Imperial College will draft an invitation letter (including the COMPETE logo) for the invitation of speakers.
- An internal COMPETE WP3 meeting will be organised on 18 June 2008 in Arusha, Tanzania.

2) COMPETE Workshop on Policy Development, 25-27 November 2008, Mali

- This workshop will be organised in the framework of WP6 (Policy Development) in Mali, on 25-27 November 2008.
- This workshop will directly address African policymakers with the aim to develop suitable policies and strategies for sustainable biofuels development in Africa.
- This workshop will be organised by FANRPAN and WIP with support by Mali-Folkecenter.

Furthermore, it was acknowledged that Michael Madjera will represent the COMPETE project at the **next meeting of the UN Commission on Sustainable Development**, CSD-16 from 5-16 May 2008 in New York.

Finally, COMPETE partners were encouraged to disseminate COMPETE activities and results as much as possible. They were invited to submit papers for the next COMPETE newsletter No. 3.

3.2 WP 3: Sustainability of Energy Crop and Agroforestry Schemes

Dr. Rocio Diaz-Chavez (Imperial College) gave a presentation of WP3 on sustainable biofuel production. Thereby she presented two **new important papers** in the field of sustainable biofuel production:

- Tim Searchinger, Ralph Heimlich, R.A. Houghton, Fenxia Dong, Amani Elobeid, Jacinto Fabiosa, Simla Tokgoz, Dermot Hayes, Tun-Hsiang Yu (2008) "Use of U.S. Croplands for Biofuels Increases Greenhouse Gases Through Emissions from Land-Use Change" - Originally published in Science Express on 7 February 2008; Science 29 February 2008: Vol. 319. no. 5867, pp. 1238 – 1240; DOI: 10.1126/science.1151861
- P.J. Crutzen, A.R. Mosier, K.A. Smith, and W. Winiwarter (2008) "N₂O release from agro-biofuel production negates global warming reduction by replacing fossil fuels" - Atmos. Chem. Phys. 8, 389 (2008)

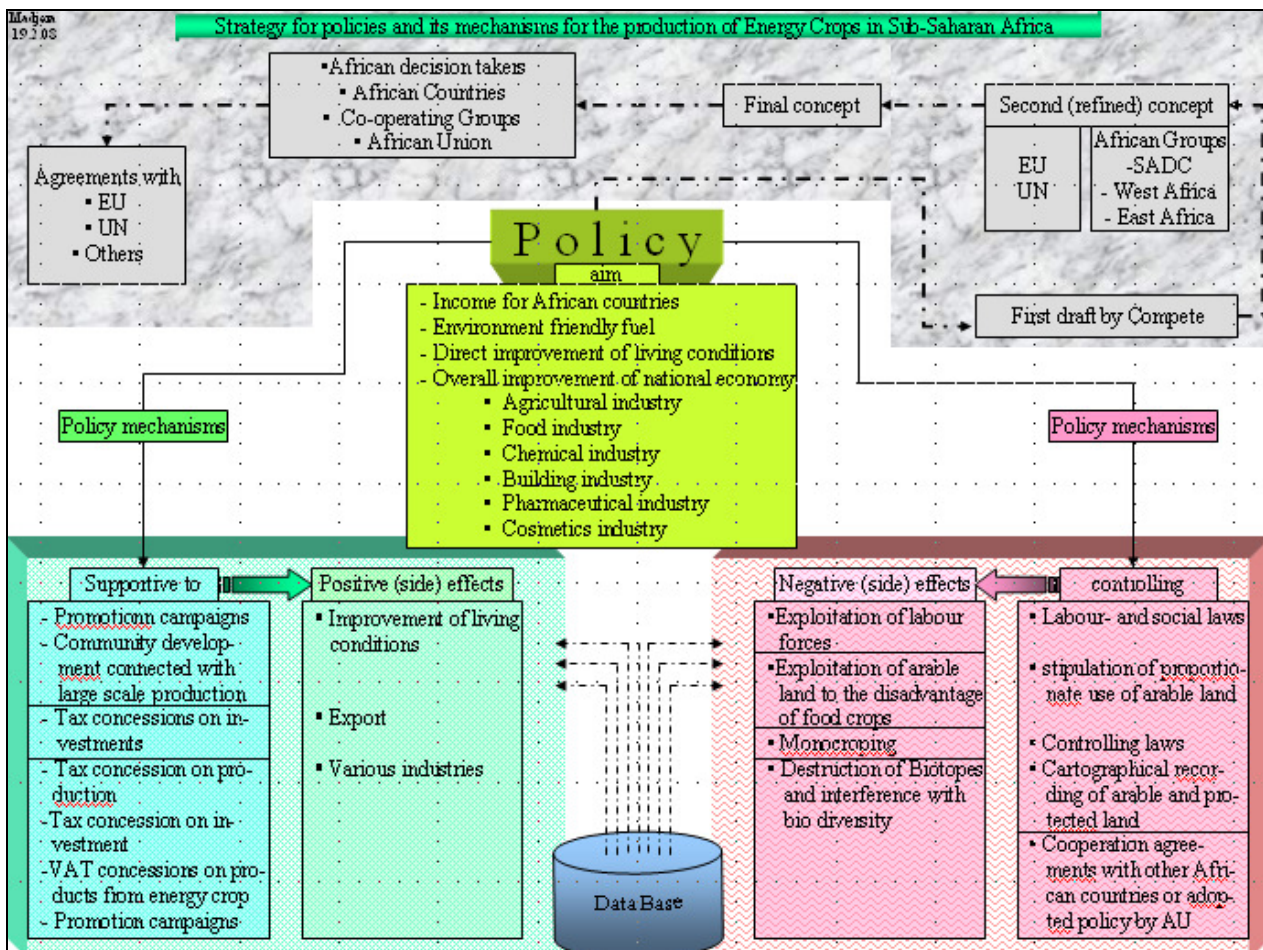
Although these papers and their results are subject of controversial discussions, they should be considered in future research activities and it was stressed that there is much need for further research.

Finally, Dr. Rocio Diaz-Chavez acknowledged that 17 applications from 7 African countries were submitted for **COMPETE Grants**. Most applications are from Senegal (5) and submitted in the

framework of an MSc programme (10). Surprisingly, all applications were submitted for research in Africa and no application included exchange visits to Europe.

3.3 WP 6: Policy Development

Mr. Michael Madjera (EKD) gave a presentation about results of WP6 on policy development. He presented a strategy for policies and its mechanisms for the production of energy crops in Sub-Saharan Africa (see figure below). The basic aim of the proposed strategy is to create a supportive policy for bioenergy implementation in Africa. This is influenced by positive and negative side effects which have to be assessed by using suitable data. This strategy should be reviewed by COMPETE partners (especially from African partners). The aim is to involve several stakeholders and to achieve an agreement between them on a common strategy.



4 Financing Strategy Discussion

The last session included a discussion about financing aspects in Africa which was chaired by Dominik Rutz (WIP). All African partners were asked to give input on their perspective regarding investments of bioenergy projects in Africa. The main results from this discussion can be summarized as follows:

- Many investors from Europe (mainly from Spain, Italy, Portugal) and from Latin America (Brazil) are trying to invest in new biofuel projects in Senegal and other African countries. However, realization of these investments is currently still low.
- **Some African countries (e.g. Mali, Senegal, Burkina Faso, Tanzania, Zambia) are afraid of foreign large-scale investments in biofuel projects.** There is the risk of “green imperialism” and the risk that revenues cannot be kept in African countries. Feedstock sources should be directly processed in African countries and not exported. Only final products (e.g. bioethanol, biodiesel) should be exported.
- Investments can be categorized into three levels:
 - **Investments by large-scale global players:** Global players are mainly interested in bioethanol (from sugar cane), palm oil, and Jatropha. Many investors are currently trying to buy large areas of land for feedstock cultivation. Activities of this group of investors should be tackled with caution.
 - **Investments by governments and policy makers:** A biofuel strategy and task force should be implemented in many African countries in order to coordinate public investments.
 - **Investments by small farmers:** In many cases small-scale producers need support from NGOs, governments, etc.
- **There is need to mandate *one* institution (window) per country** which is responsible for the entry of foreign investors which are e.g. trying to buy large areas of land. Currently, in many African countries responsibilities are not clarified which facilitates foreign investors to rush into African countries.
- **There is a lack of supportive biofuel policies in many African countries.** In some cases there is no need to create new policies but existing policies (e.g. on land use planning, agriculture, energy) should be linked with each other.
- **The implementation of Certified Emission Reductions (CERs)** in the framework of CDM is so far unexploited in Africa. There is need for capacity building on how to apply for CDM projects and investment.

5 COMPETE Participation at the International Conference in Dakar

COMPETE participated in the “International Conference on Renewable Energy in Africa” which was a joint activity of the Government of Senegal, the African Union, the German Federal Ministry for Economic Cooperation and Development and the United Nations Industrial Development Organization (UNIDO). The Conference was opened by the President of the Republic of Senegal H.E. Abdoulaye Wade and closed by the Prime Minister of the Republic of Senegal M. Cheikh Hadjibou Soumare. The conference took place from 14 to 18 April 2008 in Dakar, Senegal.

5.1 COMPETE Stand

The COMPETE project was presented at the International Conference on Renewable Energy in Africa with a stand in the exhibition area. COMPETE flyers and newsletters were distributed and interested stakeholders informed about COMPETE activities and results. The picture below shows the COMPETE stand and COMPETE participants.



5.2 Presentations by COMPETE Partners

On Wednesday, 16 April 2008, Dominik Rutz (WIP) gave a COMPETE presentation on behalf of the COMPETE consortium and the coordinator: "Policy and technology lessons from the COMPETE Africa Biomass Project and options for scaling up".

Furthermore COMPETE partners gave input in various discussions and gave presentations in several sessions, namely:

- Mr. Mamadou Dianka (UEMOA) "Sub-regional interventions – Lessons from PRBE project and emerging issues for scaling up"
- Prof. Francis Yamba (CEEEZ) "Challenges in making CDM work for Africa and Africa's strategy in the post 2012 period?"
- Mr. Paul van Aalst (E+Co) "Critical success factors in financing decentralized RE projects in Africa and implications for scaling up"

5.3 Results of the International Conference on Renewable Energy in Africa

The International Conference on Renewable Energy in Africa was held at Le Meridien President Hotel in Dakar, Senegal, from 14-18 April 2008.

The Conference focused on the theme "making renewable energy markets work for Africa: policies, industries and finance for scaling up" and was jointly organized by the Government of Senegal, the African Union (AU), the German Federal Ministry for Economic Cooperation and Development and the UN Industrial Development Organization (UNIDO). It brought together 500 participants, including: high-level representatives and experts in energy and industry from African countries; representatives from the African Union Commission (AUC) and African Regional Economic Communities; and representatives from UN agencies, bilateral organizations, the private sector, as well as regional and international non-governmental organizations.

The Conference aimed to provide visible leadership and commitment to a common strategy for market-based scaling up of renewable energies in Africa. The major objectives were to: assess the potential of renewable energy in addressing Africa's energy challenges; identify policy and regulatory options and new policy actions to stimulate broader and accelerated market-based dissemination of renewable energy; and identify capacity needs for renewable energy market enablers and players.

The three-day meeting consisted of plenary and parallel sessions as well as a Ministerial Segment. Recommendations from these sessions were consolidated into a Plan of Action on Scaling Up Renewables in Africa, which was endorsed in the “**Dakar Declaration on Scaling Up Renewables in Africa**”. The Declaration was adopted during the Ministerial Segment and notes that Conference participants, *inter alia*:

- agree to an African continental target for governments, with support from development partners, to scale up annual renewable energy investments to US\$10 billion between 2009-2014;
- adopt a Plan of Action consisting of five key programme dimensions;
- call upon African governments, their international development partners, non-governmental organizations and the private sector to support implementation of the Plan of Action with adequate resources; and
- recommend that the AU, UNIDO and other relevant development partners establish a ministerial-level policy advocacy group, to be supported by a coordination unit.

6 Participants

6.1 *COMPETE Partners*

Mr. Dominik Rutz (WIP-Munich, Germany)
Dr. Rocio A. Diaz-Chavez (Imperial College, UK),
Ms. Touria Dafrallah (ENDA-TM, Senegal)
Mr. Mamadou Dianka (UEMOA, Burkina Faso)
Mr. Michael Madjera (EKD, Germany)
Mr. Teodoro Sanchez (Practical Action, UK)
Mr. Estomih Sawe (Tatedo, Tanzania)
Prof Francis Yamba (CEEEZ, Zambia)
Mr. Emmanuel Mbezele (E+Co Africa)
Mr. Harry Lehmann (ISUSI, Germany)

6.2 *Associate Members and other Participants*

Mr. Mamadou Fall (ECO, UK)
Mr. Massaer Nguer (ISRA/LNRPV, Senegal)
Mr. Dame Niang (CRE, Senegal)
Prof Galal Osman (WWEA, Egypt)
Ms. Annah Bosibori (AFREPREN/FWD, Kenya)
Mr. Kennedy Muzee (AFREPREN/FWD, Kenya)



COMPETE WP5 Meeting – Financing and International Trade

Competence Platform on Energy Crop and Agroforestry Systems for Arid and Semi-arid Ecosystems - Africa

*on the occasion of the UNIDO International Renewable Energy Conference in Africa
'Realizing Africa's Renewable Energy Potential for Energy Access - INDUSTRIES, POLICIES AND
FINANCE FOR SCALING-UP' on 16-18 April 2008, Dakar, Senegal.*

15 April 2008

Dakar, Senegal

Agenda (Draft 28 March 2008)

Workshop Venue: Le Meridien President Hotel, Dakar, Senegal.

Meeting coordinator/contact point:

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Stephen Mutimba, ESD Africa, Kenya (Stephen.mutimba@esda.co.ke)



Meeting Objectives

This is an internal COMPETE workshop.

The meeting will include presentations and discussions on financing mechanisms for bioenergy and agroforestry projects in arid and semi-arid regions of Africa – and examine their effectiveness and future opportunities.

Work Package leaders will also present activities that have been carried out so far under the COMPETE project and discuss future activities with a special focus on the deliverables required by the project.

The COMPETE Project

COMPETE Objectives

The Competence Platform on Energy Crop and Agroforestry Systems for Arid and Semi-arid Ecosystems – Africa (COMPETE) will establish a **platform for policy dialogue and capacity building** and identify **pathways for the sustainable provision of bioenergy**



- to improve the quality of life and create alternative means of income for the rural population in Africa
- to aid the preservation of intact ecosystems in arid and semi-arid regions in Africa
- to enhance the equitable exchange of knowledge between EU and developing countries

COMPETE Activities

COMPETE will deliver a matrix of multi-disciplinary and cross-sectoral work-packages

- to evaluate current and future potential for the **sustainable provision of bioenergy** in Africa in comparison to existing land use patterns and technologies
- to facilitate **South-South technology and information exchange** capitalising the world-leading RD&D in bioenergy in the key countries Brazil, Mexico, India, China and Thailand
- to develop **innovative tools for the provision of financing** for national bioenergy programmes and local bioenergy projects, including: carbon credits, bilateral and multi-lateral funding instruments, and the role of international trade
- to develop **practical, targeted and efficient policy mechanisms** for the development of bioenergy systems that enhance local value-added, assist local communities and address gender inequalities
- to establish the **Competence Platform** to ensure effective dissemination and knowledge exchange inside and outside the network

COMPETE Partnership

The COMPETE partnership comprises 20 European and 23 non-European partners - 11 partners from 7 African countries, 3 regional African policy and financing bodies (African Development Bank; Food, Agriculture and Natural Resources Policy Analysis Network of Southern Africa; UEMOA - Biomass Energy Regional Program), 9 partners from Latin America and Asia - and the Food and Agriculture Organisation of the United Nations (FAO).

COMPETE Website: www.compete-bioafrica.net

Meeting Organisation

This COMPETE project meeting is organised by ESD, United Kingdom in the framework of the ***project COMPETE, funded by the European Commission, DG Research.***

This COMPETE meeting will take place on the occasion of the UNIDO International Renewable Energy Conference in Africa 'Realizing Africa's Renewable Energy Potential for Energy Access - INDUSTRIES, POLICIES AND FINANCE FOR SCALING-UP' on 16-18 April 2008, Dakar, Senegal.

Participation at this COMPETE meeting will be limited to partners of the COMPETE project.

COMPETE WP5 meeting coordinator/contact point:

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Meeting Agenda

Opening session

9:00 - 9:15: Welcome and summary of recent developments (WIP – Dominik Rutz)

Financing Presentations

9:15 – 10.15 ESD – Stephen Mutimba. Summary of effectiveness of current financing mechanisms for energy crops and agroforestry activities in Africa

10:15 – 11:15 E+Co – Emmanuel Mbezele. Financing of biofuels projects – Senegal case study

11:15 – 11:30 Coffee Break

11:30 – 12:30 Practical Action Teodoro Sanchez. Carbon finance in the context of the COMPETE project

12:30 – 13:00 Lunch

Overview current and planned activities in COMPETE

13.00 – 13.30 WP 0/7 Organisation and timing of events including summary of recent events (Seminars in India and Mexico)

13:30 – 13:45 WP 1: Current Land Use Pattern in Africa

13:45 – 14:00 WP 2: Improved Land Use - Energy Crops and Agroforestry Systems

14:00 – 14:15 WP 3: Sustainability of Energy Crop and Agroforestry Schemes

14:15 – 14:30 WP 4: South-South and North-South Cooperation

14:30 – 14:45 WP 5: Financing of Alternative Land Use and International Trade

14:45 – 15:00 WP 6: Policy Development

15:00 – 15:15 Coffee Break

Financing discussions

15:15 – 16:15 Financing Strategy Discussions (Chair: Dominik Rutz)

16:15 – 16:30 Any other issues

Accommodation and Travel

Dates

The Compete WP5 meeting will start in the morning of Tuesday 15 April 2008 and it is therefore advisable to travel to Dakar, Senegal, during the period 12-14 April.

The UNIDO International Renewable Energy Conference in Africa will take place from Wednesday 16 April to Friday 18 April.

Hotel

The internal COMPETE meeting on 15 November 2008 will take place at [Le Meridien President Hotel](#), Dakar and all COMPETE participants are advised to reserve their rooms individually at the [Ngor Diarama hotel](#) where they may utilise the UNIDO group booking under the name 'Renewables 2008'.

UNIDO International Renewable Energy Conference

Details on the UNIDO Conference can be found on the [UNIDO website](#).

COMPETE Project Coordination WP7 Coordination - Dissemination

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COMPETE Project Coordination WP3 Coordination - Sustainability

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WP1 Coordination – Current Land Use

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WP4 Coordination – International Cooperation

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WP2 Coordination – Improved Land Use

Utrecht University
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WP6 Coordination – Policies

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WP5 Coordination – Financing

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