



Partners for Euro-African Green Energy
www.pangealink.org

Quarterly Newsletter

Winter 2009/2010

Note from the Secretary General

As we prepare this newsletter, the snow is once again melting in Brussels but we're heading to where we belong - Sudan. Yes, the weather in much of Africa is far better than in Europe these days, but it's more about starting the New Year with good friends, good times and some perspective of what 2010 could and should be.

In 2009, PANGEA staff spent a great deal of time looking at the food vs. fuel controversy and working to find ways to re-frame the discussion into one of food *and* fuel co-production. The year ahead will see us continuing to focus on the food and fuel debate as we expand into other areas as well. We will be including topics such as the promotion of regional markets for biofuel as well as additional technologies such as biogas and solar.

The EU's Renewable Energy Directive is still a major policy focus in Brussels, so we'll continue to update our members on those consultations as well. Later in the year we expect the discussion to move to the European Parliament as part of the "co-decision" process. We will begin 2010 with a more active presence there as well as in the ACP-EU Joint Parliamentary Assembly which meets this March in Tenerife, Canary Islands with a whole new group of parliamentarians.

Keep an eye out in January for our 2009 Annual Report. We've experienced substantial growth and expansion this year, with our eyes set on even bigger and better things for 2010. We hope you'll join us for what will no doubt be an exciting journey.



A truck carrying ethanol leaves Kenana Sugar Company in Sudan. Kenana sent its first shipment of ethanol to the EU last month.

Upcoming Events



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The Jatropha World Africa conference in Brussels brought approximately 50 European-based operators together for a frank discussion on the future of jatropha, where it is now, where we thought it was going, and where it really is headed.

Ultimately, there continues to be a lot of support for jatropha production in Africa. Producers, investors and researchers alike, however, all believe there needs to be a much larger body of information in order to get the crop to a point where real investment is possible. Though there are some successes with small-scale jatropha—Mali being a good example—there are far more failures in Africa when it comes to making the crop a viable option.

PANGEA member D1 Oils Plant Science Ltd. is reorganising internally so it can focus on undertaking the research that is so desperately needed. There are few other major, well-funded organisations involved, not only in the science, but who are also being openly frank about results.

Small-scale production would appear to still be the best way to handle jatropha, using it as a way to develop rural areas through by-products (i.e. soap, mosquito repellents) and oil displacement on the community level (i.e., for lighting, running electricity generators, and some machinery such as the UNDP's multifunctional platform).

While myths are still being spread among producers who consider jatropha to be the miracle crop, it is not. It is up to responsible producers to share experiences, best practices and resources to set the stage for a sustainable jatropha industry in the future.

Next Generation
Biofuels Feedstocks
USA

16-17 November 2009
San Francisco, CA

Although the conference was supposed to be a forum to discuss next generation feedstocks, the buzzword over the two days was definitely *algae*. Presenters recognised that it is too early to be talking about producing algae on a commercial scale due to the current high cost of production (10,000t for >\$10,000/t), but a lot of money is being put into R&D. Exxon Mobil has already invested \$600 million and Chevron, Valero and Shell are following suit. Solazyme boasted that they've recently secured both US Navy and US Government contracts.

The Green Flight Foundation stated that algae, jatropha and camelina are the only feasible non-edible oil feedstocks for bio jet fuel. Jatropha jet fuel has already been tested by Air New Zealand with successful results, which may be a better option in the short run while algae is still expensive to produce. This could be great news for African jatropha producers.

Although algae is not currently a viable option for Africa, it is important to know where the trends are heading. Once production costs decrease and commercial scale is found investment, Africa could be an ideal region for algae production thanks to abundant solar radiation, low-cost labour and no "food vs. fuel" competition.

Brussels Development Briefing: "From Global Food Crisis to Local Food Insecurity" 9 December 2009



CTA in partnership with DG Development and EuropeAid, the EU Presidency, the ACP Secretariat, Euforic, IPS Europe and CONCORD organises bimonthly Development Briefings in Brussels to raise awareness on key rural development issues with the development community.

According to one of the panellists at the December briefing, which examined food insecurity, Dr. Hans Herren of The International Assessment of Agricultural Knowledge, Science and Technology (IAASTD), "70% of food production worldwide is produced by small-scale family farmers who suffer from 20-30% post-harvest losses due to inadequate access to markets or storage capacity." PANGEA believes that one option to solve these post-harvest issues is the creation of local bioenergy options that use excess crop production, giving farmers additional local markets as well as providing energy access in areas that don't have many energy opportunities.

Dr. Herren presented the four pillars of food security as: availability, access, food quality, and crisis management and prevention. The fundamental problem, however, is access and utilisation. There were many options discussed for solving the problem including the most popular: increasing the commitments of bilateral and international aid donors.

However, as one participant from Niger pointed out, aid is not the solution. What farmers really need is access to markets, credit via agricultural banks that charge much lower interest rates and give loans for 10-25 years instead of 1 or 2, increased infrastructure for storage and transportation, and investment in the agricultural sector.

One of the causes of the 2008-09 food crisis mentioned during the briefing was —ironically— an increase in food assistance from the WFP and others, which dumped free food onto local markets and destroyed local agriculture. Local farmers couldn't compete with free food and so found themselves in need of donated food, and so on.

Dr. Herren ended the briefing with an insightful quote from Albert Einstein, "You can't solve the problem with the same thinking that created the problem." Indeed.



Winter Calendar

Here is a list of upcoming events PANGEA will be attending as well as important deadlines to look out for in the coming months.

1. 1 February 2010: Deadline for Concept Note submissions for EU-ACP Energy Facility

http://ec.europa.eu/europeaid/work/funding/index_en.htm

Ref #: 129364

2. 8 February 2010: Deadline for RED Consultation submission for Highly Bio-Diverse Grasslands –

http://ec.europa.eu/energy/renewables/consultations/2010_02_08_biodiverse_grassland_en.htm

3. 15-17 March 2010: World Biofuels Markets, Amsterdam

PANGEA members receive a 10% discount. A savings of up to €215!

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4. 29 Mar-1 Apr 2010: EU-ACP Joint Parliamentary Assembly, Tenerife, Spain

PANGEA will be holding a lunch side event to discuss “Food and Fuel” and sensitise EU and ACP parliamentarians on sustainable bioenergy in the ACP region.

“Bioenergy for Sustainable Development in Africa” Lessons Learned from COMPETE



Brussels, 24-25 November 2009

The following recommendations for African policymakers are aimed at ensuring sufficient local value creation and retention from bioenergy development to provide African countries with sustainable socio-economic development opportunities for the local population, according to COMPETE. These policy recommendations address: policy development, market development, stakeholder involvement, as well as research and capacity building.

1) Development of suitable policies and implementation strategies

- African governments should set clear and realistic policy goals and objectives to define the desired development pathways for bioenergy in Africa. It is hereby acknowledged that the desired scale of bioenergy projects influences the choice of policy options. Crucially, the scale and nature of bioenergy developments need to match the needs and context of the communities within which they will be embedded.

- African governments should develop and implement policies and regulations to create favourable environments for investment and infrastructural development in their respective agricultural sectors.

- Policy development should follow a holistic approach linking energy, agriculture, rural development, and industry development. Furthermore, bioenergy policies should address traditional biomass for household applications as well as modern bioenergy solutions for the transport, electricity and heat sectors.

- African governments should clearly define their own social and environmental sustainability requirements and guidelines for investors in bioenergy projects to ensure benefits for the local population. This may be achieved in cooperation with sustainability criteria developed in the framework of international initiatives.

- African civil society should be mobilised to place pressure on policymakers to develop suitable policy frameworks for bioenergy ensuring local and national value-creation.

2) Development of bioenergy markets

- Stable markets for bioenergy and by-products should be created on local and national levels. Bioenergy development in Africa should include the household sector as well as small and medium-scale projects. Export of bioenergy may be an important part of the bioenergy development strategy, but should not be the sole focus.

- Market development in African countries should be demand-driven and involve local investors by focussing on projects, which increase access to energy and improve household energy systems.

- Market development investments in the agricultural

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By David Willers, General
Manager, Better
Sugarcane Initiative (BSI)

One of the benefits of belonging to any association of like-minded people is that it facilitates key message alignment. As a fellow member of ISEAL (International Social and Environmental Accreditation and Labelling Alliance), together with a number of other Roundtables developing voluntary standards for our particular commodity (sugar cane), we have been concerned that the EU may be tempted to recognise standard-setting bodies with claims to internationally recognised standards who have not gone through the necessary steps to become legitimate. In a previous meeting with some of the other Roundtables it was agreed that some action was necessary, and at a recent ISEAL gathering in London, BSI's proposal that ISEAL write to the EU was strongly supported. After some circulation of necessary draft wording, we all agreed to write a letter, which was dispatched by the ISEAL secretariat to all the relevant bodies and personalities concerned with RED's recognition of voluntary schemes and the sustainability regime for biofuels under Directive 2009/29/EC.

ISEAL's letter addressed to Dr. Matthias Ruete, Director-General DG Transport & Energy, the European Commission, reads in part: "ISEAL Alliance members are leading organisations in social and environmental standard setting and certification, and are committed to compliance with ISEAL Codes of Good Practice.

The RED sustainability criteria and assessment of voluntary standards criteria will act as *de facto* international standards. Accordingly, and based on our expert knowledge, we would like to outline some recommendations for your consideration, specifically in regards to criteria for assessing the credibility of voluntary standards.

At present, the RED criteria do not address the credibility of the organisation or the process that underpins the development and implementation of the voluntary standards being assessed. We invite the European Commission to consider including such requirements. ISEAL's Standard-Setting Code specifies general requirements for the preparation, adoption and revision of sustainability standards. It is voluntary, and applicable to all standards that promote improvement in social and environmental practices, whether operating at the international, regional, national or sub-national level. Much emphasis is placed in the proposed RED voluntary standards assessment criteria on an "adequate standard of independent auditing". ISEAL welcomes this but also believes that traditional verification practices, such as those based on ISO certification and accreditation models, focus on assuring the impartiality and replicability of results. They may fall short of being able to assure that positive sustainability impacts have been delivered, and been done so effectively.

For this reason, we re-emphasise the importance of assessing the standard setting process as well as auditing.

ISEAL would also recommend that if the European Commission decides to defer to existing international standards for certification and accreditation, as a basis for assuring an adequate standard of auditing, that it allow for a wide-scope definition of what it may consider as criteria "equivalent" to the recommended ISO guides. Many leading social and environmental standards build on and adapt the ISO Guide 65 on certification, for example."

The ISEAL meeting was attended by The Rainforest Alliance, the Forest Stewardship Council, The Roundtable on Sustainable Biofuels, Better Sugarcane, Roundtable on Responsible Soy, Roundtable on Sustainable Palm Oil, GTZ, WWF International, Proforest.

Now the initiative has been taken a step forward with the Dutch Minister of Environment, Dr Jacqueline Cramer, being requested to reinforce this message with the EU, which will strengthen the hand of the multi-stakeholder Roundtables when they apply for their own voluntary schemes to be recognised under the RED. The Dutch connection is important given the importance of giant harbours like Rotterdam, through which pass billions of litres of fuel every year, including biofuels.

The EC will release a communication on guidelines for voluntary certification schemes sometime in January.

COMPETE Policy Recommendations (continued)

sector are urgently needed (infrastructure, technologies, mechanisation, modernisation).

- Agricultural production needs to be diversified (multi-purpose crops for food and bioenergy production) and productivity in the agricultural sector increased.
- Full value chains need to be established that take into account food, bioenergy, and other by-products to create win-win situations for investors and the local population.
- The trans-boundary infrastructure between African countries should be enhanced to facilitate regional trade.

3) Stakeholder involvement

- Stakeholders should be involved in the definition of social and environmental sustainability requirements and guidelines for investors.
- Out-grower schemes and community engagement should be promoted to ensure ownership of the local population and the participation of national stakeholders in the full bioenergy value chain.
- The establishment and empowerment of farmer organisations should be promoted. Local and indigenous knowledge should be duly respected, and clear communication channels should be established between local communities and other national and international stakeholders.
- Fair and transparent pricing agreements for bioenergy feedstock need to be established between farmers and bioenergy producers.
- Gender equity needs to be incorporated as a key element in the assessment of socio-economic benefits and impacts of bioenergy projects.

Bioenergy MARKETS WEST AFRICA

26-29 October 2009

La Palm Royal Beach Hotel, Accra, Ghana

Over 110 participants from 25 countries attended the Bioenergy Markets West Africa conference held at La Palm Royal hotel in Accra, Ghana. More than a dozen CTA sponsored delegates attended the event, bringing together experts from Brazil, India, Japan, the US, as well as twelve African countries and seven European countries.

The theme “Enabling Sustainable Biopower, Biogas & Biofuels Development in West Africa” was explored over three days that welcomed 29 speakers from a wide variety of bioenergy disciplines. As a result of the quality content and unique diversity of attendees, approximately thirty of the African participants were inspired to create the “African Bioenergy Association” as a way to move forward the discussions begun at the event and to maintain the momentum on a continent-wide basis.

The first day’s morning session explored Ghana’s commitment to renewable energy in-depth. Three speakers

PANGEA has secured 10 complimentary 3-day passes for fully registered PANGEA members who are African nationals. If you are interested, please contact briana@pangealink.org.



from academia and policy discussed various aspects of how bioenergy is being used domestically. Ghana has a reputation for being a leader in jatropha production. Many myths were shattered as the realities of high vegetable oil prices versus low diesel pump prices proved the concept economically unviable. However, the country is looking at other ways to increase bioenergy use, especially on a smaller scale such as in rural areas where electricity is not currently accessible. Additionally, the country is developing a feed-in tariff scheme for renewables that will fit in well with the expansion of the national power grid.

The afternoon session looked closely at practical, hands-on experiences in bioenergy. Speakers included a Ghanaian entrepreneur who for the past 25 years has been installing appropriate biogas solutions, not only domestically and regionally, but who has extended his operations to East Africa from a new operating base in Uganda. Mali demonstrated itself to be the true regional leader in jatropha with a several-years old operation that has been successful in bringing additional income and resources to farmers as well as selling jatropha biodiesel to the Bamako fuel market. A Brazilian entrepreneur presented his small-scale sugarcane and sweet sorghum processing facilities for ethanol production and discussed how the village-scale operations can supply ethanol for clean cooking stoves helping to reduce negative environmental and health effects from traditional cooking stoves.

The morning session of the second day looked extensively at the myths behind the food vs. fuel debate and how, if done responsibly, bioenergy can and does increase food security rather than jeopardising food resources *en route* to energy security. An important part of the morning

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New Member Spotlight:

Novozymes uses biotechnology to improve the use of resources in more than 30 industries around the world. The biofuel industry is one of them. The use of enzymes in the bioethanol industry is a mature and proven technology. Nonetheless, there is still great potential for the use of enzyme technology to further optimize and improve the production of bioethanol production. Using enzymes, the current industry achieves higher yields, increases efficiency in every single plant, and thus realizes a strengthened sustainability profile - and the technology is constantly developing.



“In 2010 our enzymes will also make it possible to produce second-generation bioethanol that converts waste and agricultural residues into energy. This will be a radical development in the search for new renewable energy sources. We believe that biofuels should be produced in a sustainable way. Thus, we support and participate in efforts now underway in the EU and other regions, to prepare a certification system for sustainable bioethanol. We also support The Roundtable on Sustainable Biofuel, both financially and through active participation in workgroups. Finally, we participate in the monitoring group of the German ISCC project (International Sustainability and Carbon Certification) that is running a pilot project to test the suggestions for certification that the European Commission has developed.”

Bioenergy Markets West Africa—Accra (continued)

discussion focused on how to finance bioenergy projects, with speakers presenting modern, Africa-friendly options for carbon finance as well as regional funds established for helping bioenergy projects get off the ground.

The afternoon session of the second day was the beginning of the practical discussions on jatropha that continued on the third day. The discussions were broken up by the introduction of a large-scale sweet sorghum ethanol project in Nigeria. The third day's session on jatropha ran the gamut of technical discussions with special focus on destroying the myths about the crop's "miracle plant" status by hands-on experiences from across the West Africa region. Over the course of the three days, nearly a dozen speakers gave examples of true jatropha experiences, which helped to demonstrate how little is really known about the crop and how much research needs to be done prior to it becoming a basis for national biofuel industries. The session wrapped up with a presentation on bioenergy and gender through an integrated biofuel and shea butter extraction project in the north of Ghana.

At the end of the conference, attendees were treated to a visit to the Bionic Palm jatropha production unit roughly 60km from Accra where participants had the opportunity to see first hand how jatropha was being intercropped with food crops for the local community.

New PANGEA team member: Dr. Phillip Davison, Membership Coordinator

Phil joined PANGEA this autumn as our new membership coordinator, replacing Annemieke Biesma who returned to her native Holland. Prior to joining the team, Phil worked within BP for nearly 20 years and spent the past 15 years working in biofuels.

Phil's career at BP Petrochemicals involved managing the Technical Service & Development activity - providing customer support on a wide range of solvents and application areas - and later turned towards lobbying when he became External Affairs Manager for the Solvents & Industrial Chemicals business.

After the separation of BP's petrochemicals activities into a stand-alone company, he was appointed Deputy Director, External Affairs Europe, for the new chemical company, Innovene. His special focus was on trade and competitiveness issues, many of which were associated with biofuels.

Phil has been heavily involved in the European scene through CEFIC, including the Trade Policy Committee. He was a member of the Steering Team of the European Solvents Industry Group (ESIG), past chair of the Oxygenated Solvents Producers Association (OSPA), and 8 years, as chairman of the European Solvents VOC Coordination Group (ESVOCCG), a cross-industry forum of more than 30 trade groups.

We're very happy to welcome Phil and his extensive European policy and biofuels expertise to our team. Please feel free to contact him at phillip@pangealink.org.



*Thank you for helping PANGEA to grow and become the
leading voice for African biofuels in Brussels and beyond...*

Wishing you all the best in 2010!





Worldbiofuels MARKETS

15-17 March 2010
RAI Congress Centre, Amsterdam

Europe's largest biofuels congress and exhibition



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For more information on this year's event, please visit www.worldbiofuelsmarkets.com

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