



Farming for Energy, for better Livelihoods in Southern Africa (FELISA)

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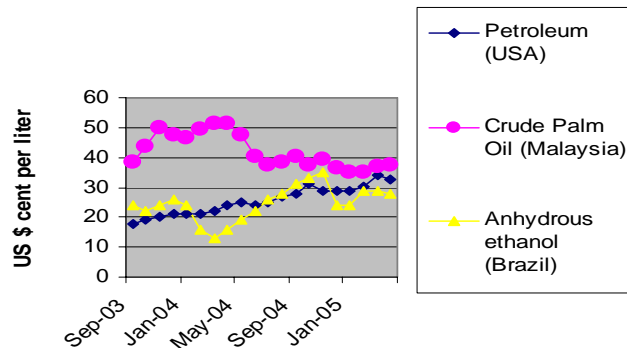
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Prices Up? Agriculture In!

Prices of biofuels versus petroleum





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Biofuels, new market, huge market

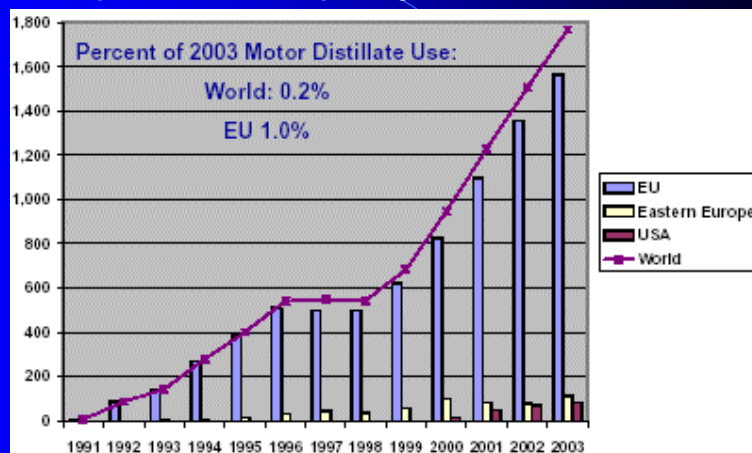
SOME MARKETS , per year, in bn Euro

- SADC maize: 2
- WORLD maize: 60
- ACP exports to EU: 7
- Crude oil: 1,000
- Biofuel, by 2010: 50



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Biodiesel production capacity, in millions of liters



Source: F.O. Lichts



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Ten reasons to Farm for Energy

- 1. Rural job creation and food security;
- 2. Reduction of oil imports, savings on FOREX;
- 3. Huge market, without SPS nor IPR;
- 4. Comparative advantage near equator;
- 5. Improve SADC energy production capacity;
- 6. Diversification of economy;
- 7. Reduction in air pollution;
- 8. Improved soil conservation;
- 9. Resistant to climatic vagaries;
- 10. Politically inspiring project.



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Potential of biofuels in Tanzania

Current fuel imports 20,000 barrels per day

(source: international Energy Agency)
(1 barrel = 160 liters, 1 year = 365 days)

⇔ **1,2 billion liters per year**

(1 liter of petroleum = 30 dollarcents)

⇔ **0.4 billion USD per year**

(= 20% imports in 2003)

Land needed to substitute this by biofuels

(productivity per hectare = 4000 liter per year)

⇔ **300 thousand hectares**



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Potential of biofuels in Tanzania, cont'd

- Tanzania has 4.6 million hectares under crops (5.3 % of its land mass).
- => Tanzania can easily produce its own fuel and it even has export potential.
- In the fuel self sufficiency scenario, Tanzania will benefit from biofuels as follows:
 - Job creation : 300 thousand (one per ha)
 - FOREX savings : 0.4 billion USD per year;
 - Growth in GDP: 4 % (GDP = USD 10 bn).



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Promotion & Awareness Creation

To physically show what a biofuel plant looks like, how it can be a market and job creator for the neighboring farmers and a fuel producer for local towns.



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SADC FELISA Concept

- Ten plants for bio-diesel production and ten plants for ethanol production.
- Plants with a capacity of 5-10 10^6 liters
- Investment, each : 10 million Euro
- In secondary towns in SADC with high biofuel potential



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RESULTS

- Employment created, each : at least 2.500 (farmers, oil extractors, bio-fuel producers, transporters, producers of fertilizers and soaps, traders,...)
- Population served , each : 100,000
- SADC capacity created



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Thank you

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