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SAHEL AND
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Club



CLUB FORUM

WEST AFRICA AND BRAZIL: ADDRESSING RENEWABLE ENERGY CHALLENGES

Conclusions

*organised by the Sahel and West Africa
Club Secretariat (SWAC/OECD)*

*in collaboration with the ECOWAS Regional
Centre for Renewable Energy and Energy
Efficiency (ECREEE)*



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1 BACKGROUND

Renewable energy & energy efficiency

Developing the energy sector is a major issue for all West African countries, be they importers or exporters of oil. Lack of a reliable electricity supply hampers progress in health and education, restricts small business growth, poses problems for food processing and storage, and seriously impedes industrialisation.

Average per capita electricity consumption in West Africa is 88 kWh per habitant compared to 563 for all of Africa and 2 596 for the entire world. Although overall 20% of households have access to electricity, there is a large gap in coverage between urban (as much as 40%) and rural areas (6 to 8%). In West Africa, energy prices also vary widely between not only urban and rural areas, but also between countries, which reveals the existence of sharp inequality in electricity and overall energy prices. The electricity grid is particularly sparse in rural areas because there are currently no decentralised power supply systems. Only 5% of rural households have access to gas or kerosene.

THE FORUM

It is in this context that the Sahel and West Africa Club (SWAC) decided to make “West Africa and Brazil: addressing renewable energy challenges” the subject of its 2011 Forum. Hosted by the Government of Cape Verde and jointly organised with the ECOWAS Regional Centre for Renewable Energy and Energy Efficiency (ECREEE), the two-day Forum brought together around 100 participants including a large delegation from Brazil.

The first day was devoted to relationships between Africa and its emerging partners, with a special focus on Brazil. The discussions focused particularly on the findings of the 2011 African Economic Outlook report by the OECD Development Centre, the African Development Bank (AfDB) and the United Nations Economic Commission for Africa (UNECA). The second day was devoted to renewable energy in West Africa from the standpoint of opportunities for co-operation between the region and Brazil.

Development partners and high-level West African and Brazilian representatives from governments, parliaments, intergovernmental organisations, research centres, farmers' organisations, civil society organisations, the private sector and regional development banks all actively participated in discussions on these topics.

The Forum provided an important opportunity to strengthen institutional and personal ties between West Africa, its traditional partners and Brazil, and it is crucial that this dialogue continues in the future. The SWAC Secretariat is firmly committed to encouraging and contributing to future debates.

Most West African countries have not yet adopted a policy on renewable energy, so projects are conducted on an *ad hoc* basis without sustainable fundings sources. They are implemented without any connection to national energy strategies, most of which are either obsolete, non-existent, or have underdeveloped standards and regulations. Capacity building in the region, particularly in terms of available information, experts, specialised institutions and related data, is also crucial. West Africa seriously lacks information, experts, specialist institutions and data on energy resources. Access to energy, a secure energy supply, and climate targets cannot be achieved in the coming decades without major investments in renewable energy and the energy market. South-South co-operation between Brazil and West Africa is a great opportunity to advance plans that were devised to help overcome these challenges.

Emerging partners

The arrival of emerging and recently industrialised economic powers is one of the most notable developments in recent economic history. The interest of these countries in Africa is playing an essential role in the social and economic transformation of the continent. Partnerships, trade and investment are diversifying; new forms of development co-operation are emerging; technology transfers are increasing; and more knowledge and experience is being shared. The special ECOWAS-Brazil Forum in July 2010 helped in developing this new partnership.

Over the past few years, co-operation has intensified, which could help in building the region's renewable energy capacity. In October 2007, UEMOA signed a co-operation agreement with Brazil for support in the implementation of the UEMOA Regional Biomass Energy Programme (PRBE). While the traditional partners still predominate in Foreign Direct Investment (FDI) and Official Development Aid (ODA), non-OECD countries are - despite their own development needs - increasingly involved in partnerships with developing countries.

Brazil puts forward the concept of “horizontal co-operation” and particularly stresses on technical co-operation. Its co-operation portfolio covers a range of sectors such as agriculture, health and professional training. Renewable energy, and especially biofuels, is another major component in which Brazil is the world's most advanced country in this field.

2 KEY MESSAGES

More regional partnerships and capacity building

The Forum gave West African stakeholders the opportunity to reassert their interest in stronger co-operation with Brazil and other emerging partners. The participants particularly highlighted the following points:

- **Strengthening regional co-operation as a way to develop mutually beneficial partnerships.** West African countries have many economic, trade and co-operation agreements with emerging partners. The regional organisations (ECOWAS and UEMOA) could intensify their efforts to increase the regional dimension of these relations. A regional approach would allow emerging partners both to take advantage of a larger market and help develop and implement ambitious regional policies in West Africa.
- **Exchange of experience, capacity and institution building:** Emerging countries such as Brazil are an important source for knowledge sharing and technology transfers, particularly in the areas of bioenergy and energy diversification as well as research and development based on the local context.
- **Combining proactive public policy with private initiative:** Brazil offers a development model in which proactive public policy for renewable energy acknowledges and encourages private initiative and investment. This is particularly true with renewable energy. To achieve a balance between these two inseparable aspects of development, West Africa could greatly benefit from Brazil's experience with governance and regulations.

Building on West African experience

Over the past thirty years, West Africa has collected a considerable wealth of knowledge, experience and success. For example, the region - particularly the Sahel - is ahead of other parts of Africa in developments relating to biomass energy efficiency (i.e. improved cooking facilities). Other important experiments and initiatives have been conducted in the fields of biofuels development, solar energy, biogas production, energy from municipal waste and processing agricultural waste into fuel. From 2003 to 2009, CILSS ran a successful programme to help Sahelian countries define and implement policies on energy efficiency and developing alternatives to biomass energy (*Programme for the Promotion of Domestic and Alternative Energy in the Sahel* - PREDAS). UEMOA adopted a common energy policy in 2001 and a strategic vision for biomass energy production for sustainable development in 2006, which aimed to help member countries in implementing national biomass energy strategies based on a *Regional Action Plan*. In 2006, the 29th Summit of the Heads of State and Government of the 15 ECOWAS countries approved a *White Paper for*

a Regional Policy geared towards increasing access to energy services in rural and suburban communities. This initiative foresees that at least 20% of new investments in electricity generation should originate from locally available renewable resources in order to achieve self-sufficiency, lower vulnerability and sustainable environmental development. In 2008, the 61st Session of the ECOWAS Council of Ministers established the *ECOWAS Regional Centre for Renewable Energy and Energy Efficiency* (ECREEE). The Centre began operations in 2009 and was then officially inaugurated in July 2010. Several West African countries have adopted policies to develop renewable energy. Cape Verde is the most ambitious, having set a goal to cover 50%. Major investments are under way to develop solar and wind power plants.

Capitalising on these initiatives, West Africa aims to improve its energy efficiency (up to 50% of energy can be lost during transport, and 95% is lost when burning firewood), and also make the most of its vast potential for renewable energy, such as hydropower, wind, solar, geothermal energy and biomass. Successful cases of biofuel production in Burkina Faso, Mali and Niger could set an example to encourage similar initiatives in other parts of the region.

Consensus on governance

Brazil is the world leader in renewable energy, and has more than 30 years of experience in the field. In this country of 200 million people, renewables account for 45% of total energy consumption. Spectacular progress has been made in bioenergy, and in biofuels in particular.

The Brazilian approach sees bioenergy as a combination of needs, challenges and opportunities. This is based partly on the conviction that West Africa has a highly competitive biofuel sector that would not compete with food production. It also emphasises that there is no ready-made solution and that rigorous feasibility studies need to be conducted based on a very precise zoning of agro-ecological potential before bioenergy programmes are designed and launched.

Brazil is already working actively with West African countries on this phase of the process. Under the agreement with UEMOA, it has run feasibility studies on biofuel development in two countries. As well as identifying the most propitious areas for growing fuel crops, the study indicates that a well-defined regulatory framework would help prevent any technical or legal barriers to biofuel development.

Each study also proposes projects that are built on the concept of environmental, social, and economic sustainability. In relation to social and economic issues, the implementation of the suggested projects may contribute to local development in the region through new job creation and, consequently, increased per capita income.

Private investors see governance of the biofuel and renewable energy sectors as a key factor for developing this economic branch. There are some positive examples in West Africa of firms working in partnership with farmers' associations to produce biofuels, to the satisfaction of all concerned. Based on these success stories, private investors stressed the fact that there is no competition between biofuel production and food security.

Representatives of farmers' and civil society organisations expressed their concern, partly because of imprecise or non-existent legal frameworks and a lack of transparency in land purchase transactions. The problem of land seizure by investors is having an increasing impact on village communities, who now fear that developing the biofuels sector will worsen their situation. Behind these issues lies the fear that biofuels will compete with food security.

Nonetheless, West African agriculture needs fuel and energy to develop, to become mechanised, and to process, transport and sell its produce. In the long run, it is not desirable to remain exclusively dependent on oil, the price of which is likely to continue to rise. Mali is planning for locally-produced biofuel to cover 10% of diesel consumption by 2013. It is specifically for these reasons that West African governments and their regional organisations support a pragmatic approach based on farmer initiatives, precise identification of risks and opportunities, and a suitable legal framework.

There was consensus at the Forum on the need to introduce clear, transparent governance and to ensure that all concerned stakeholders negotiate on and comply with established rules.

Although the Forum set the framework for future debate, continued discussion is needed on the future development of bioenergy, taking into account positive experiences in Africa as well as the ways in which co-operation with Brazil could help promote sustainable development in West Africa. It is crucial that farmers are included in this debate, as they are ultimately the ones who will decide whether or not they want to produce biofuels.

Policies based on dialogue and a negotiated legal framework

The priority should, therefore, be to adopt sound policies to promote the sustainable production and use of bioenergy. To this end, it is necessary to establish consultative forums where farmers, members of parliaments, economic operators and civil society can present their analyses and opinions and, together with the local government, help build consensus around specific government policies.

Renewable energy policies should include a regulatory framework that takes into account food security concerns as well as create incentives for renewable energy consumption. This type of approach is only possible under public-private partnership.

Such policies should be elaborated based on scientifically robust technical research including environmental and social impact studies. It was recommended that the feasibility studies on sustainable development of biofuels now under way in the UEMOA area with Brazilian support be extended to all CILSS and ECOWAS countries. It was also suggested that these studies be circulated as widely as possible to help encourage more informed debates.

3 LOOKING FORWARD

ECOWAS, UEMOA and CILSS, as mandated by their Members and in collaboration with their partners (including Brazil) will continue to implement a regional agenda for renewable energy and energy efficiency in West Africa. Some important next steps include:

- **Capitalising on West African renewable energy initiatives.** This vital exercise, co-ordinated by ECREEE, will contribute to develop synergies between ECOWAS, UEMOA and CILSS programmes. Lessons from these initiatives could help inform ongoing discussions on the drafting of an integrated regional policy on renewable energy. The ECOWAS Regional Bioenergy Forum (Bamako, 19-22 March 2012), organised with support of ECREEE, will encourage a regional dialogue and peer learning to support ECOWAS Member States in developing their respective bioenergy strategies.
- **A West African Renewable Energy Observatory**, to be launched by ECREEE in October 2012, will help provide better access to available scientific information, analyses, maps and databases on renewable energy issues. Within this framework, the SWAC Secretariat and ECREEE will produce a Regional Renewable Energy Atlas.
- **A visit by West African farmers to Brazilian biofuel farmers**, jointly organised by the SWAC Secretariat, ECREEE and ROPPA in collaboration with the Brazilian government (12-15 March 2012). The visit will help farmers formulate their own professional opinion of biofuel production and help enrich discussions on the drafting of an integrated regional policy on renewable energy.



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