

Towards Sustainable  
Energy



# Sustainable Financing for Biochar: Challenges and Opportunities

12 August 2014, Banjul

# Find the Money

## Find the answer

- 1 = 5
- 2 = 8
- 3 = 11
- 4 = 19
- 5 = ?
- Claim your prize

## Agenda of the presentation

- Challenges getting in the way of sustainable financing
- Opportunities for financing
- Current Financing Opportunities
- Recommendations
- Q & A

# The Stars Must be Aligned

Clear Policies,  
institutional  
and  
regulatory  
Framework

Strong  
private sector  
and civil  
society  
organizations

Money will  
flow



# Policy, Regulatory and Institutional Issues

There is no real policy promoting the use of RE (including biochar)

Lack of political vision regarding the promotion of RE

Lack of enabling political measures

RE including biochar is not part of political agenda especially at the high level

The laws and regulations are inadequate and / or nonexistent;

Low awareness of potential stakeholders and the general public in relation to the RE;

Local development plans do not integrate access to energy and ER in their activities and budgets.

# Low Private Sector Involvement

- High initial CapEx for RE technologies.
- Lack of appropriate financial mechanisms or financial products.
- Lack of tax incentives (subsidies, tax exemptions, etc.).
- Weak buying power of the target population (poverty).
- The absence of a critical mass of dynamic private operators that can, lobby for and spearhead renewable energy technologies to the consumer market.
- Lack awareness of existing RE technologies at consumer level.
- Lack of last mile distribution chain to reach BoP.
- Lack of standards, certification and procedures for quality control.
- Therefore, the market is flooded with poor quality equipments that tarnish the image of the appropriate technology.



# GOVERNANCE AND COORDINATION

- Lack of coordination and a lack of synergy between the various stakeholders in (regulators, technical institutions, private sector).
- Contradiction between various interventions, programs, projects and regulatory texts. Are we really promoting RE?
- Lack of connection between research/academia and private sector



# Opportunities

- Carbon Financing and NAMAs
- Development and Commercial Banks
- Sustainable availability of feedstock
- Considerable demand
- Mature Technology
- Young Population
- Climate Change
- Existence of best practice and bad practice
- Global and regional initiatives such as SE4All and ECREE
- Public financing from development agencies (the usual suspects)
- The scale of challenge is an opportunity in itself.
- Crowd-funding and peer-to-peer financing
- Piggy-backing on agroforestry
- ICT for knowledge-sharing and Mobile Banking

# Attracting Financing



It is not rocket science!

**Create Enabling  
Environment for  
sustainable uptake  
of Bioenergy**

**Demonstration  
projects to build  
confidence**

**Investments on the  
ground**

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# Current Opportunitie/Initiatives

SUSTAINABLE ENERGY  
FOR ALL

- International Biochar Initiative
- The Biochar Fund out of Belgium
- Forest Trends, an NGO based in Washington DC has a Business Development Facility
- Carbon Finance through CDM (ERPA and CDM loan scheme)
- ACP-EU
- USDA Conservation Innovation Grant
- FAO to fund food-energy integrate systems
- The Nordic Climate Fund (NCF)
- GEF's various mechanism
- World Bank including IFC



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# Recommendations to achieve sustainable financing



- Prove that biochar can help achieve economic viability as a soil amendment (providing increased crop yields and better performing soils)
- Perform a needs-assessment and capacity analysis in order to design appropriate interventions
- Build an enabling environment for the promotion of cooking energy
- Develop closer links between NGOs and private sector to streamline activities
- Develop action plans to strengthen the skills and capacities in the biochar sector
- Create a credible pool of knowledge on biomass technologies and resources
- Involve parliament so MPs understand the issue in order to lobby for more funding allocation
- Policy measures such as levying a small tax on manufacturing industry or tourism / airfare
- Organize meetings and a series of activities for sensitization and awareness of the biochar
- Provide a guarantee fund for MFIs and banking
- Develop innovative entrepreneurship models around biochar
- Involve the Ministry of Energy in raising funding in the EU, especially the Netherlands, Norway, Germany, Italy, England.



# WACCA to the Rescue



- We will play our role

**Build the capacity of market enablers and players to develop and implement investments/ programs in clean cooking sector**

Collect and share knowledge and information on best (and worst) practices and communicate progress made in scaling up access to modern cooking energy services

Promote research, development, demonstration and dissemination of RE&EE technologies and services, as well as facilitate academic exchange

**Enhance knowledge and technology transfer through universities, research institutions/ centers**





Siré Abdoul Diallo, WACCA Coordinator

[SDiallo@ecreee.org](mailto:SDiallo@ecreee.org),

Merci! Thank you! Obrigado!

Questions??????