

INTERVIEW WITH RICHARD MORGAN CEO OF SUNBIOFUELS

I am the CEO of SunBiofuels and am responsible for the day to day management of three subsidiary operations developing biofuel plantations in Ethiopia, Tanzania and Mozambique.

SBF is a Biofuels start up established in 2006. The company is privately owned and funded by one majority shareholder.

SBF has been and is in the process of acquiring around 8,000ha of land from the Tanzanian Government about 70km west of Dar es Salaam. The aim is to achieve title offer from the GoT by the end of 2008 and plant *Jatropha curcas* in the first quarter 2009. We plan to establish processing facilities in the project area and produce high quality biofuel ostensibly for the local market.

Tell us about the history and ecology of the region your company is working in :

We aim to take over an area that is now degraded forest scrub. Fuel wood and charcoal collection have seen all the substantial trees removed over the years leaving thin scrub that is being randomly burnt by hunting and opportunistic slash and burn shifting agriculture. Fresh surface water is minimal, the water table low at about 80m and saline. There is little in the way of established agriculture apart from low productivity cassava plots and a small number of feral fruit and nut trees. There are little or no livestock due to the shortage of water.

Do you have any hopes for the region in relation to your presence?

SBF hopes to establish productive plantations that provide employment, invest in the rural infrastructure, contribute in partnership to community development and establish a carder of out-growers in economically beneficial contact farming agreements. SBF hopes to encourage village based energy independence by developing power generation units utilising pure vegetable oil.

What sustainability policies do you have in place for your activities in the region?

Sustainability policies will be based on European Union, Kramer, and UK objectives. These are currently being developed in conjunction with consultants Pro-Forests.

When and how will these be implemented?

These will be implemented prior to land clearance activities and will be incorporated into practical management plans and SOPs.

How are you involving the local community?

We are currently involved with the communities in the payment of land compensation as part of the acquisition process. We are also developing baseline surveys with local consultants to identify community development needs such as programmes in primary education, health care and fresh water

delivery. We will instigate mixed cropping trials with food staples and jatropha as a prelude to out growers expansion. We also plan to trial drought resistant high yielding varieties of cereals and tubers like cassava to improve village food security and cash crop revenue.

How are you taking into consideration the pressure on the local water source?

Communities have identified one major existing permanent water hole to which they require permanent access. SBF is working with local communities to include this wet land environment into village management plan. SBF has agreed that free access to the waterhole will be maintained and that any measures that need to be taken to safeguard water catchment functions and bio-diversity will be maintained.

There is no surface water for irrigation at present and it looks unlikely that this will materialise. This is one of the reasons why the region can be considered “marginal” in some regards. SBF is surveying the project site for potential dams in the area for joint commercial and community use.

How are you taking into consideration the local biodiversity?

As mentioned above, the site is extensively degraded over about 70% of the area. SBF however is mapping areas of bio-divers vegetation cover and looking at ways to link these “mosaics” together with indigenous corridors to maximise value. SBF is also liaising with local institutions and conservation groups to enhance the management of a forest reserve the borders the project area.

What are your future plans for the region and country?

Jatropha is a new and untested crop so we need to be cautious when talking about expansion. SBF intends to plant the existing area over the next four to five years developing management techniques that are base on sustainable goals but aim to maximise yield (and profitability). As these evolve and we develop the human capitol to expand the model, SBF aims to increase the area under management. Expansion will be in line with Tanzanian policy and will naturally balance development needs, food security, energy policy, etc. SBF believes that provided the yield potential for Jatropha is realised under Tanzanian conditions on suitable land classes, the potential for expansion through out growers and commercial plantations is great.

Once the technology for devolved power generation is transferable in an economically viable way, the potential for integrated environmental management is immense. Deforestation for fuel wood is a major environmental challenge that can be mitigated by integrated tree crop management. Jatropha oil can be used to generate light and power for value added processing thus increasing incomes. SBF is looking at ways to process the non-edible expeller cake from the oil seeds into fuel briquettes. With some creative thinking there is the potential to incorporate voluntary carbon credits (VERs) in to community base income.

What is your perception of the general public's awareness of biofuels in the West?

Our perception of the “West’s” view is of misinformed negativity. Much of the debate has centred on US and EU agricultural subsidies that have allegedly increased the price of food while “salving the consciences of energy greed people” in the west. The perception is that “all bio-fuels are bad”. When

this is combined with emotional statements like “Biofuels are a crime against humanity” from senior officials in the UN the stage has been set to find a whipping boy.

An informed and mature NGO community might have attempted to put a more balanced and academically based argument across. Food prices have increased recently and this is of course bad news for many poor people who spend a greater proportion of their lower incomes on food. However, other drivers such as falling stocks from increasing demand and poor harvests globally and rapidly rising input costs are given little credence. More importantly what the critics fail to acknowledge is that is the chronic lack of investment in agriculture over the 30 years in food insecure areas that is the real issue. Areas that they should have concerned themselves with. Much of the Biofuels criticism is “chatter” to divert this difficult and inconvenient truth.

President Lula’s reply to the UN staffer was apt – it is a crime against humanity for people like the speaker to deny poor rural people the opportunity to develop their own industries and determine their own economic future. The NGO and donor community have yet to adequately answer the accusation that their “aid” creates and maintains a dependency that does not benefit the poor. Rather it maintains their own existence (and lifestyles) and stifles entrepreneurs and enduring “trade” driven development opportunities.

Biofuels can be good and they can be produced in a sustainable way that actually enhances food security in the communities and countries in which they are grown. They have the potential to be integrated into the rural developing economy that improves livelihoods and enhances conservation/biodiversity. There is a niche into which *Jatropha* fits that can potentially fulfil a majority of these roles when implemented by committed investors willing to incorporate high levels of corporate social responsibility.

This message is unfortunately not well communicated by apparently “objective” media organisations when they think they can get an attention grabbing headline by highlighting a “crisis” or “crime” etc.

What are the key opportunities offered to Tanzania by biofuels?

Tanzania has an intrinsically sound and functioning institutional infrastructure. Provided this is employed to achieve balanced and coordinated rural development policy mix, there is huge opportunity to intensify food production using the best soils in combination with new irrigation techniques and identify other tracts for a planned expansion of Biofuels. *Jatropha*, sugar cane/ethanol, sweet sorghum and in the future, biomass can all contribute to a renewable mix that benefits the Tanzanian economy. With internationally accepted sustainability criteria self imposed by ethical investors (both local and international) and carefully monitored independently, there will also be significant environmental benefits.

What are the key challenges faced by Tanzania in regard to biofuels?

In a word, land. Although Tanzania has ample land currently not in cultivation, land law is complex and sensitive. The mining sector has (according to some) set a poor example of how to implement Government sponsored land claims. Much of the land in Tanzania is held by villages and rural communities. There is a legal process that needs to be negotiated to transfer this title to a commercial deed. This involves detailed and transparent negotiations with the communities to agree compensation and in some cases re-location (not in SBF’s case).

There is a need to accelerate this process without violating the rights of landed poor to facilitate land reform and investment. A failure to do this will slow investment in commercial agriculture across the board.

What is KEY to making biofuels work well for Tanzania?

It will be important to identify responsible well funded investors be they local or foreign.

Laws and rules regarding investment in large scale agriculturally based projects need to be transparent and more efficiently managed.

Local communities need to be included from the beginning of the process and must be able to benefit from sustainable economic involvement in the projects. These can be mutually agreed but should include access to quality employment, out-growers schemes and target community development.

Biofuels needs to be included in a combined agriculture/land use policy matrix that plans for a balanced combination of agro-industrial-energy development that safe guards the environment, food security and the welfare of the people most affected by land use change.

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