

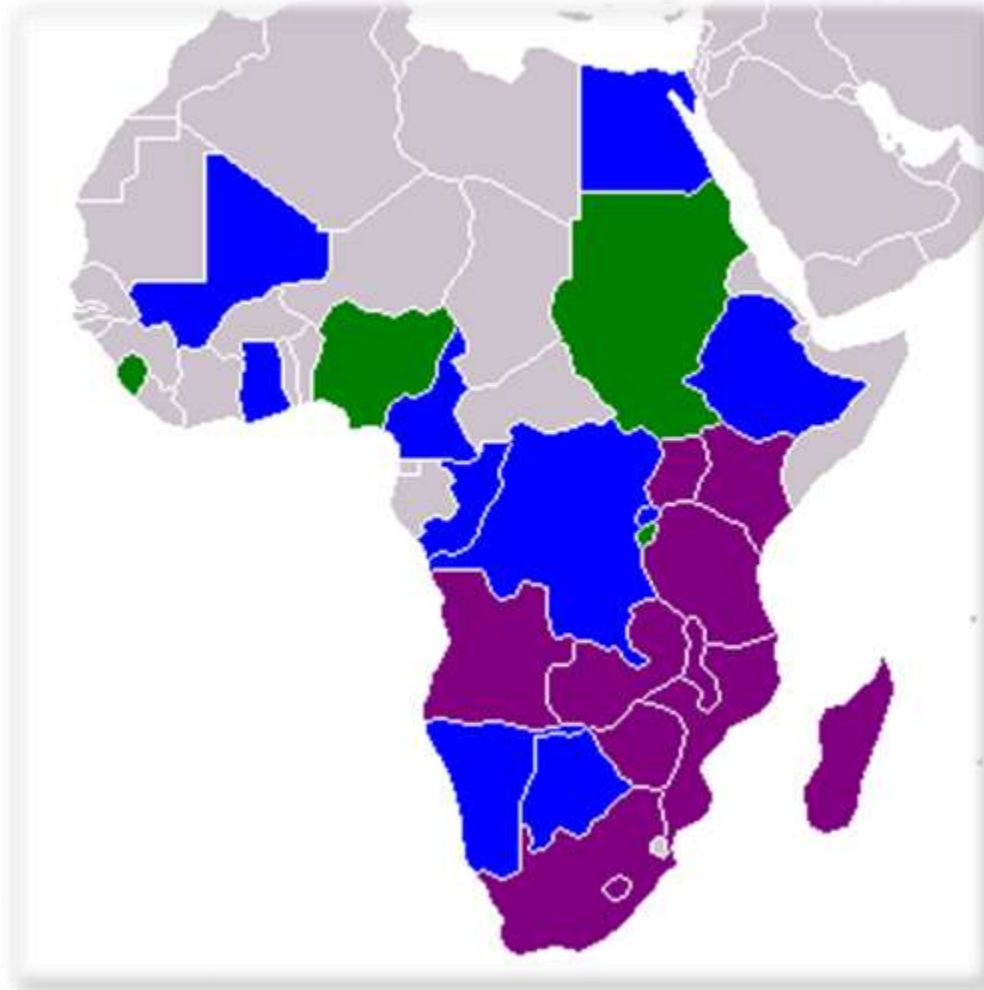
Where Has All the Investment gone?

Meghan Sapp
Secretary General



ACP Renewable Energy Conference: Now time to scale up!
Brussels, Belgium
November 14, 2011

African Biofuels Investment: 2008



Key:

Blue: biodiesel

Green:
ethanol

Purple: both

Not shown: Mauritius: both



Source: Snapshot of publicly announced large-scale (+ US \$100 million) biofuels projects

Large-scale African Biofuels Investment: 2011



What Happened?

- Economic crisis
- Food vs. Fuel
- Landgrabbing
- Variable biofuels policies → Moving Targets
- Did “cowboys” ruin it for everyone else?

Maybe It's the
Business Model?

Maybe Large-Scale Doesn't Work?

- Need consistent, implemented policy—corporate, investment, trade, energy, etc.
- Need strong, diversified management team
- Need supportive, knowledgeable investors
- This is farming, stupid

What Does Work?

- Small-scale, local use—but who's going to pay for it?
- Medium-scale—\$50 million or less, but do the economies of scale work?
- Integrated projects for off-setting energy risk

Offsetting Energy Risk?

- Existing industry:
 - Mobile network providers
 - Breweries
 - Beverage companies
 - Extractive industries
- Utilise existing investors and existing waste streams to offset risk through integrating bioenergy

Turning Risk *Into* Energy



- Bottom lines are weakened by it
- Threatens business model's viability
- Reduces investor confidence

- Common to every industry
- Costly implementation
- Government oversight

- Quick ROI
- Income stream instead of cost
- Proven technology
- Existing case studies

Getting the Business Done

- PANGEA is bringing industry and technology providers together
- Let us know if you want to join in!

Thank you for
your attention.



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