Feasibility Study on the Production of Biofuels in the WAEMU
Everything Started in 2007, when the Memorandum of Understanding in Biofuels between Brazil and the WAEMU Commission was signed.

**Nov. 2007**: Pres. Lula visits UEMOA. MoU is signed.

**Feb. 2011**: Technical Cooperation Agreement MRE-BNDES

**May 2013**: Beginning of the technical study.

**Nov. 2009**: Approval by the National Congress.

**Nov. 2011**: Selection of Consortium for the Study.
The study evaluated agronomic, economic, social and legal aspects related to the biofuels industry.
Key objectives of the study were...

...to provide recommendations on viable business models, suitable public policies and on the plan that local and regional governments could put in practice to facilitate the adoption of biofuels in the region...

...the study also provides an implementation guide, with the potential to speed up the creation of a biofuels market and industry.
The Brazilian knowledge of agriculture and biofuels, added to the cooperation of WAEMU governments and to the technical evaluation of the countries' possibilities brought to light **three important conclusions** about the establishment of the biofuels sector in UEMOA.
(1) Biofuel production must be part of an agro-energetic plan that also ensures food security and generates electricity.

WAEMU countries faced the challenge of low agricultural productivity and poor food security in the last decades. At the same time, the low rate of electrification is a strong barrier to the industrial development of the countries. Thus, improving agriculture and access to reliable sources of electricity are higher priority actions than replacing imported fossil fuels, which have reliable supply.

However, field interviews showed that the production of biofuels is supported by local governments, if they are part of a broader agro-energetic project, where the use of land for food crops is not threatened and where cogeneration enables access to electricity for populations that are currently deprived of it.
(2) The sugar-cane based ethanol production is suitable for the adoption of biofuels within the region.

Sugarcane is the crop with the most competitive cost position for biofuels production in the region considering the agronomic suitability, the potential for creating value for investors and socioeconomic impacts.

It can be cultivated with the use of Brazilian production technology, supported by irrigation and local labor.

The suggested model, one plant in each country, is able to cater to three distinct markets given the priorities of local governments: sugar—enough to eliminate the need for imports; ethanol fuel—targeting the blend of 10% for the production of E10 gasoline; and electricity—for internal consumption in irrigation and mills and for local distribution.
(3) The mobilization of local governments and UEMOA is absolutely necessary to ensure the basic conditions for market development.

To establish a sound market for biofuels three factors are necessary:

- A light and agile process to access land - main difficulty of investors in the region;
- The establishment of a mandatory blending - ensuring demand to the investor; and
- clear rules of market pricing - giving greater certainty to projections.
There is a huge potential to be explored

Promotion of sustainable development in three pillars:

• Social

• Environmental

• Economic
Great possibilities for increased cooperation

- Agricultural-industrial technical cooperation
- Business cooperation
- Cooperation for financing
- Institutional cooperation
- Legislative cooperation
Hard copies of the executive summary of the study are available (in English, French and Portuguese).

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Obrigado!

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