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

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The Stars Must be Aligned

Clear Policies, institutional and regulatory Framework

Strong private sector and civil society organizations

Money will flow
<table>
<thead>
<tr>
<th>Policy, Regulatory and Institutional Issues</th>
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<tr>
<td>There is no real policy promoting the use of RE (including biochar)</td>
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<td>Lack of political vision regarding the promotion of RE</td>
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<td>Lack of enabling political measures</td>
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<td>RE including biochar is not part of political agenda especially at the high level</td>
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<td>The laws and regulations are inadequate and / or nonexistent;</td>
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<td>Low awareness of potential stakeholders and the general public in relation to the RE;</td>
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<td>Local development plans do not integrate access to energy and ER in their activities and budgets.</td>
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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

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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 Opportunities/Initiatives

- 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.

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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
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Merci! Thank you! Obligado!
Questions???????