



***Bioethanol
production Plans in
Tanzania***

26 February 2009



Availability of land for development in Tanzania

- Tanzania has a surface land area of 94.3 million hectares (ha).
- 22 million ha or 23% are allocated to reserves.
- About 13 million ha is covered by water
- Gross area cultivated is about 5.1 million.
- Other arable land not cultivated is about 10 million ha – currently used as pasture.
- About 44 million ha is undeveloped or unused land. 50% of the unused land or 20 million ha is arable.



Water availability in Tanzania

- About 7 million ha of Tanzania is covered by 3 fresh water lakes.
- There are also other surface lakes and huge rivers which cover about 4.8 million ha of the land surface.
- The average rainfall varies between 900-1500 mm per year.
- Irrigation water is possible from lakes and rivers



Sugarcane in Tanzania

- Sugarcane has been grown in Tanzania since the beginning of the 20th century.
- Four sugar estates exist in the country.
- Sugarcane production has doubled during the last 10 years.
- Sugar production in 2008/09 will reach about 275 000 tons.

Formation of Tanzania Biofuels Task Force

- A Biofuels Task Force was established in 2006 by the Tanzania Government.
- The main aim of the Task Force is to promote and support Biofuels development in Tanzania.
- A number of potential investors are investigating the possibility to produce Biofuels in Tanzania.
- SEKAB BT is one of the potential investors to produce ethanol and power from sugarcane.

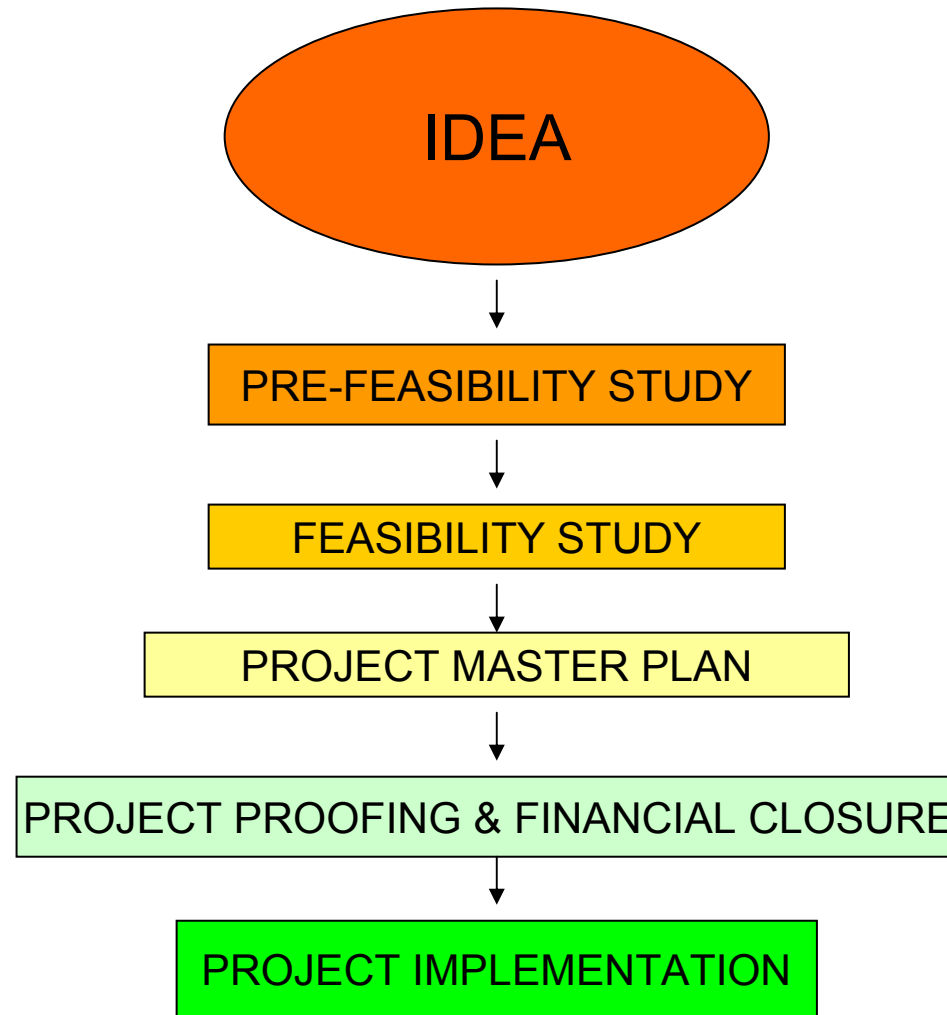


Creating a win-win Investment

- SEKAB BT is to create a true win-win situation, not only for central government but including local communities and local business.
- The development is based on sound business principles but also recognising the rights of local population to make their own decisions.
- A win-win situation demands careful design from the beginning. For SEKAB BT, sustainability is about the design of the actual investment itself, rather than an add-on module.
- Components like land acquisition, ownership and the possibilities for local communities to participate in the actual investment are central to a win-win successful long-term investment.



Project process



Project sites in Tanzania



Bagamoyo Ethanol Project

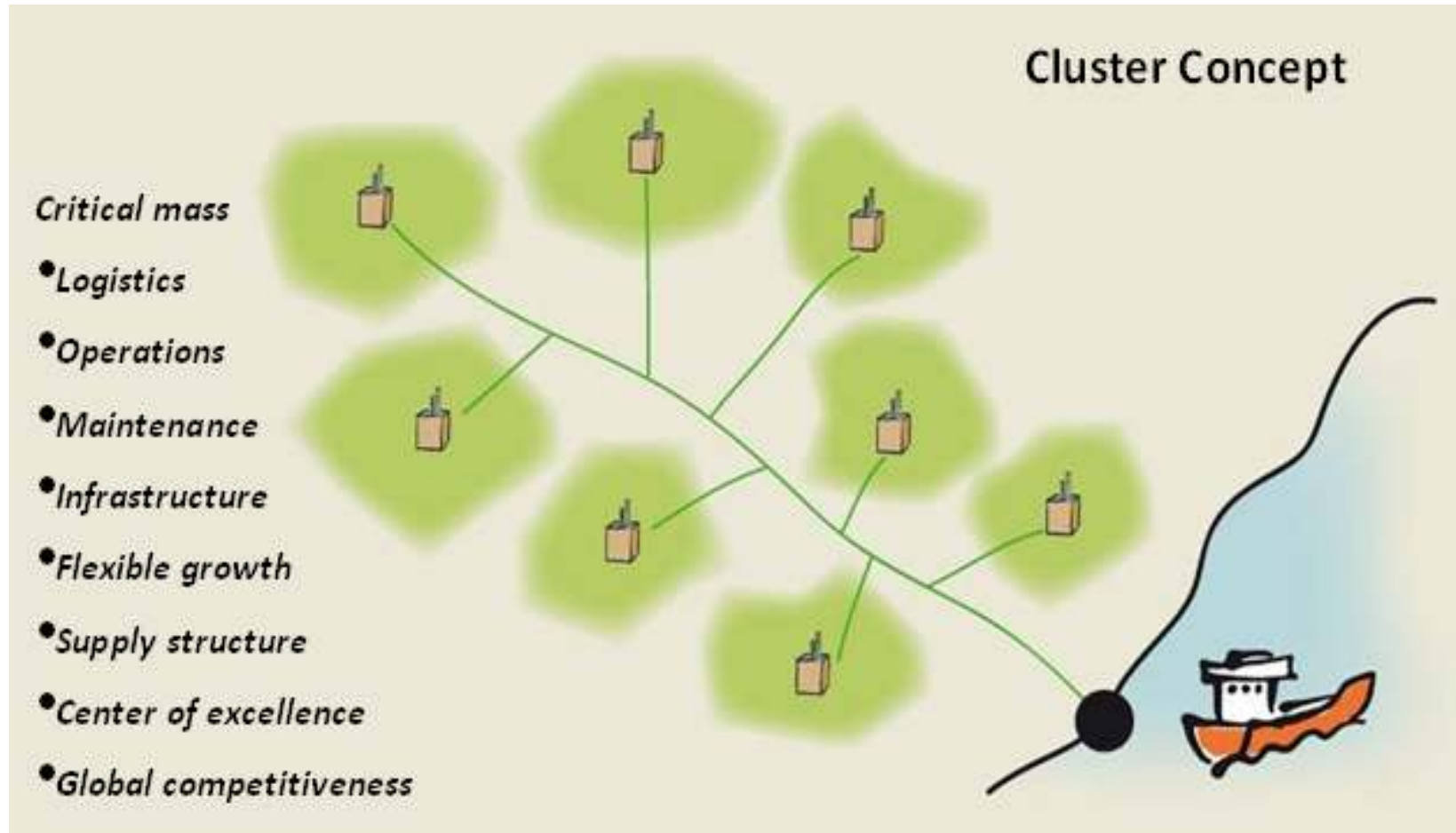
- First phase 700,000 tons of cane per year.
- To date studies are almost completed and the team is now ready to move to the final stages of the project.
- A seed cane farm has been established and seed cane material is available for planting to start as from November 2009.



Kigongoni seed cane plantation at Bagamoyo



BioEnergy Investment in Tanzania



Sustainable Sugar cane Production

- No cane burning
- Mechanical harvest/mechanical weed control
- Trash blanket left in field to provide organic matter to the soil
- Recycling of factory effluents such as vinasse, boiler ashes and filter mud to cane field to reduce the need for chemical fertilizers
- Biodiversity corridors


Mechanical weed control

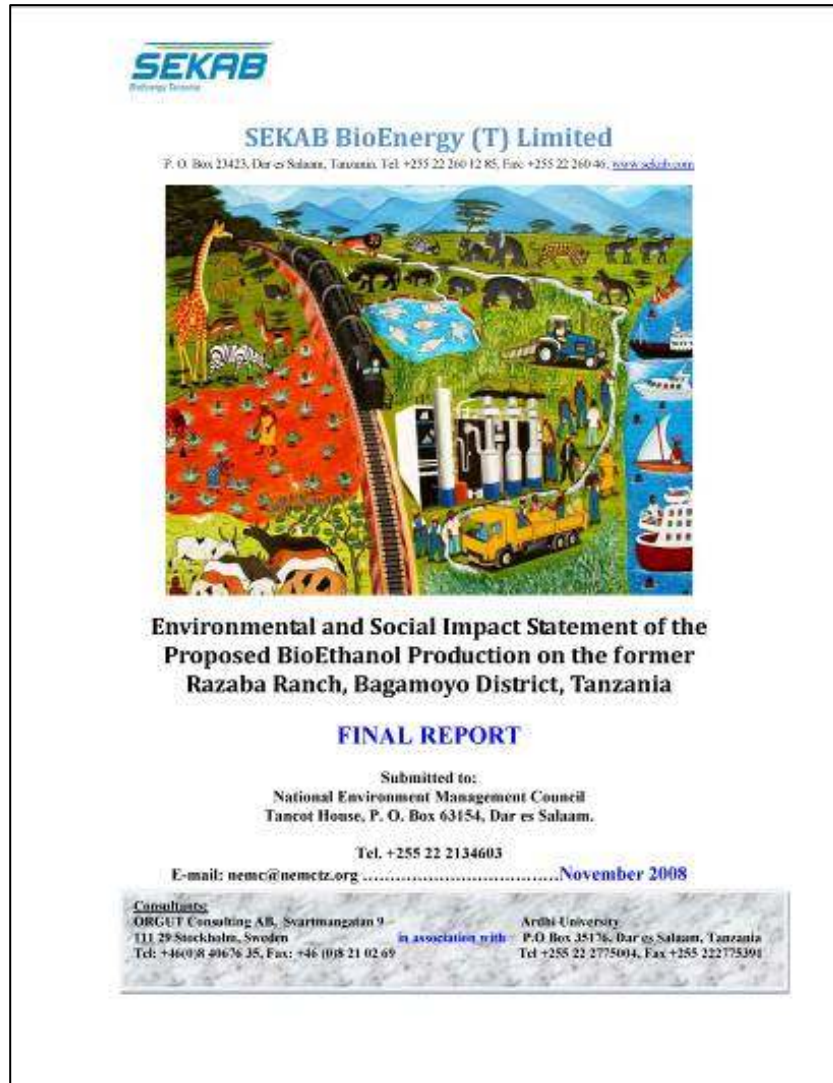


Mechanical harvesting



Rufiji - Cluster

- SEKAB BT has identified an area in Rufiji district that will allow for the development of a number of projects (8-10 projects, or a cluster)
 - A typical project will have about 20 000 ha of cane per unit.
 - Projects will also include cane from outgrowers schemes.
 - A typical plant will produce about 200 000 m³ of ethanol.
 - About 200 000 MWh of electricity per year will be exported to the grid per unit.
 - This development is guided by the principles of ecological, social and financial sustainability.
 - The cluster design is based on CO₂ optimisation.
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Environmental and Social Impact Assessment

Food Security

- Biofuel production shall not compromise on food security.
- Consultations with concerned villages, relevant government authorities and other involved stakeholders will focus on village land use plans, outgrower regulations, capacity building and improved farming methods.



Local market for ethanol

- In medium and long-term, part of the ethanol produced will be consumed locally as the local market will change from fossil to renewable fuel.
- SEKAB BT will be a partner in this transition.



Rufiji River



A photograph of a sunset over a landscape. The sun is a bright, glowing orb positioned slightly to the right of the center, partially obscured by dark silhouettes of trees and bushes in the foreground. The sky is filled with soft, wispy clouds, all bathed in the warm, orange and red light of the setting sun. The overall mood is peaceful and grateful.

THANK YOU