Opportunities for sustainable biofuel development in West Africa: the case of Mali Biocarburant SA

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Summary of the presentation
1. MBSA’ vision: Food Security, Energy Security and Environmental Security
2. Inclusive business model
3. Corporate structure - voice
4. Sharing of risk
5. Rewards
6. Upscaling MBSA
7. Lessons learned: pros and cons
Inclusive business – smallholders as shareholders

Farmers are 30% shareholders of the local production facility
Corporation Structure - Voice

Producer’s participation in decision making

- Smallholders have a representation/vote in the board of directors of the daughter companies;

- Smallholders organised in a farmer union are 20% shareholders of Koulikoro Biocarburant and small holders in Burkina Faso are 30% shareholder in Faso Biocarburant

- Smallholders also have a representation/vote in the general assembly of Mali Biocarburant Foundation
Risk assessment and sharing

Producer’s risks
• Smallholders invest in Jatropha intercropping and they run an agro-ecological risk (bushfire and diseases) that reduce yield of Jatropha shrubs;
• They may lose their investment in MBSA, which is financed through pro poor carbon offset;

Company’s risk
• Side selling of Jatropha nuts leading to lack of raw material
• Biodiesel production risks
• Low international oil prices (<US$ 50/barrel)
Contribute to poverty alleviation / rewards!

Producer’s interest

- Smallholders as 20% shareholders in production facilities
  . Indirect benefits: dividends

- Financial interest sale of jatropha nuts: USD 125/ha
  . 1 person earns USD 3,0/day

- Carbon credits:
  . Mali biocarburant invested **USD 500,000** in farmer’s unions.

- Increase yields of associated food crops (Maïs, sorgho…) with 20% about 5 years after intercropping of jatropha

Employment creation

. 150 jobs created and more in the future
Sustainable financing of producers training – pro poor carbon credits

Malibiocarburant Foundation

MBSA Holding

Koulikoro Biocarburant

Faso Biocarburant

Fasobiocarburant Foundation
Farmers’ training

Jatropha Field schools
Food security

Jatropha - Mais
Environmental security

- Reduce CO2 emissions by planting jatropha trees and produce biodiesel;
- Biodiesel is a cleaner fuel
- Carbon credit reducing climatic change;
- Reduce soil erosion and improve water infiltration.
R&D partners

ANADEB

NL Agency
Ministry of Economic Affairs

AFD
Agence Française de Développement

USAID
From the American People

F&T
Forest & Landscape

FACT

Katholieke Universiteit Leuven

FAIR Climate Fund

Partner to enterprising people

KIA Duurzaam

Trees for Travel
Upscaling and replicability

Poverty alleviation: at maturity in 2019 purchase USD 6,800,000 in jatropha nuts; Employment: 140 FTE and about 10,000 producers Environment: more than 10,000,000 jatropha plants that fix carbone as well as 4 million litres of biodiesel Food security: increased production of food production: mais/sweet sorghum
**Pros and cons of the business model**

1. Governance structure and transparent leadership of farmer organisations needs to be well organised;
2. Public private partnership are needed to set up the inclusive business model;
3. Organise biodiesel legislation: quality standards, biodiesel mix, licenses, and tax exemptions;
4. It all depends on oil prices and value addition of co-products