

Swedish aid to save environmentally harmful ethanol project

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<http://www.dn.se/opinion/debatt/svenskt-bistand-ska-radda-miljofarligt-etanolprojekt-1.843272>

Researchers reveal: The Swedish energy company Sekab is restarting its criticized project for ethanol production in Tanzania that can increase emissions of carbon dioxide. Sekab, which is owned by three municipal energy companies in northern Sweden, has renewed its plans to grow sugar cane for ethanol production in Tanzania in an area larger than the island of Gotland. Sekab has turned to aid agencies in Sweden and Norway to get money. The environmental impact assessment the company has been so embellished that the consultant which Sekab engaged to do the environmental study has distanced itself from the report. Small farmers would be driven away from their land. There is a clear risk that the sugar cane plantations will in fact contribute to increased emissions of carbon dioxide, write six researchers and a documentary filmmaker.

In February the Swedish energy company, Sekab, announced that it was abandoning its ambitions for large-scale ethanol production in Tanzania. Their original plan had been to grow 400,000 hectares of sugar cane plantations, a total area larger than the island of Gotland. But recently the company has been on the verge of bankruptcy when its owners in Sweden decided to end the flow of money rolling into the company in Tanzania. However Sekab is now trying to procure aid funds from Norway and Sweden in order to be able to continue its activities.

Sekab's majority owners, the public energy companies in Örnsköldsvik, Skellefteå and Umeå, initially became involved in Sekab in order to commence ethanol production based upon use of forestry waste materials within their own municipalities. But gradually the company's plans to produce ethanol from sugar cane plantations abroad in Tanzania became more prominent.

Meanwhile in Tanzania there is growing criticism against these Swedish investment plans. Why must Sekab gain control over such vast areas of the country? Sugar cane has been cultivated for many generations in Tanzania: why shouldn't local farmers be able to supply the raw materials for biofuel from their own fields?

Sekab was supposed to have made public an environmental impact assessment report completed in December 2006 concerning its first project area in Tanzania. But for two years after that, researchers and students have not been allowed to see the report as it has been withheld by the company. In December 2008, the company finally submitted the report to the Tanzanian environmental agency, NEMC, which only then could begin to examine whether Sekab's planned activities should be permitted in Tanzania. However, it now appears that Sekab made important changes in the text without the knowledge of Orgut, the consulting company originally responsible for the study. The original report had identified several serious environmental problems, for example, that water supply was insufficient, but these were problems were subsequently glossed over and played down in Sekab's altered version of the report.

The fact that Sekab did not make the environmental impact assessment public has

meant that the people of the affected areas have not been able to examine or consider the impacts of the project, nor have independent scientists been able to do so. However the text of the report was leaked, and therefore we know that the conclusions give a more favourable picture compared to the original consultancy study which had been carried out. This has been confirmed by the journal Development Today, which interviewed the project manager of Orgut. She asserted that Sekab "rewrote the conclusions in the best light: you get a different flavour". Consequently, Orgut took a most unusual step for a consultancy company – they distanced themselves from altered version of the study. Orgut's project manager concluded that the changes made by Sekab meant that "the procedure is not acceptable and it calls into question the independence of the study".

Fifteen Tanzanian environmental researchers have recently published a 189-page report on biofuels in Tanzania. They call for a moratorium on industrial-scale biofuel projects until a framework is in place to assess what type of projects are of benefit to the country and what kind of projects are not acceptable.

Sekab's huge efforts to produce ethanol in Tanzania now appear to have stalled. However in February, while Sekab announced publicly in Sweden that it would abandon the project, it simultaneously quietly took other initiatives to try to continue the project. In the last weeks they have attempted to obtain development aid support from Sida to continue their activities, or perhaps to make it more attractive for a new owner to take over operations. They are also talking with the Norwegian Embassy in Dar es Salaam along similar lines.

Advocates of large-scale biofuel projects argue that they can simultaneously fight poverty, promote carbon balance and improve the environment. However Sekab fails to convince in any of these three endeavours.

If Sekab were to commence plantation operations, it would result in many thousands of small-scale farmers losing their land. Their counter-argument is that the market economy will bring new opportunities. But experience shows that any such benefits tend to accrue to educated immigrants from other areas. In the case of Bagamoyo, where Sekab claims that they will merely take over an abandoned cattle ranch, the area is actually settled and used by both small-scale farmers and pastoralists who have been driven away from their original home areas by other agro-industrial investments in other parts of Tanzania. Thus, Sekab intends to produce "green energy" for the rich of the world, while poor Tanzanian smallholders and pastoralists will lose their livelihood basis.

In another project area in Rufiji, Sekab is negotiating with rural authorities in quest of even larger land areas. They make promises of a future with jobs, schools, health care and roads. One could label what is happening as "climate-colonialism" and "land-grabbing".

Replacing fossil fuels with biofuels through the cultivation of new land does not automatically lead to a reduction of carbon dioxide release into the atmosphere. Studies of the savannah forests in Brazil show that conversion to sugar cane plantations causes a carbon deficit to the atmosphere that takes 17 years to balance. Will ethanol still be in demand after 17 years? If not, the sugar cane plantations will

have contributed to increased emissions instead of reducing them. If biofuel should lead to real carbon savings, then one should focus on the use of crop residues and other wastes for biofuel production instead. Or one should cultivate poor quality land: in Tanzania one could investigate the re-utilisation of abandoned sisal plantations which still exist in parts of the country.

The initial Sekab project intended to grow sugar cane in monoculture in a sensitive coastal environment near Bagamoyo. Here there are endangered species of birds and at least 34 mammalian species on the IUCN “red list”. The project would consume all the water from the river Wami during some periods of the year. Sekab’s initial planned area in Bagamoyo covers 17,000 hectares whereas their next target is to grow to 400,000 hectares of sugar cane in the Rufiji area which would then require correspondingly greater quantities of the water.

In Tanzania, the initial enthusiasm for biofuels has been replaced by growing scepticism. The benefits initially seemed obvious: stagnant agriculture would receive an injection of modern technology and provide a new export product. Unused land would be put into service and produce new wealth. Local communities would be strengthened with new revenues. Infrastructure would be built to meet deliveries to and from factories. But then the questions started arising. Is the land that investors want really unused by local people? Is it so wise to refrain from growing food on land with good water supply, when food prices on world markets are rising? Is the international demand for ethanol really guaranteed in the medium and long term?

Sekab has taken steps to acquire land by making promises of future profits, and without having to pay anything substantial. When they now have trouble in getting Swedish financing for the project, it is an open question as to whom they might try to sell to. Waves of foreign acquisitions are taking large areas of land in Africa. The most salient example is the Korean company DAEWOO which has been acquiring one million hectares in Madagascar: this represents almost half of that country's arable land. The deal was made with government officials before the people's criticism forced the president out of office. Could Sekab’s land acquisitions in Tanzania affect political stability in Tanzania? A clear shift in the debate has occurred in the country: two years ago President Kikwete travelled around the district where Sekab intended to invest and he talked warmly of the many benefits it would bring. Today Tanzanian leaders are clearly careful about being linked to what is increasingly seen as neo-colonial occupation. Perhaps this is something to consider in Norway and Sweden while Sekab now hunts for aid funding for their sugar cane plantations.

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