

**PILOT ETHANOL PLANT IN HONDURAS**  
**DEPARTMENT OF SUSTAINABLE DEVELOPMENT (DSD)**  
**EXECUTIVE SECRETARIAT FOR INTEGRAL DEVELOPMENT (SEDI)**

**Background**

**“Biofuels Outreach Support of the Implementation of the U.S. – Brazil MOU for Biofuels Development” Project**

The OAS, through its General Secretariat (GS/OAS), is implementing many programs that supports the goals of the U.S.-Brazil Biofuels Agreement, and which is consistent with the objectives described in the Declaration from the 37th General Assembly, Energy for Sustainable Development.

The U.S.-Brazil Biofuels Agreement was signed in March 2007 and includes provisions to support the establishment of sustainable bioenergy programs and projects in several countries of Latin America and the Caribbean (LAC), thereby helping to diversify the energy production mix and to improve economic sustainability and competitiveness. In this pursuit, the GS/OAS works with the partner governments and other collaborators to facilitate energy, transport, and agricultural sector reform; improve energy and agricultural sector governance; and develop institutional, technical, and legal capacity among the public and private sectors in the project countries for sustainable bioenergy development and use. The work program initially focused on the four countries selected by the United States and Brazil for the first phase of this initiative: St. Kitts & Nevis, El Salvador, Haiti, and Dominican Republic. In 2008, phase two countries were added to include three in LAC—Guatemala, Honduras, and Jamaica— and two in West Africa, Senegal and Guinea Bissau.

The purpose of this Project is to install and commission a Micro-Distillery Micro distillery- pilot ethanol plant in Honduras. The Pilot plant will be located at a local University with educational and experimental purposes. The plant will use sugarcane juice from small farmers located in Catacamas, Olancho. The selected Contractor will perform this work on an independent basis, addressing the specific needs of the region where the plant will be located, with the longer term purpose of developing a viable bioethanol industry in the country as an alternative for energy diversification, rural development and climate change mitigation.

**Background “Pilot Project”**

Among Central American countries, Honduras has demonstrated a leadership role in biofuels development, especially in the biodiesel arena. Honduras approved a biofuels policy in 2007 (Law 144 – 2007), and in early 2009 put in place the corresponding implementing regulations (Regulation 45 – 2009).

Several private investors have successfully started biodiesel projects, including a large scale project using palm oil. Nevertheless, the country has been lagging behind other neighboring countries in ethanol production. With this in mind, government officials have expressed the desire to leverage OAS support under the US-Brazil Biofuels Agreement to build a small micro distillery- pilot ethanol plant in the southern part of the country. Concurrently, the Government is establishing a similar alcohol/ethanol plant with independent sugar cane growers in Catacama, Olancho. With this project, the Government of Honduras envisions to move forward ethanol production and at the same time promote private investment, rural development, environmental protection, and energy security.

The project consisted of constructing a **pilot scale distillery ethanol pilot plant** in the Department of Choluteca, located in southern Honduras in the form of "turnkey". The plant should be able to produce at least 600 to 800 liters of ethanol per day.

The overall purpose of the project is to demonstrate, at a small scale, the feasibility of producing fuel-grade alcohol / ethanol from molasses produced in Honduras, to facilitate the research, production and use of ethanol as well as to promote the diversification of the energy matrix and environmental protection. For this, the amount of raw material needed to produce ethanol to be used in a blend with gasoline staged a 3, 5, 8 of up to 10 percent ethanol (E10) will be identified, and the blend will be consumed by state agencies and or any other blend as mandated by the government.

The ethanol plant in Catacamas, Olancho will be granted to a university for its management and administration. This university has been identified by the government of Honduras, represented by the Ministry of the Environment and Natural Resources, Ministry of Industry and Commerce, and the Presidential Office, who acts as the principal point of contact and coordination entity. Also, the GS/OAS, through the Energy and Climate Change Mitigation Section of the Department of Sustainable Development, will take part on all decisions related to the selection of the grantee institution and project execution.

### **Benefits of the Pilot Plant**

- First this is the first ethanol production facility in Honduras.
- It is expected that this project will provide relevant information on the local production and use of ethanol in Honduras and that it will become a reference for promoting the use of sustainable energy alternatives and investment within the energy sector. Additionally, it is expected that project results will serve as the basis for the articulation of a program to promote agriculture and development including the agro-energy sector as a relevant component.
- This project will help accelerate the development of the agro-energy industry in Honduras through the production of ethanol and its results will have a positive effect on promoting investment.
- Even though the present project is a pilot scale ethanol production, its components will have a positive impact on the protection of the environment; it will promote responsible environmental practices in the disposal and treatment of vinasse and water consumption. This will serve as a reference for potential large-scale projects which seek to take advantage of waste for energy production, improve energy efficiency and reduce pollution.
- The pilot ethanol plant will help the training of future generation of engineers that will build the new sugar-ethanol cane factories in Honduras.

***More information, please contact Ruben Contreras Lisperguer, Project Manager "Biofuels Outreach Support of the Implementation of the U.S. – Brazil MOU for Biofuels Development" Project***

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