

# SADC Secretariat- Energy Division

## High-Level African Petroleum Ministers Meeting on Cleaner Fuels- *Progress in Southern Africa*

*29 November 2022*

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# Presentation Outline

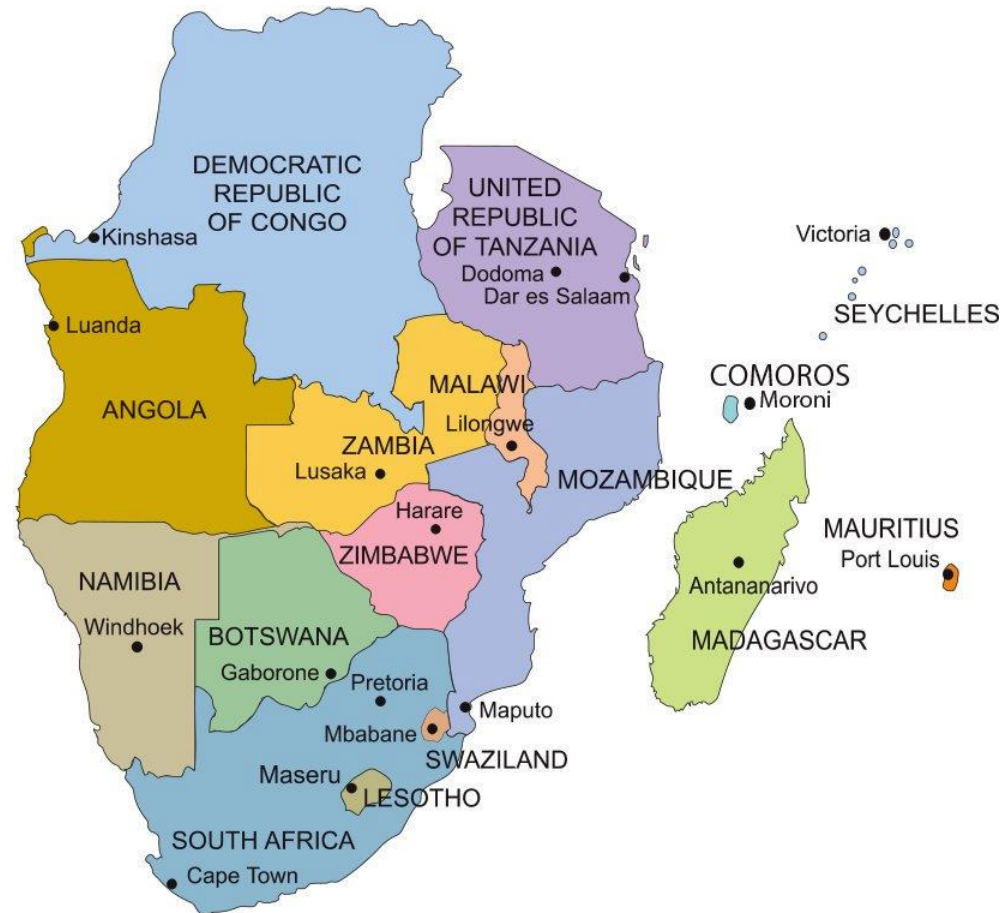
1. Introduction and Overview of SADC
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# SADC Member States



- ❖ SADC was established as a development coordinating conference (SADCC) in 1980 and transformed into Southern African Development Community (SADC) in 1992.
- ❖ It is an inter-governmental organization 16 Southern African Member States as at August 2017.
- ❖ Combined Population of close to 390 million Inhabitants



# SADC Energy Sector Plan Conceptual Framework



**ENERGISING SADC**  
REGIONAL INTEGRATION, ECONOMIC DEVELOPMENT AND POVERTY ALLEVIATION  
BY 2027

Achieving adequate, reliable, least-cost, environmentally sustainable energy service

Energy  
Security

Energy  
Access

Tapping  
Energy  
Resources

Sustainability

Policy, Strategy and Regulatory Frameworks

Institutions, Capacity Building and Finance



# SADC Energy Programme



**SADC Energy Programme Objective** - to facilitate and coordinate and achieve availability of sufficient, reliable, least cost energy services that will assist in the attainment of economic growth, industrialisation and the eradication of poverty whilst ensuring environmentally sustainable use of energy resources in the SADC Region



# SADC Energy Sector Plan Priority Areas



**Developing Regional Power generation and transmission projects**

**Developing oil and gas Production; Refineries; pipelines; and storage capacity**

**Developing renewable energy resources and energy efficiency Sub-programmes**

**Energy and Climate Change**

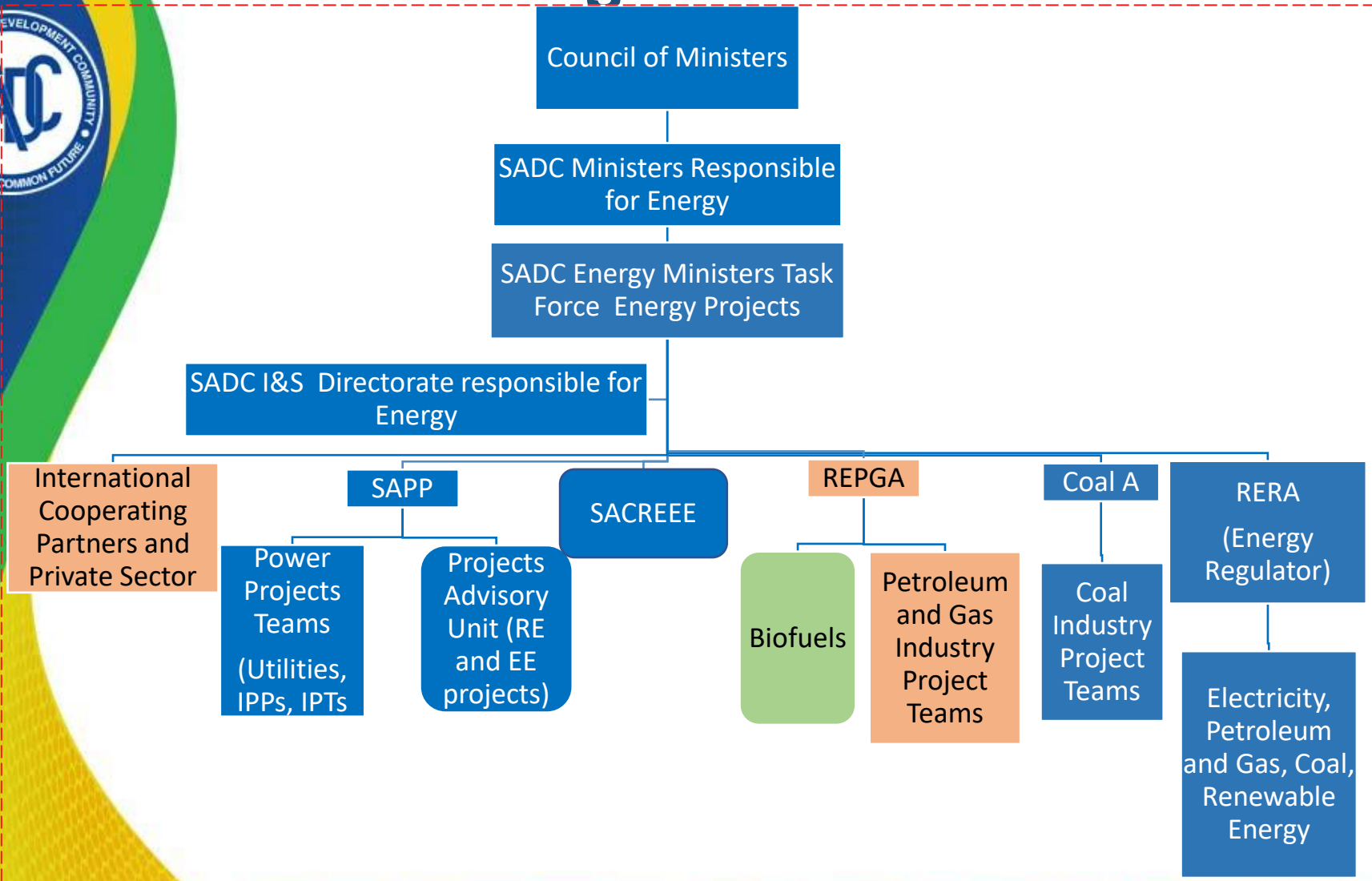


# SADC Energy Sector Instruments

- SADC Protocol on Energy – 1996 (signing of Agreement Amending Protocol is ongoing);
- Regional Indicative Strategic Development Plan 2020-30;
- Energy Sector Plan of the Regional Infrastructure Development Master Plan (RIDMP) 2012- 2027;
- The Guidelines for Regulating Cross-border Power Trading in Southern Africa 2010;
- Renewable Energy and Energy Efficiency Strategy and Action Plan 2016;
- SAPP (*Generation and Transmission*) Pool Plan 2017;
- Regional Energy Access Strategy and Action Plan 2020;
- Regional Gas Master Plan (study ongoing)



# The Key Institutions and Decision-Making structure



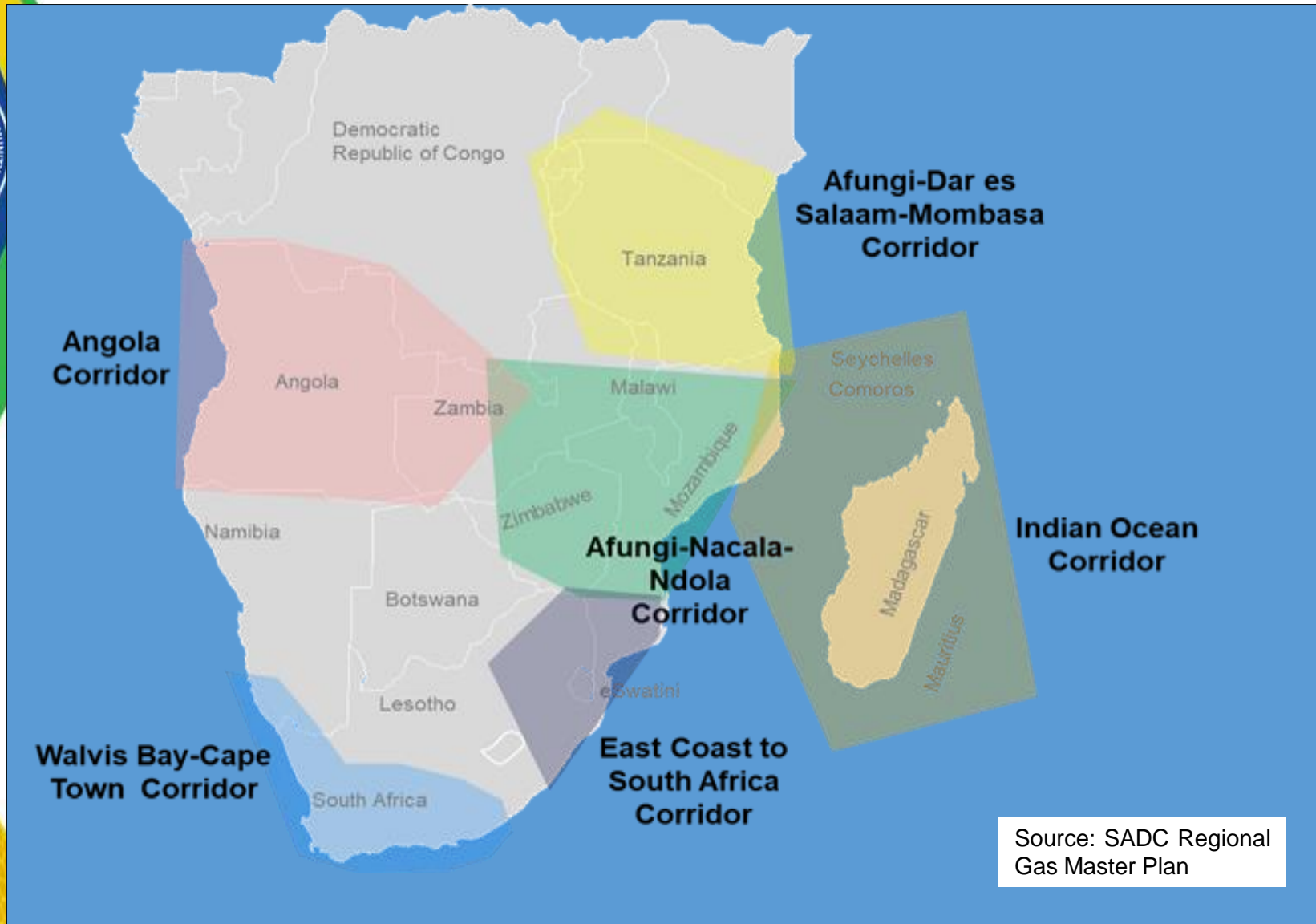


# Regional Oil and Gas Infrastructure Investments

- 1) The Angolan national oil company **Sonangal** has been constructing of a new Sonaref refinery in Lobito;
- 2) Zambia is looking for restructuring and ownership of the **Indeni Oil Refinery** located in copper-producing region of Ndola, to support future enhancement of the plant;
- 3) Zimbabwe conceptualising of a regional study on Development of Petroleum Pipelines in the Region;
- 4) South African based refineries Infrastructure situation:
  - **ENREF** (Engen Oil) with capacity the 120,000 barrel per day plant was shut down due to major maintenance;
  - **SAPREF** with capacity of refining 180,000 barrels/stream per day (co-owned by Shell 50% and BP 50%) was undergoing major maintenance and were shut down;
  - **NATREF** (co-owned by SASOL 63,6% and Total Energy 36.4%) was shut down first half of 2022. However, there are ongoing refurbishment aimed to increase production to 108 500 b/d barrels/stream per day
  - **Sasol** increasing number of outlets selling of **10 ppm** sulphur content diesel



# Proposed Regional Gas Infrastructure Projects



Source: SADC Regional Gas Master Plan



# Ministerial Decisions on Cleaner Fuels - July 2017

SADC Ministers urged Member States:

- to phase out high sulphur content diesel and migrate to 50 ppm sulphur content diesel by 2022;
- Owing refineries to mobilise resources required to upgrade their refinery facilities to enable them to produce and migrate to 50 ppm sulphur content diesel by 2022;
- to further migrate to ultra-low-sulphur diesel (10 ppm) by 2030;
- to use the SADC Framework for Sustainable Biofuels as the common minimum guide for blending of biofuels;



# Ministerial Decisions - July 2017 cont'd

SADC Ministers of Energy also:

- encouraged Member States to facilitate cross-border movement of biofuels;
- urged Member States that are at advanced stages of blending fossil fuels with biofuels to share knowledge on best practices with others;
- urged Member States to exploit both conventional and non-conventional natural gas as alternative source of energy for power generation, domestic, commercial, industrial and other uses;
- encouraged Member States to undertake joint coordination and planning in the development of cross-border petroleum and gas infrastructure at regional or on bilateral basis;



# Ministerial Decisions - July 2017 Cont'd

SADC Energy Ministers further:

- urged Member States to develop liquefied natural gas (LNG) transportation facilities and gas pipelines in order to facilitate gas transmission and distribution throughout the Region to enhance security of energy supply as a catalyst for industrialisation and economic development; and
- directed the Secretariat through the Energy Subcommittees to review the issues refinery facilities and storage capacity in the Region to encourage intra-regional trade especially between the landlocked and coastal Member States;



# Progress Observed as at Nov. 2022

- Botswana, Eswatini, Lesotho, Mauritius, Mozambique, Namibia, Seychelles, Tanzania, Zambia and Zimbabwe have completed phasing out high sulphur content diesel and fully migrated to 50 ppm sulphur content diesel;
- South Africa has introduced rolling out of ultra-low-sulphur (10 ppm) content diesel;
- Diesel exported from South Africa to neighbouring Member States sourced from NATREF (co-owned by SASOL and Total Energy) is at 50 ppm while products from ENREF (Engen Oil) and SAPREF (Shell and BP) are 50 ppm and 500 ppm sulphur content;
- There is increasing demand for cleaner and quality fuels globally due to introduction of more efficient vehicles which has extensive influence on fuel markets in the Region; and
- There is a shift towards decarbonisation of the Transport sector globally which is characterised by migration towards hybrid and electric vehicles which will impact on the fuel quality and demand in the future.



# Progress Observed as at Nov. 2022 cont'd

- the Republic of Zimbabwe has advanced in terms of preparations for decarbonisation of the transport sector and has developed a policy for adopting hybrid and electric vehicles and standards for charging stations for electric vehicles;
- Some Member States are developing transport sector policies standards on hybrid and electric vehicles, and for charging stations for electric vehicles;
- Motor manufacturing industry such as National Association of Automobile Manufacturers of South Africa (NAAMSA) are also developing programmes aimed at encouraging and supporting the adoption of electric vehicles (EVs), High efficient vehicles combined with the use of renewable energy technologies green hydrogen in line with the global goals.



# Energy Ministerial Decisions Nov. 2022

At their meeting held on **04 Nov. 2022**, in Kinshasa, DRC  
Ministers:

- noted that out of 16 Member States, 11 fully migrated towards cleaner 50 ppm sulphur content diesel with Botswana and Zambia being the latest countries to implement the initiative;
- urged the remaining Member States to phase out high sulphur content diesel and migrate to 50 ppm sulphur content diesel; and
- directed the Secretariat to collaborate with SADCSTAN, UNEP, nominated focal persons and the designated Regional and National Standards Bodies (R/NSBs) to follow up on harmonisation of text of the fuel (petrol/gasoline/mogas and diesel/gasoil) standards and vehicle emission standards in the Region and report progress in the next meeting





# Summary of Progress To-date



● SCOM on Petroleum and Gas in March 2017 Harare, Zimbabwe discussed cleaner fuels

● Ministers in July 2017 approved to phase out high sulphur content diesel by 2022 and urged Member States with Oil Refinery facilities to upgrade their facilities

● Technical Workshop held with UNEP in Johannesburg, South Africa in June 2019 to discuss regional harmonisation of cleaner fuels and vehicle emission standards within the SADC

● Ministers issued a directive to engage UNEP and SADCSTAN on modalities of migrating to cleaner fuels and harmonisation of vehicle emission standards

● Further engagement with UNEP and SADCSTAN ongoing and New Work Item Proposal (NWIP) were issued



# Alignment with the Continental Initiatives

SADC Secretariat observed that:

- 1) the 3<sup>rd</sup> Ordinary Session of the Specialized Technical Committee on Transport, Transcontinental and Interregional Infrastructure, and Energy (STC-TTIE) in June 2021 adopted the study on Benefits of Adopting the AFRI-Fuels Specification Roadmap;
- 2) Member States with support of the AUC and the RECs including SADC are to consider AFRI-Fuels Specifications for petrol (Gasoline) and diesel (Gasoil); and
- 3) The extraordinary STC-TTIE of June 2022 resolved that in the:
  - short to medium term, fossil fuels will play a crucial role to meet energy demand;
  - long term, RECs and Member States are to develop national energy transition masterplans and strategies based on clean sources of energy.



# Recommendations and the Way forward

- 1) There is an urgent need for development of Nexus Approach between Energy Sector, Transport Sector and Environment sectors to ensure synergy on migration to cleaner fuels and adoption of vehicle emission standards;
- 2) SADC to develop and implement Regional Strategies on Hydrocarbon Resources especially on Cleaner Liquid Fuels 2025 in line with the RISDP 2020-30;
- 3) Accelerate ongoing collaboration with the United Nations Environment Programme (UNEP) in a form of Technical Assistance to:
  - replicate of the best practices from other parts of the World;
  - benchmark with other RECs in Africa and lessons from Global South (South-to-South) engagements;
  - identify and address challenges from Member States that are unable to migrate towards cleaner fuels; and
  - determine the readiness of the SADC Member States in order to develop realistic regional fuel standards.





**Thank You  
Obrigado  
Merci  
Asante Sana!**

