PRESS RELEASE

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African Refiners & Distributors Association (ARA) confirms commitment to 2020 clean fuel policy

The ARA held a clean fuels workshop in Lomé, Togo on the 13-14 September 2017 on the “Challenges and Solutions for ‘Clean Fuels’ on the African Continent”, and confirmed their commitment to the ARA Clean Fuel Policy – an African roadmap for clean fuels and a plan for vehicle emission controls and standards in order to achieve all the benefits of clean air quality.

The ARA resolved that the ARA remains committed towards the refining sector and for the upgrading of refineries to meet cleaner fuel standards. The time frame of meeting AFRI-4 by 2020 was confirmed and the following was recommended to its members:

- To establish import quality improvement to AFRI-4 levels by 2020, or earlier;
- To improve domestic specifications as soon as possible to be in-line with current refinery production quality levels;
- Where necessary, facing the reality of the 2020 objective, countries to consider a time-limited waiver allowing refineries to meet the clean fuel specification requirement at a later date where clear finance and action plans have been communicated.

Considering the difficulty and need to raise finance to enable large capital investments, for example in hydro-desulphurisation and benzene extraction, refineries must rigorously evaluate:

- The financial return on these investments;
- The benefits of clean fuels on air quality and public health;
- The benefits of a refinery over a product import terminal as determined by the WoodMacKenzie study undertaken on behalf of the ARA in 2014 (African Refinery Benefits)

Seeing that many of the benefits of these investments mainly reside with the population at large rather than with the refinery shareholder, the ARA recommends that members seek support for these investments from all stakeholders including public, private, regional and government bodies. Consideration can be given to a combination of private and public financing and / or equity to finance the necessary investments and, where viable, pre-financing arrangements could be negotiated.

The ARA underlined the necessity for African governments and the regional economic communities to work with the refineries to put in place the implementation plans for the production of clean fuels meeting the AFRI-4 specifications. Noting the initiatives already put in place by the East African Community and ECOWAS to adopt regional specification for clean fuels the ARA encourages all its members to support these, and to promote new, regional initiatives;

In line with the ARA Clean Fuels Policy, the ARA will engage with regional bodies to promote the ARA clean fuel roadmap, the introduction of vehicle emission standards, an enforced vehicle inspection and maintenance programme to meet emission standards, and the refinery improvement and necessary investment.

The ARA was formed eleven years ago in order to provide a pan-African voice for the African oil supply, refining and distribution industry. The ARA represents not only refinery members but also many product importers, storage companies, marketers and government regulators. For further details see www.afrra.org or contact the ARA on info@afrra.org