

# **A Regional Fuel Market for ECOWAS**

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# Clean Energy Solutions Center

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The Clean Energy Ministerial launched the Clean Energy Solutions Center as a major initiative in 2011.

The Solutions Center:

- Helps developing governments design and adopt policies and programs and identify finance measures that support the deployment of clean energy technologies.
- Partners with 35+ international energy and finance organizations to provide a range of resources, from web-based information to webinars and trainings.
- Offers the **Ask an Expert** service, which connects governments with a global network of 50+ energy and finance experts for direct technical assistance to develop **solutions to policy and finance barriers** to clean energy.



Energy Efficiency      Energy Access  
Finance Mechanisms      Renewable Energy  
Smart Grid      Transportation      Utilities

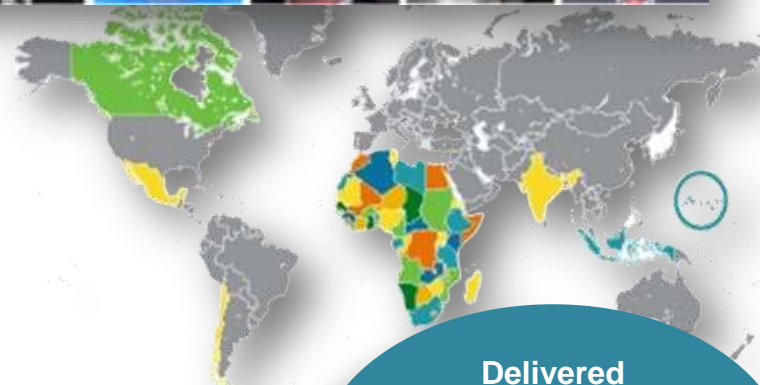
# Ask an Expert: Our Experts in Action

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## Benefits of the Ask an Expert Service

- **Quick** and **Easy** access to assistance.
- **No cost** for assistance and no commitment.
- **Objective** assistance from experts is **personalized** to help governments meet local clean energy goals.
- **High-quality** assistance includes:
  - Access to a **collaborative network** of over 50 vetted, international experts with authority on clean energy policies and financing.
  - Independent **review** of assistance to ensure quality.



Delivered  
no-cost assistance  
for more than 250  
requests from over  
100  
countries/regions.

To request assistance, go to  
[cleanenergysolutions.org/expert](https://cleanenergysolutions.org/expert)

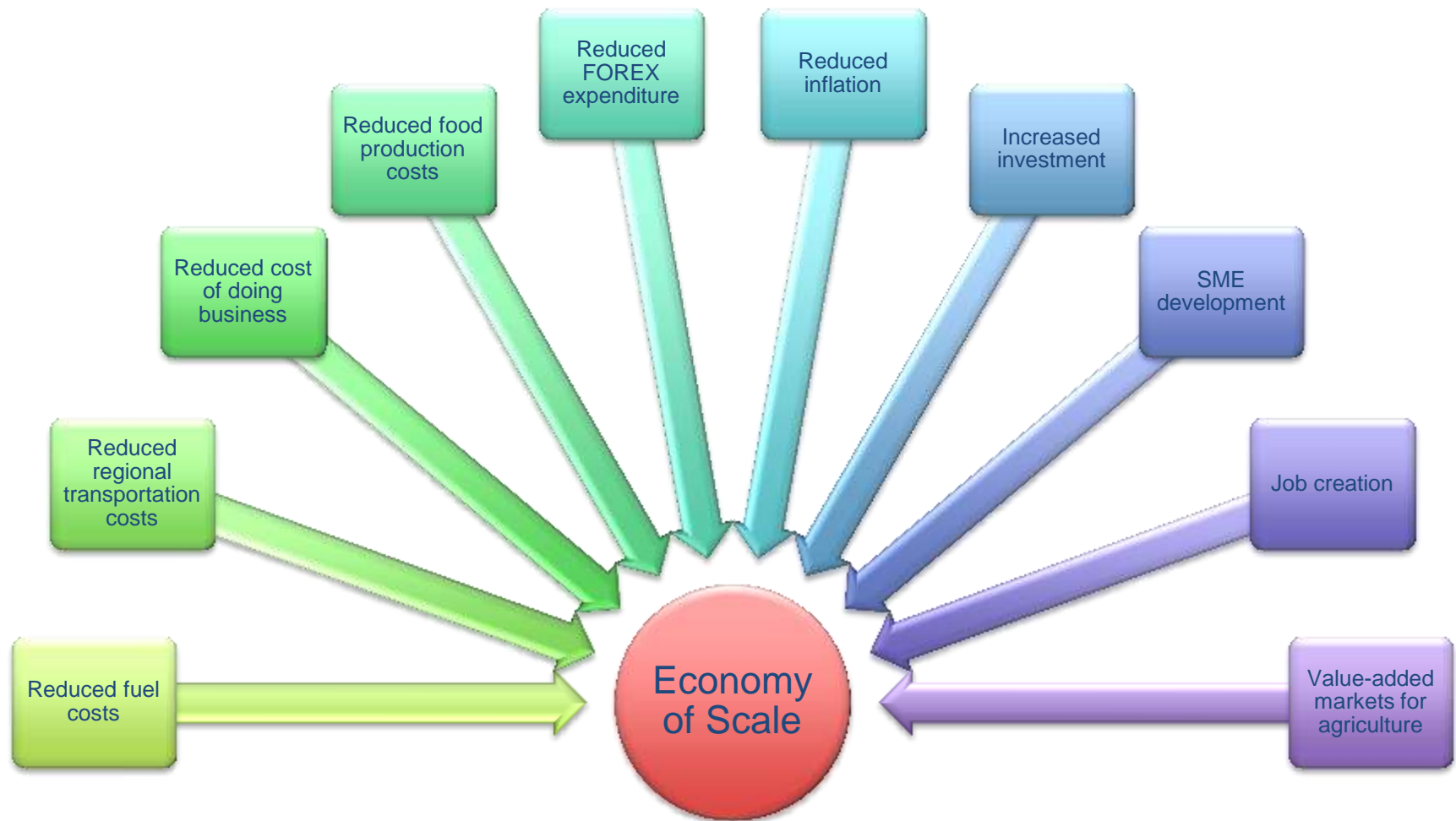
## Expert support available to developing countries

- Request can come from staff or officials at all levels of government – national, regional, local.
- Service also supports organizations working with governments.

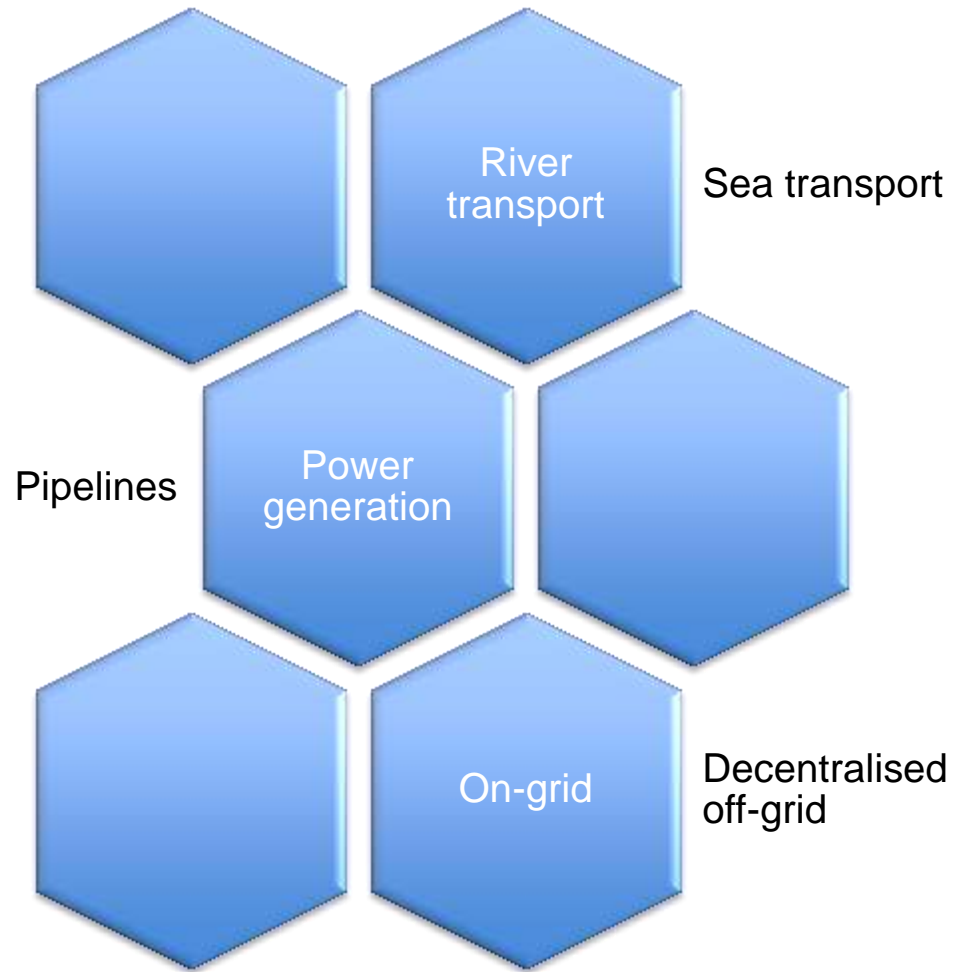
# What is a regional fuel market for ECOWAS?

- A single market for fossil fuel and biofuel
  - Creates significantly larger fuel demand, reducing fuel costs
    - Upstream, where it's produced
    - Downstream, where it's consumed
  - Facilitates cross-border trade
    - A truck of E10 blended fuel in Mali could be sold in Niger or Togo
    - Improved fuel availability
  - Achieved through common fuel standards
    - Fuel Quality Standards
    - Fuel Operability Standards
    - Sustainability Standards

# Why a regional fuel market for ECOWAS?



# Beyond road transport



# The fuel situation in ECOWAS

- ECOWAS countries are price takers
  - IEA 2014 data shows:
    - Nigeria exports crude and imports petrol
    - Cote d'Ivoire imports crude and exports petrol and diesel
    - Niger exports crude surplus but imports petrol and diesel
    - Benin and Togo import petrol and diesel
    - Ghana and Senegal import petrol and diesel as well as crude for refining

# In 2012...

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ODA for SSA reached **\$15.6 billion...**

...while fossil fuel imports for EAC, COMESA  
and SADC reached **\$16.7 billion**

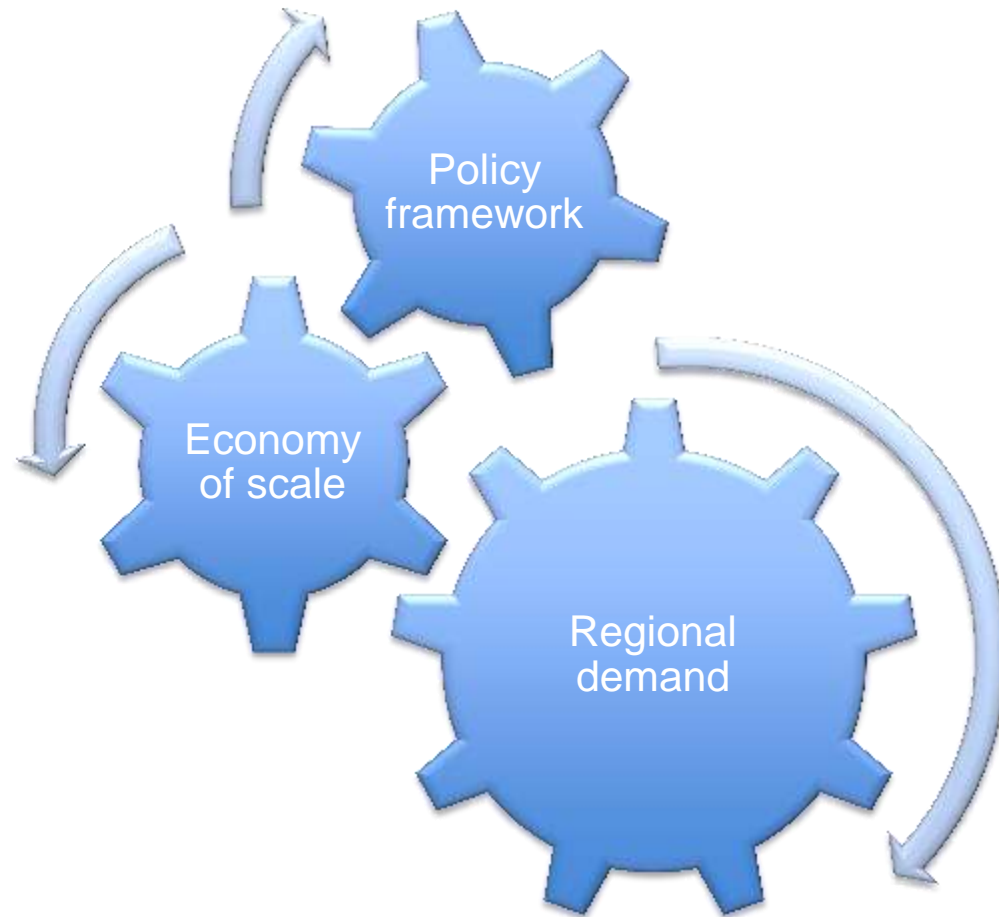


# Increasing energy independence

- Mandatory 10% ethanol and biodiesel blending
  - Reduce Forex expenditure
  - Reduce exposure to fossil fuel prices
  - Stabilise local fuel markets and prices
  - Create demand for investment in biofuel production
  - Create demand for investment in fuel infrastructure
  - Create value-added markets for agriculture
  - Create jobs
  - SME development

# But biofuels don't work!

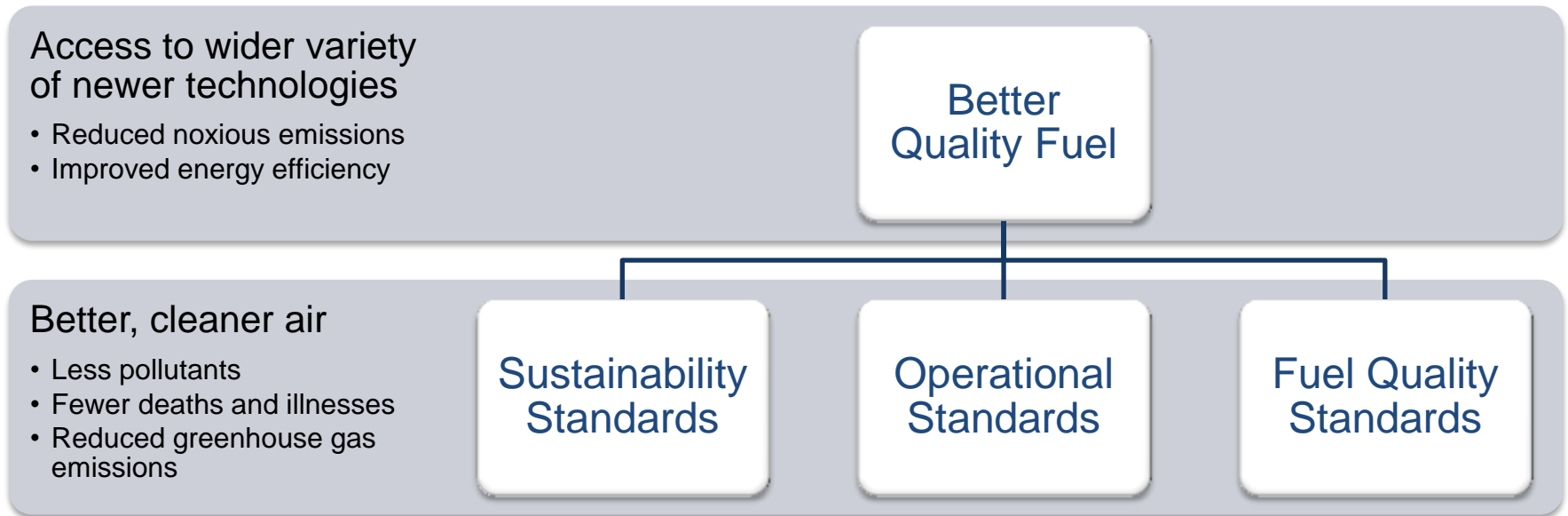
# Unless...



# CREATING A REGIONAL FUEL MARKET

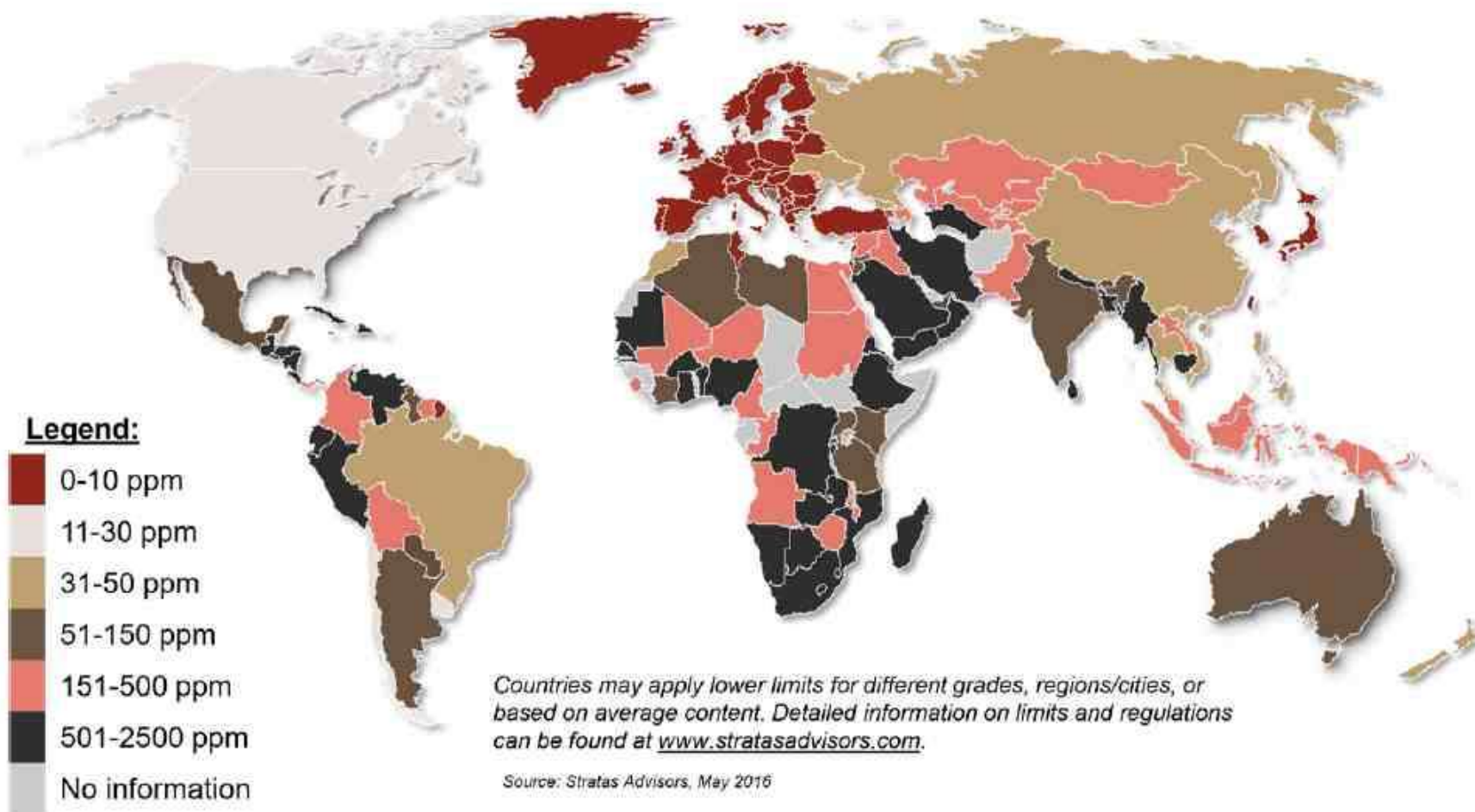
A how-to guide

# Standards are key to regional integration



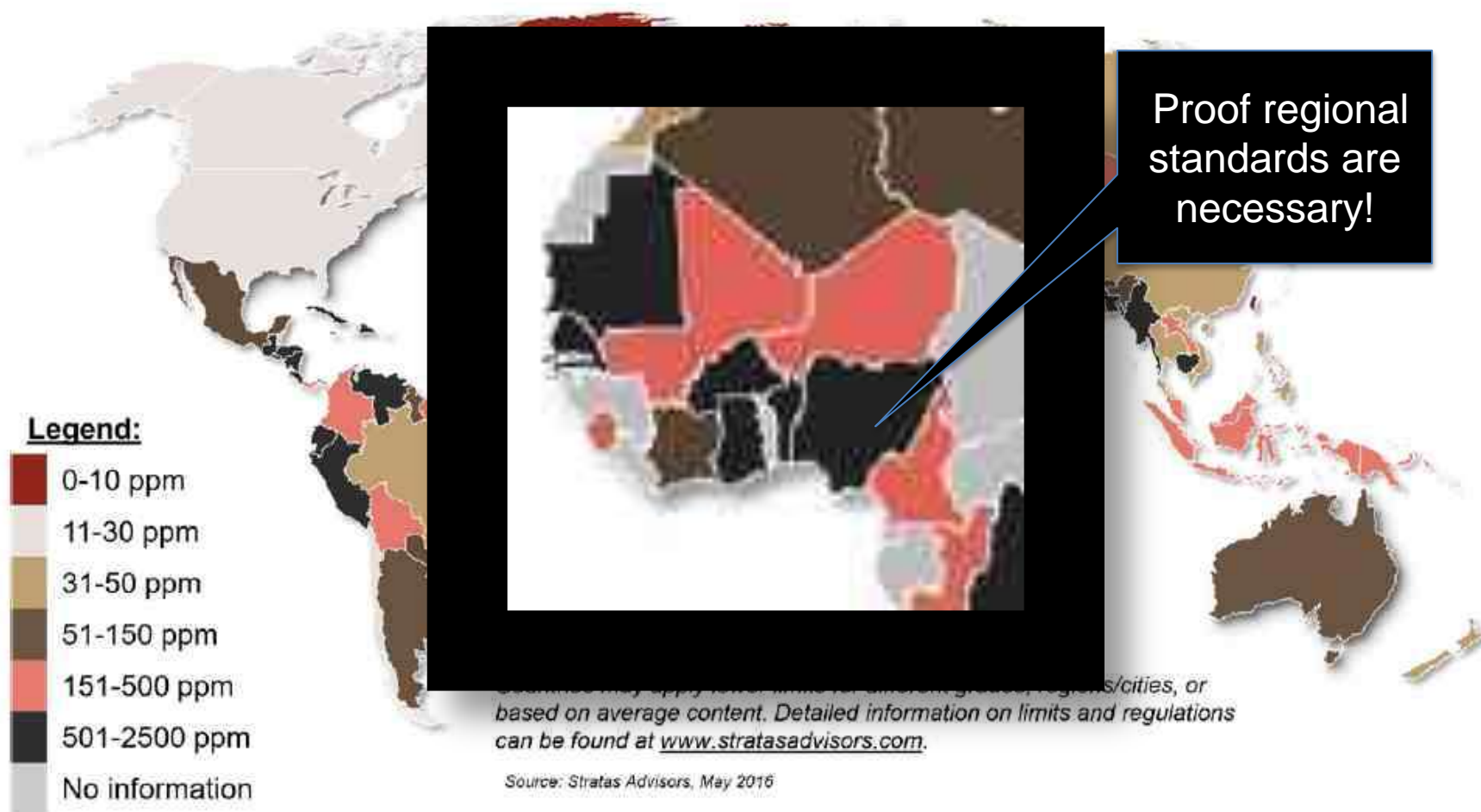
# Max Sulfur Limits in Gasoline, 2016

Ecuador and Russia required to implement 10 ppm by second half of 2016



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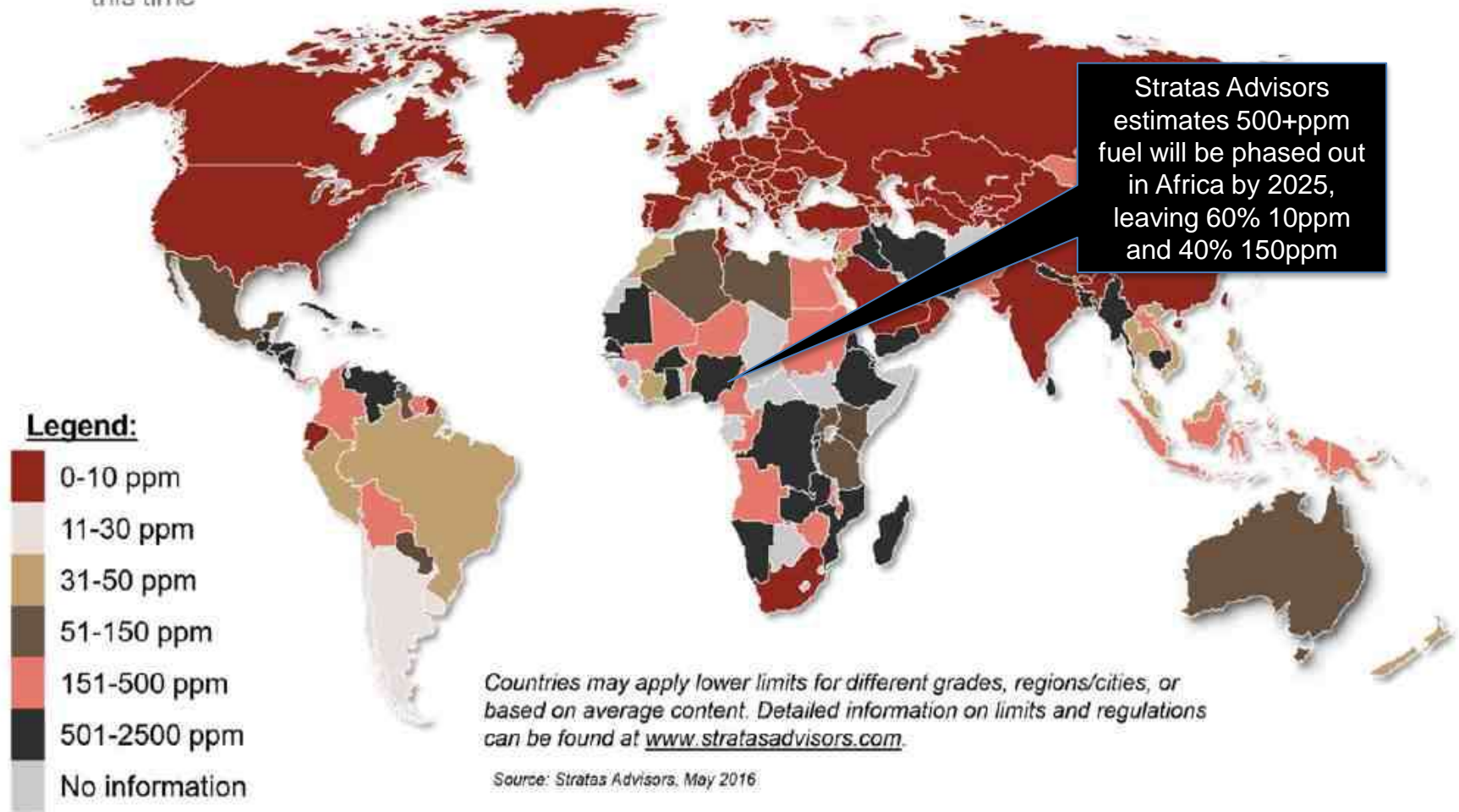
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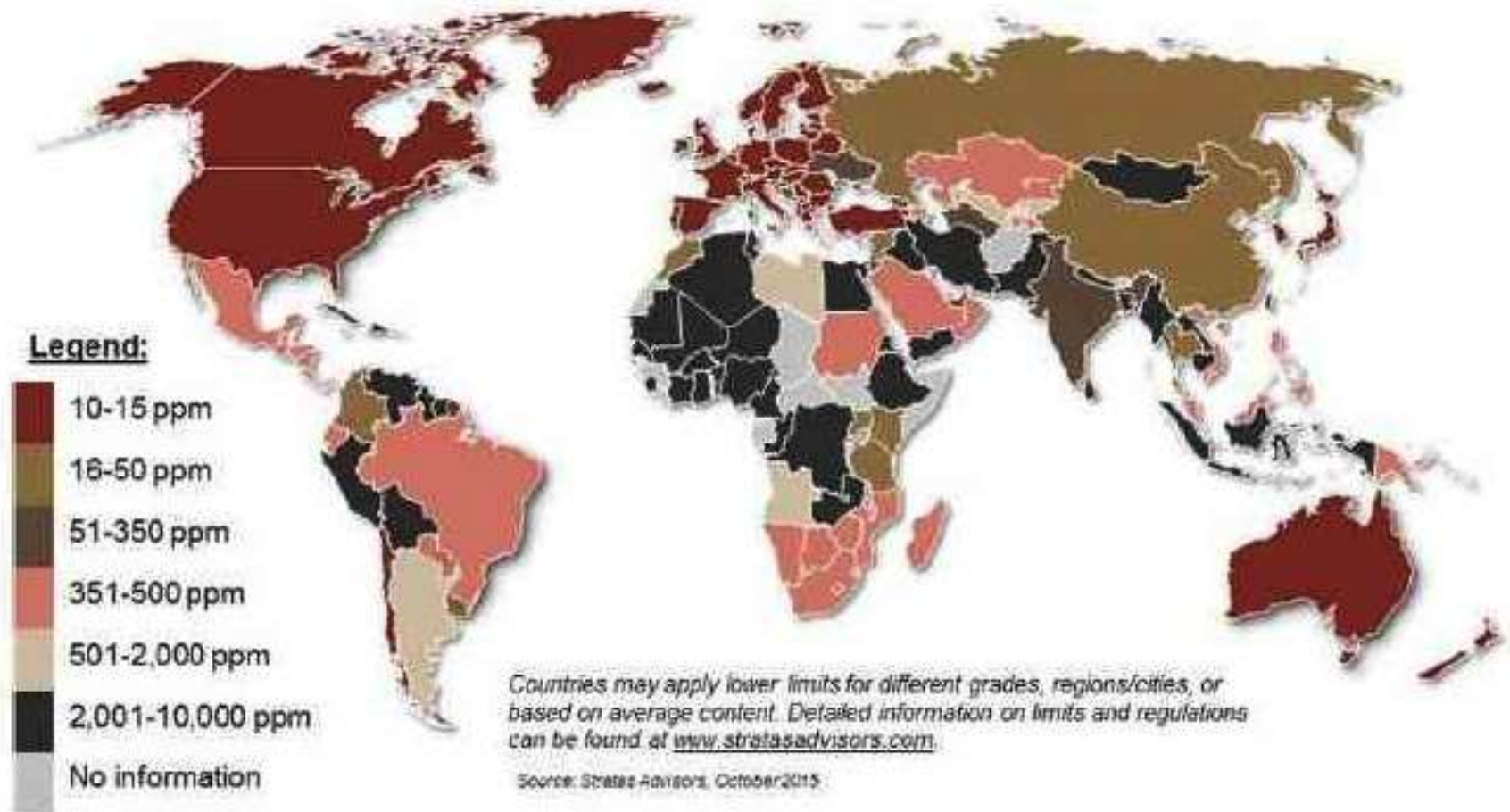
# Max Sulfur Limits in Gasoline, 2020

Canada, China, Ecuador, India, Saudi Arabia, South Africa, Ukraine and the U.S. to implement 10 ppm by this time



# Max Sulfur Limits in On-Road Diesel, 2015

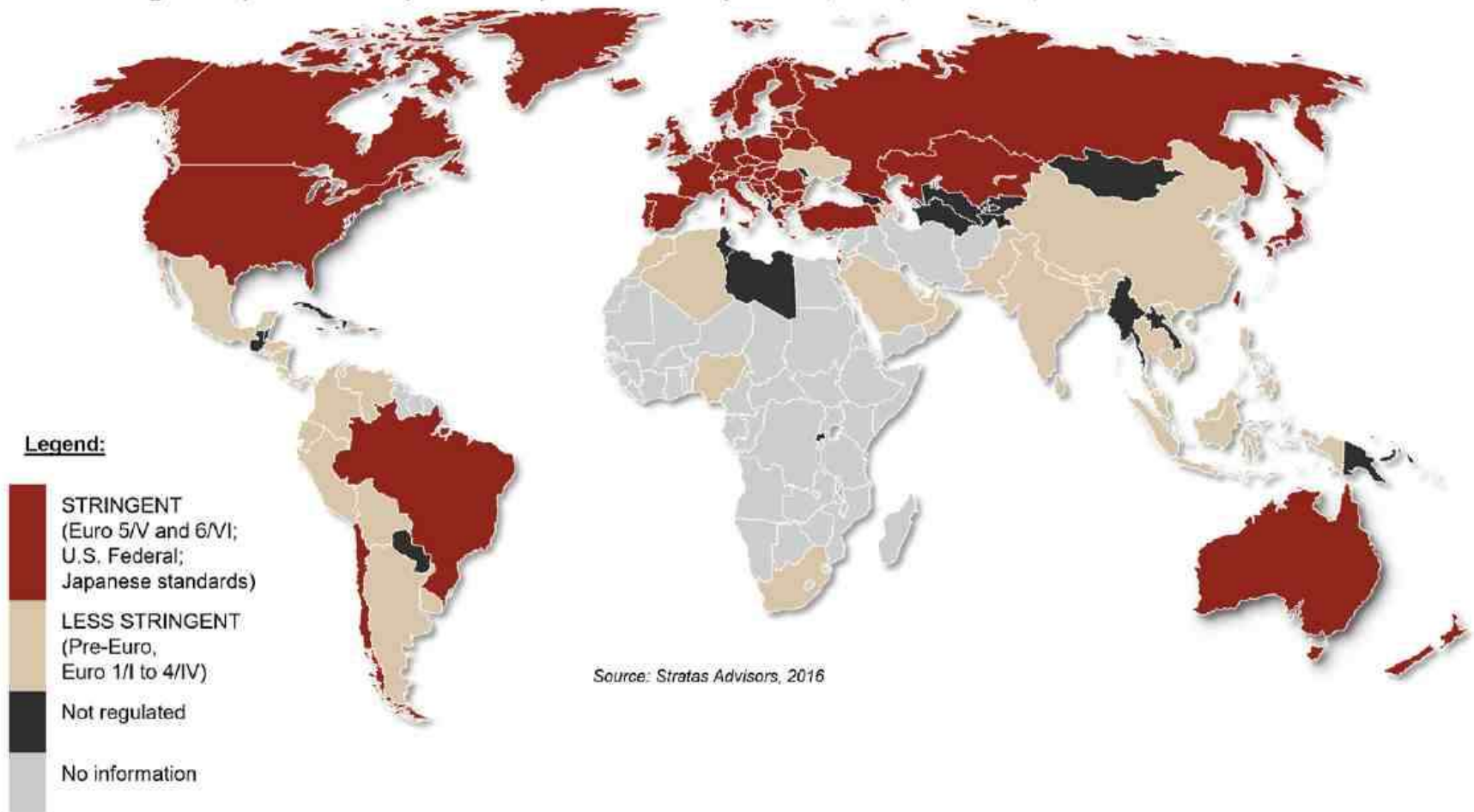
Belarus required 10 ppm by this time; China, EAC and Russia 50 ppm





# Current Emission Requirements for New Vehicles

Stringent requirements in place for top markets except China, India, Indonesia, Mexico and Saudi Arabia



# Current Fuel Efficiency Requirements for Gasoline and Diesel Vehicles

Policies in place for top markets except Indonesia, Russia and Saudi Arabia



# Standards to be developed

## Fuel Quality Standards

- Petroleum
  - Produce petroleum standards to ensure compliance with:
    - Unleaded petrol (ie lower octane – sub 95 RON)
    - Premium petrol (ie higher octane – 95 RON and above)
  - Bioethanol - E10 blended petrol
  - Bioethanol - E85 blended petrol
- Diesel
  - Produce petroleum standards to ensure compliance with:
    - Mineral diesel
    - Premium diesel
    - Biodiesel - B5 blended diesel
    - Biodiesel - B20 blended diesel
    - Renewable diesel
- Gas
  - Produce gas standards to ensure compliance with:
    - Liquified Natural Gas (LNG)
    - Liquified Petroleum Gas (LPG)
  - Biogas



## Operability standards

- Vehicle emission standards for cars and trucks (in time, possibly rail and marine):
  - To reduce noxious emissions, particulates and other air pollutants
  - To introduce better technology solutions such as Euro 2 or 3 as a minimum
- Fuel efficiency standards for cars and trucks:
  - To reduce carbon dioxide emissions and other greenhouse gases
  - To introduce better technology solutions into the region

## Sustainability standards

- To ensure the economic, environmental and social impacts of fuels are not adversely affecting the region or the communities in which ECOWAS operates

# Next steps

## What's next:

### Stakeholders

- Federal and local governments
- NGOs
- Potential feedstock growers
- Potential fuel suppliers
- End users

### Standards

- Fuel quality standards
- Fuel sustainability standards
- Fuel operability standards

### Systems

- Legislation
- Regulation
- Administration
- Testing, auditing and compliance
- Ongoing consultative committee

## We can help!

### Workshops

- Provide experts to run develop and workshops for capacity building at regional and national level
- *Travel & logistics to be supported by other donors*

### Standards

- Provide experts to develop standards in conjunction with regional and national bodies
- *Scoping exercise required to determine costs*

### Policy

- Provide experts to support development of laws and regulations
- Provide guidance on support infrastructure
- *Not able to provide funding for creation or operation of agencies or departments*

# MEDA ASE!

For more information, please contact:

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