

Joël Dervain PO BOX: 08 BP 2565 ABIDJAN 08 Côte d'Ivoire By email: info@afrra.org

September 16, 2016

Dear Joël Dervain,

Thank you very much for <u>your letter</u>. Let me first express our surprise that you approached us ahead of the publication of our report, as we never shared an advance copy with your organization.

However, rest assured that we recognize the work ARA is doing. Our first contact with your organization dates back to 2011 and during our research we've also been in touch with CITAC, an organization with which you closely collaborate. There is no doubt that stricter standards are the ultimate solution to air pollution due to low quality fuels and that modernized or new refineries are key for Africa to supply itself with low sulfur fuels. That's exactly why our report highlights this several times (e.g. in the recommendations) and that's why our civil society partner organizations in Côte d'Ivoire, Ghana, Mali and Nigeria call upon their governments to act as part of our joint campaign.

We are well aware of the challenges that the modernization of refineries represent in terms of investments. But we would like to draw your attention to the fact that our report focuses on the African fuel imports. Here improvements can and should happen quickly. Every single cargo of European instead of "African Quality" would contribute to cleaner air and healthier lungs. As dominant players in this import business, the commodity traders have a crucial and complementing role in solving this problem.

Your third point suggests that clean fuels only make sense when introduced together with cleaner cars. Low-sulfur fuels are the first step and, in fact, a precondition for allowing advanced vehicle technology to work and it already can reduce PM emissions by 50% when switching from 2000 ppm sulfur fuels to 10 ppm, according to the ICCT and UNEP (see fig. 3.4, p. 24). But yes, the second step, the introduction of cleaner cars has to follow as soon as possible to further reduce emissions. Currently even cars that already are equipped with some emissions control technologies, as also second-hand cars increasingly have them, immediately emit much more pollutants as soon as they are burning high sulfur fuels.

While we agree with most of the other factors you mention to make fast progress in regards to refinery investments difficult – as also outlined in our report –, we miss any input on how commodity traders can contribute to the solution. As you write "Africa [is] importing over 50%" and

the region will inevitably rely more and more on imports to satisfy its domestic demands, even if investments in refining capacities were decided today. That's why imports and the role of trading companies are the main focus of our report. And that's why all three aspects of a solution to the health crises due to low quality fuels - import quality, fuel standards, and refinery upgrades have to be tackled now. Everyone has to contribute to the solution - and no one should only refer to the others. African governments should set stricter standards, international donors should invest in desulfurising technologies in African refineries and trading companies should stop bringing in high-sulfurous fuels (p. 132).

As mentioned above, your letter referred to our report before its publication. At that point, we had shared it in confidence only with the concerned trading companies. What's more: Your letter to us had even been shared with journalists before it was sent to us.

These circumstances suggest that your primary aim is to distract from discussing the responsibility of trading companies, which we regret. Unsurprisingly, Vitol (a "Gold Sponsor" of ARA) and Trafigura (a "Silver Sponsor") want rather to talk about a different issue – refineries - then their own business model. But shouldn't ARA as a longstanding voice in the African fuel standards discussion avoid the risk of being used as a shield against the necessary public discussion on an important question? Is it acceptable for Western trading companies to import high-sulfurous products only because domestic production is not yet clean?

Our views are prominently backed by UNEP Director Erik Solheim who says: "It is unacceptable that we continue to supply developing countries with substandard fuels and vehicles, which result in major health impacts by increasing air pollution. In our globalized economy, there are good reasons to universally apply clean fuel and vehicle standards in every country. Dumping old and dirty substances and technologies needs to stop now." And Rob de Jong, Head of Transport Unit at UNEP, just wrote on their website: "Many will argue that it is the responsibility of the 100+ countries that do not yet have up to date fuels and vehicles standards to protect the health of their citizens. I beg to differ. It is the responsibility of both the importer and the exporter."

We encourage ARA to engage in this discussion in a constructive manner. Meanwhile we continue our discussion on the subject with the Swiss trading companies.

Sincerely,

Andreas Missbach

Joint Managing Director

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Public Eye