

South Africa: Green methanol production with sewage sludge as feedstock

The Challenge

Setting up a green methanol production process is a complex undertaking; in a first step, it requires thinking about water and renewable electricity supply to obtain green hydrogen. In addition, a carbon source needs to be incorporated to transform the hydrogen into the final methanol product.

Another layer of complexity is added by regulations, such as the EU Renewable Energy Directive (RED) II, which define specific conditions as to which types of carbon sources are considered as sustainable and can therefore qualify for premium pricing under certain EU quotas.

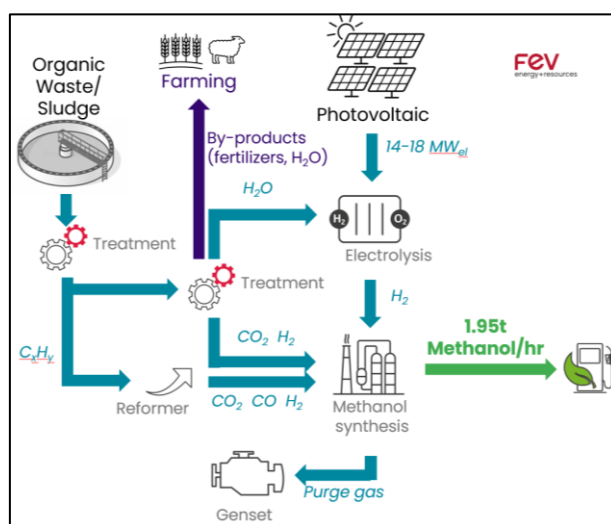
Identifying a suitable carbon source at a proximity to the project site and in sufficient quantity for project viability is a significant challenge to PtX projects.

During periods, where renewable energy is at minimal supply, methanol can still be produced from biomass conversion. The resulting product would be biofuel. When renewable energy is available and makes it possible to produce green hydrogen through electrolysis, part of the resulting product would be e-methanol (or 'Renwable Fuel of Non-Biological Origin' (RFNBO) in the terms of EU regulation). Ultimately, the product obtained from this process will be a mix of methanol produced from biomass conversion (BtX) and from electrolysis and synthesis (PtX). At a stage where producing green methanol purely via electrolysis and synthesis is not economically viable, the combined production route, in fact, has the merit to improve the competitiveness of the product. For certification purposes, smart management and monitoring systems have to prove the mass balance between the BtX and PtX production pathways.

The Solution (BtX/PtX Hybrid)

Sewage sludge from wastewater treatment plants is an untapped carbon source in many countries. At the same time, it is a sanitation hazard that municipalities need to find a solution for, not least because wet sludge becomes a source of methane slip (unintentional methane emissions during processes where methane should be captured) if stored for too long.

The current PPP focuses on a use case of sewage sludge as feedstock for green methanol production. The project aims to set up a circular architecture (see image) at a first project site in Gauteng Province in South Africa; In a first step, the sewage sludge is treated and decomposed into fertilizer by-products (phosphates and nitrates), water, short chain hydrocarbons and CO₂. The derived water can partially be used for the electrolysis to produce green hydrogen, using electricity generated from renewable energy sources. Solar PVs will be co-located with the project. The derived carbon source then feeds into synthesizing the green hydrogen into green methanol.



Our Services

The PPP sets out to tackle a number of pre-feasibility questions to sharpen the business model of the concept. Analyses will be undertaken to assess

- how a mixed bio- and e-fuel product can be classified and certified under existing EU legislation;
- the availability of sewage sludge as a feedstock at potential replication sites in South Africa;
- economically viable transport quantities to export destinations ;
- Possible contractual arrangements for long-term supply of feedstock, renewable electricity, land use, etc.
- Market potential for the sale of surplus byproducts (fertilizers, metal salts, water, etc.);
- Possible methodology to determine price of the renewable fuel for long-term offtake

Impacts and Results

The PPP results will help in refining the scope to which the concept can be implemented at further project sites. There are a number of further project sites in South Africa, where sewage sludge availability could be used for green methanol production. The relevance of making use of this unavoidable biowaste also goes beyond South Africa.

Expected results	<p>Analyses on</p> <ul style="list-style-type: none"> • how a mixed bio- and e-fuel product can be classified and certified under existing EU legislation; • the availability of sewage sludge as a feedstock at potential replication sites in South Africa; • economically viable transport quantities to export destinations ; • Possible contractual arrangements for long-term supply of feedstock, renewable electricity, land use, etc. • Market potential for the sale of surplus byproducts (fertilizers, metal salts, water, etc.)
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At a glance	
Duration	April 2025 – September 2026
Country	South Africa
Objective	Refining the business case for green methanol production with sewage sludge as feedstock
Partners	FEV Europe, FEV Consulting, INM Operations b.v., FEV North Africa, Green eFuels Producers (GeFP) and GIZ

The International Hydrogen Ramp-up Programme (H2Uppp) of the German Federal Ministry for Economic Affairs and Climate Action (BMWK) promotes projects and market development for green hydrogen in selected developing and emerging countries as part of the National Hydrogen Strategy.

Published by:
Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

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Bonn and Eschborn, Germany

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Photo credits/sources:
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