

GLOBAL METHANE INITIATIVE
3RD STEERING COMMITTEE MEETING

Montreal, Canada
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GMI3/Doc.1

Discussion Paper: Future of GMI

I. Purpose

The purpose of this discussion paper is to provide background for the Steering Committee’s discussion of the future of the Global Methane Initiative (GMI), for which the Terms of Reference are set to expire in October 2015. The paper outlines the current context and opportunities for international collaborative action to voluntarily mitigate methane emissions, and describes how future collaboration under the auspices of GMI could be most productive. It lays out several proposed topics of discussion for the Steering Committee, including ideas for potential mechanisms to make the initiative work more effectively, including through better engagement with the Climate and Clean Air Coalition (CCAC) to reduce short-lived climate pollutants (SLCPs) and a potential opportunity for GMI to assist in bringing more high level international attention to the methane issue.

The objectives of the Steering Committee meeting are as follows:

- (1) To begin a dialogue among GMI Partners about the role of GMI moving forward;
- (2) To assess interest and achieve consensus on pursuing an extension of the GMI Charter beyond 2015;
- (3) To discuss and identify ways in which GMI should adapt to be as effective as possible, including several specific ideas proposed in this paper;
- (4) To begin a dialogue about how the work of GMI could support and complement broader international approaches to methane mitigation;
- (5) To establish a process (or “roadmap”) for the next 12 to 18 months to define the future of GMI post-2015.

II. Background

Methane’s importance

Methane is a potent greenhouse gas with a global warming potential of over 25 times that of CO₂ on a 100 year basis.¹ Because methane is a short-lived climate pollutant (SLCP) with an average atmospheric lifetime of 12 years, its mitigation has important near-term benefits. Methane is also an important energy source with economic value that can be recovered cost-effectively with existing technologies and practices

¹Intergovernmental Panel on Climate Change (IPCC), *Climate Change 2013: The Physical Science Basis—Working Group I Contribution to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change*, Chapter 8: Anthropogenic and Natural Radiative Forcing, 2013. http://www.climatechange2013.org/images/report/WG1AR5_Chapter08_FINAL.pdf

from many of the key emitting sectors: oil & gas, coal mining, municipal solid waste and wastewater, and agriculture. Its mitigation helps improve industrial safety and has ancillary benefits for air quality.

Global methane emissions have continued to rise. By 2030, an estimated 1 billion tons carbon dioxide equivalent could be mitigated cost-effectively.²

GMI's approach to reducing methane emissions

To effectively and strategically address methane mitigation, several factors are critical: technical understanding of the emission sources and mitigation technologies and practices; appropriate policies and legal structures that provide incentives, rather than disincentives, to mitigate methane; and opportunities to finance methane mitigation activities for projects in sectors for which financing is an important hurdle.

Over the past decade, GMI's approach to reducing global methane emissions has been implemented through broad international collaboration focusing on five key sectors. The primary elements of GMI's work have been as follows:

- (1) Working to build the institutional capacity within developing countries based on region-specific and country-specific understanding
- (2) Establishing a "pipeline" of project opportunities that lead to emission reductions as a complement to financing mechanisms, by identifying potential abatement opportunities, helping to achieve emission reductions, and demonstrating applicability in that country and region
- (3) Identifying and removing legal, regulatory, financial and other barriers to reducing methane emissions
- (4) Developing action plans that guide and evaluate progress

GMI has implemented this approach using a range of tools such as technology transfer activities (through trainings, workshops, study tours), information sharing about appropriate policies and best practices, tools such as cost models and resources such as databases of sector-specific potential project opportunities.

GMI involves the key global players on this issue: a robust set of more than forty countries participate in GMI, including all the top-ten methane-emitting countries, as well as over 1300 members of the private sector and key multilateral institutions such as the World Bank.

GMI's successful track record

GMI has built a robust suite of technical tools, resources, and best practices on methane mitigation in five key sectors around the globe. Through GMI, annual emissions reductions of nearly 30 million MTCO_{2e} are achieved through mitigation projects that were facilitated by the actions of GMI partners. Through the partnership, additional potential emission reduction opportunities have been identified that, if implemented, could reduce an additional 60 MMTCO_{2e} annually.³

²U.S. EPA. 2013. Global Mitigation of Non-CO₂ Greenhouse Gases: 2010 – 2030. EPA 430-R-13-011. www.epa.gov/climatechange/EPAactivities/economics/nonco2mitigation.html.

³ <http://www.epa.gov/globalmethane/accompreport.htm>

Over the past ten years, GMI has established a successful track record of building global capacity to reduce methane. The initiative has focused on providing support for project development by assessing opportunities, sharing information, creating partnerships and ultimately building internal capacity in partner countries to implement methane projects. In the past ten years, GMI has supported over 300 sector resource assessments and feasibility studies, conducted 240 workshops, trainings and demonstrations, and ultimately supported over 600 actual projects which have reduced global methane emissions by a total of nearly 300 million metric tons of carbon dioxide equivalent.

Timing is opportune to strategically assess role of GMI

Over the past decade since GMI was established in 2004, much has changed in the climate change arena, including changes in the carbon markets, the international negotiation processes, and the launch of the Climate and Clean Air Coalition (CCAC).

With the launch of the CCAC in 2012, a new multilateral initiative was created to focus on short-lived climate pollutants, including methane. Several of the CCAC initiatives have a distinct emphasis on methane mitigation opportunities and clearly intersect with the mission of GMI in the oil & gas, municipal solid waste, and agriculture (manure management) sectors [see appendix]. As such, it is important to ensure at a minimum that there is not duplication or redundancy between the two initiatives, and to try to maximize and leverage opportunities for synergies or coordination between the two efforts.

In addition, a new opportunity to incentivize methane emission reduction projects through an innovative financing approach was launched by the World Bank through its Pilot Auction Facility for Methane and Climate Mitigation. This financing mechanism will create incentives and is expected to energize the development of methane mitigation projects stranded by the carbon market collapse. This development should create an important opportunity for the type of technical expertise, sector-specific and region-specific knowledge and experience, and network of private sector parties that GMI offers.

Given these important new developments, the current structure and modus operandi of GMI needs to be re-evaluated so that its important mission of facilitating methane emissions reductions can be achieved more efficiently and effectively. The GMI Terms of Reference expires in 2015, making this an opportune time to re-examine, and potentially re-configure, GMI.

III. Opportunities to Increase GMI's Efficiency and Effectiveness

Moving forward, GMI should consider how to improve its overall efficiency and effectiveness, both in terms of mechanistic changes and positioning and scope post 2015. Following are ideas for potential ways that are not mutually exclusive in which GMI could be transformed.

More formal coordination of methane-specific work with CCAC: Participation in two parallel initiatives with similar objectives (GMI and CCAC) is infeasible or impractical for many countries, creating a drain on resources and possibly having the outcome that countries have to choose which of the two to participate in. Furthermore, unlike GMI, CCAC has successfully attracted significant financial resources as well as high level political visibility. Through better coordination and streamlining, GMI activities could benefit from increased exposure, attention and visibility, and high level political will, as well as the opportunity to

leverage activities through CCAC, and to ensure that there is no duplication of efforts in key methane sectors across the two initiatives. For these and other reasons, it may make sense for GMI to more formally coordinate with CCAC, for example through the following:

- GMI could consider ways to strategically align and coordinate with CCAC, particularly as it relates to the methane-related sectoral initiatives. This “coordination” could take many forms. Some possibilities include:
 - o The mission of the three existing methane-focused CCAC initiatives (agriculture, oil & gas, MSW) could be expanded to incorporate more general technical support and capacity building work conducted by GMI.
 - o An overarching “methane/GMI” initiative could be added within the auspices of CCAC to directly coordinate the methane work of the three methane-focused CCAC initiatives and provide technical capacity building and support.
- Regardless of the specific mechanism of coordination with CCAC, GMI itself could continue to operate as an autonomous organization that has an independent mission, that does not report to CCAC or UNEP, and that welcomes the participation of all GMI partners, whether or not they have participated or intend to participate in CCAC.⁴
- The two sectors that currently are not included in CCAC activities (coal mining and wastewater) could continue to operate within the GMI auspices.

Streamlining administrative functions. Over the past decade, a key component of GMI activities have focused on building networks and coordinating many meetings and events for each sector (Subcommittee) and the Steering Committee, as well as organizing three large Expo events. Furthermore, there has been an emphasis on outreach through fact sheets, reports, and newsletters, and developing key communication tools such as the website and a centralized database to track activities. These activities, which have been effective in facilitating the overall coordination and outreach functions, have also entailed significant time and resources. Now that this foundation has been established, it would be important to identify ways in which GMI could be more efficient in its execution of administrative functions.

- GMI could strive to operate significantly “leaner” than it does currently in terms of reduced secretariat functions. For example, GMI could host fewer sector-specific meetings, by leveraging relevant CCAC sector events wherever possible, and could produce fewer communication materials and publications, etc.
- GMI could maintain focus on five key sectors, but could consolidate work of the biogas-emitting sectors (agriculture, MSW, wastewater) to economize time, maximize participation, and leverage common experiences, technologies.

⁴ An example of this type of arrangement is the Alliance for Clean Cookstoves, which is independently hosted by the UN Foundation. The Alliance became a non-state partner in the CCAC and sponsored a new CCAC initiative on clean cookstoves, which was approved and subsequently received funding from the CCAC. A representative of the Alliance participates in the initiative meetings and activities and the CCAC working group meetings, reporting out on the activities undertaken through the cookstoves initiative, the status of the funding, and future plans under the auspices of the work with CCAC funding. The Alliance maintains autonomy through its separate, independent funding sources and organizational structure.

- The US Environmental Protection Agency (EPA) has hosted the GMI secretariat for the past decade. There are key functional limitations that are inherent in the US government hosting the secretariat, including inability to collect donor funds, challenges in hosting and organizing meetings, etc. The Steering Committee could explore the possibility of other hosts for the secretariat that could alleviate some of these challenges (e.g., other Partner countries, an NGO, or a multilateral institution).

Opportunity to Leverage High Level Engagement to Reduce Methane Emissions: While GMI has successfully developed a robust understanding of the opportunities for methane mitigation in many countries and regions, and has built partnerships between the private sector and the public sector, there is an opportunity to do more to help leading countries act more aggressively to reduce methane emissions. One critical element that has been missing from GMI, and that would make its work significantly more effective, would be enhanced political attention to the issue of methane mitigation.

- The Steering Committee could consider potential ways in which high-level engagement focused on methane mitigation might transform the activities undertaken through GMI into a more powerful global effort, and could discuss their support for, and potentially ways in which GMI could help implement, or further, such a broad effort. Steering Committee Members are encouraged to come to the meeting with specific ideas on this topic.
- For example, GMI's activities post-2015 could emphasize and promote broad adoption of key policies and practices that promote methane mitigation, enabling participating countries to fulfil their contributions and achieve aggressive methane reductions.

IV. Feedback from GMI Partners

The ASG, along with the Steering Committee host Canada, actively solicited input from Steering Committee partners by sending out a set of questions to all delegates to the Steering Committee in July 2014 to stimulate thinking about the future of GMI. A number of partner countries have provided informal feedback to the ASG in advance of this meeting, which indicated interest in and/or support for the following:

- Continuance of GMI's mission and desire to see the initiative continue post-2015
 - Support for continuation of work across all sectors, with especially vocal support for continuing the work in the coal mining sector
- Support for continued development of national methane action plans by Partners and assistance with methane related Nationally Appropriate Mitigation Actions.
- Some degree of cooperation with the CCAC
 - This feedback has come from countries regardless of their current status or formal alignment with CCAC, both those that are already CCAC partners and those that have not joined.
 - Additional linkages could help reduce Partner delegate workload and maximize limited resources that are currently divided across two similar efforts
 - Some countries who have not joined CCAC may be encouraged to do so if GMI were part of CCAC as then it could be seen as a "bundled" effort.

- Some desire to maintain some level of separation so non-CCAC countries can continue GMI work without joining CCAC.
- Countries see an advantage to synergize / leverage existing CCAC efforts, opportunities to fund relevant methane-related activities, and leverage meeting and training forums
- Higher level political support and national-level participation in GMI

V. **Issues for Steering Committee Consideration**

- 1) Does the Steering Committee support the continuation of collaboration under the auspices of GMI post-2015?

If yes, then:

- 2) Opportunities to increase the efficiency and effectiveness of GMI.
 - a. Is there support for exploring potential mechanisms for closer alignment and formalizing some degree of coordination with the CCAC, specifically with the three methane-focused initiatives? Should GMI begin dialogue with CCAC (at the appropriate level) to discuss this more formally?
 - b. Is there support for identifying specific mechanisms to reduce administrative (secretariat) functions of GMI?
 - c. Are there models or specific suggestions for restructuring, realigning, or streamlining GMI that would enable the initiative to promote global methane reductions more efficiently and effectively?
- 3) Is there interest in or support for GMI to play a role in supporting or advancing enhanced international focus on methane mitigation?
 - a. What might be the ways in which GMI could advance or support the aims of such a broader level international effort?
- 4) Process/Timeline: The GMI Terms of Reference currently expire in the end of 2015. The next major planned gathering of GMI will be an international methane forum, tentatively scheduled to be held in fall of 2015.
 - a. What is the most effective process/timeline to reach consensus by fall 2015?
 - b. Does the Steering Committee wish to empower an ad hoc working group to assist the ASG to craft a specific plan to present to the full membership of the Initiative including recommendations on charter, governance and implementation structure?

Appendix A: Climate & Clean Air Coalition

Recognizing that mitigation of the impacts of SLCPs is critical in the near term for addressing climate change and that there are many cost effective options available, in 2012 several countries and the United Nations Environment Programme (UNEP) launched the Climate and Clean Air Coalition (CCAC), a unique initiative to support fast action and make a difference on several fronts at once: public health, food and energy security, and climate. The Coalition, which is open to countries and non-state actors, currently has more than 40 state partners (including 23 GMI Partners) as well as non-State partners.

While CCAC does not have the depth of technical experience and expertise that GMI provides, it does have significant political support as evidenced by its hosting high-level ministerial events at UNFCCC climate events, such as the COP meetings and the UN Secretary General Climate Summit. It also includes a vibrant NGO community and a number of country partners that have not participated in GMI.

The CCAC has approved ten rapid implementation initiatives targeted to accelerate action against climate-damaging emissions of black carbon, methane, and fluorinated gases (HFCs). Three of these CCAC initiatives overlap with GMI activities including reducing methane emissions from the agriculture sector, improving solid waste management practices and reducing methane emissions from landfills, and the reduction of methane emissions from the oil and gas sector. Several cross-cutting initiatives also have important implications for methane reduction activities, including financing and short-lived climate pollutant national action planning. Below is a table that compares the GMI sector structure to their closest CCAC counterparts.

Sector	Global Methane Initiative <i>Multilateral partnership of 43 countries that advances cost effective, near-term methane abatement and recovery and use of methane as a clean energy source.</i>	Climate and Clean Air Coalition <i>Multilateral partnership of more than 40 state partners (including 23 GMI Partners) as well as non-state partners to accelerate action against climate-damaging emissions of black carbon, methane, and fluorinated gases.</i>	Other International Initiatives
Oil & Gas	<ul style="list-style-type: none"> • 28 partner oil and gas companies working with GMI associated GasSTAR International • A flexible, voluntary partnership with companies to adopt cost-effective technologies and practices that improve operational efficiency and reduce methane emissions • GMI capacity building focused on technical assistance and training 	<ul style="list-style-type: none"> • 6 Partner oil and gas companies to date (ENI, Pemex, Southwestern Energy, Statoil, BG Group, PTT) -- all but BG group have also worked with GMI. • Companies commit to quantify and reduce emissions from nine core sources. • CCAC capacity building focused on technical assistance and training 	World Bank Global Gas Flaring Reduction (GGFR): Supports the efforts of oil producing countries and companies to increase the use of associated natural gas and thus reduce flaring and venting.
Municipal Solid Waste	<ul style="list-style-type: none"> • Focused on reducing methane emissions associated with MSW management in partner countries • Facilitates technology transfer and demonstration, policy support, capacity building and market development. Provides direct technical assistance, training, best practices development. 	<ul style="list-style-type: none"> • Focused on reducing methane and black carbon from MSW management in large cities • Encourages best practice policies and strategies for waste management • Provides direct technical assistance, training, capacity building, and awareness-raising 	International Solid Waste Association: Works to ensure sustainable resource management through scientific, economic and social instruments such as an international network and expert working groups. Developing knowledge platform to support CCAC.
Agriculture	<ul style="list-style-type: none"> • Focused on manure and agro-industrial waste management systems that can capture methane using anaerobic digestion technology • Conduct resource assessments, direct technical assistance, workshops, technology transfer activities and info sharing, and targeted trainings. 	<ul style="list-style-type: none"> • Still in initial stages of design. • Focused on sharing best practices for minimizing methane and black carbon emissions • First activities will address emissions from open burning, livestock and paddy rice production 	<i>No activities.</i>
Coal	<ul style="list-style-type: none"> • Builds international alliances to advance methane recovery (especially ventilation air methane) and use in underground coal mines • Capacity building through development of country-specific strategic plans, resource assessments and direct technical assistance via targeted trainings, feasibility studies and information sharing. 	<i>No activities.</i>	<i>No activities.</i>
Waste Water	<ul style="list-style-type: none"> • Addresses technical and policy issues and to facilitate wastewater methane abatement, recovery, and use projects in partner countries • Activities include capacity building, project financing assistance, feasibility studies, and training. 	<i>No activities.</i>	<i>No activities.</i>
Financing	<i>No activities.</i>	<ul style="list-style-type: none"> • A catalyst of scaled-up SLCP mitigation financing and will work with governments, the private sector, donors, financial institutions, expert groups and investors' networks to bolster high-level financial flows 	World Bank Pilot Auction Facility for Methane and Climate Mitigation: An innovative pay-for-performance instrument that will use auctions to maximize the use of limited public resources for climate change mitigation while leveraging private sector financing.
Action Planning	<ul style="list-style-type: none"> • Developed templates for sector level and country level methane action plans. Over 45 sector and country-level action plans developed. 	<ul style="list-style-type: none"> • Support National Action Plans for SLCPs, including national inventory development, building on existing air quality, climate change and development agreements. Only undertaken with a subset of CCAC partner countries. 	

GMI/CCAC Partners (as of September 2014)

GMI Partners	CCAC Partners
Albania	
Argentina	
Australia	
	Bangladesh
	Benin
Brazil	
Bulgaria	
Canada	
	Central African Republic
Chile	
Colombia	
	Côte d'Ivoire
China	
Dominican Republic	
Ecuador	
Ethiopia	
European Commission	
Finland	
	France
Georgia	
Germany	
Ghana	
India	
Indonesia	
	Ireland
	Israel
Italy	
Japan	
Jordan	
Kazakhstan	
Korea, Republic of	
	Liberia
	Maldives, Republic of
	Mali
Mexico	
Mongolia	
	Morocco
	Netherlands
	New Zealand
Nicaragua	
Nigeria	
Norway	
Pakistan	
Peru	
Philippines	
Poland	
Russian Federation	
Saudi Arabia, Kingdom of	
Serbia, Republic of	
Sri Lanka	
	Sweden
	Switzerland

Thailand	
	Togo
Turkey	
Ukraine	
United Kingdom	
United States of America	
Vietnam	

Appendix B. World Bank Pilot Auction Facility for Methane and Climate Mitigation

The World Bank Group announced the launch of an innovative, pay-for-performance mechanism which uses auctions to allocate scarce public funds and attract private sector investment to projects that reduce methane emissions, taking advantage of the accounting methodologies and infrastructure already in place for implementation (e.g., methodologies and verification processes established under the Clean Development Mechanism (CDM)).

The key objective of the “Pilot Auction Facility for Methane and Climate Mitigation” (PAF) is to demonstrate a new, cost-effective climate finance mechanism that incentivizes private sector investment and action in climate change in developing countries by providing a guaranteed floor price on carbon reduction credits.

The first round of the auctions under the PAF are expected in 2015.

<http://www.worldbank.org/en/topic/climatechange/brief/pilot-auction-facility-methane-climate-mitigation>

Appendix C. Global Methane Initiative – Terms of Reference: Mission Statement

To create a voluntary, non-binding framework for international cooperation to reduce methane emissions and to advance the recovery and use of methane as a valuable clean energy source to increase energy security, enhance economic growth, improve air quality, and improve industrial safety. The Initiative will focus on the development of strategies and markets for the abatement, recovery, and use of methane through technology development, demonstration, deployment and diffusion, implementation of effective policy frameworks, identification of ways and means to support investment, and removal of barriers to collaborative project development and implementation. The Initiative will serve to complement and support Partners' efforts implemented under the United Nations' Framework Convention on Climate Change.