

GLOBAL METHANE INITIATIVE
7TH STEERING COMMITTEE MEETING

Washington, DC, USA
March 2016

GMI7/Doc.2

**Overview of the Redlined GMI Terms of Reference
Discussion Paper**

I. Purpose

This paper provides an overview of the revised Global Methane Initiative's (GMI) Terms of Reference, for which GMI is seeking final approval during the March 2016 Steering Committee meeting (see Appendix A for the final document). This paper includes background information on the Terms of Reference purpose, GMI's rechartering task force process and recommendations, and consensus changes that have been made to the Terms of Reference since the Steering Committee last met in October 2014.

II. Background

The Terms of Reference is the charter under which GMI operates. It describes the Initiative's organizational framework, which consists of a Steering Committee, sector-specific technical subcommittees, a Project Network, and the Administrative Support Group (ASG).

GMI's original charter was the Methane to Markets Terms of Reference, adopted in 2004. In 2010, these Terms of Reference were extended by the Steering Committee for five additional years, along with the name change to Global Methane Initiative. The GMI Terms of Reference were scheduled to expire in October 2015, but in October 2014, they were extended for another six months, through March 2016, to allow for time to finalize and adopt the new Terms of Reference. The Steering Committee established a task force to evaluate a set of "charter questions" and develop recommendations for re-chartering GMI post-2015. The task force convened monthly conference calls from January to July 2015, and developed a set of recommendations for the Steering Committee's consideration. The Steering Committee convened via conference call in November 2015 to review and discuss the task force recommendations, and subsequently decided to adopt all the Task Force recommendations (see Appendix B for a summary). Main recommendations included the following:

- A refocused mission that emphasizes GMI's role in developing policy guidance, disseminating tools, best practices, and knowledge platforms.
- Strategic alliances with other relevant initiatives, such as the Climate and Clean Air Coalition (CCAC) and United Nations Economic Commission for Europe (UNECE), to allow more effective collaboration and knowledge-sharing for methane mitigation.
- Structural changes that will enable GMI to function more efficiently by holding fewer stand-alone meetings and streamlining by combining the agriculture, municipal solid waste, and wastewater subcommittees into a single "biogas" subcommittee.
- Leadership changes that will allow an opportunity for broader leadership at the Steering Committee level, by moving to a model with co-chairs with two-year terms.

III. Consensus Changes

Following the Steering Committee's adoption of the task force recommendations in November 2015, the ASG prepared and circulated a redlined Terms of Reference for comment. The Steering Committee also convened via two conference calls in February 2016 to discuss potential changes. Based on these discussions and comments received from Partners, the following sections were changed accordingly (the final document can be found in Appendix A):

- **Purpose:** Removed language related to “strategy and markets development,” technology “development and deployment,” and project “implementation” to better focus on policy development in accordance with the new policy-focused mission.
- **Functions:** Moved to a more prominent position, and added language as it relates to policy guidance/implementation and best management practices in accordance with new policy-focused mission. Specifically identified CCAC and UNECE as organizations with which to align in accordance with strategic alliances.
- **Organization:** Changed subcommittee focal areas to form the new Biogas Subcommittee. Added language to charter Steering Committee co-chairs with two-year term. Incorporated options for Project Network members and subcommittee co-chairs to participate in the Steering Committee.

IV. Next Steps

The Steering Committee will seek consensus on the redlined Terms of Reference.

From a process perspective, the GMI Steering Committee is not adopting a new Terms of Reference. Rather, the Steering Committee is extending the existing charter for an additional five years, while making minor changes to reflect the task force recommendations. Therefore, similar to the 2010 GMI re-charter, Partners will not be asked to sign the Terms of Reference. Partners are invited to issue optional statements of support for GMI.

V. Summary/Action Items

- **TOR Consensus Changes:** Do Partners approve the redlined changes to GMI's mission (e.g., more policy focused), as well as structure and leadership (i.e., biogas subcommittee, Steering Committee co-chairs with two-year terms)?
- **TOR Extension:** Do Partners approve the five-year Terms of Reference extension?

APPENDIX A
GLOBAL METHANE INITIATIVE TERMS OF REFERENCE
STEERING COMMITTEE CLEARANCE DRAFT
(PER 24 FEBRUARY 2016 STEERING COMMITTEE MEETING)

Terms of Reference for the Global Methane Initiative

The undersigned national government entities (collectively referred to as “the Partners”) set forth the following Terms of Reference for the Global Methane Initiative (referred to as “the Initiative”). The Initiative serves as a framework with the goal of achieving global reductions of anthropogenic methane emissions through partnerships among developed countries, developing countries, and countries with economies in transition in coordination with the private sector, researchers, development banks, and other relevant governmental and non-governmental organizations.

1. Purpose

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 abatement, recovery, and use of methane through technology demonstration, diffusion, and implementation of effective policy frameworks, identification of ways and means to support investment, and removal of barriers to collaborative project development. The Initiative will serve to complement and support Partners’ efforts implemented under the United Nations’ Framework Convention on Climate Change.

2. Functions

The Partners will seek to:

- 2.1 Identify and promote areas of bilateral, multilateral, and private sector collaboration on methane abatement, recovery, and use in the areas of agriculture, coal mining, municipal solid waste (MSW), oil and natural gas systems, and municipal wastewater treatment, and in other areas as agreed to by the Partners.
- 2.2 Develop policy guidance and encourage implementation of near-term policies that support the identification and deployment of best management practices for the abatement, recovery, and use of methane.
- 2.3 Identify cost-effective opportunities to recover methane emissions for energy production and potential financing mechanisms to encourage investment.
- 2.4 Identify and address barriers to project development and improve the legal, regulatory, financial, institutional, technological and other conditions necessary to attract investment in methane abatement, recovery and utilization projects.
- 2.5 Identify and implement collaborative projects aimed at addressing specific challenges to methane abatement and recovery, such as raising awareness in key industries, removing barriers to project development and implementation, identifying project opportunities, and demonstrating and deploying technologies. Partners will also work together to share lessons learned from these cooperative activities.

- 2.6 Foster cooperation with the private sector, research organizations, development banks, and other relevant governmental and non-governmental organizations.
- 2.7 Integrate and coordinate Initiative activities with related activities and initiatives such as Climate and Clean Air Coalition, the United Nations Economic Commission for Europe's Group of Experts on Coal Mine Methane, and others that may emerge in the future.
- 2.8 Work to improve scientific understanding in relation to the emissions estimates, abatement, recovery, and use of methane.
- 2.9 Develop and implement action plans that outline a series of concrete activities and actions that directly support the core goals and functions of the Initiative. Action plans can be useful tools in advancing project implementation, facilitating investment, and creating appropriate policy frameworks that support methane abatement, recovery, and use.
- 2.10 Communicate their progress and accomplishments in implementing action plans and undertaking other activities to support the Initiative's goal.
- 2.11 Periodically assess the effectiveness of the Initiative's efforts to achieve its goal.

3. Organization

- 3.1 A Steering Committee, Administrative Support Group, and Subcommittees are to be formed. The Subcommittees will focus on the following focal areas: Biogas (to include Agriculture, MSW, and Municipal Wastewater sectors) Coal Mining, and Oil and Gas Systems. The Steering Committee may establish additional Subcommittees, working groups, or enlarge the scope of existing Subcommittees in other focal areas as agreed. Each Subcommittee will create and support a Project Network.
- 3.2 The Steering Committee will govern the overall framework, policies and procedures of the Initiative; annually review progress of the initiative; and provide guidance to the Administrative Support Group and Subcommittees. The Steering Committee should meet at least once per year, at times and locations to be determined by its appointed representatives. The Steering Committee will make decisions by consensus. The Steering Committee's leadership will be comprised of two co-chairs for a 2-year term that can be extended by consensus. Project Network Members may be invited to participate on the Steering Committee on a term basis. Subcommittee co-chairs may serve as ex-officio members of the Steering Committee.
- 3.3 Appendix A lists those Partners that may appoint up to two representatives to the Steering Committee. Appendix A may be amended by consensus of the Steering Committee.
- 3.4 The Subcommittees will be responsible for guidance and assessment of area-specific activities and engaging representatives of the private sector, development banks, researchers and other relevant governmental and non-governmental organizations. Each Subcommittee will work to implement its program of action, offer assistance to Partners in the development and implementation of their action plans, provide guidance on project identification, identify and address key barriers and issues for project development, address market assessment and reform issues, facilitate investment and financing

opportunities, and report on progress. Subcommittees will report to the Steering Committee. Subcommittees will meet as often as necessary to fulfill their responsibilities, making use of electronic media (including email, teleconference and videoconference) as appropriate in order to minimize travel. Each Subcommittee will make decisions by consensus.

- 3.5 The Subcommittees will be comprised of representatives from interested Partners. A Subcommittee may link formally or informally to other international organizations or partnerships. Each Partner may appoint up to three members to each Subcommittee. Each Subcommittee will select two Partners as co-chairs, ideally one from a developed and the other from a developing country or country with an economy in transition. At their discretion, Subcommittees may select one additional co-chair. Every three years, Subcommittees should review their leadership to provide other Partners the opportunity to act as co-chair.
- 3.6 A Project Network will be created under each Subcommittee to serve as an informal mechanism to facilitate communication, project development and implementation, and private sector involvement. The Project Network will be key to reaching out to and organizing the efforts of the private sector, governmental and non-governmental organizations. The Project Network will be comprised of representatives from local governments, the private sector, the research community, development banks, and other governmental and non-governmental organizations. Those interested in becoming partners in the Project Network will sign and submit a Project Network Membership Agreement. A Project Network Member may serve as an official delegate in sector Subcommittees by consent of that Subcommittee.
- 3.7 The Administrative Support Group will serve as the principal coordinator of the Initiative's communications and activities. The focus of the Group will be administrative. The Group will not act on matters of substance except as specifically instructed by the Steering Committee. Specifically, the Group will:
 - 3.7.1 Organize the meetings of the Initiative,
 - 3.7.2 Arrange special activities such as teleconferences and workshops,
 - 3.7.3 Receive and forward new membership requests to the Steering Committee,
 - 3.7.4 Coordinate communications of Partnership activities, progress, and accomplishments,
 - 3.7.5 Act as a clearinghouse for information for the Initiative,
 - 3.7.6 Provide support for activities related to the Project Network, and
 - 3.7.7 Perform such other tasks as the Steering Committee directs.
- 3.8 The Administrative Support Group will be supported and hosted by the United States, at the Environmental Protection Agency in Washington D.C. Another Organization's or Partner's offer to support and host the Group will be accepted by the consensus of the Steering Committee.
- 3.9 Each Partner will designate an Administrative Liaison to serve as its principal point of contact to the Administrative Support Group. The Group will work with the Liaisons to ensure an adequate flow of information between the Initiative and individual Partners.
- 3.10 The Administrative Support Group may, if appropriate, involve personnel employed by the Partners to assist in specific activities undertaken by the Group. Such personnel will

be remunerated by their respective employers and will remain subject to their employers' conditions of employment.

4. Membership

- 4.1 These Terms of Reference establish a framework for voluntary cooperation and do not create any legally binding obligations between or among the Partners. Each Partner is expected to conduct the activities contemplated by these Terms of Reference in accordance with the laws under which it operates and the international instruments to which it is a party.
- 4.2 The Steering Committee may invite other national governmental entities to join the Initiative through endorsement of the Terms of Reference.

5. Funding

- 5.1 Participation in the Initiative is on a voluntary basis. Each Partner may, at its discretion, contribute funds, personnel and other resources to the Initiative subject to the laws, regulations and policies of the Partner. Any costs arising from the activities contemplated in these Terms of Reference are to be borne by the Partner that incurs them, unless other arrangements have been made.
- 5.2 These Terms of Reference do not create any right or benefit, substantive or procedural, enforceable by law or equity against the Partner, their officers or employees, or any other person. No Partner should submit a claim for compensation to another Partner for activities it carries out under these Terms of Reference. These Terms of Reference do not direct or apply to any person outside of the governments of the Partners.

6. Commencement, Modification, Termination, Extension, and Withdrawal

- 6.1 Commencement, Modification and Termination
- 6.1.1 These Terms of Reference commence on 30 March 2016 and will continue in effect for 5 years unless extended or terminated by the Steering Committee.¹
- 6.1.2 These Terms of Reference may be modified at any time by consensus of the Steering Committee.
- 6.2 Extension and Withdrawal
- 6.2.1 By consensus, the Steering Committee may extend these Terms of Reference for additional periods.
- 6.2.2 A Partner may withdraw from the Initiative by giving written notice to the other Partners and the Administrative Support Group 90 days prior to its anticipated withdrawal.

¹ The original terms of reference, which commenced on 16 November 2004, were modified and extended by the Steering Committee for an additional five years on 1 October 2010 and were extended for an additional six months in October 2014.

Appendix A: Steering Committee Members

Argentina
Australia
Brazil
Canada
China
Colombia
Ecuador
Ethiopia
European Commission
Finland
Germany
Ghana
India
Italy
Japan
Mexico
Nigeria
Poland
Republic of Korea
Russia
Ukraine
United Kingdom
United States

Appendix B: Summary of Task Force Recommendations

Summary Document

Global Methane Initiative Task Force Draft Recommendations to Steering Committee

MISSION

- Through alignment with other global efforts and a renewed focus on policy development and information sharing, the GMI reinvigorates its efforts to fulfill its mission of promoting global methane abatement and reduction across five sectors: agriculture (manure management); coal mining; municipal solid waste; oil & gas; and wastewater.
- With its re-charter, the focus of GMI activities will shift from the historic emphasis on GMI's primary role as a methane mitigation "project incubator" to a forward-looking catalytic role. Based on GMI's unparalleled sector-specific technical expertise, future GMI activities will emphasize the development and dissemination of best practices, policy guidance, tools, and knowledge platforms for methane mitigation.

ALIGNMENT OF GMI WITH RESPECT TO OTHER INITIATIVES

- GMI should align more effectively with other existing international initiatives or organizations that also promote methane reductions (e.g., CCAC, UNEP, UNECE, World Bank, etc.) in a way that provides adequate flexibility to engage with any future initiatives.
- GMI seeks to align with Climate and Clean Air Coalition (CCAC) to Reduce Short-Lived Climate Pollutants to achieve more effective methane mitigation efforts
 - GMI will apply to become a "non-state" partner of the CCAC to become institutionally linked at a cross-cutting level, and would consider other mechanisms to actively engage with CCAC at an institutional level.
 - At the sector or initiative level, GMI Subcommittees would formally align with CCAC counterparts (where applicable, e.g., Municipal Solid Waste, Agriculture, Oil & Gas). Thereby, GMI Subcommittee meetings would be open to partners of the corresponding CCAC initiatives. GMI requests that CCAC initiatives in turn invite GMI Subcommittee members to participate in relevant CCAC initiative meetings, workshops, and events.
 - GMI would continue to pursue strategies such as co-locating and co-branding GMI/CCAC events where appropriate and mutually beneficial to build opportunities for GMI partners to participate in CCAC events and vice-versa. One example is the 2016 Global Methane Forum, which is being planned and organized by GMI and which CCAC has been invited to co-sponsor.

- GMI would streamline communication and coordination on methane-related work with CCAC with respect to the three sectors in common and in cross-cutting work such as the national action planning.
- GMI seeks to align with the United Nations Economic Commission for Europe (UNECE)
 - GMI would formally align its coal mine sector / subcommittee work with the UNECE's Sustainable Energy Division Group of Experts on Coal Mine Methane. For example, UNECE has agreed to host annual meetings of the GMI Coal Subcommittee in conjunction with its Group of Experts meeting.
 - GMI would explore opportunities to align its work with that of UNECE in the oil and gas sector.
- GMI should continue to explore opportunities to collaborate more closely with the World Bank's Climate Change Group, such as the Pilot Auction Facility for Methane and Climate Change and the Global Gas Flaring Reduction (GGFR) partnership.
- GMI should engage the financial and investment community to encourage increased access to project development capital and to incorporate their advice and expertise in Steering Committee decisions, and to encourage increased access to project development capital for methane mitigation projects.

STRUCTURAL AND LEADERSHIP CHANGES

Steering Committee:

- Continue the administrative and convening role of Steering Committee to guide the Initiative/address important issues, with the following modifications:
 - Change the leadership model to two (2) Steering Committee Co-Chairs, rather than a single Chair.
 - Ideally, the two Co-Chairs would include representatives from one developed and one developing country.
 - Co-chairs would be encouraged to consider hosting one Steering meeting in their country (with ASG support).
 - The Co-Chair terms would be two years (with a possibility to extend).
 - U.S. would continue acting in role as Chair during the transition period until new co-chairs are selected.

GMI Administrative Support Group:

- GMI should identify and implement streamlined administrative functions to increase efficiency and reduce administrative burdens, including the alignment strategies referenced above, strictly limiting the number of stand-alone in-person meetings hosted by GMI, and streamlining core communications and data management through the website and emails.

- GMI should consider alternative models for hosting the Administrative Support Group other than the US EPA, including soliciting interest in hosting the ASG or secretariat functions from GMI partners.
- In the interim, the US EPA would continue to support critical secretariat functions of GMI via the Administrative Support Group: communicating broadly across the initiative, maintaining continuity and efficient support for Steering Committee Co-chairs, coordinating meetings, facilitating alignment with CCAC, UNECE, and other initiatives, and tracking overall GMI activities.

Subcommittees:

- Continue GMI's sector-specific work in all five sectors, with certain modifications to streamline organization and better align GMI's work with that of CCAC and other international organizations engaged in methane reduction capacity building.
- Re-organize three existing GMI subcommittees (Agriculture, MSW and Wastewater) into an over-arching "Biogas" subcommittee to leverage participation, minimize duplication, and achieve synergies on related topics.
- Formally align Coal Subcommittee with UNECE Group of Experts on Coal Mine Methane.
- Formalize the connections between GMI's Oil & Gas Subcommittee and the CCAC Oil & Gas Methane Partnership (OGMP) through joint meetings, events, and trainings. Consider alignment with the World Bank's Global Gas Flaring Reduction Initiative and the UNECE Sustainable Energy Division, Group of Experts on Oil & Gas.

Establishment of a Trust Fund:

- Explore the establishment of a trust fund with an appropriate organization capable of receiving and disbursing such funds, only if GMI Partners express sufficient interest and willingness to commit to provide funding into such a trust fund.
- To the extent appropriate, within specific sectors, identify activities that would be appropriate to seek funding from the CCAC trust fund for targeted methane mitigation activities that are in alignment with the objectives of GMI and that would complement and leverage past and ongoing activities of GMI.

CROSS-SECTORAL ACTIVITIES

- Engage with CCAC's Supporting National Planning for Action Initiative (SNAP) to ensure methane related activities are included and to reduce any duplication with GMI action plan efforts.