

December 2021

## Recent lessons learned on developing policies and regulations for short lived climate pollutants mitigation in the oil and gas sector

### Introduction

During the Conference of the Parties (COP) 26 this year, celebrated in Glasgow, the Global Methane Pledge was adopted by over 100 countries.<sup>1</sup> Through this initiative the countries will take actions to reduce global methane emissions at least 30 percent from 2020 levels by 2030, which could eliminate over 0.2°C warming by 2050. Recognition of methane's role in accelerating climate change is leading governments to come forward and begin tackling this issue domestically and internationally. In this executive report, Clean Air Task Force (CATF) offers a perspective on what countries can learn from existing initiatives to reduce the methane emissions from their oil and gas industries. CATF has had the privilege of working directly with all the countries mentioned here.

### Lessons learned from Nigeria

In November 2021, the Nigerian Climate Change law came into force. Thanks to this legal instrument, a National Council on Climate Change will be established and will oversee Nigeria's climate plans. With these actions Nigeria is building an institutional and legal framework which will support the nation in reducing its impact on the environment and will propel its national energy transition.

In 2020, a collaboration was initiated between the Climate and Clean Air Coalition (CCAC), the United Nations Environment Program (UNEP), the Federal Ministry of Environment, the Ministry of Petroleum Resources, the Department of Petroleum Resources (the oil and gas regulator), Carbon-Limits Nigeria and CATF. The goal of the work was to promote adoption of methane mitigation policies in the Nigerian oil and gas sector and ensure the inclusion of those reduction policies in Nigeria's Nationally Determined Contributions (NDC). During this collaboration, there were several lessons learnt which can be an example at an international level:

#### a) Strong interinstitutional collaboration

The Federal Ministry of Environment and the Department of Petroleum Resources, which recently underwent an institutional transformation and is now two agencies (the Nigerian Upstream Petroleum Regulatory Commission and the Nigerian Midstream and Downstream Petroleum Regulatory Commission), have a professional working relationship and collaborate on the topics where their competences intersect. This allows a seamless coordination between government agencies and helped establish realistic energy and climate policy. Based on this positive example and results achieved, the ministries of energy and environment in other jurisdictions should aim to work in a joint manner on reducing methane emission from the oil and gas sector.

#### b) Leadership in the climate policy arena

---

<sup>1</sup> The signatories of the Global Methane Pledge can be found here: <https://www.globalmethanepledge.org/>

Earlier this year, during the revision of its Nationally Determined Contributions (NDC), Nigeria included a conditional goal to reduce its fugitive methane emissions 60% by the year 2031.<sup>2</sup> Fulfilling a conditional goal in the NDC is subject to support from the international community. Nigeria is showing that there are strong institutions which are ready to engage with international actors in reducing methane emissions from the oil and gas industry. This is a call for all countries and individuals seeking to support efforts to limit climate change to work with the Nigerian authorities in implementing measures to reduce methane emissions under the future methane regulations framework. It also sets a precedent for other countries which might need assistance to take a similar approach in their NDC and think of creative ways in which international support could be implemented.

**c) Energy transitions will inevitably vary**

In developed nations, the energy transition discussions take place while most of their population enjoys high levels of energy access and may be focused on diversifying energy matrixes and even setting a date to stop using fossil fuels. However, in the developing world there is still a pressing need to provide energy access to large portions of their societies. How these sovereign nations decide to do so will be based on many factors, including but not limited to, access and cost of finance, technology, geopolitical reasons, qualified human resources and existing services and infrastructure. Being cognizant of these issues is necessary for the development of any energy and climate policy, including those on methane emissions since many developing countries may decide that natural gas can still play a future role in their economies.

**d) Collaboration with industry**

The Nigerian authorities invited the relevant players in the industry to provide comments both on the methane emission reduction target for the sector and the draft methane regulations. Several engagements through both physical and virtual workshops were held to increase awareness, build capacity and also enhance the discussion of the contents of the guideline. It is important for all stakeholders in the oil and gas sector to be given the opportunity to voice their opinion and concerns. On many occasions, this dialogue is useful to further the understanding of the worries on different sides. Throughout the process of developing policies, all stakeholders should be invited to participate in the development of policies to promote ownership of the policies and therefore more acceptance in the implementation stage.

**Lessons learned from other countries**

Mitigation of methane emissions in the oil and gas industry is gathering speed globally. Other nations, apart from Nigeria, have also shown leadership and innovation in their own approach to regulate methane emissions. Here we highlight the most relevant and useful lessons identified by CATF in recent years.

**Colombia:**

---

<sup>2</sup> Nigeria's NDC is available here:

<https://www4.unfccc.int/sites/NDCStaging/Pages/Party.aspx?party=NGA&prototype=1>

- **The missing link**

Colombia has taken the opportunity to develop in a single instrument the draft regulations to rein in fugitive methane emissions and flaring from its exploration and production of oil and gas. Linking flaring and methane emissions is at the forefront of public policies in this arena. This recognizes that flaring is a cause of methane emissions, and that eliminating flaring does not only represent a better utilization of natural resources but also a reduction in this powerful short lived climate pollutant. This approach brings together the environmental and resource management perspectives which have traditionally belonged in different ministries.

- **Consultation processes**

From August 5<sup>th</sup> to August 26<sup>th</sup> the Ministry of Mines and Energy held the first<sup>3</sup> public consultation process for the first draft of the methane fugitive emissions and flaring regulation. From December 4<sup>th</sup> to 14<sup>th</sup> 2021 the second<sup>4</sup> round of public consultation took place for a second draft of the regulations. The draft regulations were published online and any individual or organization could provide comments to the Ministry. This multiple stage consultation process is a useful way for stakeholders to be considered in the decision-making process and governments are highly encouraged to do this.

#### Mexico:

- **Comprehensive problem solving**

The environmental regulator for the oil and gas industry in Mexico, ASEA, decided to regulate the entire oil and gas value chain. Methane emissions can happen everywhere, even in the gas distribution networks, therefore acknowledging this and developing policies which can target all potential sources of emission is key to be most effective at reducing these emissions overall.

#### Lessons learned from Canada

- **Flexible goals**

In 2016 during the North American Leader's Summit, Canada along with the United States and Mexico agreed to reduce their methane emissions from the oil and gas sector 40-45% by the year 2025. As a result, it developed regulation both at the federal and provincial level to comply with this goal. In 2021 Canada committed to further reduce its methane emissions 75% by 2030 from 2012 levels.<sup>5</sup> This is an excellent example that regulation and

---

<sup>3</sup> The page where the first draft regulations were published and where the public consultation took place is available here:

<https://www.minenergia.gov.co/en/foros;jsessionid=DVxZLEMOvPO8kJXBrxf2FeaJ.portal2?idForo=24303316>

<sup>4</sup> The website where the second draft regulations were published and where the public consultation took place is available here:

<https://www.minenergia.gov.co/en/foros?idForo=24321975&idLbl=Listado+de+Foros+de+Diciembre+De+2021>

<sup>5</sup>

Reference available at <https://www.canada.ca/en/environment-climate-change/news/2021/10/canada-confirms-its-support-for-the-global-methane-pledge-and-announces-ambitious-domestic-actions-to-slash-methane-emissions.html>

goals can evolve. As parties learn more about what actions can be taken to abate methane emissions, the goals can change. Countries can begin with a moderate goal and as they feel more comfortable, they can increase it in a staged approach.

#### Others:

- **New technology**

Traditionally, to quantify emissions agencies have relied on gathering data regarding infrastructure, activity indicators and emission factors. Now satellite technology and aerial surveys are offering new data on methane emissions from the oil and gas industry. These measurements can identify super emitters and other emissions which have not been considered in inventories before. As new data is produced and a better understanding of the emissions from this sector emerges, countries must create a pathway for this data to be incorporated into the national inventories. This is a conversation that needs to happen both at the domestic level as well as at the international level as regards reporting requirements to the UNFCCC.

- **Vision further ahead**

Apart from establishing the correct policies, governments need to anticipate other needs which they may have as they establish mitigation policies. How will the policies be implemented? Will additional staff be necessary for enforcement? How will new data be collected, and made useful? What type of procedure will be utilized for monitoring and verification? All these elements are critical not only to a successful policy, but to establish a “value” to the regulations, and to allow for the fine tuning the regulations over time.

- **Leadership and capacity building**

Political leadership is critical. Having high level political commitments for methane mitigation opens the door for ministries and regulators to initiate a process to develop mitigation policies. This has been seen in response to the North American Leaders Summit as well as in response to the Global Methane Pledge. But it is important to not just have high level buy in to the process. While methane should be a concern for all political parties, government transitions can lead to a loss of staff that have championed an issue such as methane. It is critical to establish a broad common understanding of the issue and the path to policy development that includes non-political professional staff in the ministries and regulators. This helps maintain continuity of the process even when there is an administration change.

#### Conclusion

By no means is this executive report meant to serve as a comprehensive guide to reduce methane emissions, but it does offer recommendations based on the most recent developments. For more detailed references, CATF has developed a [compendium](#) where it gathers what it considers to be the best practices currently implemented to reduce methane pollution from the oil and gas industry. CATF has also developed the Country Methane Abatement Tool ([CoMAT](#)) which is useful program to calculate a country’s methane emissions inventory, even when there is limited information available, and quantify how much methane could be abated with an array proven policies. CATF shares this open-source tool free of cost and works with governments to provide training on how to use it. Similarly, the International Energy Agency has developed its own [Regulatory Toolkit](#) to guide governments on how to reduce methane emissions. We encourage anyone seeking to learn more or in need of support to contact CATF for more information.