

APPROVED ENGAGEMENT STRATEGY FOR THE FOSSIL FUEL SECTOR

1. OBJECTIVE

The fossil fuel sector Engagement Strategy is focused on addressing methane and black carbon from the oil and gas sector. It drives action in line with the pathways presented in the IPCC 1.5 degree report, and the mitigation potential highlighted by the CCAC Global Methane Assessment by 2025 and 2030 — that is, a 45% reduction by 2025, and 60-75% reduction by 2030.

The Engagement Strategy is also conscious of the significant emissions of methane from coal mines. Some CCAC partners who participate in this Hub, such as the Global Methane Initiative, have extensive experience in working on coal methane mitigation, and where CCAC partner countries identify this as a priority areas for their methane mitigation actions, the CCAC will assist in enabling collaborative arrangements with such partners. The CCAC also will complement the work of partners on coal by amplifying messaging around the technical and economically feasible mitigation opportunities for coal mine methane recovery projects, and by promoting the technical resources and capacity-building efforts of partners.

While this Engagement Strategy is focused on methane and black carbon, and thus directed at climate impacts as well as health and other impacts from ozone and particulate matter, it can also spur action on other pollutants from the sector such as NO_x, SO_x, and volatile organic compounds that significantly impact individuals, communities and the environment.

2. GOALS

The CCAC will support government engagement and national action as well as industry engagement, and the engagement of other organizations and initiatives, including as outlined in Annex 1.

Goal 1: Advocate for Governments to Prioritize Fossil Sector Methane and Black Carbon Reductions

The CCAC will bring high level political attention to mitigation of methane and black carbon from the sector, through convening governments, NGOs, academia, and civil society as well as oil and gas companies.

By 2030 the objective is that all CCAC oil and gas producing and consuming partner countries, as appropriate and with available analytical support, have integrated ambitious methane mitigation targets and measures into their nationally-determined contributions (NDCs) or other national plans, in line with the latest scientific findings including those of the Global Methane Assessment. To support this goal the CCAC will:

- Organize meetings and workshops with national governments, industry, NGOs, academia and civil society to develop an understanding of key issues and support the emission reduction agenda.
- Facilitate networking amongst governments, oil companies and expert organizations to provide assistance, guidance, and lessons-learned on methane and black carbon management.
- Deliver training and webinars that outline major methane emissions sources, mitigation options, measurement, monitoring and reporting (MRV) techniques, as well as policy, legislative/regulatory approaches, and financing approaches for achieving mitigation outcomes.
- Develop a series of communication actions to raise awareness amongst policymakers on technically and economically feasible mitigation opportunities, as well as recognition of countries and jurisdictions that have established strong targets, standards, and best practices.

- Explore the potential for increased global action on coal mine methane amongst its partners and leverage partners who can provide technical resources and capacity building.

Goal 2: Support Governments Seeking to Regulate Fossil Methane and Black Carbon

The CCAC's greatest strength is connecting national governments committed to taking action on SLCPs with support from expert organizations. To achieve this goal the CCAC will:

- Assist in providing emissions profiles for the sector and encourage all partners to measure and report their methane and black carbon emissions (direct and fugitive) and support efforts to develop a strong international standard for measurement, reporting and verification.
- Support immediately new regulatory approaches, including requiring leak detection and repair, requiring zero or low emission equipment and controllers, and mandating near-zero or low-emission operations, and support efforts to address emissions from orphaned and abandoned wells, as well as the establishment of MRV systems.
- Examine innovative regulatory approaches, including methane pricing or markets, as well as innovative financing and corporate financing.
- Facilitate both peer-to-peer support and technical expert assistance on developing regulations and policies at the national and subnational level.
- Coordinate with donors and international funding institutions, with focus on policy development, MRV, and financing methane and black carbon reductions in the sector.

Goal 3: Eliminate Routine Flaring and Promote Efficiency for Unavoidable Flares

CCAC technology demonstrations have shown the potential to reduce black carbon and methane emissions by mobilizing finance and investment as well as developing best practices and policies for flaring and black carbon mitigation. The CCAC will collaborate with relevant stakeholders on black carbon and methane slippage reduction from the oil and gas sector by supporting work to eliminate routine flaring through the recovery and use of hydrocarbon liquids as well as enhancing the efficiency of remaining unavoidable flares. To achieve this goal the CCAC will:

- Collaborate with and promote the World Bank's Zero Routine Flaring by 2030 initiative.
- Raise awareness amongst public and private stakeholders on the net financial benefits derived from implementing technologies that would provide the highest practical level black carbon reductions achievable through short-term measures that either generate additional revenues or are self-sustaining.
- Continue to work with oil and gas companies to address the sector's market barriers through sustainable medium to long-term financing approaches and strategies such as issuing green bonds based on verified Monitoring, Reporting and Verification (MRV) project data that has substantiated significant financial returns for capital investments in emission reductions.
- Promote the adoption of best practices on flare efficiency developed by the Oil and Gas Methane Partnership, as well as flare avoidance or minimization.
- Promote the transfer of knowledge between members and non-members about the best available technologies and good environmental practices based on success cases in countries that have already implemented these technologies.

ANNEX 1 – COLLABORATION WITH OTHER PARTNERS

- GMI — Global Methane Initiative
 - Provide CCAC partners with on-line library information and resource
 - Collaborate with CCAC as appropriate to develop and promote best practice guidance (technology, processes and policy as appropriate) in the oil and gas and coal sector including training policy and regulatory practitioners (webinars, workshops, in-person training)
 - Collaborate with the CCAC in organizing conferences and events and advocacy projects like the “Global Methane Challenge”
 - Provide expertise on coal through the CCAC activities at the national level
- UNEP - IMEO – Provide CCAC members with robust data on methane emissions sources and levels, including through an annual state-of-methane-emissions report; engage with CCAC partners on scientific measurement studies, including by facilitating a network of scientists engaged on methane emissions; present data to governments in order to facilitate and support science-based policies and mitigation activities that drive deep reductions in methane emissions.
 - Use IMEO methane emissions data from satellites, measurements and industry reports in scientific and science-policy assessments of measures and cost.
 - Assist in the development a methane emissions baseline estimate based on independent assessments and calculations, based notably on IMEO and industry data.
 - Explore opportunities to incorporate other emissions source data, including direct measurements and/or satellite data.
 - Encourage and support action by governments using IMEO data as the foundation of science-based policy and programmes.
- UN Economic Commission for Europe (UNECE)
 - Share best practices guidance for methane management in the oil and gas and coal sector a ‘solutions-focused’ approach to specific country requests, priorities and needs.
 - Share Reports and Studies to CCAC partners (e.g., “Survey on Methane Management”; “How Natural Gas Can Displace Competing Fuels”)
 - Collaborate with CCAC partners to support a “UN International Decade of Methane Management” as a platform to raise global awareness of the urgency to act on methane, beyond CCAC partners, that would complement and amplify CCAC’s efforts in the oil & gas sector
- International Energy Agency (IEA) – Provide estimation and tools to CCAC country partners (including its “methane tracker” and methane roadmap); provide policy and regulatory advice, as well as technical reports, papers, and assistance; senior engagement with political leaders in CCAC events
- World Bank — Global Gas Flaring Reduction Partnership (“Zero Routine Flaring by 2030”) – support CCAC country partners with solutions to eliminate routine flaring
- Oil and Gas Industry — companies and associations – be invited to participate in the working of the Hub; contribute data, technical and other expertise
- NGOs, Laboratories, Research Institutes, Academia — Support with scientific, policy, and technical advice and support capacity-building for regulatory and policy actions, as well as communications support
- National Governments — Support with technical advice and capacity building for policy, regulatory and and technical and other measures, which may include expert advice (both peer to peer, and “solution-centre type” assistance). Support with complementary bilateral assistance as feasible

ANNEX 2 – CONTEXT

Key Messages: Global Methane Assessment (2021)ⁱ

- Total global fossil fuel sector (oil, gas and coal) methane emissions in 2010 were estimated at 122 Mt (3,050 MtCO₂e), approximately 35% of total anthropogenic methane emissions.
- Global fossil fuel sector methane emissions are expected to increase to 142Mt by 2030 without additional controls.
2030 methane emissions could decrease by 101 Mt (-71%) under a maximum technically feasible scenario: -39 Mt from oil production; -21 Mt from coal mines, and -13 Mt from gas distribution systems. To be consistent with 1.5°C scenarios, by 2030 methane from the fossil fuel sector should be reduced by at least 65% (55% - 75%) compared to 2010 levels.ⁱⁱ
- Up to 80% of oil and gas measures and up to 98% of coal measures could be implemented at a low or negative cost.ⁱⁱⁱ
- Maximum technically feasible reductions will result in multiple benefits for climate, air quality and public health. By 2030 reductions from the fossil fuel sector could avoid 0.14°C of additional warming and prevent 151,460 premature deaths due to reduced exposure to tropospheric ozone, whilst increasing energy efficiency of the energy products delivered, and generating additional economic value in the producing country.

History of Engagement in the Sector

The CCAC has extensive high-level engagement and technical experience with the oil and gas sector and the CCAC Oil and Gas Initiative was one of the first initiatives after the launch of the Coalition in 2012. Initial activities focused on promoting voluntary actions by the industry.

In 2014 the CCAC launched the Oil & Gas Methane Partnership (OGMP) at the UN Secretary General’s Climate Summit with 6 industry CEOs and EDF, with the objective of setting a new global standard for oil and gas emissions and addressing the reduction potential identified by the International Energy Agency (IEA).

Since 2017, after the issuance of the CCAC Marrakech Communiqué, more support has been directed towards policy and regulatory work starting with Argentina, Colombia, Mexico, and Nigeria from 2018-2020. The CCAC also supported black carbon mitigation from gas flaring through technology demonstration projects that focused on mobilizing finance and investment as well as developing best practices and policies for black carbon mitigation.

In March 2019, a new framework and strategy was launched and the CCAC Oil and Gas Initiative was rebranded as the CCAC Mineral Methane Initiative (MMI). In 2019, at the UN SG Climate Summit, UNEP and the CCAC launched the Global Methane Alliance, an effort to support oil and gas producing countries to include ambitious methane mitigation targets for the oil and gas sector in their NDC and other national planning documents.^{iv} All CCAC Initiatives terminate at the end of 2021. This new Fossil Fuel Engagement Strategy describes the manner in the CCAC intends to engage with the fossil fuel sector.

In November 2020, the OGMP 2.0 was jointly launched by the CCAC with UNEP (as lead partner and implementer), the European Commission and EDF (as lead partners), and over 60 oil and gas companies. OGMP 2.0 is an ambitious and comprehensive reporting framework for methane emissions from the oil and gas sector. Member companies will report on methane emissions levels from all material sources across the entire oil and gas value chain, including both operated and non-operated assets. OGMP 2.0 is a comprehensive measurement-based methane reporting framework that standardizes rigorous and transparent emissions accounting practices. The IMEO intends to use the OGMP 2.0 framework as a guiding framework for its work.

ANNEX 3 – LIST OF OIL AND GAS PRODUCING CCAC PARTNERS

1. Argentina
2. Australia
3. Bangladesh
4. Canada
5. Chad
6. Chile
7. Columbia
8. Congo (DRC)
9. Cotes d’Ivoire
10. Denmark
11. Eswatini
12. France
13. Gabon
14. Germany
15. Ghana
16. India
17. Iraq
18. Ireland
19. Israel
20. Italy
21. Japan
22. Jordan
23. Korea
24. Laos
25. Mexico
26. Moldova
27. Morocco
28. Netherlands
29. New Zealand
30. Nigeria
31. Norway
32. Pakistan
33. Peru
34. Philippines
35. Poland
36. Russian Federation
37. Spain
38. Thailand
39. Ukraine
40. United Arab Emirates
41. United Kingdom
42. United States of America
43. Vietnam

ⁱ <https://www.ccacoalition.org/en/resources/global-methane-assessment-full-report>

ⁱⁱ <https://www.ccacoalition.org/en/resources/opportunities-15c-consistent-methane-mitigation-fossil-fuel-sector>

ⁱⁱⁱ Low-cost is defined as less than US\$ 600 per tonne methane reduced, which would correspond to ~US\$ 21 per tonne of carbon dioxide equivalent if converted using the IPCC Fifth

Assessment Report’s GWP100 value of 28 that excludes carbon-cycle feedbacks.

^{iv} Absolute reduction target of at least 45% reduction in methane emissions by 2025 and 60% to 75% by 2030 or Intensity target of “near-zero” methane emissions (0.25% or below).