

ECONOMIC COMMISSION FOR EUROPE

EXECUTIVE COMMITTEE

Ninety-second Meeting
Geneva, 23 June 2017

Item 9

Informal Document No. **2017/32**

Extrabudgetary projects

**Methane Management in Extractive Industries
(Upstream Oil and Gas / Downstream Gas)**

**UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE
TECHNICAL COOPERATION PROJECT FORM**

1. Project title: Methane Management in Extractive Industries (Upstream Oil and Gas / Downstream Gas)		
2. Expected timing / duration: July 2017 - December 2019		
3. Objective and brief summary of the project: <p>The objective of the project is to increase capacity of the UNECE Member States for MRV and reduce methane emissions in Upstream Oil and Gas, and in Downstream Gas industries. The UNECE is exploring current practices and technologies along the value chain in key energy-related extractive industries, namely coal, natural gas and oil in order to determine and promote best practices for measurement, reporting, and verification (MRV) of methane emissions in these industries, and identify best practices to reduce methane emissions. The approach includes four subject-specific pillars, each representing one of the relevant energy-related extractive industries, namely: Coal, Downstream Oil (processing through distribution), Downstream Gas, and Upstream Oil and Gas (i.e. exploration and production). The work is intended to be relevant at all levels such as facility-level, national-level, and international-level. The proposed project will focus on two pillars only, namely (1) Upstream Oil and Gas and (2) Downstream Gas. The objectives of the project will be achieved through the following activities:</p> <p>A1.1. Assessment of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries in the UNECE member States;</p> <p>A2.1. Development of case studies (i.e., by company, emission source, industry segment, and/or country) for MRV of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries;</p> <p>A2.2. Identification of best practices for MRV of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries;</p> <p>A2.3. Development of case studies for reducing methane emissions (i.e., by company, emission source, industry segment, and/or country) in Upstream Oil and Gas, and in Downstream Gas industries;</p> <p>A2.4. Identification of best practices for reducing methane emissions in Upstream Oil and Gas, and in Downstream Gas industries;</p> <p>A3.1. Development of standard training modules on best practices for (1) MRV and (2) reduction of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries;</p> <p>A3.2. Implementation of two (2) capacity-building seminars to test and validate the training modules;</p> <p>A3.3. Implementation of two (2) capacity-building workshops on best practices for (1) MRV and (2) reduction of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries;</p> <p>A3.4. Participation in four meetings to present and promote the results of the project (attended jointly with the Global Methane Initiative (GMI));</p> <p>A3.5. Translation to various languages (e.g. Spanish, Russian, French) and dissemination (electronically and in print) of the products developed.</p>		
4. Expected results of the project: <p>EA1. Improved national capacities for assessing methane emissions in Upstream Oil and Gas, and in Downstream Gas industries;</p> <p>EA2. Improved understanding of strategies, techniques and methods for MRV and reduction of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries in the UNECE Member States;</p> <p>EA3. Improved capacity of the UNECE member States to MRV and reduce the methane emissions from Upstream Oil and Gas, and Downstream Gas industries</p>		
5. Target group and beneficiaries of the project: <p>Beneficiary countries are the UNECE member States. The target group is policy-makers, regulators, as well as companies and professionals operating in Upstream Oil and Gas, and in Downstream Gas industries in the UNECE Member States.</p>		
6. Justification of project and its relationship to the programme of work: <p>The project is linked to the expected accomplishment (a) "Improved policy dialogue and cooperation among all stakeholders on sustainable energy issues, in particular energy efficiency, cleaner electricity production from fossil fuels, renewable energy, coal mine methane, mineral resources classification, natural gas and energy security" of Subprogramme 5 "Sustainable Energy" of the UNECE Strategic Framework for the period 2016-2017 and 2018-2019. The Task Force on Methane Management in Extractive Industries is mandated by the UNECE Committee on Sustainable Energy to assess baselines, benchmarking and the scale of current methane emissions in extractive industries. The activities of the Task Force will draw from the work of the Task Force on Methane Emissions along the Gas Value Chain operating within the framework of the Group of Experts on Gas (GEG). The latter was established by GEG at its first session, held in April 2014, for the purpose of: (i) preparing a systematic assessment of methane emission rates across the full value chain, i.e., in gas production, transport, distribution, and use in ECE member States, including a review of approaches to MRV; (ii) reviewing the range of gas technology, pipelines, and infrastructure construction and maintenance techniques deployed across the ECE region, with special focus on the best and worst performers, to explain the differences in methane emissions rates and to identify opportunities for improvement; (iii) reviewing the existing options and techniques and costs associated with reducing methane emissions throughout the gas chain; (iv) Preparing Best Practice Guidance in Reducing Methane Emissions Rates throughout the Gas Value Chain, taking into account, when implementing it, the local conditions for use by industry, regulators, and policy-setters.</p>		
7. Estimated UN regular budget resources (work months of RB staff/level): <p>4 months of P3/P4 Staff time</p>		
8. Estimated extra budgetary resources:		
Donor The United States of America (<i>Environmental Protection Agency</i>)	Amount (US\$) 249,500	
9. Project Manager: Scott Foster 20.05.2017	10. Section/Division: Energy Industry Section/Sustainable Energy Division	
11. Cleared by Programme Management Unit: Catherine Haswell 20.05.2017 OiC of PMU	12. Approved by EXCOM:	23.06.2017

Annex
Results-based budget for the extra-budgetary project

	Part I. Planning (to be filled in before submission to EXCOM)		Part II. Implementation (to be used for reporting on progress in the implementation of the project in real time)^{1,2}	
Expected accomplishments	Planned activities	Estimated costs (US\$)	Implemented activities³	Actual expenditures⁴ (US\$)
E.A.1. Improved national capacities for assessing methane emissions in Upstream Oil and Gas, and in Downstream Gas industries.	A1.1 Assessment of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries in the UNECE member States - Staff support (P3 level) x 1 months x \$10,000 per month - 1 international consultant x 1 work month x \$7,000	\$17,000 \$10,000 \$7,000		
E.A.2. Improved knowledge about strategies, techniques and methods for MRV and reduction of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries in the UNECE Member States.	A2.1 Development of case studies (5-10 pages-long) (i.e., by company, emission source, industry segment, and/or country) for MRV of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries - Staff support (P3 level) x 2 months x \$10,000 per month	\$20,000 \$20,000		
	A2.2 Identification of best practices for MRV of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries and preparation of the Best Practice Guidance for Effective MRV of Methane Emissions in Upstream Oil and Gas, and in Downstream Gas industries - Staff support (P3 level) x 2 months x \$10,000 per month - 1 international consultant x 1 work month x \$7,000	\$27,000 \$20,000 \$7,000		
	A2.3 Development of case studies (5-10 pages-long) (i.e., by company, emission source, industry segment, and/or country) for reducing methane emissions Upstream Oil and Gas, and in Downstream Gas industries - Staff support (P3 level) x 2 months x \$10,000 per month	\$20,000 \$20,000		
	A2.4 Identification of best practices for reducing methane emissions in Upstream Oil and Gas, and in Downstream Gas industries, and preparation of the Best Practice Guidance for Effective Reduction of Methane Emissions in Upstream Oil and Gas, and in Downstream Gas industries - Staff support (P3 level) x 2 months x \$10,000 per month - 1 international consultants x 1 work month x \$7,000	\$27,000 \$20,000 \$7,000		

¹ The secretariat shall inform EXCOM in case of unexpected developments or serious problems of any kind in the project implementation.

² Questions from member States on project implementation will be forwarded to the secretariat.

³ Relevant information should be uploaded by the project manager on the Project Monitoring Tool within one month from the end of the activity and include the following:

(a) For an advisory service (including at a workshop/seminar/training organized by other organizations): title; venue; dates; project expenditures; and hyperlink(s) to presentation(s) and other relevant documents;

(b) For a workshop/conference/training organized by UNECE: title; venue; dates; project expenditures; and hyperlinks to the meeting agenda, list of participants, presentation(s) made by UNECE, conference documents, training materials and reports;

(c) For a consultancy: project expenditures; hyperlinks to the consultancy ToR and main outputs (study, report, training material, presentation, etc.) produced by the consultant/s;

(d) For other outputs not included under bullet points above: hyperlink to relevant documents.

⁴ Relevant financial information – certified by the Executive Office - should be uploaded by the project manager on the Project Monitoring Tool within one month from the end of the activity.

E.A.3. Improved capacity of the UNECE member States to MRV and reduce methane emissions from Upstream Oil and Gas, and Downstream Gas industries	A3.1 Development of standard training modules on best practices for (1) MRV and (2) reduction of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries; - Staff support (P3 level) x 2 months x \$10,000 per month	\$20,000 \$20,000		
	A.3.2 Two (2) capacity-building seminars to test and validate training modules, organised in cooperation with GMI and preferably held in Geneva or in countries that are both GMI Partners and UNECE Member States. - 2 missions of 1 staff x \$2,000 - 2 missions of 2 experts x \$2,000 - 2 missions of 4 participants x \$2,000	\$28,000 \$4,000 \$8,000 \$16,000		
	A3.3 Two (2) capacity-building workshops on best practices for (1) MRV and (2) reduction of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries: organised in cooperation with GMI and held in countries that are both GMI Partners and UNECE Member States - 2 missions of 1 staff x \$2,000 - 2 missions of 4 experts x \$2,000 - 2 missions of 4 speakers x \$2,000 - Staff support (G4/G5 level) x 2 months x \$7,000 per month (25%)	\$39,500 \$4,000 \$16,000 \$16,000 \$3,500		
	A.3.4 Up to four (4) meetings/events organized jointly with GMI to present and/or update relevant stakeholders on the progress - 4 missions of 1 staff x \$2,000	\$8,000 \$8,000		
	A3.5 Translation to various languages and dissemination - electronically and in print - of the products developed (i.e. case studies, as well as best practices for (1) MRV and (2) reduction of methane emissions in Upstream Oil and Gas, and in Downstream Gas industries). - Printing & related contractual services - 2 national consultants x 1 work month x \$4,000	\$13,000 \$5,000 \$8,000		
Budget summary		\$219,500		
13% of Programme Support Costs (rounded)		\$30,000		
Total		\$249,500		