



The World Bank

Global Gas Flaring Reduction Partnership

AT A GLANCE:

- Over 150 billion cubic meters (or 5,3 trillion cubic feet) of natural gas are being flared and vented annually. That is equivalent to 25 per cent of the United States' gas consumption or 30 per cent of the European Union's gas consumption. And the annual 40 bcm (or 1,4 trillion cubic feet) of gas flared in Africa alone is equivalent to half of that continent's power consumption.
- Flaring gas also has a global impact on climate change by adding about 390 million tons of CO₂ in annual emissions. This is more than the potential yearly emission reductions from projects currently submitted under the Kyoto mechanisms.
- The GGFR partnership, a public-private initiative led by the World Bank Group, facilitates and supports national efforts to use currently flared gas by promoting effective regulatory frameworks and tackling the constraints on gas utilization, such as insufficient infrastructure and poor access to local and international energy markets, particularly in developing countries.
- Poverty reduction is also an integral part of the GGFR program, which is developing concepts for how local communities close to the flaring sites can use natural gas and liquefied petroleum gas (LPG) that may otherwise be flared and wasted. The program has already evaluated opportunities for small-scale gas utilization in several countries.

G8 and Global Gas Flaring:

In July 2005, the Group of eight most industrialized nations (G8) joint statement at Gleneagles, Scotland, called for GGFR work program to be extended beyond 2006, and in July 2006 the G8 reaffirmed its support for GGFR's role in reducing gas flaring in a statement issued in St Petersburg, Russia. With such explicit support, the GGFR partners have now agreed to continue on with their gas flaring reduction efforts and programs until end of 2009, when the future of the Partnership's role will be re-defined by all stakeholders involved. There is broad acceptance of the flaring and venting global Standard introduced by the partnership, and the collaborative approach it encourages.

Developing countries face important barriers to reducing gas flaring, including:

- A limited access to international gas markets as well as weak local markets
- A lack of financing to put the necessary infrastructure in place
- An undeveloped regulatory framework.

How are the World Bank and GGFR Partners addressing these barriers?

The GGFR focuses its work program on four key areas to overcome the barriers to gas flaring reduction in partner countries. These areas include:

- Commercialization of associated gas
- Regulations for associated gas
- Implementation of the global flaring and venting reduction standard
- Capacity building to obtain carbon credits for flaring and venting reduction projects.

Some results already achieved by GGFR include:

- Ten major oil companies, the OPEC Secretariat and 14 countries that contribute a significant share of the world's total flaring (about 70 percent) have already joined GGFR.
- The majority of partners have endorsed a Global Standard for gas flaring reduction
- GGFR is implementing demonstration projects for associated gas utilization in eight countries.
- GGFR is assisting Algeria, Cameroon, Equatorial Guinea, Kazakhstan, Nigeria, and Qatar to meet identified dates for zero flaring, through increased collaboration between operators, the national oil company and the regulator.
- Potential avoided flared gas, through GGFR facilitated carbon projects, is approximately 12 billion cubic meters per year (or 423 billion cubic feet), equivalent to 115 million tons of CO2 emissions reduction by 2012.
- GGFR has developed a unique web-based tool to report flared and vented data by country. The data tool will be implemented in GGFR partner countries, starting with Cameroon, Nigeria, Algeria and Qatar.

Background on GGFR: Launched at the World Summit on Sustainable Development in August 2002, the Global Gas Flaring Reduction public-private partnership (GGFR) brings around the table representatives of governments of oil-producing countries, state-owned companies and major international oil companies so that together they can overcome the barriers to reducing gas flaring by sharing global best practices and implementing country specific programs.

What is gas flaring? When crude oil is brought to the surface, gas associated with the oil comes to the surface as well. The gas may be used at the installation as fuel for generators, may be transported via pipelines and sold elsewhere, or may be injected into the ground. But in areas of the world lacking gas infrastructure and markets, this associated gas is usually released into the atmosphere, ignited (flared or burned) or un-ignited (vented).

For more information, see the website:

www.worldbank.org/ggfr

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