



# Global Gas Flaring Reduction Partnership Charter



**THE WORLD BANK**



**GGFR**

Global Gas Flaring Reduction  
A Public-Private Partnership



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**NOTE:** The GGFR Charter was adopted on September 28th, 2009, and was effective on April 26th, 2010, as amended.



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## Seeking a World Free of Routine Gas Flaring and Venting

**“Reducing gas flaring is a major undertaking in the Nigerian oil and gas industry that requires significant effort and investment for gas gathering and market development. SPDC is committing about \$6 billion towards gathering some 90% of flared gas. The GGFR has facilitated a collaborative effort to achieve results on the ground and is also empowering third party companies to utilize the small remaining flare volumes for Gas-to-Power and Gas-To-Liquid solutions. This is an approach we fully support.”**

*Mutiu Sunmonu, Country Chair Shell Companies in Nigeria, and Managing Director, Shell Petroleum Development Company*

**“The GGFR Partnership is helping us to promote associated gas as an opportunity rather than a liability. This is a crucial step to understand that valuing associated gas requires a change of mind, it means evolving from the age of oil to the age of gas.”**

*Henri Ekoulé, Technical Manager, Africa, Total Exploration & Production*



## A. BACKGROUND

The World Bank estimates that over 150 billion cubic meters of natural gas associated with crude oil production is being flared and vented annually. The flaring and venting of natural gas associated with crude oil production and other greenhouse gases associated with upstream petroleum operations (“Gas Flaring”) wastes energy resources and adds the equivalent of 400 million tons of CO<sub>2</sub> in annual emissions.

Launched at the World Summit on Sustainable Development in August 2002, as a Type II public-private partnership the Global Gas Flaring Reduction partnership (the “GGFR”) is committed to reducing Gas Flaring globally as a means to address climate change concerns. GGFR participants desire to overcome the barriers to flare reduction by sharing global best practices and implementing country specific programs.

The GGFR facilitates efforts to reduce Gas Flaring globally by promoting effective regulatory frameworks, and investments in infrastructure to support gas utilization in local and international energy markets. Poverty reduction is an integral part of the GGFR program through the supply of clean fuels and the creation of new employment.

## B. VISION

The GGFR seeks a world free of routine gas flaring and venting.

## C. MISSION STATEMENT

The GGFR is a catalyst for reducing wasteful and undesirable practices of gas flaring and venting through policy change, stakeholder facilitation and project implementation.

## D. ACTIVITIES

The GGFR focuses on the following activities:

### 1. Global activities

Global activities include but are not limited to (i) the support, adoption and implementation of standards and practices recommended in the GGFR Report Number 4, “Voluntary Standard for Global Gas Flaring and Venting Reduction”, dated May 2004, as may be amended from time to time (the “Voluntary Standard”), and (ii) the development of recommendations on legal, regulatory, technical and fiscal best practices to promote Gas Flaring reduction investments.

### 2. Country-specific activities

Country-specific activities include but are not limited to (i) assistance to governments to gather Gas Flaring data from their countries and develop Gas Flaring reduction strategies and associated Country Implementation Plans (“CIPs”) based on Associated Gas Recovery Plans (“AGRPs”) prepared by companies, and (ii) the promotion of gas commercialization through associated gas utilization reviews, demonstration projects, small scale use of gas, development of Liquid Petroleum Gas (LPG) recovery projects, and carbon financing.

### 3. Dissemination activities

Dissemination activities include but are not limited to (i) the organization of country/regional workshops (for knowledge transfer, best practice dissemination, etc.), (ii) the organization of high-level international conferences, (iii) publication of reports, and (iv) communication and media outreach.

## E. PARTICIPATION

GGFR participants may be Partners or Associated Partners as follows:

A party who is an existing partner of the GGFR as of 28 September 2009 will be eligible to become a Partner (“Partner”) under this Charter, either by meeting the funding requirement and/or receiving a funding waiver from the Program Manager pursuant to Section G below.

Partners (“Partners”) may be (i) governments, (ii) multilateral organizations, (iii) oil companies, or (iv) organizations directly involved in promoting and executing Gas Flaring reduction actions.

Associated Partners (“Associated Partners”) are participants that do not fit in one of the above four categories but seek to support the GGFR Vision and Mission.

New requests to become a Partner or Associated Partner may be made to the GGFR Program Manager (as defined below) who will screen the candidate’s request. Admission of new Partners or Associated Partners will be subject to final approval by the Steering Committee.

## F. PARTICIPANT COMMITMENTS

To the extent applicable, each Partner and each Associated Partner will endeavor to work within the scope of its respective rules, regulations and resources to:

1. Provide annual Gas Flaring data in accordance with the recommendations contained in the Voluntary Standard.
2. Provide expert staff and resources to support Networks and Task Forces (as defined below) as needed.
3. Develop policies and regulations to reduce Gas Flaring.

4. Utilize best practices to reduce Gas Flaring.
5. Support the development of commercial alternatives to Gas Flaring.
6. Develop, share and implement best measurement, operating, reporting and monitoring practices for associated gases under their control or management.
7. Collectively support and seek to individually adopt and implement the Voluntary Standard, including but not limited to the preparation of CIPs and AGRPs.

## G. FUNDING

Funding for the GGFR work plan and administration will be provided through one or more trust funds administered by the Bank (the "Trust Fund"). A Partner or an Associated Partner must commit to contribute a minimum of US\$ 390,000 for the funding period 2010-2012 to the Trust Fund.<sup>1</sup> Any funding commitment is made through an administration agreement (the "Administration Agreement") entered into with the Bank.

A partial or full waiver of the funding requirement may be requested by (i) a government from a country eligible for World Bank loans, (ii) a national (government-owned) oil company, (iii) a multilateral organization, (iv) an Associated Partner, (v) a Partner or an Associated Partner who becomes a participant in the GGFR partially through a funding period, or (vi) a Partner or an Associated Partner offering to provide part of its funding commitment through an in-kind or parallel contribution. Requests for partial or full waivers of the funding requirement will be provided to the GGFR Program Manager and are subject to approval by the Steering Committee (except in the case of existing partners of the GGFR as of 28 September 2009).

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1 In the event GGFR continues beyond 2012, potential extensions of the Trust fund may be decided by the parties to it and additional funding requirements may be decided by the Steering Committee.

## H. ORGANIZATION AND GOVERNANCE

The GGFR is organized and governed as follows:

### 1. Steering Committee

The GGFR is governed by a Steering Committee chaired by the World Bank. The Steering Committee meets no less than once a year in person and may meet additionally as agreed among its members. Steering Committee meeting locations and dates are proposed by the GGFR Program Manager and agreed by the Steering Committee.

Each Partner has the right to be represented by two (2) individuals, whose names will be current with the CTT at all times (“Partner Members”) at Steering Committee meetings.





The Steering Committee has the following areas of responsibility:

- approval of the annual work plan and indicative budget
- approval of any modifications to the Voluntary Standard
- admission of Partners and Associated Partners, including any waiver of the funding requirement, and other membership matters
- consideration of findings of Networks and Task Forces
- strategic guidance for GGFR activities
- conflict of interest guidance and confidentiality guidance
- adoption or amendment of this Charter
- extension of the GGFR beyond the initial term of the Trust Fund
- approval of the chair of any Network
- approval and periodic review of key performance indicators prepared by the CTT for GGFR performance evaluations

The Partner Members of the Steering Committee make decisions on a unanimous basis. Decisions may only be taken when at least a simple majority of the Partners are represented by at least one individual at an in-person meeting (which may include audio or video participation). Decisions may also be made on an electronic basis between meetings through a no-objection process involving all Partner Members on the current CTT list for a reasonable period, considering the decision to be made, conducted by the GGFR Program Manager.

In the event that unanimity cannot be achieved, the chairman of the Steering Committee will put forward a process for addressing the issue.

Associated Partners, non GGFR participants, and additional representatives of Partners may attend Steering Committee meetings as observers by invitation of the GGFR Program Manager.

## **2. GGFR Core Task Team (“CTT”)**

The CTT is comprised of a Program Manager (the “GGFR Program Manager”), and professional and administrative support staff employed under the World Bank rules by the World Bank. In addition, Partner and Associated Partner organizations can second staff to the CTT to work under World Bank staff rules.

Any matters for decision by the Steering Committee, including proposed activities, plans and budgets, modifications to existing documents, and amendments to this Charter, are directed through the CTT for review and confirmation prior to consideration by the Steering Committee.

The CTT is responsible for:

- the organization and administration of the GGFR’s activities
- preparation of the annual work plan and indicative budget for Steering Committee review and approval
- making adjustments to indicative budget allocations as necessary within the total annual budget amount approved by the Steering Committee
- coordination of the development and implementation of country-specific programs in coordination with Partner countries, consistent with the annual work plan



- coordination of the production of global deliverables, consistent with the annual work plan
- creation and dissolution of Networks and Task Forces
- coordination of GGFR sponsored workshops and forums
- coordination with other parts of the World Bank Group, Partners, Associated Partners and other relevant organizations
- preparation of Steering Committee meetings, material and minutes
- compilation of annual Gas Flaring data provided by Partners
- development of a comprehensive dissemination and communication plan
- preparation of key performance indicators for GGFR performance evaluations

### 3. Networks and Task Forces

The following networks (“Networks”) support the activities of the GGFR and the commitments of the Partners and Associated Partners:

- **Technical Network**

The Technical Network will focus on the technical aspects of oil companies’ operational best practices concerning Gas Flaring reduction.

- **Carbon Finance Network**

The Carbon Finance Network will share best practices for obtaining carbon credit financing for Gas Flaring reduction projects.

- **Communication Network**

The Communication Network will work to share Gas Flaring reduction successes among Partners and Associated Partners, publicize relevant information and promote Gas Flaring reduction events sponsored by the GGFR.

Each Network is comprised of representatives of any interested Partner and/or Associated Partner, each of whom may appoint up to two (2) members, whose names will be current with the CTT at all times, to participate in the corresponding Network. Each Network is led by a Chair who is agreed by the Steering Committee and is normally a member of the CTT.

The members of the Network may also agree on a co-Chair. Decisions are made by the same means as decisions by the Steering Committee. Within the scope of the specific area for which it was established, each Network develops its own objectives, work plan and deliverables for submission to the CTT as part of the proposed annual work plan to be approved by the Steering Committee.

The GGFR Program Manager may notify the Steering Committee that a short-term, ad-hoc task force ("Task Force") is being created to respond to a need for specific information or guidance to support the activities of the GGFR. These teams are led by members of the CTT. Membership and decision making for Task Forces will otherwise be the same as for Networks.

Each Network and Task Force will meet in person or through electronic means as often as necessary, but normally not less than once every ninety (90) days.





## I. DELIVERABLES AND MONITORING

Key performance indicators for GGFR performance evaluations will be prepared by the CTT and approved and periodically reviewed by the Steering Committee.

## J. MISCELLANEOUS

Following its adoption, this Charter will become effective as of the later of (i) the date of the first meeting for Phase 3 of the Steering Committee (as constituted under this Charter) and (ii) the date the last of the then-current contributors to the GGFR Trust Fund provides its countersignature to the respective amended and restated agreement amending its Administration Agreement to the Bank (the “Phase 3 Effective Date”).

Nothing in this Charter is intended to be a waiver of, or impair or limit, any privileges or immunities of any Partner or Associated Partner under its respective Articles of Agreement or equivalent documents, or any applicable law, all of which are expressly reserved.

This Charter may be adopted or amended by the Steering Committee by unanimity of Partner Members present at an in-person meeting. The CTT maintains and distributes clear records of any such amendments. Any amendments to this Charter will become applicable to the Administration Agreements as such amendments take effect through Steering Committee decisions without further need to amend the Administration Agreements, provided that such amendments do not conflict with other terms of the Administration Agreements or Bank policies and procedures.

For more information visit: [www.worldbank.org/ggfr](http://www.worldbank.org/ggfr)



**“To sustainably manage our resources, we all have a role to play in improving energy efficiency and helping to mitigate greenhouse gas emissions. In the case of the oil industry, an effective way to do this is to reduce gas flaring and venting to minimum levels wherever and whenever possible while using the associated gas more productively. We support countries and companies in their efforts to do so.”**

*Rachel Kyte, Vice President for Sustainable Development, World Bank*

