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THIS ACTION IS FUNDED BY THE EUROPEAN UNION

ANNEX III

of the Commission Implementing Decision on the financing of the Annual Action Plan for Planet (Global Challenges) for 2021

Action Document for Reducing Methane Emissions through an Integrated Data Approach

ANNUAL PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans in the sense of Article 23 of the Neighbourhood, Development and International Cooperation Instrument – Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Reducing methane emissions through an integrated data approach CRIS number: 43436 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out at global level.
4. Programming document	NDICI – Global Europe Global Challenges multi-annual indicative programme 2021-27.
5. Link with relevant MIP(s) objectives/expected results	Priority area 2: Planet SO 3: Supporting the green transition in key areas R1. Strengthened international cooperation for a just and inclusive transition to green energy, leaving no one behind, and including higher energy efficiency and reduced greenhouse gas emissions, in line with EU's Climate and Energy Diplomacy approach by promoting EU experience, technological leadership and industry
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Environmental sustainability / Climate change (DAC sector: General Environment Protection – 410)
7. Sustainable Development Goals (SDGs)	Main SDG: 13 - Take urgent action to combat climate change and its impacts Other significant SDGs and where appropriate, targets: SDG 7: Affordable, reliable, sustainable and modern energy for all Target 7.a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology

	Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination SDG 5: Achieve gender equality and empower all women and girls Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life			
8 a) DAC code(s)	231 – Energy Policy (50%) 410 – General Environment Protection (50%)			
8 b) Main Delivery Channel @	United Nations agency, fund or commission (UN) – 41100			
9. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

	digital services		<input type="checkbox"/>	<input type="checkbox"/>
	Connectivity @ Tags: transport people2people energy digital connectivity	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): 14.020241 Total estimated cost: The IMEO has a total budget of 100 M EUR Total amount of EU budget contribution EUR 7 million			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with the United Nations Environment Programme (UNEP) – section 4.3.1			

1.2. Summary of the Action

Methane is the second most significant greenhouse gas (GHG) (around 17% of total greenhouse gas emissions), with the vast majority of emissions from human activities focused on three main sectors: energy (oil, natural gas, coal production and use) agriculture (bovines and rice paddies) and waste (landfills). Crucially, due to its characteristic of having a relatively limited life span in the atmosphere, methane abatement can have important short-term benefits. Currently, there is no independent international body which collects and verifies methane emissions data. Such data is crucial to accelerate methane emissions reductions. Therefore, the Commission supports the establishment of an International Methane Emission Observatory (IMEO), hosted by UNEP. This Action is a direct implementation step of an EU strategy to reduce methane emissions adopted by the Commission in October 2020¹.

The Observatory will accelerate reductions of methane emissions by integrating and reconciling emissions data sources, linking findings to ambitious action, and supporting the science-policy interface. In particular, it will increase the use data by Governments and companies to adopt methane emission mitigation strategies and targets. The proposed action directly targets climate change and environmental protection (pollution). Health sector will also benefit from this Action because of the improved local and global air pollution resulting from this action. Methane is an important precursor to tropospheric ozone, which causes respiratory diseases and has been linked to over one million premature deaths per year. Data and information on methane emissions will be accessible and available for all duty-bearers (governments and institutions), private sectors and right holders represented by civil society organisations, including women's organisations and organisations representing rights of indigenous peoples and persons with disabilities.

Reduction of methane emissions has become an import objective for main international actors in the context of climate change. Enhancing awareness and improving education, changing production methods, developing new policies and regulations, and changes in consumption and consumer behaviour would have effect to reach reduction target.. On 2 November 2021 during COP 26, the European Union, the United States and partners formally launched the Global Methane Pledge, an initiative to reduce global methane emissions to keep the goal of limiting warming to 1.5 degrees Celsius within reach. A total of over 100 countries representing 70% of the global economy and nearly half of anthropogenic methane emissions have now signed onto the pledge. The IMEO is an important part of these efforts.

¹ COM (2020) 663, 14.10.2020; [eu_methane_strategy.pdf \(europa.eu\)](#).

The main objective of this action is to accelerate reductions of methane emissions by integrating and reconciling emissions data sources, linking findings to ambitious action, and supporting the science-policy interface which is fully in line with Commission's objectives and priorities as well as EU Green Deal agenda.

Aligned with this Methane Strategy, the proposed Action is targeting SDG 13 (climate change) as Methane is a potent greenhouse gas (GHG) and reducing related emissions has significant potential to slow global warming in a relatively short amount of time, SDG 3 (health and pollution), and 17 (partnership). It is also fully contributing to Paris Agreement implementation as many countries have included short-lived climate pollutants in their Nationally Determined Contributions (NDCs). The action will contribute to SDG 5 and the GAP III, while applying the Human Rights Based Approach. This Action as a strong link as well with relevant MIP(s) objectives/expected results, namely Priority area 2 (planet). Moreover it contributes to DAC sectors: 231 (Energy Policy) and 410 (General Environment Protection).

2. RATIONALE

2.1. Context

In October 2020, the European Commission published a methane strategy covering energy, agriculture and waste². The strategy proposes action on improving monitoring and reporting of methane emissions by companies in all three sectors and includes a chapter on international action foreseeing stepping up contributions to the work of international fora such as the UNEP-hosted Climate and Clean Air Coalition (CCAC) and the International Methane Emission Observatory (IMEO). Such institutional architecture allows to ensure synergies between various international forma, e.g. between CCAC and IMEO that are complementary to each other in the efforts to reduce methane emission globally.

So far, voluntary industry-led initiatives remain the principal action in addressing methane emissions across the oil and natural gas value chain. The oil and gas industry set up the Oil and Gas Methane Partnership (OGMP) initiative on measuring and reporting of methane emissions by companies. The dual objectives of OGMP are to improve the availability of global information on where partner companies can reduce methane emissions and driving mitigation actions to achieve methane emission reductions. The Commission will table in 2021 a legislative proposal on compulsory measurement, reporting and verification (MRV) for all energy-related methane emissions, building on the OGMP methodology. The OGMP Framework has also attributed the verification task to an independent organization, which the Commission is currently involved in setting up and towards which it has provided some funding: the International Methane Emissions Observatory (the IMEO), which has been endorsed by the Council in its conclusions on Climate and Energy Diplomacy.

Currently, there is no independent international body which collects and verifies methane emissions data. In partnership with the United Nations Environmental Programme (UNEP), the Climate and Clean Air Coalition (CCAC) and the International Energy Agency, the Commission will support the establishment of an independent international methane emissions observatory (IMEO), tasked with collecting, reconciling, verifying and publishing anthropogenic methane emissions data at a global level. The observatory would be anchored in a United Nations framework. Support for setting up the IMEO was provided by the Council in its January 2021 conclusions on Climate and Energy Diplomacy. The EU strategy to reduce methane emissions³ foresees that the EU will seek to tackle methane emissions in the energy, agriculture and waste sectors in cooperation with partner countries and international organizations.

On 2 November 2021 during COP26, the European Union, the United States and partners formally launched the Global Methane Pledge, an initiative to reduce global methane emissions to keep the goal of limiting warming to 1.5 degrees Celsius within reach. A total of over 100 countries representing 70% of the global economy and nearly half of anthropogenic methane emissions have now signed onto the pledge.

2.2. Problem Analysis

Short problem analysis:

Currently, there exists no independent, international body, which collects and verifies methane emissions data that could accelerate reductions of methane emissions. While a number of key exporting countries of fossil energy to the EU have committed to submitting national GHG inventories data to the UNFCCC as signing parties to the Paris agreement, 5 of the 11 largest exporters to the EU who are signatory parties have submitted such inventories. But even for those countries, the quality of the data is only as good as the levels of tier of reporting employed, with no

² https://ec.europa.eu/energy/sites/ener/files/eu_methane_strategy.pdf

³ COM(2020) 663 final

obligation to report asset-level measurements of emissions in the GHG inventories delivered to the UNFCCC. Although governments have an important role in overcoming obstacles, lack of information and adequate mitigating measures, existing regulatory instruments remain either ineffective, incomplete or non-existent among a number of countries.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

- Partners will include the UNEP-hosted CCAC and IMEO, both initiatives being developed in partnership with a wide and global range of stakeholders including duty bearers represented by EU's strategic partners like the US, Japan, Canada (and possibly other countries that have joined Global Methane Pledge), state and non-state partners like international organisations, relevant Ministries, private sector representatives and rights holders represented by CSOs in the targeted countries and regional organisations dealing with the matter. Final set-up of engaged actors and their roles and mandates will depend on the developments of the IMEO.
- IMEO is funded only by governments to ensure its independence. However, various stakeholders such as: industry, NGO's and foundations, IGOs (e.g. IEA) and scientific community will be engaged in the form of advisory council providing and advise to IMEO on various aspects of it work.

3. DESCRIPTION OF THE ACTION

3.1. Objectives and Expected Outputs

The Overall Objective (Impact) of this action is to accelerate reductions of methane emissions in the energy sector.

The Specific Objective (Outcome) of this action is to Increase adoption of science-based methane emissions mitigation strategies and targets

The Outputs to be delivered by this action contributing to the corresponding Specific Objective (Outcome) are:

Output 1: Technical guidelines and annual report aggregating data from various data streams to provide greater transparency and a more comprehensive picture of methane emissions is produced and made available to relevant stakeholders

Output 2: Scientific studies and information on methane emissions around the world produced and made available to relevant stakeholders

Output 3: Increased awareness of countries and companies on the issue of methane emissions from the fossil fuel sector and of the feasibility of mitigation options

Output 4: Increased capacity of countries to develop policies and regulations to reduce methane emissions from the fossil fuel sector

3.2. Indicative Activities

Activities related to Output 1

- Develop technical guidelines to facilitate data collection from oil and gas companies, including Oil and Gas Methane Partnership (OGMP) 2.0 reporting template, uncertainty and reconciliation key concepts and guidelines and Technical Guidance Documents on how to address OGMP 2.0 reporting requirements across the five reporting levels
- Facilitate companies' access to tools and guidance to transparently report on methane emissions
- Draft and issue annual reports
- Facilitate stakeholders' access to detailed data and information about mineral methane emissions around the world.

Activities related to Output 2:

- Initiate scientific studies
- Publish scientific studies
- Engage stakeholders in meetings/technical workshops organized by IMEO

Activities related to Output 3

- Engage government officials in awareness raising meetings and increase their awareness on the issue of methane emissions
- Engage company representatives in awareness raising meetings and increase their awareness on the issue of methane emissions

Activities related to Output 4

- Provide technical support to countries to develop methane regulations and policies

3.3. Mainstreaming

Mainstreaming in AAP is very general and provided possibly before the mandatory analysis at action level are realised. This sections is based on the mainstreaming annex. We suggest to keep it.

Environmental Protection & Climate Change

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G0. This implies that the project will not directly focus on addressing gender equality, though it may have a beneficial indirect effect. In addition, the project team has worked to mainstream gender equality throughout the project document, including identifying key indicators and milestones on IMEO's gender approach, and identifying a portion of the budget to hire a gender consultant to help form a gender strategy and review process, and has analysed issues related to gender equality in the oil and gas industry and the distribution of natural resources. The action will seek to contribute to the Gender Action Plan III (GAP III, 2021-2025), more specifically objective 1 "Increased participation of women and girls in all their diversity in decision-making processes on environment and climate change issues".

Human Rights

Human rights-based approach and its key principles (participation, non-discrimination, accountability and transparency) will be integrated throughout the action. The action will have an indirect impact on the citizens and their fundamental rights to live in a safe environment and to have access to a transparent and accessible environmental information.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that the action does not specifically target disability.

Democracy

Not targeted. The project has not directly engaged on issues around democracy and no negative effects are expected.

Conflict sensitivity, peace and resilience

Not targeted. The project has not directly engaged on issues around conflict sensitivity, peace and resilience, and no negative effects are expected.

Disaster Risk Reduction

Not targeted. While IMEO aims to drive deep reductions in methane emissions, which can dramatically reduce the rate of climate change, it will not directly engage on climate adaptation or resiliency.

Other considerations if relevant

None.

3.4. Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Communication and information	Reputational risks: by engaging with the fossil fuel industry, IMEO could be criticized by external stakeholders (especially governments and NGOs) for lending its credibility to an industry that is a major contributor to climate change.	Low	High	<p>Adhering to the new OGMP Framework is by itself a strong indication of companies' commitment to address methane emissions. By signing up to OGMP 2.0, companies commit to report methane emissions confidentially to UNEP, at an unprecedented level of accuracy and granularity.</p> <p>The participation of governments and NGOs in the IMEO sets the necessary controlling safeguards. If companies do not adhere to the commitments taken under the agreement, they will face reputational risks vis-à-vis governments, other external stakeholder, and competitors.</p> <p>IMEO will verify company reporting and track progress towards states emissions reductions targets. IMEO will publish a public dataset of methane emissions that enables other stakeholders to hold companies and countries accountable to their targets.</p>
External environment	Governments do not consider methane emissions reductions from the oil and gas sector a political priority and do not participate in IMEO or use its data.	Low	High	UNEP will continue supporting countries with capacity-building and technical assistance activities to build political will and priority to address methane emissions.
External environment	Companies do not consider methane emissions reductions from the oil and gas sector a priority and therefore do not contribute data to IMEO.	Low	High	Over 70 companies already joined the OGMP. More expressed interest and are in the process of joining. Outreach activities will contribute to be conducted and the European Commission is encouraging companies to join OGMP.

Planning, processes, and systems	Implementation of projects is delayed due to long procurement and recruitment processes.	High	Low	UNEP will issue calls for proposals to source the best expertise to perform scientific measurement studies and look into streamlining procedures to ensure speed and flexibility.
Planning, processes, and systems	Lack of adequate financial resources prevents full implementation of projects.	Low	High	<p>UNEP will secure effective and adequate donor funding and will use a phased approach to the implementation and achievement of key milestones that can be delivered with minimum resources.</p> <p>To date, the European Commission has pledged 10 million Euro as seed funding for the establishment of the IMEO, and the Government of Spain has declared its interest in contributing 1.5 million Euro to the project.</p> <p>The Executive Director of UNEP and the Director General of the European Commission's DG Energy have agreed to jointly organize a donor conference in early 2022 to engage additional funders and partners.</p> <p>Should a lower amount of funding be received, the governance structure of IMEO will reprioritize activities.</p>
People and the organization	Limited representation of women in IMEO governance bodies affects public perception of IMEO.	Medium	Low	In its initiation phase, IMEO will hire a consultant to assist the development of a gender strategy that ensures the Observatory maintains a gender-responsive approach in its objectives and hiring. The consultant will also help develop systems and processes to periodically review IMEO's performance on gender-relevant topics.
Communication and information	IMEO is not viewed as independent, or its data is not viewed as credible, limiting the use of its data and analyses.	Low	High	<p>IMEO is hosted within the United Nations Environment Programme. An Executive Board, comprised of representatives from donor countries, guides the strategic direction of IMEO. A Scientific Oversight Committee monitors its scientific activities and ensures the scientific integrity and independence of its approach. Industry will only be engaged through membership of OGMP companies in a non-voting capacity in an Advisory Council, along with NGOs and CSOs.</p> <p>IMEO will aggregate and analyse multiple methane emissions data streams (company reporting, national inventories, direct measurement studies, satellite observations) and reconcile inconsistencies between reported and observed emissions levels.</p>

Lessons Learnt:

Experience of previous methane initiatives supported by the Commission has shown that a lack of data is a major limiting factor for more ambitious action on methane emissions. Many governments are reluctant to commit to reduction targets without first knowing what their current emissions levels are, and without understanding what are the major sources of methane emissions to act upon. Engaging with countries around the world, data has been repeatedly cited as a barrier for further action.

3.5. The Intervention Logic

The underlying intervention logic for this action is the following:

The **intended outcome** of this project is that companies and governments use the data on methane emissions and the increased capacity in methane emissions mitigation made available by the Observatory to adopt methane emissions mitigation strategies and targets. Reducing emissions of a potent greenhouse gas will reduce the effects of climate change and will help the international community achieve the temperature targets agreed to at the Paris Agreement.

This outcome will be achieved through the following **outputs**:

1. Increased availability of tools and guidance to enable oil, gas and coal companies to report on methane emissions, which in turns leads to the immediate outcome of increased reporting by companies on methane emissions (Work stream 1 on Transparency)
2. Scientific studies are implemented and generate more accurate information on methane emissions and data and information are accessible to experts and CSOs (Work stream 2 on Science)
3. Increased awareness among companies and governments of the issue of methane emissions and of methane mitigation options, and
4. Increased capacity of governments to develop policies and regulations to reduce methane emissions from the fossil fuel sector (Work stream 3 on implementation).

An important **driver** is the adoption and enforcement of regulations and policies to reduce methane emissions from fossil fuels, also as a way to meet the objectives of the Paris Agreement. The project will provide technical assistance and capacity-building support to help governments develop comprehensive methane regulations. While the outputs of IMEO will identify key sources of methane emissions and may help with enforcement action, the adoption and enforcement of these regulations will not directly be controlled by UNEP.

An important **assumption** of this change is the availability of satellite data. Several satellite-based methane instruments are or will soon be available (including the EU-funded TROPOMI) that will provide global, high-resolution data complementary to that which has been gathered through the Methane Science Studies. IMEO will access and analyze methane data from satellite measurements and combine these findings with data from previous field studies and information on oil and gas infrastructure around the world. Furthermore, IMEO will develop the in-house data integration and processing capabilities to analyse these various data streams to deliver meaningful insights that can drive methane mitigation actions globally.

With regards to other **assumptions**, it is assumed that governments demonstrate the political will to tackle methane emissions from the oil, gas and coal sector, especially by adopting methane reduction targets in their Nationally Determined Contributions (NDCs).

3.6. Logical Framework Matrix

At action level, the indicative logframe should have a maximum of 10 expected results (Impact/Outcome(s)/Output(s)).

It constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

PROJECT MODALITY (3 levels of results / indicators / Source of Data / Assumptions - no activities)

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To accelerate reduction of methane emissions in the energy sector.	Methane emissions reductions achieved by OGMP member companies and countries engaged by IMEO.	80-140 Tg/yr (Saunois et al., Hmiel et al., Schwietzke et al.)	45% by 2025 or 0.2% methane intensity	1 OGMP member company reporting 2 Direct measurement studies 3 Satellites 4 National inventories	<i>Not applicable</i>
Outcome	Governments and companies increasingly adopt science-based methane mitigation strategies and policies	<p>1.1 Number of companies that access and use transparent and science-based data on methane emissions</p> <p>1.2 Number of governments that access and use transparent and science-based data on methane emissions made available by the IMEO.</p> <p>1.3 Number of companies that adopt science-based mitigation strategies and targets</p> <p>1.4 Number of governments that adopt science-based mitigation strategies and targets</p>	<p>1.1 Baseline: 0 2020</p> <p>1.2 Baseline: 0</p> <p>1.3 Baseline: 10</p> <p>1.4 Baseline: 2</p>	<p>1.1 Target: 10: December 2021; 25: December 2023; 50: December 2025</p> <p>1.2 Target: 15: December 2021; 30: December 2023; 60: December 2025</p> <p>1.3 Target: 50: December 2021; 75: December 2023; 100: December 2025</p> <p>1.4 Target: 5: December 2021; 10: December 2025</p>	<p>1.1 Downloads of reports/access to site</p> <p>1.2 Downloads of reports/access to sites.</p> <p>1.3 OGMP reporting</p> <p>1.4 NDCs, policy documents, etc.</p>	<p>IMEO data is viewed as credible</p> <p>Countries and companies are willing to tackle methane mitigation</p>

				2023; 20: December 2025		
Output 1	1.1 Technical guidelines and annual report aggregates data from various data streams to provide greater transparency and a more comprehensive picture of methane emissions was produced and made available to relevant stakeholders	<p>1.1.1 Number of technical guidelines to facilitate data collection from oil and gas companies:</p> <ul style="list-style-type: none"> - OGMP 2.0 reporting template - Uncertainty and reconciliation key concepts and guidelines - Technical Guidance Documents on how to address OGMP 2.0 reporting requirements across the five reporting levels <p>1.1.2 Number of companies with access to tools and guidance to transparently report on methane emissions</p> <p>1.1.3 Number of annual reports issued</p> <p>1.1.4 Number of stakeholders who have access to detailed data and information about mineral methane emissions around the world.</p>	<p>1.1.1 Baseline: 10</p> <p>1.1.2 Baseline: 10</p> <p>1.1.3 Baseline: 0</p> <p>1.1.4 Baseline: 0</p>	<p>1.1.1 Target: 15 (12 TGDs, one uncertainty and reconciliation guidance, two reporting templates)</p> <p>1.1.2 Target: 100</p> <p>1.1.3 Target: 5</p> <p>1.1.4 Target: 150</p>	<p>1.1.1 OGMP</p> <p>1.1.2 OGMP member companies; report downloads</p> <p>1.1.3 IMEO</p> <p>1.1.4 Site access to IMEO data</p>	<p>OGMP is continually viewed as a credible reporting framework</p> <p>Satellite data becomes increasingly available and reliable</p>
Output 2 related to Outcome 1	1.2 Scientific studies and information on methane emissions around the world produced and made available to relevant stakeholders	<p>1.2.1 Number of scientific studies initiated</p> <p>1.2.2 Number of scientific studies published</p>	<p>1.2.1 Baseline: 4</p> <p>1.2.2 Baseline: 2</p> <p>1.2.3 Baseline: 0</p>	<p>1.2.1 Target: 10</p> <p>1.2.2 Target: 10</p> <p>1.2.3 Target: 100</p>	<p>1.2.1 IMEO progress tracker</p> <p>1.2.2 Scientific journals</p>	<p>Governments/companies agree to give researchers access to sites and facilities to undertake measurements</p>

		1.2.3 Number of stakeholders participating in meetings/technical workshops organized by IMEO, disaggregated by type of organisation			1.2.3 IMEO progress tracker	
Output 3 related to Outcome 1	1.3 Increased awareness of countries and companies on the issue of methane emissions from the fossil fuel sector and of the feasibility of mitigation options	1.3.1 Number of government officials that accessed knowledge-sharing meetings 1.3.2 Number of company representatives that accessed awareness raising meetings	1.3.1 Baseline: 20 1.3.2 Baseline: 10	1.3.1 Target: 100 1.3.2 Target: 50	1.3.1 IMEO progress tracker 1.3.2 IMEO progress tracker	Companies and countries are willing to engage with IMEO
Output 4 related to Outcome 1	1.4 Increased capacity of countries to develop policies and regulations to reduce methane emissions from the fossil fuel sector	1.4.1 Number of countries receiving technical support to develop methane regulations and policies	1.4.1 Baseline: 0	1.4.1 Target: 10	1.4.1 IMEO progress tracker	There is sufficient political will to tackle methane emissions from the oil, gas and coal sector

4. IMPLEMENTATION ARRANGEMENTS

4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with any partner country.

4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁴.

4.3.1. Indirect Management with an international organisation: UNEP

This action may be implemented in indirect management with UNEP, a pillar assessed entity, which will be selected by the Commission's services using the following criteria: relevant organisational mandate; technical competence in the respective policy field; organisational competence; projects track record. The implementation by this entity entails to accelerating reductions of methane emissions by integrating and reconciling emissions data sources, linking findings to ambitious action, and supporting the science-policy interface.

The United Nations Environment Programme (UNEP) is the leading global environmental authority that sets the global environmental agenda, promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system. UNEP, and hosted by UNEP IMEO, is best placed to fulfil the above mentioned objectives due to its international recognition and global character. Methane emission are an international challenge, therefore this issue needs to be addressed on to global, multilateral level, this approach fully corresponds with the EU Methane Strategy from October 2020. Moreover hosted within UNEP, the Observatory will maintain close linkages with the CCAC, including its Scientific Advisory Panel, ensuring synergies between key actors in this domain.

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified⁵.

4.3.2. Changes from indirect to direct management mode due to exceptional circumstances

If the foreseen implementation modality under indirect management above cannot be implemented due to circumstances outside of the Commission's control, part of the action may be implemented through a direct grant awarded without a call for proposal, according to the conditions set out in article 195 of the Financial Regulation. The selection criteria are spelled out under section 4.3.1.

⁴ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

⁵ It is reminded that, during the implementation of the action, in case it is decided to select another entity, the same criteria may be used for justifying such selection, without going through a substantial modification of the Financing Decision. Consequently, beyond the justifications provided for selecting a given entity, it is important to define clear selection criteria.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

4.5. Indicative Budget

Indicative Budget components⁶	EU contribution (amount in EUR)
Technical guidelines and annual report aggregates data from various data streams to provide greater transparency and a more comprehensive picture of methane emissions is produced and made available to relevant stakeholders	
Indirect management with UNEP	775,000
Scientific studies and information on methane emissions around the world produced and made available to relevant stakeholders	
Indirect management with UNEP	5,725,000
Increased awareness of countries and companies on the issue of methane emissions from the fossil fuel sector and of the feasibility of mitigation options	
Indirect management with UNEP	300,000
Increased capacity of countries to develop policies and regulations to reduce methane emission from the fossil fuel sector	
Indirect management with UNEP	200,000
Audit – cf. section 5.3	will be covered by another Decision ⁷
Contingencies⁸	0
Totals	7 million

4.6. Organisational Set-up and Responsibilities

The governance of the project will be as follows::

1. Executive Board

An Executive Board will guide the strategic direction of the Observatory, ensure its policy relevance, endorse the annual work plan, and oversee the budget.

The Board will consist of up to seven members. The European Commission and UNEP will – as founding members of the Observatory – maintain permanent seats on the Executive Board. Representatives of governments contributing to the activities of the Observatory will fill the other seats. Should more than five countries be eligible to sit in the Executive Board, a separate government advisory board will be created. All state actors will be represented in the government advisory board and will select the five representatives of the Executive Board, with a minimum of two seats reserved to developing countries. The founding members of the Observatory will select a Board Chair that will act as a facilitator for the Executive Board meetings and as the senior representative for the Observatory.

⁶ N.B: The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e. for the conclusion of audit contracts and payments.

⁷ Where the action is not covered by a financing agreement (see section 4.1), but ‘will be covered by another Decision’ as it is unlikely that evaluation and audit contracts on this action would be concluded within N+1. These contracts have to be authorised by another Financing Decision.

⁸ Consider that contracts where no financing agreement is concluded, contingencies have to be covered by individual and legal commitments by 31 December of N+1.

The Executive Board will be taking decisions by consensus defined as absence of any stated objections. The Executive Board will define its own rules (consistent with UN rules and regulations), and might create subsidiary bodies, including the establishment of a Board comprising of external stakeholders in a personal capacity to advise on the Observatory's activities and priorities. The head of IMEO will serve as Secretary of the Executive Board. The Head shall present an annual work programme to the Executive Board for endorsement before the beginning of each calendar year (starting with a second year of operation).

2. The Advisory Council

The Advisory Council of IMEO is composed of three sub advisory groups:

- International organizations
- Civil Society
- Industry members of the Oil and Gas Methane Partnership

The Executive Board will receive input from an Advisory Council comprising of international organisations, civil society and industry representatives. The Advisory Council will provide the Executive Board with relevant information, data, and considerations.

Organisations and companies working in the methane ecosystem on issues related to transparency, science, and implementation will be invited to join the Advisory Council to ensure synergies with relevant activities being carried out independently of IMEO.

International organisations, including the IEA, development banks, and other UN agencies such as World Meteorological Organization and UN Economic Commission for Europe, will provide the Observatory with expertise and assistance to work in a targeted and adaptable manner that reflects the requirements and particularities of each area.

The engagement of civil society organisations is key to strengthening the credibility of IMEO and the integrity of its actions as well as raise social awareness on methane emissions.

Similarly, industry perspectives will be represented to ensure the Observatory maintains close contact and collaboration with leading oil and gas producers that participate in OGMP, without being unduly influenced by industry objectives. Industry representatives will consist of both private and state-owned companies.

The Advisory Council will be inclusive and transparent. The number of places will not be limited. The role of the Advisory Council should not prejudice the independence of the functioning of the IMEO.

The Executive Board might consider creating a separate work streams in the Advisory Council to differentiate between the various members groups/types, if needed.

3. Scientific Oversight Committee

The IMEO Scientific Oversight Committee comprises leading methane scientists globally. It guides and oversees the scientific activities of IMEO, including, but not limited to, overseeing estimation methodologies, recommending which studies are necessary and ensuring there are no key data gaps across the studies. Furthermore, it oversees efforts to develop new analytical methods that produce data products that are more effective, more easily deployed, or more accurate than existing products.

Two co-chairs lead the Scientific Oversight Body and guide the evaluation, initiation and coordination of proposals for direct measurement studies of methane emissions around the world, with the goal of obtaining policy relevant science.

4. Secretariat

IMEO's Secretariat is comprised by its Head and three programme managers representing each programme area: transparency, science and implementation. The programme managers convene interested parties for their programmes to inform and guide strategy and decision-making for their respective programme goals.

IMEO's Secretariat staff are supported by technical experts that contribute to the scientific expertise of IMEO. These experts will provide detailed scientific support to science studies, including suggesting methodological frameworks, ensuring effective co-ordination among projects, assisting on the development of measurement strategies and protocols, and ensuring synergies between field measurements and satellite measurements.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission, in particular DG ENER and DG INTPA, may participate in the above governance structures set up for governing the implementation of the action.

4.7. Pre-conditions [Only for project modality]

No pre-conditions are envisaged for this action.

5. PERFORMANCE MEASUREMENT

5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality).

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The project will be continuously evaluated by the established project reporting system within UNEP that is undertaken every 6 months, which includes all the outcome and outputs measured by corresponding indicators in the logistical framework matrix.

The Project Manager will hold overall responsibility for project monitoring and reporting, including on tracking progress against logistical framework indicators, management risks and safeguard risks. The progress data will be collected from OGMP member companies, scientific research teams, and other partners as relevant.

Yearly progress updates will be shared with the European Commission, and any measures to correct any deviations in the project implementation will be taken if needed.

5.2. Evaluation

Having regard to the nature of the action, a mid-term and a final evaluations will be carried out for this action or its components via independent consultants contracted by the implementing partner.

The mid-term evaluation will be carried out for problem solving and learning purposes.

The final evaluation will have two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote learning, feedback, and knowledge sharing at various levels (including for policy revision) through results and lessons learned across implementing partner staff be carried out for accountability and learning purposes at.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination⁹. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

⁹ See best [practice of evaluation dissemination](#)

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

APPENDIX REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention is defined in the related Action Document and it is revisable; it can be a(n) (group of) action(s) or a (group of) contract(s).

Tick in the left side column one of the three possible options for the level of definition of the Primary Intervention(s) identified in this action.

In the case of 'Group of actions' level, add references to the present action and other action concerning the same Primary Intervention.

In the case of 'Contract level', add the reference to the corresponding budgetary items in point 4.6, Indicative Budget.

Option 1: Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Option 2: Group of actions level		
<input type="checkbox"/>	Group of actions	Actions reference (CRIS#/OPSYS#):
Option 3: Contract level		
<input type="checkbox"/>	Single Contract 1	
<input type="checkbox"/>	Single Contract 2	
<input type="checkbox"/>	Single Contract 3	
	(...)	
<input type="checkbox"/>	Group of contracts 1	