

MINISTERIAL DECISION

LII/D/563

CREATION OF THE LATIN AMERICAN METHANE EMISSIONS OBSERVATORY (OEMLAC)

PANAMA CITY, PANAMA

15/12/2022

THE LII MEETING OF MINISTERS

WHEREAS:

THAT pursuant to the provisions of subparagraph n) of Article 3 of the Lima Agreement, the Organization has to, among its objectives and functions, promote among the Member States technical cooperation, exchange and dissemination of scientific, legal and contractual information as well as propitiate the development and diffusion of technologies in the activities related to energy.

THAT pursuant to the provisions of subparagraph o) of Article 3 of the Lima Agreement, one of the objectives and functions of the Organization is to promote among the Member States the adoption of effective measures to prevent environmental pollution caused by the exploitation, transportation, storage and use of energy resources within the Region, and to recommend measures deemed necessary to prevent environmental pollution caused by the exploitation, transportation, storage and use of energy resources within the Region, in areas not dependent on the Member States.

THAT the 2030 Agenda for Sustainable Development, approved in September 2015 by the United Nations General Assembly, establishes a transformative vision towards economic, social and environmental sustainability for the 193 member states of the United Nations that subscribed to it, and is instituted as the reference guide for the work of the international community until the year 2030, with special emphasis on implementing changes in the style of development for the sake of disaster prevention due to extreme natural events, as well as mitigation and adaptation to climate change.

THAT OLADE member countries are committed to achieving progress on Goal 13 of the 2030 Agenda for Sustainable Development, which focuses on the adoption of urgent measures to combat climate change and its effects in Latin America and the Caribbean.

THAT the Latin American and Caribbean Region is highly vulnerable to the effects of climate change, even with a global warming of 1.5 °C.

THAT the fight against the adverse effects of climate change and the compliance with the commitments of the Paris Agreement, within the framework of the United Nations Framework Convention on Climate Change, are priorities for the OLADE member countries;

THAT methane is a GHG with a high warming potential, but a short lifetime in the atmosphere; and this, combined with its relatively high concentration in specific operations of the oil infrastructure, makes the reduction of its emissions in the oil and gas sector a unique opportunity to gain time in the face of the climate crisis.

THAT a significant number of Latin American and Caribbean countries have expressed their willingness to mitigate methane emissions by subscribing to the Global Methane Pledge initiative (driven by the US and the EU and widely endorsed during the last COP in Glasgow) aimed at reducing anthropogenic methane emissions by at least 30% by 2030 from 2020 baseline values.

THAT the oil and gas sector contributes about a quarter of all anthropogenic methane emissions due to flaring, venting and leaking of methane, which is the main component of natural gas.

THAT globally, more than 250 bcm of natural gas was flared, vented or leaked in 2021, exceeding the annual production of the world's third largest gas producer.

THAT reducing flaring and methane emissions in the oil and gas sector is immediately cost-effective and has the triple benefit of acting on climate change, improving health outcomes and improving global gas supply at existing production levels, simply by capturing gas that would otherwise be wasted due to flaring or methane emissions.

THAT there is currently international support available to reduce the climate footprint of the primary energy supply which could be accessed by natural gas producing countries in the region; and for this it is convenient to create the conditions to provide institutional support to these countries in order to generate reliability and traceability of emissions and their reductions in the region.

THAT OLADE, as an international organization for cooperation, coordination and technical advice, with its own legal personality in the field of Public International Law, with precise objectives in the area of integration, protection, conservation, rational use, commercialization and defense of the region's energy resources, and with a maximum governance body made up of the Energy Ministers (or whoever takes their place) of 27 Member States of Latin America and the Caribbean, is the ideal regional instance to lead institutional

support efforts in the reduction of methane emissions with technical basis and political will that is sustainable over time.

In exercise of its powers:

DECIDES:

ARTICLE ONE. - Instruct the Permanent Secretariat of OLADE to undertake all actions that, within the framework of its competence, are required to materialize the creation of the Methane Emissions Observatory (OEMLAC) within the framework of the Permanent Secretariat of OLADE with the following objectives:

- Technical support to National Governments for the definition of roadmaps to achieve commitments to reduce methane emissions.
- Technical support to national governments for the design and formalization of public policy instruments necessary for the implementation of roadmaps (technical, institutional and regulatory capacity building).
- Design and operation of regional mechanisms for Monitoring, Reporting and Verification (MRV) of methane emissions and reductions for the traceability of national commitments.
- Technical support to oil companies and other state-owned related companies for the design of methane mitigation strategies and projects.
- To provide reliability to the global community on regional methane emissions and reductions data, based on standardized methodologies.
- Support to national governments and state-owned oil companies to access financing for the reduction of methane emissions.

ARTICLE TWO. - Urge the Permanent Secretariat of OLADE to establish channels of communication with the International Methane Emissions Observatory (IMEO) launched by the United Nations Environment Programme with the support of the European Commission, to promote methane emissions reduction, starting with the oil and gas sector, for the alignment of objectives; and to deepen coordination with other related bodies allied to IMEO in order to establish the necessary complementarities to: bring the legitimacy and

capacity for action derived from OLADE's regional mandate to global efforts to mitigate methane emissions and contribute to the global database on methane emissions with data from the regional information system managed by OLADE.

ARTICLE THREE. - Urge the National Coordinations of the OLADE Member Countries to provide the Organization with the corresponding support for the fulfillment of the mandate contained in Article One, including the timely collection and delivery of the information requested by the Permanent Secretariat, to the extent of the possibilities of the Member Countries, for such purposes.

ARTICLE FOUR. - Commit ministerial support to the Permanent Secretariat of OLADE for the creation of the Latin American Methane Emissions Observatory based on a robust methodology that will give it long-term institutional solidity, with the following elements:

- Definition of user segments at the country level: ministries of energy, environment, regulatory agencies, oil companies and other state-owned related companies, academia, consultants, among others.
- Definition of the lines of action and key activities to be developed in OEMLAC for the fulfillment of its objectives.
- Definition of institutional architecture of OEMLAC: processes and governance
- Identification of strategic allies of the Observatory to achieve its objectives: IMEO, Ministries or Energy Secretariats of interested countries, specialized multilateral organizations (IEA¹, UNEP², IGU³), NGOs (CATF⁴, EDF⁵, others), regional and national industry associations (ARPEL⁶, ACP⁷, AMEXHI⁸, etc.), financing agents (CAF⁹, WB¹⁰ Global Gas Flaring Reduction Partnership, Global Methane Hub, Global Methane Initiative, others), technological partners that provide inputs for satellite monitoring, among others.

¹International Energy Agency

²UN Environment

³International Gas Union

⁴Clean Air Task Force

⁵Électricité de France

⁶Association of Oil, Gas and Renewable Energy Companies of Latin America and the Caribbean

⁷Colombian Petroleum Association

⁸Mexican Association of Hydrocarbon Companies

⁹Development Bank of Latin America

¹⁰World Bank



ORGANIZACIÓN LATINOAMERICANA DE ENERGÍA | LATIN AMERICAN ENERGY ORGANIZATION | ORGANIZAÇÃO LATINO-AMERICANA DE ENERGIA | ORGANISATION LATINO-AMERICAINE D'ENERGIE

- Definition of the resources necessary for the implementation of the Observatory's activities: financial, human and material.

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Erick Pérez

Vice Minister of Hydrocarbons

**MINISTRY OF PEOPLE'S POWER OF PETROLEUM OF THE BOLIVARIAN
REPUBLIC OF VENEZUELA**

PRESIDENT OF THE MEETING OF MINISTERS OF OLADE

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Flavia Royon

Energy Secretary

**Energy Secretariat -Ministry of
Economy of the Republic of
Argentina**

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Alfonso Blanco
Executive Secretary
OLADE