



METHANE
GUIDING
PRINCIPLES

Influencing Non-Operated JVs: A Playbook



Synopsis

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Joint ventures (JVs) form the backbone of many oil and gas projects. This guide helps companies influence their JV partners to reduce methane emissions and create a cleaner oil and gas value chain.

Chapters



Chapter 1: Introduction

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INTRODUCTION

Why Is Influencing Non-operated Joint Ventures (NOJVs) Important?

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Reducing methane emissions from oil and gas is one of the most impactful near-term decarbonization tactics – and one of the lowest-cost approaches for operators.

Leaders in the industry have reduced their methane emissions by over 40% in the past five years, but not all companies focus on methane reduction. The International Energy Agency (IEA) estimates that the top 5% of emitters are responsible for about 50% of emissions, with sources including flaring, well completions and use of equipment like pneumatics.

Ensuring that all companies are identifying and tackling these sources is crucial for the industry and the world. This Playbook helps companies to influence the partners who operate JVs on their behalf to reduce methane emissions. This can be especially helpful when partners are from countries that do not have methane regulations and/or are not subject to shareholder or stakeholder pressure.





INTRODUCTION

Why Focus on Methane?

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Methane emissions are a significant climate challenge and must be addressed as part of any decarbonization strategy. Methane gas leaves the atmosphere more quickly than carbon dioxide but **causes** 80 times more warming. As a result, it has contributed around **30% of observed global warming to date**. This makes reducing methane emissions one of the most impactful near-term tactics the world can adopt.

Methane **emerges** from a variety of sources, including agriculture, waste processing and energy. Fossil fuel operations are **responsible** for over one-third of human-caused methane emissions, with oil, coal and natural gas each occupying about a third of that share. Leakage from the natural gas production lifecycle – so-called “fugitive emissions” – is a particular problem, given that natural gas burns more cleanly than other fossil fuels, making addressing methane leaks “low hanging fruit” of climate action.

INTRODUCTION

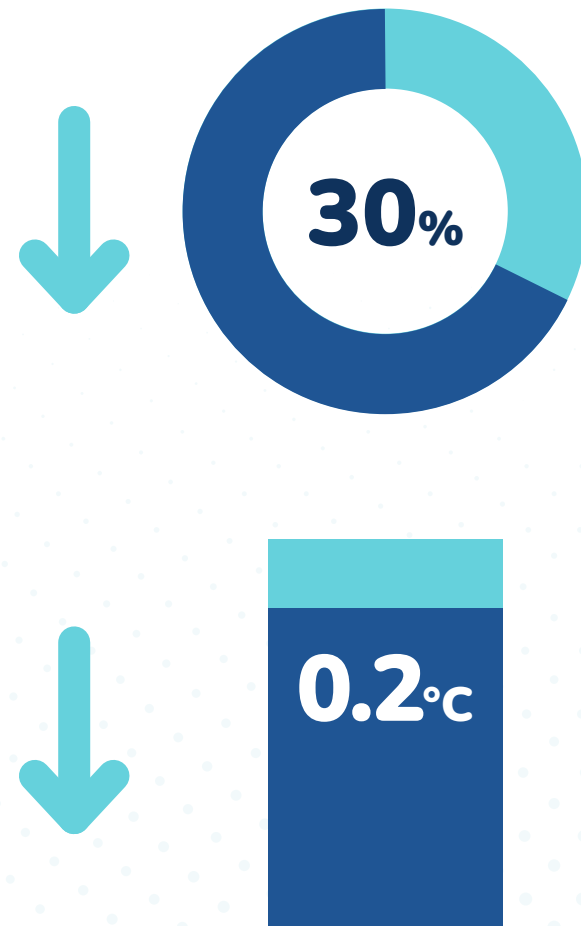
An Evolving Landscape

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Recognition is growing about the need to reduce methane emissions. In the past, methane management was a matter of health and safety. The big focus now is on climate. Tackling methane is one of the most cost-effective climate measures that oil and gas companies can take, since gas lost to leaks is revenue foregone.

Momentum to tackle the issue is rising, due both to regulations and new technology to detect emissions. Regulations, while still nascent, are fast becoming part of the toolkit. Around 150 countries have signed the [**Global Methane Pledge**](#) (GMP), a 2021 commitment to “reduce global methane emissions at least 30% from 2020 levels by 2030, which could eliminate over 0.2°C warming by 2050”. More than 50 countries have developed or are developing methane action plans and implementing regulations.

The US, EU, Japan, Canada, Norway, Singapore and the UK are working together on a GMP Energy Pathway, including the creation of the [**Methane Alert and Response System**](#) (MARS) – which uses satellite data to improve detection – and a trust fund to address methane emissions across the oil and gas value chain.



INTRODUCTION

Reductions in Sight

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The route to meaningful emissions reductions has never been clearer and the oil and gas industry as a whole is starting to make some progress. Although emissions from the sector **rose** in 2021 from a pandemic-depressed 2020, overall, they remained lower than any year since 2015. Strong performers like OGCI member companies, which **reduced** their collective absolute methane emissions by 40% between 2017 and 2022, can serve as models for the entire sector.

Tracking and measuring emissions is getting easier, thanks to both bottom-up and top-down methods. Bottom-up entails tallying emissions at a single source and extrapolating across a set of assets.

Top-down involves estimating emissions across a region and then dividing them up. **Satellites** like MARS or **GHGSat** that can detect methane plumes from space will aid in this undertaking.

The IEA estimates that 40% of all methane emissions could be abated at zero cost to operators or even in a way that ultimately adds value. Identifying and tackling methane emission sources will be key to reductions, as long as ambitions and mindsets are aligned across the value chain.

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Chapter 2:

Five Reasons NOJVs Give for not Reducing Methane Emissions



Building the institutional will to reduce methane emissions is not an easy or straightforward process. Even companies that accept the reality of climate change, the role of methane in causing it and the need to reduce emissions as an industry may not feel an urgent drive to reduce emissions from their own operations.

In this section, we will consider the five typical excuses any stakeholder of an NOJV partner might employ to avoid acting on methane reductions and outline what you can say and do to challenge them. In the next section we will look at who you need to influence in the NOJV and what kind of arguments to use with each.

FIVE REASONS

1. “The extra work and cost are not worth the effort”

What they might say

- It won't help us produce more.
- It will keep my people from working on their 'real' tasks.
- The licence for the asset will expire soon – it's not worth spending a single dollar on it.
- The asset's emissions are already low and further reduction would need heavy investment.
- We won't open that 'Pandora's box'.

What you can say

- Methane is gas – it has a value! Why lose it rather than sell it?
- Reputation is a value – it gives you a licence to operate and helps you maintain business models.
- Investors may not support projects with a high methane footprint, so access to money will become difficult.
- There is a strong desire to work for a sustainable company – this will help you enlarge the pool of potential talent.
- A credible operator/partner manages its methane emissions.
- **There is a strong and growing regulatory push from governmental authorities.**
- Likely future taxation based on carbon footprints will make a low-emissions product more valuable; see, e.g., the EU's [**Carbon Border Adjustment Mechanism**](#).
- You need to start quantifying methane emissions at your own facilities before you can be clear what the actual “extra” work or cost of managing methane emissions might be.



FIVE REASONS

1. “The extra work and cost are not worth the effort”



What you can do

- Present case studies from your own experience (several are available on the MGP [website](#)):
 - *to demonstrate the added value (for example, a major concession awarded due to active engagement in methane reduction).*
 - *to show them that most oil and gas companies are committing to reducing methane: it is increasingly seen as business as usual, not extra work.*
- Use cross-company networks (like MGP) to save time and cost.

FIVE REASONS

2. “There is no obligation by authorities to reduce methane emissions”



What you can say

- Obligations already exist in many countries; more will likely follow (due to the Paris accord, public pressure, etc.).
- Authorities are in the process of learning about methane emissions; it is a relatively new topic for them, but attention is growing.
- A solid baseline is the prerequisite for reduction obligations, hence reporting obligations will come soon.
- The public is increasingly acting and has an impact on oil and gas operations.
- If obligations do not yet exist, it could be an opportunity to work with authorities to influence and shape coming regulations.
- You need to take other stakeholders and reputational concerns into consideration – not just authorities.
- **Lack of obligations does not excuse disregard of broader climate concerns.**



FIVE REASONS

3. “We don’t have the expertise in-house and/or technology is not readily available”



What you can say

- Specific methane expertise may not be necessary to reduce emissions.
- Sometimes technology exists for something else and can be re-used.
- Information about technologies is now widely available; relevant outlets include MGP, IOGP, OGCI, EDF, OGMP and others.
- **Make it clear these are not ‘nice-to-have’ technologies.**
- If you don’t believe any technologies will work for your specific problem, consider sponsoring research into technologies that might work.

What you can do

- Become a member of networks that provide expertise and share it with them.
- Treat methane emissions in a similar way to safety; bring the topic to the agenda of technical committee meetings, for instance.
- Make knowledge transfer part of license agreements in shared licenses.
- Organize courses (taught by in-house or external experts) for working-level employees to understand the issue, exchange best practices and engage service providers.
- Reach out to contacts you already know for guidance – leverage your network.
- Share technology and knowledge between assets and business units.
- The issue may be lack of trust in new technologies – provide good examples of the technology in use.

[Download MGP Best Practice Guides](#)

FIVE REASONS

4. “Anything we do won’t make a big difference”



What you can say

- Even small steps make a difference; getting started is important, especially as methane is a much more potent greenhouse gas than CO₂.
- **Large methane reductions can come from very small measures – even just changing a valve.**
- You can get quick results by tackling the low-hanging fruit.
- Climate change is a global topic; everybody has a responsibility to contribute as much as possible.
- Consider what you would tell your children if they asked you why you are not doing anything?

What you can do

- Do a data audit to see where you can find even small improvements.
- Determine and tackle the low-hanging fruit first (see [Chapter 3: Where – Approaches to Methane Emissions Reduction](#)); you will be recognized for acting.

Debunking the “I Can’t Make Any Difference” Rationale for Inaction on Climate Change

FIVE REASONS

5. “We don’t have any methane leaks”



What you can say

- What is this claim based on (data/measurements)? Can you prove the absence of leaks?
- Regardless of what you believe, there are technologies and organizations that could prove you wrong. Emissions won’t remain undetected for long.
- If methane leaks aren’t a common issue, why do countries like the US, Canada and Mexico have legal obligations to conduct strict leak detection and repair (LDAR) campaigns on a regular basis?

What you can do

- Conduct your own LDAR measurement campaign on the asset.
- Check the [global high-resolution methane tracking map](#) from GHGSat.
- Check partner data to see if they report emissions from the same asset.
- Show data from similar assets/operations.
- Share your own observations and past ‘aha’ moments.
- Consider the entire supply chain, including transportation.

New York Times: It’s a Vast, Invisible Climate Menace. We Made It Visible.

Chapter 3: What, Who, How and Where to Influence

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Opportunities abound for non-operating partners in JVs to place their influencers throughout a project or asset, including at the top management level via agreements with states and partners and at the operational level via shareholder meetings of the joint operating company.

What – Touch Points for Engagement

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Broadly speaking, the touch points for engagement on methane reductions fall into the following three categories:

1. Entities

- State actors, especially national oil companies (NOCs).
- JV partnerships.
- Operator of the asset, either a single operator (a team from one partner) or a joint operating company (involving people from more than one partner).
- Seconded employees from any of these organizations (see [box](#) on page 18).

2. Documents

- Host government contract, which governs the relationship between private entities and the state.
- JV agreement, which governs the relationship between two private entities.
- Technical services agreement, which governs the scope of technical services that each partner provides.
- Disclosure of technical standards agreement, which governs the technical standards that each partner adheres to.
- Secondment agreement, which governs the scope and duties of seconded employees from one partner to another.
- Operating agreement, which governs how the asset in question will be operated.
- Shareholders' agreement, which governs the joint operating company.
- Any other ancillary agreements.

What – Touch Points for Engagement

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3. Committees/forums/processes



High-level

- Top management meetings with state.
- Top management meeting between partners.



Mid-level

- JV decision committees
- JV advisory/sub-committees
- Ad-hoc management meetings between company representatives



Other

- Workshops, forums
- Specific focus groups
- Audits (often provisioned for in JV agreements)
- Informal relationships between partners/operators
- Methane reduction subcommittee, dedicated to tackling methane emissions

WHAT, WHO, HOW AND
WHERE TO INFLUENCE

Who – Assessing Interest and Influence

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Identifying which key stakeholders – both internal and external – to influence is vital.

They are likely to include key members of the NOC, the operator and other non-operating partners. If the project takes place over a relatively long timeframe, NOCs may also embed “future leaders” or members of a “high potential program” – these are employees the NOC has selected for rapid career development and can be another valuable touch point for influencing.

Not every stakeholder has the same level of interest in or influence over reducing methane emissions. It can be helpful to determine where on the interest-influence spectrum various stakeholders lie, since this will affect how you interact with them in enacting methane-reduction strategies.

Why Secondees Are Important

Secondees are not representatives of their mother company, but rather work within the organization of the project operator and under its supervision. Their influence manifests in numerous ways:

Providing competencies

- Bringing an enhanced operational/technical capability to the JV
- Strengthening mutual confidence between the operator and the mother company of the secondee

Influencing the operator

- Secondees do not speak on behalf of his/her mother company
- They influence through participation in the operator’s choices and decisions for the benefit of the project
- They aim at better management and execution to deliver on time and within the budget

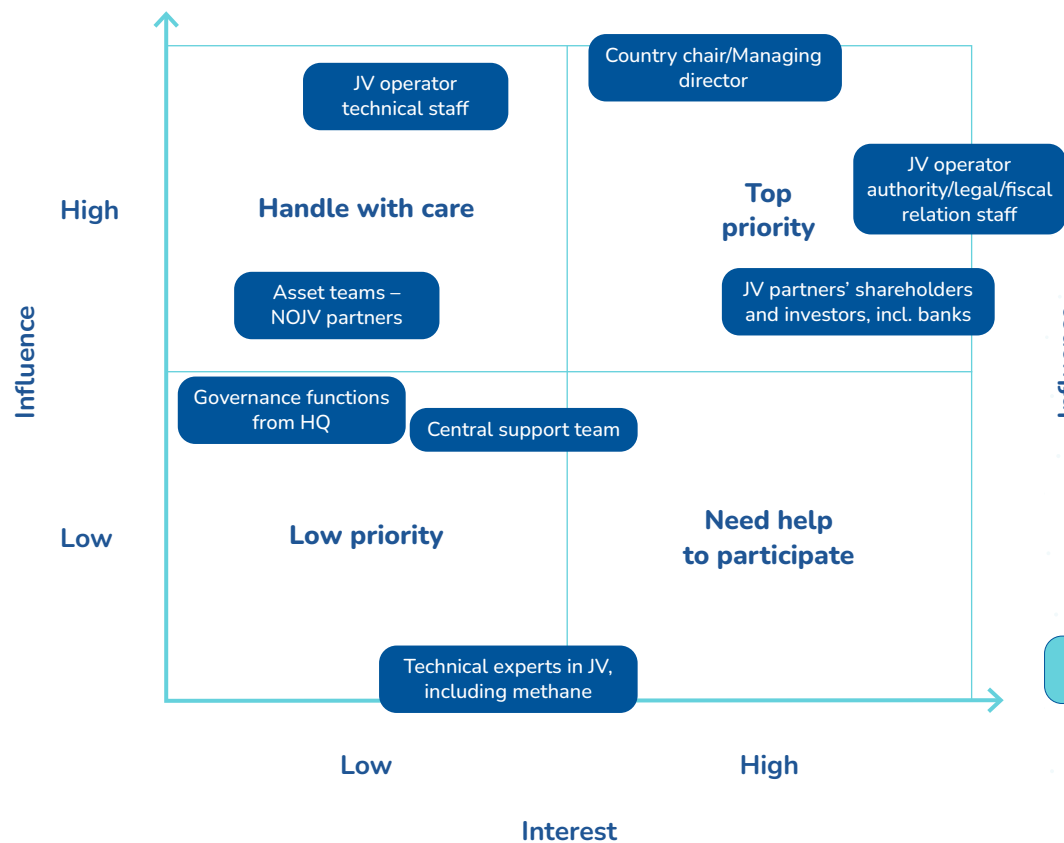
Serving as an ambassador

- Their behavior reflects on the mother company. Exemplarity is required
- They promote their mother company’s values in terms of health, safety, environment, integrity and compliance
- They have the right and the duty to alert the mother company in case there are any issues which are not mitigated
- They strengthen the mother company’s reputation in areas where it wishes to deepen its business relationship with the operator

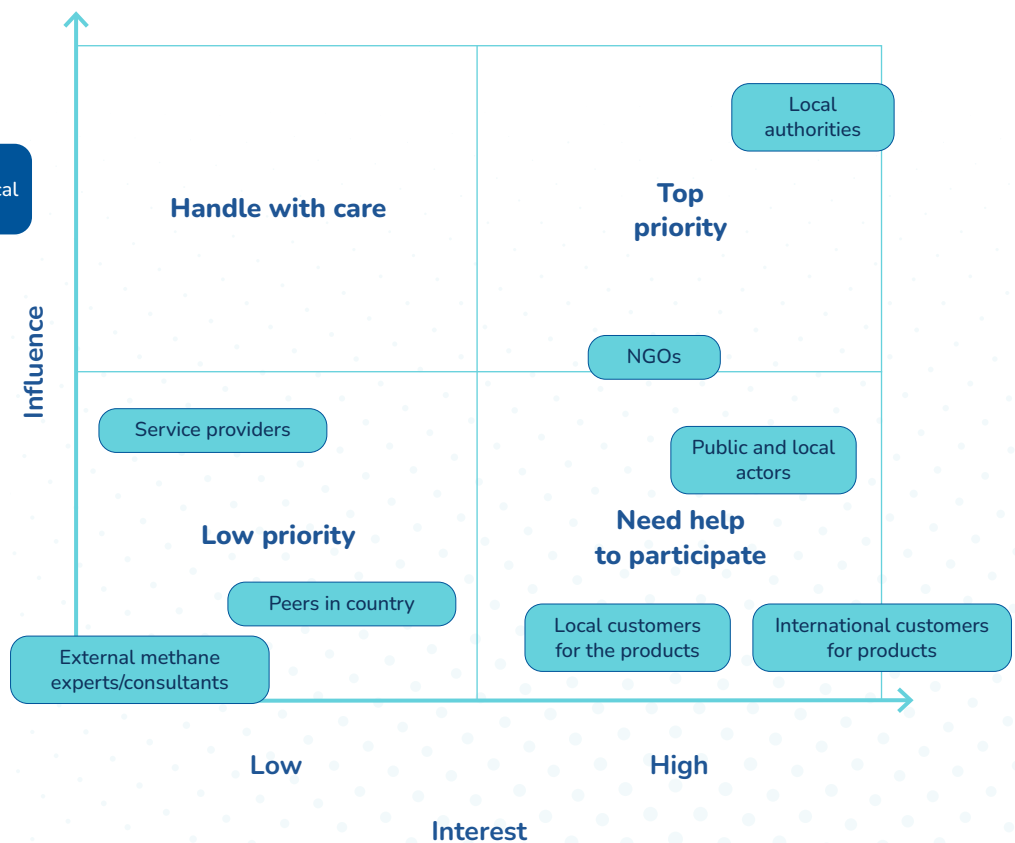
Who – Assessing Interest and Influence

The follow schematic provides a broad outline for the main internal and external stakeholders in the methane value chain:

Stakeholder Map – Internal



Stakeholder Map – External



How – Building an Influencing Plan

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Once key external stakeholders and touch points in the partnership have been identified, an influence plan should be crafted that considers their unique needs and attributes. This plan should be put in writing and shared with internal team members that may work with the external stakeholder and/or engage the touch point in question.

Be cautious about including any personal information about individuals in external organizations and always adhere to data-sharing regulations in the countries where you operate and stipulations in company rules and external agreements.

Crafting an influencing plan to reduce methane emissions requires understanding what, where, who and when and how. Working through these factors can help clarify how to approach different stakeholder relationships and priorities. This knowledge can then be leveraged to influence effectively.

Prior to addressing methane emission reduction head-on at JV meetings, it is crucial to do some internal preparation. Clear and transparent answers to the following questions will ensure internal stakeholders engaged in the partnership are aligned on how to get the most out of the reduction strategy.

Before engaging with external partners, ask yourselves:

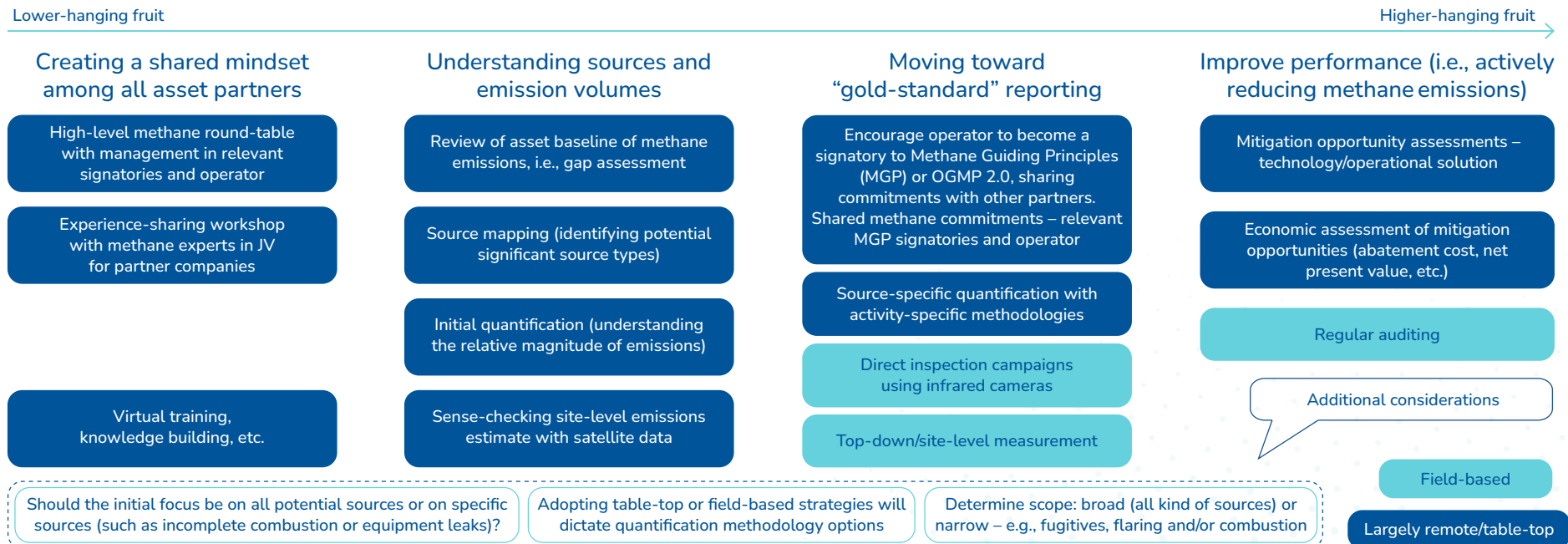
- *Is our own house in order on methane reduction before we start turning attention to a partner?*
- *How do we best approach the topic? Do we identify our actions with a costs/benefit approach, a broader climate leadership approach or elements of both?*
- *What internal preparation do we do? What information do we need from our partner?*
- *Are we well-organized so we can intervene appropriately during JV committees and handle any reactions that come up?*

After holding a meeting or otherwise engaging with the partner, ask:

- *Did we get all the information we need to craft a plan and implement it effectively?*
- *What do we need to do to ensure agreed-upon actions are followed through?*
- *How do we measure our influencing effectiveness?*
- *How do we measure our effectiveness in dealing with partners in a broad sense?*

Where – Approaches to Methane Emissions Reduction

It is not always clear how high to aim when putting together a plan for methane reductions. This is especially true when partners in a project have different views on the issue and are on different trajectories with respect to action and ambition. The flowchart below provides different ways to categorize specific actions that could be taken as part of a reduction plan for an asset operated by a JV.



The ultimate goal should always be to pluck the highest-hanging fruit – actively reducing emissions. In partnerships where this is not immediately possible, working your way from the left side of the chart to the right in a systematic way can help team members maintain realistic expectations and appreciate wins where they occur. Your approach will depend upon the willingness of the

partner to engage. **If the partner is resistant, a focus on low-cost options such as energy efficiency and savings, or operational and maintenance optimization, can be most effective.** If the partner is more willing, methane-reduction efforts can be more ambitious, with a focus on being a leader in greenhouse gas minimization.

Scenarios for a Methane Influencing Plan

The following are two hypothetical scenarios for how an influencing plan could take shape and the factors that may play into it:

Scenario 1:

Influencing an operations manager from the NOJV who is skeptical about the cost-benefit argument of methane reductions

Key aims of influencing strategy:

- *Flaring reduction*
- *Valve replacement*
- *Drone methane monitoring*

Potential influencing tactics:

- *Refute any excuses the manager may bring up (see [Chapter 2](#))*
- *Strengthen the relationship by engaging in regular meetings, reinforcing the company's position as a trusted partner*
- *Bring/share new ideas to show your value*
- *Invite the operations manager to company forums*
- *Provide them with help in order for them to achieve their targets*
- *Convince them that methane reduction can be achieved without excess costs*
- *Demonstrate that methane reduction can be achieved in a relatively low-cost way*
- *Highlight new projects that have reduced methane emissions in other JVs*
- *Make them feel that their input is taken on board and valued*

Scenario 2:

Working with another non-operating partner in the JV to implement their ambitious company-wide methane reduction plan within an asset

In this instance, the partner company's goals are aligned with yours.

Key priority:

Create a 'single voice' in the JV – between the partners – about how to reduce methane emissions in the asset

Potential tactics:

- *Organize a one-on-one meeting with the partner to align on common goals*
- *Carry out regular experience/best practice sharing*
- *Explore what could be jointly proposed to the operator*
- *Jointly influence the operator*

WHAT, WHO, HOW AND WHERE TO INFLUENCE

Scenarios for a Methane Influencing Plan

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Reviewing outcomes

When two or more companies work together to successfully reduce methane emissions, learnings and lessons from the partnership should be recorded and assessed in a matrix/database so they are not forgotten and can be used again in future. Maintain contact with the partners and continue to build relationships in the service of further methane reductions. Consider conducting a post-meeting workshop to review:

- What worked and what was successful?
- What didn't work and why (timing? Manpower? Other constraints?)
- Are you happy with what you achieved or is there more you can focus on next time?
- What is our joint plan to build on these outcomes?



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How you communicate and interact with your partners can make a difference in the effectiveness of your methane reduction strategies and initiatives.

INFLUENCING PARTNERS

Setting the Scene



- Start talking about the need to tackle methane emissions early and don't let the subject drop down partners' agendas; keep raising the issue if necessary
- Give everyone time to formulate an opinion
- Identify the right entities and the key decision-maker(s) within them (see [Chapter 3: Who – Assessing Interest and Influence](#))
- Hold workshops with individual partners prior to pinning down specific actions
- Prepare clear pre-reads to make sure everyone has the same facts and level of information
- Be clear on what you want to achieve and how you can help
 - *Be as specific as you can be*
 - *Differentiate between 'must haves' and 'nice to haves'*
 - *Define your success criteria*
- Understand the impact of local regulations, culture and contractual levers
 - *Be aware of the contractual framework and other elements that could impact partners: operator's obligations, partner's duty, etc.*
- Proactively try to identify any potential excuses in advance (see [Chapter 2](#))

INFLUENCING PARTNERS

Building an Effective Relationship with Partners



- Develop trust by building a relationship on a social level, including one-on-one engagement
- Try informal meetings/events/sports/games; create a space for non-work discussion and networking
- Involve partners in greenhouse gas-related events
- Develop mutual respect, listen to each other and acknowledge partner competences
- Be transparent and open to sharing information
- Mobilize people at the correct levels on all sides

Value others by involving them in decision making



INFLUENCING PARTNERS

Gain Organizational Awareness

- Try to gain support from those you have identified as key influencers in your own and your partner's organization
- Gain awareness of internal and partner decision-making processes and timing
- Make sure that influencers have the power to do what they propose

Active Listening: A Mandatory Step before You Attempt to Influence



- Demonstrate that you heard your counterpart by:
 - *remembering the question asked and the answer provided*
 - *evaluating the adequacy between the two*
 - *probing and asking more questions, until you have a full understanding of what your counterpart really means*
- Key points to keep in mind
 - *Attempt to understand first before seeking to be understood*
 - *Listen more than you speak*
 - *don't prepare the next argument while pretending to listen to the other person*
 - *Probe to make sure you understand*
 - *Seek to remove ambiguities*
 - *Don't impose your ideas on the counterpart*
 - *Keep criticism and judgement to an absolute minimum*
 - *Stat cognizant of non-verbal communication cues: body language, eye contact, etc.*
- This may require practice! Don't be discouraged if it doesn't work the first time.
- In a successful outcome of active listening, you will:
 - *fully understand the position of your partner and the thought processes/assumptions/beliefs behind it*
 - *recognize any showstoppers/constraints your partner has (money? Time? Other pressures, external or internal?)*
 - *begin to formulate ideas about how to present/adapt your argument and pass messages in order to achieve your goal*

INFLUENCING PARTNERS

Use Logical Reasoning and Inspirational Appeals



Logic

- Connect the discussion to topical themes, such as:
 - *methane science*
 - *the role of methane in the greenhouse effect*
 - *regulations (country-specific ones and potential future regulations)*
 - *political pressure*
 - *expectations among civil society and the general public*
- Discuss the role of gas in the energy transition
- Present real examples which have relevance and fit the context (same region, type of project, etc.)

Inspiration

- Choose the most interesting, memorable or dramatic way to present ideas
- Try to inspire, using language like 'be the change', 'be a leader in emissions reduction', 'be innovation', etc.
- Identify quick wins and low-hanging fruit – make it as easy as possible

INFLUENCING PARTNERS

Empower Your Partner



- Value others by involving them in decision-making
- Give them recognition for wins they do achieve, and for trying
- Propose them for leadership of a methane reduction subcommittee
- Emphasize their role as part of engaged companies in groups like MGP or OGMP 2.0
- Engage partners in bilateral projects such as pilot studies that leverage partner competencies or joint publications

Develop mutual respect, listen to each other and acknowledge partner competences

INFLUENCING PARTNERS

Create a Shared Vision



- Show how your ideas support the organization's broader goals and strategies
- Develop a joint vision for the asset and how that asset is viewed in the partner's portfolio
- Show how everyone will benefit from methane reduction efforts
- Show how the project will fit into the company's environmental commitments

Bargain/Negotiate Where Necessary



- Base your arguments on learnings gleaned from active listening
- Be sure to always consider your partner's viewpoint/constraints
- Gain support by negotiating a mutually satisfactory outcome
 - *prepare to concede something*
 - *is there anything extra you can give? Increased budget? Manpower?*
 - *use a step-by-step approach to reduce complexity*
 - *have a defined goal but be flexible about how you get there*

INFLUENCING PARTNERS

Don't Try to Coerce



- Don't use threats, intimidation or pressure to get others to do what you want
- If you use pressure, avoid backing your partner into a corner – leave space for discussion
- Be fact-based; make sure your partners are aware of where your red lines are
- Be calm rather than reactive; avoid phrases like:
 - *"I can't accept what you are proposing"*
 - *"It is my contractual right to do this"*
- Avoid 'closing doors' and use escalation mechanisms only when absolutely necessary

INFLUENCING PARTNERS

Tips for Better Communication



- Reformulate the partner's arguments and positions
- Use open questions
- Distinguish clearly between the 'what' and the 'how'
- Be concise, clear and to the point
- Avoid trying to 'teach'
- Minimize buzz-words
- Be positive ('do' rather than 'do not'; 'yes, and' rather than 'yes, but')
- Use inclusive language ('we' not 'you/I')
- Use sentences that draw your counterpart into the discussion ("help me understand...", "tell me more about...")
- Use phrases to show that you are listening ("as you were saying", "let me try to summarize your points")
- Make concessions where appropriate ("I really need your help on this", "you are right, it was a mistake to...")

Tips for Better Communication



Maintaining an effective relationship with someone who disagrees with you

- Pause the discussion: take a break, come back later, agree on next steps and when to pick it up again
- Change the backdrop; discuss informally over a drink or meal
- Collect facts and figures to support your argument
- Check the facts and figures of your partner
- Don't get angry; don't take it personally
- Show that you respect their point of view
- Try to identify common understanding
- Remove any ambiguities; ask follow-up questions
- Identify where you could agree; prioritize different elements
- Identify your partner's red lines and why it is a red line
- Try and understand any other elements impacting your partner's decision-making
- Do they have any pressure points?
- At what level of the company is the source of the disagreement?
- Share your own doubts and uncertainties

Tips for Better Communication



Dealing with an aggressive hard-bargainer behaving like a bully

- Be calm, professional and polite
- Don't take it personally
- Don't be aggressive in response
 - *Use language like "I understand you feel angry, but I am asking you to behave respectfully"*
 - *If aggression continues, it may be necessary to postpone talks*
- Repeat the facts
- Focus on the behavior, not the person, using language like:
 - *"I don't accept your behavior"*
 - *"I respect your needs, as long as you respect mine"*
- Propose a private one-to-one meeting with the person, perhaps with a moderator
- Make clear that abusive behavior will never be tolerated

Appendices

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