

# Minutes of the 13<sup>th</sup> GGFR Steering Committee Meeting Paris, France, March 26, 2010

## 1. Introduction and welcome

Mr. Bent Svensson, Program Manager welcomed the participants of the meeting (see Attachment 1) and overviewed the meeting's purpose and expected outcomes.

### 1. GGFR Phase 3

#### A. Effectiveness of Phase 3

The main purpose of Steering Committee's meeting was to start the business of Phase 3. Under Section J of the Charter, in order to declare Phase 3 effective, the Steering Committee has to hold its first meeting for Phase 3 and the Bank has to receive signed Amended and Restated Agreements ("GGFR Phase 3 Agreements") from all current contributors to the GGFR Trust Fund.

Due to the fact that one current contributor to the GGFR Trust Fund (Sonatrach) has not yet signed and transmitted the GGFR Phase 3 Agreements to the Bank, Phase 3 was not declared effective. The Phase 3 Effective Date will be deferred to the date of receipt by the Bank of such agreement. As a result, pending receipt of such agreement, the business conducted by the Steering Committee for Phase 3 was nominal, not operational. Once the Phase 3 is declared effective, it will give immediate effect to any prior Steering Committee actions taken for purposes of Phase 3.

**Action:** *The Phase 3 Effective Date will be deferred to the date of receipt by the Bank of the GGFR Phase 3 Agreement by Sonatrach.*

#### B. Constitution of the Phase 3 Steering Committee

Under Section H of the Charter, "Each Partner has the right to be represented by two (2) individuals, whose names will be current with the CTT at all times ("Partner Members") at Steering Committee meetings." Attachment 2 indicates the Phase 3 Partner entities that were eligible for Partner Member representation on March 26, 2010. Other participants will be eligible for Partner Member representation when the countersigned agreement, and/or the waiver, if applicable, is in place, or they can participate as observers.

Representatives of Canada, EU, and USA provided additional information about their internal procedures and funding cycles causing current funding commitment delays and the timing for the resolution.

Each Partner was asked to submit two names ("Partner Members") to the Program Manager.

**Action:** *The first meeting of the Steering Committee for Phase 3 was held and the list of Partners eligible for Partner Member representation on March 26, 2010 confirmed.*

### C. Amendment of waiver categories in the Charter

It was proposed to add the following item (ii) in bold to the second paragraph in Section G of the Charter:

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

In accordance with Section J of the Charter, the Charter may be amended by the Steering Committee by unanimity of Partner Members present at an in-person meeting.

**Action:** *The amendment to Section G of the Charter was adopted unanimously.*

In the discussion, representatives of a number of GGFR Partners (Norway, Shell, BP, Marathon, and USA) made the point that while the amendment is necessary to make Phase 3 effective, it should not set a precedent that NOC Partners from wealthy countries do not contribute to the funding of GGFR. The Steering Committee also noted Qatar Petroleum’s funding commitment for 2012. The Program Manager clarified that as per the Charter, waivers will be provided to the GGFR Program Manager and be subject to Steering Committee approval.

### D. Admission of New Partners

Under Section E of the Charter, admission of new Partners requires Steering Committee approval. Mexico requested to join the GGFR through two new Partners, Pemex and Sener. Sener has additionally requested a full waiver from the funding commitment.

**Action:** *Pemex and Sener were admitted as new Partners. The waiver request from Sener was approved.*

### E. Associated Partners

The GGFR Charter includes the option of Associated Partnership. Some representatives (Shell, BP, TOTAL and USA) expressed concerns about the motives of some organizations for joining the GGFR, about the partnership growing too large and therefore difficult to manage and losing its primary focus and about having too many Associated Partner representatives in the Steering Committee meetings which might slow down and complicate the decision making process. Representatives of some Partners organizations (EU, Norway, Marathon, and Statoil) emphasized that Associated Partners could bring knowledge to the partnership and participate in networks.

In the discussion of Associated Partners' financial contribution (Associated Partners can seek partial or full waiver of GGFR's funding requirement (Charter section G.)), in particular whether to set a minimum financial fee, some Partner organizations expressed a concern that setting up a high minimum fee for Associated partners would exclude the participation of universities and scientific organizations. Some Partner organizations emphasized that it is important to see what a prospective Associated Partner can bring to the partnership before deciding on how much it should commit financially to the partnership. No minimum financial commitment for Associated Partners was set and waivers of financial commitments are subject to Steering Committee approval.

The Core Task Team (CTT) was asked to make a thorough screening of applicants. While Associated Partners can participate in the Steering Committee meetings as observers, this should be done on invitation only basis and under special circumstances.

**Action:** *The meeting agreed (1) to thorough screen applicants; (2) that Associated partners participate in the Steering Committee meetings by invitation only; and (3) flexibility in setting fee for Associated Partners, subject to Steering Committee approval*

#### F. 2010 Work plan, Budget and Funding

The 2010 work plan is estimated at \$ 3.3 M, of which \$ 0.85 M is carry over from 2009 (work committed under Phase 2, mainly consultant contracts). The budget for 2010 is \$ 2.44 M. These figures are similar to the Budget for the Indicative work plan approved at the September Steering Committee meeting in Washington. However, there are some revisions: Carry over has increased \$88,000 and there are changes to the individual activities.

The CTT pointed to the fact that Phase 3 funding of US\$4.8 M has been signed (since the meeting Pemex has signed) and funding of almost US\$2.6M is going through approval processes, subject to Congressional/Parliamentary approval or awaiting signature with new or existing Partners. The target of US\$7.5 M is therefore within reach and the remainder of the budget is expected to come from New Partners and Associated Partners. (Attachment 3 has been updated).

Representatives of BP and USA commented and made recommendations regarding the 2010 Work Plan. It was confirmed that when country activities are postponed or cancelled by beneficiary country, the Program Manager should transfer the budget to other global or country activities included in the Work Plan 2010.

The CTT presented deliverables for 2009 and the Country and Global programs for 2010.

#### G. Core Task Team Staffing and Secondments

Phase 3 will focus more on the implementation of country programs and achieve more synergy with Bank operations. As discussed in the two previous SC meetings these are more staff-intensive activities than those of Phase 1 and 2. The CTT is now organized around Regional coordinators to meet these challenges. Following the operational start of Phase 3, staffing levels are planned to be increased by two persons to ensure that the

Work Plan and budgets will be implemented in a timely manner to achieve the deliverables.

The CTT is requesting Partners to consider seconding staff to GGFR.

**Action:** *Revised 2010 Work Plan was discussed and agreed.*

### **3. GGFR Phase 2 Recapitulation**

Disbursements for the calendar year 2009 were US \$ 2,541,000 which was lower than expected at the September meeting. In addition to US\$847,000 already committed using Phase 2 funding and carried over to the 2010 work plan, a cash transfer (in addition to the Carry over) to Phase 3 is expected.

Using January 1, 2010 as the cut-off date, the cash transfer was estimated at US\$578,000. The actual amount is expected to be lower and will be determined, when the effective date for Phase 3 is confirmed.

Representatives from SOCAR, Canada, BP, TOTAL, Statoil, and USA shared their views and provided recommendations on how to handle the cash transfer.

**Action:** *The cash transfer to Phase 3 in addition to budget requirements in the indicative work plan should be used for Projects Preparation for Gas Flaring and Venting Reduction Projects, subject to the Steering Committee's approval.*

### **4. GGFR Networks**

The proposed networks:

1. *Carbon Finance Network (chair Francisco Sucre)*
2. *Technical Network*
3. *Communication Network (chair Mauricio Rios)*

were discussed and the Partners were asked to nominate members.

During discussions regarding the work scope and organizational arrangements of the GGFR Networks activities, several proposals on global technical issues demanding Partnership's attention and establishment of Task Forces within the Technical Network were considered.

**Action:** *The proposed networks and chairpersons were accepted.*

### **5. Next SC meeting**

**Action:** *Next Steering Committee meeting is planned to be held in January 2011. An audio/video conference update will be arranged in Washington DC during the period until January 2011. Mexico and Qatar are candidates to host the next meeting.*

## Attachment 1: List of Participants

Organization	Country	Name	Title	Participatio
State Oil Company of Azerbaijan Republic (SOCAR)	Azerbaijan	Faig Jafarov	Deputy General Director “Azneft” PU	
European Commission	Belgium	Ruta Baltause	International Energy Relations and Enlargement Unit, Directorate –General for Energy	
European Communities	Belgium	Johanna Peyredieu-Du-Charlat	European Commission EuropeAid Cooperation Office	
Energy Resources Conservation Board	Canada	Jim Dilay	Board Member	
Ministry of Economy, Finance and Industry	France	Gerard Arfinengo	Deputy Head of ODA and MDIs Division” – Direction générale du Trésor	
Eni	Italy	Alex Stillavato	Environmental Department	
Ministry of Oil and Gas (MNG)	Kazakhstan	Raushan Duimagambetova	Chief Expert	VC connect
Ministry of Environmental Protection (MEP)	Kazakhstan	Zhomart Aliyev	Head of Committee of Ecology and State Control	VC connect
StatoilHydro	Norway	Oddvar Levang	Senior Adviser, Environment, HSE Corporate Staff	
NORAD, Norwegian Petroleum Directorate	Norway	Steinar Njå	Project Director	
NORAD	Norway	Thomas Eid	Senior Adviser, ENA/Oil for Development	
Department of Energy (DOE)	USA	Sally Kornfeld	Senior Analyst/Team Leader, International Oil and Gas Activities	
BP	UK	Susan Ford	Director Environment E&P	
BP	UK	Gordon Reid Smith	Senior Advisor - GHG Management (Corporate team)	
ConocoPhillips	UK	Margaret Hutson	Principal Consultant, Upstream HSE	Teleconfere
Chevron	Angola	Jim Wisner	General Manager, Commercial	Teleconfere
Marathon	USA	Adel Chaouch	Director, Corporate Social Responsibility	
Shell	UK	John Barry	Manager Strategic Issues	
Total	France	Jean-Marc Seguineau	Director, Production & Technology, Africa Exploration and Production	
NHC “Uzbekneftegaz”	Uzbekistan	Alimakhmud Karimov	Deputy General Director of Qzbekneftechigarish	
World Bank Staff	USA	Fiorella Delpino	Counsel, LEGCF	
GGFR CTT		Bent Svensson		
		Jean-Eric Molinard		

		Martyn Howells		
		Mauricio Rios Ibanez		
		Anastasiya Rozhkova		
		Bakhtiyar Karimov		
		John Shinn		

## Attachment 2: Partner Voting Status, March 26, 2010

### Partners Voting Status

#	Partner	AA Received	Waiver Received	Voting Eligible	Voting Eligible following SC's Approval of Amendment
1	European Commission	Yes	Yes	Yes	
2	BP	Yes	N/A	Yes	
3	Chevron	Yes	N/A	Yes	
4	ConocoPhillips	Yes	N/A	Yes	
5	Eni	Yes	N/A	Yes	
6	ExxonMobil	Yes	N/A	Yes	
7	France	Yes	N/A	Yes	
8	Maersk	Yes	N/A	Yes	
9	Marathon	Yes	N/A	Yes	
10	Shell	Yes	N/A	Yes	
11	Statoil	Yes	N/A	Yes	
12	TOTAL	Yes	N/A	Yes	
13	USA (DOE)	Yes	N/A	Yes	
14	Gabon		Yes	Yes	
15	MIGAS (Indonesia)		Yes	Yes	
16	Mexico (Sener)		Yes	Yes	
17	Kazakhstan		Yes	Yes	
18	Uzbekneftgaz (Uzbekistan)		Yes		Yes
19	Qatar Petroleum	Yes	Yes		Yes
20	SNH (Cameroon)	Yes	Yes		Yes
21	Socar (Azerbaijan)	Yes	Yes		Yes
22	Pemex		N/A		
23	Canada (CIDA)	Yes	N/A	Observer	
24	Norway		N/A	Observer	
25	UAE (Masdar)		N/A	Observer	
26	Sonatrach		Yes		

**Attachment 3: Phase 3 funding – updated (in 1000 US \$)**

Signed agreements with current Partners:	4,440
Agreement with new Partners (Pemex)	390
Funding going through approval process (EU and Canada)	780
Agreements with new Partners awaiting signature (Masdar)	390
Funding subject to Congressional/Parliamentary approval (US DOE and Norway)	780
Funding to be agreed for 2012 (Qatar Petroleum)	130
World Bank funding (to be agreed)	390
Total:	7,300