



OIL AND GAS CLIMATE INITIATIVE

**OGCI RESOURCE**

# OGCI position on policies to reduce methane emissions

**March 2026**

This paper updates the version published in February 2021 to ensure accuracy of references to OGCI and external efforts and to reflect the latest OGCI positioning.

# Why methane emissions policies are important

Methane is a powerful short-lived greenhouse gas. Based on IPCC data, methane in the atmosphere causes around a quarter of the global warming we are currently experiencing (IPCC, AR5 WG1 Chap. 8, 2013).

Ambitious reductions in methane emissions must be achieved by 2030 as part of holistic efforts to meet climate goals under the Paris Agreement (IPCC, 2018).

OGCI is committed to managing methane emissions from the oil and gas sector and supports the implementation of well-designed direct and indirect regulations, at the national and regional levels, tackling methane emissions reduction of new and existing sources.

OGCI proactively advocates for the inclusion, where appropriate, of methane emission reductions targets or other policies in national climate strategies of national governments.

This paper sets out some policy principles and mechanisms for consideration by countries in their “high ambition low emissions development strategies” (referred to as national climate strategies below), especially when revising Nationally Determined Contributions (NDCs), to enhance oil and gas methane emission mitigation.

Policies are an important part of successful national climate strategies. Well-designed policies and regulations, so as to achieve a balance of greenhouse gas emissions between sources and sinks aiming for a net zero future, should take into account energy security, market stability, affordability as well as reliability to ensure promotion of sustainable development.



# Policy principles for reducing methane emissions from the oil and gas sector

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## SEEK AMBITIOUS EMISSION REDUCTION OUTCOMES ACROSS ALL SEGMENTS OF THE OIL AND GAS VALUE CHAINS

Policies should be informed by best available data and control techniques and be designed to achieve verifiable emission reductions and incentivize early action, consistent with ambitious national or sub-national outcomes and timelines.

Action might be prioritized to target the main sources of emissions and achieve reductions rapidly. Industry experience shows that the main sources of emissions vary geographically, therefore it is important that policymakers work with local operators to identify the relevant emission sources and mitigation options.

## STIMULATE INNOVATION

Policies should encourage and support innovation, development and implementation of new technologies and practices that prevent, monitor and mitigate emissions with expected equal or greater verifiable reductions than existing commercially competitive technologies. Policies should include a pathway to facilitate the introduction of new technologies and practices.

For example, policies should encourage the use of currently available methane emissions detection and measurement technologies while allowing for the use of newer and better technologies as they become available.

## ESTABLISH TRANSPARENCY

Reporting requirements should be designed to support transparency and effective regulatory oversight, avoid unnecessary administrative burden, and encourage consistent reporting throughout the value chain.

## BE COST-EFFECTIVE AND FLEXIBLE

Policies should consider the overall cost to industry and society, as well as the societal and climate benefits of reducing emissions. Policies offering appropriate flexibility are likely to be most economically efficient and effective in achieving emission reductions.

Performance standards, for example, are best achieved by allowing operators to choose how to meet them, based on a transparent and standardized monitoring, reporting and verification (MRV) framework.

# Policy mechanisms for reducing methane emissions from the oil and gas sector

These principles can be implemented through a combination of policy mechanisms and tools including (but not limited to) the following:

## STANDARDIZED MONITORING, REPORTING AND VERIFICATION (MRV) FRAMEWORK

A standardized MRV framework is critical to implementing policy mechanisms that specify performance standards, such as targets, and offer flexibility on pathways towards meeting them. This standardized framework should be transparent, globally aligned, applicable to the full natural gas value chain and run by an independent body.

## WORKING PRACTICES AND TECHNOLOGY STANDARDS TO AVOID OR REDUCE METHANE EMISSIONS

Advancing detection and measurement of methane emissions, with a view to prioritizing methane emissions reduction, is important.

However, avoiding and reducing methane emissions does not solely depend on data accuracy therefore working practices can already be applied in the short term.

Examples are standards for detection and repair of methane emissions from unknown sources and standards for avoiding and reducing methane emissions from known sources such as venting and flaring.

## TARGETS FOR METHANE EMISSION REDUCTION FROM THE OIL AND GAS SECTOR

National governments may set absolute reduction targets or intensity targets, depending on their methane emission MRV quality and the level of development in their oil and gas industry. Different levels of ambition can be reached in different countries.

Examples of targets include the ones proposed by the Global Methane Pledge: 30% reduction from 2020 levels by 2030 (cross-sector at the global level), the Oil & Gas Decarbonization Charter (OGDC) “near-zero methane emissions by 2030” commitment, where near-zero is defined at OGCI’s 0.20% intensity, or the OGCI upstream methane intensity ambition to achieve ‘well below 0.20%’ by 2025.

## APPROACHES FOR EVALUATING THE GREENHOUSE GAS/METHANE INTENSITY OF NATURAL GAS FOR DIFFERENT SEGMENTS OF THE VALUE CHAIN

Labelling natural gas based on greenhouse gas intensity or methane intensity, in compliance with competition law and with the support of regulators, increases transparency and enables informed consumer decision-making. Such mechanisms require a robust standardized MRV framework in place to ensure comparability between gases of different provenance.



## WHAT IS THE OIL AND GAS CLIMATE INITIATIVE?

The Oil and Gas Climate Initiative is a CEO-led initiative that aims to accelerate the industry response to climate change. OGCI member companies explicitly support the Paris Agreement and its aims. As leaders in the industry, accounting for around 25% of global operated oil and gas production, we aim to leverage our collective strength and expand the pace and scope of our transitions to a low-carbon future, so helping to achieve net zero emissions as early as possible.

Since 2017, our members have collectively invested \$125 billion in low-carbon solutions. In 2016, OGCI announced an investment of \$1 billion over 10 years in OGCI's Climate Investments fund to develop and accelerate the commercial deployment of innovative low-emissions technologies.

## OUR APPROACH TO ADVOCACY

OGCI is at the forefront of climate action in the oil and gas sector. OGCI constructively engages and advocates with external stakeholders on the basis of positions agreed by consensus.

For more details about our advocacy, please visit:

<https://www.ogci.com/about/advocacy-and-position-papers/>





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