



U.S. Government Leadership in Reducing Methane Emissions

In support of the Methane to Markets Partnership, the United States has committed up to \$53 million over a five-year period to facilitate the development and implementation of methane projects in both developing countries and countries with economies in transition. This funding is supporting a range of activities, such as the export of the successful U.S. voluntary programs, training and capacity building, market development, feasibility assessments, and technology demonstrations. Leveraging the efforts of fellow Partner Countries along with the expertise and investment of the United States and the international private sector is central to the U.S. commitment.

The Methane to Markets Partnership recently completed another successful year in advancing methane recovery and use around the globe. By all indicators,



the Partnership is growing and its impact is expanding.

The United States remains firmly committed to the Methane to Markets Partnership. U.S. government funding for the Partnership in fiscal year (FY) 2006 was \$12.9 million, bringing the total U.S. financial commitment to the Partnership since its inception in 2004 to \$18.3 million. These resources are helping to create the foundation for future project development as well as advancing near-term methane recovery and use opportunities.

In FY 2006, the United States has put greater emphasis on supporting pre-feasibility and feasibility studies at potential project sites, while continuing to address market, institutional, and other barriers to project development and building capacity through technology transfer and training. These efforts are directly leading to the future implementation of full-scale projects in many Partner Countries, which, when

A Multi-Agency Effort

U.S. government efforts under the Methane to Markets Partnership are led by EPA and involve the collective efforts of the following major agencies and departments of the federal government:



EPA is the lead U.S. agency and, as host of the Administrative Support Group, is coordinating and administering Partnership activities both domestically and internationally. EPA builds on the success of its voluntary methane reduction programs, which have been instrumental in reducing U.S. methane emissions in 2005 by more than 11 percent below 1990 levels.



U.S. Department of Energy contributes expertise in natural gas and coal mine methane technologies.



U.S. Department of State leads international climate change policies and activities and supports the development of methane projects.



U.S. Agency for International Development (USAID) provides technical expertise in the economic reform of energy sectors to create markets that support private sector projects in developing countries and those with economies in transition.

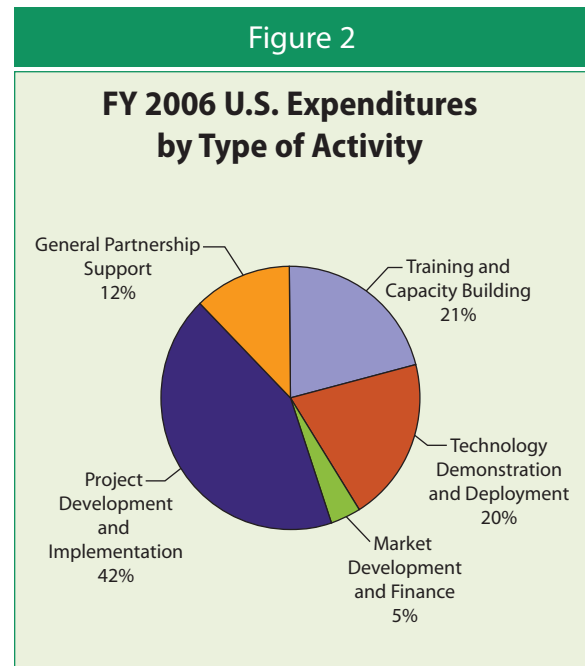
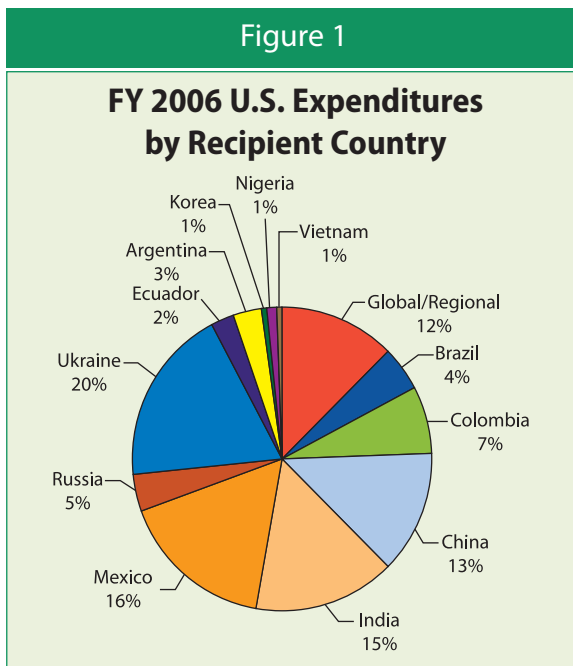


U.S. Trade and Development Agency facilitates development in emerging markets by promoting U.S. partnerships in high-priority overseas projects.



U.S. Department of Agriculture lends technical expertise in the animal waste management sector.



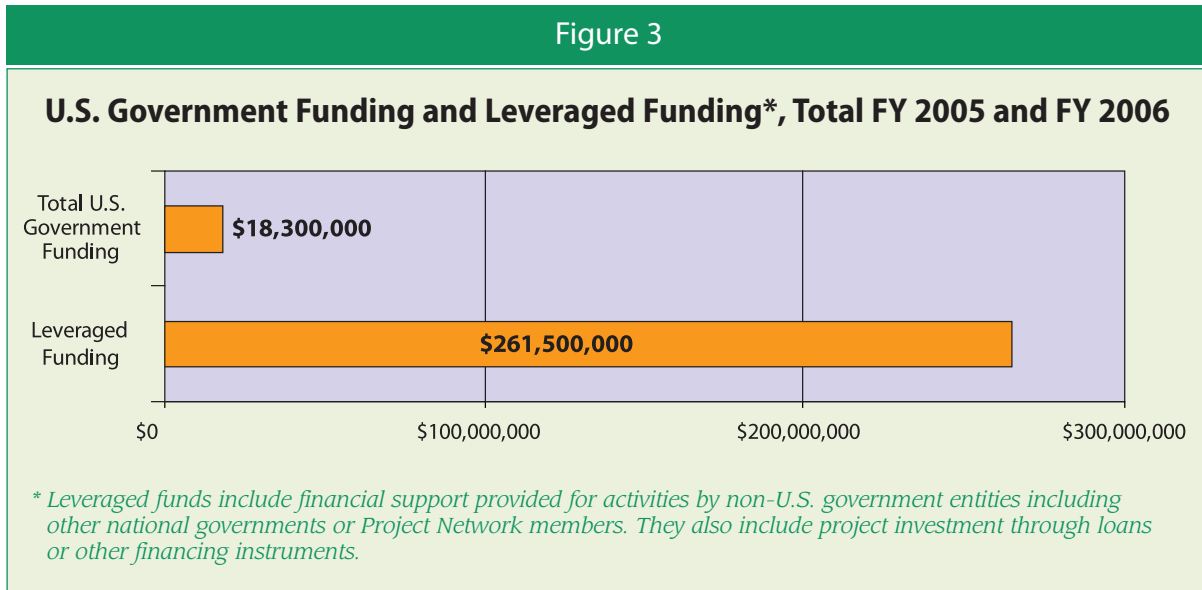


fully implemented, will deliver estimated annual emissions reductions of more than 9 MMTCO₂E. This is nearly double the results from activities undertaken in 2005.

U.S. expenditures are just part of the picture, as U.S. government monies are continuing to leverage other funding. For example, after EPA supported a study of a major gas processing emissions reduction project in China with \$55,000, the project was subsequently awarded \$50,000 from China National Petroleum Company and \$50,000 from Environment Canada. In Mexico, \$445,000 from EPA and USAID was supplemented by \$1.5 million of in-kind funding from Petróleos Mexicanos (PEMEX) and \$50,000 from Environment Canada to identify and implement cost-effective methane emissions reduction projects at PEMEX facilities. To date, the total leveraged funding from the private sector, other countries, and international financial institutions for methane projects in the Partnership exceeds \$261 million (see Figure 3).

Development of Methane Recovery and Use Projects Through Partnerships

One mechanism EPA is utilizing to promote methane project development is direct assistance agreements. This fall, EPA is providing \$2.9 million for methane recovery and use project activities in Argentina, Brazil, China, Colombia, Ecuador, India, Korea, Mexico, Nigeria, Russia, and Ukraine. International governments, universities, laboratories, and public or private nonprofit institutions will be working on nearly 30 projects. Cooperative agreements between EPA and these organizations will produce technology transfer, technical reports, feasibility and pre-feasibility studies, methane emissions databases, information clearinghouses, training and capacity building, study tours, conferences, project expositions, and workshops.



Most importantly, the Methane to Markets Partnership continues to deliver near-term results in addressing the global challenge of climate change and clean development. By conducting technology transfer, improving local capacity, and marketing project opportunities across borders and sectors, the Partnership is developing local, clean energy resources while reducing GHG emissions.

This update provides a brief overview of some of the most notable U.S. government-sponsored activities in the Partnership's four sectors that were funded in 2006. For a full description of Methane to Markets activities, visit www.methanetomarkets.org.