

Beyond oil and gas alliance (BOGA)

About

Beyond oil and gas alliance (BOGA) is an international alliance of governments and stakeholders, created by Costa Rica and Denmark, launched at the 2021 United Nations Climate Change Conference (COP26). The aim is to seek to deliver a managed and just transition away from oil and gas production, working together, through high level political dialogue, policy and technical support, with the aim to mobilise action and commitments, and create an international community of practice on this issue.

Oil and gas production is defined as the upstream exploration, development and production of oil and gas up to, but not including, midstream and downstream activities.

It is acknowledged that countries will have different capacities to phase out oil and gas production faster. BOGA states industrialised countries must lead the way; it's a global challenge that requires global solutions.

In a [press release](#) on the group's establishment, Danish Climate Minister Dan Jørgensen said:

“Science has made it clear – the fossil era needs to come to an end. This is why Denmark has set an end date for oil and gas production. And why we are building this alliance of countries willing to step up to the plate. BOGA will help to spur momentum for countries to phase out their production of oil and gas while creating a clean energy economy.”

Commitment

Core members are committing to end new concessions, licensing or leasing rounds and to set a Paris-aligned date for ending oil and gas production under their jurisdiction. These core members are National governments or decision-making authorities with decision making power over licencing oil and gas exploration. They are - Denmark, Costa Rica, France, Greenland, Ireland, Quebec, Sweden, Wales.

Associate members are National governments or decision-making authorities with decision making power over licencing oil and gas exploration who have taken one or more significant step to reduce oil and gas production, for example ambitious domestic subsidy reform, ending of fossil fuel R&D financing. These members are - California, New Zealand, Portugal.

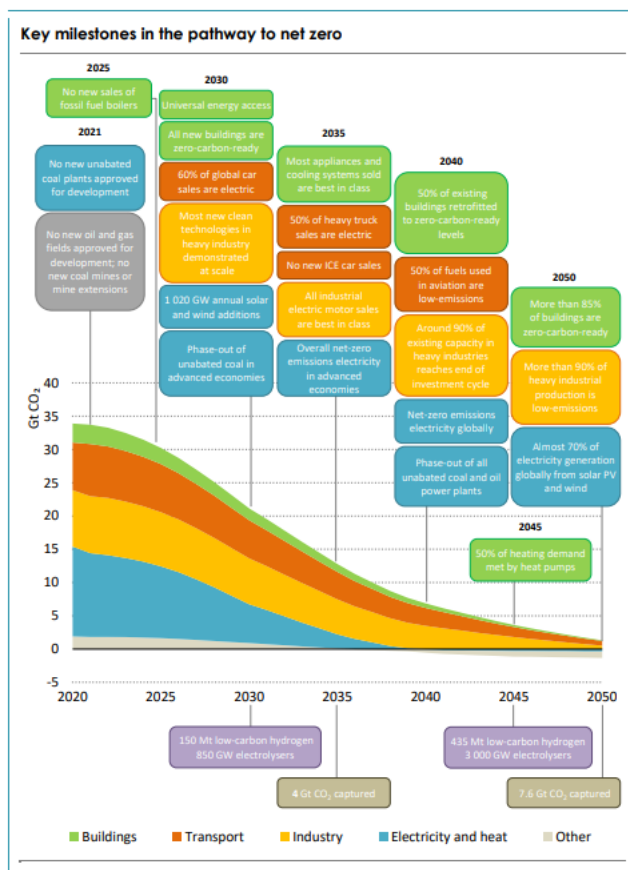
Friends of BOGA are National and sub-national governments and others (indigenous peoples, financial institutions, companies etc.) who are signatories to the Declaration, which supports a socially just and equitable global transition to align oil and gas production with the objectives of the Paris Agreement, and work together to facilitate effective measures. These signatories are Italy, Finland, Luxembourg.

Why has BOGA come about?

Recent reports from the [UN Environment Programme](#), the [International Energy Agency \(IEA\)](#) and the [Intergovernmental Panel on Climate Change](#) have made it clear that it requires significant reductions in coal, oil and natural (fossil) gas to reach the goals of the Paris Agreement.

The IEA report – net zero by 2050 published in May 2021 sets out a global pathway to net zero emissions by 2050 and states that all governments need to significantly strengthen and then successfully implement their energy and climate policies. Commitments at the time fell far short of what is required and although further commitments in November 2021 at COP 26 were made, the commitments continue to be insufficient and many pledges are not underpinned by near term policies and measures. The IEA pathway calls for

- Policies should be strengthened to speed the deployment of clean and efficient energy technologies.
- No new unabated coal plants approved for development from 2021
- No new oil and gas fields approved for development, no new coal mines or mine extensions from 2021



Source: International Energy Agency Special Report - Net Zero by 2050 A Roadmap for the Global Energy Sector May 2021

What have the UK government said about BOGA?

At the time of writing this report, the UK has abstained from joining BOGA. A spokesperson for the UK Government (source - offshore-technology.com November 12, 2021) said there would likely be an 'ongoing but diminishing' demand for oil and gas, so the UK could not commit to phasing out the energy sources entirely.

The spokesperson noted that oil and gas would be necessary as the country works to accelerate its renewable capacity, and added that “no other significant oil and gas producing nation had gone as far as the UK in supporting the sector’s gradual transition to a low carbon future, as demonstrated by our North Sea Transition Deal”.

There is concern from the UK government over a just transition and a UK Government spokeswoman said: “While we are backing the UK’s oil and gas industry’s transition to green energy, there will continue to be ongoing but diminishing need for oil and gas over the coming years while we ramp up renewable energy capacity, as recognised by the independent Climate Change Committee”.

“What we cannot have is a cliff-edge where oil and gas are abandoned overnight. Turning off the taps would put energy security, British jobs and industries at risk and we would be even more dependent on foreign imports” (source - [Cambo: UK Government says oil and gas cannot be ‘abandoned overnight’ \(energyvoice.com\)](#))

The Scottish Government declared they would not join BOGA (source - press release 11 November 2021 - UK offshore oil and gas representative body Oil and Gas UK (OGUK))

The OGUK in their press release say that “the leading representative body for the UK offshore oil and gas industry, welcomed the decision as one that strengthened Scotland’s energy transition and will actually safeguard the acceleration of essential green technologies as well as Scottish jobs”.

OGUK CEO Deirdre Michie said: “The UK’s offshore oil and gas industry is changing – we are in a unique position and are helping aid the energy transition underway. While we still need oil and gas, it is far better we meet our own demand with our own resources rather than importing it, which can be far worse for the environment.

Putting an arbitrary end to supply and production would damage livelihoods across Scotland – the same communities whose skills will be vital in helping us achieve a low-carbon economy.”

How does BOGA align with the Pension Funds current commitments?

The Statement on Responsible Investment Principles outlines the Funds consideration and approach to Responsible Investment climate risk and comments on the Energy Transition. Key elements from the Statement relating to this matter are -

- Stewardship is the responsible allocation and management of capital across the institutional investment community to create sustainable value for beneficiaries, the economy and society.
- There may also be inherent conflicts between the Environmental, Social and Governance factors forming the ESG framework.
- Government engagement: we engage with government through responding to government consultations and aim to influence policy makers through the Funds collaborative engagement groups initiatives.
- The Fund recognises that a prolonged Energy Transition is under way. It also acknowledges that a number of energy incumbents through their size,

capacity to mobilise capital and engineering expertise offer the potential to play a substantial role in that transition. It seeks to balance the economic reality that fossil fuels currently provide 80% of the world's primary energy and that energy demand will grow by up to 50% by 2050, with global commitments, as yet not fully backed by detailed policy, to decarbonise the energy system by the second half of the century. Where viable opportunities arise, the Fund will seek to increase its exposure to renewable infrastructure assets.

- The Fund is aware that there are a range of possible transition scenarios, evolving physical climate related risks and potential opportunities. There are also many uncertainties. This makes portfolio construction around such scenarios very challenging. Instead, East Sussex Pension Fund (ESPF or the Fund) seeks to broadly align its investment approach with the objectives of IIGCC and Climate Action 100+ initiatives.
- ESPF recognises the importance of the Paris Agreement of the United Nations Framework Convention on Climate Change. The central aim of the agreement is to strengthen the response to the global threat of climate change by:
 - keeping a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius;
 - strengthening the ability of countries to deal with the impacts of climate change through appropriate financial flows, a new technology framework and an enhanced capacity building framework; and
 - enhancing transparency of action and support through a more robust transparency framework.

As a signatory to the PRI, the Fund agrees that long term investors should prioritise public policy engagement and have previously been signatories to engagement with policy makers for example in signing the 2021 Global Investor Statement to Governments on the Climate Crisis lead by the Investor Agenda and promoted through the Funds membership of Institutional Investors group on Climate Change (IIGCC), in June 2021.