

Agenda

Since the 12th IEF Ministerial (Cancun, March 2010) much has changed with economic, political and social fabrics all having been tested to varying but significant degrees across the globe.

The global economy is still struggling to deal with debilitating financial turmoil. We have witnessed issues originating in the banking sector threaten the stability of national accounts to the extent that some national credit-ratings have been down-graded.

In addition to the issues affecting the broader economy the energy sector has also faced specific challenges of its own, related to geopolitical events that fueled market fears of instability in the world's largest producing region which were reinforced by the disruption of Libyan supplies. The issue of energy market volatility is a perennial challenge affecting producers and consumers alike. Despite widespread agreement on the negative impact that volatility has on investment prospects and concerted efforts to improve market transparency there is still considerable room for improvement. This applies not only to the underlying data, but also to our collective understanding of cause and effect.

The tragedy of the earthquake and tsunami that hit Japan and the subsequent nuclear accident at the Fukushima plant raised many issues about the vulnerability of key infrastructure as well as our preparedness and ability to respond to events of such scale and severity. Accidents of this magnitude provide valuable insight as to where our priorities should lie. Nevertheless, policy decisions on future energy mix must not be taken lightly. The incident deserves careful analysis. Although the Macondo incident was of a very different nature and scale, it also has global repercussions and implications for the manner in which both government and industry approach regulation and working practices in this essential sector.

Change is the only constant in global energy, and many energy challenges remain. Among them are; the difficulty of sustaining investment throughout the energy supply chain, the challenge of addressing the persistent volatility in energy markets, a lasting reduction in energy poverty in the developing world, and the mitigation of climate change.

The seemingly diverse sectoral, regional and global events of the last two years have a common thread running through them - they all illustrate the extent to which we now live in an interdependent world and that we need stronger international cooperation to deal with global problems. Recognition of this key fact was one of the key drivers behind the signature of the IEF Charter at an extraordinary Ministerial meeting in Riyadh on 22 February 2011. The 88 Member States the International Energy Forum account for around 90% of global supply and demand for oil and gas. The Charter provides the robust framework necessary to further their common interests in building a sustainable energy future and the IEF Secretariat looks forward to facilitating the dialogue in line with the needs and expectations of Member Countries.

2011 witnessed two important dialogue milestones; the 20th anniversary of the global energy dialogue (1991-2011) and the 10th Anniversary of the Joint Organisations Data Initiative (JODI) both were celebrated during the course of the year.

Ministers at the 13th IEF Ministerial are invited to take stock of the results and recommendations from the IEF symposia and reports prepared in the period 2010-2012. They are further encouraged to enter frank and open debate on developments in the international energy environment and attempt stronger coordination of energy policies especially as they relate to the subjects laid out in the agenda below.

Ministers are also invited to identify longer term issues and concerns as well as more specific guidance on the priorities for the Forum's ongoing programme of work.

Session Structure

The 13th Ministerial is structured around four sessions, designed to cover the issues most critical to today's energy dialogue, and to enable lively discussion and broad agreement on the way forward.

Discussion between Energy Ministers and Industry leaders in the 5th IEBF and resultant messages will be reported to the 13th IEF Ministerial.

Session 1: Meeting Future Energy Demand: Planning and Investment for the Long-term

Session 2: Energy Markets: Mitigating Volatility

Session 3: Achieving Environmental and Social Sustainability: Lower Emissions and Access for All

Session 4: The Global Energy Dialogue: Charting the Future of Energy Cooperation

Monday 12 March 2012

Guests' Arrival

19:00 – 21:00 Welcome Cocktail (All Delegates) Regency Hotel

Tuesday, 13 March 2012 5th International Energy Business Forum (IEBF 5)

08:15 – 10:00 **Session 1** Energy Investment: Future Uncertain?

Chair: H.E. Mohammad Hamad Al-Rumhy, Minister of Oil and Gas, Oman
Co-Chair: Mr. Farouk Hussein Al-Zanki, CEO, KPC
Panel: Mr. Koichi Kawana, President and CEO, JGC Corporation
Mr. Falah Al-Amri, Director General and Chairman of Board of Directors, SOMO
Mr. Abdelhamid Zerguine, CEO, Sonatrach

10:00 Move to Bayan Palace

12:00 **Official Opening of the IEF under the patronage of HH the Amir of the State of Kuwait**

13:00 Lunch hosted by His Highness the Amir of the State of Kuwait for Ministers, CEOs and IO Heads, Bayan Palace

14:30 Return to Regency Hotel

15:15 -16:45 **Session 2** NOC-IOC Cooperation: Guidelines for Successful Partnerships

Chair: H.E. Per Rune Henriksen, Deputy Minister, Ministry of Petroleum and Energy, Norway
Co-Chair: Mr. Gertjan Lankhorst, CEO, GasTerra
Panel: Mr. Sudhir Vasudeva, Chairman and Managing Director, ONGC
Mr. Christophe de Margerie, Chairman and CEO, Total
Mr. Mehmet Uysal, President and CEO, TPAO
Mr. Eelco Hoekstra, CEO, Vopak

Formulation of Messages from IEBF to IEF Ministers

16:45 **Coffee Break & Photo Session: Heads of Delegation**

13th International Energy Forum (IEF 13) Day 1
(Session 1 is a Joint Session for Ministers and CEOs)

17:30 Delivery of Messages from IEBF to IEF Ministers

19:45 – 20:45 Bilateral Meetings

21:00 – 22:30 Official Dinner for all Delegates (Regency Hotel)

17:45 -19:45 **Session 1 Meeting Future Energy Demand: Planning and Investment for the Long-term**

Chair: H.E. Hani Hussain, Minister of Oil, Kuwait

Moderator: HRH Prince Abdulaziz Bin Salman Bin Abdulaziz Al-Saud, Assistant Minister for Petroleum Affairs, Saudi Arabia

Speakers: Mr. Sha Zukang, Under-Secretary-General for Economic and Social Affairs, United Nations

Mr. Ali Aissaoui, Senior Consultant, Arab Petroleum Investments Corporation, APICORP

Panel: H.E. Joe Oliver, Minister of Natural Resources, Canada

H.E. Eric Besson, Minister of Industry, Energy and Digital Economy, France

H.E. Corrado Passera, Minister of Economic Development, Italy

H.E. Elizabeth Dipuo Peters, Minister of Energy, South Africa

H.E. Günther Oettinger, Commissioner for Energy, European Union

Shri Sudhir Bhargava, Additional Secretary, Ministry of Petroleum and Natural Gas, India

Wednesday, 14 March 2012 13th International Energy Forum (IEF 13) Day 2

09:00 -11:00 **Session 2 Energy Markets: Mitigating Volatility**

Chair: H.E. Ben Knapen, Minister for European Affairs and International Cooperation, Netherlands

Moderator: Dr. Adnan Shihab Eldin, Director General, Kuwait Foundation for the Advancement of Sciences

Speakers: H.E. Maria van der Hoeven, Executive Director, IEA

H.E. Abdalla El-Badri, Secretary General, OPEC

Panel: H.E. Rostam Ghasemi, Minister of Petroleum, Iran

H.E. Ali I Al-Naimi, Minister of Petroleum and Mineral Resources, Saudi Arabia

H.E. Charles Hendry, Minister of State, United Kingdom

H.E. Daniel B. Poneman, Deputy Secretary of Energy, United States of America

H.E. Seishu Makino, Senior Vice Minister, METI, Japan

11:00 **Coffee Break & Photo Session: Heads of Delegation**

11:30 -13:30 Session 3 Achieving Environmental and Social Sustainability: Lower Emissions and Access for All

Chair: H.E. Youcef Yousfi, Minister of Energy and Mining, Algeria

Moderator: Mr. Claude Mandil, Former Executive Director, IEA

Speakers: Dr. Kandeh K. Yumkella, Director General, UNIDO

Mr. Suleiman J. Al-Herbish, Director General , OPEC Fund for International Development (OFID)

Panel: H.E. Martin Ferguson, Minister for Resources and Energy, Minister for Tourism, Australia

H.E. Phil Heatley, Minister of Energy, Resources and Housing, New Zealand

H.E. Doris Leuthard, Federal Councillor, Switzerland

H.E. Mohamed Bin Dhaen Al-Hamli, Minister of Energy, United Arab Emirates

H.E. F.X. Sutijastoto, Assistant Minister of Energy and Mineral Resources for Investment and Production

13:30 **Lunch and Bilateral meetings**

15:00 -17:00 Session 4 The Global Energy Dialogue: Charting the Future of Energy Cooperation

Chair: H.E. Anatoly Yanovskiy, Deputy Minister of Energy, Russia

Moderator: Mr. Tatsuo Masuda, Professor, Nagoya University of Commerce and Business Graduate School

Speakers: Dr. Aldo Flores Quiroga, Secretary General, IEF

Dr. Bassam Fattouh, Director of the Oil and Middle East Programme, Oxford Institute

for Energy Studies

Mr. Graham White, CBE, Former Director of International Energy, DECC, UK

Panel: H.E. Jose Rene D. Almendras, Secretary of Energy, Philippines

H.E. Mohammed Saleh Al-Sada, Minister of Energy and Industry, Qatar

H.E. Taner Yildiz, Minister of Energy and Natural Resources, Turkey

H.E. Joe Nakano, Parliamentary Vice-Minister for Foreign Affairs, Japan

H.E. Jaime Himede, Deputy Minister of Energy, Mozambique

17:00 – 17:30 **Concluding Statement and Closing Remarks**

18:00 **Press Conference**

Session 1: Meeting Future Energy Demand: Planning and investment for the long-term

As much of the infrastructure that will be needed in 2035 to meet the energy needs of a growing world economy is still to be built, future demand growth will require investment measured in many trillions of dollars, posing dramatic challenges to all the energy industries.

Given the potential scale of growth ahead, future energy demand must be satisfied by a balanced portfolio of solutions that draws on all viable energy sources. While the world will continue to rely on traditional fossil fuels in the foreseeable future, the role of other sources of energy will play an increasingly important role in the mix over time. Among fossil fuels, natural gas is expected to play a more prominent role in the years to come, not only because it is the cleanest of the fossil fuels but also because of its abundant availability with the shale gas resources now displaying significant development.

No one resource or technology can hope to meet the energy needs of the future. Instead we must build a balanced portfolio of sustainable resources, technologies and methodologies, which are likely to include energy efficiency, conventional and non-conventional oil and gas resources, cleaner coal technologies, nuclear and renewable energy.

Technological development is a likely source of significant improvement in energy supplies not only through more environmentally friendly processes such as cleaner fuel burning formulations and carbon capture and sequestration, but also through incremental improvements to existing processes which may increase the level of ultimately recoverable resources.

Public concerns regarding energy safety, environmental consequences, energy security and acceptance of energy sources and facilities may all hinder timely delivery of the necessary large investments to meet future demand and replace depleted capacity. Public policy needs to address these issues in such a way that investment can be ensured. Markets are interlinked and energy security concerns are an international issue. The significant levels of investment required to meet and sustain future demand will only be forthcoming if the global community make concerted efforts to mitigate risk above and below ground.

Stable legal and regulatory frameworks, better co-ordinated and less “volatile” energy and environmental policies would help provide the transparency and long-term view necessary to instill industry and market players with the confidence necessary to make informed decisions and to raise the requisite investment capital.

Objective Session 1	Ministers are invited to discuss desirable developments of all energy sources, and associated energy investment requirements leading to achieve a more sustainable energy mix.
Some key questions	<ul style="list-style-type: none">- What actions and information flows can help enhance security of supply and demand?- What kind of policies can contribute to coordinate better the interests of both producers, consumers and transit countries, so as to ensure a healthy level of investment in the energy sector?- How should domestic energy policies be steered in order to make the best use possible, in a sustainable way, of all forms of energy in both producing and consuming countries?- What role can transit countries play in strengthening both energy security and the energy investment planning process of producers and consumers?- Are investments in energy infrastructure growing at the speed necessary to overcome possible bottlenecks in the distribution of energy products and services?- How is the current world economic situation affecting the availability of financial resources for energy investments? Is it more of a limiting factor than the temporary slowdown on energy demand, or are energy investments being executed as planned?- How are countries working to improve the general public's possible misperception of the safety and environmental record of the energy industry, so that important energy investments are not delayed?

IEF Secretariat work relevant to Session 1

- First IEA- IEF-OPEC Symposium on Energy Outlooks, January 2011, Riyadh, Saudi Arabia.
- Second IEA- IEF-OPEC Symposium on Energy Outlooks, January 2012, Riyadh, Saudi Arabia.
- Second IEF-IGU Ministerial Gas Forum, November 2010, Doha, Qatar.
- Guidelines for successful NOC-IOC cooperation, IEF Secretariat/IEF Industry Advisory Committee, February 2012

Session 2: Energy markets: Mitigating volatility

The adverse economic, political and social consequences of the sharp swings and movements in oil prices that have characterised the market since 2008 remain a source of concern. A common school of thought in the current debate proposes that, although price movement is a necessary element of market-making, the sharp price swings that we have witnessed in recent years are harmful. They increase uncertainty and undermine global economic growth and investment in oil and other energy sources.

In the aftermath of the 2008 financial crisis, IEF Ministers strengthened their call for improved transparency as a key element in efforts to enhance the functioning of the oil market and to facilitate price discovery. Transparency in the physical dimension of the market is important to understanding oil market dynamics and enhancing the price discovery function, but it is increasingly apparent that transparency in the financial layers surrounding the physical benchmarks also needs to improve.

The issue of energy market volatility is now part of the tri-lateral IEA-IEF-OPEC cooperation programme, which was included in the Cancun Declaration. The programme is actively underway and two rounds of joint events on the linkages between physical and financial energy markets, including energy market regulation, on energy outlooks and on market data transparency have already been successfully delivered. A report on the IEA-IEF-OPEC cooperation programme and core findings will be made available to Ministers at the 13th IEF Ministerial.

Absence of data, data of poor quality and issues of timeliness are all potential contributing factors to volatility in oil markets as data forms the basis of analysis that supplements or provides the information upon which pricing and investment decisions are made. In the absence of informed analysis, decision-making becomes more of an art than a science and speculation in one form or another is inevitable. It is increasingly clear that oil prices are now formed by a complicated interplay of physical and financial factors and policy makers need to focus on measures that further improve transparency in both physical and financial markets and measures that improve adequate regulation of markets.

Although the coverage and quality of information on crude oil market fundamentals has improved in recent years, it is still far from perfect. The Joint Organisations Data Initiative (JODI) aims to help achieve a degree of market stability by providing official timely, accurate and transparent oil market data. The Initiative has been regularly applauded by IEF Ministers as a concrete achievement of the global producer-consumer energy dialogue, but successful collection and dissemination of sound data in a timely manner cannot be achieved without full participation of data providers; i.e. participating countries/economies. Unfortunately, it is necessary to note that the recent performance of some countries in JODI Oil is lagging behind and has considerable scope for improvement. Even in times of economic uncertainty the concerted, co-ordinated and sustained effort of all stakeholders is essential to the future success of the initiative and its potential to deliver upon the expectations of Ministers and their governments.

Given the trend towards globalisation in the gas market, Energy Ministers have called for a progressive extension of JODI to natural gas and encouraged the IEF Secretariat to take the initiative to make this happen, in collaboration with other relevant international organisations. JODI partner organisations are presently testing the sustainability, completeness and timeliness of submission of monthly gas data by some 40+ countries and plan to launch JODI Gas in 2012.

Calls for the extension of JODI to cover annual data on upstream and downstream capacities and expansion plans have been noted and work on extension to investment has been already initiated by JODI partner organisations (starting with oil), with preliminary findings on schedule for delivery by the end of 2012.

Objective Session 2 Ministers are invited to discuss developments in data transparency, energy market and volatility issues since the 12th IEF and to offer guidance on priorities for the future.

Some key questions

- What is IEF Ministers' impression of the work conducted by the IEF and other international organisations on mitigating energy market volatility? Is the focus and orientation of this work adequate, or must it be adjusted in the light of recent energy market developments? In what direction?
- How can we find more common ground in understanding the interaction between physical and financial energy markets?
- Considering how price formation is affected by developments in both the commercial and non-commercial realms, is it time to treat these two markets as one? If so, is the current approach to energy market regulations appropriate?
- What lessons are countries deriving from their current experiences with oil price volatility? Should energy regulators target specific aspects of market behavior to promote price stability? Can such regulation perform better than a hands-off approach?
- Should some form of policy coordination between consumers and producers be attempted at the global level in order to limit the extent of the participation of financial markets in energy markets? How will this hinder or enhance the role of financial markets in the price discovery process?

- Considering the crucial role that transparency can play in reducing energy market uncertainty, how can IEF Member countries better deliver upon their commitments for submission of JODI oil data, given the additional requirement to accelerate the extension of the initiative to include other sources of energy and investment plans? How can constraints on the flow of this information be overcome?

IEF Secretariat work relevant to Session 2

- First joint IEA-IEF-OPEC Workshop on the interactions between physical and financial energy markets and Forum on Market Regulation, November 2010, London, United Kingdom.
- Second joint IEA-IEF-OPEC Workshop on the interactions between physical and financial energy markets, November 2011, Vienna, Austria.
- First IEA- IEF-OPEC Symposium on Energy Outlooks, January 2011, Riyadh, Saudi Arabia.
- Second IEA- IEF-OPEC Symposium on Energy Outlooks, January 2012, Riyadh, Saudi Arabia.
- Report on Oil Price Reporting Agencies (PRAs) to G20, October 2011.
- Report on Gas and Coal Volatility to G20, October 2011.
- Report on IEA-IEF-OPEC joint programme of activities, February 2012.

Session 3: Achieving Environmental and Social Sustainability: Lower emissions and access for all

Energy security and climate change are global challenges and therefore have no efficient economic solutions within national boundaries. Government decision makers are increasingly concerned about reconciling energy and environmental goals.

None of the Millennium Development Goals (MDGs) can be delivered without access to modern energy services for the 1.3 billion people who today live without electricity and the 2.7 billion people who still use traditional biomass for cooking and heating. A lack of basic energy services impacts all aspects of human life, from healthcare to clean water, proper housing, education and the potential to earn a living. The UN has labeled 2012 as the International Year of Sustainable Energy for All.

Meeting future energy demand through the pursuit of energy efficiency is technically the least expensive method for doing so, but the costs associated with some of the measures may still be significant and barriers to widespread implementation must be addressed. Implementing energy efficiency policies is complex and requires a good delivery mechanism together with the requisite human and financial resources. Energy efficiency policies implemented in developed countries over the past three decades have delivered tangible results with substantial improvements in the efficiency of energy use in the transportation, housing and industrial sectors.

Developing countries have not played a major part in this energy efficiency progress, due in part to the level and nature of their energy consumption, but also in many cases due to the lack of institutional capability to promote energy efficiency policies. In oil and gas producing countries domestic demand growth is very high and crowding out export potential. Non-targeted energy subsidies need to be reduced and where possible phased out to help dampen demand growth. Consumers' lack of knowledge and information and the shortage of initial investment capital are also major barriers to the development and implementation of efficiency measures.

Because energy demand will significantly increase over the years to come, energy policy makers can no more think in terms of substituting one energy by another, but rather aim at using all available forms of energy, enhancing their advantages and addressing their disadvantages. To limit fossil fuels contribution to climate change, some estimates note that technology such as Carbon Capture and Storage (CCS) can be deployed economically.

Environmental and energy sound policies need to consider a wide range of goals; environment protection, continuity of energy flows, affordability of energy for the end-users and fair returns for suppliers to ensure that investment is timely made and at adequate scale, while preserving both local and global environment.

The nuclear accident at the Fukushima plant and the Macondo oil spill raised questions about the vulnerability of key energy infrastructure; increasing demand for natural gas to compensate for lost nuclear production, changes in targeted long term energy mix in some countries, among others. The public also expressed concerns about the safety of nuclear facilities as well as oil production platforms. Sharing of best practices among IEF members and with industry would help improving actual as well as perceived security of energy facilities, thus improving public attitude towards them and vis-a-vis the energy industry in general.

Objective
Session 3

Ministers are invited to discuss ways of achieving global energy security in a way that is compatible with environment preservation and climate change mitigation.

Some
key
questions

The promise of a sustainable energy sector depends at the very least on the evolution of technology, prices, and regulation. Should governments work on all three areas in concert, concentrate on one, or leave markets to sort how best to address both energy and environmental concerns?

- Should sectors or technologies be the focus of clean energy policies? Which can provide the largest results per unit of resources invested?

- What type of policies and regulations should be developed to incentivise and accelerate the deployment of CCS ?

- How can the potential of energy efficiency be utilised and wasteful energy subsidies phased out while protecting the poor?

-What models and approaches to reduce energy poverty have delivered the best results to date? To what extent can these models be exported from one country to another?

- How must international cooperation be structured to facilitate adequate information flow, technology transfer, and financing to promote investments that increase energy access in low income areas?

IEF Secretariat work relevant to Session 3

- IEF Symposium on Energy Efficiency in Developing Countries, June 2011, Jakarta, Indonesia.
- Second IEF-Global CCS Institute Symposium on Carbon Capture and Storage, June 2010, Algiers, Algeria.
- Report on IEF-Global CCS Institute Symposia on Carbon Capture and Storage, February 2012.
- Report on IEF Symposia on Energy Poverty, February 2012.

Session 4: The Global Energy Dialogue: Charting the future of energy cooperation

The dialogue among producing and consuming countries has come a long way since the first IEF Ministerial Seminar in 1991 in Paris. The 20th anniversary of the global energy dialogue coincided with the signing of the IEF Charter in February 2011. This recognition of interdependence opens a new era of cooperation between producing, consuming and transit countries and bodes well for concrete outcomes in the common interest. Specific objectives for the next two years need to be set.

Dialogue is an important tool at a time when uncertainties surrounding the energy sector are multiplying and increasing. Most of the issues that are discussed at the 13th IEF Ministerial are of a global nature and can only be addressed through open and frank dialogue in an international framework such as the one that IEF member countries have set up under the neutral body of International Energy Forum.

On the occasion of the Extraordinary IEF Ministerial Meeting on 22 February 2011 in Riyadh, an IEF Charter for enhanced producer-consumer dialogue was signed by 86 countries. The IEF Charter marks a new era of international energy cooperation built on greater mutual understanding and trust, with a significant reinforced political commitment to an informal and open global energy dialogue in the framework of the IEF among energy producing and energy consuming countries, including transit States. Now with 88 signatories, the IEF Charter creates a solid foundation for a productive dialogue that fosters greater mutual understanding between producing and consuming countries on key energy policy issues and, where possible, narrows the differences in views and helps build trust in policy intentions. With all the major energy producers and consumers united in this dialogue framework this fact sends a powerful positive signal to the energy world and energy markets that difficult issues can and will be tackled in a global context, whenever necessary.

The IEF Charter is one of the outcomes of the process leading to the Cancun Declaration and aiming at 1) enhancing the role of the IEF in the global dialogue and 2) strengthening cooperation among organisations and countries to work towards mitigation of energy markets' excessive volatility. The IEA-IEF-OPEC joint work programme achieved concrete results with recommendations feeding into IEF Ministers' discussion in Kuwait. Their joint activities included analysis of the complex interaction between physical and financial energy markets, as well as sharing of short-, medium- and long term energy outlooks and data transparency.

Experts and market players participating in IEA-IEF-OPEC joint events concurred that energy market transparency in its physical as well as financial layers is a central requirement for improved functioning of energy markets. JODI is a concrete example of what governments and industry can achieve in this regard, but participation in JODI needs to be aligned with Ministers' expectations by enhancing sustainability of submission, completeness and accuracy. Ministers are requested to formulate concrete objectives on improving data transparency in oil, gas and investment.

Objective
Session 4

Ministers will be invited to discuss how the implementation of the IEF Charter can help strengthen the producer-consumer dialogue, narrowing the differences among energy producing, consuming and transit Member States on global energy issues and promoting a fuller understanding of their interdependency and the benefits to be gained from cooperation through dialogue among them, as well as between them and energy-related industries.

Some
key
questions

- Celebrating 20 years of global energy dialogue in 2011 and with the IEF Charter now in place, what do Ministers see as the future direction of the producer-consumer dialogue ?
- What specific issues do Ministers seek to prioritise in the programme of work leading up to the 14th IEF Ministerial ?
- How can IEF countries align their commitment to energy market transparency with full participation in JODI (oil, natural gas, investment)? Which concrete objectives can be set on improving data transparency in the next two years?
- How do Ministers foresee the cooperation between the IEF and other international organisations in the promotion of energy security?

IEF Secretariat work relevant to Session 4

- IEF Secretariat report on JODI related activities since 12th IEF Ministerial, February 2012.
- Report on IEA-IEF-OPEC joint programme of activities, February 2012.