

Agenda

The global energy scene has changed dramatically since the 11th IEF Ministerial. Market developments pushed oil prices to unprecedented levels of nearly \$150 per barrel in July 2008 before slipping to below \$40 in January 2009. The combination of the financial crisis and the macroeconomic slowdown affected global energy demand in general, and oil in particular.

The global energy dialogue among producing and consuming countries has intensified since the 11th IEF Ministerial. The Jeddah ad hoc Energy Ministerial Meeting, called for by the Custodian of The Two Holy Mosques, King Abdullah Bin Abdul-Aziz, held on 22 June 2008, convened Energy Ministers and petroleum industry CEOs to discuss and identify the causes and consequences of the erratic swings of oil price and to suggest means to improve oil market functionality. Ministers and CEOs then convened again at the London ad hoc Energy Meeting, called for by the Rt. Hon. Gordon Brown MP, Prime Minister, held on 19 December 2008, when the world economy had just begun to grapple with the spectre of lower economic growth and debilitating financial turmoil.

Responding to the call from Energy Ministers at the 11th IEF Ministerial, the IEF Secretariat structured its biennial programme of work to tackle key energy issues, as highlighted by Ministers, which included:

- The need to: assess uncertainties, including those affecting future oil and gas supply and demand outlooks; identify barriers that hold back **investment**; and encourage increased cooperation and partnership among national and international companies;
- The promotion of enhanced **transparency** through the Joint Oil Data Initiative (JODI), a concrete outcome of the dialogue, and the IEF's flagship production for transparency. Ministers called for the further development of this transparency initiative and for its extension to other sources of energy such as natural gas, as well as to the collection and dissemination of annual data on investment plans, capacities and stocks both above and below the ground.
- The projected increase in demand for energy in the coming decades makes **sustainability** an inescapable dimension of energy policy. Therefore, the work of the IEF Secretariat included a symposium on Carbon Capture and Storage (CCS) development and another symposium that addressed the eradication of energy poverty and its relationship to the Millennium Development Goals.

Despite the work described above, 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.

Ministers gathering at the 12th IEF Ministerial are invited to discuss developments in the international energy environment, identify longer term issues and concerns, take stock of the results and recommendations from the IEF symposia and reports prepared in the period 2008-2010, and approve a set of recommendations to strengthen the dialogue through the IEF and limit energy market volatility in order to meet the challenges facing global energy markets (Cancun Ministerial Declaration).

Session Structure

The 12th 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.

DAY 1

Session 1: Role of Energy in Fostering Human Development

DAY 2

Approval of Cancun Ministerial declaration

Session 2: Global Energy Markets: Reducing Volatility and Uncertainty

Session 3: Reconciling Sustainability and Security of Supply and Demand

Session 4: The Global Energy Dialogue: The Way Forward



12th International Energy Forum 30 - 31 March 2010, Cancun, Mexico

Please note that the timing of sessions is subject to changes

29 March 2010

Guests' Arrival

19.00 - 21.00 Welcome Cocktail (All Delegates)

30 March 2010

08.30 - 13.00 4th International Energy Business Forum

15.00 - 18.45 12th International Energy Forum - Day 1

14.00 Seating for opening ceremony begins

15.00 - 16.00 OPENING CEREMONY
(with the participation of President Calderón)

16.00 - 16.45 Messages from IEBF to IEF Ministers

12TH IEF SESSION 1

16.45 - 18.45

Role of Energy in Fostering Human Development

Chair: *H.E. Gerry Brownlee, Minister for Economic Development, New Zealand*

Speaker: Mr. Jamal Saghir, Director Water and Energy, World Bank

Panel:

India

Iran

Portugal

20.30 – 22.00 Official Dinner (Ministers and CEOs)

31 March 2010

09.00-18.00
09.00-09.45

12th International Energy Forum - Day 2

Approval of Cancun Ministerial declaration

Chair: H.E. Dr. Georgina Kessel Martinez, Secretary of Energy, Mexico

Presentation of Expanded High Level Steering Group (EHLSG) recommendations

By **HRH Prince Abdulaziz bin Salman bin Abdulaziz Al Saud,**
Assistant Minister of Petroleum, Kingdom of Saudi Arabia,
Chairman of the High Level Steering Group (HLSG)

Graham White,
Director International Energy & Technology, Department of Energy
& Climate Change, United Kingdom,
Co-Chairman of the High Level Steering Group (HLSG)

Noé van Hulst,
Secretary General, IEF

12TH IEF SESSION 2
09.45 - 11.45

Global Energy Markets: Reducing Volatility and Uncertainty

Chair: H.E. Dr. Georgina Kessel Martínez, Secretary of Energy, Mexico

Speakers: Mr. Nobuo Tanaka, Executive Director IEA.
H.E. Mr. Abdallah El Badri, Secretary General OPEC.

Panel:

Algeria
China
Germany
Italy
Saudi Arabia
United States

11.45 - 12.15 Coffee Break & Photo Session: Heads of Delegation

12TH IEF SESSION 3

12.15 - 14.15

Reconciling Sustainability and Security of Supply and Demand

Chair: *H.E. Maria van der Hoeven, Minister of Economic Affairs, The Netherlands*

Speaker: *Dr. Christopher Frei, Secretary General, World Energy Council (WEC)*

Panel:

Bulgaria
Japan
Turkey
UAE

14.15 - 16.00 Lunch and Bilateral meetings

12TH IEF SESSION 4

16.00 - 18.00

The Global Energy Dialogue: The Way Forward

Chair: *H.E. Sheikh Ahmad Al-Abdullah Al-Ahmad Al-Sabah, Minister of Oil, Kuwait*

Speaker: Mr. Noé van Hulst, Secretary General, IEF

Panel:

Russia
Spain
United Kingdom

Concluding Statement and Closing Remarks

18.00

Press Conference

Tuesday 30 March 2010

Session 1: Role of Energy in Fostering Human Development

The sustainability of the world energy future also implies broader access to energy for a growing world population. Yet, billions of people have no energy security at all as they simply lack access to modern energy services, a paucity which stands as a serious impediment to realizing the Millennium Development Goals (MDG). Without access to modern energy services, the poor are deprived of opportunities for economic development and improvement of their living standards.

Numerous initiatives around the globe have attempted to tackle energy poverty, but it remains unclear whether these efforts will be sufficient. The IEF, which is the only global energy forum in which developing countries participate, hopes to identify concrete measures to reverse this trend and set an MDG-derived target of halving the number of people who suffer from energy poverty by 2015.

Effective support, sustainable development and poverty reduction at the national, regional, and local level is urgent, but success relies on the involvement of all stakeholders, including government, the financial sector, industry, technology providers, NGOs and local communities.

The IEF provides the ideal arena for discussing energy poverty reduction. At the 11th IEF Ministerial, IEF Energy Ministers called for a “step-change” in the collective efforts of all international organizations. The IEF Secretariat held an action-oriented symposium on energy poverty to deliver concrete recommendations for its eradication.

Objective of Session 1:

Ministers’ discussion will address the barriers to the development of energy in the least developed countries, as well as explore and, if possible, agree upon concrete actions to alleviate energy poverty.



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KEY QUESTIONS:

- What are the avenues for effective cooperation between developed and developing countries in fighting energy poverty?
- How can best practices and experiences in the deployment of energy sources and services be disseminated? What are the actions that need to be taken to achieve a greater level of rural electrification?
- How can the recommendations of the IEF symposium be carried out? What further steps should be taken to implement these?

Chair:	H.E. Gerry Brownlee, Minister for Economic Development, New Zealand
Report:	Messages from IEBF to IEF Ministers
Panel:	India, Iran, Portugal
Speaker:	Mr. Jamal Saghir, Director Water and Energy, World Bank

IEF Secretariat work relevant to Session 1:

- IEF Symposium on Energy Poverty, Johannesburg (8-9 December 2009).

Approval of Cancun Ministerial Declaration

Chair: H.E. Dr. Georgina Kessel Martínez, Secretary of Energy, Mexico

Presentation of Expanded High Level Steering Group (EHLSG) recommendations

By HRH Prince Abdulaziz bin Salman bin Abdulaziz Al Saud,
Assistant Minister of Petroleum, Kingdom of Saudi Arabia,
Chairman of the High Level Steering Group (HLSG)

Graham White,
Director International Energy & Technology, Department of Energy & Climate
Change, United Kingdom,
Co-Chairman of the High Level Steering Group (HLSG)

Noé van Hulst,
Secretary General, IEF

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Session 2: Global Energy Markets: Reducing Volatility and Uncertainty

Volatility in energy markets reached unprecedented levels in recent years (bouncing up to nearly \$150 per barrel in July 2008 before dipping to below \$40 in early 2009) and represents a significant impediment to ensuring adequate and timely investment in the energy sector.

Notwithstanding recent economic developments, oil demand is projected to increase in the near future. It is therefore crucial that investment is maintained to ensure that supply is sufficient to meet this demand and is available at an affordable price.

Increased volatility has raised uncertainty about project returns and contributed, in combination with the credit crunch, to the deferral of capital expenditures, particularly for marginal investment projects. Future supplies are at stake as many companies have scaled back their capital expenses in light of the recent economic downturn.

The “unpacking uncertainty” study, commissioned by the IEF Secretariat, identified key uncertainties and highlighted specific areas where active collaboration among energy ministers, from both producing and consuming countries, could help resolve some of the uncertainties that are currently impairing investment.

Given the level of uncertainty plaguing energy markets, better information for market participants is more crucial than ever to oil market stability. The Joint Oil Data Initiative, a concrete outcome of the global energy dialogue, is of particular importance. Indeed, the JODI database has gradually become an indispensable reference for industry, government and finance. Although much remains to be done; over the past two years, the coverage, timeliness, and quality of data have all been greatly improved.

In addition, the IEF Secretariat has responded to the IEF Ministers’ call to assess the possible extension of JODI to the collection of monthly natural gas data, as well as to annual data on oil and gas upstream and downstream capacity and expansion plans, all of which will provide investors with better visibility on oil and gas outlooks.

The role of financial markets in exacerbating oil price volatility has been widely debated over the past two years. Greater transparency is also needed in derivatives markets to shed more light on the factors influencing the price discovery process. Better functioning markets would give more consistent price signals and instill greater confidence in both industry and consumers as they make investment or purchase decisions. IEF Ministers may wish to take stock of the recent evidence and policy developments in this area and assess whether further action is needed.

Uncertainty also extends to alternative energy. Oil and gas outlooks are informed and guided by varying projections on renewable energy in the medium and long term, as was discussed at the London Ministerial Energy meeting. While welcoming the development of alternative sources of energy, IEF Ministers highlighted some of the drawbacks and limitations of biofuels and

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requested that the IEF Secretariat work together with all relevant organizations to conduct a realistic and comprehensive assessment of their future and potential environmental and economic implications.

The IEF High Level Steering Group, which later became the Expanded High Level Steering Group, and its associated expert group, were also established as a follow-up to the ad hoc Jeddah and London Energy Meeting to discuss and suggest means to strengthen the consumer-producer dialogue and reduce energy market volatility. Ministers are invited to discuss how the recommendations of the Expanded High Level Steering Group can help reduce energy market volatility.

Background papers: Expanded High-Level Steering Group Report, IEA, IEF, OPEC

Objective of Session 2:

Ministers are invited to seek cooperative means to achieve better market functionality, and in particular, to focus on the recommendations of the Expanded High-Level Steering Group, based on the proposals and report of the Expert Group, regarding the reduction of energy market volatility.

KEY QUESTIONS:

- What are Ministers' views on how the recommendations of the IEF Expanded High-Level Steering Group and its implementation plan can help reduce energy market volatility?
- How should we build on JODI's current achievements, its extension to other sources of energy and investment plans?
- What are the key uncertainties inhibiting investment? What action can Ministers take through the dialogue to limit such uncertainties and their negative impact on investment?

Chair:	H.E. Dr. Georgina Kessel Martínez, Secretary of Energy, Mexico
Panel:	Algeria, China, Germany, Italy, Saudi Arabia, United States
Speakers:	Mr. Nobuo Tanaka, Executive Director IEA. H.E. Mr. Abdallah El Badri, Secretary General OPEC.

IEF Secretariat work relevant to Session 2:

- IEF Secretariat report on JODI achievement since 11th IEF Ministerial (March 2010).
- Unpacking Uncertainty. A Report commissioned by the IEF (July 2009).
- Expanded High Level Steering Group report on strengthening the architecture of the producer-consumer dialogue and reducing energy market volatility (February 2010).

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Session 3: Reconciling Sustainability and Security of Supply and Demand

The world needs more energy supply to sustain economic growth and development, but energy resources are under pressure and CO₂ emissions from today's energy use pose a serious threat to our climate. Therefore, identifying a dual track strategy that addresses both global energy security and the mitigation of climate change constitutes the most pressing challenge to both governments and industry.

A wide range of technological solutions, ranging from CO₂ capture and storage to the development of renewables and nuclear power, will be important tools in mitigating climate change. However, long-term risks to their development, in the form of regulatory and political uncertainty, are threatening to deter the large-scale investments that these technologies demand.

Furthermore, given the size and complexity of the world's energy system, the introduction of new technologies and alternative energy sources can only make incremental changes to the global energy system in the short and medium-term, with a system-wide change taking between twenty to fifty years. Therefore, it is a matter of urgency that policymakers create the right environment to encourage technological development and facilitate the commercial deployment of new technologies.

Of all the options available for limiting the emission of greenhouse gases, energy efficiency presents the most easily implemented and cost-effective solution to optimizing our use of finite global resources. Consuming energy in a more efficient manner can be achieved both by the development and deployment of new technologies as well as through better consumer awareness. Both methods require clear and consistent energy policies, including on energy pricing, as well as the sharing of technology and best practices among producers and consumers.

Carbon capture and storage (CCS) technology systems have the potential to achieve substantial reductions in global energy-related CO₂ emissions and can also be utilized by the oil industry to enhance oil recovery, thereby contributing to global energy security through increased supply. However, the high cost of CCS technology still constitutes a serious impediment to its commercial deployment.

In their quest to mitigate the effects of climate change, and in some instances reduce their dependency on fossil fuels, some countries have committed themselves to the greater use of renewables. However, in the absence of a common methodology for life-cycle analysis there is debate over the true environmental benefits of some renewables.

While welcoming the development of alternative sources of energy as a necessity, IEF Ministers have already highlighted some drawbacks and limitations of biofuels, in particular, and asked the IEF Secretariat to work together with all relevant organizations to conduct a realistic and

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comprehensive assessment of their future and potential environmental and economic implications.

Gathering after the major UNFCCC meeting in Copenhagen (December 2009), IEF Ministers will be invited to provide comments and views on how the energy sector should adapt to climate change, while safeguarding the progress of all countries on the road to development.

Objective of Session 3:

Ministers are invited to discuss ways and means to reconcile energy security objectives with climate change mitigation through closer cooperation and, where possible, agree on conclusions and actions.

KEY QUESTIONS:

- What are the possible avenues for enhanced cooperation between producing and consuming countries in addressing the climate change issue?
- How can energy efficiency policies and practices be disseminated more broadly and more quickly in both producing and consuming countries?
What role should biofuels play and how do we adapt energy policies to ensure that they are sustainable?
- How can the deployment of carbon capture and storage technology and renewables be accelerated and broadened to reduce emissions in the coming decades?

Chair:	H.E. Maria van der Hoeven, Minister of Economic Affairs, The Netherlands
Panel:	Bulgaria, Japan, Turkey, UAE
Speaker:	Dr. Christopher Frei, Secretary General, World Energy Council (WEC)

IEF Secretariat work relevant to Session 3:

- First IEF - Global CCS Institute Symposium, Beijing (27-28 September 2009).
- Assessment of Biofuels; Potential and Limitations. A Report commissioned by the IEF (February 2010).
- IEF - IFP Symposium Technology in the Petroleum Sector, Riyadh (15 December 2008).
- First IEF - IGU Gas Ministerial Forum, Vienna (24 November 2008).

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Session 4: The Global Energy Dialogue: The Way Forward

The Global Energy Dialogue will be celebrating its 20th Anniversary in 2011. When Ministers gathered for the ad hoc Jeddah and London Energy Meetings in June and December 2008 they noted that recent developments in the global economy and energy markets had highlighted the need to examine the dialogue's institutional architecture, as it relates to energy, to ensure that it most effectively supports the creation and maintenance of well-functioning markets, while reducing excessive volatility.

The IEF High Level Steering Group, later the Expanded High Level Steering Group and its associated expert group, were established to offer recommendations that would strengthen the producer-consumer energy dialogue and reduce energy market volatility. Ministers will be invited to discuss how the implementation of the recommendations on the architecture of the dialogue can help strengthen the producer-consumer dialogue.

Background paper: IEF Expanded High Level Steering Group report.

Objective of Session 4:

Ministers are invited to comment on how the institutional recommendations prepared by the Expanded High-Level Steering Group, based on the proposals and report of the Expert Group, will help strengthen the producer-consumer energy dialogue. Ministers are also invited to provide guidance to the IEF Secretariat on issues that need to be addressed with the objective of reporting findings to the 13th IEF in 2012.

KEY QUESTIONS:

- How will the institutional recommendations of the IEF Expanded High Level Steering Group and the proposed implementation plan help strengthen the producer-consumer dialogue?
- What are the key issues that Ministers seek further work on?
- What do Ministers consider to be the topics that should be returned to or covered in the 13th IEF Ministerial?



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Chair: H.E. Sheikh Ahmad Al-Abdullah Al-Ahmad Al-Sabah, Minister of Oil, Kuwait

Panel: Spain, Russia, United Kingdom

Speaker: Mr. Noé van Hulst, Secretary General IEF

Closing Statement by Host and Co-hosting countries

Press Conference

IEF Secretariat work relevant to Session 4:

- Expanded High Level Steering Group report on strengthening the architecture of the producer-consumer dialogue and reducing energy market volatility (February 2010).