

“Dialogue for Global Energy Security”

The Role of the IEF

by

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*E*nergy is centre-beam in the international political spotlight of our day. Energy security continues to top the political agenda for energy-importing as well as exporting countries, for industrialized as well as developing economies. We are all “addicted” to energy. And we are facing that addiction up-front. Because energy goes to the very core of political, economic and environmental interests of individual countries as well as of the global community.

Each and every country needs energy to reach its economic and social objectives. Energy also affects commercial and political relations between countries. It fuels the world economy. Production and consumption of energy impact the global environment. Energy influences, and is influenced by, international politics. Energy is a challenge for the industry set to harness it. And a challenge for the national and international leadership that would govern it. It is difficult to imagine an area, where nations are more interdependent than in the confluence of energy, environment and economic development.

Preparations are well under way for the 11th International Energy Forum Ministerial and 3rd International Energy Business Forum that Italy will host in Rome on 20 to 22 April 2008, assisted by co-hosts India and Mexico as well as the IEF Secretariat. The Rome Ministerial offers a timely, global opportunity to address energy concerns. The greater awareness of shared vulnerabilities and common interests developed through previous years of dialogue will be further strengthened. This awareness gives stimulus also to frank discussion of important issues where consensus agreement may now be lacking, where new understandings can be developed and where concerted policy action can contribute to our common global energy security.

Spotlight on energy

With the international spotlight on energy, questions are being asked. Are there energy resources enough? Will the investments needed to develop these resources be made in time? Will energy be accessible and affordable on an equitable global basis, or only for the privileged few? How will the geographical mismatch between centers of oil and gas production and centers of consumption be managed? Will there be conflict and scramble for resources adversely affecting sustainable global developments? Will we see new patterns of energy co-operation shaping new geo-political realities? Or, will established geo-political realities be a stumbling block for wise and sustainable patterns of energy co-operation?

These and other energy uncertainties are prompting countries and groups of countries to re-think fundamental policies. Diversity is widely seen as key to policies for energy security. Diversity of suppliers and in energy-mix for the consumers. Diversity of markets for the producers. But the policy tuning of one country to meet new challenges and to reduce its particular energy uncertainties can in itself exacerbate uncertainties or create new ones for others. Not least considering the interrelationship between energy, environment and economic development. As well as the links between energy and geopolitics.

Amid these uncertainties, there is a fundamental certainty. The world will need more and cleaner energy, used in a more efficient way, accessible and affordable to a larger share of the world's population. The political challenge lies in operationalizing this energy imperative in a fair and sustainable way. Through national policies as well as in bilateral, regional and wider global co-operation.

If the shorter-term perspective is challenging, the longer-term scenario is even more daunting. The increase in global energy demand foreseen in the years ahead is substantial. Most of this increase will come in the developing countries as they industrialize and their economies grow. Patterns of energy production and consumption, the energy mix as well as investment requirements will evolve in a changing geopolitical environment. And these energy developments will influence that changing geopolitical climate.

Global focal point

The global producer-consumer dialogue in the IEF acquires increasing importance as nations revisit and modify established policies, and shape new ones, in their quest

for energy security. The global dialogue on energy in the IEF transcends traditional political, economic and energy policy dividing lines. It gathers under one global political umbrella Ministers not only of the petroleum exporting countries of OPEC as well as Ministers of the industrialized, energy importing countries of the OEC/IEA. It also gathers Ministers of countries outside these organizations, such as Russia, China, India, Brazil, South Africa and others, that will have increasing impact on the global scenario.

Producer-consumer dialogue has played its part in ushering international energy affairs out of an era of mistrust and confrontation into one of greater understanding, better awareness of long-term common interests and convergence of views and outlooks. The knowledge basis for national decision-making and for purposeful co-ordination of policies within other international fora is better than before. The mutual sense of interdependency, vulnerability and win-win opportunity fosters a more conducive atmosphere for long-term co-operation. And difficult short-term issues are being addressed in a more co-operative way than before, when the atmosphere was confrontational. Results can be seen in concrete measures taken by both consumer and producer countries individually and by their organizations. The results of dialogue are also evident in statements of policy intent that in times of geopolitical and other uncertainty send calming signals to nervous energy markets.

The IEF has come to serve as a global focal point, with biennial Ministerials as a political apex, for the wider Global Energy Policy Interrelationship of co-operative contacts among governments at political and officials' level and on bilateral, regional, inter-regional and global basis. Not only governments, but also oil companies, the broader energy industry, financial institutions, international organizations and other stakeholders have their integrated role to play in this co-operative interrelationship.

The case for dialogue

The importance of energy dialogue and the role of the International Energy Forum as a co-operative mechanism are enjoying increasing international recognition by Ministers individually and by regional and global energy organizations. Not least by the G8 Heads of Government at their annual Summits in Gleneagles in 2005 under the Presidency of the United Kingdom and in St. Petersburg in July 2006 under the Presidency of the Russian Federation. At the very top of their St. Petersburg Plan of Action on Global Energy Security, the G8 Heads of Government underscored the importance of energy dialogue and invited the IEF to study ways of broadening the

dialogue between energy producing and energy consuming countries on increasing transparency, predictability and stability of global energy markets. Including information exchange on medium- and long-term policy plans and programmes.

The IEF has found its place in the family of energy organizations. Yet, for many years, it was politically simply not “on” for energy ministers of consuming and producing countries to meet in a multilateral context. It is an achievement of the informal dialogue in the IEF that earlier taboos have been broken and that global energy dialogue now is being actively pursued.

The past has shown how energy, especially the strategic commodity oil, and market volatility can create conflict or exacerbate political tensions between countries or groups of countries. An image of confrontation had developed between producers and consumers of petroleum. The oil crisis of 1973-74 in the wake of Middle East war, and the use of oil as a political weapon, had pitted petroleum producing and consuming countries antagonistically against each other. OPEC, established in 1960, and the IEA, established in 1974, had emerged as the bi-polar and multilateral expression of conflicting producer-consumer interests.

While co-operative relations could develop on a bilateral basis between most oil producing and consuming countries, multilateral approaches to build bridges and establish a structured producer-consumer dialogue and co-operation foundered in the Conference on International Economic Co-operation (CIEC) in Paris and again in United Nations Conference on Trade and Development (UNCTAD) in second half of the 1970s.

New co-operative mantra

It became increasingly clear, however, that sharply fluctuating oil prices were detrimental to both producers and consumers and that there could be no long-term winners in troubled energy markets. Less volatility in energy markets and stable prices at a reasonable level for consumers and producers emerged as a shared ambition and new co-operative mantra.

The World Commission on Environment and Development acknowledged in its report “Our Common Future” in 1987 the importance of energy for sustainable economic and social development. It highlighted the importance of oil prices on international energy policy. It recommended that new mechanisms for encouraging dialogue between consumers and producers be explored.

On that note the Chairperson of the Commission and Prime Minister of Norway, Dr. Brundtland, called at the World Economic Forum in Davos in 1989 for an informal “Workshop of Ministers” of energy producing and consuming countries to discuss the resource and market situation and outlook as well as the links between energy and environment. Many were ready to try, but some important industrialized countries regarded the very idea of a dialogue on these matters at political level as a non-starter, even as outright dangerous if not also illegal. Some seemed to regard the differences and conflicts between producers and consumers as permanent facts of life, a divide that no political level dialogue could bridge, or should even attempt to bridge. One just had to live with sharply fluctuating oil prices, instability and mutual insecurity, and the adverse wider economic and political impact.

Globetrotting trek

The Gulf War in 1990-91 highlighted again the geo-political and economic importance of oil. It proved a turning point for this idea of dialogue at political level. A more co-operative atmosphere between producers and consumers ensued in its wake. At the initiative of Presidents Mitterand of France and Perez of Venezuela, a “Ministerial Seminar” of Producers and Consumers was held in Paris in 1991.

While the OPEC countries attended at the level of Ministers, of the IEA countries only France, the Netherlands and Norway participated at that level. Other IEA members were represented at officials’ level. Their discussions included the oil market, economic and industrial co-operation and the environment. The Paris Ministerial Seminar broke the political ice. It demonstrated that there were issues to be talked about and that it would in the mutual interest of producers and consumers, considering their interdependence, to remove earlier mistrust and seek co-operative approaches through continued dialogue.

It was followed by an informal “Ministerial Workshop” in Norway in 1992, co-hosted by Egypt and Italy, this time with equal ministerial level participation of IEA and OPEC countries. This second meeting, inaugurated by Prime Minister Brundtland three years after her Davos proposal, also broadened the dialogue from the traditional bi-polar IEA-OPEC configuration to focus also the energy powerhouse Russia. Countries were represented by both Ministers of Foreign Affairs and Energy Ministers, highlighting also the wider economic and geo-political importance of energy developments.

The fledgling Ministerial level producer-consumer dialogue moved to Spain for

a third meeting in 1994 co-hosted by Algeria and Mexico. What had started as a seminar and workshop was now called a “Ministerial Conference”. Natural gas was a key topic. And, Ministers recognized more explicitly the importance of price stability for energy security.

The venue of the political level dialogue crossed the Atlantic to Venezuela for a fourth meeting in 1995 co-hosted by Russia and the European Commission. Major topics were investment and reintegration of oil and gas industries. Ministers recognized that security of demand was as important for producers as security of supply was for consumers.

Gathering momentum, the producer-consumer dialogue then moved eastwards, outside IEA and OPEC territorial domain, to India for the 5th Ministerial in 1996, co-hosted by Brazil and Norway. It acknowledged the importance of Asia and growing energy needs of the emerging economies as an integral dimension of the global energy interrelationship.

South Africa hosted the 6th Meeting of Ministers in 1998, with Qatar and the United Kingdom as co-hosts, bringing the African dimension of the global producer-consumer dialogue centre-stage and widening the scope of dialogue even further.

The 7th Ministerial meeting, now referred to as the International Energy Forum, was hosted by Saudi Arabia in 2000. Japan and the Netherlands were co-hosts. Ministers emphasized the links between energy, technology and sustainable development and the role of industry. Inaugurating the Ministerial, the Custodian of the Two Holy Mosques, King Abdullah ibn Abdulaziz Al Saud, then Crown Prince, proposed the establishment of a permanent Secretariat in Riyadh.

Japan hosted the 8th IEF in 2002, with Italy and the United Arab Emirates as co-hosts. Ministers focused on investments, energy security and environmental issues. They underlined the importance of greater stability in the international oil market for economic growth. They endorsed the establishment of a permanent Secretariat in Riyadh and its supportive mission.

The new Secretariat presented itself at the 9th IEF, hosted by the Netherlands and co-hosted by Iran and Norway in 2004, where Ministers put special focus on the crucial issue of investments in the energy sector. They welcomed their new Secretariat established six months earlier in Riyadh. A new dimension was brought to the biennial ministerial, when the 1st International Energy Business Forum was convened for direct interaction between CEOs of leading energy companies and IEF Ministers.

Qatar hosted the 10th IEF Ministerial and 2nd International Energy Business Forum in Doha, Qatar in April 2006. China and Italy assisted as co-hosts. Ministers discussed energy security as a “shared responsibility” highlighting both sides of the energy security coin: security of demand for energy-exporting countries and security of supply for energy-importing countries.

Shared responsibility

Noting at the Doha IEF that world economic growth had remained strong despite increasing oil prices and market volatility, Ministers expressed concern over effects of sustained high price levels on the world economy, and especially on developing countries. They confirmed their shared interest in reduced market volatility and prices at reasonable levels for both consumers and producers. They attributed higher oil prices to a number of factors, including increasing demand, tight up-and down-stream capacities, intervention of non-industrial actors and geo-political developments, which contribute to increased anxiety in the market.

Ministers underlined the importance of strengthening dialogue and co-operation not only between governments, but also between governments and industry with a view ensuring reliability, security and affordability of energy. They called for a stepping up of investments across the energy chain to meet the substantial increase in demand required for global economic growth and social development in the years ahead.

Ministers underlined the need to accelerate the development of cleaner fossil fuel technologies along with alternative sources of energy and to increase energy efficiency in a world that would continue to rely strongly on its ample supplies of fossil fuels, oil, natural gas and coal. They underscored that improved access to markets, resources, technology and financial services, bolstered by fair and transparent economic fiscal and legal regulatory frameworks, and by good governance, is crucial for the long-term energy security of both consumers and producers. They also acknowledged the need to do something about the shortage of skilled human resources throughout the industry.

A unique process

The scope of the on-going dialogue in the International Energy Forum has been broadened, and confidence increasingly built, from meeting to meeting, each Ministerial providing a political stimulus for the next. An ever-increasing number of Ministers have come to gather to discuss common concerns seeking consensus-

oriented approaches to energy challenges ahead in what has developed from a Ministerial Seminar and Workshop to become the largest recurring global gathering of energy ministers.

The IEF is unique not only in its global perspective and scope, but also in approach. It is not a decision-making organization or a forum for negotiation of legally binding settlements and collective action. Nor is the IEF a body for multilateral fixing of prices and production levels. The informality of this framework has encouraged a degree of frank exchanges, which cannot be replicated in traditional and more formal international settings. In addition to informal plenary discussions, the IEF provides an important venue also for informal bilateral and other contacts between ministers.

The producer-consumer dialogue in the IEF feeds into national policy decision-making and action as well as into co-ordination of policies in other patterns of international energy co-operation.

A permanent secretariat

Following the proposal by King Abdullah at the Riyadh Ministerial on the establishment of a permanent Secretariat to strengthen the informal political level dialogue in the IEF and the endorsement by the following IEF Ministerial in Japan in 2002, the Secretariat could start its work in December 2003. In November 2005, King Abdullah inaugurated the new purpose-built Secretariat Headquarters, generously provided by the Kingdom of Saudi Arabia. Minister of Petroleum H.E. Ali I. Al Naimi convened on that occasion a meeting of Ministers of key energy producing and consuming countries and CEOs of leading national and international oil companies.

The Secretariat's mission to enhance and provide continuity to the political level dialogue in the IEF focuses on the three pillars of activity.

The first pillar is to support host country and co-hosting countries in preparing for and implementing the biennial Ministerials and to follow up the Ministerial deliberations. The second is to facilitate and enhance the exchange of energy data and information, especially by co-ordinating the Joint Oil Data Initiative. The third pillar is to provide additional platforms for exchange of views on relevant energy issues in support of and deepening the Ministerial level dialogue in the IEF.

Flagship activity

The Joint Oil Data Initiative (JODI) is a concrete outcome of the producer-consumer dialogue. Co-ordination of this unique inter-organizational transparency initiative is a flagship Secretariat activity. With the active participation and full support of our partner organizations; the Asia Pacific Economic Co-operation (APEC), European Commission (through Eurostat), International Energy Agency (IEA), the Organization for Latin-American Energy Co-operation (OLADE), Organization of Petroleum-Exporting Countries (OPEC) and the United Nations (through the UN Statistics Division).

JODI is established as a permanent mechanism with the objective of improving the quality and transparency of international oil statistics. More than 90 countries, representing 90% of global supply and demand, are now submitting data to JODI through our partner organizations. The data cover production, demand and stocks of seven product categories: crude oil, LPG, gasoline, kerosene, diesel oil, fuel oil and total oil. JODI is promising work in progress with great potential.

IEF Ministers underline the importance of transparency and exchange of data for market predictability and for the investments required to enhance energy security. They emphasize their support of, and expectations for, JODI, envisaging the initiative in due course being expanded to include also other sources of energy that are important in the world energy mix. At their request, the IEF Secretariat is preparing for the 11th IEF a feasibility study on the potential expansion of JODI to include natural gas.

The importance of the better data through JODI for energy security was forcefully echoed by the G8 Heads of Government in their St. Petersburg Plan of Action on Global Energy Security. The IEF Secretariat is greatly encouraged by their political pledge to take further action to improve and enhance the collection and reporting of market data on oil and other energy sources by all countries including through development of a global standard for reporting reserves. The G8 Heads of Government invited the IEF to work on the expansion of JODI membership and to continue to improve the quality and timeliness of data. High-level political support to JODI has been expressed also by APEC Summits and other international meetings of Ministers.

The IEF Secretariat hosted the 6th International JODI Conference in Riyadh in November 2006 against this backdrop of high political-level expectation. Inaugurated

by H.E. Ali I. Al-Naimi, the Minister of Petroleum and Mineral Resources of Saudi Arabia, the Conference gathered 120 participants, representing thirty governments, nine international energy organizations, nine international and national energy companies and research institutes and consultants. It marked the first anniversary of the release to the public of the JODI World Database, which the IEF Secretariat is managing with input and support of our partner organizations. The JODI World Database was released to the public in November 2005 by King Abdullah on occasion of the official inauguration of our Secretariat headquarters also attended by Ministers of important IEF countries.

The IEF Secretariat has organized regional JODI training workshops for officials from Latin American countries in Caracas in August 2006 in co-operation with Venezuela and OLADE, for officials from sub-Saharan African countries in Johannesburg in January 2007 in co-operation with South Africa and co-sponsored by Norway and will hold a third workshop for officials from Middle East and North African countries in Algiers late October 2007 in co-operation with Algeria and OPEC. And with a special financial grant provided by Norway, the Secretariat now offers short-term internships at our Headquarters for officials from developing countries to familiarize them with JODI.

JODI is international ambition translated into action. For its success, we rely on the political support of participating countries and their submission of timely and accurate data.

Energy security and interdependence

Energy security is the core objective of the political level dialogue in the IEF. Society is “addicted to energy” not as an end in itself. But as a means to promote economic and social development. While energy goes to the very core of national interests, it is also a global issue in an increasingly interdependent world. An energy world that is becoming increasingly multi-polar.

Deliberations in the IEF have shown how truly multi-dimensional the challenge of global energy security is. There is no quick and lasting fix. The cluster of issues related to energy security lends itself to on-going dialogue not only between nations at political level, bilaterally, regionally and globally, but also to dialogue and partnerships between governments and industry.

In the international political debate, we hear some arguing that dependency on

others in so important and strategic an area as energy constitutes a political and economic risk that should be reduced to a minimum, if it cannot be avoided altogether. We hear others arguing that energy dependency is not only practical and inevitable in a globalizing world, but that it ties countries closer together also economically and can serve as an impulse to improve relations between countries and the overall geopolitical climate.

Energy interdependence can be good. But energy interdependence can also be bad. For it to be good and sustainable, it has to be mutually beneficial – win-win. The political level dialogue in the IEF highlights both sides of the energy security coin. Security of supply and security of demand. For both consumers and producers this implies dependency on the other. Ministers of some energy-importing countries are requesting a “road map” from energy-exporting countries on future supply. And Ministers of some energy-exporting countries are likewise requesting a “road map” on future demand from the energy-importing countries. As we know from other issues of international political concern, road maps are not always easy to make, and even when made can sometimes prove difficult to follow. Through dialogue in the IEF realistic road maps for energy security could be charted giving additional useful guidance for the investment decisions needed to secure adequate energy supplies.

Energy security is more than an issue of technical arrangements and infrastructure. It has also to do with economics, geopolitics and the environment. It has domestic and foreign policy implications. The further development of a substantive and co-operative producer-consumer dialogue is a prerequisite for our common efforts for energy security. The quest for sustainable global energy security is now being highlighted not only by Energy Ministers. Heads of Government, not least of the G8 countries, Ministers of Foreign Affairs, Finance, Economy, Trade, Environment and Development are adding their voices as well. As are non-governmental organizations and other stakeholders. More and more people are joining the energy dialogue and often for very different reasons. And core to all this is the energy industry itself, doing the actual work - finding, producing and bringing much-needed energy to the consumer.

Global Energy Policy Interrelationship

Energy security in its more holistic, global and long-term perspective was the focus theme of the UN Commission on Sustainable Development in 2006 and 2007 underscoring the importance of energy in meeting the Millennium Development

Goals. The Secretariat was given the opportunity to bring IEF perspectives to the Commission's concluding Ministerial session, where the efforts of Ministers to finalize a consensus document failed, testifying to the political, economic and environmental complexity of energy issues.

As global focus now is being put on issues of energy security, regional and inter-regional energy co-operation is also being strengthened. This gives impetus to the global energy policy interrelationship. Parallel processes of global and regional co-operation can strengthen energy security in a multi-polar energy world. Regional and interregional co-operation can provide stepping-stones to global approaches and co-operation. And should not go off in different, globally disruptive and conflicting directions.

The biennial IEF acquires added importance as a global meeting point for the mosaic of regional and inter-regional energy ambition and co-operative designs. And the IEF Secretariat can serve as a useful role as catalyst link. Interacting with regional processes of energy co-operation, the Secretariat has the opportunity to convey IEF global dialogue perspectives, while taking back to our global endeavour the focus and interests of particular regions.

With that globally important regional perspective in mind, the Secretariat has interacted with and is pursuing co-operative activities not only with our JODI partners APEC, EC, IEA, OLADE, OPEC and the UN, but also with special regional partners including the European Union and Gulf Co-operation Council in hosting the first EuroGulf Workshop, with the African Petroleum Producers' Association (APPA), the Conference of African, Latin-American and Caribbean Energy (AFROLAC), with the Energy Charter and Conference of Arab Energy Ministers, with the Organization of Security and Co-operation in Europe (OSCE) and organizations for regional Mediterranean energy co-operation, the OME and OMC.

New Asian Energy Identity

Energy co-operation in the wider Asia is taking new form and deserves special mention in light of its potential. Recognizing the global impact of energy developments in Asia, the Secretariat is facilitating the process of Roundtables of Asian Energy Ministers initiated by India in January 2005 in association with the IEF Secretariat and co-hosted by Kuwait. Ministers of the principal Asian importers and West Asian (Gulf) producers, representing half of the World's population, the bulk of the World's remaining proven oil and gas reserves and, very importantly,

the greater part of the surging global energy demand expected in the decades ahead, discussed on that occasion for the first time on a regional Asian basis issues of energy security, stability and sustainability.

That Roundtable was supplemented by an additional Roundtable of Ministers of the principal Asian consumers and North and Central Asian producers in November 2005, again convened by India, facilitated by the IEF Secretariat and this time co-hosted by Russia.

The Secretariat played its role in assisting the further development of this new Asian Energy identity at the Second Asian Ministerial Energy Roundtable that Saudi Arabia hosted and Japan co-hosted in May 2007 further consolidating a process that will be further developed at the Third Roundtable of Asian Energy Ministers under the IEF umbrella that Japan will host in 2009 facilitated by the IEF Secretariat and with Qatar as co-host.

Asian Ministers have recognized very importantly in this process of regional Roundtables that the Asian oil economy is integral to, and inseparable from, the global oil economy. They are calling for greater co-ordination among Asian energy exporters and importers within bilateral, regional and global contexts, underscoring not least the need for cross-national investments. Their Asian perspectives will be increasingly brought to bear in the deepening global dialogue in the IEF.

Heightened energy consciousness

Looking ahead, producer-consumer dialogue and relations will evolve against a complex backdrop, some features of which are that:

- Fossil fuels remain paramount for quite some time with increasing attention to development of alternatives.
- Increasing energy demand, efficiency and trade.
- Geographical mismatch between centres of oil and gas production and centres of consumption.
- Increasing competition for energy resources and among resources.
- Resource nationalism. Governments wanting to make the most of their national endowment.
- Politics of energy interdependence or energy independence for energy security?

- Environmental and climate change concern.
- Innovative environmentally benign and cost-efficient technological breakthroughs.
- Vulnerability of energy production and supply to politically motivated disruption, technical mishap and forces of nature.
- Call for good governance and transparency. People expect their Governments to provide sufficient, reliable and affordable energy.
- Energy poverty. Demands for equitable access to energy for the quarter of the world's population who do not have it, but who want it for a better life tomorrow.
- The shift to Asia of global economic gravity with geopolitical and energy implications.
- Increasing awareness of long-term communality of interests among producers and consumers in a globalizing world.

The Road to Rome

Against this backdrop of heightened energy consciousness, expectations are mounting for the 11th IEF Ministerial in Rome in April to be yet another milestone in the development of the energy dialogue among nations that is needed to boost policies of sustainable energy security. Ministers will there deepen their informal dialogue building on the results and common ground of their previous deliberations.

The Rome Ministerial will offer a new global opportunity for Ministers to address the energy resource challenge looking at prospects of supply and demand, as well as market conditions, with a view to finding ways to remove bottlenecks to energy security and to enhance market stability. They can further discuss how to promote the substantial energy investments where and when needed.

Ministers can seek to identify policies towards a sustainable energy future addressing issues such as environmental and climate change concern, better access to energy for developing countries, the importance of developing cleaner fossil fuel technologies as well as alternative sources of energy.

Ministers will interact with CEOs of leading national and international energy companies in the 3rd International Energy Business Forum preceding their internal discussions. They recognize that the involvement of industry itself and attention to

the hurdles that companies face are key to their political efforts to promote energy security and to address the interrelationship between energy, environment and economic development at national, regional and global level. Not least considering the substantial investments that industry will be required to make and the new and more efficient technology that industry will develop, if we are to meet the energy demands of the future in an efficient, sustainable and thus successful way.

The importance of level playing fields and fair regulatory frameworks, improved transparency and better data for market stability and energy security would again be underlined, not least the commitment to further develop the Joint Oil Data Initiative, managed by the IEF Secretariat, and the vision of Ministers to expand the scope of JODI also to other sources of energy.

... and beyond

The energy dialogue road leading to Rome does not end there. It continues beyond. Neither energy nor dialogue are goals in themselves. But means to promote sustainable economic and social development in a way that also strengthens relations among countries in the wider political perspective. The producer-consumer dialogue in International Energy Forum is above all a global confidence-building process among Ministers of energy producing and consuming countries, industrialized and developing countries, across traditional political, economic and energy policy dividing lines. A dialogue in which Ministers focus on energy security and address the links between energy, environment and economic development. A dialogue through which Ministers can promote their national interests in the wider context of promoting common global objectives as well.

Few would envisage the establishment in any near future of a global energy organization, where national decision-making would be relinquished for binding global energy governance. But through myriad established and future new partnerships between governments and between governments and industry, we can realistically envisage through enhanced dialogue the development of a Global Code of Energy Conduct that is advantageous for all to follow. And from which to deviate in pursuit of short-term advantage at the expense of others, would be tantamount to shooting oneself in the foot.

In that perspective, there can no final destination, there will always be new horizons, for a purposeful producer-consumer dialogue in an evolving energy world. It is ultimately the ambition of participating governments, and the sum of their policy

measures, that will determine its achievements and success. The Rome Ministerial will provide the IEF Secretariat with added political guidance for its activities and an updated Energy Road Map for the next leg of the producer-consumer dialogue and beyond. With support and guidance of Ministers, the International Energy Forum Secretariat will continue to do its utmost to serve this unique on-going and forward-looking co-operative global endeavour.

November 2007



Ambassador Arne Walther took charge as the first Secretary General of the International Energy Forum in December 2003. He has previously served as Norway's Ambassador to Austria and to the UN Offices and the International Atomic Energy Agency in Vienna, Director General for Trade Policy, Natural Resources and Environment in the Ministry of Foreign Affairs, Oslo and Ambassador to India. He has been Chairman of the Governing Board of the IEA and served as Special Adviser on International Affairs to Prime Minister Brundtland and Political Adviser to the Minister of Petroleum and Energy of Norway.