



Key IEF14 Takeaways Regarding the Global Energy Architecture

**Meeting of the G20 Energy Sustainability
Working Group**

29 May 2014

Sydney, Australia

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IEF14 interactive survey findings

Highlights relevant to the global energy architecture

Host and Co-Host Concluding Statement

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The “international energy architecture” is:

1. The set of all international energy organisations
2. The relationship among international energy organisations
3. The norms, rules and implicit or explicit understandings behind international energy relations

There was an apparent lack of consensus on the definition of the global energy architecture



The “international energy architecture” is:

1. The set of all international energy organisations

6.9 %

2. The relationship among international energy organisations

31 %

3. The norms, rules and implicit or explicit understandings behind international energy relations

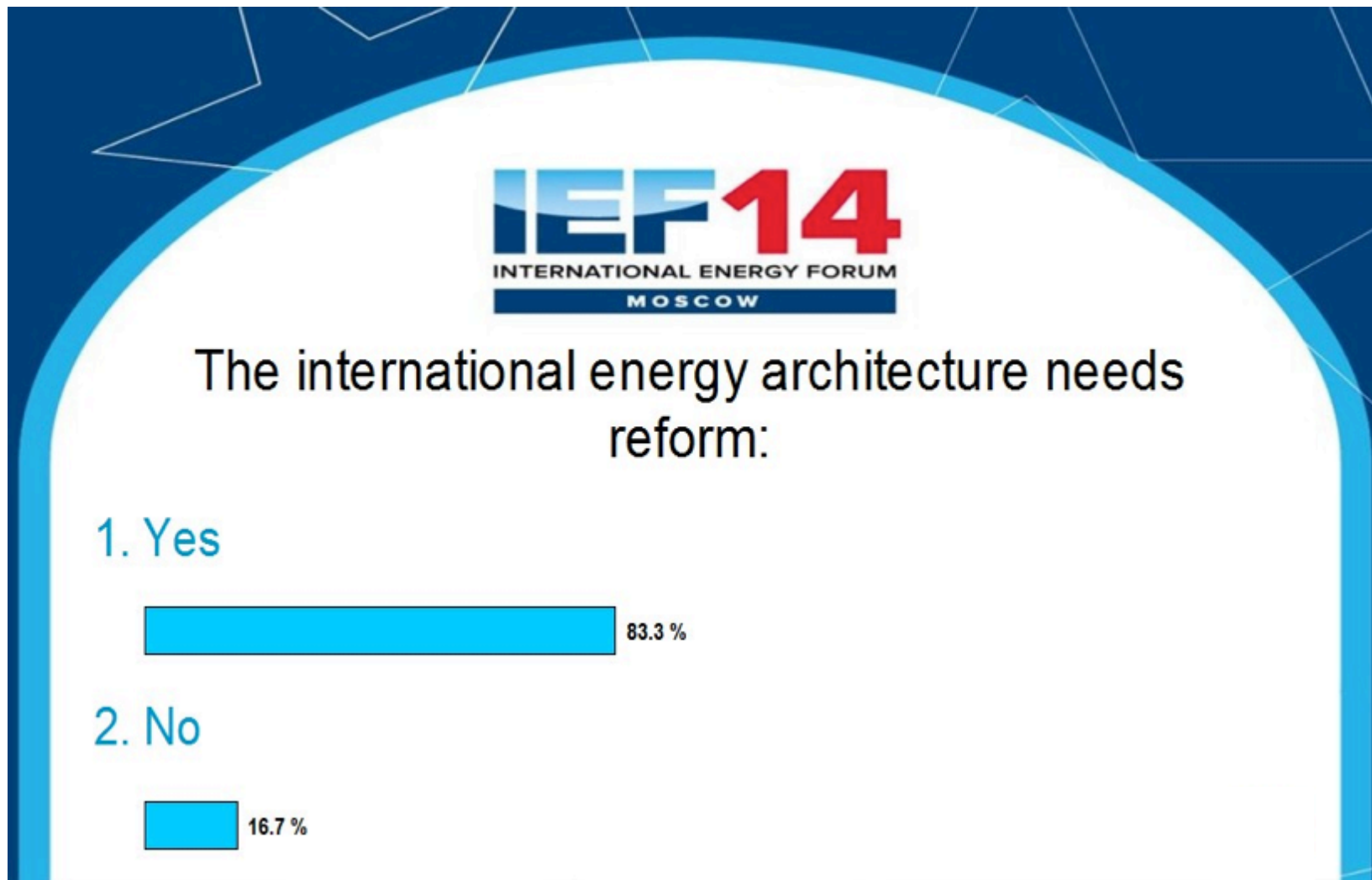
62.1 %



The international energy architecture needs reform:

1. Yes
2. No

Though there was widespread agreement on the need for reform.





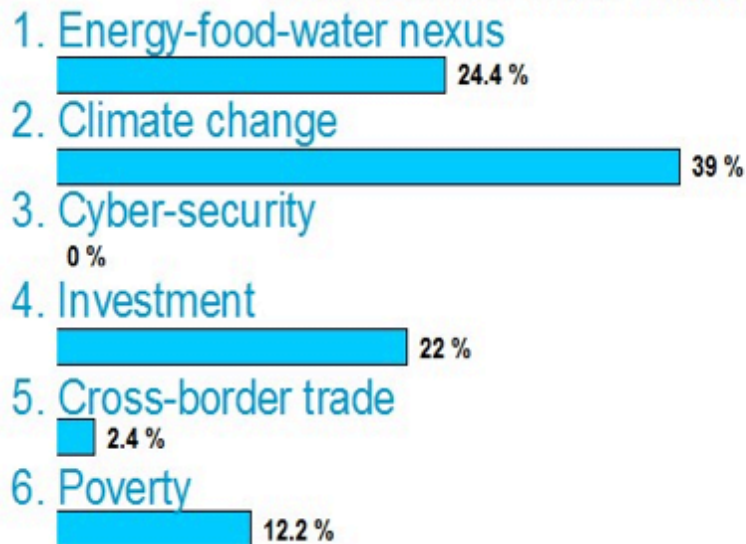
The greatest challenge to global energy security that the international energy architecture must meet in the coming decades is:

1. Energy-food-water nexus
2. Climate change
3. Cyber-security
4. Investment
5. Cross-boarder trade
6. Poverty

Climate change topped the list of challenges that the global energy architecture must tackle.



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Developments that have transformed the energy landscape over the last ten years and the role the IEF plays in addressing them.

Development	Role of the IEF
Excessive volatility of energy prices	Promoting dialogue between producers and consumers, notably through the IEA-IEF-OPEC joint Programme of Work
Rise of unconventional hydrocarbons	Facilitating the exchange of best practices by bringing various stakeholders together
Rising share of non-OECD energy demand	Promoting dialogue between producers and consumers
Increasing complexity of hydrocarbon production	Facilitating the exchange of best practices by bringing various stakeholders together
Demand for greater transparency	Close cooperation with JODI Partners; coordination of JODI-Oil and JODI-Gas

Where the IEF adds value

	Supply	Demand	Other market processes
National policies	<ul style="list-style-type: none"> • Production subsidies • Regulation • Spare capacity • Strategic reserves • Diversification 	<ul style="list-style-type: none"> • Consumption taxes • Energy efficiency • Regulation 	<ul style="list-style-type: none"> • Competition and anti-trust policies • Hub-pricing vs. other pricing mechanism • Hedging • Regulation
International cooperation	<ul style="list-style-type: none"> • Production quotas • Strategic reserves • Producer-Consumer Dialogue • Research • Experience-sharing • Peer reviews 	<ul style="list-style-type: none"> • Agreements to reduce greenhouse-gas emissions • Producer-Consumer Dialogue • Research • Experience-sharing • Peer reviews 	<ul style="list-style-type: none"> • Negotiation of energy trade and investment treaties • Data transparency initiatives • Evaluation of price-reporting and other components of price formation • Experience-sharing • Peer reviews

If you think energy transitions are slow, dialogue transitions might be just as slow...but there is progress!

- 1991 Dialogue starts
- 2003 Institutionalisation and JODI as a centrepiece
- 2005 Permanent IEF Secretariat in Riyadh
- 2008 Dialogue identifies energy outlooks and the interaction of physical and financial markets as key issues
- 2011 IEF Charter and IEA-IEF-OPEC conversations on outlooks and price formation
- 2013 Key areas where IEA and OPEC outlooks can be made comparable
- 2014 **Dialogue extends JODI-Oil to JODI-Gas!**

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Relevant Excerpts from the IEF14 Host and Co-Host Concluding Statement

“It is important to optimise the performance of the contemporary global energy architecture, **to move beyond the traditional set of dialogue activities and more fully benefit from the IEF’s broad and agile platform**”.