

**14th International Energy Forum
Moscow, 15-16 May 2014**

**Concluding Statement by Host Country the Russian Federation
and Co-Host Country the Republic of Iraq**

The 14th International Energy Forum (IEF14) was held in Moscow from 15-16 May 2014, featuring the participation of 101 delegations from government, industry and international organisations.

Discussions at the IEF14 focused on the following topics:

1. The growing interdependence of contemporary energy markets reinforces the need to sustain a well-informed and open policy dialogue supported by transparent data. While national policies will play a fundamental role in realising the opportunities created by the new geography of energy, closer engagement through greater dialogue and cooperation among producers, consumers, and transit States will be required to continue enhancing global energy security.
2. Future energy demand and supply levels represent a key uncertainty that Ministers face when crafting national energy policies. In comparing the 2013 long-term outlooks published by the International Energy Agency (IEA) and the Organization of the Petroleum Exporting Countries (OPEC), the range of 2035 liquids demand levels spans from 90 to 115 million barrels per day. The variables that account for this range in estimates include long-term assumptions and perspectives for regional economic and population growth, technological developments and national policies, which in turn have an impact on timely themes such as the potential impact of light, tight oil on energy markets.
3. The methodologies used to build energy outlooks warrant an on-going dialogue among policymakers, industry executives, and other stakeholders. The IEA-IEF-OPEC Symposia on Energy Outlooks are an important exercise in this regard and is already contributing towards a better understanding and comparability of energy outlooks.
4. Policymakers and industry executives should expect both to witness and shape a major re-orientation of oil flows over the next decade, marked by a fall in oil exports to North America and a rise in exports to Asia. Different views and assumptions related to expected oil supply and demand across continents merit on-going discussion given their importance in scenario building and investment planning on a global scale.
5. The rise of unconventional oil and gas brings new reserves and technological advances that add depth to global energy markets, enrich the global supply mix, and

strengthen global energy security. It also confirms that the world is not running out of hydrocarbons.

6. Production from unconventional sources must be compatible with environmental and social imperatives. Appropriate regulation to protect water supplies and on-going engagement with communities and stakeholders is required to ensure the sustainable and responsible development of these resources.
7. While unconventional oil and gas appear to hold great potential, they do not eliminate the need for spare capacity and strategic reserves. In the event of a significant upswing in the share of unconventional in the global energy mix, the relevant question is how the adequate size of strategic reserves and spare capacity will be determined, given their costs and their contribution to reliable trade flows and global energy security.
8. Potentially game-changing volumes of liquefied natural gas (LNG) exports are expected to come on stream in the years ahead. Policymakers in LNG importing countries are evaluating their long-standing supplier relationships *vis à vis* opportunities to source LNG from new players. Policymakers in LNG exporting countries are analysing investments in future capacity based on expected off-take agreements. A robust and on-going producer-consumer dialogue will be critical for inclusive decision-making in a global marketplace more and more characterised by interdependencies not only along the energy supply chain, but at intersections with other sectors and across multiple borders.
9. More dialogue is required to analyse the merits of proposals to adjust the structure of gas contracts. Long-term, oil-linked contracts help to ensure the security of supply and demand and have provided certainty for investments in producing countries. From the perspective of importing countries, these contracts can potentially incorporate more short- to medium-term market signals. A shift away from oil-linked pricing structures to spot prices for gas contracts raises the question of how companies will secure financing for capital intensive gas projects. Under any scenario, a stable, long-term policy and regulatory framework will be required to support the rising investments necessary to meet global demand growth.
10. Regarding widespread efforts to ensure the provision of sustainable energy for all, a number of avenues show promise. Primary among these is a general drive for efficient use of existing resources, but government support for solar and wind power, along with other renewable energy options, and potential for a wider deployment of information technology in the energy world also have strong merit. Greater use of clean energies can help to strengthen national energy sectors by diversifying the energy mix, adding to overall system resilience when they work in concert with established generation capacity.

11. There is a need for new and innovative financing mechanisms to scale up clean energy deployment and for creative thinking regarding public private partnerships, notably those aimed at increasing energy access. National experiences indicate that a clear legal and regulatory framework is a necessary condition for success, and that adequate funding and private sector participation are fundamental in order to accomplish faster the objective of increasing the use of clean-energy technologies.
12. Crafting policy that must balance rising energy demand with global climate challenges has sharpened the focus on flexible, reliable system fuels to alternate with renewables in power generation. Related approaches have also embraced market-driven infrastructure development, such as research and development for smart grids, carbon capture and storage, and other technologies that may spark a step change in efficient and more sustainable energy consumption boosting overall resilience in energy systems.
13. While energy transitions take a long time to unfold, faster progress at national and regional levels will be required to both increase the use of cleaner technologies and reduce emissions to a level consistent with negotiated climate change targets. International cooperation, the free flow of technology and know-how, and adequate financing are indispensable for a global transition to a low-carbon economy.
14. Improvement in energy efficiency across all types of fuels holds great potential to reduce emissions and enhance sustainability, and can be implemented to varying degrees by nearly all countries and economies. A variety of avenues for tangible progress exists, including the provision of direct funding to research and development efforts, the implementation of targeted taxes and subsidies, and related adjustments to the overall regulatory system.
15. The public launch of the JODI-Gas World Database is a clear example of successful cooperation among the JODI Partners and is expected to contribute further to transparency in energy markets. Shifts in regional demand patterns and increasing global LNG trading suggest an urgent need for more gas data on a global scale, and the JODI-Gas World Database is welcome as a comprehensive source of monthly natural gas data, featuring roughly 80% of global gas production and consumption data.
16. Supporting on-going efforts by the JODI Partners to improve energy data transparency is fundamental in the promotion of market stability. The contributions of JODI-Oil and JODI-Gas in this regard can be strengthened through greater visibility and enhanced access of JODI data, including the preliminary release of information on stocks and greater transparency regarding policy plans. Expansion of the JODI database to cover other energy sources is a welcome objective that requires further exploration to ensure that adequate funding and processes are in place and that

JODI-Oil and JODI-Gas continue to improve, and eventually lead to an inclusive JODI-Energy data collaboration.

17. The contemporary global energy architecture comprises a complex institutional arrangement that serves stakeholder needs in diverse but interdependent regions, addressing both country-specific priorities and collective global challenges. It is important to optimise the performance of this architecture, to move beyond the traditional set of dialogue activities and more fully benefit from the IEF's broad and agile platform. Opportunities for enhanced collaboration among stakeholders are encouraged.
18. IEF cooperation with other institutions, as established through the Cancun Declaration and the IEA-IEF-OPEC joint Programme of Work, is yielding positive results in improving understanding on a range of subjects that are important for global energy security, including energy outlooks, price formation, and energy market data transparency.
19. The International Energy Forum is a fundamental component of the global energy architecture and an important mechanism for the promotion of energy security. The IEF Charter provides an inclusive and neutral platform for the producer-consumer dialogue that has achieved commendable progress over a relatively short timespan. IEF member countries are strongly committed to its continuation and success, and are encouraged to consider ways to leverage Section V of the IEF Charter.
20. The Forum thanked the Russian Federation for having hosted the successful 14th IEF Ministerial, and the Forum welcomed Algeria as the host for the 15th International Energy Forum Ministerial meeting to be held during 2016, with Kazakhstan as co-host.