



IEF Scene-setting paper on Energy Governance: Global Energy Dialogue Revisited
Plenary Session 4, Algiers 28 September 2016

The 25th anniversary of the global energy dialogue is an opportunity for Ministers and IEF15 participants to look back at past accomplishments, and discuss ways and means to further deepen and strengthen the process. Since the first meeting in 1991, the open and informal dialogue has evolved with some important milestones, such as the decision in 2000 (Riyadh) to establish a permanent Secretariat, the launching in 2002 (Osaka) of what is now called the Joint Organisations Data Initiative (JODI) through JODI Oil, the Trilateral IEA-IEF-OPEC Programme of Work in 2008 (Jeddah) and 2010 (Cancún), the signing of the IEF Charter in 2011 (Riyadh), and the launch of JODI Gas in 2014 (Moscow).

Given the big challenges faced by the international energy scene in recent years such as market turbulence, climate change concerns and renewed focus on sustainable energy access, interest in the global energy dialogue is strong and rising as all parties strive to better understand the complexities of the evolving energy landscape. There is a greater awareness of the common challenges facing energy producing, consuming and transit countries, as well as the industry stakeholders that are the backbone of the sector.

The architecture of global energy governance has evolved with these developments. Various new energy governance organisations and agencies have been established in the new millennium, alongside existing international institutions that have since sought to build on their specific mandates and expand their global reach. This has changed the dynamics of global energy governance. On one hand these developments have helped to make global energy sector governance more complete, but on the other hand, it has made it more complex. There will always be a need to find an equitable balance between advancing regional and/or specific energy sector policy objectives, and making global energy policies more cohesive to advance common interests in meeting 21st century challenges, but now this challenge appears more complicated because it is addressed by a growing number of entities, each with a distinct agenda. There is a risk that an over-crowded global energy governance system may become less effective as a whole, with organisations also suffering diminishing returns on their efforts to fulfil individual mandates and the advancement of specific goals.



The IEF already provides a neutral platform to bridge different producer and consumer perspectives on energy market security through data driven dialogue. Including newly emerging interest and stakeholder groups in the energy dialogue fostered and coordinated by the IEF, can help make global energy governance more transparent and inclusive and enable greater synergies among the work of both well established and new aspiring agencies and so help improve the effectiveness of a genuinely global energy governance system.

Recently, the high-level dialogue fostered by the IEF has helped to sharpen focus on energy market outlooks and the interaction between the physical and financial markets, as well as on oil and gas price volatility. Oil and gas market data transparency is also a key interest in regard to addressing unwarranted price volatility and is well supported by the IEF's work with its partners (APEC, EUROSTAT, GECF, IEA, OLADE, OPEC, UNSD) in the Joint Organisations Data Initiative (JODI) that has set a standard in cooperation among international organisations. Moreover, the IEF, working with its member countries, is engaged more directly with growing sustainability concerns especially as they relate to the promotion of energy efficiency and new energy technologies, notably within the framework of the Asian Ministerial Energy Roundtables and the G20. However, challenges remain, not the least being the predictability and sustainability of financial resources in support of the IEF Secretariat work.

Two important new initiatives already acknowledge the need to broaden the dialogue by strengthening producer-consumer cooperation in areas that will provide an important new impetus for the global energy dialogue through the IEF.

1. Asian Energy Ministers who gathered in Qatar in November 2015 for the Sixth Asian Ministerial Energy Roundtable endorsed the proposal of Saudi Arabia and Japan to establish an Asian Energy Efficiency Knowledge Sharing Framework under the umbrella of the IEF.
2. The G20 Ministers' Meeting, held recently under the Presidency of China, builds on this initiative by mandating the IEF to provide a Knowledge Sharing Framework on Energy Efficiency in cooperation with other organisations in the context of the G20 Energy Efficiency Leading Programme.

An orderly transition to a more secure and sustainable energy future will benefit from more widely shared understandings of the energy market trends we observe today, and deeper insights into their future development, as well as from a more globally aligned energy governance system through enhanced dialogue under the umbrella of the inclusive and neutral platform that Ministers have created in the IEF.

IEF stakeholders are invited to consider supporting:

1. An enhanced role for the IEF Ministerial Energy Dialogue by expanding into specific regions, as IEF has successfully done in Asia, and to explore new areas that may improve understanding of present day energy market realities and help meet challenges in future. Now that the energy transition towards a low carbon economy has become part of mankind's evolution and is a given that cannot be ignored, an assessment of the future risks and opportunities should be included.
2. The launch of an IEF Energy Efficiency Knowledge Sharing Framework according to the two mandates handed to the IEF recently from the Sixth Asian Energy Ministerial Roundtable hosted by the State of Qatar early November 2015, and the G20 Energy Ministers Meeting held in Beijing late June 2016 under the Presidency of China.
3. Bringing in new energy technology perspectives from industry and government stakeholders into or alongside the Trilateral Work program with IEA and OPEC on energy outlooks, and physical and financial energy market interactions. The recent G20 Ministers Meeting encouraged continuation of this fruitful collaboration. Expanding on this work by reaching out to other relevant institutions and think tanks will improve the quality of the energy dialogue even further.
4. Reducing oil market volatility by strengthening the Joint Organisations Data Initiative that the IEF coordinates in collaboration with APEC, Eurostat, GECF, IEA, OLADE, OPEC, and UNSD in support of the JODI 5-Year Action Plan. Policy and investment decisions will be more timely and accurately informed by improving energy market data transparency in oil, gas, and other energy markets, and through increasing JODI's global visibility and use.

Ten Key Questions

To facilitate discussions Ministers and participants are invited to take stock of the past quarter-century of open and informal energy dialogue, and discuss ways and means to strengthen it also while considering the following questions:

1. What lessons may be drawn from the past quarter-century dialogue?
2. What are the opportunities and challenges for enhancing international energy dialogue and cooperation?
3. How to improve the industry involvement in energy dialogue?
4. How to improve the interaction of the IEF with other international energy institutions?
5. How can JODI place more focus on inventories and LNG gas market transparency and improve data visibility among users? Should JODI be expanded to include other energies?
6. How to ensure the financial predictability and sustainability of the IEF Secretariat?
7. How can the IEF trilateral programme of work with the IEA and OPEC be enhanced? Should IEF consider similar programmes with other energy organisations and/or international financial institutions?
8. In what way can the IEF advance the energy dialogue on evolving issues and themes (e.g. new energy technologies, regional and global gas markets, interactions between energy, water and food sectors, and cybersecurity)?
9. How should the IEF dialogue advance to place further focus on energy sector developments in Africa and Latin America bringing them in closer relation with other regions covered by the dialogue (Asia, North America, and Middle East)?
10. How can IEF Ministers support the launch of the IEF Energy Efficiency Knowledge Sharing Framework, and give further direction to the dialogue in light of the recently agreed UN emission reduction, and sustainable development goals?