

Annual Report 2004

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Clingendael International Energy Programme (CIEP) in 2004

Introduction

2004 was an important year for CIEP because the future of the project had to be determined. The decision-making was prepared by the members of the contact group where discussions on how CIEP could and should develop, led to a proposal for the Advisory board of CIEP and the board of Stichting Fonds Clingendael. Also discussions with individual participating institutions accompanied this process. The discussions were captured in a plan of work and estimated budget for the new project period; *CIEP 2005-2008, Towards a European Forum*.

In June the decision to continue with CIEP on largely the same footing as the first project period (2001-2004) was taken by the stakeholders in CIEP and the Board of Stichting Fonds Clingendael based on the document *CIEP 2005-2008, Towards a European Forum*. The board and CIEP stakeholders expressed the wish to widen the circle of stakeholders slightly to create a sounder foundation for the project and include a wider range from the European energy and environment community. At the end of 2004, one founding member, Petroplus, discontinued its participation in CIEP. The other founding members decided to support CIEP for another project period until the end of 2008. New members joined CIEP for this second period: Wintershall, Essent, Eneco, BP and the Ministry of Foreign Affairs (early in 2005 Total joined as well).

In 2004 the cooperation in and contribution to research issues of CIEP was intensified. The various research results were jointly discussed and developed in brainstorm groups. The brainstorm groups bring together academic, policy and business knowledge and were instrumental to set the agenda for CIEP's activities. The brainstorm groups have not only become a powerful instrument for research and research output but have become a source of knowledge for others.

The year 2004 began with the official presentation of the study on geopolitics and security of energy supply for the European Commission (DGTREN) on 30 January 2004 in Brussels. From June 2004 onwards, the entire study became available on internet (both through the CIEP-website as the Green paper site the European Commission). The study has coloured the work in 2004, also because 2004 saw rapidly increasing oil prices, and many lectures and presentations were given for various organisations and institutions based on insights developed for the study on geopolitics and energy supply security.

The research themes were further developed. Particularly 'environment and energy' and development issues could not be sufficiently covered under the two original themes. The original two themes were:

- A. The regulation of energy markets (oil, gas and electricity) in the European Union.
- B. The international economic and geopolitical aspects of the oil and gas markets, mainly with respect to the security of oil and gas supply in the European Union, in the context of an increasing dependence on imported energy.

In 2004 a third research theme (and activities) was introduced in which energy, development and climate-related issues are covered. The third theme was an important addition to the research and activities agenda and is instrumental in developing an integrated view on energy issues. The new theme was named:

- C. Energy and sustainable development.

In the first project period, the research and activities agenda of CIEP became more robust and the three themes will also guide the research and activities agenda for the next four years. The themes offer enough room to incorporate new issues in the energy and environment agenda, while at the same time offering guidelines to restrain the issues into a workable agenda.

Research

The research in 2004 took place within three themes 'the regulation of energy markets (oil, gas and electricity) in the European Union', 'the international economic and geopolitical aspects of the oil and gas markets, mainly with respect to the security of oil and gas supply in the European Union, in the context of an increasing dependence on imported energy' and 'energy and sustainable development'.

A. The regulation of energy markets (oil, gas and electricity) in the European Union

Natural Gas Markets

Like in previous years, CIEP research on international gas markets focussed on the effects of liberalisation, in particular on long-term security of supply in EU gas markets. The impact of liberalisation on producing countries, their possible responses and the developing business models for bringing new gas to the enlarged EU market received special attention. Among others, this work resulted in a well-received background paper for the 9th International Energy Forum, written in co-operation with the Oxford Institute for Energy Studies.

The supply/demand outlook for the European market was another focal point of CIEP's 2004 research on natural gas, closely related to the discussions on market structures and business models. The prospects of existing and future supply options were critically assessed in detail in the Clingendael Energy Paper 'Natural gas supply for the EU in the short to medium term'. In March, the gasgroup began developing two models for future internal gas market development for the Dutch Energy Council (AER), in which the insights developed in the earlier CIEP publication 'The case for gas is not self-fulfilling' and 'The role of Liquefied Natural Gas (LNG) in the European gas market' were further expanded to include the Asian and American gas markets. This resulted in two storylines 'free gas' and 'gas on order' that later found their way in the AER gas advice "Gas for Tomorrow" (published in January 2005). In cooperation with the Energy Delta Institute and the International Gas Union CIEP studied the future role of power generation for natural gas demand, including a survey among the European gas and electricity industry and identified key enablers and obstacles to an increased use of natural gas in European power. The results were discussed and the insights deepened with an international group of experts from the European energy industry and governments in a workshop organised by the IGU in Brussels on October 4th. A discussion paper, which summarises the main findings, will be published in early 2005. In the course of 2005, the project will continue and final results will be presented during the World Gas Conference in 2006.

In the Fall of 2004, CIEP was approached to conduct a similar study on gas market Regulation for IGU. Work on that study has started and will also include workshops in the US and China.

The work of the gasgroup will continue with studies on issues concerning international and European gas markets. More and more, issues of security of gas supply (theme B) are taken on board in the gas group as well as issues concerning gas demand of the power sector. The gas group therefore covers both theme A and B and sometime theme C too. The point of departure of the research questions remains however gas. Issues that the gas group is working

on are: structure of supply and demand, security of supply standards, flexibility and gas market organisation structure.

Further publications in 2004 treated e.g. the role of geopolitics for the security of gas supplies and accompanied the current restructuring process of the Dutch gas sector. CIEP had a prominent advisory role to the Dutch General Energy Council in the drafting of the 2004 advice of the Council to the Ministry of Economic Affairs with respect to the restructuring of the Dutch gas sector.

The research undertaken for the gas research project is facilitated by regular meetings of the gas study group consisting of Coby van der Linde, Dick de Jong, Jacques de Jong, Aad Correljé, Theo Westerwoudt, Christoph Tönjes, Wim Groenendijk (NAM), Henk Krijnen (NAM), René Snijder (Gasunie) and Bert Roukens (Ministry of Economic Affairs). The group was extended in 2004 with Leendert Florusse (formerly Essent) and Rochus van der Weg (Amrop International, formerly Esso). During these meetings the research projects and draft papers as well as relevant developments in international gas markets are discussed.

Electricity Markets

With respect to the developments on European electricity markets, CIEP concentrated in 2004 on the identification of relevant developments and the facilitation of the discussion thereof.

An international expert audience discussed on basis of presentations of speakers from Belgium, Germany, France and the Netherlands in February the approaches to the further integration of European electricity markets. The seminar 'On the way to regional markets? – The European Core.' was very well received and deepened the insights of participants in the differences between the various national electricity markets with respect to structure and regulation and the resulting difficulties on the way to further integration.

CIEP also organised regular meetings with experts from the Dutch energy sector. The CIEP electricity group started in summer 2004 and will be meeting 5 to 6 times a year to discuss topical issues relating to European electricity markets. Apart from the factual discussion the meetings aim at the facilitation of more interaction between various stakeholders in electricity markets. In 2004 the following organisations were represented in the meetings: Ministry of Economic Affairs, Dte, Nuon, Essent, TU Delft, TenneT, E.On and Elan Energy Consulting. This range of participants will most likely be enlarged in 2005 to come to an even wider representation of relevant actors in electricity markets. The two topical meetings in 2004 were on 'Security of supply – matter for markets or governments' and 'Regulatory changes in green electricity and the benefits of a European obligation system'.

The work on the IGU 'Gas-to-Power' project created a direct link with CIEP's work on electricity. In December CIEP published 'The 'Regional Approach' in Establishing the Internal EU Electricity Market'.

Thirty Years Dutch Energy Policy

Work continued in 2004 on a study into Dutch Energy Policy formation from 1973 onwards. This project is a joint effort of CIEP and the Ministry of Economic affairs to formalise some aspects of the history of energy policymaking. The authors of the book Jacques de Jong, Ed Weeda, Theo Westerwoudt and Aad Correljé finished the draft of the book in December 2004. The book will be presented to Minister of Economic Affairs Brinkhorst on 17 May 2005. The project is drawing largely on policy experience of the authors and is supported by

research in the archives of the Ministry of Economic Affairs as well as analysis of official documents concerning energy policy. The study describes a model for analysing energy policy development, together with a broad description of the leading issues that have influenced energy policy in the seventies, eighties and nineties. Some more specific policy dossiers are analysed in more detail, such as:

- market liberalization and regulation;
- oil policy in the seventies;
- nuclear policy in the eighties;
- sector restructuring in the nineties.

In addition, the book contains a number of interviews with (former) policy makers and other experts who played key roles in the formation of the Dutch policy. It also contains a summary of the results of the in-depth policy-examinations by the International Energy Agency. The book will be published in Dutch in the spring of 2005.

B. The international economic and geopolitical aspects of the oil and gas markets, mainly with respect to the security of oil and gas supply in the European Union, in the context of an increasing dependence on imported energy

Study on Energy Supply Security and Geopolitics

Several members of the CIEP-staff – Coby van der Linde (project manager), Mehdi Amineh, Aad Correljé, Dick de Jong and Sander Hansen - have worked on a study for DGTREN, European Commission called *Study on Energy Supply Security and Geopolitics*. The terms of reference of the study mentioned a broad range of topics that had to feature in the study¹. The main focus of the study was on the development of two storylines for 2020 ("Markets and Institutions", a mainly multilateral approach to the world and "Regions and Empires", a predominantly bi- and unilateral approach to the world) and the impact of these storylines on the security of supply in oil and gas. The study also looked at the efficiency of energy policy tools (prevention, deterrence, containment and crisis management) under the two storylines. In a worst case the loss of production from Russia and Algeria for gas and for oil the loss of some major suppliers in the Persian Gulf were considered. The study was presented in Brussels 30 January 2004. The study is predominantly focussed on policy-making at the EU level, on the identification of main risks and attempt to avert these risks by policy proposals, for instance on co-operation with producer and consumer countries.

After the study was presented and made public (June 2004, both CIEP website and DGTREN's under green paper), many invitations to present the study were our part. The high oil prices certainly helped to draw attention to CIEPs' work in this area. In September 2004 we organised a conference together with the EPC in Brussels on the study. Both at the CIEP/EPC conference and at the evening event with the Energy Foundation, Commissioner de Pallacio delivered a lecture on the topic.

¹ The relation between energy security and worldwide geopolitical aspects; international cooperation of the EU with other nations and economic blocks; effects of the EU enlargement; implications of the Euro; investment for hydrocarbon exploration and production in the producing countries (investment climate); energy geopolitics and the environment; the interaction between globalisation, liberalisation and geopolitical developments; impact of terrorism on sensitive areas and infrastructures and impact of energy price shocks on the EU economy. The study had to be concluded by a scenario exercise (i.e. developing the geopolitical storylines; the scenario will be developed by JTR in Spain) in which the different elements are brought together in a worst case and most likely case.

Russia

In April 2004, CIEP was invited to a high-level seminar organised by MGIMO and the Chamber of Accounts of the Russian Federation to discuss the difficulties arising from the privatisation of the Russian energy industry of the 1990s and the Yukos case. In this seminar discussion focussed on recapturing some of the proceeds of the sale of oil companies that had been privatised below market value. The discussion also focussed on tax issues and to use the monies from revaluing the oil companies to set up financial market instruments. This idea was in May 2004 translated into a project proposal by MGIMO and CIEP and submitted with EDI. In the course of the project the initial government support for a market solution fell through when the Presidential Administration favoured nationalisation rather than a market/taxation approach. In March 2005 the meeting to discuss the proposals was cancelled. The project has not been totally terminated, there might be a possibility that it is revamped in a different setting in Russia and we are investigating to formulate the project in more general terms so we can apply the framework on other countries. The paper that CIEP prepared for this project (dependence of the Russian state on energy income) will be finalised in 2005 regardless of the developments.

In 2004, a Clingendael Energy paper on the attractiveness of the Russian oil industry for foreign investors was written by Erik Janssen. It was published in March 2004. The paper focuses on the organisational structure, the privatisation process, reserves and production, legal and fiscal issues and export infrastructure. Another subject researched in 2004 is regulation and governance of Russian natural monopolies, which will culminate into a publication in 2005.

In 2004 CIEP invited H. E. Viktor Khristenko, Minister of Industry and Energy of Russia, to give a Clingendael Energy Lecture on the Russian energy policy during the official visit of president Putin to the Netherlands, during the Dutch EU presidency. Unfortunately the Minister could not accept the invitation due to his busy schedule. On October 12th, 2004, CIEP organised and accommodated a meeting between a parliamentary delegacy from Russia, representatives of Shell and Gasunie and CIEP staff to discuss the future of the energy dialogue between the EU and Russia.

The “Russian” research agenda has brought CIEP valuable Russian contacts, such as the aforementioned MGIMO. CIEP also has established contacts with the Russian Centre of Energy Diplomacy, which will be fruitful for future research activities.

Middle-East

In the summer of 2004 CIEP initiated a study group on the Middle East, bringing together various disciplines of up to 15 members of CIEP staff (f.i. those involved in the CIEP/IIAS study), CIEP fellows, Clingendael staff and some representatives of CIEP’s supporting institutions. The Middle East study group offers a platform to discuss ongoing work on issues that are relevant to the region. In the 3 meetings, the attention was focussed on developments in Iraq and the other Gulf States.

C. Energy and sustainable development

Transition, innovation and technology

Under the pressure of environmental policies, the expected finality of fossil fuels reserves - although at least still several decades away - and increasing security of supply concerns has

fueled the debate on the world's future energy systems. It is clear that a complete sustainable system is out of reach for this moment due to the current technology level. A period of transition is inevitable. But how long will the transition phase be? What are the technologies to be used during transition? What are the policy options for governments? And, transition to what...? A multi-year research project was started in 2003, addressing these questions.

Geopolitical and energy dimensions of the climate change debate

Despite growing public concerns and an apparent commitment by the EU, the future of international cooperation on climate change policies looks grim. The international community is preparing for a new round of negotiations at a time in which the Kyoto-protocol will finally be ratified, the need for sharp reductions in emissions is high and international cooperation in general is under pressure. In 2004 CIEP followed the climate change debate in preparation of activities and future publications.

Activities

CIEP organised several activities in 2004, mostly directly linked to research.

Conferences

Fossil fuels: Reserves and Alternatives – A Scientific Approach; 09 December 2004; Amsterdam, with RAK/KNAW.

CIEP together with the Earth and Climate Council of the Royal Netherlands Academy of Arts and Sciences (RAK/KNAW) organised a symposium entitled “Fossil Fuels: Reserves and Alternatives - A Scientific Approach” at the Royal Netherlands Academy of Arts and Sciences (KNAW) 'Het Trippenhuis', Kloveniersburgwal 29, Amsterdam.

The symposium provided a scientific insight in the discussion on the future contribution of fossil fuels to the global energy system and what technologically feasible alternatives are currently available in order to meet the world's rising energy demand. Extended abstracts of the presentations are bundled in a booklet providing an up-to-date view on the subjects.

Panel discussion on EU Energy Supply Security and Geopolitics; 29 September 2004; Brussels.

CIEP has, in collaboration with the European Policy Centre (EPC), organised a panel discussion on the EU-study on Security of Supply and Geopolitics. The event started with a keynote speech by then Vice-President of the European Commission and Commissioner for Transport and Energy, Loyola de Palacio. Coby van der Linde participated in the event as discussion panellist and gave a brief summary of the EU-study. Proceedings and programme are available on the CIEP website. Later the same day a dinner debate took place on the premises of the European Parliament. See below. Following on the fruitful co-operation that has led to this event CIEP plans to co-operate more often and more closely with the EPC.

Conference Energy and Environment; Possibilities and dilemma's during the Dutch presidency of the EU 2004 and beyond. 15 June 2004

On 15 June, CIEP held a round table conference at Clingendael on ‘Energy and Environment’ in which two major issues were discussed given the challenging future energy demand: how to ensure a safe long term supply and how to handle the environmental impact. After a series of presentations, the discussion sessions focused on the need for an integrated approach towards global sustainable energy development with set longer-term goals. One of the conclusions of the roundtable discussion was that new treaties about energy and environment

should leave room for political manoeuvring of nation states and not provide detailed policy recommendations.

Lectures

Lecture by Karen De Segundo, CEO Shell Renewables, 14 December 2004

On 14 December 2004 CIEP organised a lecture on renewable energy. Mrs. Karen de Segundo, CEO Shell Renewables provided an interesting and highly insightful look on renewable energy sources as a business opportunity. After the lecture there was room for questions from the audience and subsequent discussion. The evening continued with a buffet to mark the end of the first period of CIEP.

Seminars

Energy forum on transnational energy corporation; 19 and 20 June 2004; Beijing, with Beijing Normal University and IIAS

Energy security is increasingly becoming an important part of a country's overall security. This forum aims to explore ways to assure this through transnational cooperation. Topics for discussion were:

- The current state of energy security and direction of policies, focusing in particular on the EU, China and Japan.
- Proposals for improving transnational energy cooperation
- Scenarios for ensuring energy security through the "comprehensive security" approach
- The likelihood of future military clashes over energy security issues and preventive measures
- Creating a suitable environment to foster transnational cooperation by companies involved in supplying/distributing energy
- Involvement of the EU China and Japan in the main regions of supply (Russia/Central Asia, Middle East/Gulf).

The forum was organized by the Research School of Politics and International Relations of Beijing Normal University (BNU) together with the International Institute for Asian Studies and CIEP.

CIEP Electricity Market Seminar: 'On the way to regional markets? – The European Core.'
27 February 2004

An international expert audience discussed on basis of presentations of speakers from Belgium, Germany, France and the Netherlands in February the approaches to the integration of European electricity markets. The seminar was very well received and deepened the insights of participants in the differences between the various national electricity markets with respect to structure and regulation and the resulting difficulties on the way to further integration. Documentation of this seminar is available via the CIEP website.

Roundtable European-Iranian relations, Clingendael Institute, The Hague, organized by CIEP together with IPIS and the research department of the Clingendael Institute.

26 January 2004

The Clingendael International Energy Programme (CIEP) hosted a roundtable conference on European- Iranian relations. The initiative for this event was born during a working visit of Clingendael's director, Prof. Alfred van Staden and Prof. Coby van der Linde, director of CIEP to Teheran in November 2002. Keynote speakers were among others Clingendael's Head of Research Prof. Jan Rood, who presented a lecture on *Dynamics of the European Convention and the Inter Governmental Conference*, and *The US policy in the Middle East* by

Dr. Sajjadpour, IPIS. The complete programme can be found on the CIEP website. The event was the first in a series of roundtables organised by Clingendael and her Iranian counterpart IPIS. The second roundtable was to be held in Teheran later in the year, but was postponed to a later time.

Other activities

Dinner debate with EU Energy Spokespersons European Parliament; 29 September 2004; Brussels, with European Energy Foundation.

Following the CIEP-EPC panel discussion a dinner debate organised by the European Energy Foundation (EEF) and sponsored by the Association of Oil and Gas Producers (OGP) took place on the premises of the European Parliament. The EEF, an organisation consisting of Energy Spokespersons in the European Parliament, had also invited Vice-President of the European Commission Loyola de Palacio as a keynote speaker. As compare to the afternoon session a more selected audience was invited and offered the opportunity to comment on the EU energy policy. Coby van der Linde presented the main message and recommendations included in the EU-study. Further information is available on the CIEP website.

Annual luncheon NOGEPa, 03 June 2004;

CIEP co-organised the annual NOGEPa (the Netherlands Oil and Gas Exploration and Production Association) luncheon, held in Societeit De Witte in The Hague. During the event Wim Meijer gave a presentation on the issue of gas production in the Netherlands and the possibility of natural gas production from under the Waddenzee. Mr Meijer was the chairman of an advisory commission to the Dutch government. The commission presented its report 'Ruimte voor de Wadden' on 1 April 2004 to Minister Decker of Housing, Spatial Planning and the Environment. In his lecture Mr. Meijer outlined the interests of the various stakeholders in the debate about the 'waddengas'. Professor Dr. Coby van der Linde co-wrote the lecture. After the presentation there was a luncheon.

International Energy Business Forum, Okura hotel, Amsterdam. 22 May 2004

From 22 to 24 May 2004 the 9th [International Energy Forum \(IEF\)](#) – formerly known as the producer-consumer dialogue – took place in Amsterdam. The theme of the Forum was *Investment in Energy, Choices for the Future*. For the first time in the twelve year history of this ministerial dialogue a back to back meeting with the industry – the International Energy Business Forum (IEBF) – preceded the Forum. The organisation of the IEBF was largely in the hands of CIEP.

The purpose of the IEBF has been to enable CEOs of leading international companies to discuss certain key elements of the IEF agenda with ministers and representatives of international organisations (a.o. United Nations, European Union, OPEC, IEA, IGU). The IEBF was chaired by Peter Sutherland, Chairman of British Petroleum Plc and former member of the European Commission. In four sessions market developments in the oil and gas markets, necessities and possibilities for future investments in the energy sector as well as the feasibility of an institutionalised dialogue between the industry, governments and international organisations as established by the Business Forum have been discussed. Mr. Arne Walther, the first Secretary-General of the permanent International Energy Forum Secretariat (IEFS) presented a number of proposals on how best to build up such an ongoing dialogue. All IEBF-participants were very content with the opportunity offered by the IEBF to discuss energy (related) issues with all major stakeholders.

Presentation of the Study to the European Energy Supply Security and Geopolitics, Brussels, DGTREN. 30 January 2004

See above.

Cancelled Activities

Clingendael Energy Lecture by Mrs. Joke Waller-Hunter, Executive Secretary UNFCCC

Mrs. Joke Waller-Hunter, Executive Secretary of the United Nations Framework Convention on Climate Change accepted an invitation of CIEP to give a Clingendael Energy Lecture on future climate change policy, against the backdrop of difficulties of several countries to meet their Kyoto targets, the future post-Kyoto negotiations and changing patterns in international relations in the word post-11 September. The lecture was scheduled for 4 March 2004. Unfortunately, the lecture was cancelled due to a conflicting schedule of Mrs. Waller-Hunter. The expectation is that the lecture will take in the first half of 2005.

Training Programmes

In 2004 CIEP did not organise any training courses but was very actively involved in the development of courses at EDI. The courses at EDI are developed into a master programme in which CIEP staff plays an active role. In 2004, CIEP began to develop 1-day courses on topical issues for a broader audience that is interested in energy issues. Also tailor-made courses were developed. The first 1-day courses will commence in 2005.

Energy Delta Institute: Natural Gas Strategy Course and Gas Liberalisation and Regulation Course

CIEP staff members Coby van der Linde, Dick de Jong, Jacques de Jong and Hans Maters have contributed various lectures in courses organised by the Energy Delta Institute (EDI) in Groningen.

Course on International Energy Issues, University of Leiden

For the University of Leiden Coby van der Linde, Lucia van Geuns, Christoph Tönjes and Wilbur Perlot taught a course on international energy issues. Each lecture covered a dilemma in energy policy making. Topics covered were a.o. geopolitics, climate change, environmental concerns, Dutch disease, resource curse, production and exploration.

Others

Representing CIEP, all staff members gave various presentations and lectures in courses and events organised by a.o. Clingendael, by Dutch and foreign universities as well as by several private sector parties.

Knowledge Centre

Offering public information is a very important task of CIEP. Virtually all CIEP activities in some way contributed to the fulfilment of this task. Almost all research was made publicly available with a substantial part of it available as downloads from the CIEP website. Seminars and lectures directly targeted the relevant audience and documentation for most of the events is also available on the website. The number of downloads three folded in comparison to 2003 - from 12297 to 31423 -, while the number of visitors to the homepage saw only a small increase - from 11157 to 12232. In 2004 preparation work was done for a new website, which will be launched early 2005.

CIEP staff providing lectures and presentations for specific groups as well as by CIEP staff commenting on developments in Dutch and European energy policy in for example the media

also contributes to the role of CIEP as a knowledge centre. In 2004 more staff members were involved in giving lectures and interviews. The number of lectures and interviews increased with 58% and 18% to 106 and 82 respectively.

Network

CIEP is primarily a network organisation. CIEP is a small organisation and does not intend to compete with other energy oriented knowledge centres, but rather works to complement and cooperate with many of these institutions. Positioned between private sector and public institutions, between scientific research organisations and consultants, CIEP strives to achieve its mission and objectives through cooperation across its extensive network.

CIEP Supporting Institutions

During the first project phase, CIEP was supported by the following institutions:

- Dutch Ministry of Economic Affairs
- Energie Beheer Nederland
- Gasunie
- ING Barings
- NAM
- NUON
- Oranje-Nassau Groep
- Petroplus International
- Rotterdam Municipal Port Management
- Shell Nederland
- Dutch Ministry of Housing, Spatial Planning and the Environment
- Vopak Oil Logistics Europe & Middle East B.V.

These institutions are a cross-section of energy sector stakeholders in the Netherlands. The companies are major international players in their field of expertise. The public institutions understand that national energy policy is largely influenced by international developments. The institutions contribute to CIEP's knowledge base and *vice versa*, especially within the CIEP Advisory Board and the Contact Group. Furthermore, staff members from the institutions participated actively in 2004 in CIEP research and study groups, e.g. Gas Study Group, Electricity Study Group and the Middle East Study Group.

In 2004 five new organisations have confirmed their support and intentions to collaborate in CIEP activities and initiatives for the second period, 2005-2008:

- Essent
- Eneco
- British Petroleum
- Wintershall
- Dutch Ministry of Foreign Affairs

(Early 2005, Total E&P Nederland B.V. joined CIEP as well)

CIEP Network

Within the Netherlands, CIEP has working relationships with a wide variety of institutions, including:

- Energy Delta Institute (EDI)
- Energy Centre Netherlands (ECN)

- International Institute for Asian Studies (IIAS)
- Netherlands Oil and Gas Exploration and Production Association (NOGEP)
- Technical University Delft (TUDelft)
- Institute for Environmental Studies (IVM)

Internationally, the CIEP network spans the following institutions:

- European Policy Centre (EPC)
- Royal Institute for International Affairs (RIIA, Chatham House)
- Oxford Institute for Energy Studies
- European University Institute Florence
- Institut Français des Relations Internationales (IFRI)
- DGTREN (European Commission)
- International Energy Agency (IEA)
- Columbia University (New York)
- Yale University Business School
- The Judge Institute, Cambridge University, UK
- International Energy Forum Secretariat (IEFS)
- World Energy Council (WEC)
- Institute for Political and International Studies (IPIS, Iran),
- UNCTAD/UNDP Global Programme
- Moscow State Institute of International Relations (MGIMO)

Relations with MGIMO and IPIS were strengthened in 2004. 2004 saw also the involvement of CIEP in two sector-wide initiatives, IEFS and UN Energy (through the UNCTAD/ UNDP Global Programme). In 2004 was also the year with the first cooperation between CIEP and EPC, a well-established platform for European policy related discussions. CIEP will partly function as the energy branch of EPC to place more of the conferences and debates in an EU context.

Internal Organisation

The project period of CIEP runs from 1 September 2001 until 1 January 2005. In 2004, CIEP has been in discussion with her supporting institutions about prolongation of the programme. A second project period was secured on the basis of project plan with as sub-title "Towards an European forum". At the end of the year 11 of the of the twelve institutions had indicated the wish to continue the programme for a second period and five more institutions agreed to contribute to the second phase (2005-end of 2008) as well.

Internally, more emphasis was put on the three research themes as organisational and administrative units. This will be reflected in future budget plans and financial reports. The new set-up should ensure CIEP to deal better with the many information requests, to improve knowledge management, to improve the network function and increase the output - publications, lectures and interviews - of CIEP staff.

2004 was also a dynamic year staff wise. The regular staff of CIEP expanded with a senior researcher/ deputy director. Three staff members left during the year, which of course also means that three new staff members were welcomed. For the first time CIEP had also two internships. Problems surrounding the CIEP pension plan were solved. Finally, most of the regular staff of CIEP got new contracts with a more permanent basis.

Overviews

CIEP Publications

Clingendael Energy Studies

- *EU Energy Supply Security and Geopolitics* (TREN/C1-06-2002)
Coby van der Linde, et al.
The Hague: Clingendael Institute, 2004

Clingendael Energy Papers

- *Europe's oil defences. An analysis of Europe's oil supply vulnerability and its emergency oil stockholding systems*
Robbert Willenborg, Christoph Tönjes and Wilbur Perlot.
The Hague: Clingendael Institute, 2004, 66 pp., CIEP 01/2004
- *Natural gas supply for the EU in the short to medium term*
Clingendael International Energy Programme
The Hague: Clingendael Institute, 2004, 27 pp. CIEP 02/2004
- *Russische olie: groeimarkt of valkuil? Olie-industrie, investeringsklimaat en buitenlandse investeerders in Rusland*
Erik Janssen
The Hague: Clingendael Institute, 2004, 103 pp, CIEP 03/2004

Selected other publications

The following overview highlights a selection of articles, most of which are available on the CIEP website. CIEP staff published a further 31 articles in newspapers, scientific journals and other formats that are not mentioned here.

- *Europe's oil defences. An analysis of Europe's oil supply vulnerability and its emergency oil stockholding systems* (adapted version)
Robbert Willenborg, Christoph Tönjes and Wilbur Perlot
The Journal of Energy Literature, Vol. X, No. 2, December 2004. Oxford Institute for Energy Studies
- *Erdgas, EU - Versorgungssicherheit und Geopolitik*
Coby van der Linde and Christoph Tönjes
In: DVGW Jahresrevue. Special issue of energie/wasser-praxis 55 (12): 60-64 (December 2004)
- *The impact of the Kyoto protocol on the export revenues of OPEC member states; an update in the light of recent developments*
Nico van der Linden, Coby van der Linde and Femke Hoogeveen
Petten, Energy Research Centre of the Netherlands (ECN), November 2004
- *The possibilities of clean fossil fuel technologies*
Lucia van Geuns, Christoph Tönjes and Wilbur Perlot
Part of the feasibility study being prepared for a zero emission power plant. Cooperation with NIB Consult. November 2004
- *Mini-apocalyps heilzaam*

Wilbur Perlot
ChristenDemocratische Verkenningen, autumn 2004

- *Energie en de internationale veiligheidspolitiek*
Clingendael International Energy Programme en Clingendael Centre for Strategic Studies
September/ oktober 2004
- *Zes columns Coby van der Linde in EnergieNederland*
 - De koopkracht van olie, nummer 16
 - Russische ambities geven weer hoop voor Kyoto, nummer 14
 - Turkije: schakel of obstakel in energievoorziening, nummer 13
 - Olie-industrie aast op nieuwe investeringen, nummer 12
 - Importafhankelijkheid hoeft geen probleem te zijn, nummer 11
 - In de greep van olie, nummer 10
- *Gas to Power in Europe*; Discussion paper prepared for IGU workshop, Brussel, 4 October 2004
Christoph Tönjes; Clingendael International Energy Programme
- *The future of gas: will reality meet expectation?*
Coby van der Linde and Jonathan Stern
Paper prepared for the 9th International Energy Forum, 22-24. May, 2004, Amsterdam. 35 pp
- *Die Niederländische Gaswirtschaft im Umbruch*
Christoph Tönjes
Energiewirtschaftliche Tagesfragen, 54. Jg. (2004) Heft 9

CIEP Activities

- 14 December 2004; Lecture by Karen De Segundo, CEO Shell Renewables
- 09 December 2004; *Fossil fuels: Reserves and Alternatives – A Scientific Approach*; Amsterdam, with KNAW and RAK. Presentations and further information available on www.clingendael.nl/ciep
- 29 September 2004; *Dinner debate with EU Energy Spokespersons European Parliament*; Brussels, with European Energy Foundation. Further information available on www.clingendael.nl/ciep
- 29 September 2004; *Panel discussion on EU Energy Supply Security and Geopolitics*; Brussels. Further information available on www.clingendael.nl/ciep
- 19 and 20 June 2004; *Energy forum on transnational energy corporation*; Beijing, with Beijing Normal University and IIAS
- 15 June 2004; *Conference Energy and Environment; Possibilities and dilemma's during the Dutch presidency of the EU 2004 and beyond*. Presentations available on www.clingendael.nl/ciep
- 03 June 2004; Annual luncheon NOGEPA
- 22 May 2004; *International Energy Business Forum*, Okura hotel, Amsterdam. Presentations available on www.clingendael.nl/ciep

- 27 February 2004; *CIEP Electricity Market Seminar: 'On the way to regional markets? – The European Core.'* Presentations available on www.clingendael.nl/ciep
- 30 January 2004; *Presentation of the Study to the European Energy Supply Security and Geopolitics, Brussels, DGTREN.* Presentation available on www.clingendael.nl/ciep
- 26 January 2004; *Roundtable European-Iranian relations*, Clingendael Institute, The Hague, organized by CIEP together with IPIS and the research department of the Clingendael Institute

Training programmes

- March 2004; *Gas Strategy Course*, Energy Delta Institute. CIEP teaches one week in the programme
- April/ May 2004 Course on International Energy Issues, University of Leiden
- Courses and lectures in programmes organised by the Clingendael Institute

Other activities

- Secretariat for Council on Oil and Gas (*Overlegraad Olie en Gas – OOG*)

Lectures, Speeches and Presentations

In 2004 CIEP staff members gave a total of 106 lectures, speeches, and presentations or chaired sessions during training courses, conferences and seminars.

Media

CIEP staff members gave 82 interviews for radio, television and newspapers in 2004.

Website

In 2004 the CIEP homepage had 12232 visitors. In total, the different documents on the website were downloaded 31423 times.

Contactgroep (Contact Group)

The CIEP contactgroup convened on 11 May 2004 and 5 October 2004.

Adviesraad (Advisory Board)

The CIEP Advisory Board convened on 28 June 2004 and on 14 December.

Board Stichting Fonds Instituut Clingendael

The Board of Stichting Fonds Instituut Clingendael convened on 15 June 2004 and on 18 November 2004.

Staff

On 31 December 2004 CIEP staff existed of the following people:

- Dr. Mehdi Amineh, associate fellow (consultancy basis)
- Wendy Auf dem Brinke, secretary (0,5 fte)
- Rowena Cantley Smith, LL.M, associate fellow (consultancy basis)
- Dr. Aad Correljé, associate fellow (0,2 fte) (seconded TU Delft)
- Lucia van Geuns, MSc, deputy director (0,8 fte)
- Femke Hoogeveen, MA, researcher (1,0 fte)
- Erik Janssen, MA, researcher (1,0 fte)
- Dick de Jong, MSc, fellow (0,2 fte)
- Jacques de Jong, MA, fellow (0,4 fte) (seconded Ministry of Economic Affairs)
- Prof. dr. Coby van der Linde, director (0,6 fte)
- Hans Maters, MA, fellow (project basis)
- Paul Nillesen, MA(Hons) MSc, associate fellow (consultancy basis)
- Wilbur Perlot, MSc, researcher (1,0 fte)
- Prof. dr. Kurt Radtke, associate fellow (consultancy basis)
- Christoph Tönjes, MSc, researcher (1,0 fte)

During 2004 the following people were connected for at least part of the year to CIEP staff

- Joris van der Bol, intern
- Timothy Boon van Ochssée, intern
- Michèle Irish'Stephenson (0,6 fte), office manager
- Theo Westerwoudt, fellow (0,2 fte)

Appendix: About CIEP

Introduction

In September 2001, the Netherlands Institute for International Relations, 'Clingendael', launched the *Clingendael International Energy Programme* (CIEP). Supported by twelve institutions from the public and private sectors, CIEP participates in and seeks to make significant and substantive contributions to the public debates on national and international developments in the energy sector.

The main reasons for initiating CIEP were:

1. The need for a forum to discuss developments in the European energy markets, e.g. the liberalisation of the European energy market, which will impact the organisation of the market, government energy policies and strategies of companies operating in the energy sector. These changes in the internal European market take place against the backdrop of an expanding European Union, increased dependency on imported fossil fuels and efforts to address environmental concerns;
2. The concerns raised in public debates about security of supply and a growing import dependency, not only for European Union member states but also for other major consumer regions. These concerns will influence the policy options and choices of both consumers and producers. The political and economic developments in, for instance, the United States, Russia, the Middle East, the Caspian Sea region, and Asia, are therefore important in assessing the developments in the European energy situation.

Mission

Through research, the publication of studies, information releases (particularly through the media and internet) and the organisation of courses and training programmes, CIEP makes a fundamental contribution to the public debate on international politics and economic developments in the energy sector (oil, gas and electricity).

Objectives

- To serve as an independent forum for governments, non-governmental organisations, the business community, politics, the academic world, the media and other stakeholders or interested parties.
- To gather and develop information and knowledge about international political and economic developments in the energy sector on the basis of research, supported by a documentation system.
- To propagate information and knowledge about international political and economic developments in the energy sector by means of seminars, conferences, lectures, courses, publications and information releases via the media.
- To initiate discussions about current events and future developments relevant to the energy sector, energy policy, legislation and the relationship between the government and the private sector.

Research and activities

CIEP's research and activities focus on two main subject areas:

- A. The regulation of energy markets (oil, gas and electricity) in the European Union.
- B. The international economic and geopolitical aspects of the oil and gas markets, mainly with respect to the security of oil and gas supply in the European Union, in the context of an increasing dependence on imported energy.
- C. Energy and sustainable development.

The staff of the Clingendael International Energy Programme, in combination with the staff of the Institute at large, develops courses and training programmes on the above-mentioned themes. CIEP-publications and research results are made available primarily through the CIEP website - www.clingendael.nl/ciep - part of the Clingendael website.