



Draft

Report to the 5th EU-OPEC Ministerial Meeting

Brussels, 24 June 2008

Cooperation in Science, Technology, Education and Training EU-OPEC Energy Technology Centre

PREAMBLE

The 4th EU-OPEC Ministerial Meeting, held on 21 June 2007 in Vienna, approved the creation of an EU-OPEC task force, consisting of representatives of the EU and OPEC, mandated to examine the following issues, and to report at the 5th Ministerial Meeting:

- The concept (statute, objectives, strategy) of a possible EU-OPEC Technology Centre along with an operational scheme, including the criteria for the selection of an appropriate location for the Centre, the operational scope, structure and required budget.
- A review of all EU and OPEC programmes related to the education and training of young professionals and propose concrete measures and actions.
- Within the framework of this training and education cooperation, both parties should equally address the issue of educating and training young oil industry professionals coming from third countries in which energy poverty is a crucial issue and which merit assistance.

During the past twelve months the task force met twice and examined possible alternatives for such a Centre. To this end, the task force reviewed information on:

- An electronic network liaising energy research and technology development institutions, both public and private sectors, from GCC and EU countries, to be established;
- The EU Energy Centre in Tyumen, established in 1993 to promote innovative and high-performance oil and gas technologies developed in the EU; this centre is no longer operational. .
- The information days on the 7th Framework programme for research and development of the EU organised last April in Riyadh, Doha and Bahrain.

THE CONCEPT

Two options are currently being discussed by the task force.

Option 1: an EU-OPEC networking platform

The EU-OPEC technology centre would consist in a virtual electronic platform that would allow i) the possibility of networking among energy researchers and experts of EU and OPEC countries, from various disciplines as well as institutions, including universities, government-sponsored research centres and companies research and development units; ii) the undertaking

of joint decentralised research activities by groups of entities; iii) sharing of best practices, lessons and experiences; iv) offering computer-supported education and training programmes in various disciplines, with the possibility of delivery of some diploma through specific evaluation and testing; v) creating for specific themes of research, if needed, activities in a specific location.

Option 2: creation of an EU-OPEC technology centre

The technology centre under this option will have a physical existence in a specific location, as well as allotted budgetary and human resources.

The main mission of the Centre is to serve as a focal point for launching joint cooperation and research activities as well as training and education programmes.

Its main objectives could encompass the following:

- Petroleum technologies
 - Contribute to the development of technologies related to the petroleum sector, in particular for improving petroleum exploration, production, refining, transportation and distribution;
- Environment-related technologies
 - Contribute to the development of technologies for petroleum in a carbon-constrained world, such as for capturing and storing of carbon, reducing gas flaring, improving refinery processes, managing water resources, etc.
- Demand and supply forecasting
 - Undertake research activities for improved energy demand and supply forecasting, including modelling, as well as in demand management and planning
- Knowledge management, training and education
 - Promote exchange of expertise, knowledge sharing and best practices;
 - Initiate, develop and promote programmes and actions in education, training and human resources development, in all areas related to energy;
 - Provide training programmes in workforce management, in particular regarding recruitment of skilled personnel, knowledge capture and dissemination, skills upgrading
- Networking
 - Facilitate networking and technology transfer among universities, non-profit research institutions and experts of both regions.

The Centre will equally address the issue of educating and training young oil industry professionals coming from third countries in which energy poverty is a crucial issue and merits assistance.

A further role of the Centre would be to act as facilitator, in finding the appropriate partners for exchange of experiences, for example in applying standards and codes, or in any other cooperation among entities from the two regions.

In the initial phase, until its full development, the centre will focus on petroleum and environment-related technologies.

Venue of the Centre

The task force has not yet defined the criteria for the selection of an appropriate location for the Centre. Member Countries from the EU and OPEC will be invited to propose offers for hosting the Centre.

Organisation - Functioning

The Centre will be directed by two Co-Directors, one appointed by each side. In addition to these two Co-Directors, two additional members of the Centre and one Secretary would be the initial personnel of the Centre. Gradually, the Centre may expand, once it has proved its value.

Budget

A preliminary estimation indicates a total budget in the order of 1 M€ covering rental of premises, office equipment, operating fixed expenses and personnel wages. The Centre should progressively become financially independent, within a timeframe of five years following its establishment.

Reporting – Ownership

The Centre reports to the EU-OPEC Ministerial Meeting through yearly reports and properly audited accounts.

RECOMMENDATION

The EU-OPEC Ministerial Meeting's decision is respectfully sought on the following:

1. To instruct the task force to undertake a detailed feasibility study of both options 1 and 2, using outside expertise if needed;
2. To establish criteria for the selection of the location of the Centre.

ADDENDUM:

REVIEW OF EU AND OPEC PROGRAMMES RELATED TO SCIENCE AND TECHNOLOGY, EDUCATION AND TRAINING ON OIL MATTERS

On Science and Technology.

Within the framework of the 7th EU Framework programme for Research and Technology Demonstration, participation of third countries in consortia, proposing research and demonstration projects, is possible. A number of countries –list attached- can receive funding from this programme. Eight out of the twelve OPEC Member States are considered as International Co-operation Partner Countries: Algeria, Angola, Indonesia, Iran, Iraq, Libya, Nigeria and Venezuela. As for the remaining four, co-operation is still possible, following agreement on a Science and Technology Agreement, but they will have to cover their own part of the budget.

On Education and training.

There are numerous EU education programmes suitable for young engineers and economists from OPEC countries such as the Erasmus Mundus and the Jean Monet programme on EU integration issues.

In addition, in the framework of the European Neighbourhood Policy (which, as far as OPEC Members are concerned, covers Algeria and Libya) the European Neighbourhood and Partnership Instrument offers specific instruments (such as Twinnings and TAIEX) to finance - at the request of the authorities of the partner country - technical assistance and training in the sectors covered by Association Agreements and Neighbourhood Action Plans

List of International Co-operation Partner Countries (ICPC)

ACP*

- AFRICAN

- Angola
- Benin
- Botswana
- Burkina-Faso
- Burundi
- Cameroon
- Cape Verde
- Central African Republic
- Chad
- Comoros
- Congo (Republic)
- Congo (Democratic Rep. of)
- Côte d'Ivoire
- Djibouti
- Equatorial Guinea
- Eritrea
- Ethiopia
- Gabon
- Gambia
- Ghana
- Guinea
- Guinea-Bissau
- Kenya
- Lesotho
- Liberia
- Madagascar
- Malawi
- Mali
- Mauritania
- Mauritius
- Mozambique
- Namibia
- Niger
- Nigeria
- Rwanda
- Sao Tome and Principe
- Senegal
- Seychelles
- Sierra Leone
- Somalia
- South Africa¹
- Sudan
- Swaziland
- Tanzania
- Togo
- Uganda
- Zambia
- Zimbabwe

- CARIBBEAN

- Barbados
- Belize
- Cuba

- Dominica
- Dominican Rep.
- Grenada
- Guyana
- Haiti
- Jamaica
- Saint Kitts and Nevis
- Saint Lucia
- Saint Vincent and Grenadines
- Suriname
- Trinidad and Tobago

- PACIFIC

- Cook Islands
- Timor Leste
- Fiji
- Kiribati
- Marshall Islands
- Micronesia, Federal States of
- Nauru
- Niue
- Palau
- Papua New Guinea
- Solomon Islands
- Tonga
- Tuvalu
- Vanuatu
- Samoa

ASIA

- Afghanistan
- Bangladesh
- Bhutan
- Burma/Myanmar
- Cambodia
- China^{1,2}
- India^{1,2}
- Indonesia
- Iran
- Iraq
- Lao People's Democratic Republic
- Malaysia
- Maldives
- Mongolia
- Nepal
- Oman
- Pakistan
- Philippines
- Sri Lanka
- Thailand
- Vietnam
- Yemen

EASTERN EUROPE AND CENTRAL ASIA (EECA)

- Armenia²
- Azerbaijan²
- Belarus²
- Georgia²
- Kazakhstan
- Kyrgyz Republic
- Moldova²
- Russia^{1,2}
- Tajikistan
- Turkmenistan
- Ukraine^{1,2}
- Uzbekistan

LATIN AMERICA

- Argentina¹
- Bolivia
- Brazil^{1,2}
- Chile¹
- Colombia
- Costa Rica
- Ecuador
- El Salvador
- Guatemala
- Honduras
- Mexico¹
- Nicaragua
- Panama
- Paraguay
- Peru
- Uruguay
- Venezuela

MEDITERRANEAN PARTNER COUNTRIES (MPC)²

- Algeria
- Egypt¹
- Jordan
- Lebanon
- Libya
- Morocco¹
- Palestinian-administered areas
- Syrian Arab Rep.
- Tunisia¹

WESTERN BALKAN COUNTRIES (WBC)

- Albania
- Bosnia-Herzegovina
- Former Yugoslav Republic of Macedonia (FYROM)^{***}

- Montenegro
- Serbia³

*In the 'Specific international cooperation actions', Africa can also be considered as a region on its own, while the Caribbean countries can also participate with Latin American and the Pacific countries with Asia.

**For participation in the 'Specific international cooperation actions' each of Brazil, China, India and Russia may be considered individually as a region on its own. Thus, the required two or more partners can be located in these countries. However, in this case, at least two different partners from different provinces, oblasts, republics or states within Brazil, China, India or Russia are necessary.

*** On 16/12/2005 the Former Yugoslav Republic of Macedonia (FYROM) became a Candidate Country. FYROM is not an associated country to FP7 and thus remains a target country for International Cooperation Specific Actions.

(1) Signed an agreement with the EC covering Science & Technology

(2) These countries are also part of the European Neighbourhood Policy (ENP)

(3) Including Kosovo as defined by UNSC resolution 1244 of 10 June 1999