



# Azerbaijan Diplomatic Academy School of International Affairs

## Azerbaijan Diplomatic Academy

In partnership with the

State Oil Company of Azerbaijan Republic (SOCAR)

with support from

Cambridge Centre for Energy Studies,

Judge Business School, University of Cambridge, UK

and

Center for Energy, Marine Transportation and Public Policy

Columbia University

## Summer School

# Energy Politics and Economics

July 3-12, 2009

Baku, Azerbaijan

## INTRODUCTION

The 2009 ADA Summer School is a joint program of ADA with the Cambridge Center for Energy Studies. It will examine major issues in energy politics and economics in the contemporary international system. A special emphasis will be put on the unique challenges and perspectives of energy exporters, addressing issues such as current dynamics of oil and gas markets, investments in energy production under price volatility, impact of emerging climate change regimes on energy exporters, and revenue management.

The course will also examine the interplay between international politics and energy supply; discuss issues such as the use of energy supply to promote foreign policy agendas; the current state of cooperation between OPEC producers, and the prospects of emerging agreements on climate change on future energy consumption and production trends. Cases from the Caspian region will be a special feature of the program.

The Summer School program will be interactive in its format and will provide extensive opportunity for professionals in the field of energy to interact and build long-lasting ties. The Summer School will also give opportunity to meet public and private sector leaders from Azerbaijan as well as other countries of the Caspian region.

Participants will include middle and senior level policy makers from a number of states, energy company representatives, academic faculty members, journalists focusing on energy, and representatives of regional and international organizations.

The summer school will be followed up with a research conference to be hosted in the winter by the Cambridge Centre for Energy Studies, Judge School of Business, University of Cambridge, UK.

# PROGRAM

**JULY 3**

**FRIDAY**

Arrivals and Registration

19:00

Welcome Reception at RETRO CLUB

Hosted by Ambassador Hafiz Pashayev, Rector of ADA and Deputy Minister of Foreign Affairs

20:00

Musical performance

**JULY 4**

**SATURDAY**

10:00

**Azerbaijan's Oil Industry: Then and Now**

Old City Tour: Following the path of Oil Barons

Field trip to Sangachal oil terminal, Baku-Tbilisi-Ceyhan pipeline, Bibi-Heybat oil fields.

Free evening

**JULY 5**

**SUNDAY**

## **GLOBAL TRENDS IN INTERNATIONAL ENERGY PRODUCTION AND CONSUMPTION**

### Morning Session

**Greetings and opening remarks**

Ambassador Hafiz Pashayev, Rector of ADA

**Lead Instructor:**

**Dr. Albert Bressand**

*Executive Director, Center for Energy, Marine Transportation and Public Policy (CEMTPP), Columbia University*

*This session will discuss the basic elements of energy security and the tools to craft energy security policies. It will cover energy security from the perspective of energy producing, consuming and transit states.*

**Definitions and research questions**

Dr. Brenda Shaffer, Professor, ADA and University of Haifa

**Overview of trends in the world energy supply**

Presentation by Mr. Seymour Khalilov, Vice President of BP-Azerbaijan

Luncheon

**Energy security and role in the international system: Azerbaijani perspective.**

H.E. Elmar Mammadyarov, Foreign Minister, Republic of Azerbaijan

Afternoon Session

**Global trends in energy production and consumption and outlook for energy security**

Dr. Albert Bressand, Chairman, Center for Energy, Marine Transportation and Public Policy, Columbia University.

20:00

Dinner hosted by Mr. Rovnag Abdullayev, President, State Oil Company of the Azerbaijan Republic (SOCAR)

**JULY 6**

**MONDAY**

**PRICE VOLATILITY: IMPACT ON SUPPLY, CONSUMPTION, AND INVESTMENT**

**Lead Instructor:**

**Dr. Albert Bressand**

*Executive Director, Center for Energy, Marine Transportation and Public Policy (CEMTPP), Columbia University*

*This session will focus on the geopolitics and of energy supply and production in the era of low and volatile energy prices.*

## Morning Session

### **Price Volatility: Impact on Supply, Consumption and Investment**

Dr. Albert Bressand, Chairman, Center for Energy, Marine Transportation and Public Policy, Columbia University.

### **Case of OPEC in the era of price uncertainty**

Mr. Mahmood Khaghani, Director for Corporate Planning, North Drilling Company; Former Adviser to Deputy Petroleum Minister of Islamic Republic of Iran

## Afternoon Session

### **Finance in energy productions under conditions of price uncertainty**

#### Case Studies:

“Russian natural gas export under price uncertainty”

Dr. Nazrin Mehdiyeva, Poyri Consulting

“Balancing the state budget under price volatility: The case of Azerbaijan,”

Dr. Azer Mursagulov, Adjunct Faculty, ADA and Assistant to the Minister of Finance of the Republic of Azerbaijan on Macroeconomic Issues

“Nabucco Project: problems and opportunities”

Mr. Christian Dolezal, Spokesperson, Nabucco Gas Pipeline International GmbH

## Evening event

### ***Mangal Bashi***

Poolside discussion with oil company representatives (SOCAR, StatoilHydro, BP, Total) followed by traditional Azerbaijani “mangal” barbeque

**JULY 7**

**TUESDAY**

## **ENERGY AS A TOOL OF FOREIGN POLICY**

*The sessions will examine states' use of energy supplies as an instrument to promote political and security goals and peace. It will examine if there is an "oil weapon" and a "natural gas weapon." The sessions will look at the conditions under which supply relationships are vulnerable to political use. It will also study the attempts to use energy infrastructures as a tool for conflict resolution, the so-called "peace pipelines." The session will look at specific cases of intentional supply disruptions, such as between Russia and Ukraine, and attempt to discern if commercial or political factors are the driving forces in these crises.*

**Lead Instructor:**  
**Dr. Brenda Shaffer**  
*Visiting Professor, ADA*

### **Morning Session**

#### **Energy as a tool of foreign policy**

Dr. Brenda Shaffer, Professor, ADA and University of Haifa

#### **Energy and Conflict**

Dr. Elnur Soltanov, Assistant Professor, ADA

#### **Energy as a component of international security**

Ambassador Fred Tanner, Director of Geneva Center for Security Policy

### **Afternoon Session**

#### **Roundtable on *Challenges of energy***

***transportation to EU: Supplies from Russia and the Caspian Basin.***

Dr. Artem Malgin, Associate Professor, Moscow State University of International Affairs

Dr. Theresa Sabonis-Helf, National Defense University, USA

## Caspian Energy in Global Energy Security

*Dinner hosted by the Ministry of Energy and Industry of the Republic of Azerbaijan and ADA*

### Speaker:

H.E. Mr. Natig Aliyev, Minister of Energy and Industry, Republic of Azerbaijan

**JULY 8**

**WEDNESDAY**

Participants and faculty of the ADA Summer School will join the **International Conference**, hosted by the **Ministry of Foreign Affairs of the Republic of Azerbaijan**. The conference is organized on the occasion of the 90th Anniversary of Azerbaijan's diplomacy. It will discuss foreign policy priorities of Azerbaijan, strategic outlook of the country and its role in the region.

The conference will be attended by foreign ministers and major public figures from all over the world, including all of Azerbaijan's ambassadors, members of the diplomatic corps in Azerbaijan, public and private sector representatives. Summer School participants will gain a unique opportunity to learn more about Azerbaijan and network with highest officials.

Among other issues the conference will also focus on the prospects for export of natural gas from the Caspian region--Azerbaijan, Iran, and Central Asia and its impact on potential import markets such as Europe and China. This conference will also discuss the lessons learned from Caspian energy export and prospects for the future. The panels will include policy-makers who have played a role in the developments of Caspian energy and politics.

**JULY 9**

**THURSDAY**

## **REVENUE MANAGEMENT**

**Lead Instructor:**  
**Dr. Brenda Shaffer**  
*Visiting Professor, ADA*

*Due to the instability in revenue from oil and natural gas export, exporting states often find themselves in a cycle of monetary boom and bust, which creates inherent difficulties to budgeting and long-term state planning. In addition, energy exporting states tend to possess distinct social and regime development patterns. Aware of these molds, a number of the producers have undertaken major initiatives to try to avert*

*some of these trends. Today's sessions will discuss energy export revenue management and ways to avert the "resource curse."*

### Morning Session

#### **Energy subsidies in energy exporters**

Dr. Patrick Clawson, Deputy Director for Research, Washington Institute for Near East Policy.

Prof. Ahmad Mojtahed, President, Monetary and Banking Research Academy, Central Bank of the Islamic Republic of Iran

Mr. Ahya Ihsan, Research Analyst - Poverty Reduction and Economic Management (PREM) Unit, World Bank Indonesia

Mr. Tim Bulman, Consultant - Poverty Reduction and Economic Management (PREM) Unit, World Bank Indonesia

### Luncheon

#### **State Oil Funds as a means to circumvent the resource curse**

Mr. Shahmar Movsumov, Executive Director, State Oil Fund, Republic of Azerbaijan

#### **Case study: Human capital as a means to circumvent the resource curse.**

Mr. Fariz Ismailzade, Director, Advanced Foreign Service Program, ADA

Visit to the museum of one of Azerbaijan's first oil barons - Haji Zeynalabdin Taghiyev.

#### **Gala - Dinner at Buta Palace**

**JULY 10**

**FRIDAY**

### **CLIMATE CHANGE AND NEW TECHNOLOGIES**

*The growing threat of climate change may create radical alterations in how the world consumes energy. This change will affect both energy producers and consumers. Today's sessions will explore the emerging regimes and agreements for addressing climate change and their projected impact on energy use patterns. It will also look at technologies that are developing that can have major impact on energy production and consumption.*

## Morning Session

### **Emerging regimes to combat climate change:**

H.E. Professor Huseyngulu Bagirov  
Minister of Ecology and Natural Resources,  
Republic of Azerbaijan

Mr. Greg Mattson, Vice President of BP Azerbaijan

## Conclusion

Dr. Brenda Shaffer, Professor, ADA and University  
of Haifa

Ambassador Hafiz Pashayev, Rector of ADA

## Evening

Participation in ADA Majlis Program  
[ada.edu.az/majlis](http://ada.edu.az/majlis)

**JULY 11**

**SATURDAY**

Field trip to Gobustan, Mud Volcanoes of  
Absheron Peninsula

**JULY 12**

**SUNDAY**

Recreation activities

Departures

\* Invited and to be confirmed.