



Azerbaijan Diplomatic Academy  
School of International Affairs

## **BAKU SUMMER ENERGY SCHOOL**

In partnership with the  
State Oil Company of the Azerbaijan Republic  
SOCAR

July 3–17, 2010

Baku, Azerbaijan

# PROGRAM

**JULY 3**

**SATURDAY**

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 (Jazz, Mugham and National Dance)

**JULY 4**

**SUNDAY**

10:00

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

Old City Tour: Following the path of Oil Barons

Field trip to Bibi-Heybat oil fields and Nobel House.

**JULY 5**

**MONDAY**

## **FUNDAMENTALS OF ENERGY**

*Almost every year, disregarding new discoveries, technological innovations increase the size of the energy reserves around the world. Some analysts expect that shale gas may expand global energy supply up to 50 percent. Today's session will cover new developments in different phases of the hydrocarbon cycle, from exploration to retail. Geology and geographic information systems will be the integral part of the discussions.*

### Morning Session

**Greetings and opening remarks**

**Hydrocarbon Cycle: Upstream, Midstream, Downstream**

**Technology Innovation in Energy Industry**

Final Preparations for the Group Project

Luncheon

**Historical Milestones in Development of Caspian Hydrocarbon Resources. Personal Anecdotes of a Legendary Geologist**

Afternoon Session

**Group Project: Geospatial Analysis in Energy Management**

**JULY 6**

**TUESDAY**

**ENERGY LAW**

*The types of energy contracts determine the rules of the game between host governments and foreign investors for years to come. Even the fact that sometimes these contracts are reneged upon has much to do with the nature of such legal frameworks. This session will cover the major types of regulation and market oversight that apply to energy contracts. The subject will be explored from both the foreign investor's and the host country's viewpoint.*

Morning Session

**Legal Frameworks of International Energy Transactions**

**Types of Energy Contracts: Risk Agreements, Concessions, PSA, Service Contracts**

Final Preparations for the Group Project

Luncheon

**Negotiating Production Sharing Agreements: Looking Back into Azerbaijan's Case**

Afternoon Session

**Group Project: Energy Related International Regimes and Organizations**

**JULY 7**

**WEDNESDAY**

## **ENERGY ECONOMICS-I**

*The wild fluctuations in the price of oil have caught many, if not all, practitioners and researchers of energy resources off guard. How much of it could be explained by changes in the fundamentals of demand and supply, and how much of it could be ascribed to speculators? The determinants of energy prices as well as the effects of such fluctuations on the global economy are the main topics covered today.*

### Morning Session

**Global Energy Demand and Supply**

**Energy Futures Markets and Derivative**

Final Preparations for the Group Project

### Luncheon

**Weight and Importance of the Caspian Basin in the Global Energy Outlook**

### Afternoon Session

**Group Project: Energy and Global Economic Crisis**

**JULY 8**

**THURSDAY**

## **ENERGY ECONOMICS-II**

*Some analysis put the cost of energy subsidies in OPEC countries at more than 100 billion a year. In the triangle of inefficiency, economic growth and global price for energy, the management of domestic energy resources is one of the most difficult issues facing energy producers. It becomes even more complicated when one adds to it the pace with which energy reserves should be exploited. These are the themes covered today.*

### Morning Session

**Politics and Economics of Energy Subsidies**

**Efficient Management of Depletable Energy Resources**

Final Preparations for the Group Project

Luncheon

**Impact of Energy Resources on Industrial Development in Azerbaijan.**

Afternoon Session

**Group Project: New Developments on the Supply Side and Impact on Traditional Producers: the Case of Gas Shale and Tar Sands**

Evening event

*Mangal Bashi*

Poolside discussion with oil company representatives (SOCAR, StatoilHydro, ExxonMobil, BP, Total, Lukoil, etc) followed by traditional Azerbaijani "mangal" barbeque

**JULY 9**

**FRIDAY**

**STRATEGIC MANAGEMENT IN THE ENERGY INDUSTRY:  
THE CASE OF SOCAR**

*The State Oil Company of Azerbaijan is the largest company in the Caucasus. In the last couple of years it has carefully stepped out of its home country gradually acquiring a status of a multinational corporation. It has invested heavily in neighboring Georgia and is planning to build an oil refinery in Romania. In 2009, SOCAR could be the largest taxpayer not only in Azerbaijan but also in Georgia. How should this newly emerging multinational energy company devise its strategy? How should it allocate its resources between domestic and international investments, and between different economic sectors? These are the questions today's session will try to tackle.*

Morning Session

**Defining Strategic Intent: Mission and Vision**

**Corporate Level Strategies: Stability, Expansion and Retrenchment**

Final Preparations for the Group Project

Luncheon

## Strategic Outlook of SOCAR

### Afternoon Session

**Strategy Exercise: Sustaining Competitive Advantage in a Changing Global Environment. Assessment and Formulation of Strategy for SOCAR**

**JULY 10-11**

**SATURDAY/ SUNDAY**

### **CULTURAL AND LEISURE PROGRAM**

Field trip to Sangachal Oil Terminal, Baku-Tbilisi-Ceyhan Pipeline, Gobustan, Mud Volcanoes, Naftalan

**JULY 12**

**MONDAY**

*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. The session will also 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.*

### **INTERNATIONAL POLITICS OF ENERGY - I**

#### Morning Session

**Global Energy Security**

**Energy as a Tool of Foreign Policy**

Final Preparations for the Group Project

#### Luncheon

**Balancing Politics of Energy in and around the Caspian Basin**

#### Afternoon Session

**Group Project: Resource Nationalism**

**JULY 13**

**TUESDAY**

## **INTERNATIONAL POLITICS OF ENERGY - II**

*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."*

### Morning Session

**International Conflicts over Energy Resources**

**Politics of Foreign Direct Investment into Energy Sector**

Final Preparations for the Group Project

### Afternoon Session

**Group Project: Energy Politics of Major Powers**

### Evening event

**Energy Debates in the Periphery of Baku  
Summer Energy School**

*ADA Majlis, televised forum of analytical discourse, which is a joint venture between ADA and Public TV*

Followed by cocktail reception

**JULY 14**

**WEDNESDAY**

## **REVENUE AND RESOURCE MANAGEMENT**

*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

**Social Stability and Political Development in Resource Rich Countries**

**Domestic Economics of Energy Resources: Deindustrialization, Currency Appreciation and Brain Drain**

Final Preparations for the Group Project

### Luncheon

**Managing Wealth Funds in Resource Rich Countries**

### Afternoon Session

**Comparative Sovereign Wealth Fund Management in Energy Rich Countries**

**JULY 15**

**THURSDAY**

## **ENERGY AND ENVIRONMENT**

*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

**Environmental Modeling and Environmental Impact Assessments in Hydrocarbon Industry**

**Renewable and Sustainable Energy**

Final Preparations for the Group Project

### Luncheon

## **Global Climate Change: Implications for the Caspian Basin.**

### Afternoon Session

**Group Project: The Effects of International Environmental Regimes on Energy Industry**

**JULY 16**

**FRIDAY**

## **CASPIAN ENERGY: CURRENT TRENDS AND FUTURE SCENARIOS**

*It is difficult to find any newly on-stream energy region that has generated as much interest and controversy as the Caspian region in the last two decades. After the Gulf and Siberia the Caspian could hold the largest oil and gas reserves in the world. It has also been the area of the first major oil pipeline connecting the former Soviet Union to the West while bypassing Russia. Even today, with its potentially huge untapped energy resources and its capacity to become a more important player in the global energy security, the Caspian occupies a central stage in international political and economic agenda. Today's session is devoted to this region..*

### Morning Session

**Geology, Reserves and Environmental Hurdles**

**International and Domestic Politics of Energy Resources in the Caspian**

Final Preparations for the Group Project

### Luncheon

**Legal Status of the Caspian Sea and its Impact on Energy Contracts**

### Afternoon Session

**Group Project: Eurasian Energy Security: The Challenges of Energy Transport Routes in the Caspian**

**JULY 17**

**SATURDAY**

## **CLOSING AND DEPARTURES**