



Azerbaijan Diplomatic Academy
School of International Affairs

BAKU SUMMER ENERGY SCHOOL

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

July 3–17, 2010

Baku, Azerbaijan

with support of ExxonMobil

PROGRAM

JULY 3

SATURDAY

Arrivals and Registration

18:00 Welcome Reception at RETRO SHAM Restaurant

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

Luncheon "Old Baku" Restaurant

14:00 Field trip to Bibi-Heybat oil fields and Nobel House

JULY 5

MONDAY

FUNDAMENTALS OF ENERGY

Lead Instructor:

**Dr. Christine Economides, Professor
Texas A&M University**

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 retailing. 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:
The Case of Gas Shale and Tar Sands**

Final Preparations for the Group Project

Luncheon

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

Mr. Khoshbakht Yusifzadeh, Vice President of SOCAR on Geology, Geophysics and Field Development

Afternoon Session

Group Project: Geospatial Analysis in Energy Management

JULY 6

TUESDAY

ENERGY LAW

Lead Instructor:

Dr. Denis Schlumberger, TOTAL

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 renegeed 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

Afternoon Session

Group Project: Energy Related International Regimes and Organizations. The case of IEA

Field Trip:

Sangachal Oil Terminal and Baku-Tbilisi-Ceyhan oil pipeline. Group I

JULY 7

WEDNESDAY

ENERGY ECONOMICS-I

Lead Instructor:

Dr. Jeffrey Frankel, Professor, Harvard University

The wild fluctuations in the price of oil have caught many, if not all, practitioners and academicians 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 the 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

Long-term trends: Are mineral prices fated to rise as the world runs out?

What causes shorter-term swings such as the 2008 price spike?

Final Preparations for the Group Project

Luncheon

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

Ambassador Steven Mann, Senior Government Relations Manager, ExxonMobil

Afternoon Session

Group Project: Oil and the Global Economic Crisis

Field Trip:

Sangachal Oil Terminal and Baku-Tbilisi-Ceyhan oil pipeline. Group I

Evening Event:

Presentation of BP Statistical Review of World Energy for 2010

Mr. Vladimir Drebentsov, Head of BP CIS Economics Team (*optional event, 8:00 pm*)

JULY 8

THURSDAY

ENERGY ECONOMICS-II

Lead Instructor:

Dr. Jeffrey Frankel, Professor, Harvard University

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

The Natural Resource Curse and Long Term Economic Development

The Dutch Disease and Medium-Term Economics

Final Preparations for the Group Project

Luncheon

Impact of Energy Resources on Industrial Development in Azerbaijan.

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

Afternoon Session

Group Project: What Can an Oil Producer Do to Escape the Natural Resource Curse?

Evening event

Mangal Barbeque

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

JULY 9

FRIDAY

REVENUE AND RESOURCE MANAGEMENT

Lead Instructor:

Dr. Jeffrey Frankel, Professor, Harvard University

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

Dr. Jeffrey Frankel, Professor, Harvard University

Politics and Economics of Energy Subsidies

Dr. Elkin Nurmammadov, Assistant Professor, ADA

Final Preparations for the Group Project

Luncheon

Managing Wealth Funds in Resource Rich Countries

Mr. Shahmar Movsumov, Executive Director, State Oil Fund of Azerbaijan (SOFAZ)

Afternoon Session

Comparative Sovereign Wealth Fund Management in Energy Rich Countries

Dr. Bernhard Scherer, Professor, EDHEC Business School

JULY 10

SATURDAY

CULTURAL AND LEISURE PROGRAM

Field trip to Gobustan and Mud Volcanoes

JULY 12

MONDAY

INTERNATIONAL POLITICS OF ENERGY - I

Lead Instructor:

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

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.

Morning Session

Global Energy Security

Dr. Mamuka Tsereteli, Associate Professor, American University

Energy as a Tool of Foreign Policy

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

Final Preparations for the Group Project

Luncheon

Balancing Politics of Energy in and around the Caspian Basin

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

Afternoon Session

Group Project: Resource Nationalism

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

Evening event:

Documentary Film "Oil Odyssey", followed by discussion with the author, Prof. Thomas Goltz (optional event, 8:00 pm)

JULY 13

TUESDAY

INTERNATIONAL POLITICS OF ENERGY - II

Lead Instructor:

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

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

Dr. Elnur Soltanov, Assistant Professor, ADA

Politics of Foreign Direct Investment into Energy Sector

Dr. Brenda Shaffer, Professor, University of Haifa

Final Preparations for the Group Project

Luncheon

Global Political Trends that affect oil and gas production

Ms. Rosemarie Forsythe, Manager, International Political Strategy, ExxonMobil

Afternoon Session

Group Project: Energy Politics of Major Powers

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

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

ENERGY AND ENVIRONMENT

Lead Instructor:

Mr. William Arnold, Professor, Rice University

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.

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

Afternoon Session

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

JULY 15

THURSDAY

STRATEGIC MANAGEMENT IN THE ENERGY INDUSTRY: THE CASE OF SOCAR

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 the neighboring Georgia and is planning to build an oil refinery in Romania. In 2009 SOCAR could be the largest tax-payer 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

Mr. Rovnag Abdullayev, President, SOCAR

Afternoon Session

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

Dr. Louis Goodman, Dean, School of International Service, American University, USA

Mr. William Arnold, Professor, Rice University

JULY 16

FRIDAY

CASPIAN ENERGY: CURRENT TRENDS AND FUTURE SCENARIOS

Lead Instructor:

**Dr. Mamuka Tsereteli, Associate Professor,
American University**

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

Mr. Parviz Butt and Mr. Vugar Ismaylov,
Schlumberger

International and Domestic Politics of Energy Resources in the Caspian

Dr. Mamuka Tsereteli, Associate Professor,
American University

Final Preparations for the Group Project

Luncheon

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

Mr. Khalaf Khalafov, Deputy Minister of Foreign
Affairs, Republic of Azerbaijan.

Afternoon Session

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

Dr. Mamuka Tsereteli, Associate Professor,
American University

JULY 17

SATURDAY

CLOSING AND DEPARTURES