

INTRODUCTORY NOTE TO THE INTERNATIONAL ENERGY FORUM CHARTER
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On February 22, 2011, the Energy Ministers and representatives of eighty-six¹ countries, including energy producers, consumers, and transit countries, met in Riyadh, Saudi Arabia for an Extraordinary Ministerial Meeting of the International Energy Forum (“IEF”) where they approved and signed a new charter for the IEF (“IEF Charter”). The IEF Charter creates an “enhanced IEF framework to sustain and reinforce the commitment of producer and consumer states to the informal dialogue” promoted through the IEF process.²

The Charter’s seemingly modest commitments³ and limited mission⁴ belie the decades-long efforts of a core group of countries to address market instability caused by price volatility resulting from oil supply disruptions in the 1970s. The core group realized that the significant economic harm suffered by consumers and producers caused by price volatility during the preceding two decades, which had an adverse impact on oil and gas investments, demonstrated an interdependence between consumers and producers requiring a new approach to producer-consumer relations to avoid similar future harm.⁵ To that end, the core group espoused replacing the confrontational dynamic between consumers and producers, developed over the course of the 1970s and 1980s, with a dialogue that would create confidence between the parties, result in a more conducive environment for investment in the oil and gas sectors, and address each side’s specific concerns about ensuring “energy security.”⁶

The first Gulf War provided the final impetus for the core group to successfully convene the first IEF meeting among a critical mass of producing and consuming states in July of 1991. Producing and consuming countries perceived that an adverse supply shock, which could have resulted from the first Gulf War, was averted only because of the “concerted and coordinated global response” of producers and consumers.⁷

Slowly building on the success of that first meeting, the core group has continued to convene regular, biannual meetings of Energy Ministers under the auspices of the IEF, with an ever-increasing degree of participation by producing and consuming countries and an evolving agenda. The meetings have sought to promote dialogue around topical issues of mutual interest to producers and consumers, including producers’ concerns with the linkages between price volatility, underinvestment in the energy sector and energy policy planning, the growing linkage between financial markets and energy markets, and the need to expand the IEF dialogue to include natural gas markets.⁸ While IEF members designated a permanent Secretariat in the following decade to assist with the coordination of the meetings, the IEF had functioned without a formal organizational charter or declaration for almost two decades. Building on the productive dialogue that developed over succeeding IEF meetings, and spurred to action by the price volatility in 2008,⁹ IEF members decided to initiate the process of drafting the IEF Charter at the 12th IEF Ministerial Meeting in Cancun, Mexico in March 2010.¹⁰ The ministerial declaration that resulted from that Ministerial Meeting included a detailed proposal for the IEF Charter and tasked a High Level Steering Group, composed of representatives of each of the countries that approved that ministerial declaration, to oversee the drafting process.¹¹

Now that the IEF has achieved this important organizational milestone, the logical question is what role will the IEF seek to play in energy markets given that IEF meetings now represent the largest global gathering of Energy Ministers and include the participation of countries representing ninety percent of the global oil and gas supply and demand.¹²

The IEF Charter itself describes the IEF as

an intergovernmental arrangement that serves as a neutral facilitator of informal, open, informed and continuing global energy dialogue among its membership of energy producing and energy consuming States, including transit States . . . [with] the fundamental objectives [of] . . . foster[ing] greater mutual understanding and awareness of common energy interests among its members, promot[ing] a better understanding of the benefits of stable and transparent energy markets, and . . . narrow[ing] the differences among energy producing, consuming and transit Member States on global energy issues . . . [in order] to facilitate the collection, compilation and dissemination of data, information and analyses that contribute to greater market transparency, stability and sustainability.¹³

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From the perspective of the IEF leadership and its advocates, the IEF should structure the producer-consumer dialogue based on lessons learned from the recent energy market developments, especially since there is a need for “international cooperation on a global scale” and a producer-consumer dialogue focused on “critical issues of substance.”¹⁴ Looking forward, the IEF leadership expects the IEF to continue to foster cooperation among the International Energy Agency (“IEA”), the IEF, and the Organization of the Petroleum Exporting Countries (“OPEC”) in order to reduce market volatility through greater data transparency, including through (i) the harmonization of definitions in connection with each organizations energy outlooks, (ii) the improved quality and timeliness of oil and gas production data reported to the Joint Organisations Data Initiative (“JODI”), and (iii) better understanding of the linkages between the physical and paper oil markets.¹⁵ In addition, the IEF leadership foresees that the newly-chartered IEF will continue to promote greater cooperation between national and international oil companies, energy efficiency initiatives in emerging markets, and efforts to address energy poverty in the developing world.¹⁶

While the IEF leadership and its advocates have unquestionably identified critical issues facing the energy industry and policy makers, it may be too early to predict the IEF’s ability to influence or shape these issues given the fundamental tenets that meetings remain informal and any statements remain consensus-driven and non-binding. On this point, the IEF leadership and its advocates would likely note that the IEF’s approach to meetings and statements simply reflects that the centrality of energy markets makes it difficult for countries to cede decision-making and that the non-threatening informality of the dialogue has made participation attractive.¹⁷ Having said that, the IEF has already witnessed the limits of this approach with respect to specific coordination efforts and energy policy issues that it was expressly contemplated to address even after the adoption of the IEF Charter.¹⁸ Furthermore, the recent challenges faced by OPEC in coordinating actions among its members, which are also members of the IEF, may foreshadow the challenges that the much larger IEF may face, particularly given the divergent interests between OPEC and non-OPEC producing states and between major consumers like Europe, the United States, and China.¹⁹ Finally, the non-binding approach of the IEF, and its focus on a state-to-state dialogue with limited direct involvement by the private sector, may limit the reach and scope of the IEF given the myriad of complex financial and commercial transactions undertaken by an increasingly broad and diverse group of private sector participants. One might ask whether the IEF, in its current form, is equipped to significantly improve or influence price discovery as it has often sought to do through data collection projects (e.g., the various JODI reports), and whether the outcome of the IEF dialogue can truly mitigate or affect market volatility and disruptions resulting from geopolitical tensions, national politics, and domestic infrastructure limitations given the current development of the oil and gas market.²⁰

But even without the ability to bind members, the participation of Energy Ministers representing an overwhelming proportion of the supply and demand for energy could potentially allow the IEF to play a significant role as a normative body shaping the regulation of the energy industry and markets.²¹ Given the increasingly dominant role of state-owned energy companies in the exploration and development of oil and gas reserves, the IEF could indirectly influence industry and market practice through dialogue between governments of producing and consuming countries. Another possibility might be that the IEF leverages the collective experience of its members to provide support to some of the newest producing countries, like Uganda and South Sudan, as they seek to foster institutions that maximize their countries’ benefits in developing these resources, thus avoiding the so-called resource curse. It may be that the newly-chartered IEF will be better positioned to participate in some capacity in climate change discussions as they relate to the role and impact of energy consumption and the climate impacts of oil and gas production.²² For now, the adoption of the IEF Charter represents a historic achievement, especially given the tumultuous past fifty years of international relations, often marked by lack of dialogue and cooperation, between energy consuming and producing states. Moreover, the organizational experience of the IEF may yet provide some insights on the types of international arrangements required to tackle complex, global commodity markets in an interconnected, multi-polar world.

ENDNOTES

1 Azerbaijan became a member country on July 5, 2011. A

complete list of the International Energy Forum member countries is available at <http://www.ief.org/Pages/about.aspx>.

- 2 Int'l Energy Forum [IEF], Ministerial Declaration of 31 March 2010, at 4, *available at* <http://www.ief.org/Events/Documents/CANCUN%20MINISTERIAL%20DECLARATION.pdf>.
- 3 The Charter includes a mission statement, criteria for membership, basic governance, and required financial commitments by members.
- 4 The purpose of the IEF Charter is to foster informal, non-binding dialogue and cooperation between energy producing and consuming countries.
- 5 BASSAM FATTOUH & COBY VAN DER LINDE, *THE INTERNATIONAL ENERGY FORUM: TWENTY YEARS OF PRODUCER-CONSUMER DIALOGUE IN A CHANGING WORLD* 59-60 (Deborah Sherwood ed., IEF 2011), *available at* <http://www.ief.org/whatsnew/Documents/IEFHistoryBook.pdf>.
- 6 *Id.* at 60-61.
- 7 *Id.* at 57-58.
- 8 *Id.* at 133-37.
- 9 In 2008, oil prices hit nearly U.S. \$150 per barrel only to fall to approximately U.S. \$40 per barrel by the end of the same year.
- 10 *See* FATTOUH & VAN DER LINDE, *supra* note 5, at 90-91.
- 11 *Id.*
- 12 *See* Press Release, IEA, *New Charter Strengthens Co-Operation Between Energy Producing and Consuming Countries* (Feb. 23, 2011), *available at* http://www.iea.org/index_info.asp?id=1833.
- 13 International Energy Forum Charter, §§ I & II (Feb. 22, 2011).
- 14 Statement by Noé van Hulst, IEF Secretary-General, Extraordinary IEF Ministerial Meeting, *IEF Charter Marks A New Era* (Feb. 22, 2011), *available at* <http://www.ief.org/whatsnew/Documents/NVH%20IEF%20CHARTER%20MARKS%20A%20NEW%20ERA.pdf>.
- 15 Noé van Hulst, *New Producer-consumer Dialogue: What to Expect?*, 20th World Petroleum Congress (Dec. 5-8, 2011), at 66-67, *available at* <http://www.ief.org/whatsnew/Documents/P66-6769%20Van%20Hulst.pdf>.
- 16 *Id.* at 67, 69.
- 17 *See* FATTOUH & VAN DER LINDE, *supra* note 5, at 95. Arguably, this dynamic is evidenced in the challenges faced in securing binding, multilateral commitments to reduce greenhouse gas emissions as they relate to energy generation and consumption.
- 18 For example, the IEF had sought to increase the level of coordination between IEA and OPEC on the release by consuming countries of strategic petroleum reserves, which appears not have occurred even after the adoption of the IEF Charter. *See, e.g.*, Ed Morse, *IEA Drawdown Marks Major Shift in Oil Price Policy*, *FIN. TIMES*, June 23, 2011 (reporting on the IEA-coordinated release of strategic oil stocks that may have been coordinated with Gulf Co-operation Council members, but followed a lack of agreement by OPEC countries on increasing production).
- 19 *See, e.g.*, David Blair, *Oil: Differences in Opec Magnified*, *FIN. TIMES*, June 13, 2011; *see also*, Sylvia Pfeifer & Javier Blas, *Opec Puts on United Front in Output Deal*, *FIN. TIMES*, Dec. 14, 2011.
- 20 *See, e.g.*, Najmeh Bozorgmehr & Javier Blas, *Oil Price Climbs Amid Iranian Threat*, *FIN. TIMES*, Dec. 27, 2011 (describing the oil price increase resulting from Iranian government threats to block traffic through the Strait of Hormuz); *see also*, Javier Blas, *Lost in the Sands*, *FIN. TIMES*, Sept. 19, 2011 (describing the recovery of the Libyan oil industry following last year's uprising against Colonel Muammer Gaddafi); *see also*, Ian Austen, *Route Proposals May Ease an Oil Pipeline Bottleneck*, *N.Y. TIMES*, Nov. 16, 2011 (describing infrastructure bottlenecks in transporting crude oil from terminals in Cushing, OK to refineries in the U.S. Gulf Coast).
- 21 *Cf.* It should be noted that IEF members have expressly eschewed such a role in the past. The Cancun Ministerial Declaration expressly cast the IEF in the role of *cataloguing* the role of financial speculation on oil price liability and not in the role of regulator. *See* FATTOUH & VAN DER LINDE, *supra* note 5, at 126.
- 22 *Id.* at 109-12.

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Section I

The Forum

1. The International Energy Forum (hereinafter “the Forum”) is formed in accordance with the following provisions.
2. The Forum is an intergovernmental arrangement that serves as a neutral facilitator of informal, open, informed and continuing global energy dialogue among its membership of energy producing and energy consuming States, including transit States.
3. The Charter does not create any legally binding rights or obligations between or among its members.
4. Each Member State is committed to the global energy dialogue and, consistently with its domestic law and international obligations, participates in the Forum and endeavours, in good faith, to implement the Charter’s terms and realize its objectives.

Section II

Objectives

The fundamental aims of the Forum are:

- a. fostering greater mutual understanding and awareness of common energy interests among its

* This text was reproduced and reformatted from the text available at International Energy Forum website (visited Jan. 26, 2012) <http://www.ief.org/whatsnew/Documents/IEF%20Charter.pdf>.

Members;

- b. promoting a better understanding of the benefits of stable and transparent energy markets for the health of the world economy, the security of energy supply and demand, and the expansion of global trade and investment in energy resources and technology;
- c. identifying and promoting principles and guidelines that enhance energy market transparency, stability and sustainability;
- d. narrowing the differences among energy producing, consuming and transit Member States on global energy issues and promoting a fuller understanding of their interdependency and the benefits to be gained from cooperation through dialogue among them, as well as between them and energy related industries;
- e. promoting the study and exchange of views on the inter-relationships among energy, technology, environmental issues, economic growth and development;
- f. building confidence and trust through improved information sharing among States; and
- g. facilitating the collection, compilation and dissemination of data, information and analyses that contribute to greater market transparency, stability and sustainability.

Section III

Membership

1. Members of the Forum are those States Members of the United Nations which participated at the Ministerial Meeting held in Riyadh on 22 February 2011, and approved and signed the Charter as Members of the Forum on the same day.
2. Any other State Member of the United Nations may become a member of the Forum, provided the following conditions are fulfilled:
 - a. it submits a written official communication to the Secretary-General of the Forum expressing its approval of the Charter and the wish to become a Member of the Forum; and
 - b. the Executive Board accepts its membership by consensus and in the absence of consensus by a four-fifths majority of the members present and voting.
3. Each Member of the Forum transmits its annual contributions to the Secretariat's annual budget, in accordance with the scale of budgetary contributions in the Annex to the Charter. Members of the Forum from among the least developed States, as determined by the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, are not expected to provide annual contributions.

Section IV

Organs

1. The principal organs of the Forum are:
 - a. Ministerial Activities;
 - b. The Executive Board;
 - c. A Secretariat;
 - d. An International Support Group;
 - e. An Industry Advisory Committee.
2. The organs of the Forum are to endeavour to reach decisions by consensus. In the absence of consensus, unless otherwise indicated, decisions are to be made by a two-thirds majority of the members present and voting.

For the purposes of the Charter, the phrase “members present and voting” means members present and casting an affirmative or negative vote. Members which abstain from voting are considered as not voting. The presence of a majority of the members, unless otherwise indicated, is required for any decision to be taken.

Section V

Ministerial Activities

1. Biennial Ministerial Meetings

- a. Ministerial Meetings are the primary body of the Forum and serve as a neutral venue for high level, informal, open, informed and continuing global energy dialogue among the Members of the Forum.
- b. The Executive Board and the Secretariat in coordination with the Host State and Co-Host State(s) prepare, organize and conduct the Ministerial Meeting so that it leads to a focused and result-oriented dialogue in pursuit of the objectives of the Forum.
- c. A Ministerial Meeting is convened, at a minimum, biennially.
- d. The Minister of the Host State acts as the President of the Ministerial Meeting and the Ministers of the Co-Host State(s) act as the vice-President(s) of the Ministerial Meeting.

2. Extraordinary Ministerial Meetings

- a. Extraordinary Ministerial Meetings may be held at the request of at least five (5) Members of the Forum and the approval of the Executive Board.
- b. Any request for an Extraordinary Ministerial Meeting is to be submitted in writing to the President of the forthcoming Ministerial Meeting through the Secretary-General. The President transmits such a request to the Executive Board through the Secretary-General.
- c. The Executive Board makes a decision on such a request within twenty-one (21) days of its receipt.

3. Working Groups

- a. Ministerial Meetings may establish Working Groups at Ministerial or other levels for the performance of a specific task. Working Groups inform the Ministerial Meeting of the outcome of their work.
- b. Any Member of the Forum or the Secretary-General may request the establishment of a Working Group. Such a request is to be submitted in writing through the Secretary-General to the Chair of the Executive Board together with the reasons for its creation. The Executive Board decides on such a request within 60 days of its receipt.
- c. Each Working Group established in accordance with paragraph 3(b) informs the Executive Board on the outcome of its work;
- d. Any Member of the Forum wishing to participate in a Working Group established in accordance with paragraph 3(b) is to inform the Executive Board prior to the first scheduled meeting of the said Working Group.

4. Ministerial Meeting’s Concluding Statements

- a. The Host State and Co-Host State(s) of a Ministerial Meeting with the support from the Secretariat prepare and issue a Concluding Statement under their own responsibility at the close of the Ministerial Meeting.
- b. A Ministerial Meeting may issue additional and other forms of communication with respect to the outcome of its meeting.

Section VI

Executive Board

1. Functions of the Executive Board

- a. The Executive Board serves as the governing body of the Forum.
- b. The functions of the Executive Board include:
 - (i) approval of membership to the Forum in accordance with Section III(2);
 - (ii) approval of holding Extraordinary Ministerial Meetings;
 - (iii) approval of the theme and programme of the biennial Ministerial Meeting bearing in mind the need for focused and result-oriented dialogue;
 - (iv) approval and monitoring of the biennial Programme of Work for the Secretariat taking into consideration such comments as Members of the Forum may have made;
 - (v) review and approval of the annual budget of the Secretariat taking into consideration such comments as Members of the Forum may have made;
 - (vi) review and approval of the statement of accounts of the Secretariat;
 - (vii) approval of the staff and financial regulations of the Secretariat;
 - (viii) appointment of an auditor to conduct an annual audit of the Secretariat's accounts;
 - (ix) appointment of the Secretary-General from among the nationals of Members of the Forum;
 - (x) selection of a Host State and Co-Host State(s) for biennial Ministerial Meetings and when necessary for Extraordinary Ministerial Meetings. In principle, there is one Co-host State for a Ministerial Meeting. However, when appropriate, the Executive Board may select two (2) Co-Host States;
 - (xi) establishment of working groups or committees together with functions as deemed appropriate for the prompt resolution of matters brought before the Executive Board; and
 - (xii) approval of the establishment, as appropriate, of one or more satellite offices of the Secretariat in location(s) outside the Headquarters of the Secretariat.

2. Establishment of and membership on the Executive Board

- a. The Executive Board is to be established within one month following the close of the biennial Ministerial Meeting and serves until the close of the next biennial Ministerial Meeting.
- b. The Executive Board is comprised of designated representatives of ministers responsible for energy matters from thirty-one (31) Members of the Forum. The representatives of the International Energy Agency (IEA) and the Organization of the Petroleum Exporting Countries (OPEC) are non-voting members of the Executive Board. The Executive Board may invite other intergovernmental bodies to participate on an ad hoc basis as observers in meetings of the Executive Board.
- c. From among the thirty-one (31) members of the Board, twenty-three (23) are to serve as permanent members of the Executive Board and eight (8) as rotating members.
- d. Permanent members of the Executive Board are the Host country of the Secretariat and the eleven (11) largest oil and gas producers and the eleven (11) largest oil and gas consumers as determined in a list of the latest figures collected by the Secretariat as of the 1st of January of the year of the Ministerial Meeting and approved by the Executive Board.¹ The seat of any Member of the Forum which is unwilling to serve as a permanent member of the Executive Board is to be filled by the

following Member on the list.

- e. The permanent membership of the Executive Board is to be reviewed biennially and adjusted as determined by the then most current collected figures by the Secretariat as of the 1st of January of the year of the biennial Ministerial Meeting.
 - f. Rotating members are to be selected by the permanent members within one month following the establishment of the Executive Board with permanent members.
 - g. Rotating members may be appointed for successive terms. However, efforts are to be made to provide the opportunity for Members of the Forum, not qualified to serve as permanent members, to serve as rotating members of the Executive Board.
 - h. In the selection of rotating members, consideration is to be given to achieving a balanced representation among oil and gas producing, consuming and transit states, developed and developing countries; geographical distribution is also to be taken into account. Two (2) or three (3) rotating seats are, however, to be reserved for the Host and the Co-Host State(s) of the forthcoming biennial Ministerial Meeting, unless they are permanent members of the Executive Board.
 - i. The Executive Board is chaired by the Host State of the forthcoming biennial Ministerial Meeting. Said chairmanship begins at the close of the preceding biennial Ministerial Meeting and concludes at the close of the biennial Ministerial Meeting hosted by that State.
 - j. The duties of the Chair of the Executive Board are to:
 - (i) review the agenda and the preparation for each meeting of the Executive Board;
 - (ii) preside over the meetings of the Executive Board; and
 - (iii) represent the Executive Board at all Ministerial Meetings of the Forum.
 - k. The Co-Host is to act as the vice-Chair of the Executive Board. Where there are two Co-Host States, the Executive Board decides which one of them is to act as the vice-Chair.
3. Meetings and conduct of Business of the Executive Board
- a. The Executive Board meets at least twice annually. At least one such meeting of the Executive Board is to take place at the Headquarters of the Forum.
 - b. Additional meetings of the Executive Board may be convened as deemed appropriate by the Chair of the Executive Board and the Secretary-General, or at the request of at least three-quarters of the members of the Executive Board.
 - c. The presence of at least two-thirds of the members of the Executive Board constitutes a quorum for purposes of conducting the meeting and making decisions.
 - d. The Executive Board may establish working groups or committees to assist in the performance of the functions assigned to it.

Section VII

Secretariat

1. The Secretariat is the administrative organ of the Forum.
2. The Secretariat plans, organizes and executes activities included and assigned to it in the biennial Programme of Work, takes part in the preparation for the Ministerial Meetings, and performs any additional activities assigned to it by the Executive Board.
3. The duties of the Secretariat also include:
 - a. the provision of a neutral platform for dialogue and an exchange of views on issues relating to

the objectives of the Forum among Members of the Forum and between Members of the Forum and energy-related industries;

- b. the exchange of energy data and information among energy producing, consuming and transit States, organizations and energy-related industries;
- c. the organization of seminars, symposia, conferences, workshops, training programmes, exhibitions and roundtable discussions on energy-relevant global or regional issues;
- d. the establishment and conduct of dialogue and cooperation with other energy relevant entities in undertaking research and analyses;
- e. outreach to energy entities in the public and private sectors, and to international organizations and non-governmental organizations, to promote the study and exchange of views on the interrelationship among energy, technology, environmental issues, and economic growth and development;
- f. the preparation and dissemination of newsletters, factual and analytical reports, statements and press releases on activities of the Forum;
- g. the provision of assistance to Members of the Forum to ensure that the dialogue among them is more fully focused and result-oriented;
- h. the provision of advisory, operational and logistical services to the Host State of a Ministerial Meeting;
- i. the preparation of a focused agenda, and collection and analyses of pertinent actual information relevant to the agenda of the Ministerial Meetings in order to facilitate discussions on concrete issues;
- j. the provision of assistance to the Host State and Co-Host State(s) with the preparation and issuance of a Concluding Statement;
- k. the preparation of agendas, necessary analyses, reports and provision of assistance to the Executive Board, the International Support Group and the Industry Advisory Committee;
- l. the circulation to the Members of the Forum of the proposed biennial Programme of Work and draft annual budget and the transmission to the Executive Board of such comments as Members of the Forum may have made;
- m. the circulation to the Members of the Forum of the biennial Programme of Work and annual budget approved by the Executive Board.

4. The Secretariat, in consultations with the Executive Board, is to cooperate closely with the IEA, OPEC, Gas Exporting Countries Forum (GECF), International Gas Union (IGU) and other relevant organizations. It is to work with these organizations on matters of mutual interest while avoiding as far as possible duplication of work. Where appropriate, such cooperation may be arranged through Memoranda of Understanding with the approval of the Executive Board.

5. Each Member of the Forum is to facilitate the work of the Secretariat, in connection with organizing and conducting seminars, colloquia, working groups, training sessions, and other activities of the Forum in the Member's territory.

6. In the performance of their functions, the Secretary-General and the staff of the Secretariat are neither to seek nor to accept instructions from any source external to the Forum.

7. The Secretariat is headed and managed by the Secretary-General.

8. The Secretary-General serves as the chief executive of the Forum and is afforded the independence and authority necessary to conduct the affairs of the Forum in furtherance of its objectives and functions, as provided in the Charter.

9. The Secretary-General in the performance of his or her duties is accountable to the Executive Board.
10. The Secretary-General appoints the staff of the Secretariat from among the nationals of the Members of the Forum and in accordance with staff regulations, bearing in mind the need for geographical balance. The Secretary-General is to consult and seek the advice of the Executive Board prior to appointment of the Directors of Divisions of the Secretariat.
11. The Secretary-General is appointed by the Executive Board for a term of four (4) years. The appointment of the Secretary-General may be extended once for an additional period up to two (2) years. The Secretary-General is based at the Headquarters of the Secretariat.
12. The duties of the Secretary-General are to:
 - a. prepare the biennial Programme of Work of the Secretariat to promote and implement the objectives of the Charter and such guiding policies and priorities as may have been set forth by the Ministerial Meetings;
 - b. direct the work of the Secretariat and ensure that the biennial Programme of Work is prepared and delivered in a timely and efficient manner;
 - c. serve as the secretary of the meetings of the Executive Board;
 - d. serve the Executive Board and provide its members with information concerning the on-going activities of the Secretariat and any other information relevant to the work of the Executive Board or requested by the Executive Board;
 - e. maintain liaison with Members of the Forum, organizations and energy-related industries on matters concerning the international energy markets;
 - f. seek and receive suggestions from representatives of Members of the Forum, organizations and industry participants in the Forum regarding the activities of the Forum;
 - g. ensure efficient management of human and financial resources;
 - h. commission consultants when necessary to advise on special matters related to the work of the Forum or conduct expert studies when such work cannot be undertaken by the Secretariat;
 - i. inform Members of the Forum of their share of contribution to the annual budget of the Secretariat in accordance with the scale of budgetary contributions in the Annex to the Charter and report thereon to the Executive Board on a regular basis; and
 - j. prepare draft budget and other financial reports of the Secretariat for the consideration and approval of the Executive Board.

Section VIII

International Support Group

1. The International Support Group is comprised of representatives from members of the Executive Board, the IEA and OPEC Secretariats and from as many Members of the Forum as are willing to participate. Other international organizations may be invited by the Chair of the Executive Board and the Secretary-General to participate in the International Support Group.
2. The International Support Group:
 - a. provides the Executive Board and the Secretariat with advice on the structure and themes of the forthcoming biennial Ministerial Meeting, energy policy issues, and possible ways of improving the dialogue among energy producing, and energy consuming Member States, including transit Member States; and
 - b. advises and assists the Executive Board and the Secretariat in the implementation of the biennial

Programme of Work.

3. The International Support Group is constituted biennially following the close of the biennial Ministerial Meeting and the establishment of a new Executive Board.
4. The International Support Group is chaired by the Chair of the Executive Board.
5. The International Support Group is to meet at least once a year.

Section IX

Industry Advisory Committee

1. The Industry Advisory Committee advises the Executive Board and the Secretary-General on activities of the Forum. The Industry Advisory Committee is to meet at least once a year.
2. The Industry Advisory Committee includes representatives of business enterprises and industry entities which contribute to the Forum and are invited by the Secretary-General, in consultations with the Executive Board, to join the Committee. The representatives of the members of the International Support Group may participate as observers.
3. The Industry Advisory Committee is constituted biennially following the close of the biennial Ministerial Meeting.
4. The Industry Advisory Committee is to elect, by a simple majority, a Chair and an alternate Chair from among its members, at its first meeting following the biennial Ministerial Meeting. The Committee may establish sub-groups for fulfillment of its tasks.

Section X

Budget and Expenditure

1. The Member States are to ensure the provision of adequate and predictable financial resources both to sustain an annual budget for the Secretariat approved by the Executive Board, and to permit long-term planning and the fulfillment of multi-year programs. To achieve these objectives, the activities of the Secretariat are to be financed by the following forms of contribution:
 - a. annual contributions by Member States, in accordance with the scale of budgetary contributions in the Annex to the Charter, payable before 1st of June of each year;
 - b. additional contributions and supplemental contributions by Member States to specific additional activities; and
 - c. contributions from industry participants in the Business Fora and from other sources.
2. The budgetary year of the Forum is from January 1 until December 31 of each year.
3. The budget of the Secretariat for each budgetary year is to be proposed by the Secretary-General and reviewed and approved by the Executive Board, no later than thirty (30) days before the end of the preceding budgetary year.
4. The Executive Board is to endeavour to make decisions on annual budget and expenditures by consensus. If consensus cannot be achieved, such decisions are made by a four-fifths majority of the members present and voting.
5. The Secretary-General manages the annual budget.
6. Accounts of the Secretariat are to be maintained in US Dollars.
7. An auditor appointed in accordance with Section VI(1)(b)(viii) is to review the annual financial reports of the Secretariat according to international accounting standards and present his or her comments and recommendations to the Executive Board.

8. The Secretary-General, within four (4) months of the end of each budgetary year, is to provide to the Executive Board, for its consideration and approval, an audited annual report which accounts for the activities and the financial status of the Secretariat, including a balance sheet, a cash flow statement and explanatory notes.

9. The Secretary-General circulates the audited annual report approved by the Executive Board to Members of the Forum.

10. All budgetary documents and reports are to be archived electronically by the Secretariat for a period of ten years or for a longer period as may be decided by the Executive Board.

Section XI

Forum Language

The language of the Forum is English.

Section XII

Relations with Relevant Organizations

The Executive Board may establish an appropriate relationship between the Forum and relevant organizations by means of the exchange of Memoranda of Understanding.

Section XIII

Suspension of Voting and Membership on the Executive Board

1. The vote of a Member of the Forum which is deficient in the payment of its annual contribution to the Secretariat is suspended if the amount of its deficiency equals or exceeds the amount of its annual contribution (in accordance with the scale of budgetary contributions in the Annex to the Charter) for the preceding year.

2. A Member of the Forum on the Executive Board which is deficient in the amount specified in paragraph 1 loses its membership on the Executive Board. Its membership is to resume as soon as the Member is no longer financially deficient.

Section XIV

Headquarters

1. The Headquarters of the Forum is in Riyadh, the Kingdom of Saudi Arabia.

2. The Secretariat is located in the Headquarters of the Forum and benefits from the immunities and privileges necessary for the performance of its functions in accordance with the Protocol on Headquarters, Immunities and Privileges between the Government of the Kingdom of Saudi Arabia and the Secretariat of the International Energy Forum, signed on 30 June 2004 and any amendments thereto.

Section XV

Modifications to the Charter and its Annex

1. Any Member of the Forum may propose modifications to the Charter and its Annex.

2. Any proposed modification to the Charter and its Annex is to be submitted in writing to the Executive Board through the Secretary-General.

3. Any modification to the Charter and its Annex is to be approved by the Executive Board by consensus and in the absence of consensus by a four-fifths majority of the members present and voting. Such a modification is to be presented to the Members of the Forum at least thirty (30) days prior to the forthcoming Ministerial Meeting.

4. Adoption of any modification to the Charter or its Annex by the Ministerial Meeting is to be by consensus and in the absence of consensus by a four-fifths majority of the Members present and voting.

5. A modification to the Charter or its Annex becomes effective for all Members of the Forum when four-fifths of the Members have notified the Secretary-General in writing of their approval of such modification.

6. The Secretary-General is to notify all Members of the Forum of the effective date of such modification.

Section XVI

Approval and Effective Date of the Charter

1. The Charter was approved at the Ministerial Meeting on 22 February 2011 held in Riyadh, Kingdom of Saudi Arabia.

2. The Charter becomes effective thirty (30) days following the joining of fifty (50) States as Members of the Forum in accordance with Section III. The Secretary-General is to promptly inform all Member States of the effective date of the Charter.

3. The Charter is to replace the Statute of the Secretariat of the International Energy Forum approved in Isfahan, Islamic Republic of Iran in September 2003 and its subsequent modifications on the date the Charter becomes effective. The Secretariat which was established under the Statute is to become the Secretariat of the Forum and is to henceforth operate under the Charter.

Section XVII

Withdrawals

1. Any Member of the Forum may withdraw from the Forum by submitting a written notification to that effect to the Executive Board through the Secretary-General.

2. Any Member of the Forum which is deficient in the payment of its annual contribution to the Secretariat is deemed to have withdrawn from membership in the Forum if the amount of its deficiency equals or exceeds the amount of its annual contribution (in accordance with the scale of budgetary contributions in the Annex to the Charter) for the preceding two years. Re-entry to membership is then subject to Section III (2).

Section XVIII

Notification

The Government of the Kingdom of Saudi Arabia, as the Host Country, on behalf of the Members of the Forum, is requested to transmit to the Secretary-General of the United Nations the text of the Charter, with a view to its circulation to the Members of the Organization as an official document of the United Nations.

Annex

Scale of Budgetary Contributions

The share of contribution of Members to the annual budget of the Secretariat is in accordance with the following scale:

- a. The minimum for contributions is equal to 0.5% of the Annual Budget of the Secretariat.
- b. The maximum for contributions is equal to 6% of the Annual Budget of the Secretariat.
- c. Within the above floor and ceiling, Members of the Forum transmit an annual contribution equal to:

For oil and gas consuming Member States²:

Annual Budget of the Secretariat times the total consumption of oil and gas of each Member State, divided by the sum of the total oil and gas consumption of consuming Member States, and the total oil and gas production of producing Member States.

For oil and gas producing Member States³:

Annual Budget of the Secretariat times the total production of oil and gas of each Member State, divided by the sum of the total oil and gas consumption of consuming Member States, and the total oil and gas production of oil and gas producing Member States.

Without prejudice to (a) and (b) hereinabove, any remaining balance of the budget will be allocated pro rata to the Member States.

- d. Least Developed Countries, as determined by the United Nations Office of the High Representative for the Least Developed Countries, Land-Locked Developing Countries, and Small Island Developing States, are not expected to make annual contributions.

ENDNOTES

- 1 Members appear on the list of oil and gas producing Member States if their production volume (measured in million tons of oil equivalent) exceeds their consumption volume (measured in million tons of oil equivalent) and on the list of oil and gas consuming Member States if their consumption volume is larger than their production volume. The top oil and gas producers are ranked by production volume, the top oil and gas consumers are ranked by consumption volume.
- 2 Oil and gas consuming Member States are defined as those Member States whose oil and gas consumption (measured in million tons of oil equivalent) exceeds its oil and gas production (measured in million tons of oil equivalent).
- 3 Oil and gas producing Member States are defined as those Member States whose oil and gas production (measured in million tons of oil equivalent) exceeds its oil and gas consumption (measured in million tons of oil equivalent).