Chapter 45

Organizational Interactions in Global Energy Governance ¹

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Energy security – that is, the provision of adequate, reliable and affordable energy services to end-users in a socially acceptable and environmentally sustainable way – represents one of the world's foremost challenges. Solving the world's energy problems requires international cooperation. Some energy-related issues, such as high and volatile oil prices and rising carbon emissions, are global public 'bads' that cannot be effectively addressed by individual governments acting alone.¹ Others, such as electricity deprivation in the Global South or the urgent need to research and diffuse breakthrough energy technologies, require the production of global public goods such as knowledge, financing, and standards (Van de Graaf, 2013b).

In contrast to other transboundary issues such as trade or finance, there is no single international venue for energy policy deliberation and coordination. There is no 'World Energy Organization'. Instead, global energy policy is splintered across different international organizations, forums and clubs, creating demands and opportunities for inter-organizational relations. The aim of this chapter is to explore some of these inter-organizational interactions in global energy governance.²

Starting point is the International Energy Agency (IEA), which is widely recognized as the focal organization in this policy domain (Colgan, 2009; Kohl, 2010; Leverett, 2010; Florini, 2011; Van de Graaf, 2012). After reviewing the policy field and literature, the chapter discusses the IEA's role within the global energy architecture. Then, it studies the interactions

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between the IEA and four other energy-relevant organizations: the Organization of the Petroleum-Exporting Countries (OPEC), the Energy Charter Treaty (ECT), the G8 and G20, and the International Renewable Energy Agency (IRENA).

General overview of the policy field and literature

Global energy governance is a nascent but growing field of study that breaks with the narrow geopolitical frameworks that long dominated the study of international energy politics (Baccini et al., 2013; Colgan et al., 2012; Florini and Sovacool, 2009 and 2011; Goldthau and Witte, 2009; Lesage et al., 2009; Van de Graaf, 2013b; Karlsson-Vinkhuyzen, 2010). Scholars of global energy governance focus on the rules, norms, markets and institutions that govern international energy relations. Given the absence of a single multilateral framework for energy governance, many studies have sought to map the fragmented patchwork of regimes, forums, organizations and clubs that all bring to bear different perspectives on the international regulation of the energy sector (Lesage et al., 2009; Florini and Sovacool, 2012).

The major actors and configurations of energy governance that figure prominently in these writings can roughly be grouped into three categories. First, there is a group of energy-specific international organizations, including the IEA, OPEC, ECT, the International Energy Forum (IEF), and IRENA.³ Second, there is a group of international organizations that have a mandate that extends well beyond the energy sector but whose activities have significant influence on energy matters. Examples include the World Bank (and other regional development banks), the G8 and G20, and the EU (and other regional organizations). Finally, there are also important non-governmental organizations and networks that influence global energy governance.

Numerous scholars have set out to evaluate the performance of individual organizations within this policy field, such as the IEA (Colgan, 2009; Kohl, 2010; Leverett, 2010; Florini, 2011; Van de Graaf, 2012; Colgan and Van de Graaf, forthcoming), the G8 and G20 (Lesage et al., 2009; Van de Graaf and Westphal, 2011), OPEC (Goldthau and Witte, 2011; Colgan, 2014), the World Bank (Nakhooda, 2011), and IRENA (Van de Graaf, 2013; Urpelainen and Van de Graaf, forthcoming). Some of these scholars have acknowledged that it is necessary to look beyond the boundaries of such single organizations to fully apprehend the functioning of a specific multilateral energy organization (e.g., Van de Graaf and Lesage, 2009).

Victor et al. (2006) have gone a step further and have characterized the institutional architecture of global energy governance as a ‘regime complex’. They note that energy organizations have been mostly created in a bottom-up and fragmented fashion, often in response to external shocks. Over time, however, the links between energy organizations have grown, mainly because of two shifts in the structure of the underlying issue area: (1) the prime energy sources (oil, coal, and gas) have become increasingly fungible across uses, in part because of global electrification, and (2) the emergence of environmental policies, which has affected all energy sources and carriers.

Regime complex theory has since become the most prevalent approach to discuss the fragmentation of global energy governance. Colgan et al. (2012), for example, argue that the energy regime complex has behaved in a peculiar way, characterized by alternating periods of rapid institutional innovation and long periods of stasis, thus mimicking a pattern that paleontologist Stephen Gould described as ‘punctuated equilibrium’. Van de Graaf (2013b) provides an explanation for the fragmented development of global energy organizations, and

hence the emergence of an energy regime complex, based on three grounds: *strategically*, it reflects the dispersion of state interests and power with regard to energy; *functionally*, it mirrors the variance of functional attributes of the diverse range of energy issues; and *organizationally*, it is a byproduct of path dependencies. Using network analysis and spatial econometrics, Baccini et al. (2013) show that countries form and join international energy organizations in response to accession by main trading partners and direct competitors in the oil and gas sector.

The global energy architecture and the IEA

Compared with other issue areas such as trade and security, where a set of multilateral organizations was created after 1945, states have been much slower to build international organizations for energy security governance. In fact, until the IEA's creation in the early 1970s, there was almost no structured energy cooperation among the world's major energy consuming nations. Only in the area of nuclear energy a multilateral institution was created in the form of the International Atomic Energy Agency (IAEA), established in Vienna in 1957, because of the close link between atomic power and global peace and security.

The lack of sustained multilateral energy cooperation before the 1970s reflected the fact that national energy markets were mostly autarkic. Coal was the single most important commercial fuel until 1966 (Smil, 2005, p. 15), but only a fraction of the coal produced globally was traded across borders. The explanation is that coal reserves are spread out geographically quite evenly and the biggest consumers of coal were endowed with large indigenous coal reserves. After the Second World War, oil began to erode coal's dominant position and became the first commercial fuel to be traded across borders in large quantities.

Still, there was no perceived need to create international organizations to govern or regulate these growing flows of oil, because the major western powers benefited from the fact that international oil trade was dominated by the so-called 'Seven Sisters', a small group of vertically integrated oil companies that had effectively formed a cartel in the interwar period and controlled the bulk of world oil trade.

The first oil shock of 1973-1974 would completely change the situation. A few Arab countries imposed oil embargoes on the United States and the Netherlands, which had supported Israel in the Yom Kippur War of October 1973. The export ban was later extended to Portugal, South Africa and Rhodesia. As a result, oil supplies fell about 9 percent on a global scale between October and December 1973 (Yergin, 1991). The major oil-consuming countries reacted to this crisis in an uncoordinated and competitive manner. Some pressured their oil companies into giving them a preferential treatment. Others imposed restrictions on the export of petroleum. Larger countries' companies bid up oil prices on the spot market. European countries sought to distance themselves from the Dutch and appease the Arabs. The situation resembled a classical collective action dilemma: the major importing countries each adopted a narrowly self-interested approach, thus aggravating the crisis for everyone (Keohane 1984).

In response, American Secretary of State Kissinger convened an energy conference in Washington in February 1974. The existing institutional arrangements for addressing energy issues, mainly through the committee structure of the Organization for Economic Co-operation and Development (OECD), were perceived as incapable of decisive action. Kissinger therefore wanted to create a new organization. Initially he intended to set up an anti-OPEC consumer's cartel, but the European states and Japan, which were much more vulnerable to oil supply interruptions than the United States, successfully resisted this call

(Katz, 1981). By November 1974 agreement was reached on the International Energy Program, establishing the IEA as an autonomous agency of the OECD. The IEA's secretariat was housed in Paris, but ironically France did not join the IEA because it preferred to maintain good (bilateral) relations with the Arab countries.

The IEA's nesting within the OECD thus represents an interesting case of organizational overlap. Since the IEA was created at the height of a severe oil crisis, its founding fathers wanted to have the new agency operational as soon as possible. They therefore chose to embed the IEA within the OECD, a functioning organization with headquarters, a staff policy, et cetera, rather than to establish the new agency from scratch. Strikingly, bureaucrats from the OECD itself participated in the negotiations over the IEA's institutional design, which they were able to influence. For example, the OECD Secretary General won the right to nominate the IEA Executive Director, while states only approve or disapprove the Secretary General's choice (Johnson and Urpelainen, 2014).

The decision to nest the IEA within the OECD still has far-reaching consequences for the IEA's functioning today: the requirement of prior OECD membership means that the IEA's doors are effectively shut for some of today's major oil-importing countries such as China and India—a classical illustration of the concept of path dependency. Not surprisingly, the IEA-OECD relationship has come under strain. In 2009, the IEA's Deputy Executive Director compared the institutional linkage to 'being 35 years old and still living with your parents.'⁴

The IEA was endowed with two principal tasks. One is to manage what is called the 'oil-sharing system', an emergency management scheme to cope with potential oil supply shortfalls. Every IEA member country is obliged to keep strategic petroleum reserves

equivalent to 90 days of imports. In times of oil supply disruptions, these oil stocks can be tapped and even shared with other member countries, in accordance with a complex formula developed in the IEA's treaty and overseen by the agency's secretariat. The second major task of the IEA is to collect and disseminate information, not just on the oil market but on a wide range of energy markets and technologies. This information function has become the hallmark of the IEA's day-to-day functioning.

In its forty years of existence, the IEA has had to adapt to a changing global energy landscape (Van de Graaf and Lesage, 2009; Van de Graaf, 2012). Its membership has expanded from the sixteen original signatory states to 29 member states, all drawn from the OECD. In addition, it increasingly reaches out to non-member states such as China and India by inviting them to internal meetings and publishing studies of their energy sectors. The IEA has also adopted a much more flexible and market-based oil emergency response policy, whereby it prefers to release oil stocks onto the global market rather than allocate them from above to needy member states as the IEA's founding treaty had originally stipulated. In its forty years of existence, the IEA has only drawn stocks three times: after the first Gulf War (1991), Hurricane Katrina (2005), and the war in Libya (2011). A final change at the IEA has been its gradual embrace of a much broader energy security agenda. A child of the oil agitation of the 1970s, it has enlarged its scope beyond the oil markets to deal with energy policy writ large, including natural gas and electricity markets, renewables and the interactions between energy and climate policy.

Still, the IEA's relative adaptability has not prevented states from creating other international organizations in the same task environment as the IEA, most notably the Energy Charter Treaty (ECT) and the International Renewable Energy Agency (IRENA). The oil-consumers

regime centered around the IEA has thus morphed into a broader energy ‘regime complex’ (Colgan et al., 2012). Back in 1974, the IEA was virtually the only international organization dealing with energy policy coordination for consuming countries. Today, there are plenty, and they are not just dealing with oil anymore but also with issues such as energy investment (ECT) and renewables (IRENA). Moreover, the change in the IEA’s orientation has brought the agency within the operational radius of other organizations, such as the United Nations International Panel on Climate Change (IPCC). As a result, international energy organizations increasingly ‘bump’ against each other in terms of mandate, membership and resources. This has created a need for inter-organizational dialogue and coordination. The next section hones in on the IEA’s four key dyadic interactions: with OPEC, the ECT, the G8 and G20, and IRENA. To guide the reader in the maze of energy organizations, two tables were introduced. Table 1 gives an overview of the different organizations discussed in this chapter, their key objectives and their members, while Table 2 summarizes the degree of membership overlap between each dyad.

Table 1. Main energy-related international organizations, their objectives and members

	Date created	Key objectives	Members
OPEC	1960	Increase rents for oil- exporting countries	Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, Venezuela (12)
IEA	1974	Coordinate energy security	Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, South Korea,

		policies for consuming countries, including strategic oil stocks	Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey, UK, US (29)
G7/8	1975	Coordinate economic policies of major western powers (and Russia)	Canada, France, Germany, Italy, Japan, UK, US, Russia* (7/8)
ECT	1994	Regulate cross-border energy trade between Europe and the Former Soviet Union	Afghanistan, Albania, Armenia, Austria, Azerbaijan, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, EU, Finland, France, Georgia, Germany, Greece, Hungary, Ireland, Italy, Japan, Kazakhstan, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Mongolia, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, Macedonia, Turkey, Turkmenistan, Ukraine, UK, Uzbekistan (48)

IEF	2001	Encourage global oil and gas producer-consumer dialogue and data transparency	Afghanistan, Algeria, Angola, Argentina, Australia, Austria, Bahrain, Bangladesh, Belgium, Brunei, Bulgaria, Burkina Faso, Canada, Chad, China, Comoros, Cyprus, Czech Republic, Denmark, Djibouti, Ecuador, Egypt, Eritrea, Ethiopia, Finland, France, Germany, Greece, Guinea, Hungary, India, Iran, Iraq, Ireland, Italy, Japan, Kazakhstan, South Korea, Kuwait, Malaysia, Mali, Mauretania, Mexico, Morocco, Mozambique, Netherlands, New Zealand, Niger, Nigeria, Norway, Oman, Panama, Philippines, Poland, Qatar, Russia, Saudi Arabia, Senegal, Singapore, Somalia, South Africa, Sudan, Sweden, Switzerland, Tanzania, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Arab Emirates, US, UK, Venezuela, Vietnam, Yemen, Zambia (76)
G20	2008	Apex informal forum for global economic governance	Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, South Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, UK, US, and EU (20)
IRENA	2009	Support widespread adoption	Albania, Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Australia, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belgium,

		and sustainable use of renewable energy	Belize, Benin, Bosnia and Herzegovina, Brunei Darussalam, Bulgaria, Burkina Faso, Cameroon, Cape Verde, China, Cote D'Ivoire, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, Eritrea, Estonia, Ethiopia, EU, Fiji, Finland, France, Gambia, Georgia, Germany, Ghana, Greece, Grenada, Guyana, Iceland, India, Indonesia, Iran, Iraq, Israel, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kiribati, Kuwait, Latvia, Lesotho, Liechtenstein, Lithuania, Luxembourg, Malaysia, Maldives, Mali, Malta, Marshall Islands, Mauritania, Mauritius, Mexico, Monaco, Mongolia, Montenegro, Mozambique, Namibia, Nauru, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Palau, Panama, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Rwanda, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Senegal, Serbia, Seychelles, Sierra Leone, Singapore, Slovakia, Slovenia, Solomon Islands, Somalia, South Africa, Spain, Sri Lanka, Sudan, Swaziland, Sweden, Switzerland, Tajikistan, The former Yugoslav Republic of Macedonia, Togo, Tonga, Trinidad and Tobago, Tunisia, Turkey, Tuvalu, Uganda,

			United Arab Emirates, UK, US, Uruguay, Vanuatu, Yemen, Zambia (135)

Notes:

Members denote countries that signed *and* ratified the treaties of the respective organizations as of October 2014. It does not include observers.

* In the wake of the 2013-2014 Ukraine crisis, Russia's membership of the G8 was suspended

Table 2. Matrix of membership overlap between international energy organizations

OPEC	12						
IEA	0	29					
G7/8	0	7	7/8				
ECT	0	23	5	48			
IEF	11	24	7/8	22	76		
G20	1	11	7/8	7	17	20	
IRENA	10	25	6	38	63	17	135
	OPEC	IEA	G7/8	ECT	IEF	G20	IRENA

Note: Cells indicate number of shared member countries

An organization-set analysis of the IEA

The IEA and OPEC

The IEA was created with explicit reference to OPEC, which was regarded by some western countries as the main culprit for the first oil shock.⁵ The American Secretary of State Henry Kissinger argued that the actions of OPEC could cause the ‘economic strangulation’ of the West and constitute a *casus belli* if they were carried any further (Mabro, 1991). Kissinger did not resort to military action, however. Instead, he proposed to establish the IEA as an oil consumers’ cartel to counter OPEC’s influence in world oil markets (Kissinger, 1982). On European and Japanese insistence, the anti-OPEC stance was toned down. Japan and Europe were much more vulnerable to oil supply disruptions than the United States (which, at the time, imported only one-third of its oil needs), and thus they were wary of antagonizing the very nations that were in control of their economic lifelines (Katz, 1981). Consequently, in the IEA’s founding treaty, an explicit aim was to develop good working relations with the oil producers (IEP Agreement, 1974, articles 44-48).

Yet, especially in the early years, the relations between the IEA and OPEC remained adversarial. This was illustrated during the North-South Conference of 1975-1977, in Paris, which had been organized at the initiative of France in cooperation with Saudi Arabia. The conference had raised hopes for a constructive oil producer-consumer dialogue but produced disappointing results. OPEC and the IEA were unable to agree on even the most basic issues, such as continuing consultations on energy, due to rivalries at the member state level. The US, in particular, would not even contemplate any engagement with OPEC, since it had a ‘residual dislike for cartels, OPEC and those “unreliable suppliers of the Middle East”,’ while the UK and Germany were also reluctant to ‘legitimize those oil cartel guys.’⁶

The result of these rivalries was that, for years, there were no formal inter-organizational relations between the IEA and OPEC and the two organizations communicated only

indirectly, through the media. For example, in 1990, when Iraq's invasion of Kuwait took 4.3 million barrels per day out of the oil market, OPEC members agreed to 'increase production, according to need' and called on the oil consumers 'to actively participate in the stabilisation process.' A few days later, the Executive Director of the IEA, Mrs Helga Steeg, issued a statement that welcomed OPEC's increase in oil production but also noted that the proposal 'for a link between a production increase by OPEC and government stock draw by the IEA, as well as for a joint meeting between IEA and OPEC Ministers, is not feasible, politically or economically' (quoted in Fattouh and Van der Linde, 2011, p. 58). This illustrates that the water between the IEA and OPEC was still too deep to establish any kind of direct inter-organizational relations. It also shows that the absence of formal relations between international organizations does not necessarily mean that there is no interaction whatsoever.

Dr. Subroto, who was OPEC's Secretary-General from 1988-94 later recalled that 'for many years prior to 1988 and during the early part of my time at the Secretariat, the relationship between the two organizations was one of cat and mouse. It often felt like the two organizations were crossing swords every time they met' (Griffin, 2010).

Nevertheless, in the wake of the Gulf War, France and Venezuela took the initiative to organize a 'Ministerial Seminar' of producers and consumers, which with the help of the Norwegians, led to the first meeting in Paris in 1991. This meeting was very significant since, 'at that time, the word "dialogue" was seen very much as taboo' (Griffin, 2010). Some key countries (such as the US, the UK, Japan and Saudi Arabia) showed little interest in the dialogue and were only represented at a junior level, yet the dialogue continued throughout the 1990s in a series of biannual international energy conferences.

In 1995, the heads of the IEA and OPEC met for the first time bilaterally. The secret meeting took place in Vienna, not at OPEC headquarters, but in a hotel. Clearly, such a meeting was at the time a highly innovative move. Both directors, Robert Priddle of the IEA and Rilwani Lukman of OPEC, had only just taken office a few months earlier. Because of reservations of some of their member governments, they had to proceed with care and made no formal report back to their respective organizations (Priddle, 2007). When Robert Priddle asked his staff to arrange a meeting with the secretary-general of OPEC, he encountered surprised reactions even from within his own entourage (Willenborg et al., 2004, p. 40). This meeting between the heads of both organizations paved the way for a thaw and normalization of relations (Van de Graaf and Lesage, 2009), illustrating the importance of individual leadership in establishing inter-organizational relations.

The role of individuals was also important in spurring a change in the attitude of the US, arguably the IEA's most important member. In 2000, the US agreed to participate at the ministerial level in the biannual OPEC-IEA meetings which had, by then, become routine and which were soon afterwards to be institutionalized by the creation of a permanent secretariat of the International Energy Forum (IEF), based in Riyadh. Interestingly, the change in attitude in the US was the product of idiosyncratic factors. Bill Richardson, the Energy Secretary in the Clinton administration, 'never met a travel opportunity he didn't like. The ultimate peripatetic Secretary. His staff was still counseling against Secretarial attendance of the event more out of the policy momentum of the US historic [anti-dialogue] approach than the result of any fresh look at the institution of Producer/Consumer Dialogue.'⁷

By 2002, Robert Priddle could meet openly and publicly with the then secretary-general of OPEC, Dr. Silva Calderon. They met at the World Summit on Sustainable Development in

Johannesburg; and, a week later, at the World Petroleum Congress in Rio, they spoke jointly at an IEA-OPEC lunch and staged the first-ever joint press conference (Priddle, 2007). That amount of joint activity would have been inconceivable just a few years before.

The dialogue further warmed when Claude Mandil took office as the new head of the IEA in 2003, and the informal IEA-OPEC collaboration intensified. In this period, Deputy Executive Director of the IEA, William C. Ramsay, built up ‘a strong dialogue below the horizon’ with OPEC and the major Gulf countries.⁸ During the 2003 Iraq war, and again during the hurricanes Rita and Katrina in 2005, the IEA-OPEC informal coordination went a step further. It had become clear that both producers and consumers had an interest in a stable market. Producers had been ravaged by the market share strategy of Saudi Arabia in 1985 and 1986, which led to a collapse in oil prices, and IEA members with large producing sectors (United States, United Kingdom, Canada, the Netherlands and Norway) had suffered right along.

In other words, even though the IEA could have acted in response to the events in 2003 that led to tight oil markets (the Iraq war, a strike in the Venezuelan oil sector, and unrest in Nigeria) by releasing oil from its strategic reserves, it preferred to informally coordinate with OPEC countries with spare capacity to pump more oil. The IEA’s governing board hammered out a strategy whereby the IEA would refrain from releasing oil stocks if OPEC could guarantee that it will make up any supply shortfall. When the IEA finally did decide to release oil from its reserves in the wake of the hurricanes of 2005, it did so only because there was a lack of refined oil products (the hurricanes had wiped out much of the refining capacity in the Gulf of Mexico), which OPEC could not deliver.

In sum, in spite of the fact that the IEA was initially created to offset OPEC's market power, today both organizations have established a good working relationship. They hold annual joint technical workshops, work together on energy data in the IEF, and release joint reports (some of which were commissioned by the G20 in recent years). There even appears to be a tacit agreement that, in case of a sudden oil supply crisis, OPEC's spare capacity is to be tapped before the IEA's strategic stocks are released (Emerson, 2006). The rapprochement was epitomized and cemented by the creation of an entirely new international organization, the IEF. Several driving forces contributed to the establishment of IEA-OPEC interorganizational relations, which were long blocked due to rivalry between their respective member states. What stands out is the role of individuals, and most notably the executive leadership of both organizations, in facilitating the dialogue through informal meetings. These audacious steps illustrate that international organizations are not merely reflections of member state preferences, but have scope for autonomous agency.

The IEA and ECT

The organizations examined so far, OPEC and the IEA, have long been the only meaningful multilateral energy arrangements in place. What they have in common is that they operate at the global level and that their rules mainly pertain to the oil markets. After the end of the Cold War, they were joined by a new international organization, the Energy Charter Treaty (ECT). The ECT was formally created in 1994 on a more regional level to govern the energy relations (and, particularly, the natural gas relations) between Europe and the newly independent states in the former Soviet Union. It is headquartered in Brussels, Belgium, and has some fifty member states (Wälde, 1996; Konoplyanik and Wälde, 2006). Interestingly, it is one of the few cases where the EU itself is a full member in another international organization.

During the negotiations for such a new organization, a contentious point was the relationship between the ECT and existing international organizations. The European Commission was keen on keeping the implementation and secretarial support in its own hands, but this was objected by the Netherlands, Germany and Britain (Mayer, 2008; Matlár, 1997, p. 116). The Netherlands proposed to establish a small supporting secretariat, which would be located at the IEA in Paris. The possibility of integrating the Charter process into the Conference for Security and Cooperation in Europe (CSCE) was also envisaged (Mayer, 2008, p. 264). In the end, no less than four European locations were suggested for the ECT's headquarters, namely Paris (close to the IEA), Brussels (close to the EU), Vienna (close to OPEC, IAEA and, since 1995, the OSCE), and Geneva (close to GATT) (Wälde, 1994, p. 366).

Initially the European Commission's Directorate-General for Energy took up the secretarial functions in support of the negotiations of the Energy Charter. It had set up a special section to work exclusively on the Charter. This way, the Commission successfully maneuvered itself in such a way that it became the leading policy-maker in the process. The location of the Charter process within the EU was supposed to be temporarily, until a definitive solution could be reached. However, as Matlár (1997, p. 117) has observed: 'while the states were trying to decide which international organization should be the seat of the charter, the Commission had gone to work and had completely taken over the process by defining the topics for negotiation, and then, after this framework had been established, presenting it to the states ... The states were almost presented with a *fait accompli*.' After an interim period where the European Commission served as the treaty's secretariat, a separate ECT headquarters was created in Brussels.

The IEA's official reaction to the Charter process was remarkably low-key. In June 1991, the IEA ministers 'noted with interest the expressed objectives of the proposed *European Energy Charter*.' They further declared that 'the development of any Charter and protocols thereto should be non-discriminatory, and the European Community, the IEA and other international organizations should cooperate closely' (Scott, 1995, pp. 452-3). Ever since, the IEA has neglected the ECT, mostly because of the internal difficulties the ECT was having. While it entered into force in 1998, the ECT failed to convince key energy importing countries such as the United States and exporting countries, including Russia, Norway and the OPEC members, to commit to the ECT. Russia applied the treaty on a provisional basis until 2009, when it fully withdrew itself from the process. This has left the whole process in disarray and the ECT continues to search for its 'competitive niche' in the galaxy of international energy organizations (Konoplyanik and Wälde, 2006).

The internal troubles and loss of momentum at the ECT have lowered incentives for both the ECT and the IEA to engage in inter-organizational dialogue. Officials at the ECT have been very much inward-looking, while the IEA staff did not pay much attention to this young organization, which had trouble to manifest itself. Occasionally, both organizations have collaborated in an ad-hoc fashion, producing joint reports or organizing joint workshops, but all in all this cooperation remains rather unstructured and thin. In the eyes of Claude Mandil, former Executive Director at the IEA, the ECT staff should be moved from Brussels to Paris so that it could work under the auspices of the IEA (Mandil, 2008). Yet, both practically and politically the idea of an institutional merger raises a lot of questions, if only because there is no complete membership overlap between the ECT and the IEA as Table 2 shows.

Interestingly, the ECT has a strong network of ‘observers’ consisting both of states and international organizations. Currently, no less than 11 international organizations have been granted observer status in the ECT, including the IEA and IRENA.⁹ Observers have the right to attend all meetings of the ECT. They also have the right to receive all related documentation, reports and analyses, and to participate in the working debates taking place within the ECT process (ECT, 2012). Such observer status allows other international bureaucrats to have a finger on the pulse of what is going on within the ECT, allowing both sides to identify synergies and avoid duplication of work.

The IEA and G8/G20

Since the 2005 G8 Gleneagles summit, an intense interaction process has developed between the G8 and the IEA. This interaction has gone so far that the IEA is sometimes even portrayed as the G8’s de facto energy secretariat. The Executive Director of the IEA was invited to every single G8 summit between 2005 and 2009, when energy featured high on the G8’s agenda. In contrast, the Secretary-General of the OECD (of which the IEA is a daughter organization) was only invited to a G8 summit for the first time in 2007. The IEA also issued numerous publications on a number of energy topics in response to the Gleneagles Plan of Action and subsequent energy commitments undertaken at the G8 (Lesage et al., 2009).

By and large, IEA has taken on 4 major roles in response to the calls from the G8: namely, that of think tank, institutional designer, secretarial support unit, and external monitoring body. First, the IEA has served as a sort of think tank from which the G8 could tap expertise. In Gleneagles, the IEA was asked to conduct analysis with regard to energy efficiency, cleaner fossil fuels, carbon capture and storage, and renewables, issues that at the time were

not part of the IEA's core working program. In each of these areas, the IEA was asked to identify problems and come up with creative policy solutions.

Second, the IEA has helped the G8 to set up new institutions and networks. The IEA secretariat has helped to establish the Sustainable Buildings Network (SBN), the International Platform on Energy Efficiency Cooperation (IPEEC) and the Low Carbon Energy Technology Platform (LCETP). Two things are worth noting here: one, most of these new institutions were nested within the IEA's secretariat. Two, they all involve non-members of the IEA, most notably emerging powers, thus helping the IEA to reach out to non-member countries in a way that is not provided in its founding treaty.

Third, the IEA has also taken on some secretarial functions. For example, the IEA provided logistical support to the energy working group of the Heiligendamm dialogue process, launched at the 2007 G8 summit to facilitate dialogue between the G8 and its emerging partners on a range of topics, including energy efficiency. Although the dialogue's secretariat – or 'support unit' as it was officially called – was located at the OECD headquarters, it was actually the IEA that logistically supported the energy working group. The energy working group was co-chaired by Canada and India. Four specific topics were singled out: energy security, sustainable buildings, power generation, and renewable energy.

Finally, in a few cases, the IEA was also used as an external monitoring body that verifies the compliance of the G8 countries with their own commitments. In 2008, IEA was allowed to comment on G8 countries self-assessment reports with regard to Global Energy Security Principles agreed at in 2006. The IEA was allowed to do the same for the self-assessment reports of the G20 countries with regard to their fossil fuel subsidies.

How can the emergence of this close interaction process between the G8 and G20 be explained? At least three factors could be identified that facilitated the close relationship. First and rather obvious is the agenda convergence. The relationship would not have developed in the same way if Tony Blair and the UK government had not decided to put energy as a priority theme on the agenda of the Gleneagles summit, along with development. For Blair it was a way of trying to counter the negative image he had built up in previous years by siding closely with the Bush administration during the Iraq war. The energy themes on the G8's agenda were also a sort of 'climate policy in disguise'. Climate was a very sensitive and delicate topic for the Bush administration and emerging powers, but on energy there was still enough common ground to be found. Moreover, issue complexity also helped to foster inter-institutional linkages. Energy matters tend to be highly complex and technical, so the G8 needed expertise if it wanted to address these issues in a credible manner. It was a small step then to turn to the IEA, which is widely recognized as the leading authority on energy policy matters.

Secondly, it appears that personal ties also mattered, just like in the case of OPEC-IEA rapprochement. In 2005 the UK government was hosting the G8 summit. At the same time, a British national, Joan MacNaughton, served as the chair of the IEA's Governing Board, the highest decision-making body within the IEA. The fact that both institutions were steered by the UK probably facilitated the linkage. In a similar vein, the large degree of membership overlap between the G8 and IEA also facilitated the process. Seven G8 members are in the IEA (see Table 2). The only exception is Russia but Moscow has always acquiesced to the close ties that were being built between the two institutions. These seven G8 members that are in the IEA are able to wield significant influence within the agency. In fact, one could say that

they effectively control the IEA, both formally (that is, in terms of voting power) and informally (Colgan and Van de Graaf, forthcoming). So, the institutional power of the G7 within the IEA was another facilitating factor.

With the crowning of the leaders' G20 to as the apex forum for global economic governance at the Pittsburgh summit in November 2009, energy policy matters have slipped away from the G8's agenda and have been increasingly addressed by the G20 (Van de Graaf and Westphal, 2011). While the G20 has continued to cooperate closely with the IEA, the Paris-based energy agency is no longer exclusively the organization of choice assisting the G20 leaders in their energy work. This is obviously related to the fact that the emerging countries in the G20 are not represented within the IEA. Instead, the G20 now delegates much of its energy work to the different organizations at the same time. For example, the IEA is working in support of the G20's pledge on eliminating fossil fuel subsidies but has to share ownership over this process with other institutions, notably the IEF, the OECD and OPEC. The widening of the G8 to the G20 thus meant that inter-organizational ties and networks in global energy governance were also expanded.

The close collaboration between the IEA and the G8 (and, to a lesser extent, the G20) is a two-way process. The G-clubs give impulses to the IEA, but the IEA's staff has also actively sought political validation by world leaders for its work and even to expand its turf. The G-processes can facilitate internal reforms in international organizations by tasking particular organizations to work in new areas. The G8's calls have been a real shot in the arm for the IEA's outreach policy and its climate-related work. The G8 and G20 have also functioned as a sort of megaphone to amplify the IEA's agenda-setting power. Conversely, the G8's

interaction with the IEA has created path dependencies (e.g., through built-in agendas) that have kept energy issues longer on the G8's agenda (Van de Graaf and Lesage, 2009).

The IEA and IRENA

The International Renewable Energy Agency (IRENA) was created in 2009 as a new, standalone international organization. Curiously, the creation of IRENA was spearheaded by a few member countries of the IEA, Germany, Denmark and Spain, even though the IEA had been working on renewables since the early 1980s. These countries were dissatisfied with what they regarded as the IEA's overly positive attitude towards the fossil and nuclear energy industries, at the detriment of the renewable energy sector (Van de Graaf, 2013a). Thus, they chose to strike out on their own and create a new international organization from scratch. This was a major blow to the IEA. High-ranked officials from the IEA tried to block the creation of the new renewables agency, which they regarded as an intruder on their turf (Van de Graaf, 2013a). Yet, they could not prevent an institutional exit of some of their members with regard to renewable energy and IRENA was eventually created. The birth of IRENA served as a salutary shock to the IEA, which in response upgraded its renewable energy unit into a full-fledged division. After an initial period of mutual distrust, in January 2012, the heads of both the IEA and IRENA signed a letter indicating their intention to cooperate closely on data gathering and related issues.¹⁰

Conclusions and Suggestions for Further Research

As these few dyadic case studies illustrate, there is a significant variance in the degree and type of networking among international energy organizations, both across dyads and over

time. The good and depoliticized working relationship that has developed between the IEA and OPEC since the turn of the millennium, for example, contrasts sharply with the rivalry that characterized their relationship in the 1970s. Close ties have also developed between the IEA and IRENA, which have managed to put their initial differences and distrust aside and now formally cooperate on a renewable energy policies and measures database. The IEA and the G8 have developed a bond that is at the same time warmer and more informal – that is, at least, until 2009, when their interaction waned as energy slipped off the G8's agenda.

The ECT and the IEA, by contrast, do not interact with the same intensity, and this in spite of their very substantial overlap in terms of membership and scope. Even though the IEA is an observer within the ECT, the relationship has largely remained ad hoc and surprisingly thin. The prime reason why this dyadic relationship differs from the broader pattern of increasing networking among energy organizations seems to be the fact that the ECT has been a troubled organization from the start. It has failed to convince key governments (most notably, Russia and Norway as major suppliers on the Eurasian continent, and the US as the world's foremost power) to ratify its treaty. The ECT has thus largely been inconsequential during its existence, which was most painfully illustrated during the 2006 and 2009 gas disputes between Ukraine and Russia, when the ECT secretariat failed to play any role of significance.

Moving forward, global energy governance offers fertile ground to explore some of the assertions of the emerging literature on inter-organizational networking. One possible question for future research concerns the connection between inter- and intra-organizational change. Clearly, the fact that the IEA is embedded in an environment of other organizations has implications for its own, intra-organizational development. Inter-organizational ties can help shape an organization's own development and institutional trajectory. Another question

that deserves attention pertains to how an institutional newcomer in a dense organizational field carves out a particular niche for itself. The most notable example here is IRENA, which came into being in 2009 in a very competitive institutional landscape. Its current Director-General, Adnan Amin, has engaged in intensive inter-organizational diplomacy, signing a cooperation agreement with the IEA and setting up relations with a very diverse array of international organizations, from OPEC over the ECT to the World Meteorological Organization. His zealous forging of inter-organizational links might be a means for creating legitimacy and significance for the freshly created IRENA, a hypothesis that corresponds to the resource-need perspective on inter-organizational networking.

IRENA raises another issue that warrants further consideration, namely the location of the secretariat. IRENA is one of the very few international organizations that is headquartered in the Middle East (notably in Abu Dhabi), although it also has a Technology Centre in Bonn, Germany, and a liaison office in Vienna. Does its remote location constrain its abilities to network with other international organizations? Such a question might also be relevant for an organization like the United Nations Environment Program, which is based in Nairobi, Kenya (Ivanova, 2010). These and other questions call for further research into the drivers, forms and consequences of inter-organizational relations, both in global energy governance and beyond.

Notes

¹ A public bad, in economics, is any product that decreases the well-being of the public in a non-excludable (no one can escape its consumption) and non-rival (one person's consumption does not diminish the amount available for others to consume) way. A typical example is air pollution.

² Here I deliberately use the term 'interactions' rather than 'relations' because two organizations can influence each other's performance and development even in the absence of a formal inter-organizational relationship. For example, the IEA and OPEC were adversarial organizations without direct relations after the first oil shock and throughout most of the 1970s and 1980s. Yet, even if there was no direct relationship, the two organizations

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communicated indirectly. For example, when OPEC staged a press conference, the IEA responded by issuing its own press release. To capture these dynamics the broader rubric of ‘interactions’ is preferred.

³ The International Atomic Energy Agency (IAEA) is often left out of this list since it is more a security-focused organization than an institution that governs energy policy.

⁴ Remark by Ambassador Richard Jones, Deputy Executive Director of the IEA, during a conference on “Global Energy Governance,” organized by the French think-tank IFRI at its headquarters in Paris, 26 March 2009.

⁵ This is somewhat ironic since OPEC as an organization actually played a very minor role in the first oil shock. It had not been OPEC but a different organization that had instigated the crisis, namely OAPEC, the Organization of Arab Petroleum-Exporting Countries.

⁶ Personal communication with William C. Ramsay, IEA Deputy Executive Director from 1999 to 2008, June 6, 2010.

⁷ Ibid.

⁸ Interview with William C. Ramsay, IEA Deputy Executive Director from 1999 to 2008, Brussels, 5 May 2010.

⁹ The full list of observers can be consulted at the ECT’s website, through www.encharter.org.

¹⁰ ‘New IRENA-IEA partnership will heighten technology and innovation co-operation,’ IRENA press release, January 16, 2012, available from:

http://www.irena.org/News/Description.aspx?NTType=A&PriMenuID=16&catid=17&News_ID=173#sthash.Td2MaP7Z.dpuf press release.

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