

FULL COVERAGE OF THE 113™ MEETING OF OAPEC COUNCIL OF MINISTERS

Vol. 50 No. (12) December 2024

UPON KINGDOM OF SAUDI ARABIA'S INITIATIVE AND MEMBER COUNTRIES' SUPPORT,

**OAPEC BECOMES** 

**ARAB ENERGY ORGANIZATION** 



## **OAPEC AWARD**

FOR SCIENTIFIC RESEARCH FOR THE YEAR

2024

# "NEW AND RENEWABLE ENERGY"

Participating research works must be submitted no later than the end of May 2025.

Raising the value of the first prize to (\$33.000) and the value of the second prize to (\$23.000)





**OAPEC Monthly Bulletin is published by the General Secretariat of OAPEC-Information** and Library Department.

(ISSN: 1018-595X)

**Annual Subscription** (11 issues)

#### **Arab Countries**

Individuals: KD 10 or equivalent in USD \$ Institutions: KD 15 or equivalent in USD \$

### **Other Countries**

Individuals : USD \$ 40 Institutions: USD \$ 60

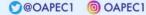
### Subscription orders should be sent to:

P.O. Box 20501 Safat - Kuwait 13066 - State of Kuwait

Tel: (+965) 24959724 Fax: (+965) 24959755

E-mail: oapecmedia@oapecorg.org

Web-site: www.oapecorg.org









All rights reserved. No reproduction is permitted without prior written consent of OAPEC.

# Contents

IN THIS ISSUE

OAPEC **SPECIAL ISSUE POINT OF VIEW** 

#### ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)



The Organization of Arab Petroleum Exporting Countries (OAPEC) was founded on the basis of the agreement signed in Beirut, Lebanon on 9 January 1968 between the governments of Kingdom of Saudi Arabia, the State of Kuwait and the (then) Kingdom of Libya. The agreement stipulates that the Organization shall be domiciled in the City of Kuwait.

The principal objective of the Organization is the cooperation of the members in various forms of economic activity in the petroleum industry, the determination of ways and means of safeguarding the legitimate interests of its member countries in this industry, individually and collectively, the unification of efforts to ensure the flow of petroleum to its markets on equitable and reasonable terms, and providing appropriate environment for investment in the petroleum industry in member countries.

In 1970 the United Arab Emirates, the State of Oatar, the Kingdom of Bahrain and the Republic of Algeria joined the Organization, followed by the Syrian Arab Republic and the Republic of Iraq in 1972, Arab Republic of Egypt in 1973, then the Republic of Tunisia in 1982 (its membership was suspended in 1986). Any Arab country which derives a significant share of its national income from petroleum is eligible for membership in OAPEC upon the approval of three-quarters of the member countries, including all three founding members.





# PRESS STATEMENT ISSUED BY THE 113TH MEETING OF THE COUNCIL OF MINISTERS OF THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)





### THE 172ND MEETING OF OAPEC EXECUTIVE BUREAU

24

#### • OAPEC-Joint Ventures:

OAPEC has sponsored the creation of four companies: The Arab Maritime Petroleum Transport Company (AMPTC), established in 1972 with headquarters in Kuwait City, the Arab Shipbuilding and Repair Yard Company (ASRY) established in 1973 with headquarters in Bahrain, the Arab Petroleum Investments Corporation (The Arab Energy Fund) established in 1974 with headquarters in Khobar, Saudi Arabia, the Arab Petroleum Services Company (APSC) established in 1975 with headquarters in Tripoli, Libva

#### **OAPEC'S ORGANS**

The Organization carries out its activities through its four organs:

- Ministerial Council: The Ministerial Council is the supreme authority of the Organization, responsible for drawing up its general policy.
- Executive Bureau: The Executive Bureau is composed of one representative from each of the member countries, drawing recommendations and suggestions to the Council, reviewing the Organization's draft annual budget and submitting it to the Council, it also adopts the regulations applicable to the staff of the General Secretariat. The resolutions of the Executive Bureau are issued by the majority of two-thirds of all members.
- General Secretariat: The General Secretariat of OAPEC plans, administers, and executes the Organization's
  activities in accordance with the objectives stated in the agreement and directives of the Ministerial Council.
  The General Secretariat is headed by the Secretary General. The Secretary General is appointed by resolution
  of the Ministerial Council for a tenor of three years renewable for similar period(s). The Secretary General is the
  official spokesman and legal representative of the Organization and is accountable to the Council.
  - The Secretary General directs the Secretariat and supervises all aspects of its activities, and is responsible for the tasks and duties as directed by the Ministerial Council. The Secretary General and all personnel of the Secretariat carry out their duties in full independence and in the common interests of the Organization member countries. The Secretary General and the Assistant Secretaries General possess in the territories of the Organization members all diplomatic immunities and privileges.
- Judicial Tribunal: The protocol of the Judicial Tribunal was signed in Kuwait on 9 May 1978 and came into
  effect on 20 April 1980. The Tribunal is competent to consider all disputes related to the interpretation and
  application of OAPEC's establishment agreement, as well as disputes arising between two or more member
  countries concerning petroleum operations.



# UNPRECEDENTED STEP IN OAPEC'S HISTORY

# **FOCUS SHIFTS TOWARDS VARIOUS ENERGY SOURCES**



By: Jamal Essa Al Loughani OAPEC Secretary General



Since its establishment in January 1968, the Organization of Arab Petroleum Exporting Countries (OAPEC) has continued to work in accordance with the objectives set in its establishment agreement, which were in line with the orientations of the member countries back then. OAPEC was able to accomplish the goals set for it. Over the past five decades, it has continued to work within the framework of four basic axes: developing the databank, promoting joint projects, continuing cooperation with Arab countries that are not members of the organization, and focusing on scientific research.

The rapid developments taking place in the energy industry; the use of renewable, clean and sustainable energy; energy production technology; climate change issues and strict environmental legislation were all a key driver for reviewing and developing the organization's activities and objectives and restructuring it to keep pace with these developments. This is done in order that it can play a larger and more effective role in accordance with a more comprehensive modern vision to be able to face current and future challenges. This is in addition to: creating a media platform to defend the interests of the member countries in international forums with the mission to highlight the role of oil and gas in the current and future global energy mix; emphasizing the role of modern technologies in making the oil and gas industry environmentally friendly and becoming a part of the strategy for transitioning to clean energy, while stressing the importance of investing in all energy sources to ensure energy security and combat the phenomenon of energy poverty.

Within the framework of implementing the organization's Council of Ministers Resolution No. 9/109 issued on 12 December 2022, the process of developing and restructuring the organization's work began, a step that reflects the keenness of the member countries to revive the organization and allow it to play a larger role to become an Arab organization for all energy sources without exception, and to follow up on all emerging energy-related issues. It is worth noting that the development of the organization's work, its restructuring, and the reformulation of its establishment agreement were based on a proposal from the Kingdom of Saudi Arabia and supported by all member countries.

During the 113th Meeting of the organization's Council of Ministers held on 15 December 2024 in the State of Kuwait, which has been home to the organization's headquarters for more than half a century, these efforts culminated in the issuance of the Council of Ministers' Resolution No. 2/113 regarding the adoption of the first phase of the project, which includes the proposed amendments to the organization's statute, and the full visualizations of the new vision, purpose, and strategic objectives. There is no doubt that this is a historic decision and an unprecedented step in the history of the organization. It will enter into force after its approval by the various legal authorities in the member countries.

OAPEC Secretariat-General emphasizes that it will spare no effort to achieve this lofty goal, which will allow the organization to enjoy a prominent position among its peers of other international organizations. The organisation will have an active and important role in all aspects of the energy industry. It will work hard to complete the implementation of the elements and provisions of the development and restructuring plan in the near future thanks to the great and unlimited support provided by Their Highnesses and Excellencies the Ministers of Energy and Oil, and Their Excellencies members of the organization's Executive Bureau.



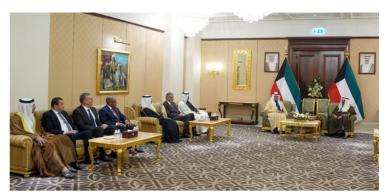


# KUWAITI PRIME MINISTER RECEIVES OAPEC COUNCIL OF MINISTERS















Prior to participating in the 113th meeting of the OAPEC Council of Ministers, Their Highnesses and Excellencies the Ministers of Oil and Energy of the member countries along with OAPEC Secretary-General, HE Jamal Al Loughani, were honoured to meet with the Prime Minister of the State of Kuwait, His Highness Sheikh Ahmed Al Abdullah, on the occasion of their visit to the country.

During the meeting, they reviewed the distinguished relations between the State of Kuwait and the member countries of the organization and ways to enhance aspects of Arab cooperation in the field of energy in order to achieve common interests and goals. The meeting was also attended by HE Abdul Aziz Al Dekhil, Head of the Prime Minister's Office; HE Tariq Al Roumi, Minister of Oil; and HE Sheikh Dr Nimr Al Sabah, Undersecretary of the Ministry of Oil.





# PRESS STATEMENT ISSUED BY THE 113<sup>TH</sup> MEETING OF THE COUNCIL OF MINISTERS OF THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)

The Council of Ministers of the Organization of Arab **Petroleum Exporting Countries** (OAPEC) held its 113th meeting in the State of Kuwait on 14 Jumada al-Akhirah 1446 AH, corresponding to 15 December 2024 AD, in the presence of Their **Highnesses and Excellencies** the Ministers of Oil and Energy of the member countries. The meeting was chaired by His **Excellency Engineer Saad bin** Sherida Al Kaabi, Minister of State for Energy Affairs in the State of Qatar, which holds the presidency of the 2024 term.











His Excellency Engineer Saad bin Sherida Al Kaabi opened the meeting, welcoming Their Highnesses and Excellencies the Ministers of Oil and Energy of the member countries, and His Excellency the Secretary-General of the Organization, wishing the meeting all success to come up with the appropriate decisions regarding the important items being proposed for the benefit of the Organization and its member countries.

It was followed by a speech by His Excellency Engineer Jamal Essa Al Loughani, Secretary-General of the Organization, who once again welcomed Their Highnesses and Excellencies the Ministers of Oil and Energy in the member countries, wishing them all success.

The 113th meeting, was dedicated to discussing a number of items on the









meeting's agenda, including approving: the budget of OAPEC Secretariat-General for the

year 2025; the final report on the first stage of developing the organization's work; and the











proposed amendments to its statute, to which a large amount of time was allocated for discussion.

After lengthy deliberations, the decision was reached to approve this first phase of the project,



which will enter into force after its approval by the various legal authorities in the member countries. The meeting also discussed the item related to following up on the activation of the Council of Ministers' decision regarding the Green Middle East Initiative and adopting the application of the concept of the circular carbon economy. During the meeting, the winners of the OAPEC Award for Scientific Research were honoured. The Executive Bureau's recommendation regarding increasing the value of the award was also approved, starting from the 2024 award. In addition, briefing reports were reviewed on the activities of the Secretariat-General, which included following up on petroleum conditions and liquefied natural gas and hydrogen developments; economic and technical studies prepared by the organization; environmental and climate change issues; as well as reports on the databank progress, and the activities organized by or in which the Secretariat participated. Other topics were also discussed.











SPEECH OF THE CHAIRMAN OF THE COUNCIL
HIS EXCELLENCY ENGINEER SAAD BIN SHERIDA AL KAABI,
MINISTER OF STATE FOR ENERGY AFFAIRS IN THE STATE
OF QATAR





In the name of God, the most gracious, the most merciful Brothers, Your Highnesses and Excellencies, members of the organization's esteemed Council of Ministers, heads of delegations,

Your Excellency the Secretary-General of the Organization, May the peace, blessings, and mercy of God be upon you all.

I am pleased to welcome you to the 113th meeting of your esteemed Council, which is being held in the State of Kuwait.

I am also pleased to welcome His Excellency Mr Tariq Suleiman Al Roumi, Minister of Oil of the State of Kuwait, His Excellency Dr Khalifa Rajab Abdel-Sadiq, Minister of Oil and Gas of the State of Libya, and His Excellency Engineer Karim Ibrahim Badawi, Minister of Petroleum and Mineral Resources of the Arab Republic of Egypt, who are participating in the meetings of the Council for the first time, wishing them every success.

I would also like to take this opportunity to extend my thanks to their predecessors, His Excellency Dr Emad Al-Ateeqi, Deputy Prime Minister and former Minister of Oil of the State of Kuwait, His Excellency Engineer Mohammad Emhamed Aoun, former Minister of Oil and Gas of the State of Libya, and His Excellency Engineer Tariq Al-Mulla, former Minister of Petroleum and Mineral Resources of the Arab Republic of Egypt, for their distinguished efforts in supporting the work and activity of the organization. Wishing them good health and success.

Allow me to express sincere thanks and appreciation, in my name and on behalf of Their Highnesses and Excellencies the Ministers of Energy and Petroleum of the Member countries, to the leadership, government and people of the State of Kuwait, for their gracious hosting of the organization's meetings, and unlimited support for the organization, wishing them all progress and prosperity.

I also extend my sincere thanks to His Excellency the Minister, Mr Tariq Suleiman Al-Roumi, for the warm reception and generous hospitality, which is not new to the State of Kuwait.

I extend my sincere thanks to Brother Engineer Jamal Essa Al Loughani, Secretary-General of the Organization, for his distinguished efforts in preparing and facilitating the holding of this meeting in a way that guarantees its success. I also pay tribute to his outstanding efforts in implementing the decision of your esteemed Council regarding developing and restructuring the work of the organization since he assumed his duties, and we ask God Almighty to crown his efforts with success.

I cannot fail to express my deep sadness and grief over the death of our colleagues, Brother Abbas Ali Al-Naqi and Brother Abdul Aziz Al-Turki, the two former Secretaries-General of the Organization, who made great contributions that will remain immortal in the Organization's memory. We ask God Almighty have mercy on their souls, and to inspire their families with patience and solace.

#### Your Highnesses and Excellencies,

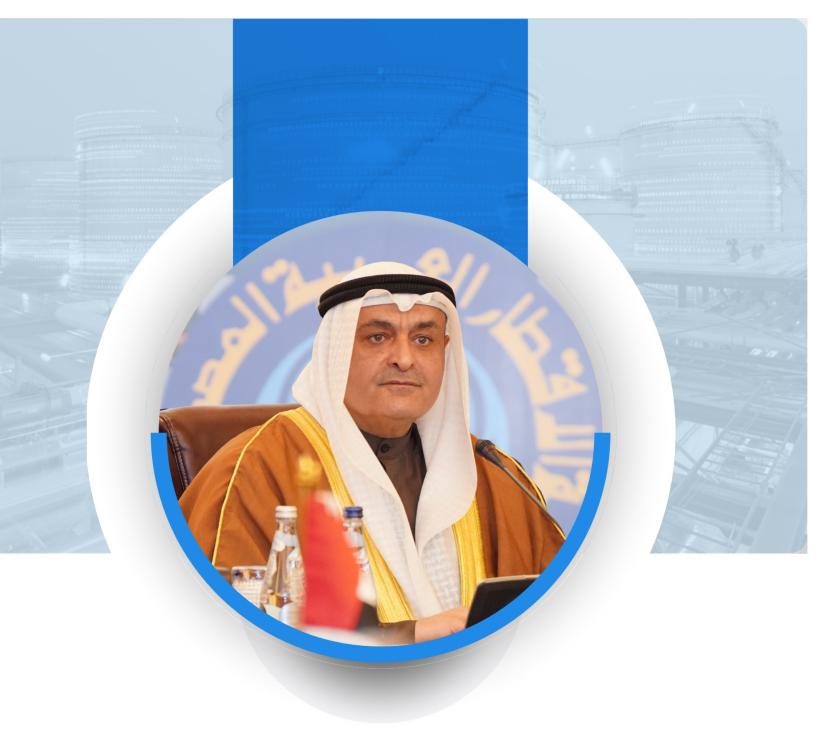
The draft agenda of the one hundred and thirteenth meeting of your esteemed Council is presented before you, for you to study its items, approve it, and take whatever decisions you deem appropriate. We pray to God Almighty to help us in this meeting to reach the best decisions that support the work of the organization and achieve our desired goals.

Before we begin our meeting, allow me to give the floor to His Excellency the Secretary-General.

May the peace, mercy, and blessings of God be upon you all.







# SPEECH OF HE JAMAL ESSA AL LOUGHANI OAPEC SECRETARY-GENERAL





In the name of God, the most gracious, the most merciful Your Excellency the Chairman, Your Highnesses and Excellencies, ministers and heads of delegations, May the peace, blessings, and mercy of God be upon you,

It gives me great pleasure, Your Excellency the Chairman, to join you in welcoming Your Highnesses and Excellencies, the distinguished ministers of the organization, to this highlevel meeting, which is being held in your second country, the State of Kuwait, wishing you a pleasant stay. I would like also to thank you, Your Excellency the Chairman, for your valuable opening speech and your wise leadership of the Council's work during this term.

Allow me, Tour Excellency the Chairman, to join you in welcoming their Excellencies the new distinguished ministers who are participating in the meetings of the esteemed Council for the first time, and I wish them every success in their new tasks. Without a doubt, the participation of their Excellencies will be a remarkable addition that enhances the work of the organization and supports the achievement of its goals.

I also express my sincere appreciation to their Excellencies' predecessors, Their Excellencies the former ministers, for the great contributions they made during their tenure, which contributed to supporting the organization's work process. Wishing them good health and success in their future lives.

I would like to express my sincere thanks to the government of the State of Kuwait for its gracious hosting of the organization's meetings, and its continued support for the organization. Thanks go to His Excellency Mr Tariq Suleiman Al-Roumi, Minister of Oil of the State of Kuwait, for his efforts to facilitate the holding of this meeting in a manner befitting the status of the organization and the State of Kuwait.

I do not forget, Your Excellency the Chairman, to share with you my sincere condolences and sympathy on the death of my dear colleagues, the two former Secretary-Generals of the Organization, who left immortal impacts that will remain a source of pride for the Organization. We ask Almighty God to cover the deceased with His vast mercy and forgiveness, and to inspire their families with patience and solace in their great affliction.

#### Your Highnesses and Excellencies, heads of delegations,

On 21 November 2024, the Secretariat sent to Your Excellencies the draft agenda of the 113th meeting of your esteemed Council to consider its items. We look forward to your valuable deliberations and wise decisions that will certainly contribute to supporting the work of the organization, strengthening its position, and shaping its future.

In conclusion, I would like to express my great gratitude to Their Highnesses and Excellencies the Ministers of the Organization for their initiative aimed at developing and restructuring the Organization, which represents a qualitative leap in its journey and reflects a strategic vision towards a better future. Your esteemed Council's support for this project constitutes the basic foundation for its success, and I wish Your Excellencies all success in your continued efforts, and I ask God Almighty to guide us all to what is good for our member countries.

May the peace, mercy, and blessings of God be upon you,







# HIS ROYAL HIGHNESS PRINCE

ABDULAZIZ BIN SALMAN BIN ABDULAZIZ AL SAUD, MINISTER OF ENERGY, KINGDOM OF SAUDI ARABIA, CONCLUDES THE MINISTERIAL MEETING NO. 113 WITH VALUABLE COMMENTS





Thank you, Excellencies, the ministers representing the member countries. The truth is that the State of Kuwait has been and continues to be the host of many activities, many occasions, and unforgettable occasions. Today, I want to bring to mind some important aspects that we must not ignore, and which we should consider as historic outputs of this organization. Many people are mistaken about the brave stance taken by the Arab countries in solidarity with our brothers in Egypt and Syria on oil embargo [in the 1970s]. This decision was taken in this organization and in this country. Many people overlook this fact, and I just want to remind you of it because it is sometimes said that the organization has not been effective. If this decision was the only thing to be documented about this organization, it would have been enough for this organization and to justify its foundation, because this organisation enabled these Arab countries to respond to that particular situation and those circumstances at that time. However, it is necessary now, and this is what was mentioned two years ago in Kuwait as well, I mentioned that the conditions in the energy field in general have changed and the needs of countries have changed too. Also, the discourse of the past on the basis of which this organization was established has matured and nowadays it does not respond to reality and does not respond to the future.

All of us, as member countries, according to our potential, capabilities, orientations, and priorities, are doing great work in the process of transitioning to multiple energy sources. We will all strive to be producers, and even exporters, of all types of energy sources.

We believe that we can be a model for responsible countries that exploit their natural resources in a more comprehensive sense, including renewable energy, and alternative or new energy sources such as hydrogen of all kinds. We also in the Kingdom, seek to have our own initiative on circular carbon economy, which is a new concept and I believe there is a lot of cooperation between us to enhance this methodology and also make it a model that can be challenged by others.

Also, we are interested in achieving our goals of sustainable development, and in being effective in dealing with the phenomenon of climate change, which is a fact that we should not ignore. But we all have sufficient clues, evidence, and practices that confirm and prove that we are not only active, but also initiators. Most recently, we were present at the COP 29 meeting in Baku and other meetings related to these activities.

I believe that limiting Arab Action in the field of energy to the concept of oil-exporting countries is a restriction that does not enable us to involve all Arab countries in future work. I believe that our goals and the goals of everyone will converge in many matters in order to strengthen the foundation on which this organization was established, which is to strengthen joint Arab action and achieve the desired cooperation in order to maximize the benefits for all and benefit everyone from multiple aspects, whether in joint investment or the formation of companies that may achieve this, and all the possibilities that can enhance this qualitative shift that we agreed upon.

There is an article in the organization's founding agreement, that is Article (36), which allows consideration of amending the provisions of the agreement if requested by half of the members, and accordingly this proposal was made. In fact the agreement system has enabled us to do this work, which may require some legal procedures for some countries in terms of completing endorsement of what was agreed upon.

I would also like to emphasize that these major methodological amendments and changes were carried out by a team from the Secretariat-General of the organization as well as participants from the member countries. This work lasted for two years, and a great effort was made in this context. Therefore, I want to avail myself of this opportunity to thank our colleagues working in the organization, as well as the participants from the member countries in managing to finalise this draft that we will agree on today, and I believe that this is a historic day that we all must not forget. Once again, I remind everyone that this also took place in the State of Kuwait, and it will be credited to Kuwait, God willing, since it is the headquarters country. Thank you,,





### **MINISTERS COMMENTS:**

# Speech by His Excellency Engineer Karim Ibrahim Badawi

#### Minister of Petroleum and Mineral Resources - Arab Republic of Egypt

His Excellency welcomed their Highnesses and Excellencies the ministers participating in the meeting and His Excellency the Secretary-General of the organization, expressing his pride in participating for the first time in this highlevel meeting that includes pioneers of the energy sector in the Arab world. His Excellency extended his sincere thanks to the leadership, government and people of the State of Kuwait for their warm reception, generous hospitality and hosting the organization's meetings. He pointed out that this meeting is being held at a very important time, in light of the global challenges facing the energy sector. His Excellency explained the Egyptian government's efforts to attract investments in the energy sector. His Excellency stressed the importance of strengthening joint Arab cooperation in the energy sector, which constitutes an essential element in supporting development plans, and a major driver for building a competitive and diversified economy that meets the aspirations of the Arab peoples, expressing his aspiration to achieve more joint successes.





# Speech by His Excellency Mr Tariq Suleiman Al-Roumi Minister of Oil - State of Kuwait

His Excellency expressed his sincere thanks and appreciation to His Excellency the Chairman and their Highnesses and Excellencies the Ministers of Petroleum and Energy of the member countries participating in the meeting, and to His Excellency the Secretary-General, for their generous congratulations on the occasion of his first participation in the meetings of the distinguished Council of Ministers. His Excellency affirmed his pride in this distinguished Arab edifice, which reflects the highest meanings of joint Arab cooperation among the member countries, noting the State of Kuwait's keenness to support the Council's sincere efforts and its commitment to providing the appropriate environment to achieve the organization's goals and aspirations. In this context, His Excellency affirmed his support for the project to develop the organization to include all energy sources, as it is a strategic step that enhances cooperation between the member countries and serves the interests of their peoples.

### His Excellency Hayyan Abdul-Ghani Al Sawad Minister of Oil Republic of Iraq

"We emphasize the importance of OAPEC's role in enhancing joint Arab action, and developing and advancing the prospects of the oil and energy industry in light of the economic variables and challenges facing energy markets and the oil industry."







# Speech by His Excellency Dr Khalifa Rajab Abdel-Sadiq Minister of Oil and Gas - State of Libya

His Excellency expressed his thanks and appreciation to His Excellency the Chairman, Their Highnesses and Excellencies the Ministers of Petroleum and Energy participating in the meeting, and to His Excellency the Secretary-General, for their kind congratulations. His Excellency extended his sincere thanks to the leadership, government and people of the State of Kuwait for the warm reception, generous hospitality, and hosting of the organization's meetings. His Excellency stressed the commitment of the State of Libya in its full support for the organization, especially its development and restructuring project. He stressed the pride of the State of Libya in its role as one of the founding countries of the organization, and its continuous endeavour to enhance the process of joint Arab cooperation and achieve the goals of the organization.

**HE Mohamed Arkab** 

Minister of State, Minister of Energy Mines and Renewable Energies Algerian Republic

"The project to develop the organization's activities would unify the new perceptions and strategic goals in order to strengthen and support cooperation among the member countries"





HE Dr Mohammed bin Mubarak bin Daina Minister of Oil and Environment and Special Envoy for Climate Affairs - Kingdom of Bahrain

"The annual meeting held by OAPEC aims to enhance cooperation and coordination in a way that contributes to achieving positive results that serve the energy sector and the economies of the member countries. It also enhances the progress of Arab oil and gas cooperation and the achievement of aspired goals."



### His Excellency the Council Chairman touched upon an important topic under the

# "CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE (CSDDD)" ITEM ON THE MEETING AGENDA

The Chairman referred to the decision taken by European countries in May 2024, which aims primarily to impose penalties on any company operating in Europe (whether European or from outside Europe) and makes profits in Europe of over 450 million euros from oil sales, car sales, or phone sales for example. His Excellency said, according to this decision, these companies must adhere to three main things, which are:

- 1. Paris Agreement on achieving net-zero company emissions.
- 2. Liability for Tier 1, Tier 2 and Tier 3 emissions.
- 3. Responsibility for the rights of workers in the main company and all its branches, or any other company that is dealt with to obtain services or import supplies, even if it is in India or China.

His Excellency added, in the event of non-compliance with the aforementioned matters, the penalty will be 5% of the value of the company's sales worldwide (total global revenues). He said this applies to companies such as Sonatrach, Aramco, and Qatar Energy, and also applies to a company such as Toyota when supplying cars to Europe, or Apple when it sends phones to Europe. It is noteworthy that the United States of America does not welcome this decision.

His Excellency stated that there are CEOs and ministers in the member countries who have no knowledge of this issue, even though European countries will put it in the form of a law and implement it by 2027 and beyond. This means that this decision must be given great importance by having specialists prepare technical reports related to it, which include our countries' viewpoints on the decision and submit them to European countries.

His Excellency said that the main message regarding the decision taken by European countries is that the ministers of oil and energy in the countries of the organization have a major role in informing the ministers of trade, finance ministers and foreign ministers about this issue in all its aspects, so that this issue is raised in every meeting with the European countries and pointing out that it will harm the business of member countries. His Excellency added that we must draw the attention and awareness of other countries and companies with which we meet so that there is a unified direction and voice. His Excellency said that he spoke during the Doha Forum about this issue and mentioned to the European countries that if they want to buy gas from the State of Qatar, this decision must be reviewed, because it is illogical to export gas to them and pay a fine of 5% of the total global revenues of Qatar Energy. His Excellency concluded his comment by pointing out that the issue does not only concern the energy sector, and must receive a greater level of attention, inform the relevant ministers, and put pressure on European countries to change this decision. Of course, it is expected that the new US President-elect will oppose this decision, especially since it applies to US companies as well.



# THE MEMBER COUNTRIES OF THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC) DECIDE TO REBRAND AND RESTRUCTURE THE ORGANIZATION



## PRESS STATEMENT ON THE DECISION NO. "2/113"

During the 113th ministerial meeting of the Organization of Arab Petroleum Exporting Countries (OAPEC), which was held in Kuwait on 15 December 2024, the member countries signed a resolution on restructuring the organisation, rewriting its establishment agreement, developing its work, and changing its name to the "Arab Energy Organization (AEO)."

This decision gives the green light to the organization's Secretariat to continue efforts to develop the organization's activities and work, after approving the first phase of the project, which included the proposed amendments to the organization's establishment agreement. It is noteworthy that the proposed fundamental amendments to the agreement will enter into force immediately upon completion of their adoption, according to the statutory procedures of each member country.

OAPEC Secretariat explained that the decision to restructure the organization, rewrite its establishment agreement, develop its work, and change its name was based on a proposal submitted by the Kingdom of Saudi Arabia.

The Organization's Secretariat also extended thanks and appreciation to the State of Kuwait, the country that hosts the headquarters; and the State of Qatar, which has the presidency of the current term, for their support to ensure the success of the

Secretariat in carrying out its responsibilities.

The Secretariat indicated that implementing the decision required conducting a careful study and comprehensive assessment of the developments and challenges witnessed by the energy sector at the national, regional and global levels, especially during the past few years. The rapid transitions that the energy sector has witnessed and is witnessing have imposed a review and development of the organization's activities and objectives to include all areas within the energy sector and sectors related to it. This is done with the aim of strengthening the organization's role as a catalyst for cooperation and exchange of experiences among member countries with regard to energy affairs and issues, examining opportunities, confronting the challenges facing this vital sector, and contributing to building the national competencies and capabilities of the member countries in a sector that constitutes a basic pillar of the economies of these countries.

The Organization's Secretariat confirms that it will work hard to complete all elements of the Organization's development plan in the near future, appreciating the support it receives from the Organization's member countries, represented by Their Highnesses and Excellencies the Ministers of Energy and Oil, and Their Excellencies members of the Organization's Executive Bureau.



# THE 172<sup>ND</sup> MEETING OF OAPEC EXECUTIVE BUREAU





HE SHEIKH MISHALL BIN JABOR AL THANI

QATAR

On 14 December 2024, the 172nd meeting of OAPEC Executive Bureau was held and chaired by His Excellency Sheikh Dr Meshal bin Jabr Al Thani, the representative of the State of Qatar in the Executive Bureau of the organization, whose country is chairing the year 2024 term.

During the meeting, several topics were discussed, including a review of the final report of the first phase of the study of developing and restructuring the organization's business, and the proposed amendments to the establishment agreement. This is in addition to following up on: activating the Council of Ministers' decision regarding the Green Middle East Initiative and adopting the application of the concept of the circular carbon economy; the Secretary-General's report on the various activities of the Secretariat (covering petroleum conditions and liquefied natural gas and hydrogen developments, studies prepared by the Secretariat, environmental and climate change issues, work progress in the Databank, activities organized and attended by the Secretariat, along with other issues). After completing the discussion of all items on the agenda, recommendations were submitted to the ministerial meeting to take appropriate decisions accordingly.





HE DR. MILOUD MEDJELLED **ALGERIA** 



HE DR. SAMIR MOHAMED MOHEYELDIN **EGYPT** 



**HE ENG. NASEER AZIZ JABBAR IRAQ** 



HE SHEIKH DR. NIMER FAHAD AL-MALEK AL-SABAH **KUWAIT** 



HE MR. AL-AMARI MOHAMMED AL-AMARI **LIBYA** 



HE ENG. SHARIF SALIM AL OLAMA **UAE** 



# HONOURING THE WINNERS OF OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2024



The agenda of the organization's Council of Ministers meeting No. 113 included two important points related to the OAPEC Award for Scientific Research:

First: Honouring the winners of the OAPEC Scientific Research Award for the year 2022

In accordance with the provisions of the OAPEC Award for Scientific Research, which stipulates honouring the winners of the award and presenting them with certificates of appreciation by His Excellency the Prime Minister of the organization, the winners of the OAPEC Award for Scientific Research for the year 2022 were honoured and presented with certificates of appreciation during the meeting.

It is noteworthy that the decision of the jury for the OAPEC Award for Scientific Research for the year 2022, whose field was "Decarbonization Technologies in the Petroleum Industry and the Circular Carbon Economy," stipulated that the prize be awarded equally between the following two research papers:

### A) The research paper submitted by:

- 1. Dr Ma'amoun Absi Halabi from the Lebanese Republic.
- 2. Dr Faisal Salman Al Humaidan from the State of Kuwait.

The paper's title: "Carbon Capture, Utilization, and Storage: Prospects of the Decarbonization of the Oil and Gas Industry"

# B) Research paper submitted by the Arab Republic of Egypt by:

- 1. Dr Lamia Ahmed Abu Shahba
- 2. Eng. Heba Bishr Nasr





- 3. Eng. Yehya Nassar
- 4. Chemist Enas Ibrahim Zahran

The paper's title: "Decarbonization and Circular Carbon Economy in the Oil and Gas Field: Implications for OAPEC Countries"

# Second: Increasing the value of the award starting from the year 2024

In line with what was stated in the deliberations of the Organization's Council of Ministers regarding reconsidering the value of the OAPEC Award for Scientific Research, the Secretariat-General conducted a survey that included a variety of awards

granted by some organizations and universities in Arab countries, and after discussions, the following was approved:

Raising the value of the first prize from seven thousand to ten thousand Kuwaiti dinars.

Raising the value of the second prize from five thousand to seven thousand Kuwaiti dinars.

This takes effect as of the Award of the year 2024, the field of which will be "New and Renewable Energy." 31 May 2025 has been set as the last date for receiving research works participating in the award.



### MEDIA COVERAGE OF THE 113TH MINESTERIAL MEETING

The 113th meeting of the Council of Ministers of the Organization of Arab Petroleum Exporting Countries (OAPEC), which was held on 15 December 2024, received extensive media coverage by various media outlets, including print media, news agencies, and TV channels. The meeting was chaired by His Excellency Engineer Saad bin Sherida Al Kaabi, Minister of State for Energy Affairs in the State of Qatar, which holds the presidency of the year 2024 term. The media outlets focused on covering the historical event related to the signing of the decision to restructure the organization, reformulate its establishment agreement, develop its work, and change its name to the "Arab Energy Organization."

The decision gives the organization's Secretariat-General

the green light to carry on with efforts to develop its activities and work, after approving the first phase of the project, which included the proposed amendments to the organization's establishment agreement. It is worth noting that the proposed core amendments to the agreement will enter into force immediately upon completion of their endorsement by the legislative authorities in accordance with the statutory procedures of each member country.

Among the media outlets that covered the event, the Kuwait News Agency "KUNA", the news channel of the State of Kuwait, Al Jazeera Channel, Sky News Arabic Channel, CNBC Arabic Channel, Al Sabah Channel, Reuters, and the local print press including Al Rai, Al Jarida, Al Anbaa and Al Nahar newspapers.

# PRESS STATEMENT ISSUED BY THE 113TH MEETING

The Council of Ministers of the Organization of Arab Petroleum Exporting Countries (OAPEC) held its 113th meeting in the State of Kuwait on 14 Jumada al-Akhirah 1446 AH, corresponding to 15 December 2024 AD, in the presence of Their Highnesses and Excellencies the Ministers of Oil and Energy of the member countries. The meeting was chaired by His Excellency Engineer Saad bin Sherida Al Kaabi, Minister of State for Energy Affairs in the State of Qatar, which holds the presidency of the 2024 term.

His Excellency Engineer Saad bin Sherida Al Kaabi opened the meeting, welcoming Their Highnesses and Excellencies the Ministers of Oil and Energy of the member countries, and His Excellency the Secretary-General of the Organization, wishing the meeting all success to come up with the appropriate decisions regarding the important items being proposed for the benefit of the Organization and its member countries.

It was followed by a speech by His Excellency Engineer Jamal Essa Al Loughani, Secretary-General of the Organization, who once again welcomed Their Highnesses and Excellencies the Ministers of Oil and Energy in the member countries, wishing them all success.

Following the completion of the work of the 113th meeting, the Secretary-General of the Organization stated that this meeting was dedicated to discussing a number of items on the meeting's agenda, including approving: the budget of OAPEC Secretariat-General for the year 2025; the final report on the first stage of developing the organization's work; and the proposed amendments to its statute, to which a large amount of time was allocated for discussion. After lengthy deliberations, the decision was reached to approve this first phase of the project, which will enter into force after its approval by the various legal authorities in the member countries. The meeting also discussed the item related to following up on the activation of the Council of Ministers' decision regarding the Green Middle East Initiative and adopting the application of



the concept of the circular carbon economy. During the meeting, the winners of the OAPEC Award for Scientific Research were honoured. The Executive Bureau's recommendation regarding increasing the value of the award was also approved, starting from the 2024 award. In addition, briefing reports were reviewed on the activities of the Secretariat-General, which included following up on petroleum conditions and liquefied natural gas and hydrogen developments; economic and technical studies prepared by the organization; environmental and climate change issues; as well as reports on the databank progress, and the activities organized by or in which the Secretariat participated. Other topics were also discussed.

The Secretary-General concluded his statement by stressing that the OAPEC Secretariat will make every effort to help the organization assume a prominent position among other international organizations. He emphasized at the same time paying close attention to the decisions issued by this ministerial meeting, through intensifying efforts to put them into actual implementation during the coming period, thanks to the unlimited support provided by Their Highnesses and Excellencies Ministers of Energy and Oil, and Their Excellencies members of the Organization's Executive Bureau.

The Secretary-General extended sincere thanks to the government of the State of Kuwait, which has been hosting the organization's headquarters for more than half a century, for its constant hosting of the organization's meetings in a way that ensures their success.

Kuwait: 14 Jumada al-Akhirah 1446 AH, corresponding to 15 December 2024 AD.





# STATEMENT BY HIS EXCELLENCY THE SECRETARY-GENERAL OF THE ORGANIZATION IN AN INTERVIEW WITH KUWAIT STATE TV:

I thank Kuwait State TV for the continuous coverage of the 113th meeting of the OAPEC Council of Ministers, which is being held here in the State of Kuwait and in the remarkable presence of Their Highnesses and Excellencies the Ministers of Oil and Energy in the member countries. Our meeting for today was chaired by His Excellency Eng. Saad bin Sherida Al Kaabi, Minister of State for Energy Affairs of the State of Qatar, which holds the presidency for the year 2024 term. During this meeting, all items on its agenda were discussed and appropriate decisions were taken. The most important of which is the adoption of the organization's projected budget for the year 2025, and the decision issued regarding developing and restructuring the work of OAPEC and reconsidering the systems and laws that govern its work.

During the meeting, the winners of the OAPEC Award Scientific Research for the year 2022 were also honoured. A proposal to increase the value of the award was approved as of the 2024 award. This is in addition to adopting a number of recommendations issued at the 172nd meeting of the organization's Executive Bureau regarding following up on the activation of the Council of Ministers' decision on the Green Middle East Initiative and adopting the application of the concept of the circular carbon economy and following up on the report of the Secretary-General on the various activities of the Secretariat.

In this context, the OAPEC Secretariat confirms that it will make every effort to implement all the decisions issued by Their Highnesses and Excellencies the Ministers of Energy and Oil, in order to enhance the organization's effective and important role in all areas of the energy industry, relying on the continuous support provided by the member countries to the organization.

In this regard, I cannot fail to praise the role played by the government of the State of Kuwait in overcoming all difficulties in order to hold the organization's meetings in a way that ensures their success, and to the member countries for the continuous support that the Secretariat of the organization receives in order to achieve the goals for which it was established for the good and benefit of everyone.









 $campaign=nabdapp.com\&utm\_medium=referral\&utm\_source=nabdapp.com\&ocid=Nabd\_Apparting and the comparison of the comparis$ 



https://www.alraimedia.com/article/1711553/





اقتصاد - نفط

«أوابك» تقرّ إعادة هيكلتها وتغيير اسمها... لـ «المنظمة العربية للطاقة»









بعد 56 عاماً من تأسيسها.. «أوابك» تعلن تغيير اسمها ونشاطها من ألكويت







**POINT OF VIEW** 

# A NEW CHALLENGE FACING OIL AND GAS PRODUCING AND EXPORTING COUNTRIES



Director of the Economic Department and Supervisor of Media and Library Department

Challenges facing oil and gas producing and exporting countries vary, and every now and then a new challenge emerges that requires us, as oil and gas producing and exporting countries, to make intensive efforts, whether at the individual or collective level, to overcome what this challenge entails and the negative repercussions it carries within it on our main revenue sources. It also requires us to mobilize our resolve to adopt unified visions with other countries in order to safeguard the interests of our countries and our main sources of income to achieve sustainable development goals that are linked in one way or another to the energy sector.

Before reading the latest challenge, it is important to briefly address the challenges facing us as oil and gas producing and exporting countries, which are dealt with with wisdom and discretion, which are, but are not limited to:

### The first challenge: Investment Requirements

In order to reliably meet the expected oil demand growth, investment needs in the oil sector are expected to be significant, as OPEC estimates the total cumulative investment requirements between 2024 and 2050 at approximately \$17.4 trillion, i.e. an average of \$640 billion annually (in US dollar rates for the year 2024). The largest portion of the estimated investment volume is required by exploration and production (upstream) activities, which will reach \$14.2 trillion, or about \$525 billion annually. Downstream and Midstream needs during the same period are estimated at approximately \$1.9 trillion and \$1.3 trillion, respectively.

If these investments are not realized, this will represent a threat to market stability and energy security. It should also be noted that creating a balanced and stable oil market that meets the aspirations of producers (and consumers) is considered necessary to motivate producing and exporting countries to increase their oil investments.



# Second challenge: Environment and Climate Change Issues

Many countries that produce oil and gas apply international standards to maintain an environment free of pollutants and use technologies that would produce quality fuel and low-emission energy. Therefore, it is not possible to insist on linking an emission-free environment with the consumption of fossil fuels. When applying international agreements related to climate change, we must take into account the situation and privacy of countries that depend directly on oil and gas as a sole or almost sole source of financial revenues. Environmental challenges, especially climate change, require dealing with them realistically and responsibly to achieve sustainable development in its three dimensions (economic, social and environmental). Also, adopting unrealistic policies to reduce emissions by excluding major energy sources without taking into account the impact resulting from these policies on the social and economic pillars of sustainable development and global supply chains will lead to market imbalance and energy prices to rise to levels that are not desired by everyone.

#### Third challenge: Energy Trilemma

The Energy Trilemma concept seeks to find a balance between energy affordability, energy security, and energy suitability, in order to achieve net-zero emissions by 2050.

Energy security refers to reliable and affordable energy supplies to meet the needs of the society and the economy, while sustainability refers to using energy in a way that minimizes environmental impacts and protects natural resources, and affordability refers to the cost of energy for consumers and businesses. It is noted that these three challenges are often in conflict with each other. For example, the pursuit of energy security may lead to increased dependence on a specific energy source, which can have negative environmental impacts and increase costs in the long term. At the same time, the pursuit of sustainability may drive up the cost of energy, making it unaffordable for consumers and expensive for businesses.

#### **Fourth Challenge: Energy Transitions**

The desired energy transitions must take into account technological developments that enable the production of clean energy. Exploiting carbon capture, use and storage (CCUS) technologies in the production and consumption of fossil fuels while controlling their emissions will undoubtedly enhance the possibility of the world reaching the desired net-zero in 2050. Thus, these sources will be part of the solution towards switching to more permanent energy sources in a way that takes into account the national circumstances and priorities of each country. It must be emphasized here that investing in oil production does not mean ignoring the shift towards clean energy, but rather it means

recognizing the fact that we need a diverse mix of energy to ensure global energy security.

The OPEC countries are facing a new challenge that has emerged recently. On 25 July 2024, the "1760/2024" directive on due diligence in the field of corporate sustainability, or what is known as the "Corporate Sustainability Due Diligence Directive" (CSDDD), entered into force. The aim of this directive, in their view, is to promote sustainable and responsible corporate behavior in companies' operations and across their global value chains.

It is expected to have major negative effects, not only on the energy sector, but on all other economic sectors. The European Union has announced its intention to impose a fine amounting to 5% of the value of global sales on companies that operate in Europe (whether an EU or non- EU company) and make profits in Europe worth more than 450 million euros, in the event of non-compliance with the Paris Agreement on achieving net-zero emissions. this is in addition to other aspects like failure to take into account the rights of workers in the main company and all its branches, or any other company with which it deals (including companies outside the European Union), as well as not taking responsibility for Tier 1, Tier 2 and Tier 3 emissions.

Tier 1 emissions in the oil industry refer to direct emissions from extracting, processing or transporting oil. Tier 2 emissions include indirect emissions from the consumption of electricity used to operate crude oil refineries. While Tier 3 emissions cover indirect emissions across the value chain – such as emissions from the use of gasoline by consumers, or from the transport of crude oil. In the gas industry, Tier 1 emissions refer to direct emissions from gas extraction, processing and transportation – such as flaring in a gas unit or facility. Tier 2 emissions include indirect emissions from electricity used to operate gas facilities - such as emissions from power plants that supply electricity to compressor stations. While Tier 3 covers indirect emissions from the value chain – such as emissions from the combustion of natural gas by customers in homes or factories.

This trend may result in potential negative effects on energy companies in our member countries, such as Sonatrach, Aramco, Qatar Energy, the Libyan National Oil Corporation, and other companies that have a large presence in the European market, even on major industrial companies. Therefore, it is necessary for this decision to be given great importance by having specialists inform and educate the responsible authorities in the country about this trend in all its aspects by preparing technical reports related to it, which include our countries' point of view regarding the decision and submitting them to European countries. This was confirmed in the 113th Ministerial Meeting of OAPEC, Excellency Engineer Saad bin Sherida Al Kaabi, Minister of State for Energy Affairs in the State of Qatar.

<sup>\*</sup>Views expressed in the article belong solely to the author, and not necessarily to the organization.





# **OAPEC ORGANIZATION:**

# A GLIMPSE INTO THE PAST, LIVING THE PRESENT, AND ANTICIPATING THE FUTURE

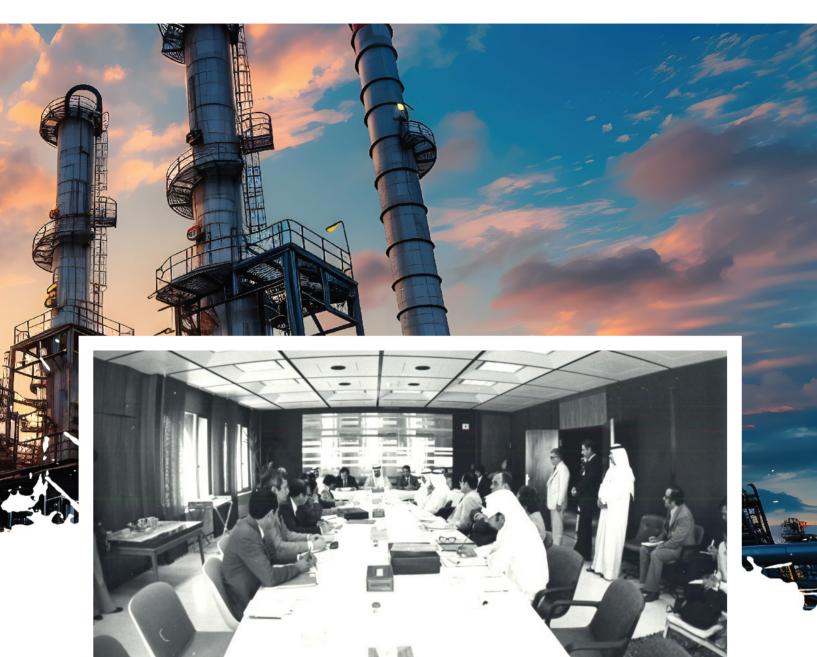
### Compiled by: Abdulfattah Al-Arefi Dandi

Director of the Economic Department and Supervisor of the Media and Library Department

By examining and following the literature issued by the Organization of Arab Petroleum Exporting Countries (OAPEC), which is abundant in the organization's library, this historical narrative can be presented. It provides an idea of the circumstances that the Arab region has gone through and the various events it has witnessed since the period before the establishment of OAPEC until the emergence of this organization. It will also address previous attempts to activate the organization's activities, which failed for various reasons. The discussion will conclude with the historical step taken regarding the development of the organization's work and its restructuring.







• First Energy Conference, Abu Dhabi, 1979

# THE PERIOD BEFORE THE ESTABLISHMENT OF OAPEC

Without delving too far into the past, it is possible to refer to several attempts that took the form of various projects concerning Arab countries, where oil was a tool or means. Since 1945, after World War II, the British thought on this basis to establish an economic development bank in the Middle East, in which the oil companies operating in the region would have a share by allocating part of their profits to it. This project did not see the light.

Similarly, there were projects that took another form but were in the same direction, adopted by the United States in 1957 and 1958, following the Suez campaign and subsequent developments. This means that oil seemed, even at that time, as a tool for work only, especially for countries directly concerned with the region's affairs. At the same time, the Arab producing countries began to realize the increasing importance of oil in the economies of industrial countries and started thinking about using this product within a strategy whose features





First Energy Conference, Abu Dhabi, 1979

were not precisely defined.

The political situation in the Middle East was not good in 1957, and it did not allow the implementation of the first American project proposed by the Institute of Public Affairs in Washington in 1957, which aimed to provide the necessary funding for economic development projects. The United States pledged to bear 90% of the expenses of this project in partnership with major American oil companies. The declared goal was to stop the rising tide of Arab nationalism and solve the Palestinian refugee problem by integrating them into Arab countries. The latter rejected this project. This was a period of waiting and watching the American policy in the region, which crystallized in the famous Eisenhower Doctrine. Amid a storm of political conflicts that the region knew at that time, the mentioned project was neglected and replaced by a project aimed at establishing a regional economic development institute.

President Eisenhower presented this project in a speech he delivered in August 1958 before the emergency special session of the United Nations General Assembly. This time, the funding was expected to be secured jointly between the Arab countries and the United States. It is not surprising

that this attempt met the same fate as the previous one. The year 1958 was full of political events of utmost importance for the region, including the announcement of the union between Egypt and Syria by establishing the United Arab Republic and the end of the monarchy in Iraq.

In the 1950s, oil was a limited source of income and, in fact, a source of weakness for the Arab oil-producing countries, which became at the mercy of international companies controlling their wealth and overseeing the oil industry at all stages of its operations, from the field to the consumer, trying to exercise a form of influence on the internal and external policies of the producing countries under special circumstances where the belief in the sacred nature of the concession system prevailed, especially through the use of powerful media and other diverse means to achieve this purpose.

The important role that oil played in Western economies made Arab officials realize the possibility of using such a weapon in the battle. At the Bludan Conference in Syria held in 1946, the Arab League approved the principle of stopping oil production to pressure countries supporting "Israel." However, this decision was not implemented because it was clear that the United States and European countries





• First Energy Conference, Abu Dhabi, 1979

could easily find other sources of supply to meet their oil needs. In contrast, the producing countries could not do without the almost sole income generated by oil production. Moreover, the limited importance of oil at that time did not make this decision have tangible effects on the international level. However, despite the ineffectiveness of this decision, it was at the time a warning signal and was certainly a starting point for subsequent similar decisions.

Under the pressure of events and public opinion, Arab countries gradually found themselves moving towards using oil as a means to serve their policy. For regional and international political reasons and other structural reasons related to the almost complete control of international companies over the Arab oil sector at that time, oil played only a modest role in the wars of 1956 and 1967, at a time when the dependence of industrial countries on oil was not of decisive importance.

## THE FIRST SPECIFIC FORM OF ARAB COOPERATION IN THE OIL FIELD

The first specific form of Arab cooperation in the oil field was the establishment of the Arab Oil Experts Committee on October 10, 1951, based on a recommendation from the Council of Arab League Ministers. This committee continued its work until January 1968, the date of the establishment of OAPEC. The main purpose of this committee was to collect information and conduct analyses to prepare a common oil policy.

In 1953, the Experts Committee submitted three decisions to the Political Committee of the Arab League, which are considered the framework for a real Arab oil policy:

- Establishing a permanent petroleum council at the headquarters of the Arab League.
- Exchanging information and statistics on oil in member states, pending the establishment of a specialized body to collect and publish them.
- Taking the necessary measures to establish new refineries and national companies to distribute petroleum products.

The Experts Committee gradually developed and recommended the establishment of a "Permanent Petroleum Office" in January 1956, which became in January 1959, the "Department of Oil Affairs" to assist the "Experts Committee," especially in collecting all information about Arab countries and the oil companies operating in them.





• 2nd Energy Conference, Doha 1982

### **ARAB PETROLEUM CONFERENCES**

contributed Petroleum Conferences significantly to spreading the idea of establishing specialized oil organizations. At the first Arab Petroleum Conference held in Cairo in 1959, attended by delegates from Iran and Venezuela, the idea of establishing a permanent body to coordinate oil production, refining, transportation, and marketing operations was proposed for the first time. The producing countries organize the oil policy among themselves. There is nothing to prevent cooperation with other oil-producing countries in the world that share the same conditions with Arab countries, such as Iran and Venezuela, taking into account the common interest and the international market situation.

A few months later, the Baghdad Conference was held, initiated by Saudi Arabia and Venezuela in particular. This conference witnessed the establishment of the Organization of the Petroleum Exporting Countries (OPEC) on September 14, 1960. The first Arab Petroleum Conference focused on the legal aspects of a very important issue, which is concession agreements. This was something new that raised doubts among major oil companies,

which received with resentment one of the views that "the host country's government can amend concession agreements, especially if the obligations derived from them affect the freedom of action in areas or matters related to the welfare and happiness of the country." Special emphasis was placed on the right of countries to control the exploitation of their natural resources in general, especially mineral resources, and to directly carry out exploration, production, and exploitation operations, according to the public interest of the peoples in the producing countries.

The tendency of oil prices to decline during 1959 and 1960 was decisive, prompting several Arab producing countries to agree on the need to coordinate with other oil-producing countries to confront major international oil companies. However, on the political level, it was necessary to consider that OPEC, which includes among its members non-Arab countries such as Iran and Venezuela, was not the appropriate means to exert any political pressure in favor of purely Arab causes. OPEC emerged as an organization that clearly defined its objectives and focused on demands that did not acquire a political character.





 Signing ceremony of OAPEC establishment agreement by Their Excellencies the Ministers of Oil and Petroleum of the Organization's founding countries, Sheikh Ahmed Zaki Yamani (Kingdom of Saudi Arabia), Mr Abdul Rahman Al Ateeqi (State of Kuwait), Mr Khalifa Ali Musa (State of Libya) (then Kingdom of Libya).

It became clear that the establishment of an Arab oil organization was inevitable to achieve Arab economic integration, starting with oil, to use it as a deterrent in defending Arab rights. However, the idea of establishing an Arab oil organization, which went through various developments due to the lack of approval from some producing countries, was not realized until the fifth Arab Petroleum Conference held in Cairo from March 16 to 23, 1965. The Egyptian General Petroleum Corporation was tasked with preparing a study on this subject to be presented to the member states in the form of a draft agreement. This study, presented to the Arab League Council on January 25, 1969, was subject to various observations mainly related to the role of oil in the context of economic integration and the unification of the Arab homeland and its use as a political weapon. Thus, this project was neglected after that due to its non-approval, as Arab oil, in the meantime, under the pressure of events, ceased to be a means and became a stake in the Arab political theater. Therefore, a major project at that time did not see the light.

## ESTABLISHMENT OF THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)

The 1970s witnessed the establishment of several Arab organizations in various aspects of economic and financial activity, most of which are affiliated with the Arab League and have varying degrees of relationship with it. Unlike the specialized organizations established within the framework of the Arab League, OAPEC is an Arab governmental organization that was not established within the framework of the League. It is limited in membership to oil-producing countries. Among the various objectives entrusted to it by its members, which focus on protecting their legitimate interests and encouraging cooperation among them, it has a distinctive character compared to other organizations, especially those in the Third World countries.

OAPEC was established in 1968 to include Arab oil-producing countries, which today number ten, at a time when there was another specialized international organization, OPEC, established in 1960, in which some Arab oil-producing countries are members. The purpose of establishing OAPEC was to create and develop cooperation among the countries that formed it due to continuously





11th Energy Conference, Marrakech, 2018

evolving international and regional pressures.

The nationalization measures taken by Algeria and Libya, and then Iraq, during 1971 and 1972, and the participation agreements concluded by the Gulf countries later, radically changed the relationship between producing countries and international oil companies, resulting in the modification of the relationships that had existed between Arab countries and industrial countries. Oil became a real stake and an effective factor on the international level after it had previously been used merely as a means within a specific strategy.

It was no coincidence that OAPEC was established on January 9, 1968, after the June 1967 war, when voices were raised calling for the use of oil as a weapon. When the Arab Petroleum and Economic Ministers Conference was held in Baghdad on June 5, 1967, just before the conflict began, one of the five proposed points was to stop direct and indirect oil exports to countries supporting what is known as Israel. It can be said that the idea of keeping oil away from politics by establishing a specialized Arab organization that includes major producers at that time arose in the atmosphere of heated discussions that took place during the Baghdad Conference.

Thus, immediately after the conflict, Arab oilproducing countries decided to impose an embargo against the United States, West Germany, and Britain as a punishment for their support of Israel. However, the producing countries soon realized that such a measure was ineffective, and it became clear to some that stopping oil exports would affect the economies of the producing countries themselves more than it would punish the countries subjected to the embargo.

Therefore, the establishment of OAPEC followed the Arab summit conference held in August 1967 in Khartoum, where the heads of the participating countries were forced to accept the arguments presented by major producing countries such as Saudi Arabia, Kuwait, and Libya, which from the beginning did not favor using oil as a weapon. They took into account Egypt's urgent financial aid demands, which could not be met without resuming oil production. Consequently, it was decided to lift the embargo and provide the frontline countries with financial assistance that was considered substantial at the time.

When these three producing countries saw that OAPEC began to engage and immerse itself in the field of production and pricing policy during its fourteenth meeting held in Vienna in November 1967, they resorted to forming a specialized organization that operates away from politics, unlike the situation within the framework of the Arab League, where producing and non-producing countries, for obvious and objective reasons, did not have the same view regarding the use of oil



for purely political purposes. However, this view of matters did not, at that time, anticipate what might result from the reality of geopolitical geography.

When OAPEC was established in January 1968, it consisted of only three founding countries: Saudi Arabia, Kuwait, and Libya. At first, it seemed like an organization dominated by these mentioned countries. However, this situation did not last long because the events that the Middle East region experienced, in particular, had their resonance in all Arab countries, including some effects on political systems. In September 1969, the monarchy in Libya fell, resulting in the end of the political harmony that existed among the founding countries and opening the door for other countries to join, knowing that the organization's agreement did not initially prevent this if certain conditions were met.

The question that was raised at the time was whether the organization would remain despite the political divergence that occurred among the countries that established it. The primary goal of OAPEC at its inception was to create an institutional framework for a group of Arab countries that did not agree with the increasing politicization of oil, especially following the Suez campaign and during the conference held in Baghdad in 1967, and the new directions that OAPEC seemed to be heading towards.

The Organization of Arab Petroleum Exporting Countries (OAPEC) demonstrated remarkable resilience and adaptability after a sudden change in its composition. Despite potential challenges, the organization managed to adjust to the new situation and continued its path of success. Today, it remains on this path.

It was possible to imagine a rupture in the Organization of Arab Petroleum Exporting Countries (OAPEC), or at least its freezing, following the sudden change in its composition. However, this did not happen. Instead, wisdom and common interests prevailed, and the organization managed to adapt to the new situation and continue its long path, achieving more success despite difficulties and obstacles. Today, it is still moving forward on this path.

After ten years of its first successful test, OAPEC has shown real flexibility and a great ability to adapt, especially for a newly established organization in the third world. The changes in its composition allowed several countries to join in two successive stages by easing the original acceptance conditions.

### **AMENDMENT OF ARTICLE 7 OF THE CHARTER:**

Article 7 of the OAPEC Charter set the basic



conditions for joining the organization, such as oil being a "primary source" of national income for the Arab state. The candidate state must also accept the provisions of this agreement and any amendments to it. Finally, the Council of Ministers must approve the membership by a three-quarters majority, including all founding members' votes. This meant there was a distinction between oil-producing countries based on the significance of oil in their national income.

To avoid dismantling the organization, a dual compromise was necessary to maintain a suitable balance among member states, especially the founding ones. Thus, Iraq's acceptance was coupled with the acceptance of Egypt and Syria. Given that Egypt and Syria, unlike Iraq, were small producers, it became necessary to amend Article 7 so that oil did not have to be a primary source of national income. This amendment allowed OAPEC to overcome a severe crisis in 1971, proving the wisdom of the Arab oil-exporting countries.





#### **NEW MEMBERS:**

The first membership request came from Algeria, supported by Libya, which took its place as a founding member. OAPEC had no choice but to open up to other Arab countries based on a compromise. Following an extraordinary Council of Ministers meeting on May 24, 1970, in Kuwait, four Gulf states (Abu Dhabi, Dubai, Bahrain, and Qatar) were accepted simultaneously with Algeria's membership.

A month later, in June 1970, Iraq, supported by Algeria and Libya, and with Kuwait's approval, formally requested to join. This issue was debated for a long time within the organization before reaching a solution based on a "compromise" formula, which later became a quasi-rule for OAPEC in such cases, allowing Egypt and Syria to join in exchange for Iraq's membership.

### **ORIGINAL OBJECTIVES:**

When OAPEC was established, it was expected to play a crucial role for its founding members, who granted it broad powers to encourage cooperation among them, limited to hydrocarbons but almost unlimited in scope and depth in this specific field.

However, these original objectives faced practical difficulties that temporarily limited their depth due to the organization's realistic approach.

### **LEGAL FRAMEWORK FOR COOPERATION:**

Oil cooperation is the main focus of the agreement establishing OAPEC, which clearly defines the conditions for this cooperation. Article 2 states that the organization's main goal is to cooperate in various economic activities in the oil industry, strengthen relations among members, and determine ways to protect their legitimate interests in this industry, both individually and collectively. It also aims to ensure fair and reasonable conditions for oil to reach its consumption markets and provide favorable conditions for capital and expertise invested in the oil industry in member countries.

The legal foundations and sectoral forms of cooperation were defined in the OAPEC agreement and other agreements achieved under the organization.

Article 2 of the agreement adds: To achieve this, the organization specifically aims to:





- Take measures to coordinate the petroleum economic policies of its members.
- Take measures to reconcile the legal systems in force in the member states to the extent that enables the organization to carry out its activities.
- Assist members in exchanging information and experiences and provide training and work opportunities for citizens of member states where such cooperation is possible.
- Cooperate with members in solving problems encountered in the petroleum industry.
- Utilize the resources and joint capabilities of the members to establish joint projects in various aspects of the petroleum industry, carried out by all members or those who wish to do so.

Under Article 2, paragraph (e), the Organization of Arab Petroleum Exporting Countries (OAPEC) utilizes the resources and joint capabilities of its members to establish "joint projects" that can be carried out by all members or those who wish to do so. Additionally, under Article 5 of the agreement, the organization may enter into

agreements with members, other countries, unions of states, or international organizations, particularly agreements to establish joint projects in various economic activities in the petroleum industry.

This means that the organization, under Article 2, limits its role to encouraging and organizing cooperation among members willing to participate in these projects. However, unlike treaties establishing other international organizations, the OAPEC agreement does not specify the nature of joint projects or the legal form they should take in Articles 2 and 5. The agreement's silence on this matter leaves some freedom for the organization and member states regarding cooperation methods and legal forms.

It is noteworthy that forms of cooperation are not uniform. For example, the Arab Petroleum Training Institute, an institution with legal personality and an independent system based in Baghdad, was established by a decision of the organization's Council of Ministers. Conversely, member states chose to organize cooperation among themselves in the field of hydrocarbons in





the form specified in Article 2, paragraph (e). This form allows them to create a cooperation tool, considered a legal and financial unit with autonomy and maintaining extensive and close relations with OAPEC, thus keeping the organization out of purely commercial activities and maintaining it as a political framework for planning, guidance, and follow-up.

On this basis, the Arab Maritime Petroleum Transport Company, the Arab Shipbuilding and Repair Yard Company, the Arab Petroleum Investments Corporation, and the Arab Petroleum Services Company were established. These Arab companies emerged from OAPEC. These projects were planned by OAPEC, which prepared studies in cooperation with experts from member states. The agreements establishing these companies were prepared by the organization's General Secretariat and were continuously monitored until they were signed at the Council of Ministers level and ratified by member countries.

Thus, member states were provided with the necessary tools to start and develop continuous cooperation among themselves in the vast and diverse field of oil and gas. Now, it remains to define the scope of joint work in this vast field, which will be implemented based on the principle of equality in sovereignty, the cornerstone of all cooperation, taking into account the specific capabilities of each member.

It is striking to note that an organization like OAPEC, with the requirements of international legal personality, institutional framework, and decision-making authority, did not begin to perform its primary function of cooperation among its members until 1970, fully and effectively undertaking it from 1973. Legally, the old concession system imposed a real constraint on the sovereignty of member states over their natural resources. However, this constraint began to partially disappear from 1971 following the Tehran agreements between producing countries and oil companies. Oil-exporting countries regained full legal sovereignty over their resources only in 1973 when they ended joint sovereignty over hydrocarbons and decided to set oil prices themselves. Financially, the oil price adjustments in October 1973 enabled Arab oil-producing



countries to obtain sufficient revenues to provide the necessary investments for joint projects, thus strengthening cooperation among them.

Finally, the completion of the organization's structure and the appointment of a dynamic official at the head of the General Secretariat, with a clear vision and understanding of the real potential of the Arab world, and enjoying the trust and respect of all representatives of Arab countries, whether at the executive office or the Council of Ministers level, had the greatest impact on advancing the organization's work towards joint achievements.

#### **ACTIVITIES DURING THE EARLY STAGES:**

On January 9, 1968, the agreement establishing OAPEC was signed in Beirut, Lebanon. After completing the ratification procedures, the agreement came into effect on September 1, 1968. The first Council of Ministers meeting was held in Kuwait on September 9, 1968.

From October 14, 1968, during the first

ministerial meeting, important decisions were made, marking the real start of the organization's activities. Members of the executive office and the first assistant secretary-general were appointed, and some immediate appointments were made for the general secretariat.

The organization introduced itself by distributing its establishment agreement in Arabic and English to relevant petroleum authorities in Arab countries and international organizations. The agreement was registered with the United Nations on July 8, 1969, in cooperation with Kuwait's Ministry of Foreign Affairs.

The Council of Ministers and the executive office meetings are among the most important meetings held by the organization, where work plans are discussed, decisions are made, and recommendations and directives are issued. Since its establishment, OAPEC has held 113 ministerial council meetings and 172 executive office meetings.

The organization has been concerned with





coordinating petroleum policies from the beginning. In the first Council of Ministers meeting, it was agreed to coordinate the positions of member states. In its third meeting, the Council decided to support the Libyan government in raising its oil prices to a fair level that matches the characteristics of Libyan oil and its geographical location.

In the second extraordinary ministerial meeting, the Council formed a ministerial committee from Libya, Saudi Arabia, and Kuwait to follow up and implement the OPEC decision to support Iraq's nationalization of the Iraq Petroleum Company operations. The Council also supported Libya's significant step of nationalizing 51% of some oil companies operating in its territory, warning entities and countries taking measures against this nationalization and holding them fully responsible for their actions.

During the period (1971-1974), joint Arab projects in the oil sector were established among member countries to benefit from their resources and capabilities, create a suitable climate for capital investment, and utilize available expertise and qualify it. The Arab Maritime Petroleum Transport Company, the Arab Shipbuilding and Repair Yard Company, the Arab Petroleum Investments Corporation, the Arab Petroleum Services Company, and the Arab Oil Training Institute were established. On October 17, 1973, eleven days after the outbreak of the October War, Arab oil ministers decided in their meeting in Kuwait to reduce their oil production by 5% from the September production level, and an additional 5% each subsequent month until the withdrawal from the Arab territories occupied in the 1967 war.

On April 12, 1974, an agreement was reached among the members of the organization's council of ministers during their meeting in New York to assess the situation of Arab oil-importing countries in need of assistance to alleviate their financial burdens. OAPEC was tasked with preparing a working paper outlining the actual needs of these countries for the year 1974. In the fourth extraordinary meeting on June 2, 1974, the council





decided to allocate a minimum of \$80 million for assistance in 1974, with the possibility of continuing this assistance in the coming years based on need and circumstances. The Arab Fund for Economic and Social Development was entrusted with managing the special account for the contribution amounts, which were distributed to several Arab oil-importing countries in need of assistance according to the principles agreed upon between the general secretariat and the fund. In 1975, the same amount was decided to be paid, but the collected amounts were less than the stipulated amount. In the sixteenth meeting in 1976, the council decided to refer this matter to the finance ministers for consideration, who in turn decided not to repeat this assistance, especially since the OPEC Fund had been established.

The general secretariat began attracting Arab talents to achieve its goals following the radical changes in the oil sector in terms of ownership and management in operating oil companies, in light of new circumstances, global and Arab events and developments, especially in the second half of 1973, particularly in the field of price correction and the subsequent media attacks on Arab oil countries and threats to strike the oil interests of member countries. The general secretariat proposed some ideas focused on the necessity for member countries to develop their economic policies, preserve their oil wealth, and maintain the oil market as a seller's market to protect this wealth. The general secretariat also began to pay attention to the energy sector in general since 1973 based on the directives of the council of ministers, initially represented by studies of energy alternatives.

In May 1977, the council of ministers approved the holding of an Arab energy conference that includes all Arab countries and is not limited to the member countries of the organization. The conference aims to create an institutional framework for Arab thought on energy issues to develop an Arab vision on them, coordinate relations between Arab institutions working in the energy field, and link them to the issue of development. The first conference was held in March 1979 under the supervision of the Organization of Arab Petroleum Exporting Countries and the Arab Fund for Economic and Social Development. Thus, the comprehensiveness of the conference for Arab countries and the linking of energy to development through the comprehensive goals of the two institutions were achieved.

Based on the approval of the council of ministers, an annual seminar named "Oxford Energy Seminar" was held in 1979 in cooperation with St. Catherine's College, St. Antony's College, and the Middle East Studies Center at Oxford University, and the Organization of the Petroleum Exporting Countries (OPEC).

After the council of ministers approved decision No. 25/4 to establish the Oxford Institute for Energy with Oxford University in the UK with the participation of other parties, specializing in the political, economic, and social aspects related to energy problems with a focus on developing countries, and following up on technological developments in the fields of new and renewable energy sources, the general secretariat, in cooperation with the mentioned university, developed a vision for the establishment of this institute, where the final draft of the founding contract and its statute was prepared, and it was established on October 11, 1982.



#### **MEDIA ACTIVITY**

The organization's media activity began in late 1969 when the public relations department of the organization presented a radio program in cooperation with Kuwait Radio titled "Petroleum and Life," from which 33 episodes were broadcast. In the sixth meeting of the council of ministers held on December 26, 1970, it was decided



to form a ministerial committee from Saudi Arabia, Algeria, Bahrain, and the general secretariat to study the issue of media. The mentioned committee met in Bahrain on March 30, 1971, and recommended that the general secretariat be authorized to select a global company to develop a comprehensive media work program. When the required program was presented, the council decided to overlook it due to its high cost.

In 1975, the organization began establishing the foundations of a specialized and studied media activity after the approval of a media plan. In 1976, the general secretariat presented a media program that ensures the continuity of work in this activity and provides flexibility in improving and adding to it. This program was adopted by the council of ministers in the sixteenth meeting. The publishing and distribution activity began in 1974, including the







printing of many books and the issuance of various periodicals:

- The issuance of the annual report of the secretary-general starting from 1974.
- The issuance of the annual statistical report on the oil industry starting from 1974.
- In 1975, the "Monthly Bulletin" was issued in both Arabic and English to present the organization's perspective on many energy issues.
- In 1975, the quarterly magazine "Oil and Arab Cooperation" began to be published, aiming to contribute to raising awareness about the relationship between the oil and energy sector.
- In 1978, the bi-monthly "Broadcast Bulletin" was issued, covering various topics on energy, oil, development, investments, and joint Arab projects.
- In 1981, the "Follow-up on Energy Sources Activities Arab and Internationally" bulletin was issued, covering energy sources activities, petroleum activities, and news of new technology related to alternative energy sources, both Arab and international.
- In 1983, the audiovisual equipment unit was established, covering some of the organization's activities by filming official and important events on various occasions, making video tapes of some important conferences and meetings, and regularly documenting these activities.

The organization's library, from 1968 to 1973, included a collection of periodicals and books based on the Library of Congress classification system. In 1974, the foundation for the library was established, and the foundations for organizing the



library were laid. The process of registering all incoming publications to the library and cataloging and classifying books according to the Universal Decimal Classification system began. The library separated from the economic administration in 1979 and became known as the Library and Documentation Unit. At the end of 1980, the library administration developed a comprehensive plan to modify the existing system.

A basic database was prepared using the electronic computer of the Kuwait Institute for Scientific Research. Since 1974, the organization has paid attention to training and developing the workforce and has organized many training courses, seminars, and scientific meetings of common interest to member countries. Since 1977, cooperation and coordination between the organization and the emerging companies have begun based on directives from the executive office and the council of ministers, with semi-annual meetings held with the Arab companies emerging from the organization and the Arab Oil Training Institute.



The organization has been keen to establish close cooperation relations with non-member Arab countries, Arab organizations, and some Arab institutions and unions. It seeks to achieve

this through communications, visits, providing technical, training, and financial assistance, or holding Arab energy conferences. Below is a brief overview of the organization's relations with Arab organizations:

- Since its establishment, the organization has been interested in strengthening its relations with Arab organizations through direct cooperation with each of these organizations by preparing studies, holding joint seminars, and through the coordination committee between the League of Arab States and the working bodies within its scope and Arab organizations. Since the establishment of this committee in 1974, the organization has contributed from the beginning to defining the rules and procedures for an integrated coordination method on a sectoral basis, and the committee still applies it to this day.
- Communications between the organization and the Gulf Cooperation Council (GCC) began with a meeting at the organization's general secretariat headquarters in Kuwait on December 25-26, 1983.
- The organization cooperates with the Arab Fund for Economic and Social Development in preparing for the Arab Energy Conference and in preparing the unified Arab economic report.
- There is cooperation with the Arab Monetary Fund in preparing the unified Arab economic report, the first issue of which was published in 1980.
- The organization's general secretariat has been in contact with the European Economic Community since its early years. In 1974, based on an initiative from the community, these contacts were activated, represented by the exchange of visits and views on various energy issues, especially oil and postproduction industries.







Regarding the organization's activity in the Arab-European dialogue within the framework of the League of Arab States, which began after the October War of 1973 and the accompanying correction of crude oil prices, the organization, under the guidance of its council of ministers, has been keen to contribute with Arab organizations in preparing for this dialogue, which the council supported and decided that the organization's effort in this regard should be an advisory technical role.

The relations between the sister organizations OAPEC and OPEC are based on the exchange of information, participation in seminars held by each of them, the exchange of publications and visits, and cooperation in areas

that align with the nature and purposes of each.

The organization has participated in the World Energy Conference since 1974, contributing papers that specifically address the energy and development situation in Arab countries since 1977. The organization also attends the conference's executive council meetings as an observer and participates in the executive committee meetings. The organization also is a member of the committees on energy conservation, energy terminology, and energy problems in developing countries.

The general secretariat has been keen to strengthen its ties with some prestigious scientific institutes, exchange information, and cooperate with them in the field of energy. These institutes include the French Petroleum Institute, the International Gas Institute, the Japan Cooperation Center for the Middle East, and the Italian company Eni.

The organization attends the general assembly meetings of the Islamic Development Bank as an observer, and the organization's secretary-general participates as a member in the meetings of the board of directors of the Islamic institutions for science, technology, and development.

### PREVIOUS DELIBERATIONS ABOUT ACTIVATING THE ORGANIZATION'S ACTIVITY

The council of ministers had previously studied the subject of the organization's work and activity in light of the economic and financial conditions experienced by member countries in the mid-1980s, due to the sharp decline in oil prices, which required an evaluative pause for the organization's performance. The council of ministers concluded to form a ministerial committee by its decision No. 3/38 on June 10, 1987, with the purpose of searching for the most effective ways to ensure appropriate activity for the organization and to outline the organization's work plan for the years 1985-1989.

The ministerial committee meetings continued until the end of 1987, where it presented its final report on the tasks that the organization would undertake, the capabilities employed for that, and the estimated cost of these tasks in light of what member countries could commit to in the organization's budget. The recommendations adopted by the council of ministers were as follows:

- Developing the information bank.
- Enhancing joint projects.
- Continuing cooperation with non-member Arab countries.
- Focusing on and encouraging scientific research.

The organization continued throughout the past decades to carry out its tasks in light



of what the council of ministers decided at the end of 1987 within the framework of the four axes defined by the council. This resulted in a clear reduction in its budget and, consequently, in its activity, and in the development of the workforce and human resources.

After that, a proposal emerged calling for the amendment of the organization's institutional system, presented by the general secretariat, to become an Arab energy organization. It was then decided that the matter was premature, in addition to the fact that the existing cooperation between the organization and other Arab countries through energy conferences and coordination between other Arab organizations was considered sufficient.

It did not take long for member countries to experience economic conditions in the mid-1980s, necessitating a reduction in the organization's activity. After nearly two

decades, a desire was expressed by the esteemed ministers to activate and revitalize the organization's work.

The council of ministers directed the executive office and the general secretariat on more than one occasion to activate the organization's activity, forming a working group for this purpose, and identifying areas that could achieve the activation goals. The most recent of these was during the periods 2004-2006 and 2010-2011.

The esteemed ministers expressed their desire to activate and elevate the organization's activity to achieve the intended goals of its establishment at the "73rd" council of ministers meeting held on December 11, 2004, in Cairo.

In the "74th" council of ministers meeting at the delegate level, held on May 23, 2005, the attendees agreed to study the initial proposals and ideas presented by some member countries, and any ideas that might be proposed during the working group's meeting, and to define the frameworks and methodologies necessary for this activation in line with the goals contained in the organization's establishment agreement and the council of ministers' decisions.

The council of ministers issued a decision to form a working group from the executive office members to study the proposals and ideas received by the general secretariat from member countries and any proposals that might be presented during the working group's meeting, aiming to find the most effective ways to activate the organization's activity.

Based on the directive of the organization's Council of Ministers in its 73rd meeting held in Cairo in December 2004 to form a working group to consider methods and ways to activate the organization's role and develop its work, in line with new regional and international circumstances and data, and according to the esteemed council's decision No. 3/74 held in Cairo on May 13, 2005. During the first meeting of the working group to activate the organization's activities held on September 24-25, 2005, in Cairo, the working group reached the following recommendations:

- Develop the level of follow-up and participation in international petroleum events.
- Encourage joint projects in line with international economic changes.
- Continue holding coordination meetings between member states in the fields of natural gas, training, and the environment, among others.
- Pay attention to scientific research and its applications through holding coordination





meetings between Arab energy research centers.

- Encourage energy research within the framework of the OAPEC scientific award.
- Continue developing and updating the information bank.

The executive office, in its 113th meeting held on December 11, 2005, recommended that the Council of Ministers of the organization have the General Secretariat discuss with the executive office to reach a unified vision that can outline the additions required for the General Secretariat's cadre and the budget needed for this to present it to the Council of Ministers in a subsequent meeting.

In the 114th meeting of the executive office, Cairo – June 3, 2006, the General Secretariat prepared a detailed memorandum that included the proposals of the working group previously tasked by the Council of Ministers to present proposals leading to the activation of the organization's activities. The General Secretariat discussed this with the executive office in the aforementioned meeting, and the extensive discussion led to an agreement between the office and the General Secretariat to identify the areas that can achieve the targeted activation, as follows:

The General Secretariat should continue its participation in petroleum events and international environmental forums, including the United Nations Framework Convention on Climate Change, the Kyoto Protocol, and follow up on what is happening in the World Trade Organization.

The General Secretariat should continue holding coordination meetings in the fields of gas, training, and the environment, among others.

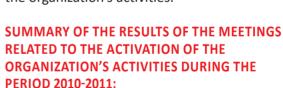
Pay attention to scientific research and its applications through holding coordination meetings between energy research centers.

Continue cooperation with the executive office in developing and improving the level of the scientific award in terms of the topics presented for competition.

The General Secretariat should continue developing and updating the information bank in cooperation with the executive office.

The Secretary-General presented during the 77th meeting of the organization's Council of Ministers, Cairo – December 2, 2006, a memorandum regarding the discussions that took place between the General Secretariat and

the executive office regarding the activation of the organization's activities.



In line with the directives of the esteemed Council of Ministers in its 85th meeting held on December 25, 2010, regarding the activation of the organization's activities and the work of the General Secretariat of the organization, and to explore new horizons for developing and activating its work, the council saw that the General Secretariat and member states should submit their proposals and visions based on the current situation assessment, and present the necessary proposals to address them, and define a future vision for the organization's work program, including a clear action plan and its implementation requirements.





The General Secretariat's visions and proposals for activation and development: Considering the objectives stipulated in the organization's establishment agreement and the directives of the esteemed Council of Ministers to activate its activities and work, the General Secretariat has developed its visions and views on the activation process through two main axes:

The first: is determined considering the currently available human and financial resources.

The second: is determined considering the General Secretariat's vision and perception of activating and developing its activities if approved and agreed upon.

### THE FIRST AXIS – CONSIDERING THE CURRENTLY AVAILABLE HUMAN AND FINANCIAL RESOURCES:

The General Secretariat, within the framework of the tasks that fall within its competencies according to the organization's establishment agreement and considering the currently available human and financial resources, can activate its activities and intensify its work as follows:

- Develop the level of follow-up and participation in petroleum and energy events and international environmental forums.
- Increase cooperation between member states in the organization and hold coordination meetings to achieve this cooperation in various fields.
- Increase cooperation in the field related to energy at the international level and international forums, especially in matters related to energy economics of all kinds.
- Increase the level of cooperation between the organization and petroleum research centers in member states and exchange information between petroleum research centers in member states with the participation of the General Secretariat.
- Develop and increase economic and technical studies, by working on preparing studies related to the petroleum industry, preparing
- models for them, and the role of oil in the financial policies of member states.
- Work on supporting and developing scientific research cooperation with member states.
- Develop the media field, in terms of communication with media in member states and international entities.
- Support the current workforce by filling vacant positions in the current workforce.
- Intensify bilateral relations with institutions and organizations concerned with oil and energy.

In implementation of the esteemed Council of Ministers' decision No. 3/103 dated December 22, 2019, regarding the development and activation of the organization's activities, the executive office members held the first meeting at the end of February 2020, aiming to present several proposals that would develop the organization's work, covering 12 areas, including:

 Activate the role of the General Secretariat of the organization and the Arab companies emanating from it in a way that would contribute more to enabling these companies







to play a greater role in line with the purpose for which they were established.

- Activate and enhance scientific research and develop a methodology to be more comprehensive on various energy sectors and their impact on hydrocarbon resources in member states.
- Anticipate the future regarding the contribution of the petroleum, gas, and petrochemical sector to the national economy of member states and how to enhance this role and provide directions to address the challenges it faces.
- Develop a scientific model for energy policies to enable the organization to play a
  greater role in enhancing the capabilities of member states to develop their energy
  policies.
- Activate the organization's role in training.
- Review the OAPEC scientific research award policy (system).
- Coordinate the positions of member states and other countries regarding climate change negotiations and the resulting commitments.
- Increase the organization's interest in natural gas and hydrogen in terms of production and consumption.
- Activate the partnership between the organization and the Oxford Institute for Energy Studies.
- Activate the organization's role as a consulting entity regarding the oil, gas, and hydrogen sector.
- Reconsider how to organize the next Arab Energy Conference.
- Hold the organization's ministerial council meetings before the OAPEC meetings.

## Other proposed areas by the General Secretariat to develop and activate the organization:

- Develop the information bank and activate its role.
- Develop and activate the role of the media.

The Secretary-General should present a proposal to develop the organizational structure of the General Secretariat, and the human resources required to implement the abovementioned tasks.

After the General Secretariat studied the executive office members' proposals regarding the activation and development of the organization, and through what was presented and proposed in the first item, it saw that most of the proposals could be implemented, as





### follows:

- Within the approved organizational structure of the General Secretariat: by gradually
  filling the vacant positions in the organizational structure and making some internal
  adjustments to the organizational structure to align with the implementation of all
  the submitted proposals.
- Reconsider the approved organizational structure, where a new organizational structure for the General Secretariat is prepared, which will result in new financial burdens added to the General Secretariat's budget.
- Prepare a comprehensive and detailed study that includes the required human resources and financial commitments and the extent of the impact of items 1 and 2 on the end-of-service fund.

### **LATEST DEVELOPMENTS:**

- The project to develop the work of the Organization of Arab Petroleum Exporting Countries (OAPEC) and restructure it.
- The esteemed Council of Ministers' decision No. 9/109 dated December 12, 2022, regarding the development of the work of the Organization of Arab Petroleum Exporting Countries (OAPEC) and its restructuring.
- In implementation of the esteemed council's decision, member states named their representatives in the specialized committee concerned with developing its initial vision for the development of the organization's work and its restructuring referred to in Article 1 of the same decision.
- On May 28, 2023, a decision was issued to form the committee chaired by Dr. Sheikh Mishaal bin Jaber Al Thani, then the decision to form the committee was amended on May 31, 2023, naming Advisor Adel Faraj Jibril as the committee's chairman, with the General Secretariat assigned the tasks of the secretariat (rapporteur) for the committee's work.
- The committee held several meetings via video conferencing, starting from April 13, 2023, during which the member states' unified views on their initial vision for the development of the organization's objectives and restructuring were unified.
- On July 27, 2023, the report was approved by the committee chairman, which included the committee's work, outputs, and recommendations on the development and restructuring process.
- Upon the approval of the report by the committee members on August 31, 2023, it was referred with its attachments to the executive office for the appropriate decision.
- During the 167th meeting of the executive office held in Kuwait on October 26,



OAPEC Council of Ministers' 109 Meeting





THE 164TH MEETING OF OAPEC EXECUTIVE BUREAU, STATE OF KUWAIT

2023, the office issued its recommendation No. (K 167/2023 - W) which included the following:

**First:** Approve the specialized committee's report, which includes its initial vision for the development of the organization's work and restructuring.

**Second:** Assign the General Secretariat to take the necessary measures to launch a limited tender to specialized consulting offices to prepare a study for the development of the organization's work and restructuring, and present what has been done in this regard at the next meeting of the office, to raise the appropriate recommendation regarding determining the mechanism for evaluating technical and financial offers and deciding on them, and informing the esteemed council of the latest developments related to the implementation of decision No. 9/109 at its next meeting.

On November 7, 2023, the General Secretariat received the proposals and views of the Kingdom of Saudi Arabia regarding the development of the organization's work and objectives and its restructuring, which were consistent with the unified views document of the member states, and included a proposal to include the international law firm White & Case in the list of consulting companies that will be invited to participate in the tender, in addition to the draft proposed amendments to the provisions of the organization's establishment agreement.

On November 9, 2023, the General Secretariat referred the proposals and views of the Kingdom of Saudi Arabia to the chairman of the specialized committee for consideration in the development of OAPEC's work and restructuring, who in turn submitted the report to the executive office, and as a result, the committee was invited to hold a meeting to discuss the proposals and views, with the aim of integrating the views that were not included in the final approved report, and accordingly, it was agreed to take the following:

- 1. Approve the Kingdom's proposals and integrate them with the unified views of the member states, and add them to the final approved report.
- 2. Assign the General Secretariat's working group to make the necessary amendments to the tender specifications and all documents related to the committee's work in light of the approved additions, with the committee chairman referring the report and all its attachments in the final form to the executive office.
- 3. Utilize the proposed amendments document from the Kingdom of Saudi Arabia regarding the provisions of the organization's establishment agreement when reaching that stage.
- 4. The General Secretariat should take the necessary measures to launch the tender to the consulting companies that have been identified, including the company nominated by the Kingdom of Saudi Arabia, in accordance with the executive office's recommendation No. (K 2023/167 W) issued at the 167th meeting of the office held



in Kuwait on October 26, 2023.

On December 11, 2023, the esteemed Council of Ministers issued decision No. 3/111 during its 111th meeting regarding direct contracting with the consulting firm White & Case to prepare the study related to the development of the organization's work and restructuring.

Several meetings were held with the consulting firm via video conferencing, during which the study requirements were discussed according to the scope of work included in the specialized committee's report on its initial vision for the development of the organization's work and restructuring approved by the Council of Ministers.

**On March 18, 2024,** the contract was signed between the organization and the consulting firm, and the timeline for implementing the required study was agreed upon.

On March 24, 2024, the General Secretariat team and the consulting team held their first meeting, during which the commencement of work was announced, and the strategy, plan, and work mechanism were discussed. They agreed on the project timeline, which is set to last 11 weeks from the start date of March 24, 2024.

On June 10, 2024, the Executive Office discussed the final report of the second phase of the study project during its 170th "extraordinary" meeting and issued its recommendation No. (K 170/2024 - 4) regarding the adoption of the preliminary report after adding the amendments and recommendations made by the office.

The General Secretariat referred the comments and amendments to the report to the consulting office for implementation. Consequently, the General Secretariat held several meetings with the consulting office team to discuss the report after the amendments and to emphasize the need to complete the study in its final form according to the specified timeline.

On June 18, 2024, the General Secretariat referred the final report for review and called for two extraordinary meetings at the executive office and ministerial council levels, which were scheduled for June 23, 2024, to discuss the report and approve its outcomes.

Based on comments from the Kingdom of Saudi Arabia, the two aforementioned meetings were postponed to allow the General Secretariat to refer the comments to the consulting office for implementation.

The comments from the Kingdom of Saudi Arabia included specifying a clear methodology for the priorities to be adopted in the study by dividing the study and implementation phases into two main stages. The first stage involves completing the necessary legal aspects to ensure the smooth and effective restructuring process, aiming to ensure full compliance with the national legislations of the member states and avoiding any future obstacles. Following this, the second stage begins, which includes adopting and implementing the final report, focusing on the targeted operational model and activating the strategic initiatives mentioned in the report, ensuring the organization's transformation towards its new structure.

After providing the consulting office with the comments from the Kingdom of Saudi Arabia, the General Secretariat held several intensive meetings with the consulting office, during which the required amendments were discussed and mechanisms for their application within a specified timeframe for each stage were determined to ensure adherence to strategic objectives.

The General Secretariat, in collaboration with the consulting office, worked quickly to finalize the draft final report for the second phase, which focuses on the organization's new operational model and activating the proposed strategic initiatives. During the meetings, the necessary steps for applying the targeted operational model were identified, with a focus on providing the necessary resources and developing follow-up mechanisms to ensure the effective implementation of the recommendations.

**On October 10, 2024,** during the 171st meeting of the Executive Office, the draft final report for the first phase of the study project and the related legal documents were discussed, and recommendation No. (K 171/2024 - 5) was raised to the Council of Ministers for approval of the draft final report of the consulting office in preparation for the adoption of the draft final report for the second phase. The General Secretariat was tasked with





• OAPEC EXECUTIVE BUREAU HOLDS ITS 171ST MEETING, STATE OF KUWAIT

preparing the final drafts of the new operational model and the regulations and systems mentioned in the study related to the second phase, according to the updated strategic objectives.

The Executive Office directed the General Secretariat to refer the initial draft of the legal documents for the implementation of the first phase of the project for review and to provide the General Secretariat with comments and amendments if any.

The Executive Office recommended that the Ministerial Council task the General Secretariat with preparing the final draft of the legal documents after adding the comments and amendments received from the member states, in preparation for presenting them at the next council meeting for approval, and then ratifying the proposed amendments to the provisions of the founding agreement and the protocol of immunities and privileges of the organization and its employees from the legislative authorities in the member states.

In implementation of the Executive Office's recommendation, the General Secretariat referred the initial draft of the legal documents prepared by the consulting office, focusing on the legal documents related to the implementation of the first phase of the study, including the amendments to the founding agreement and the protocol of immunities and privileges of the organization and its employees.

**On October 15, 2024,** the General Secretariat studied the (agreement, protocol) and prepared a document sent to the Executive Office, which included a comparison between the proposed texts from the consulting office and those proposed by the General Secretariat to present all views and put them before the Executive Office to raise appropriate recommendations, achieving the interests of the member states. Additionally, the documents related to the cancellation of the judicial authority protocol were sent.

On November 17, 2024, the General Secretariat received a proposal from the Kingdom of Saudi Arabia that included minor improvements in the wording of the mission (goal) and the updated strategic objectives (main and sub), included in the report after merging some objectives in a simplified manner to ensure their alignment with the organization's aspirations and the requirements of the next phase.

On November 18, 2024, the General Secretariat sent the first phase report of the study, after modifying the mission (goal), strategic objectives, and the amendments to the founding agreement mentioned in the introduction and the second article only to align with the proposed amendment, to the Executive Office for review.

The Executive Office raised its recommendation No. (K 172/2024 - D) to the Council of Ministers for approval of the final draft of the first phase report of the modified





THE 172ND MEETING OF OAPEC EXECUTIVE BUREAU PRIOR TO 113TH MINISTERIAL MEETING, 14 DECEMBER 2024, STATE OF KUWAIT

organization development project study, with the referral of the proposed names and logos for the council to decide on, and the adoption of the final draft of the amendments to some provisions of the founding agreement and the protocol of immunities and privileges of the organization and its employees, with the General Secretariat tasked with referring them to the member states to take the necessary legislative measures to ratify them. The General Secretariat was also tasked with preparing the draft report for the second phase of the organization development project study, including its vision for the plan and timeline for implementing the initiatives mentioned in it, including the new operational model and the modified and updated regulations and systems. They were referred to the office upon completion for review and to take the necessary measures for their adoption.

The historic decision of the Council of Ministers No. 2/113 was issued regarding the adoption of the final report related to the first phase of the organization development project study.

In the context of efforts to enhance the organization's role and develop its working mechanisms to keep pace with global developments in the energy sector, and after nearly two years of work since the issuance of the esteemed council's decision No. 9/109 dated December 12, 2022, the council reaped its first fruits after discussing the outcomes of the first phase report of the organization development project study to include all energy sources. The council approved a strategic step towards achieving the organization's ambitious goals to enhance its role as an Arab organization concerned with promoting cooperation in all energy fields, contributing to supporting integration among member states and enhancing the organization's position regionally and internationally. This step represents a qualitative leap in the organization's history since its establishment, as these steps were embodied in decision No. 2/113, which stated the following:

- First: Adoption of the final report related to the first phase of the organization development project study.
- Second: Changing the organization's name to "Arab Energy Organization (AEO)," reflecting its future role in enhancing Arab cooperation in all energy fields, including traditional and renewable energy sources.
- Third: Adoption of the organization's proposed logo change from the Kingdom of Saudi Arabia, with the General Secretariat tasked with exploring the possibility of making appropriate amendments in collaboration with the Ministry of Energy in the Kingdom of Saudi Arabia.
- Fourth: Adoption of the amendments to some provisions of the organization's founding





THE 113TH MEETING OF THE COUNCIL OF MINISTERS OF THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC), 15 DECEMBER 2024, STATE OF KUWAIT

agreement.

- Fifth: Adoption of the amendments to some provisions of the protocol of immunities and privileges of the organization and its employees.
- Sixth: Tasking the General Secretariat with referring to the decision to the member states to complete the necessary legal and legislative procedures to ratify the amendments mentioned in paragraphs Fourth and Fifth.
- Seventh: Tasking the General Secretariat with preparing the initial draft of the second phase report of the organization development project study, including its vision for the plan to implement the initiatives mentioned in it according to a specific timeline.

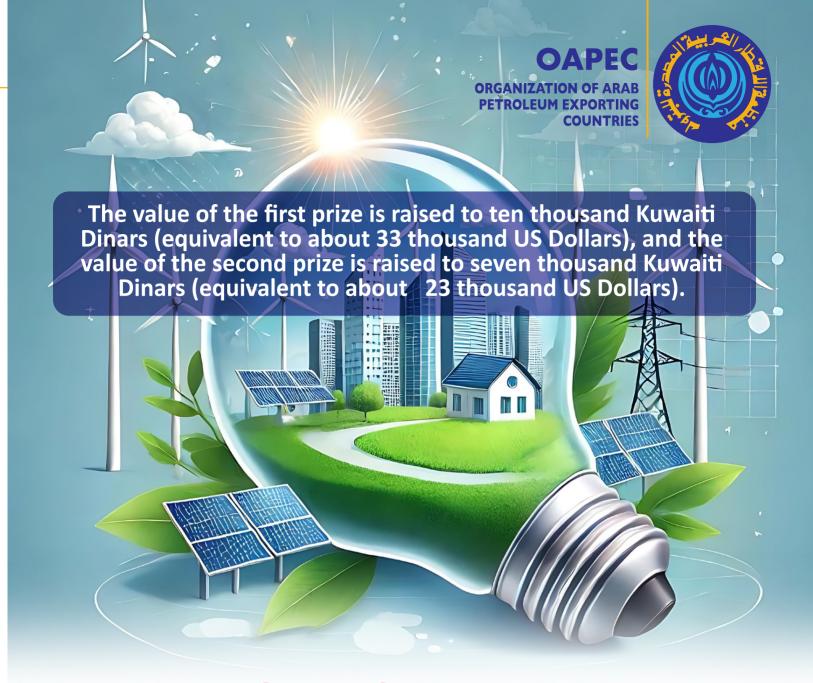
Following the signing of this decision by the organization's Council of Ministers, a press conference was held to announce the organization's new look, in preparation for the commencement of its work after the legislative authorities in the member states ratify the amendments to these legal documents.

It is worth noting that the most important amendments to the agreement included the following:

- Changing the organization's name to "Arab Energy Organization".
- Updating the main and sub-objectives of the organization to include all energy sources.
- Emphasizing the general and common sovereign interests of the member states.
- Updating the membership categories to allow new memberships for the organization from countries concerned with energy affairs, whether as full members, affiliates, or observers, according to the conditions and rules specified for each category.

Alternative dispute resolution mechanisms were approved after the cancellation of the organization's judicial authority protocol by decision No. 4/111, as its work had been suspended since 2004. The new mechanisms include arbitration, in line with international dispute resolution mechanisms.

Regarding the amendments to the protocol of immunities and privileges of the organization and its employees, the amendments did not include any substantial changes compared to the current rules. The amendments focused on clarifying and updating the terminology and enhancing the understanding of the categories of employees covered by immunities according to their job levels and hierarchy, in addition to specifying the immunities granted to each category, contributing to facilitating procedures for the Ministry of Foreign Affairs in the State of Kuwait and easing its tasks.



# **OAPEC AWARD**

OAPEC SCIENTIFIC RESEARCH FOR THE YEAR

2024

In line with OAPEC'S policy to encourage scientific research by awarding two prizes on a biennial basis (First Prize KD 7000 equivalent to USD \$23000, Second Prize KD 5000 equivalent to USD \$16000), upon the resolution number 1/169 of OAPEC Executive Bureau at its meeting dated 5 May 2024. The Organization of Arab Petroleum Exporting Countries (OAPEC) is pleased to announce that the research field selected for the "OAPEC Award for Scientific Research for the Year 2024" is:

# NEW AND RENEWABLE ENERGY

### Research Field:

New and Renewable energy plays a pivotal role in confronting global challenges such as combating climate change, achieving energy security, and promoting sustainable development, It contributes to reducing greenhouse gas emissions and mitigating the effects of global warming. It can be relied upon as a clean fuel to meet the growing demand for energy. It also contributes to stimulating economic growth, creating diversification opportunities, and encouraging technological innovation.

Enormous resources of renewable energy sources available in the Arab countries on the one hand, and successful experiences of many countries around the world in exploiting such resources on the other hand, underline the possibility of bringing about a tangible change in how to optimally use these resources in the Arab countries.

Based on these inputs, the submitted research papers can address many main topics, including, but not limited to:

- Modern technologies for producing renewable energy, including renewable energy storage technologies and smart grid technologies.
- 2. National and international policies that promote the deployment of renewable energy, including goals, incentives, legislations, laws and regulatory frameworks.
- Economic considerations, including cost trends in renewable energy technologies, and mechanisms for funding renewable energy projects (such as subsidies, tax incentives, and green bonds).
- 4. Existing infrastructure and renewable energy projects that are planned to be executed at the Arab and international levels.
- 5. Challenges facing the deployment and use of renewable energy, such as supply chain issues facing some technologies and irregular supplies.
- 6. The future outlook for renewable energy sources, and their integration into non-electricity sectors (such as transportation, cooling, and heating).





- Research may be submitted by one or not more than two researchers. Research submitted by legal entities will not be accepted.
- 2. The submitted research must be new. It must not have been published or received any award from any Arab or foreign body in the past.
- 3. The research must provide recommendations that are applicable and contribute to providing benefit to the energy industry in the Member Countries.
- 4. Research that relies on innovative laboratory work is given preferential marks in the evaluation.
- 5. The author of the research agrees in advance to grant the organization the copyright of his work in the event that he wins one of the two aforementioned awards, while retaining all his rights to the research. The Secretariat General has the right to print and publish the winning research according to what it deems appropriate.
- 6. The researcher adheres to the principles of citation in accordance with the standards of scientific and academic research.
- 7. An electronic version of the research- in both PDF and WORD format- should be submitted to the award's email address: <a href="mailto:oapecaward@oapecorg.org">oapecaward@oapecorg.org</a>
- 8. The research can be submitted in either Arabic or English.
- The participating researcher shall submit a summary of his academic and professional qualifications, in a separate file.
- Participating research works must be submitted no later than the end of May 2025. After that
  date, no research will be accepted for the purpose of the award.
- 11. Researchers of all nationalities are welcome to participate in the award.
- 12. The award will not be granted to the same researcher twice in a row.
- The research work must not contain any references or phrases indicating the researcher's name, workplace, or domicile.
- 14. Any research work that does not meet the requirements mentioned in the OAPEC Award Participants Guide attached to the announcement will be ignored.

Researchers will be notified by OAPEC Secretariat of the Award Committee's decision. The winners will be officially announced at the end of the OAPEC's Ministerial Council meeting in 2025.

For further information you may contact the OAPEC General Secretariat at:

Organization of Arab Petroleum Exporting Countries (OAPEC)
Secretariat of the Award Organizing Committee
Tel.: (+965) 24959784 - (+965) 24959763

E-mail:oapecaward@oapecorg.org



# Organization of Arab Petroleum Exporting Countries (OAPEC) OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2024

### In the Field of

### **NEW AND RENEWABLE ENERGY**

Statement of relinquishment of printing and publication rights for the research

Statement of remiquishment of printing and publication rights for the research
I, the undersigned:
Hereby undertake to relinquish all printing and publication rights of the research submitted by me entitled:
to the Organization of Arab Petroleum Exporting Countries (OAPEC), in the event of winning one of the two prizes of OAPEC Award for Scientific Research for the year 2024.
Name:
Signature:
Date: / /