

Playing a pivotal role

INTERVIEW WITH MARIA VAN DER HOEVEN

MINISTER OF ECONOMIC AFFAIRS, THE NETHERLANDS



MARIA VAN DER HOEVEN began her career as an educator in 1969, teaching first at a school of home economics and later at a junior secondary school where she subsequently became a school counsellor. She went on to become head of the Adult Commercial Vocational Training Centre in Maastricht and from 1987 to 1991 served as head of the Limburg Technology Centre. She entered politics in 1974, as a member of the local city council of Maastricht and has held cabinet positions including Minister of Education, Culture and Science and, since February 2007, Minister of Economic Affairs.

The Netherlands has played an active role in the IEF for many years, having hosted the 2004 Ministerial and participated strongly in subsequent meetings. What perspectives does the country bring to the organisation and what benefit does it derive from its participation?

I don't think there is a national benefit to be derived as such; I think the IEF and its Secretariat are very important to the improvement of transparency in production capacity, which of course has a strong international benefit for all concerned, through activities such as the Joint Oil Data Initiative (JODI). We would like to see JODI enlarged to include gas as well, and the Netherlands recently made a voluntary contribution of €100,000 to help facilitate this.

The Expert Group and High Level Steering Group of the IEF are presently preparing a paper that, we hope, will allow us to identify ways of making the IEF more structured than it has been to date. The IEF Secretariat began its existence as a rather 'lean' organisation but since then it has carved out a more prominent role for itself in the international energy arena, and that means that if we really want to co-operate as the IEF with the likes of OPEC and the IEA then we have to be a little bit more structured in our approach.

In the longer term, we see the IEF becoming a kind of moderator or facilitator in the cooperation between the IEA and OPEC and that is something we in the Netherlands want to promote. This is one of the things we will be bringing to the table at the Cancun Ministerial.

You met recently with Saudi Petroleum Minister Ali Al-Naimi to discuss the future evolution of the organisation. What can you tell us about the substance of your discussions?

On the one hand we agreed that the informal character of the IEF is important because it provides an opportunity for producer and consumer countries, and national and international oil companies, to come together in a relatively loose, networking environment. On the other, we agreed on the need to bolster the commitment – and particularly the financial commitment – of its members in order to provide the organisation with the necessary resources and capabilities to discharge its responsibilities in the future.

The Expert Group of the IEF is currently working

on the wording of the document that will set out the way forward for the organisation and we will be discussing their proposals at the meeting in Mexico at the end of March.

We need to define the parameters of membership in such a way that we do not lose members whilst at the same time enabling us to strengthen the organisation in order to respond to the challenges ahead. I think it's also very important that we have a concrete co-operation programme between the IEA, OPEC and IEF, so we'll be talking about that in Cancun as well.

The Netherlands has long been an advocate of public-private partnerships in the energy sector. What do you regard as the respective responsibilities of governments on the one hand and private companies on the other in respect of guaranteeing energy security?

Energy security is a key priority for any government and one that we are working to address on a global scale, on a European scale and on a national scale, and in doing so we need to ensure that we have as many entrants to as many sources of oil and gas as possible, all over the world. This means that the position of our oil companies, the position of the supplying countries and our own position as consumer countries are interdependent.

The moment we become dependent on one supplier country we create a serious energy security problem for ourselves, which is why we in the Netherlands have been working on the creation of a 'gas roundabout' which we hope will see gas coming into the EU from Russia through various pipelines, as well as from Algeria, Qatar, Angola and other countries in the form of LNG.

As a gas producing country, we have a number of depleted gas fields which are in an excellent geographical position in the Northwest part of Europe and these can be used to store large quantities of imported gas, as those in Baumgarten in Austria are in the Southeast.

The issue of imported gas from Russia has been a politically sensitive one for European governments in recent years. What is the Netherlands' view on this issue?

We have a very good relationship with Russia and I think it's very important that we are not dependent on

any one pipeline, which is why I am enthusiastic about Nord Stream as well as South Stream, but on the other hand I think it's important for Europe to also have gas coming from other parts of the world, and that means that a pipeline like Nabucco is important to us as well, from a European perspective.

The kinds of major pipeline projects that you mentioned have very long lead times and are hugely capital intensive. How serious an impact has the global economic downturn had on the viability and implementation of some of these proposed big-ticket projects, in your view?

It may be that certain projects will be delayed for reasons of economic viability due to the fall in oil prices over the past couple of years, and of course this effect is heightened by the credit crisis, so the planned rate of energy investments is going to be lower than it was before. But as soon as the economic situation recovers we are going to find ourselves in a similar situation where supplies are struggling to keep pace with growing demand, which is why we have to ensure that the necessary investments are made in production and transportation capacity in both producing and consuming countries because otherwise we are going to find ourselves in a difficult situation again in a few years' time.

I don't think you are going to see national governments sponsoring pipelines but what we can do is invest in innovation and ensure that the investment environment, both here in Europe and in the oil and gas producing countries, is favourable, and that is what we're working on.

You have highlighted some of the issues surrounding climate change and sustainability, with carbon capture and storage (CCS) being an important tool in achieving some of the necessary environmental savings. What role do you see CCS playing in a wider European and international climate change agenda going forward?

I think it's one of the essential transition technologies that we have and up till now we are still working with various kinds of pilot projects, so the first thing we have to do is to scale up these pilot plants to a larger scale and then to an industrial scale. The legislation on storage also has to be improved because that's not fully in place at this moment, so there's still a lot to be done not only in the research and technology but also in terms of legislative procedures.

It's not the final answer but it is an important transition technology, and if we do not invest in CCS now then the problems are going to be much bigger in the future, so it is not only in our interest but also in the interest of the oil and gas producing countries, the electricity companies and the oil and gas industry as well.

To what extent do renewables play a part in the discussions of the IEF?

Sustainability will be the subject of one of the main sessions at the Ministerial in Cancun and of course renewable and alternative energy sources have an important part to play in that. Everybody wants to see less CO₂ emissions, just as everybody wants to ensure that the oil and gas reserves that we have can be used in a sustainable way for as long as possible. So in this respect I think sustainability can be an important part of the IEF agenda going forward. ■

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Photograph courtesy of N.I. Nederlandse Gasunie



The Netherlands' geographic location and extensive gas infrastructure make the country an ideal gas hub for the European Union