

FATHOMING THE SECRETS OF ENERGY DIPLOMACY

The International Institute for Energy Policy and Diplomacy manages to combine the best traditions of Russian higher education and foreign best practices

Oleg Alexandrov

The rapid development of the global oil and gas business today demands a new generation of experts who are capable of responding to the difficult challenges of the 21st century. The International Institute of Energy Policy and Diplomacy holds a leading position in the system for training highly-qualified personnel in the fields of energy diplomacy, geopolitics, and global economics for the companies and organizations of Russia's fuel and energy complex. In the last ten years, it has contributed heavily to the development of the country's higher education in oil and gas.



Forging personnel for energy diplomacy

One of today's most important tasks is optimizing international cooperation in the area of the fuel and energy complex and stepping up energy diplomacy at the government and corporate levels. Because of the need to carry out these tasks, there is a substantial demand for the training in Russia of international experts for major companies and organizations of the domestic fuel and energy complex.

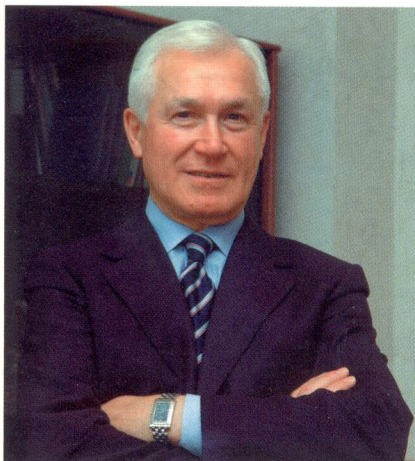
"The International Institute for Energy Policy and Diplomacy (IIEP) was created on February 8, 2000, as part of the Russian Foreign Ministry's Moscow State Institute for International Relations," says Prof. Valery Salygin, Corresponding Member of the Russian Academy of Sciences and the Institute's director. "Its operational strategy was developed on the basis of a number of basic programs

drawn up in the area of higher education, including the *Priority Lines of Development for the Educational System of the Russian Federation and the Energy Strategy of Russia in the Period up to 2030.*"

In consideration of the importance of the tasks facing the IIEP, an Oversight Committee was set up for the Institute in 2001 and is now headed by RF Foreign Minister Sergey Lavrov. Among the members of the committee are the heads of the administrations for the country's 10 largest oil-producing regions, along with the directors of the 30 leading companies in Russia's fuel and energy complex, including, LUKOIL President Vagit Alekperov, Gazprom President Alexey Miller, and Surgutneftegaz President Vladimir Bogdanov.

"The IIEP," Prof. Salygin continues, "is the sole higher educational institution in Russia to train experts in the field of international energy cooperation, and in the

spheres of energy diplomacy and geopolitics. Our programs provide a balanced blend of fundamental academic and effective practical training for future experts, thanks to the combined academic and practical potential of leading Russian scholars and highly-qualified specialists from leading domestic and foreign energy companies. In the last ten years, we've become convinced that our choice was the correct one. We now have more than 500 students, master's candidates, and other graduate students from 34 regions of Russia and 18 foreign nations." The IIEP is home to three specialized faculties, and each one is unique. The Faculty of International FEC Affairs is headed by Nikolay Laverov, Vice-President of the Russian Academy of Sciences. The master class on Russia's Foreign Energy Policy, currently headed by Academician Nodari Simonia, Director of the Russian Academy of Sciences' Institute



Prof. Valery Salygin, Director of the International Institute for Energy Policy and Diplomacy and Corresponding Member of the Russian Academy of Sciences



The Moscow State Institute for International Relations President Anatoly Torkunov (left) congratulates Academician Nikolay Laverov (right), Director of the IIEP Center for Strategic Studies and Geopolitics in the Energy Sphere, on winning the "Global Energy" International Prize (2009)

of World Economics and International Relations, invariably draws huge interest on the part of both undergraduate and graduate students. The Faculty of FEC Legal Regulation operates under the direction of Prof. Veniamin Yakovlev, Corresponding Member of the Russian Academy of Sciences and well-known scholar and RF presidential advisor on legal issues. In 2007, members of the faculty prepared and published a fundamental work, entitled *International Energy Law*.

The Faculty of Global Energy Policy and Energy Security, headed by Prof. Sergey Bogdanchikov, Doctor of Technical Sciences and President of Rosneft, has been operating successfully for the last four years.

An IIEP graduate thus receives a wonderful education grounded in the best traditions of domestic higher schooling and global best practices in training qualified personnel. The Institute provides an opportunity to learn 53 languages, and language training is conducted in compliance with students' specialization. Thanks to intensive, professionally-oriented language training, experts trained by the IIEP are able to do full-fledged professional work not only in Russia but also abroad after they graduate from the Institute.

Toward relevant academic research

A basic academic foundation has been created at the IIEP that allows studies to be made to determine the interrelationship between world political processes and the development of the global and regional

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energy markets, and to reveal key trends in global energy policy. These find practical application in the foreign economic operations of Russia's government agencies and oil and gas companies. Institute staff do extensive work in the field of systems analysis to uncover trends in the development of the global energy industry, develop principles for regulation and making economic and managerial decisions in the area of FEC international operations. They have published more than 80 articles, and written a number of academic reviews and analytical works. These include *The Foundations of Energy Diplomacy*, the first textbook of its kind in Russia, along with other such texts as *International Energy Security and Investing in Russia's Fuel and Energy Complex: Main Indicators and Sources and Methods of Financing*.

Over the last nine years, a specialized research division has also been operating inside the IIEP: the Center for Strategic Studies and Geopolitics in the Energy Sphere, which performs fundamental research into the geopolitical issues of the fuel and energy complex, helps in carrying out priority tasks to strengthen the

position of Russian FEC companies in the world arena, and develops strategies for firms operating in the international market. The center conducts academic studies to come up with concepts and strategies for developing foreign economic ties in areas germane to the FEC. The center's academic director is Academician Nikolay Laverov, Vice-President of the Russian Academy of Sciences and President of the International Academy of the Fuel and Energy Complex. The center's organizing director is Prof. Valery Salygin, Corresponding Member of the Russian Academy of Sciences.

The center deals with questions of macroeconomic and geopolitical factors' influence on the development of the global energy market; short- and long-term forecasts on the development of the global and regional markets for oil and gas; analysis and assessment of the investment, tax, and legal climate; strategic planning for company development; studying promising new markets; appraising and estimating the risks of large international investment and financial projects; and optimizing companies' export and investment strategies. The center devotes considerable attention to large international investment programs with the participation of Russian companies. It performs in particular analyses and appraisals of how attractive projects are for investors; analyses of their technical and economic status; analyses and research on the influence of legal and tax factors; and analyses of the risks involved and how to manage them. The center's experts devote special attention to developing mechanisms

for creating a favorable investment climate in the fuel and energy sphere and attracting foreign investment.

Foundations of mutually beneficial cooperation

In order to further perfect the training of personnel to meet the real needs of Russian energy diplomacy and the domestic fuel and energy complex, the IIEP devotes



Nodari Simonia, Academician of the Russian Academy of Sciences, holds a workshop with IIEP students

special attention to developing cooperation both with key government agencies and with the administrations of Russia's regions and leading FEC companies.

Over the last ten years, the IIEP has signed agreements on long-term cooperation with the governments of the Republic of Komi; the administrations of the Khanty-Mansi, Yamal-Nenets, and Nenets autonomous Areas and the Tomsk and Kemerovo Regions; and Gazprom, LUKOIL, Transneft, Urengoygazprom, Transnefteprodukt, Yamburggazdobycha, Tatnefteodacha, Stroytransgaz, and other companies.

Beneficial cooperation with regions and companies primarily involves matters of training and upgrading the qualifications of personnel. "We first developed a 500-hour educational program called *The Oil and Gas Business* for retraining managers of oil and gas companies," emphasizes Prof. Salygin. "The course has been repeated 30 times over the last ten years. Other, shorter programs, one or two weeks long, for upgrading qualifications gradually began to appear alongside it."

The next important aspect of cooperation is giving IIEP training to the secondary school graduates assigned by regional administrations and the companies of Russia's fuel and energy complex.

Integrating global experience into the development of the domestic fuel and energy complex is also an important part of the IIEP's productive relations with its Russian strategic partners. Great importance is attached to joint programs for ac-

strategy; and to carry out a comparative analysis of trends in the dynamics of oil stocks in the Russian and foreign markets. Meanwhile, the IIEP Center for Specialized Language Training has prepared two specialized study courses for LUKOIL.

At a new stage

The Institute's flexible structure allows it to respond at once to all types of change, to prepare new courses and programs for training experts to deal with key challenges to the Russian Federation in achieving a leading position in the global energy community, and ensuring national and global energy security.

"The most important tasks facing our Institute today are modernizing the teaching process, introducing a new generation of standards, and emerging at a fundamentally new professional level that presupposes the development of competitive educational products and the training of top-notch, world-level experts in the field of energy diplomacy and geopolitics and international energy cooperation," Prof. Salygin notes.

The accelerated development of studies in the field of energy diplomacy and geopolitics, and international energy cooperation based on long-term strategy, should reinforce the IIEP's status as a modern, innovative center for the training of first-class professionals and serve to strengthen its position as a leading international-level institution of higher education.

Without exaggeration, the IIEP may today be called one of the world's leading academic and research centers in the field of international energy cooperation, and a promising and rapidly developing educational, expert and analytical base for Russian energy diplomacy. It doubtless has enormous potential and a great future. The Institute's administration and professorial and teaching staffs are doing everything possible to further develop the academic and research base for Russian energy diplomacy; to help in developing the best possible strategy for the Russian fuel and energy complex in the international arena, and to make it more attractive to investors; and to train highly skilled personnel potential for successfully integrating Russia into the global energy community, and for guaranteeing global energy security. ■

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ademic research. In light of the active investment policy aimed at attracting additional capital investment in the fuel and energy complex of leading regions in particular, special work is being done at the IIEP and the Center for Strategic Studies to analyze the development of regional markets and to optimize regional investment strategies. In the interests of a number of Russian oil and gas companies, major work is being done at the Center for Strategic Studies to work out a strategy for the development of companies; to perform analytical studies of financial strategy and long-term investment