

## Joint Oil Data Initiative - JODI

### Training Workshop in Johannesburg January-February 2007

#### **Statement 30.1. by Ms. Inger K. Stoll, Counsellor for development cooperation. Royal Norwegian Embassy in Pretoria.**

Energy is important to Norway, both as a producer and a consumer. Norway is richly endowed not only with oil and natural gas. But also with renewable hydropower, which accounts for almost all of our electricity generation and which was the basis for the industrialisation of Norway and the creation of our welfare state. Today, exports of oil and natural gas fuel our economy and the further development of our society. The petroleum sector accounts for a quarter of our GDP and half of our total exports. Petroleum revenue is put into a special fund for later use to the benefit of future generations.

Energy also plays an important role in developing countries. Oil and gas are vital resources for economic and social development in the countries that possess them. It has, however, in many cases proved difficult to translate petroleum resources into improved welfare for the majority of the population. The combination of large and sudden inflows of revenues and often weak institutions and governance systems, may increase the risk of corruption, conflict, dependence and crowding out of industries. And despite being petroleum producers many developing countries score low on the international development performance indexes.

The Norwegian Oil for Development Initiative aims at assisting countries with using their hydrocarbon potential to overcome these challenges. Four decades of experience as an oil and gas producer has given Norway broad competence across the full cycle of petroleum sector management.

National control, strong institutions and well educated public servants have been important features of this process, but also the involvement of the international oil and gas industry has been fundamental. Drawing on this experience, Norway has already provided assistance to the oil sector in developing countries since the early 1980s. As of 2007, Norway cooperates with more than 15 countries, covering areas such as legal frameworks, administration, regulation and supervision mechanisms, licensing and tendering processes, organisation of public/private interfaces of petroleum governance, industrial development, environmental challenges and revenue management issues, including taxation and petroleum funds.

Energy poverty is widespread, and a serious problem to many people in the world. Without access to energy, people remain poor. This is a question about distribution of energy, often not lack of energy resources as such. It is therefore important for Norway to contribute to a responsible and fair management and distribution of the revenues from energy production, and to ensure access to affordable energy to poor households and to improve working and living conditions for women and men.

The steady increase in demand for Norwegian assistance for petroleum sector management, along with growing global focus on these issues, inspired the launching of the Norwegian Oil for Development Initiative in September 2005. Working with other donors to address the challenges of petroleum administration and management more forcefully, the initiative enhances the focus on good governance, transparency and anti-corruption as well as environmental challenges.

Oil for Development builds on three main thematic pillars: resource management, revenue management and environmental protection. The initiative will focus on good governance, transparency and accountability.

### Norwegian Development Cooperation in Energy

Over the last two decades Norway has provided capacity building in the petroleum sector to a number of countries, including South Africa. Norway signed an agreement with the South African Department of Minerals and Energy already in 1998. We prolonged this cooperation in 2006.

The programme is founded on the basic conviction that energy is one of the primary cost inputs into the economy. Economic growth, job creation and affordable energy should be sustained through the orderly development of energy resources, stimulating competition, national energy efficiency awareness, regulatory issues, and administration of prices where appropriate.

To reach these objectives, the programme strengthens capacity of the responsible authorities. It is our hope that South Africa through this programme - and through contact with the Norwegian expertise - can benefit from our experience in transforming natural resources into increased welfare for all. – Our expertise is certainly learning from your solutions.

Upstream Petroleum Cooperation and Hydrocarbons Cooperation are central components of the cooperation. Our experts are ready and willing to cooperate with South Africa in this field.

There is also scope to look at other relevant themes that can be included under the umbrella of this programme. This could for instance be cooperation on energy security, cleaner energy or actions to prevent climate change. I invite the Department of Minerals and Energy to a dialogue on how we could broaden and strengthen our energy cooperation in areas of strategic importance to South Africa.

### Regional cooperation

May I also mention that Norway supports the Regional Energy Regulators' Association, RERA, based in Namibia, as well as training of energy responsible staff in the region through courses at the University of Cape Town.

Since last week Norway has been given the task of coordinating the donors to SADC in the energy sector, implying that we are the lead donor in regional energy issues vis a vis SADC.

### JODI

I would like to end my intervention by underlining that Norway attaches great importance to the results that have been achieved under the Joint Oil Data Initiative. The lack of transparent and reliable oil statistics has been identified as one important factor for volatility of oil prices. The Establishment of the JODI World Database is thus an important tool to combat this volatility. The establishment of the database is of course the most visible outcome of JODI, but just as important is the role of JODI in raising political awareness of the difficulties encountered in improving data reliability and timeliness.

The Norwegian government has supported JODI financially, and some of the funds have been used to facilitate this workshop. The challenges in all spheres of the energy sector are enormous in this part of the world, and so are also the possibilities. I am glad to see this workshop taking place here in South Africa and to see so many participants.

I look forward to learning more about JODI and your work, and I wish you all possible success in this workshop.

Thank you