

UPSC Civil Services Examination

UPSC Notes GS-III

Topic: International Energy Agency (IEA)

International Energy Agency (IEA) was established during the oil crisis of 1973. It is an intergovernmental autonomous organisation based in Paris. IEA has a major role to play in providing information related to the international oil market and taking action against any physical disruptions in the supply of oil. IEA also acts as a policy adviser for its 30 member countries as well as for the non-member countries, especially China, India, and Russia.

Origin of International Energy Agency

The International Energy Agency (IEA) is a grouping of major oil-importing countries which was created in 1974 by the members of the Organization for Economic Cooperation and Development (OECD) at Paris, France, following the Arab oil embargo of 1973 which had resulted in a dramatic rise in oil prices. It was established with a broad mandate on energy security and other issues about energy policy cooperation among the member countries. Long term supply, information transparency, security of supply, international energy relations, research and development were its focal points. However, today IEA has expanded and evolved to be at the heart of global dialogue on energy, examining the spectrum of energy issues to advocate policies and ensure affordability, reliability & sustainability of energy among its member countries. It has 30 member nations and only OECD nations are given membership to the IEA. All the OECD member states except for Chile, Iceland, Israel, Mexico and Slovenia are members of IEA. India became an Associate Member of IEA in 2017 while Mexico became the 30th member of IEA in 2018. The other Associate members, apart from India, are China, Brazil, Morocco, Indonesia, Thailand and Singapore.

Objectives of IEA

The International Energy Agency was established with an objective to coordinate the response of the participating states to the world energy crisis along with developing a mechanism for oil-sharing for use during supply difficulties. IEA mainly focuses on its energy policies which include economic

development, energy security and environmental protection. These policies are also known as the 3 E'S of IEA.

Structure of Indian Energy Agency (IEA)

The IEA consists of three main controlling bodies:

- Governing Board
- Management Committee
- The Secretariat

The Governing Board is composed of ministers of all the member-governments who are responsible for decision making. The Board is assisted by three standing groups dealing with emergency questions, long-term cooperation and the oil market.

The Management Committee deals with energy, research and development and the non-member countries.

The Secretariat is headed by the Executive Director. Apart from these, the IEA also maintains an import-monitoring system and a quick response mechanism.

India and IEA

India became an associate member of IEA in March 2017 but it was in engagement with IEA long before its association with the organization. India was a party to the Declaration of Cooperation, signed in 1998 which covered the matters relating to energy security and statistics. India had also signed three joint statements with IEA that covered various areas of mutual interest in the energy arena with major focus to gas and oil security.

Some of the benefits provided to India for being an associate member of the IEA are:

- Providing access to India to participate in meetings of working groups, standing groups and committees that constitute the governance structure of IEA.
- Allowing India to take lead in the geopolitical platform on climate and energy issues due to IEA's increasing role in combating climate change.
- Helping India to take forward the International Solar Alliance framework to other countries through a greater partnership with IEA.
- To help India in achieving its vision of ensuring 24x7 affordable and environment-friendly 'Power for All' with increased engagement with IEA.

- To enable India in setting up its own robust integrated database on energy. With India as an associate member, IEA now formally covers 70% of the world's energy consumption.

Achievements of the International Energy Agency

Though the threat to the new energy crisis reduced with the global recession, oil glut and increased efficiency, the IEA warned against energy conservation “complacency” in the 1980s. The IEA had been successful in meeting the possible oil crisis in 1990 following the Gulf War by approving a contingency plan which assured ‘security of supply’ by making available additional 2.5 million barrels of oil per day until the completion of Operation Desert Storm. The IEA energy ministers agreed in March 1991 to meet regularly after the Gulf War to discuss environmental concerns and ways to increase energy efficiency with their counterparts in non-IEA countries. In recent years, the IEA has been increasingly involved in the assessment of nuclear issues, as public and governmental support for use of power-generating nuclear reactors has declined.