

COMMITTEE	Communities, Housing and Infrastructure
DATE	29 August 2017
REPORT TITLE	World Energy Cities Partnership – annual review
REPORT NUMBER	CHI/17/203
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**1. PURPOSE OF REPORT:-**

- 1.1 To provide the annual update to Committee on the Council's engagement with the World Energy Cities Partnership (WECP).

**2. RECOMMENDATION(S)**

- 2.1 It is recommended that Committee:
- a) note the update provided in this report;
  - b) reaffirm the Council's commitment to the World Energy Cities Partnership;
  - c) consider whether a bid to host the World Energy Cities Partnership Annual General Meeting should be explored for 2019 or 2021

**3. BACKGROUND, BENEFITS AND OPPORTUNITIES**

- 3.1 Aberdeen City Council is a founding member of the World Energy Cities Partnership (WECP) and was instrumental in the organisation's establishment in 1995. From starting with five cities in 1995, the WECP has grown to be a genuinely global partnership of 19 cities, all of which are host to significant energy industries. Historically the focus has been on oil and gas although the partnership is now diversifying its focus to renewable energy.
- 3.2 The 19 partner cities are: Aberdeen (UK), Atyrau (Kazakhstan), Calgary (Canada), Cape Town (South Africa), Dammam (Saudi Arabia), Daqing (China), Doha (Qatar), Dongying (China), Esbjerg (Denmark), Halifax (Canada), Houston (USA), Karamay (China), Kuala Lumpur (Malaysia), Luanda (Angola), Perth (Australia), Rio (Brazil), St John's (Canada), Stavanger (Norway) and Villahermosa (Mexico).

- 3.3 The WECP's Board of Directors consists of the Mayors of each city, supported by lead officers from their respective councils or government organisations and a small secretariat team based in Houston. Mayor Mike Savage of Halifax holds the presidency until the next AGM in October 2017.
- 3.4 The WECP has two formal meetings each year. The first is in Houston in May and runs alongside the Offshore Technology Conference. The second is the AGM, usually in the autumn, which is hosted by a different city each year following an open competition. In 2017, the AGM will be hosted by Halifax from 1<sup>st</sup>-4<sup>th</sup> October. Member cities commit to attending at least one of the meetings each year – failure to do so can result in member status being withdrawn.
- 3.5 A membership fee of \$8,000 per year (just over £6,000 at current exchange rate) is payable each January and supports the cost of the secretariat function. Accounts are reviewed at the working meeting in May and signed off at the AGM. Provision has been made in the Economic Development service budget for the membership fee (and was approved by Council in report CHI/17/047 in March 2017).
- 3.6 Aberdeen benefits significantly from being an active participant in the WECP. Several long-term, strategic bilateral relationships have been developed as a result of membership and some of these are underpinned by discrete Memoranda of Understanding (MoU) with partner cities (i.e. Halifax, Villahermosa) that are focussed on areas of mutual economic benefit (i.e. trade and academic relationships). The MoU with Halifax is due to be renewed during the visit in October of this year.
- 3.7 Approximately half of the inbound trade delegations to Aberdeen are as a direct result of WECP membership. To date in 2017, the City Council has hosted delegations from Karamay (China), Rio (Brazil), Stavanger (Norway), Perth and Houston (USA). As a result of the Karamay visit, a partnership agreement between the Oil and Gas Technology Centre and a similar energy innovation centre in Karamay is being developed.
- 3.8 It is anticipated that at least five WECP partner delegations will attend Offshore Europe in September and Aberdeen City Council is planning to host a short breakfast meeting for WECP partner cities during the week. In addition, Barranquilla (Colombia) are attending Offshore Europe and are an applicant city for WECP membership, sponsored by Aberdeen. This flows from the Memorandum of Understanding that Aberdeen City Council signed with Barranquilla in March 2017. Barranquilla will be hosting their own business to business event at the Aberdeen and Aberdeenshire pavilion at Offshore Europe and trade focussed evening reception.
- 3.9 A further benefit to membership is the opportunity to promote Aberdeen at WECP events and to a range of global organisations. At the 2016 AGM in Cape Town, Aberdeen City Council presented to diverse audiences on skills challenges in the oil and gas sector and the Scottish response, on the hydrogen bus programme in the city and on future investment opportunities. Speaking opportunities for the Lord Provost are being discussed for the 2017 AGM in Halifax.

- 3.10 For this year's AGM in Halifax, the host city and Nova Scotia regional government have designed a programme that has more direct business to business opportunities to encourage trade delegations to attend alongside civic ones. A [report](#) on export markets for WECP members has been produced to support this. The International Trade team within the Economic Development service have secured the support of Scottish Development International for companies that might be interested in attending and are promoting the opportunity across business networks in the city. It is hoped that five or six Aberdeen businesses may take up the opportunity to accompany the civic delegation in October. An update on this will be provided in the relevant business statement reporting on international travel.
- 3.11 Finally, Aberdeen last hosted the WECP AGM in 2008. The hosting of the AGM is decided each year following an open and competitive process. Aberdeen City Council could bid to host the AGM for any year, although Committee may wish to give consideration to timing any future bid to coincide with significant local events (i.e. Offshore Europe 2019 at the new AECC) as the wrap-around content for the AGM meetings is a key factor in the Board of Directors' award decision. The resource implications (both human and financial) of hosting the WECP AGM would need to be further explored as part of any detailed business case development.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 Report CHI/17/047 to Council in March 2017 approved the travel costs associated with attending the WECP Working Group/OTC in Houston (May 2017), the WECP AGM in Halifax (October 2017) and the payment of the annual membership fee. Relevant provision for this expenditure has been made within the Economic Development budget. The Lord Provost and lead officer will attend the AGM in Halifax.

#### **5. LEGAL IMPLICATIONS**

- 5.1 There are no direct legal implications arising from the recommendations of this report.

#### **6. MANAGEMENT OF RISK**

##### **Financial**

- 6.1 There are no financial risks associated with this report.

##### **Employee**

- 6.2 There are no employee risks associated with this report.

## **Customer/Citizen**

6.3 There are no risks to Customers/Citizens associated with this report.

## **Environmental**

6.4 There are no environmental risks associated with this report.

## **Technological**

6.5 There are no technological risks associated with this report.

## **Legal**

6.6 There are no legal risks associated with this report.

## **Reputational**

6.7 The risks associated with continued engagement with the World Energy Cities Partnership are largely reputational. In times of financial constraint, continuing to spend Council resources on international activity can be challenging and lead to perceptions of a lack of focus. However the City Council continues to engage internationally, and through the World Energy Cities Partnership, as a means of supporting economic growth in the city and wider region and on balance, it is felt that the economic benefits and international reputation that this generates outweighs potential negative implications.

6.8 This risk is deemed to be low in terms of likelihood and impact. Mitigation is centred on ensuring that maximum benefit for Aberdeen's businesses and the wider economy is driven from engagement with the World Energy Cities Partnership.

## **7. IMPACT SECTION**

7.1 This section demonstrates how the proposals within this report impact on the strategic themes of Aberdeen City Council and Community Planning Aberdeen, as set out in the [Aberdeen City Local Outcome Improvement Plan 2016-26](#) and the [Aberdeen City Council Strategic Business Plan](#).

### **Economy**

7.2 The Council's participation in the World Energy Cities Partnership (WECP) is fundamentally focussed on driving economic benefit in the city. The WECP provides an international forum for the Council to promote opportunities in Aberdeen and to link Aberdeen businesses to markets in the 18 partner cities. As noted above, over half of the inbound delegations to Aberdeen each year come from WECP partner cities and these are delivering new opportunities (i.e. the potential tie up between the Oil and Gas Technology Centre and an Innovation Centre in Karamay).

- 7.3 The WECP also commits to learning and the sharing of best practice, which enables Aberdeen City Council to learn from initiatives in other cities and, occasionally, to partner with others in international projects (i.e. the Scale Up project led by Esbjerg).

#### **People**

- 7.4 Membership of the WECP enables Aberdeen to be promoted in a global partnership and enhances the reputation of the city as a global energy capital. This encourages a sense of pride for local residents and businesses and underpins confidence in the local economy.
- 7.5 Participating in the WECP also enables officers in the economic development service to work with their counterparts from 18 other global energy cities and to experience the dynamics and challenges of partnership working on an international scale. There are significant learning opportunities for officers from their work with the WECP.

#### **Place**

- 7.6 Membership of the WECP enables Aberdeen to be promoted in a global partnership and enhances the reputation of the city as a global energy capital. This encourages a sense of pride for local residents and businesses and underpins confidence in the local economy.

#### **Technology**

- 7.7 No direct implications.

### **8. BACKGROUND PAPERS**

*World Energy Cities Partnership Annual Report (CHI/16/120)* – report to CH&I Committee, 25.08.2016, published

*International Trade and Partnership Proposals (CHI/17/047)* – report to Council, 15.03.2017, published.

### **9. APPENDICES**

None

### **10. REPORT AUTHOR DETAILS**

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