

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC
SOUTH AND SOUTH-WEST ASIA OFFICE

South and South-West Asia Subregional Preparatory Consultation Meeting for the Asia-Pacific Energy Forum 2013
6-7 November 2012, New Delhi

BACKGROUND

The South and South-West Asia Subregional Preparatory Consultation Meeting for the Asia-Pacific Energy Forum 2013 was held on 6 and 7 November 2012 in New Delhi, India. Besides the Secretariat, 31 participants, including Government-nominated experts, technical experts, and subregional organizations participated in the Consultation. Please refer to the list of participants for details.

The main objective of this subregional consultation meeting was to seek advice and guidance from the experts in identifying key common issues towards the enhancement of energy security and sustainable use of energy in the subregion. These issues shall be considered as inputs towards the draft Ministerial Declaration that is planned for deliberation at Vladivostok, the Russian Federation during the Asian and Pacific Energy Forum (APEF) to be held 27-30 May 2013.

The meeting elected Mr. Prabhat Kumar, Joint Secretary (ES & ITP), Ministry of External Affairs, India as the Chair and Ms. Sandhya Wijayabandara, Additional Secretary, Ministry of Petroleum Industries, Sri Lanka as the Vice-Chair.

A presentation was made of a background study prepared by The Energy and Resources Institute (TERI), India for the consultation on behalf of ESCAP on perspectives and challenges to enhancing energy security and the sustainable use of energy in South and South-West Asia. The participants made presentations of their countries' energy situation and the policy challenges faced, which served as a basis for discussions in the meeting and to identify key common issues in the subregion.

CHAIR'S SUMMARY

The participants highlighted the following key issues in regards to energy security and sustainable use of energy in South and South-West Asia.

The participants noted that South and South-West Asia is characterized by a diversity in national energy profiles. Given the high dependence on imports of hydrocarbons (except Islamic Republic of Iran), their economic dynamism will imply rising fuel import bills in the future. In addition, there is an uneven distribution of energy resources and a large proportion of the population of the subregion remain without access to modern energy services. The priorities of poverty reduction and the productive use of locally available energy resources are perceived as key drivers to

improving access to modern energy services. The subregion is also endowed with substantial renewable energy resources that play a small but increasing complementary role, and has the capacity to diversify energy sources using locally available wind, solar, hydropower and biomass resources. However, countries highlighted the technical, commercial and market risks in harnessing these resources. Institutional mechanisms differ across the member States of the subregion, although at the same time, regional cooperation initiatives such as the Turkmenistan-Afghanistan-Pakistan-India (TAPI) and the Iran-Pakistan/Iran-Pakistan-India (IP/IPI) gas pipelines and cross-border power grids provide an opportunity for enhancing energy security.

1. The participants agreed that the lack of access to modern energy services is a key dimension of deprivation and poverty in the subregion. With over 450 million people in South and South-West Asia without access to electricity, adequate and sustainable access to energy for all is not only an essential development goal itself but is necessary for the achievement of all the other internationally agreed development goals including the Millennium Development Goals and the SAARC development goals.
2. The participants noted that affordability was an aspect of energy access given widespread poverty in the subregion. Very often subsidies need to be seen in that context.
3. The participants stressed the need for improved availability of information on energy reserves and clean energy potential (both in terms of renewable energy deployment and energy savings).
4. In view of demand-supply mismatches and complementarities across countries in the subregion, the participants recognized the large potential for power inter-connections and gas pipelines in the subregion and highlighted this as a crucial area for subregional/inter-subregional collaboration. The participants emphasized the need to promote international energy trade and development of regional power markets in line with the vision of an *Asian Energy Highway*.¹
5. The countries of South and South-West Asia recognized the importance of an integrated energy market in the region and developing of energy infrastructure for this purpose and expressed concern that any extra-regional influences can compromise the energy security of the region.
6. Participants recognized that the creation of a subregional knowledge management system is perceived as an important mechanism. This would help in sharing and upscaling isolated, scattered good practices in the domain of energy security and the sustainable use of energy.
7. The participants noted that exploitation of opportunities of regional cooperation in energy requires substantial investments for development of energy infrastructure such as power grids and pipelines. Investments could be facilitated through public-private partnerships (PPP), foreign direct investment (FDI) and other multilateral financial institutions.

¹ See ESCAP resolution 68/11 on connectivity for energy security, E/2012/39; E/ESCAP/68/24. (http://www.unescap.org/commission/68/documents/English/2012-Resolutions-E68_24E.pdf)

8. The participants called for improved access to finance, environmentally sound technologies and technology transfer as important factors to deliver sustainable use of energy.
9. The participants highlighted the need for technology incubation centres that would provide support for application-oriented R&D and help stakeholders from the subregion develop targeted energy solutions in the areas of renewables, smart grids, sustainable consumption, energy conservation and network-loss reduction.
10. Participants recognized existing and ongoing intergovernmental and regional initiatives of SAARC and BIMSTEC for energy cooperation including the proposed SAARC Intergovernmental Framework Agreement for Regional Energy Cooperation and the SAARC Energy Ring and expressed the hope that these are expedited and pursued in a time-bound manner.
11. The participants recognized the special problems facing the mountain countries, least developed countries (LDCs), landlocked developing countries (LLDCs) and small island developing states (SIDS) in their efforts towards sustainable energy development and called for increased attention for their national capacity building and appropriate energy efficient technology transfer.
12. The participants were requested to provide comments on the draft background study to ESCAP South and South-West Asia Office (ESCAP-SSWA, sswa.escap@un.org) by 15 November 2012. The authors of the study were requested to incorporate the comments as much as possible and submit a revised draft which will be shared with the participants.