

Workshop Report

Workshop for the Development Account Project “Evidence-based policies for the Sustainable Use of Energy Resources in Asia and the Pacific”

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1. Introduction

The concept of sustainable use of the energy resources has been an important discussion topic for long. However, the important new discussion in today's context is how to develop appropriate policy measures to facilitate the sustainable use of the energy resources. Most of our existing policies are around conventional energy resources and that we do not put a high degree of focus on using them sustainably – and this is causing a faster depletion of our finite energy resources. On the other hand, emissions from the energy sector is rising fast, putting a serious barrier to the achievement of the global deal on climate change – the Paris Agreement. In the current context of the Sustainable Development Goal (SDGs) and the Paris Agreement (targets communicated via Nationally Determined Contributions (NDCs)) it is very important to discuss the development of appropriate policy measures for the transition of the energy sector to 2030.

The United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) has a mandate to support its member States in achieving SDGs. The energy division is working on to support member States in developing appropriate policy measures to achieve SDG7 targets. As two-thirds of the emissions come from the energy sector, it is a must that the transition of the energy sector also looks at NDC targets to enable countries contribute to the Paris Agreement.

Sourcing reliable data and undertaking energy modelling are core elements to develop an evidence-based policy measure. In this context, in 2016, ESCAP initiated this project called **Evidence-based policies for the Sustainable Use of Energy Resources in Asia and the Pacific** with the aim to strengthen the capacity of policymakers to identify enabling policy frameworks and to make an informed policy decision.

This project was funded under the UN Development Account and involved five project countries: Fiji, Kazakhstan, Pakistan, Thailand and Tonga. There are two key objectives of the project, which are to:

- Increase the capacity of policymakers and other stakeholders to assess energy development trends and future scenarios using data, policy and analytical tools, and
- Apply knowledge gained from informational tools and project activities to evidence-based policymaking efforts and aligning national strategies with the 2030 Agenda

While the project has an overall goal, which is to strengthen the capacity of policymakers to develop evidence-based policy measures, each country was given the freedom to define national priorities and undertake activities accordingly. This workshop provided an opportunity to share experiences from the implementation of this project in different countries as well as serves as the platform to exchange ideas, lessons learnt and receive suggestions.

Achievement of SDG7 targets requires an integrated system approach by considering the synergies between its constituent elements - increasing access to modern energy services, improving energy efficiency, reducing emissions from the energy sector and increasing the share of renewable energy. Constraints, such as resources availability and the emission reduction targets under Nationally Determined Contributions (NDCs), need to be considered. A national SDG7 implementation roadmap, that aligns with existing national energy plan and development strategies and provides guidance for policymakers on what is required to achieve SDG7 and NDC targets, is critical to transition the energy sector to 2030.

Accordingly, the Ministerial Declaration of the 2nd Asian and Pacific Energy Forum (April 2018, Bangkok) and the Commission Resolution 74/9 advised ESCAP to develop a tool - the National Expert

SDG Tool for Energy Planning (NEXSTEP) - to support the development of national SDG7 roadmaps. Energy modelling, using historical energy data, macroeconomic factors, demographic parameters and other data, would be an essential component of NEXSTEP. Further, it will undertake policy analysis to develop a set of policy recommendations to achieve the targets. This tool would enable policymakers to make informed policy decisions to support the achievement of the SDG7 and emission reduction targets.

2. Workshop summary

The workshop invited project countries to share lessons learned with countries from the Pacific region. The workshop also introduced the NEXSTEP as a decision-making tool for SDG7 and NDC planning and invited private sector participants from China to share their experiences and expertise.

2.1. Opening session

ESCAP welcomed the participants to the workshop and provided an overview of ESCAP Energy Division's activities in Asia and the Pacific. The Secretariat was joined by participants from Fiji, Tonga, Vanuatu and the Pacific Community (SPC). Participants from Thailand and the Global Green Growth Institute (GGGI) also joined the workshop remotely.

The workshop was held as a preceding event to the Asia Pacific Business Forum (APBF). In alignment with the APBF, private sector participants from China's Chongqing Renewable Energy Society and Yunnan ZY Energy Corporation also attended.

2.2. Lessons learned from the Pacific

Presentations

Tonga and Fiji presented an overview of their national energy plans and policies. Tonga highlighted its Tonga Energy Roadmap (TERM) and how the project has helped build capacities in data gathering, data analysis and tracking capacity to support TERM targets as well as NDC and SDG7. The project has further helped develop energy sector projections and scenarios for the revision of the TERM.

Fiji discussed the development of its NDC roadmap and showed that preliminary steps taken in the project to study the impact of electric vehicles in the energy sector and establishing a data management system will help address cross-sectoral goals in Energy and Transport.

GGGI presented an analysis of renewable energy and energy efficiency uptake in Papua New Guinea and highlighted that barriers to uptake of renewable energy and energy efficiency range from lack of policies, legislation and regulation to data, capacity and access to affordable financing.

Discussion

Data lies at the very core of challenges faced by the Pacific in evidence-based decision making. Data collection and management frameworks need to be established to improve availability, accessibility and ensure standardized compilation and sharing across various data stakeholders.

SPC reiterated that the Asia Pacific Energy Forum (APEF 2013) and first Pacific Leaders Energy Summit in 2013 highlighted these constraints and as per their outcomes worked with ESCAP to establish the Pacific Regional Data Repository (PRDR). The SPC is continuing to develop these capacities in the Pacific but requires further support. SPC has developed a USD 7.6 million technical assistance proposal

to improve the data collection and storage for the energy sector in the Pacific, and is awaiting the World Bank's approval of the proposal.

Furthermore, strengthening policy making efforts will require local energy departments to move focus from a project-oriented approach to a larger focus on policy.

2.3. 2030 energy transition – challenges in decision making

Presentations

ESCAP presented an overview of SDG7 targets and indicators. China's experience in various sectors under the lens of 'green development' were discussed by the Chongqing Renewable Energy Society

Discussion

Participants were invited to reflect on SDG7 targets and indicators and how they are defined in the local context of the country. The definition of clean cooking and energy access was discussed in detail. The World Bank's Multi-Tier Framework for Measuring Energy Access was identified as a useful criteria for measuring access. There is generally a lack of understanding about how to interpret SDG7 targets and indicators. For example, in most countries, the share of renewable energy is measured as the ratio of RE in electricity generation and not as a share of the total final energy consumption (TFEC).

Further support and research is needed to clarify different definitions on what comprises of clean cooking technologies and to build capacities in monitoring and reporting of clean cooking indicators. Additionally, 'Green Development' initiatives in China provide useful case studies for the Pacific.

2.4. Experience sharing from outside the Pacific

Presentations

Thailand presented an overview of their national energy plans and policies including the Thailand's Integrated Energy Blueprint (TIEB). They further discussed how the project has helped review existing energy policies and update the training policy on renewable energy in the Department of Alternative Energy Development and Efficiency (DEDE).

ESCAP presented the project activities and outcomes in Pakistan where it is helping improve the capacity of policy makers in energy modelling to meet the country's NDC commitments.

Additionally, Yunnan ZY Energy Corporation presented case-studies on several solar pump projects in China as viable options that sustainably support local agriculture and commerce and could be used in the Pacific.

Discussion

The capacities built through such projects should be institutionalized to ensure long-term impact. Participants expressed interest in learning more about the outcomes of the project in Pakistan and Thailand.

Pacific countries are also working towards enabling policies for higher private sector participation, especially in power sector as electricity access continues to be a challenge. Power Purchase Agreements (PPAs) and tariff reform could provide incentives to deliver more private sector participation.

2.5. ESCAP's support with 2030 energy transition

Presentations

ESCAP introduced the National Expert SDG Tool for Energy Planning (NEXSTEP) as a tool to support integrated policy planning to support national targets, SDG7 and NDC planning. The aims of NEXSTEP are to:

- Support policymakers to estimate the national energy demand from now to 2030 by taking into consideration a range of issues including SDG 7 targets, national development objectives, and interlinkages between SDG 7 and other SDGs.
- Estimate the costs and capital investment required to achieve these targets.
- Develop scenario-based 2030 projections for both energy and emissions and examine the synergies between sustainable energy and emission reduction.
- Help identify appropriate policy measures to enable the achievement of primarily the SDG 7 targets but also to respond to other issues e.g. emission reduction targets under the Paris Agreement.

The tool is in the process of development. ESCAP has been working with three pilot countries (Bangladesh, Georgia and Indonesia) since October 2018 and has developed the methodology which has been peer reviewed by a panel of external experts. The methodology has been tested in the pilot countries which proved its ability to produce tailored (country specific) results which would support policymakers in making an informed policy decision. Once fully developed in early 2020, this online tool will be free to use by all ESCAP member States. ESCAP will offer trainings to policymakers and other stakeholders on the use of the tool and help develop the national roadmap. Countries with special needs, such as the Pacific Island Countries (PICs) and Land-locked Developing Countries (LLDCs) are the major focus of this initiative. ESCAP is very much looking forward to supporting these countries and would welcome an interest from policymakers.

Discussion

ESCAP received a number of requests to engage with more countries on NEXSTEP as it could help support their national energy needs and NDCs. It was highlighted that such tools should aim to maximize the use of existing resources and eliminate possible overlaps. ESCAP was invited to look at the current modelling tools in place to explore how NEXSTEP can further support energy planning and to accelerate the implementation of SDG7.

In Tonga, it could support the revision of the Tonga Energy Road Map (TERM 2020-2030). Fiji requested ESCAP to use such initiatives to help improve the capacity of government staff on policy analysis to enable an efficient policy making system. Vanuatu is currently developing its National energy roadmap and putting together a tool to facilitate data collection and monitoring.

3. Conclusion

The project is supporting evidence-based policy making in the energy sector in five countries across the Pacific region. Workshop participants expressed the importance of continuing such exchanges to share experiences, lessons learned and best practices in the energy sector. It also served as an opportunity for ESCAP to share the scope of its activities and learn more about the needs of its member states. ESCAP also received interest to engage with more countries on NEXSTEP.

The participants highlighted that evidence-based decision making in the Pacific remains a challenge due to lack of data availability, accessibility, standardized methodologies and legal frameworks for

data collection and processing. ESCAP was requested to explore additional avenues for supporting the Pacific region's energy needs, especially regarding data-relevant capacities and energy access.

In line with the theme of the Asia Pacific Business Forum, the workshop discussed the current status of private sector engagement in the energy sector. It was highlighted that the private sector has the most potential to engage in off-grid electrification and ESCAP can play an important role in connecting government with the private sector to boost energy infrastructure investment. The Belt and Road Initiative (BRI) could also act as a medium to support the Pacific countries' energy needs.

4. Key points for follow up and action

- Share project updates and the final reports from Thailand, Pakistan and Kazakhstan with the workshop participants.
- Tonga expressed interest in furthering their engagement with ESCAP through the NEXSTEP tool. The tool can support their national energy needs and NDCs and contribute to the development of the Tonga Energy Roadmap 2020-2030.
- Vanuatu invited ESCAP to look at current modelling tools in place to explore how NEXSTEP can further support energy planning.
- PCREEE requested ESCAP to attend the 4th Energy & Transport Minister's Meeting in Samoa and present NEXSTEP and to reinforce the UN Secretary General's priorities on energy transition (shift taxes from salaries to carbon, stop subsidizing fossil fuels and stop building new coal power plants). ESCAP will follow up with PCREEE on ESCAP's attendance of the 4th Energy & Transport Minister's Meeting in Samoa and will be collaborating to produce a joint paper on 'Pacific Progress in the SDG 7 and the SAMOA Pathway'.
- Fiji requested ESCAP to help improve the capacity of government staff on policy analysis to enable an efficient policy making system in Fiji.

5. Annexes

- Workshop agenda
- List of participants
- Workshop presentations