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**ASEAN ENERGY MARKET INTEGRATION (AEMI) FORUM:
ENERGY POVERTY AND SMALL SCALE RENEWABLE ENERGY
Jakarta, 3-4 June 2015**

Forum held under Chatham House Rule

CONCLUSIONS

At the conclusion of the Forum, participants unanimously adopted these main conclusions as a result of their deliberations. Statement agreed unanimously at the conclusion of the AEMI Forum in Jakarta, June 4 2015

The Sumba Iconic Island Program

1. Participants agreed that the **lessons from the Sumba Iconic islands** are most relevant to developing renewable energy projects across ASEAN. They resolved to follow further developments of this project, conducted by the ADB and Hivos with Norwegian funding, and look forward to hearing more about it in the next AEMI Forum.

ASEAN Power Grid and Energy Poverty: Country Experience

2. Participants discussed the **challenges faced by the ASEAN power grid (APG)**. While there are several interconnections working on a bilateral basis, multinational connections remain a major challenge. The main obstacles in moving from a bilateral to a multilateral basis for the APG lies in establishing a multilateral governance mechanism that would allow ASEAN to harmonize taxes, regulations, and tariffs as well as provide an efficient dispute resolution mechanism across border.

Small-Scale Renewable Energy and Energy Access

3. In terms of **small-scale renewable energy** projects as a means to combatting energy poverty, participants emphasized:
 - (a) the importance of securing **project sustainability**, through special attention to support at the community level, project ownership, appropriate training and full technology transfer;
 - (b) the challenge of designing proper approaches to **economic viability** of small scale renewable energy sources, which could require connecting to the grid (where feasible), and involving the private sector, without compromising the primary objectives of securing access to electricity on an affordable basis to poor households and micro enterprises;

- (c) the necessity to further **develop the business case** for renewable energy sources, and their importance in meeting the increasing ASEAN energy demand on a sustainable basis;
- (d) the damaging effects from the **multiplicity of financing sources** on the ground, with no cohesive standards and often competing in a predatory manner, thereby undermining their stated objectives of providing access to sustainable and affordable energy in remote areas.

Methodology for Assessing the Impact of Electricity Access

4. In terms of **survey methodology** to evaluate of the welfare impact from the introduction of renewable energy, participants recommended to:
- (a) include **short-term indicators** likely to affect the welfare impact (education, income and health) in the longer term, as the study timeframe is far too short to capture these (e.g., children's study hours, the number of kids registered at school, health respiratory problems, hours spent on productive activities per household);
 - (b) develop indicators for **project sustainability**, in order to assess the lasting impact from the introduction of renewable energy (e.g., number of people trained to maintain generator, management at the local community level, economic viability perspectives, women participation rate, and technical training);
 - (c) develop the **environmental component**, as part of the impact analysis, either as a stand-alone, or as part of the sustainability analysis;
 - (d) introduce the **gender perspective** through specific questions geared towards activities typically conducted by women (e.g. use of cooking energy sources, women training and participation in governance);
 - (e) include questions related to **affordability** of renewable energy in the rural context (e.g., willingness to pay for clean renewable energy) as an important indicator of beneficiaries' preferences;
 - (f) assess the impact of access to renewable energy on **connectivity** of poor remote communities, and their inclusion into economic activities through access to timely information (e.g., internet use, mobile phone), a prime requirement for inclusive and sustainable growth.

Field Survey: Approach and Delivery

5. Participants highlighted the difficulty of formulating ASEAN policy recommendations based on the **field survey** in the six countries, and advised researchers to recognize this serious limitation upfront in the preface of their final report. The report can develop the next steps needed to further develop these surveys at the national level, to yield a more significant and sustained case study.

Research Outline: National and ASEAN Analyses

6. Participants suggested to include in the study **more work on energy poverty**, with a view to formulating policy recommendations based on best practice around the world to combat energy poverty and promote inclusive growth. Researchers would seek UNESCAP assistance to deliver this part. In this context, survey results would be used as illustration to support the recommendations in the context of ASEAN.
7. Participants concluded that the study should focus primarily on off-grid small scale renewable energy in remote areas. As such, **the research outline** should **exclude** analysis of the role of the ASEAN Power Grid (APG) in alleviating energy poverty (as previously proposed).
8. Participants proposed that the **research outline** should:
 - (a) develop an **AEC perspective** in addressing energy poverty, including across border connectivity; technology transfers and success in delivering sustainable development goals within the AEC;
 - (b) include a **quantitative analysis** of the impact of each recommendation on electrification rates at the national levels and across ASEAN, as an element in the dialogue with ASEAN policy makers;
 - (c) introduce a first part on energy poverty, and recognize that survey results will only be used on an **illustrative basis**, as a way to provide concrete examples in formulating an ASEAN strategy to address energy poverty in the context of AEMI;
 - (d) focus the study and survey on **remote communities** not accessible through the APG;
 - (e) identify **enabling factors** to address energy poverty, for national levels across ASEAN, as well as for the AEC level in the context of AEMI.

Division of labour, timeline and next steps

9. The next AEMI Forum on “Energy poverty and small-scale renewable energy” will take place in March-April 2016 in Jakarta, to examine survey results and policy recommendations for the ASEAN Plan of Action for Energy Cooperation (APAEC). Participants would include researchers, experts as well as policymakers.