

White Paper on Regional Parliamentary Forum on Energy Cooperation and Energy Trade in South Asia

Background

The cooperation between countries in South Asia namely Bhutan, Bangladesh, India, Nepal, Sri Lanka presents a low-hanging opportunity for member nations in the Asia Pacific to usher equitable economic development and prosperity in the region. Given that the member countries command 1.46 billion people (21 percent of the world population), have stayed on a high economic growth curve and are expected to buttress a big share of commodity demand in the future, an optimal transition in these countries also provide a convenient opportunity for the world to meet its sustainability objectives.

Energy, in this context, has been a common agenda on the table, given that countries in the region aspire for common goals of energy security, universal quality energy access and optimal regulation and increase in competition with the entry of the private sector. Regional diversity of energy resources remains a unique feature among these countries and, therefore, a huge potential for Cross Border Energy Trade (CBET) has always been envisaged. The efficient functioning of borders for energy trade is more so important now, from the perspective of regional balancing of energy with a higher share of renewables.

Rationale

Conspicuously, even with compelling techno-economic feasibility for high levels of CBET in the region, the proposition has hardly moved beyond the drawing board. The cross-border energy trade in the region has been primarily anchored around bilateral electricity trade, especially by harnessing the hydropower resources in mountainous regions. Nevertheless, the potential remains more, not only in the electricity sector but in the areas of natural gas, distributed renewable energy and other modern technologies. It has been argued that there has been a lack of political will and mutual understanding for investment towards a shared infrastructure that has hampered the region from exploring the full potential of cross-border energy trade.

Therefore, there is a need to create a political economy discourse to build a positive narrative around CBET by identifying champions for the cause and bottom-up assimilation of concerns of stakeholders. The establishment of Parliamentary forums can be an effective instrument in addressing

the bottlenecks related to greater energy cooperation in the region. CUTS International proposes a systematic strategy to achieve this goal through the proposed study.

Methodology

A holistic six-step methodology is proposed for the study with the following details:

1. Gap Assessment

The objective at this stage would be to assess the current status of energy cooperation in the South Asia Region. The potential, outlook and benefits of regional energy cooperation in the region will also be studied at this stage. It would involve an extensive review of the literature published by agencies, such as SAARC Energy Centre, South Asia Regional Initiative for Energy Integration (SARI/EI) programme of the Integrated Research and Action for Development-the United States Agency for International Development (IRADE-USAID)

Supported by



USAID
FROM THE AMERICAN PEOPLE

&



15+

Integrated Research and
Action for Development

International Energy Agency (IEA), The International Renewable Energy Agency (IRENA), The Asia Foundation, etc. would be thoroughly reviewed.

2. Feasibility Assessment

As part of the feasibility assessment, existing parliamentary forums and similar institutions with the target countries will be studied for their institutional structure, organisation set-up, prevailing practices, nature of function and performance.

3. Identification of Best Practices

Existing parliamentary forums and similar platforms in other regions and countries in the world would be reviewed at this stage. Based on the assessment of these institutions, drivers and best practices will be identified from the perspective of achieving sustainability and impact. The project team will also attempt to consult relevant experts and stakeholders in this region through emails, telephonic conversation and video conferencing.

Besides, the project team will also assess the lacunas in the current structure of the existing regional parliamentary forums and bilateral agreements.

4. Drafting a Suitable Structure for the Forum

Based on the assessment of the previous three steps, a draft optimal structure for a regional parliamentary forum in the region would be designed. Various parameters for the forum, such as formal or informal nature, tenure modalities, representational, and operating structure would be determined based on reviews of institutions at the national and regional level.

5. Consultations with Parliamentarians

The project team will undertake consultation with parliamentarians to receive their inputs on the structure and functions of the proposed draft of the regional parliamentary forum. For each target country (India, Nepal, Bangladesh, Bhutan and Sri Lanka), a country-specific consultation meeting with parliamentarians would be organised. CUTS will work with its country-specific partners in each country who will assist in organisation of the parliamentary consultations in respective countries.

6. Development of Road Map and Finalisation of the White Paper

Based on consultation with parliamentarians and experts, the role, operating structure, functions, a mechanism to review progress and legal status of the regional parliamentary forum will be finalised. A roadmap for setting up of the proposed forum will also be prepared in consultation with relevant stakeholders. The project team will also identify some focus areas for proceeding with the forum. Based on all these inputs, a white paper for the study will be prepared.

Outputs

A White paper based on the study.

Expected Outcomes

A feasible roadmap for developing a platform where policymakers can meet and interact with their counterparts from other South Asian countries, on the issues of energy cooperation and trade.

Project Duration and Support

The project is supported by IRADe and USAID and scheduled for four months (November 2020-February 2021).

