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IRADe Integrated Research and
Action for Development

WORKSHOP PROCEEDINGS

Launch of SARI/EI Think Tank Forum for South Asian Regional Energy Co-operation

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Prepared by:
SARI/EI Project Secretariat, IRADe

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Foreword



The USAID's South Asia Regional Initiative for Energy Integration (SARI/EI) program advocates energy security, clean energy access and energy markets development in the South Asia region through cross-border electricity trade (CBET). The region has witnessed a per capita GDP growth rate of more than six percent in the, recent past. In order to sustain this growth, provide opportunities for entrepreneurs, and continue to develop new job opportunities, it is imperative that the countries in the region have access to clean energy. However, existing power shortages and high reliance on fossil fuels, along with the rapidly increasing electricity demand are threatening to undermine the economic progress.

South Asia has a diverse range of energy resources with a large potential for hydropower. Systemic development of hydropower plants, along with transmission infrastructure and a market based regional power trading system will help to optimize utilization of regional energy resources.

The current phase of the program, is working with each country government through the inter-governmental task forces to harmonize policies and legislations, develop technical standards to facilitate transmission connections and develop the market rules for South Asia Regional Power Exchange. The program has also launched a Think Tank Forum (TTF), a network of civil society organization from South Asia, to build critical and strategic consensus amongst South Asian nations on cross-border power trade.

The network member will engage policy makers, media, politician, parliamentarians, bureaucrats, and civil society to position cross-border power trade in the climate change and clean energy debates of their respective countries. They will also act as anchor and torchbearer for the program by providing country specific intelligence that will help break the barriers and tap into opportunities.

The Think Tank Forum was launched in September 2016 in Nepal with a meeting of thirteen Think Tanks from six countries. Through their presentations, the network members highlighted the local issues in their countries and presented their strategy for promotion of CBET. This provided an opportunity for the member to understand regional sentiments required to garner maximum support for energy trade.

I am delighted that the key takeaway from the TTF meeting has been documented in this proceedings. I would like to take this opportunity to thank the excellent work done by the SARI/EI Project Secretariat at IRADe to compile this report. I am sure that this report will be informative for the energy stakeholders from the different South Asian countries to advance the task of integration of regional power grids in South Asia.

A handwritten signature in black ink that reads "Michael Satin". The signature is fluid and cursive.

Michael Satin

*Regional Energy Program Director,
Clean Energy & Environment Office,
USAID/India*

Preface

Integrated Research and Action for Development (IRADe) has been the implementing partner for SARI/EI in its fourth phase from 2012-2017, providing research and analysis to garner valuable support for the programme. In its fourth phase, the programme intends to create an enabling environment for the formation of the South Asian Electricity Market and building consensus among key decision makers.



Cross-Border Electricity Trade in South Asia also has the immense potential to foster rapid economic growth in South Asian Countries. The Program focuses on three key outcomes for overall socio-economic progress of the region i.e. i) harmonization/coordination of Policy, Regulatory and Legal Issues, ii) advancement of Transmission Systems Interconnections and iii) establishment of South Asia Regional Electricity Markets. We began this journey four years ago to address these issues, we at SARI/EI/IRADe, constituted three dedicated Task Forces represented by government nominated members from South Asian Countries headed by a Project Steering Committee.

IRADe also initiated analytical study on macro-economic benefits of electricity trade with the objective to build consensus for CBET by quantifying its economic benefits. I am glad to mention that recently SARI/EI launched a report on “Economic Benefits of Nepal-India Electricity Trade “which has critically assessed the potential for CBET, quantified the economic benefits and impact on the economy, power systems and power infrastructure of both countries.

By now, there is significant level of consensus/understanding among the Power sector fraternity. There is a need to build critical consensus and cooperation among civil society community in South Asia. To this end for building critical consensus and cooperation amongst the South Asian Nations, IRADe developed the Think Tank Forum (TTF) involving think tanks, non-government organizations, and research institute members from participant South Asian countries namely Pakistan, Nepal, Sri Lanka and Bhutan.

The objective of the TTF is to build level of understanding for electricity trade and how it can deal with energy deficit and demands of economic development. In addition, positioning CBET in the climate change and clean energy markets and engaging Parliamentarians and key decision makers to facilitate CBET.

Using studies, surveys and research, the forum intends to engage with media to propagate the message and facilitate public understanding of the issue among local audiences. The participating members of the TTF also bring with them the country specific understanding to help better understanding of local barriers and how to best break them for successful promotion and development of CBET.

The role of TTF is critical to sustain a discourse on the role of CBET in enhancing energy access in the region to use it for socio-economic development, to reduce the carbon emissions of the region and most importantly spread these ideas to a wider audience.

Dr. Jyoti K Parikh,

Executive Director,

Integrated Research & Action for Development (IRADe)

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Introduction

As a part of the SARI/EI outreach agenda, a network of leading think tanks in each participating South Asian country is established for initiating a discourse on the role of Cross Border Electricity Trade (CBET) in addressing energy demands for economic development. The local think tanks will be an important channel for positioning CBET in the national priorities of respective countries. They will play a key role in engaging politicians, government institutions, media and civil society for engraving the roles of CBET in the realm of energy security and climate change agendas of these nations.

The Think Tank Forum (TTF) will be a network of leading think tanks in South Asia for engaging the civil society and media on the importance of CBET in the socio-economic development agendas of their countries. By establishing narratives and examples of the relevance of CBET in the energy security and climate change discourses, the TTF shall take these messages to the stakeholders in respective nations.

Objectives of Think Tank Engagement

- To undertake rapid socio-economic assessment/impact studies in area of energy security, clean energy access, gender and climate change
- Raising awareness and fostering a better understanding of issues related to CBET
- Providing platforms to help prioritize, fast track and push the agenda for CBET
- To organise dialogue and discussion between and among policy-makers
- Building capacity, specifically with regards to communication
- Assist in developing partnerships with national and regional institutions for strategic collaboration

Expected Outcomes

- Evidences to quantify that CBET has been creating (can create) positive impacts for socio-economic development
- Advocating policy changes, organizing media events, news articles, enabling discussions
- Evidences of country government plans to widen/improve energy access especially with CBET interventions
- Indicators that can measure the benefits of CBET for socio-economic development
- Knowledge products necessary for bringing change on the ground in the favour of CBET

Inaugural Session

Welcome and opening remarks:

Ms. Monali Zeya Hazra, Regional Energy Manager and Clean Energy Specialist, USAID/India

Participant introduction and overview of the agenda:

Mr. Rohit Magotra, Assistant Director, IRADe

Overview of SARI/EI programme:

Mr. V K Kharbanda, Project Director, SARI/EI-IRADe

Keynote address:

Prof. Jyoti K Parikh, Executive Director, IRADe

Welcome and opening remarks

Ms. Monali Zeya Hazra
Regional Energy Manager and Clean Energy Specialist,
USAID/India



Ms. Monali Zeya Hazra, Regional Energy Manager and Clean Energy Specialist, USAID/India welcomed the participants. In her opening remarks, she highlighted that the meeting was a brainstorming session to explore opportunities to work together to promote power trade in South Asia along with issues of climate change and energy security. She noted that the Think Tank Forum (TTF) is being established under USAID's SARI/EI program. She briefly introduced SARI programme and how it has been working towards the regional integration of power trade in South Asia. She highlighted that the current cross border power trade between the countries in the region is very limited. But awareness is increasing, so it might be the right time to discuss how to promote it better through Think Tanks. She highlighted that the cross border trade has been carried out with the support of SARI activities.

South Asia Regional Initiative on Energy Integration (SARI/EI) is being implemented by Integrated Research and Action for Development (IRADe) and US Energy Association (USEA). It adopts a bottom up approach by building consensus on the rules for Cross Border Electricity Trade (CBET) through three different inter-governmental task forces. In this phase, unlike the earlier ones, SARI has been working with country governments through each of these task forces to reach out to the regional power market.

She pointed out that under this phase, TTF is being tried out in an effort to grow beyond the energy sector stakeholders and engage with other key stakeholders like civil society, media, politicians, parliamentarians, bureaucrats and others. She hoped that through this forum the discussion on CBET in each country could be mainstreamed. She highlighted that the forum will undertake studies, surveys, media campaigns and discussion platforms to promote the issue of power trade through the lens of climate change and energy security. She hoped that each of the participating think tank will become torch bearers in their respective countries. This shall also give SARI a local presence and help it to engage with civil society, policy makers, media and society in a more effective manner than what they have been doing so far.

She hoped to see the presentations showing how power trade can be integrated in South Asia and expected suggestions and inputs on how to effectively take the forum forward. She concluded by thanking IRADe and Institute for Integrated Development Studies (IIDS) for bringing this workshop together and also the participants for sparing their valuable time to attend this workshop.

Participant introduction and overview of the agenda

Mr. Rohit Magotra, Assistant Director, IRADe

Mr. Rohit Magotra thanked all the participants for coming and asked them to introduce themselves and their organization. After a brief round of introduction, Mr. Magotra provided the overview of the workshop agenda.

Overview of SARI/EI program

Mr. V. K. Kharbanda, Project Director, SARI/EI- IRADe

Mr. V. K. Kharbanda, Project Director, SARI/EI- IRADe presented the SARI/EI program. He highlighted that SARI/ EI is a long standing program of USAID that started in 2000 and has consistently strived to address energy security in South Asia by focusing on cross border energy trade, energy market formation and regional clean energy development. In the current phase of SARI/EI, three task forces that have been created in three key areas namely, i) Coordination of regulations/policies; ii) Advancement of transmission interconnection iii) Formation of Electricity Market and Task Forces, are the heart of this program.



The members of the task force from SAARC nations have been nominated by their respective governments. He opined that political commitment is very necessary for CBET and for this the SAARC frame work agreement has been signed by SAARC countries in November 2014. The SAARC framework agreement on Energy Co-operation strived CBET through regional regulatory framework, regional investment framework and investment policy guidelines, harmonization of grid codes, model framework for open access and trading license regime, transmission pricing rules and methodology, model regulation for power market development, standard contracts and mock exercise for South Asia Regional Power Exchange (SARPEX).

He highlighted that the current CBET between SAARC countries is 2,313 Megawatt (MW) -- 600 MW trade between India and Bangladesh, India imports 1400 MW from Bhutan and exports 300MW to Nepal. He also mentioned that in future by the year 2047, the electricity import by India is projected at 60 Gigawatt (GW) and export by India is projected at 10 GW. So, India would need to import energy to meet its demands and thus the South Asian countries can benefit from CBET. He mentioned that the participating think tanks would be working as anchors to take forward the work of socio economic development and promote CBET among South Asian countries. He recognized that country specific intelligence is necessary to understand what barriers have been broken and what opportunities have to be tapped to promote the trade. Lastly, he mentioned that a successful and effective partnership between think tanks is very important for propagating socio-economic benefits of CBET.

Keynote address

**Prof. Jyoti Parikh,
Executive Director, IRADe**



Prof. Jyoti Parikh, Executive Director, IRADe thanked the participants for their presence and briefed on the need for the Think Tank Forum. She mentioned that IRADe has been working with SARI/EI since 2012, engaging the power sector people in Nepal, India, Bangladesh, Bhutan and so on for the first 3-4 years. IRADe has been engaging with electricity planners and to some extent the external affairs department and occasionally with SAARC and Asian Development Bank. Since last year we have also connected with the SAARC Energy Forum, SAARC Energy Center in Islamabad, SAARC Chamber of Commerce and various other units of SAARC. This phase of work will continue till 2017. However, from the last year, IRADe has initiated analytical studies on India- Nepal. She mentioned about the need for Think Tank Forum and why an engagement strategy was needed. The South Asian Region has 350 GW of untapped hydro potential. However, the region is one of the least interconnected globally. So, this forum is a platform to ensure that this least interconnected tag goes away in future. All South Asian countries have very low per capita consumption of electricity, poverty, huge untapped hydro power potential and every country has something or the other to share. So, if we can somehow cooperate, we can give more energy to the people in the region. She mentioned that they have been working through three task forces; co-ordination of policy, regulation and legal framework; advancement of transmission interconnection; and South Asia regional electricity market. Different stakeholders from different organizations and countries have been involved or consulted.

She mentioned that IRADe has developed the power models for Nepal and India (MARKAL, ANSWER TIMES and Macro models) that show the benefits of energy trade to both the countries over next 40 years. She also noted that this power trade shall be on mutually beneficial terms. The modeling work shows that the countries would benefit immensely if energy trade takes place compared to no energy trade situation. Similarly, opportunities are being explored for other South Asian countries as well. So, IRADe as implementing partner of SARI/EI came up with the idea of creating a think tank forum that would engage in policy advocacy with media and quantify these impacts of power trade in the region. The key objectives identified for the SARI/EI Think Tank Forum includes a network of leading think tanks in each participating South Asian country to initiate a discourse on the role of CBET in addressing energy demands for socio-economic development, establishing different socio-economic narratives and examples of the relevance of CBET in the energy security and climate change discourses, and Think Tank Forum to take these messages to the stakeholders in respective nations with the Bangladesh, Bhutan, Pakistan and Nepal in focus.

She highlighted that TTF is the need of the day because South Asian Energy Sector is facing chronic problems of power supply shortage and poor quality of service, that is likely to impinge on the economic future of 1.5 billion. Investments of USD 1.7 trillion to USD 2.5 trillion are required in South Asia which is 1/3rd of the total investments needed for electricity development. Similarly, regional Interconnections are necessary for bringing down electricity cost and diversifying generation portfolios; India having transmission links with Bangladesh, Bhutan and Nepal for Power Trade. The forum is also essential for amplification of CBET opportunities in large and untapped hydropower resources in South Asian Region (Bhutan, India and Nepal), for addressing South Asia's electricity requirements and harnessing complementarities of regional resources and diversity in demand and supply (seasonal, peak load variation) that creates scope for CBET and further economic benefits.

She mentioned that Think Tank Forum would have representatives from all South Asian countries. The project duration will be up to six months and an average grant size foreseen is within the range of INR 300,000 to INR 500,000 with the funding amount for the contract not exceeding INR 1,000,000. She also highlighted on the eligibility and screening criteria for selection of the organization. Finally, she requested for suggestions from the participants on how to go forward for the TTF.

Discussions on engagement and presentations of concepts

Prof. Kirit Parikh
Chairman, IRADe

Prof. Kirit Parikh moderated the next session that included concept notes presentations from the different participants representing their organizations. He started with a brief description of IRADe's modeling system consisting of technology assessment model and macroeconomic model for each country where hourly power trade volumes and prices are determined accounting for the economic feedback of the trade. He explained how the two countries – Nepal and India will benefit from the electricity trade. He said that though it might seem like a particular country is not benefitting in the short run, however, in the long run, both the parties will benefit. If every country's objective is to provide electricity 24X7 to their entire population, then power trade becomes an important element to help. These are the gains we should really understand, explore and explain to the people.



He mentioned that any reform will hurt some and would benefit some. So, it is really important to understand the impact on different stakeholders and tell people about the benefits and losses. To make the project largely acceptable in the society, it is crucial to tell those who are at the receiving end as to how they will be compensated. Since governments depend on public support, it is important to take people together with us. So, it is really an important task to explain to the people about the measures that need to be taken and how they would benefit society at large. Often there are misunderstandings in the process. But we have to clear their doubts and misunderstandings. He highlighted that this is where the role of think tanks comes, who should try to create understanding, engage in dialogues and discussions and move people towards consensus for a better future. He then requested the think tank representatives to make their presentations.

Think Tank Country Presentations on concept ideas for engagement and discussions

■ BANGLADESH

Dr. Atiq Rehman, Executive Director, Bangladesh Centre for Advanced Studies (BCAS) started with a brief introduction of his organization and delved into the major challenges faced by the South Asian countries.

South Asian countries want democracy but are politically volatile. Hence, it is very difficult to distribute the highest amount of resources among the people. Five types of securities are essential for the region – food and nutrition security, water security, health security, energy security, livelihood and employment security. Among the various issues, energy is one of the most crucial in the region. Energy is a huge sector and electricity is just a part of it. He also noted that electricity is the most communicable form of energy; however, it cannot be stored and has to be consumed real time. So,

considering electricity as a flow there must be producers and buyers, which will open up avenues for cross border electricity trade. Currently, the deficit in electricity is being generated by private parties but at a very huge price. So, if electricity can be made available at a cheaper price, it would benefit all. On the supply side, the region has huge potential and on the demand side, private parties have the capacity to generate larger amounts of electricity to cater to huge demand for it. So, today, the issue of electricity production and cross border electricity trade is at a unique and central position.



He also pointed out at the water and electricity issues within the countries as well as amongst the countries. So, the role of think tanks comes in handy in clearing the confusion. He believed that everyone has the right to electricity and the major issue is how we could provide electricity to every citizen of the region given huge heterogeneity in terms of country and population size. He also pointed out that as people get some electricity, they want more electricity to enhance their living and earning. So, in this respect also there is a huge prospect for CBET.

One of the major challenges in the region has been climate change. So, he pointed out that mitigating climate change and still energizing the region would be a herculean task. He also asked the people of Nepal whether they would like to opt for foreign employment and earn meagerly or export energy and become a rising economy like Bhutan. Dr. Rehman also mentioned that the role of think tanks is very essential in facilitating cross border electricity trade and convincing the stakeholders. He was of the view that the countries in the region should go for multilateral energy trade and if that is not possible, then at least go for bilateral trade.

■ BHUTAN

Mr. Jamyang Tashi, Managing Director, QED Group presented a proposal entitled “Tracking and Analysis of Financial Flows in the Energy Sector Covering Investments in South Asia”. He noted that initially the project covered the entire Hindu-Kush region including many South Asian countries as it would be more relevant for this forum to present the proposal from the South Asian perspective. Being able to collect data on areas such as these provides basis for investors and policy makers to make the right decisions.



He highlighted that the objectives of the project are to better understand the potential entry points to engage with decision making process in the energy sector, linear infrastructure investment and promote greater investment in energy in South Asia region. The project would help understand sources and destinations of funds which in turn would allow for better approach to influencing policy. This would also help identify inefficiencies in funds and project management and identify potential growth areas. The project would focus on where investments to the energy sector and related linear infrastructure development are coming from and where are the investments going. It will help trace flows from source to projects via different channels. The key focus also includes the understanding of modus operandi to deal with investments in different countries. The financial flows really help at identifying areas that have had inefficiencies and building transparency mechanisms for decision making. This will also help to identify areas that have not been looked into.

Mr. Tashi noted that the results from the findings could be disseminated through the reports, briefs, infographics, briefings to parliament and government agencies and conducting seminars. Lastly, he stated that climate change is like a dark cloud over everything we do. It has created demand for new forms of energy.

Mr. Kinga Wangdi, Program officer, Royal Society for Protection of Nature (RSPN) explained about RSPN and its program. He highlighted that RSPN is one of the oldest NGOs in Bhutan pioneering in the area of environment protection. RSPN was established in 1987 under the Royal command of His Majesty the fourth King of Bhutan and enjoys the patronage of Her Majesty the Queen of Bhutan. He said that RSPN’s programs are well acknowledged by the Royal Government of Bhutan, and all programs are implemented in collaboration with the concerned stakeholders including the private sectors and the communities at the grass root level.



He mentioned that, RSPN has no direct involvement in development of hydro power projects, however as an environmental NGO, RSPN is active in programs relating to environment conservation and conservation education. RSPN also undertakes environmental impact assessment upon the invitation from the concerned agencies. He also mentioned that the current hydro power projects are either intergovernmental undertaking

(between two governments) or joint venture projects between Royal government of Bhutan through the state owned Corporation and the companies in India. Therefore, private sector and other agencies have no involvement in hydro power development projects. Hence, RSPN as a member of the Think Tank Forum will not have much to contribute in the process but RSPN is looking forward to learning from the group. He mentioned that, this forum could be a good platform to work in collaboration with different organizations in raising awareness on the issues related to hydro power generation in the region.

■ PAKISTAN

Mr. Ibar Ur Rehman, Team Leader, Leadership for Environment and Development (LEAD) briefly introduced his organization and explained the work it does. He mentioned that LEAD organization works in the sectors of agriculture, water resources, energy, disaster preparedness, socio- economic measures, health, bio-diversity, transport, urban planning and industries. LEAD is the pioneering institution in Pakistan and has been worked in various countries at the regional level, including India, Bangladesh, Nepal etc. promoting mainstreaming of policy, regulations and technology for climate compatible development. He stated that looking at the huge potential of trade in the region, we also need to look at the sustainability and energy interdependence of the whole region. He suggested that the think tank forum should focus on one or two major players in the energy sector and when greater acceptance is accorded to it other players too can be engaged.



Mr. Rehman presented a proposal entitled “Removal of Socio-Political Barriers in CBET by Establishing Economic and Climate Case- Sialkot case study” asked the participants to think of it as a program rather than a project. He presented the energy situation in Sialkot and the heavy costs caused by energy crisis in the area. Through this project, he proposes to carry out situational analysis including demand survey, one on one meeting with key stakeholders and engagement with Punjab Electricity Department, Alternative Energy Development Board, AEDP and Gujranwala Electric Power Company, GEPCO. He also proposed long term activities like engagement of parliamentarians; embed CBET into the sub national climate change policy; MoU with Government of Punjab, GoPB and showcasing the task force work for the sustainability of the project.

■ SRI LANKA

Ms. Vositha Wijenayake, Director, SLYCAN Trust put forward her proposal which is based on the work SLYCAN has been doing with the government for the implementation of Intended Nationally Determined Contribution (INDC) which consists of the reduction of greenhouse gas emission against the Business as Usual scenario.



The title of her proposal was “Supporting the Implementation of Energy Sector INDCs in Sri Lanka”. The INDC intends to reduce the greenhouse gas emission by 20 percent in energy sector. The overall installed capacity of the country is 3,888 MW. The annual demand for electricity is expected to increase by an average of 4% and future electricity generation expansion programs are expected to meet this demand growth. The proposed work is particularly focused on INDC 6, strengthening sustainable energy related policies, with a view to increasing renewable energy share from the current level of 50% to 60% in 2020 and maintaining the same level until further developments in Renewable Energy (RE) technology. The major objectives of the intervention are to:

- Support the policy making process of the Sri Lankan government for the implementation of INDCs.
- Address the gaps in policies and understand better investment potential and regional potential for collaboration for sustainable energy generation and trade.
- Address lack of awareness on sustainable energy, solutions, and increasing awareness of stakeholders (including media) on the need to move towards regeneration and regional collaboration on energy

The major outcomes expected from this collaboration include

- Policy analysis on Sri Lanka’s sustainable energy development, and energy policies based on latest available data (to be distributed at COP22, at relevant side events through partner organisations)
- Comparative study on INDCs on RE in South Asian countries, and the potential for regional energy trade based on the numbers in the official submissions to the UNFCCC
- Consultation(s) organized with the relevant ministries and the Presidential Secretariat and relevant stakeholders to address INDC 6. Development of policy brief on the discussion, summary report to be used for addressing INDC 6 (this could be the official consultation/part of the consultative process for preparing for INDC 6)
- Media training workshop on energy sector, sustainable and renewable energy generation, and regional cooperation for energy trade

Ms Priyangi Jayasinghe, Director, Climate and Development Research, Munasinghe Institute for Development (MIND)

started with a brief presentation on the organization and the activities it has been carrying out. She gave a brief preview of the energy situation in Sri Lanka and how different sources of energy have impacted the environment and community of Sri Lanka, especially coal power plants.



In terms of CBET, there are limited possibilities with India. Sri Lanka can import during dry season along with thermal and LNG power support. Sri Lanka can export to India with some off peak power support and wind power to South India. Technical feasibility study of the proposed undersea cable connection between India and Sri Lanka is going on. Other than that, there is very little or no potential of power trade with other countries in the region. The proposed work would study the energy access challenges and impacts on villages with limited access especially in the north and east areas and sustainability analysis of power sector which is currently dominated by least cost methods without much respect to environmental and social impacts. The major outcome of the project would be higher awareness on CBET as an option.

Ms. Anoja Wickramasinghe, Emeritus Professor, University of

Paradeniya, presented the proposal entitled “Enhanced Energy Access for Rural Transition: Replicable Lessons”. She highlighted that the objectives of the proposed project are to create enabling conditions for the communities to make transition from unelectrified to getting access to grid electricity. This in turn helps them improve their lives and act as a measure to resist climate change. The project also aims to demonstrate the effects of CBET by comparing unelectrified villages with adjoining electrified villages and work out outcomes and impacts to guide policy makers.



She provided a brief profile of the proposed implementing organization of the project, NANAGE- National Network on Gender, Energy and Environment, coordinated by her. The project is expected to pull community, households and individuals out of energy poverty; improve quality of human capital; and enhance productivity and livelihood security. Other expected outcomes include economic advancement and contribution to the economy, social inclusion and equality and positive impacts on enterprises and business. Further, indicators related to poverty, changes in human capital, productivity, economic changes and enterprise and social change shall be worked out and validated.

■ NEPAL

Mr. Ajaya Dixit, Executive Director, Institute for Social and Environmental Transition Nepal (ISET), presented a project proposal entitled “Energy End Use Diversification and Value Addition in the Context of Nepal’s New Local Governance”. He too started his presentation with a brief introduction of ISET and the works it has carried out. He highlighted today’s need to enhance productive energy uses and how the implementation of Nepal’s new constitution into federation creates new dynamics. He also emphasized on the need for legal and institutional arrangements for regulation and management, participation of multi-stakeholders including gender equity and human resource development and the need to address the issues of quality and safety.



Further, he opined that there are other issues too that need careful consideration. He stated that these issues would be further examined through literature reviews, case study of three entities based on some agreed criteria (like geography, language, etc) and stakeholder consultation at sub national and national level. With the various inputs, the final information will be disseminated through four policy briefs, two stories of change and the final report. The study will help identify pathways for diversification and value addition of energy end use, generate actionable ideas for reform and policymaking in the context of political transformation, establish a deliberative forum for common understanding among stakeholders, and generate evidence-based knowledge to explore and design innovative solutions to meet the energy component of Sustainable Development Goals broadly.

Mr. Pramod Rijal, Economist, Institute for Integrated Development Studies (IIDS), started with a brief introduction of IIDS and explained how IIDS has contributed as a think tank in different sectors throughout these years including various works and research in water and energy issues.



Mr. Rijal presented a proposal entitled “Development through Cross Border Electricity Trade in Nepal” and emphasized the importance of energy co- operation between Nepal and India and to explore market for Nepali electricity. He mentioned that the objectives of the proposed work would be to increase production of electricity in Nepal, export electricity generated in Nepal, reduce power cuts in Nepal and reduce growing dependency on fossil fuel for electricity generation. The major activities to be carried out are policy advocacy and media engagement. The policy advocacy could be carried out by preparing a policy brief on benefits of CBET, producing a working paper on energy co- operation between Nepal and India, organizing a seminar and a special lecture series including parliamentarians,

energy experts, senior bureaucrats, researchers, academicians and media persons. Similarly, media activities include publishing four articles in leading print or online newspapers and regular informal engagement with journalists who are interested in energy issues to help build critical mass.

The major outputs and outcomes expected from the proposed activities include increasing awareness amongst people, politicians, researchers and academicians of both countries on benefits from energy trade between Nepal and India and formulation or reformation of policy, acts, regulation and bylaws to facilitate electricity trade between Nepal and India.

Mr. Nirjan Rai, Executive Director, Niti Foundation gave a brief description of Niti Foundation and the areas they have been working in. He emphasized that Niti Foundation specializes in public policy areas and have recently started work in the electricity sector, trying to understand constraints to electricity generation in Nepal. He also stated that the organization is focused on social components.



He mentioned a few of the ongoing projects of Niti Foundation. The research conducted by it looks into how power projects are responding to expectations of the locals and the problems of mismanagement and conflict. Further, one of the studies provides alternative dispute resolution that arises out of information asymmetry between power producers, developers and local community.

Dr. Ramesh Vaidya, Senior Advisor, International Center for Integrated Mountain Development (ICIMOD) started with a brief profile of ICIMOD and the works it has been doing in Nepal and in the entire Hindu Kush region that includes eight Asian countries. The mission statement of ICIMOD is “to enable sustainable and resilient mountain development for improved and equitable livelihoods through knowledge and regional cooperation” and the organization works in the areas of livelihoods, ecosystem services, water and air, and geo- spatial solution. Mr. Vaidya emphasized on the areas in which the different think tanks can collaborate. He talked about the regional programs of ICIMOD and how it has been balancing knowledge generation and sharing. He highlighted the problem of poverty and how it is linked to deficiency in energy and inefficiency in its use. He stated that ICIMOD intends to pursue a goal consistent with the UN Sustainable Development Goal no 7.



Mr. Vaidya highlighted that for improving access to energy, appropriate institutional arrangements are just as important as the technology itself and distributed energy systems may be vital to improve access to

electricity. Further, the impact of the environmental changes on hydropower plants may be just as important as the impact of the plants on the environment. He concluded by sharing that the priorities of ICIMOD are to improve access to modern energy in rural areas of the HKH region, provide knowledge support for sustainable hydropower development and off-grid solutions in the HKH region and develop institutional mechanisms for benefit sharing in energy initiatives.

Mr. Deependra Chaulagain, Director, Operations and Outreach, Samriddhi, highlighted how his organization could help in garnering popular support for Cross Border Electricity Trade (CBET) in Nepal. He provided a brief introduction of Samriddhi and the works it has been doing, especially in the field of reforming energy sector of Nepal. He mentioned that for CBET there is need of certain reforms that include treating electricity as an economic and not political commodity, line synchronization with India, granting Nepali bidders access to Indian Power exchange platforms and a clearly defined legal framework. He proposed to build private and civil society support for energy reform issues by engaging policy makers in CBET discourse, understand the position of policymakers and interest groups and feed the public with reform friendly knowledge materials, thus creating a win-win outcome. The outcomes of the project would be that the policymakers, civil society, media and parliamentarians would be well informed about benefits of CBET and will make information available to build public support for CBET.



Discussions

The sessions were followed by a brief round of discussion among the participants. Ms. Vositha opined that it could make sense to have regional policy makers gather for discussion on energy. Dr. Vaidya was of the view that CBET should be carried forward as a local institution and IRADe should reach out to other think tanks in the region. He further mentioned that it is not just the role of the government, but the civil society too, to passionately carry forward the whole idea of power trade. Mr. Ibad was of the view that there are issues like water governance and power trade within countries and among countries. Resolving the issue of water is much easier. However, electricity trade is very difficult and we have to plan on how to move forward under these constraints.

Dr. Kirit Parikh stated that it is important to explain CBET to people, not just the benefits but also the potential benefits of the trade that will accrue in the future. Also, the vision everyone should articulate is how it impacts the poor, disadvantaged and the marginalized and what role can CBET play in improving their status. Dr. Atiq Rehman opined that 6 months was a very short period to attain this. However, a humble beginning has been made with this and few things can be possibly achieved in this short duration. He was of the view that all the participants should work together and be able to raise more funds from USAID, World Bank and other places. He also opined that continuous commitment from the participants is required beyond these 6 months.

Further, Mr. Rohit Magotra shared that 17 think tanks in South Asia are on board in one month and more shall join. So we can see that there is a common interest in the region among all for the integration of energy. Lots of information and new concepts can flow through this forum and a lot of information needs to go forward. One of the participants was of the view that somewhere we need to connect demand and supply and then come up with new ideas for integration. One of the participants requested a little bit more of clarity as to how the think tanks will contribute in the whole structure. Mr. Kharbanda opined that we have to have learnings and lessons within the South Asian countries. He put the example of how participation of private parties increased after the government built grounds for it in the energy production. Mr. Ibad was of the view that if we look at the issue from the perspective of raising the stake for everyone in the region, then the forum in actuality would be acting as an important player supporting the peace initiative in the region and can remove a lot of political side barriers. Dr. Vaidya opined that it is easier to convince people right after some incident occurs like how Nepalese understood the importance of CBET after the recent earthquakes and multiple hazards in the country that decreased the electricity generation capacity of many power plants and how power import from India helped in the situation. So, it is important to convey to people the importance of CBET during disasters and in reduction of impacts of disasters.

Deliberation on Think Tank Forum Structure, Charter, Timetables etc.

Mr. Rohit Magotra made a presentation on how IRADe and SARI plan to move forward with the forum and how would the structure, charter and timetables of the forum evolve. Think tanks from six countries of South Asia – Bangladesh, Bhutan, India, Nepal, Pakistan and Sri Lanka are on board for the forum with representation from a majority of the think tanks (except from India). He also informed that efforts are on for bringing in other think tanks from India too.



The objectives of the TTF engagement are:

- To undertake rapid socio-economic assessment/impact studies in area of energy security, clean energy access, gender and climate change
- Raising awareness and fostering a better understanding of issues related to CBET
- Providing platforms to help prioritize, fast track and push the agenda for CBET
- To organize dialogue and discussion between policy-makers
- Building capacity, specifically with regard to communication
- Assist in developing partnerships with national and regional institutions for strategic collaboration The following outcomes have been expected from this engagement:
 - Evidences to quantify that CBET can create positive impacts for socio-economic development
 - Advocating policy changes, organizing media events, news articles, enabling discussions
 - Evidences of country government plans to widen/improve energy access especially with CBET interventions
 - Indicators that can measure the benefits of CBET for socio-economic development
 - Knowledge products necessary for bringing change on the ground in the favor of CBET

Mr. Magotra also highlighted that objectives of the Think Tank forum were to sensitize and build consensus for regional electricity trade in the region, work as anchors for South Asia Regional Power Co-operation for socio- economic development of the region, leverage SARI/EI experience and learnings for broader engagement with civil society, government, public, private sector etc, and establish narratives on the role of CBET in the development and clean energy/climate discourses. He proposed that think tanks, research institutions and universities of the region could be members of the forum. The Steering Committee shall comprise of one member from respective South Asian country, headed by chairperson on a rotation basis and the Advisory Committee shall comprise of high level experts from various development sectors like energy, climate change, environment and gender. He also explained that the TTF meeting for Indian think tanks will be held on October 2016 and the inception workshop for South Asian think tanks scheduled for November 2016. Further progress and outputs workshop is scheduled for April 2017 and the annual meeting could be decided on the basis of consensus. He then opened the floor for further suggestions and discussions.

Suggestions

One of the participants suggested that since the Sustainable Development Goals which is coming up will be the key area of discussion, we could integrate the CBET in that framework. Dr. Atiq Rehman reiterated his view that we should not confine ourselves to a commitment of six months and should carry this forward for longer term. Mr. Ibad was of the view that we should not involve the private sector unless we have something tangible to offer to them in terms of trade or trade benefits. He also pointed out that the private sector will be interested only if they found some benefits from the forum. He also emphasized that the size of the forum needs to be defined in advance as bigger size would cause dilution. So, it would benefit more to have less but focused participants.

The participants also debated that whether it would be appropriate to have civil societies in the group rather than having multidisciplinary kind of committee. Also, while we are talking about providing energy to all, it is also important to focus on clean energy. Mr. Dixit suggested that IRADe should bring forward their story of diligence and achievements in these 15 years. Many other participants echoed his voice.

It was also voiced that we need to learn from the weaknesses of SAARC. The knowledge of key reasons why SAARC has not been successful can prevent the forum from having the same fate as SAARC. It was also emphasized that this forum be one of its own kind where everyone should find valuable information. Regarding the success story, Dr. Jyoti Parikh mentioned that the recent growth story of Bhutan through rapid development of hydro power projects is an apt example that needs to be shared.

It was emphasized that there must be some sort of encouragement for active participation of the think tank organization in terms of business or else they might gradually lose interest. It was also opined that different think tanks of the participating countries should come forward together and prepare what should be presented to their respective policy makers. Mr. Pramod stressed that there are some analytical people in the private sector too and we should get them on board. He also emphasized that both private sector as well as think tanks can benefit from knowledge sharing.

Dr. Vaidya stated that we need to understand that electricity trade and development is not possible without water storage hydro projects. However, it is difficult to attract private parties for storage projects. He further stressed that the institutions with certain credibility like economic associations, engineer associations and like should be included in the forum. Dr. Anoja emphasized the need to focus on renewable energy. Individual stories from different countries can provide some information as to what approaches have been successful in helping people and the energy sector in making the transition.

Vote of Thanks

Mr. Shankar Khagi, USAID-Nepal thanked all the participants for the valuable time they have provided for the workshop. He believed that the discussions from the workshop were really productive as a lot of ideas and views have come out. He also thanked and congratulated IRADe for taking this forward. He was of the view that it is important for like-minded people to get together with similar interests, whether it is private sector or the civil society. It is important to know how one is analyzing and advocating in terms of changes in the policies. He stressed the need to relay the success story of cross border trade to people as people believe in what the media says and currently what it says is against the CBET. Similarly, it is very difficult for people to know the technical details of the cross border energy trade. He emphasized there is a gap in the activities of civil society and think tanks and the participating organizations can fill in this gap. Lastly, he again thanked the participants and hoped for the success of the think tank forum.



List of workshop participants

Sr. No	Participant	Designation & Organization
1.	Dr. Atiq Rahman	Executive Director, Bangladesh Centre for Advanced Studies (BCAS), Bangladesh
2.	Mr. Jamyang Tashi	Managing Director, QED group, Bhutan
3.	Mr. Kinga Wangdi	Program Officer, Royal Society for Protection of Nature (RSPN), Bhutan
4.	Mr. Ibad Ur Rehman	Team Leader, Leadership for Environment and Development (LEAD), Pakistan
5.	Ms. Voshitha Wijenayake	Director, SLYCAN Trust, Sri Lanka
6.	Ms. Priyangi Jayasinghe	Director, Climate and Development Research, Munasinghe Institute for Development (MIND), Sri Lanka
7.	Ms. Anoja Wickramasinghe	Emeritus Professor, University of Peradeniya, Sri Lanka
8.	Dr. Bishnu Pant	Executive Director, Institute for Integrated Development Studies (IIDS)
9.	Mr. Ajaya Dixit	Executive Director, Institute for Social and Environmental Transition (ISET)
10.	Mr. Nirjan Rai	Executive Director, Niti Foundation
11.	Dr Ramesh Vaidya	Senior Advisor, International Center for Integrated Mountain Development (ICIMOD)
12.	Mr. Deependra Chaulagain	Director, Operations and Outreach, Samriddhi Foundation
13.	Mr. Shankar Khagi	Environment & Energy Specialist, USAID/Nepal
14.	Ms. Monali Zeya Hazra	Regional Energy Manager & Clean Energy Specialist, USAID/India
15.	Prof. Kirit Parikh	Chairman, IRADe
16.	Prof. Jyoti Parikh	Executive Director, IRADe
17.	Mr. V.K Kharbanda	Project Director, SARI/EI-IRADe
18.	Mr. Rohit Magotra	Assistant Director, IRADe
19.	Mr. Rajiv Panda	Head - Technical, SARI/EI-IRADe

Think Tank Forum Members

Nepal	Bangladesh	Sri Lanka	Bhutan
Institute for Social and Environmental Transition Nepal (ISET)	Bangladesh Centre for Advanced Studies (BCAS)	SLYCAN Trust	QED Group
Institute for Integrated Development Studies (IIDS)	Bangladesh Institute of Developmental Studies (BIDS)	University of Paradeniya	Royal Society for Protection of Nature (RSPN)
International Center for Integrated Mountain Development (ICIMOD)	Bangladesh Enterprise Institute (BEI)	Climate and Development Research, Munasinghe institute for Development (MIND)	
Samriddhi foundation	International Centre for Climate Change and Development (ICCCAD)		
Niti Foundation			



SARI/EI

For more information on the South Asia Regional Initiative for Energy Integration (SARI/EI) Program, please visit the project website:

www.sari-energy.org



ABOUT SARI/EI

Over the past decade, USAID's South Asia Regional Initiative/Energy (SARI/E) has been advocating energy cooperation in South Asia via regional energy integration and cross border electricity trade in eight South Asian countries (Afghanistan, Bangladesh, Bhutan, India, Pakistan, Nepal, Sri Lanka and the Maldives). This fourth and the final phase, titled South Asia Regional Initiative for Energy Integration (SARI/EI), was launched in 2012 and is implemented in partnership with Integrated Research and Action for Development (IRADe) through a cooperative agreement with USAID. SARI/ EI addresses policy, legal and regulatory issues related to cross border electricity trade in the region, promote transmission interconnections and works toward establishing a regional market exchange for electricity.

ABOUT USAID

The United States Agency for International Development (USAID) is an independent government agency that provides economic, development, and humanitarian assistance around the world in support of the foreign policy goals of the United States. USAID's mission is to advance broad-based economic growth, democracy, and human progress in developing countries and emerging economies. To do so, it is partnering with governments and other actors, making innovative use of science, technology, and human capital to bring the most profound results to a greatest number of people.

ABOUT IRADe

IRADe is a fully autonomous advanced research institute, which aims to conduct research and policy analysis and connect various stakeholders including government, non-governmental organizations (NGOs), corporations, and academic and financial institutions. Its research covers many areas such as energy and power systems, urban development, climate change and environment, poverty alleviation and gender, food security and agriculture, as well as the policies that affect these areas.

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