

Accelerating Clean Energy Transition in the new normal

20 April 2022, 15:00–16:30 (Manila Time), via Microsoft Teams

I. Background and Context

1. While the ongoing coronavirus disease (COVID-19)¹ crisis has lowered energy demand, the International Energy Agency (IEA) forecasts demand to bounce back in 2023–2025.² Energy demand in Southeast Asia and the People's Republic of China (PRC) has traditionally been increasing due to economic growth, rapid urbanization, and increasing populations. Countries in the Association of Southeast Asian Nations (ASEAN) have traditionally relied on coal for more than a decade and is expected to do so until 2040.³ Although coal is affordable and reliable in meeting post-pandemic recovery energy demands, its alarming environmental impact cannot be neglected. The burning of coal emits greenhouse gas (GHG) emissions and is known as the single most contributor to climate change. Thus, calls for decarbonization were heeded especially with the COP26 phase-out coal agreement in November 2021, and consequently ASEAN member states modified their energy policies.
2. ASEAN's rapid energy demands also calls for maintaining an acceptable minimum level of GHG emissions to meet targets set out in the Paris Agreement. The IEA reports that Southeast Asia currently registers among the world's fastest growth in electricity demand at 6% per year.⁴ Phasing out coal is one of the most important decarbonization efforts since it provides opportunities for expanding renewable energy and enhancing energy efficiency. Fast-tracking the transition to cleaner forms of energy leads to lower carbon utilization, less pollution, and greener energy generation, distribution, and utilization. Clean energy forms part of medium- to long-term green recovery programs implemented by governments to bounce back from the COVID-19 crisis and assist in building back better efforts. Government spending on renewable energy and energy efficiency has demonstrated that more jobs can be generated instead of spending for fossil fuels.
3. Countries in Southeast Asia have taken significant strides in embracing clean energy. Viet Nam in its Power Development Plan 8 issued targets to have no new coal-fired power plants except those already under construction or planned for completion by 2025 or sooner and prioritize natural gas power projects over coal. Malaysia aims to increase the share of renewable energy at 31% in its energy mix and scale back coal capacity. Indonesia, in its electricity plan aims to eliminate coal-fired power plants and increase renewable energy allocation to 52% by 2023. The Philippines also intends to retire 10 coal-fired power plants and slowly stop new coal power generation projects. The power sector is a key enabler in transitioning to clean energy given other sectors such as transport will take a much longer time to decarbonize.

¹ COVID-19 is the short term for severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2).

² International Energy Agency (IEA). 2020. *World Energy Outlook 2020*. Paris.

³ ASEAN Centre for Energy 2020. *The 6th ASEAN Energy Outlook 2017-2040*. Jakarta.

⁴ IEA. 2019. *Southeast Asia Energy Outlook 2019*. Paris.

4. Clean energy initiatives include facilitating renewable energy projects, boosting energy storage capacity and grid connectivity, and enhancing energy efficiency. Foregoing investments in clean energy could have significant repercussions for green recovery and impediments need to be addressed to mobilize the scale of investments that can make significant impact. Impediments include (i) restrictive policies and regulations; (ii) limited institutional capacity both government and private sector; and (iii) high cost of capital, risks, and underdeveloped power markets, among others.

II. 18th PACER Dialogue – Accelerating Clean Energy Transition in the new normal

5. The COVID-19 crisis is providing the impetus for policy makers in Southeast Asia and the PRC to consider new approaches in making medium and long-term decisions for their countries to accelerate transition to clean energy and achieve the Sustainable Development Goals (SDGs) and Paris Agreement targets. Governments play a vital role in providing an enabling policy environment in clean energy transition, ensuring efficient and effective planning, and encouraging new market players and alternative business models.

6. In this context the ADB will convene the 18th Policy Actions for COVID-19 Economic Recovery (PACER) Dialogue in virtual format on 20 April 2022 (Wednesday) from 15:00–16:30 (Manila time) using Microsoft Teams. The title of the 18th PACER Dialogue is “Accelerating Clean Energy Transition in the new normal.” The PACER Dialogues are organized under the ADB-supported BIMP-EAGA, IMT-GT, and GMS (B-I-G) Capacity Building Program, and will explore measures that can help “B-I-G” member countries, Singapore, and Timor-Leste “rebuild better” from the COVID-19 pandemic.

III. Objectives

7. The 18th PACER Dialogue will feature global good practice examples and policy options in accelerating the uptake of clean energy to help countries transition their medium-term goals to the long-term as they mitigate COVID-19 impacts and accelerate recovery and rejuvenation. The objectives are to:

- promote policy options to facilitate clean energy transition in the new normal;
- disseminate lessons, actionable policy solutions, and country experiences on how to promote and accelerate clean energy adoption; and
- provide a platform for policy makers, energy development planners, and practitioners to share knowledge and experience and collaboratively learn from each other.

8. At the end of the dialogue, a Policy Brief will be produced to summarize the policy options and recommendations discussed.

IV. PACER Dialogue Background Paper, Structure and Timing

9. The PACER Dialogues are envisaged to help decision makers broaden their perspectives, appreciate the wider implications of critical policy choices, and identify concrete policy actions. During the open discussions, participants are requested to provide inputs, share analysis, country experiences and lessons on clean energy policies and solutions taken to accelerate COVID-19 recovery and rejuvenation.

10. A background paper will be circulated to all participants as advance reading. The indicative structure of the 1.5-hour (90 minute) PACER Dialogue is summarized in the attached program.

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TIME	DETAILS
15:00-15:05	<p>18th PACER Dialogue – Overview and Objectives <i>Mr. Winfried Wicklein</i> <i>Deputy Director General, Southeast Asia Department (SERD), Asian Development Bank (ADB)</i></p> <p>Moderator to deliver introductory remarks on the 18th PACER Dialogue context, objectives and structure.</p>
15:05-15:30	<p>Accelerating Clean Energy Transition in the new normal <i>Mr. Pradeep Tharakan, Principal Climate Change Specialist, SERD, ADB</i></p> <p>Presentation on how countries can accelerate clean energy transition aimed at GHG emissions reduction in policymaking post-COVID. Actionable policy solutions, lessons, and measures to scale up clean energy financing will be discussed. The role of regional cooperation especially in enhancing regional power interconnections and promoting power trade will be featured.</p>
15:30-16:00	<p>Clean energy transition policies, financing approaches and projects in Indonesia, Philippines and Viet Nam <i>Ms. Paola Alvarez, Assistant Secretary, Department of Finance, the Republic of the Philippines</i> <i>Ms. Andriah Feby Misna, Director of Various New and Renewable Energy, Ministry of Energy and Mineral Resources, Indonesia</i> <i>Dr. Anh Tuan Nguyen, Energy Policies and Energy Sector Institutional and Regulatory Framework Expert, EU-Viet Nam Sustainable Energy Transition Facility (EVSETF)</i></p> <p>Country case studies on successes and lessons in implementing clean energy transition policies, financing approaches, and projects including results achieved and the way forward.</p>
16:00-16:25	<p>Open Discussion and Questions <i>Moderator: Mr. Winfried Wicklein</i></p> <p>PACER Dialogue participants exchange information on clean energy policies and solutions in an open discussion format.</p> <p>To enrich the PACER dialogue discussions, the moderator will request country delegations to provide inputs and share analysis, country experiences, and lessons on clean energy policies and solutions aimed at achieving medium- and long-term recovery and rejuvenation.</p>
16:25-16:30	<p>Synthesis and Summary <i>Mr. Winfried Wicklein, Deputy Director General, SERD, ADB</i></p> <p>Moderator summarizes the policy discussions, key recommendations, and closes the Dialogue.</p>