

1995-1999 ASEAN MEDIUM-TERM PROGRAMME OF ACTION ON ENERGY COOPERATION

Adopted in Bali, Indonesia on 26 October 1995

INTRODUCTION

The ASEAN Medium-Term Programme of Action (1995-1999) has been developed following the review of the Programme of Action for Enhancement of ASEAN Cooperation in Energy endorsed by the Tenth Meeting of the ASEAN Economic Ministers on Energy Cooperation (AEMEC) in 1991. The formulation of the new programme of action took into consideration of the need to have a more focused energy cooperation in ASEAN to sustain the robust economic growth in the region. The formulation also took into account the policy and guidelines provided in the Framework Agreement on Enhancing ASEAN Economic Cooperation as embodied in the 1992 Singapore Declaration and the directives brought about in the Agreement on ASEAN Energy Cooperation and the ASEAN Petroleum Security Agreement signed in 1986 as well as the Manila Declaration. In addition, it also addresses the issues of energy efficiency, diversification of energy resources, energy conservation, and energy and environment.

OBJECTIVES

The general objective of energy cooperation in ASEAN is to pursue activities that would enhance the ASEAN economic cooperation in the region. Specifically, the objectives of the Programme of Action for Energy Cooperation are:

1. To coordinate and enhance the implementation of existing energy cooperation programmes;
2. To develop and promote ways and means to popularise the use of indigenous energy resources (non-oil) for fuel and generating, purposes;
3. To strengthen existing regional institutions related to energy activities through the coordinated sharing of existing facilities or centres of excellence for energy training and research among member countries, to establish and to form a more effective overall ASEAN energy training, research and development network;
4. To establish an ASEAN policy framework, and to encourage regular exchange of information on the formulation and implementation of energy policies;
5. To synchronise activities of the various ASEAN energy fora toward predetermined objectives; and
6. To promote sustainable self – supporting ASEAN cooperation activities to address issues of common concern.

AREAS OF ENHANCED ENERGY COOPERATION

The sectors of common interest identified for more intensive follow-up are in: electricity, coal, oil and gas, geothermal resources, new and renewable sources of energy (NRSE), energy efficiency, diversification of energy sources, energy conservation, energy and environment, and energy policy and planning.

Electricity

The focus of the programme of action for the enhancement of energy cooperation in this sector shall be on the following areas:

- a. Strengthening interconnection development leading to the realization of the ASEAN Power Grid;
- b. Enhancing greater private sector participation in power development in ASEAN through investment and joint ventures;
- c. Encouraging standardisation of equipment for power development leading to manufacturing of these equipment within ASEAN;
- d. Cooperation in joint development and utilisation of energy resources for power generation in ASEAN; and
- e. Cooperation in human resources development in the power sector in ASEAN.

The energy cooperation for this sector shall be under the purview of the ASEAN Forum for Power Utilities/Authorities.

Oil and Gas

The ASEAN Council on Petroleum (ASCOPE) shall implement the ASEAN cooperation in oil and gas. The activities of ASCOPE in the sector shall be supported and intensified through the following undertakings:

- a. Self-imposed oil production conservation which shall be popularised so as to create a steady demand.
- b. Support and intensification of information exchange among ASCOPE members on various subjects of common interest i.e.:
 - i. Cooperation in crude/product purchase and products marketing in fulfilling each other's crude and products requirements;
 - ii. Cooperation in oil and gas activities by providing the most up-to-date data on each other's exploration and production activities; and
 - iii. Cooperation in training by sharing skills and training facilities.
- c. Several studies and courses relating to the ASEAN region shall be undertaken as part of the ASCOPE Work Programme, among others:

- i. A study on the technical and economic aspects of natural gas pipeline connection in the ASEAN region;
- ii. A study on the economic aspects of optimising the octane number for motor gasoline in the ASEAN region; and
- iii. Laboratory test correlation programmes for fuels, lubricants and CFR engines.

Coal

The action programme for this sector would focus on the strengthening and sharing existing facilities and exchange of information and expertise through the following endeavours:

- a. Addressing environmental issues and restrictions they place on the development and utilisation of coal and reviewing the technologies alleviating the adverse impact;
- b. Coordinating training and R&D efforts via bilateral and multilateral arrangement among Member Countries; and
- c. Promoting exchange of experiences on various proven coal technologies adapted in each Member Country.

New and Renewable Sources of Energy (NRSE)

The commercialization of NRSE technologies shall actively be pursued. The ASEAN cooperation in this area shall focus on the development of ASEAN manufacturing capabilities in the NRSE system and the promotion of intra-ASEAN trade of ASEAN manufactured NRSE products, namely solar photo voltaic systems, solar thermal water heaters and wind-energy equipment.

The endeavor to commercialize the technologies would include strengthening national focal points on NRSE, conducting market studies, exploring the possibility of quality control and standards for NRSE systems, equipment etc., encouraging participation of local manufacturers of NRSE Components.

Energy Conservation

The main thrust of the ASEAN cooperation in energy cooperation is to promote public confidence and create a market for energy-efficient products manufactured in ASEAN Member Countries. The energy conservation cooperation shall be pursued and intensified through the following activities:

- a. Exchange of experience in the preparation and implementation of energy policy and measures;
- b. Development of public awareness programme for energy conservation;
- c. Familiarization programme in energy conservation technologies and the application of appropriate energy technologies and their delivery and assimilation; and
- d. Sharing of experts and expertise as well as ways to expand the training activities to meet the needs at the regional level.

Energy and Environment

The cooperation in this area of concern shall be pursued within the framework of sustainable development and would be directed towards the following:

- a. Enhancement of the capability to disseminate environmental awareness programmes in all energy consuming sectors;
- b. Development and promotion of regional environmental standards; and
- c. Promotion of environmental impact assessment in the various development projects in the region. In line with this, the development of a standard format for environmental impact assessment shall be pursued. This is expected to facilitate comparison between the environmental impacts of various development projects in each member state.

Energy Policy and Planning

Greater attention would be directed to energy planning as a key to sustainable energy development. This would involve strengthening the role of energy planning in the formulation of comprehensive policies, objectives and strategies for coordinated development of various energy resources, management of energy demand including energy conservation and environmental monitoring.

In view of the significant impact of the energy sector on the economies of the member countries and on the development of the ASEAN region as whole, energy planning would also be properly attuned towards overall national development efforts as well as the promotion of economic cooperation and trade within ASEAN.

The mechanism for cooperation in this area shall include the following:

- a. Sharing of methodologies, techniques and skills in the formulation of energy policy as well as experiences in the implementation of national energy plans;
- b. Regularly updating and compiling of current energy policies and plans of member countries. Such compilation could provide the basis for the formulation and maintenance of a comprehensive regional energy, cooperation plan for ASEAN.
- c. Maintenance of an energy planning database, consisting of national growth scenarios energy demand forecast and assessment of available energy resources. A technical institution could be directed to manage this database from which parameters for the regional energy plan may be extracted, among other purposes; and
- d. Training of manpower to enhance capability in comprehensive energy planning, with the combined objective of harmonising methodologies of data reporting, demand forecasting and developing energy plans.

MECHANISM FOR IMPLEMENTATION OF THE PROGRAMME OF ACTION

1. The implementation of the ASEAN Programme of Action on Energy shall be the responsibility of Member Countries and/or ASEAN specialised centres and/or other approved agencies. Consistent with the decision of the 25th ASEAN Economic Ministers (AEM) Meeting, the management and

coordination of the programme shall be the responsibility of the ASEAN Secretariat. The ASEAN Secretariat, in collaboration with national focal points and relevant institutions, particularly, AEEMTRC, shall coordinate and closely monitor tile approved activities of the action programme.

2. SOMECE may request the ASEAN Secretariat to establish ad- hoc working groups with clear terms of reference and specific time frames to assist in formulating and implementing policies, strategies and action programmes;
3. The working groups would be called, whenever necessary, to convene their meetings back-to-back with SOMECE to provide specific inputs that may be needed by the SOMECE with regard to policy and/ or operational matters;
4. In order to facilitate the implementation of the programme of action, each Member Country shall establish a national focal point to coordinate and oversee the implementation of in-country components of the ASEAN programme of action. In addition to the national focal point, each Member Country shall also establish a focal point for each of the energy sub-sectors; and
5. The AEEMTRC shall, to the extent possible, provide technical support for the implementation of the ASEAN programme of action. Accordingly, this Centre shall continue to participate in the planning and implementation of workplans of the programme of action for the ASEAN cooperation programme particularly in the areas of energy conservation/efficiency, energy and environment, and energy policy and planning.