



Ensuring a Just Energy Transition in the Asia-Pacific Region

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Asia Society Policy Institute
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- > The **Asia Society Policy Institute** is a think-and-do tank launched in 2014 to tackle major policy challenges now confronting the Asia-Pacific in 1) security, 2) trade & prosperity, 3) climate & sustainability, and the development of common norms and values for the region

High-level Policy Commission on Getting Asia to Net Zero



The Hon. BAN Ki-moon

President & Chair, Global Green Growth Institute; 8th Secretary-General of the United Nations



Dr. Hilda Heine

Senator for Aur, Republic of the Marshall Islands; 8th President of the Republic of the Marshall Islands



Vivek Pathak

Director and Global Head for Climate Business, International Finance Corporation



Laurence Tubiana

CEO, European Climate Foundation; Former Climate Change Ambassador, French Republic



Dr. Arvind Panagariya

Jagdish N. Bhagwati Professor of Indian Political Economy, Columbia University; Vice Chairman, 2015-2017, NITI Aayog, Republic of India



Dr. Muhamad Chatib Basri

Chairman, PT Bank Mandiri Tbk & PT XL-Axiata Tbk; Minister of Finance, 2013 – 2014, Republic of Indonesia

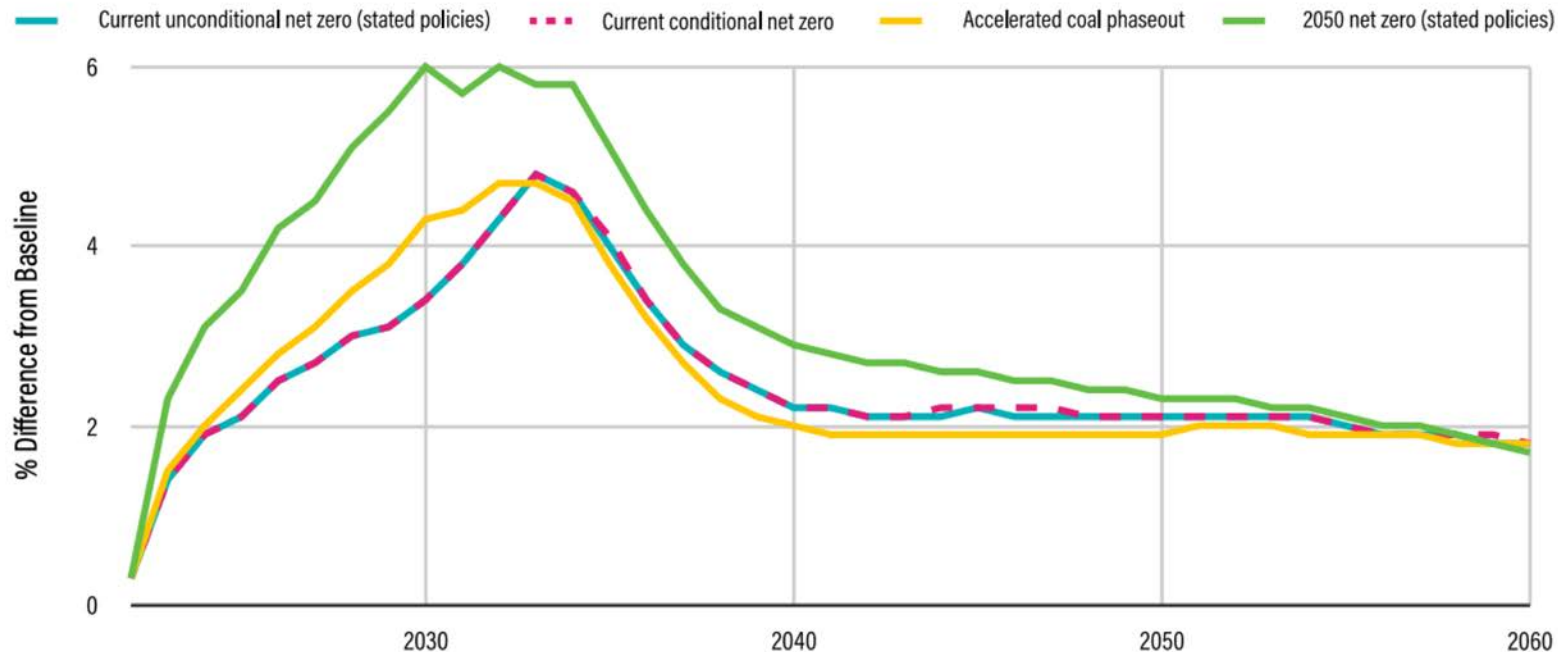


NEO Gim Huay

Managing Director and Head, Center for Nature and Climate, World Economic Forum

Ambitious climate action can boost the Asia-Pacific's economy

GDP impact (% difference from baseline) of net-zero pathways in the Asia-Pacific

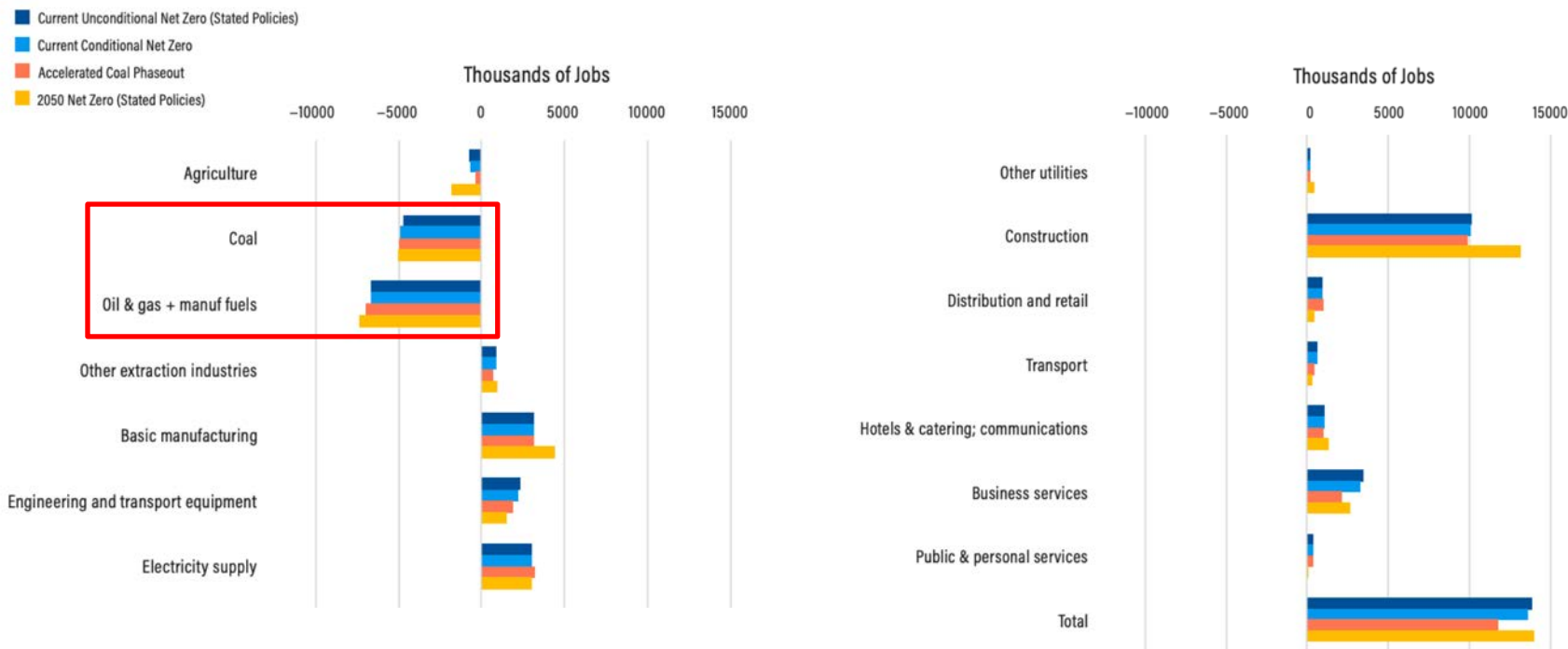


But the transition will require significant investment, soon

- Investment is the strongest driver of overall positive GDP impacts
- Cumulative additional investment requirements for the Asia-Pacific region are estimated at **\$54.4 trillion** for current policies, and **\$72.4 trillion** to achieve net zero by mid-century
- Main drivers are higher levels of investment in the power sector in the short and medium terms, supported by investment in energy efficiency in the longer term
- In the power sector, large amounts of investment will need to be frontloaded to facilitate the construction of critical infrastructure in time to achieve the 2030 targets
- Majority of additional investment is expected in the years between now and 2030

Action will also be required to ensure a just transition

Up to 36.5 million additional jobs will be created -- but significant jobs will be lost in fossil fuel sectors





ASPI Case Studies: Tools & Enablers

Example 1: “Climate Prosperity Zones” for a just transition in SE Asia

An integrated, project-oriented solution for socio-economic prosperity and climate security that involves:

- **Clean energy projects:** renewable energy, energy storage, green hydrogen, etc.
- **Green industry:** leveraging the growth opportunities presented by clean technology deployment and adding values to the local economy.
- **Policy support:** creating a predictable policy environment.
- **International assistance** to enable access to necessary technology and finance.

Maximising the developmental impact of the clean energy transition by integrating clean technology deployment with green industry development, enabled by policy support and international assistance.

Delivering immediate socio-economic outcomes by circumventing the complexities and delays often associated with comprehensive top-down planning.

Spillover effects that arise when early successes build confidence for more ambitious climate actions.

Example 2: Just energy transition in India with an effective CCTS

- **Carbon Credit Trading Scheme (CCTS) is key to achieve NDC target cost-effectively**
 - Power and energy-intensive industry to be covered by mandatory compliance mechanism
 - Emissions reduced where cheapest, wide range of GHG reduction options, and credits from surplus reductions can be sold
- **Could generate hundreds of billions of dollars for investment in clean energy, industrial decarbonisation and just transition if ...**
 - CCTS targets are increasingly ambitious, and auctioning is introduced and scaled up
 - Carbon cost is reflected in wholesale and retail power markets
 - Suitable finance mechanism for use of auction revenue is implemented
- **ASPI project “Achieving Just Energy Transition in India with an Effective CCTS”**
 - To support an effective CCTS as a principal means for India to achieve a just energy transition and drive power and industry decarbonisation to meet NDC and net-zero targets
 - Contact Alistair Ritchie (aritchie@asiasociety.org) for further details

Example 2: Just energy transition in India with an effective CCTS

Key pillars of the project

1. CCTS design

- Assessment of effective designs of CCTS to consider type, level, and trajectory of **emissions targets, auction share, and carbon leakage mitigation**.
- Development and application of policy design impact assessment model to assess **GHG, energy and economic impacts** of CCTS policy options at national, state, sector and sub-sector level.

2. ETS - power market interaction

- Detailed assessment of India's **retail and wholesale power market** structure, mechanisms and planned reforms.
- Development of **power market interaction options with the CCTS** informed by consultations with Indian power market experts and reference to **experience in China, South Korea, Indonesia**, and other relevant countries.

3. Just transition finance mechanism

- Detailed assessment of **context, needs, challenges and opportunities** of just transition finance mechanism.
- Development of **just transition mechanism options**, guided and directed by a project steering committee of experts in just transition in fossil states.

4. International cooperation

- Establishment of effective connections **between CCTS policy officials in India and other major Asian economies** developing ETSs, with extensive information sharing on challenges, solutions and best practices.
- **Dialogue facility** on ETS development and just energy transition in Asia.
- **Study tours** on ETS development and just energy transition.



Thank you!

For further inquiries, contact: klogan@asiasociety.org