

# Energy and Environmental Security in South Asia

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## A Cooperative Approach

Recommendations of the  
*Consortium of South Asian Think  
Tanks (COSATT)*  
November 2011

## About the COSATT...

*The Consortium of South Asian Think Tanks (COSATT), a voluntary collaborative arrangement among leading think tanks in South Asia was set up in January 2008 with support from the Konrad Adenauer Stiftung (KAS). The objective of this initiative is to bring together think tank community in South Asia, to develop peace and strengthen cooperation in the region.*

*The COSATT, every year chooses a subject with an objective to facilitate cooperation among policy institutions in South Asia to address common issues concerning peace and stability of the region. These deliberations every year, result in the preparation of a regional policy document on the subject chosen, to be presented to the SAARC and its member countries for their consideration.*

*In 2008, the Consortium worked together on increasing connectivity within South Asia. The study and its recommendations were released in Colombo, before the SAARC Summit.*

*In 2009-10, the COSATT met regularly to evolve a common policy agenda for all SAARC countries on measures related to counterterrorism in the region. The aim was to evaluate a regional approach to counter terrorism, identify processes and structures that can help realize the objective, draw up a common plan of action based on broad set of unifying principles and interests.*

*In 2011, the Consortium embarked on a study on Energy and Environmental Security in South Asia. This culminated in a series of dialogues in Kathmandu, Colombo and Male, aimed to build a cooperative approach on energy and environmental issues.*

*This policy document to be released in November 2011, and submitted before the governments of SAARC for comprehensive action to mitigate energy and environmental insecurity, is the end product of COSATT's deliberations in 2011. Besides the policy document, the COSATT also published an edited volume on the subject, released by the Vice-President of Maldives in October 2011.*

*The Institute of Peace and Conflict Studies is the convener of the COSATT and organised in collaboration with the SAARC Regional Programme of the KAS.*



## Energy and Environmental Security in South Asia

### *Recommendations of the COSATT*

An integrated energy market needs to be set up in South Asia, with the required energy infrastructure facilities to harness the maximum power trading potential of the region.

Establishment of transnational physical connectivity is a prerequisite amongst South Asian countries to build an effective regional energy infrastructure, positioned along cross border economic corridors which are expected to generate

Following are the collective recommendations of the COSATT on Energy and Environmental Security in South Asia, released in November 2011.

#### **1. Integrated Energy Market in South Asia**

- An integrated energy market needs to be set up in South Asia. This market should have the required energy infrastructure facilities to harness the maximum power trading potential of the region.
- Cooperative mechanisms need to be established on **cross border** energy trade involving renewable energy resources. This will reduce power generation from fossil fuels such as coal or oil, leading towards improvement in the environment since renewable energy emits smaller amounts of greenhouse gases and pollutants than fossil fuels.
- Establishment of transnational physical connectivity is a prerequisite **among** South Asian countries to build an effective regional energy infrastructure. Such infrastructure could be

positioned along cross-border economic corridors which are expected to generate significant benefits to the investors.

- Cooperation among regional states should be strengthened in order to develop advanced technology, which will in turn enhance energy efficiency and lead to reduction in carbon emissions.
- People's participation, especially the role of civil society in formulating energy and environmental policies requires further strengthening.
- A South Asian Energy Reserve should be set up to meet energy deficiency. To this end, creating a regional energy bank can be a viable option. This will also provide more scope to regional voices at international forums and a stronger bargaining position on energy resources such as gas and coal.

## 2. Regional Gas Corridor

- A South Asian Gas Corridor with provisions for gas supply from other regions into South Asia through pipelines **needs to be created**. It would lay the foundation of a common energy market amid the South Asian countries as well as provide them sustainable energy supplies to strengthen their national economies.
- A Gas corridor will ensure balanced distribution of available gas resources in Asia and will help countries like Iran, Turkmenistan, Qatar and Myanmar, **to explore** potential markets for their surplus natural gas. The corridor could be established and operated on a common carrier basis jointly developed and owned by the participating countries.

Given the security concerns in the region, securing the gas pipelines also forms a formidable challenge for the South Asian states.

A South Asian Gas corridor can be established and operated on a common carrier basis jointly developed and owned by the participating nations.

South Asia should evolve a common gas pricing mechanism and regional cooperation to enhance collective bargaining on gas prices in the global market

- Given the security concerns in the region, securing the gas pipelines forms a formidable challenge for the **countries in South Asia**. Adequate emphasis should be given to the security concerns while building gas pipelines.
- South Asia should consider a common gas pricing mechanism and regional cooperation to enhance collective bargaining on gas prices in the global market.

Non-governmental actors also have a significant role to play in determining water security. A series of Track-II level dialogues focusing on water related issues at bilateral and multilateral levels is imperative.

Within SAARC or outside it, the need for creation of a regional water database with common data to allay anxiety among the states on sharing water resources is impending.

The water debate should be de-securitized.

Government, non-governmental actors, political parties and media should play a constructive role in order to avert a water war.

### **3. Water as Cooperation**

- An integrated water strategy for South Asia, a region characterized by numerous international river basins, is imperative for equitable and sustainable use of river water.
- **Since** regional water security includes environmental concerns such as climate, water, agriculture and energy, there is a need for an integrated approach towards water.
- Civil society and non-governmental actors also have a significant and positive role to play in enhancing water security. A series of **Track-II Level Dialogues** focusing on water related issues at bilateral and multilateral levels is imperative.
- **The** region has to work towards creating a regional water database with common data to allay anxiety among the states on water sharing , **either within the SAARC or outside it**.
- The water debate should be de-securitized. **Government, non-governmental actors, political parties and media** should play a **constructive** role in **avoiding** a water hysteria.
- South Asia should learn from the experiences of other basin communities – Amazon to Mekong on how to (and how not to) develop the river basins jointly. The best practices of other regions

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should be looked into

- SAARC countries should invest in capacity building within the institutions dealing with water sharing and ensure their better governance.
- South Asia should also invest in water harnessing and learn effective water harvesting techniques within the region and from outside.

#### **4. Ecosystem-Centric Approach**

- An ecosystem-centric approach towards management of land, water and forest resources is required. While formulating energy policies, respective governments should take cognizance of ecological concerns such as ensuring the life of other inhabitants of ecosystem.
- Water management especially for agricultural purposes must be improved. **More investments should be encouraged for the developments and utilization of water resources.** Besides water sharing between the countries and the region, efficient water management practices should also be advocated.
- Efficient practices of water management from other regions in the field of agriculture and non-agricultural sectors should be introduced and publicized.

#### **5. Regional Electricity Grid**

- A regional electricity grid is essential to address the energy issues in South Asia. SAARC countries should build electricity grids in partnership with effective private agencies.
- South Asia should mobilize funding support from

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regional and international organizations to develop electricity related infrastructure. A public-private partnership mechanism to implement electricity grid projects across the border will reduce the public cost and maintenance issues.

- While exploiting nuclear energy resources, the doubts about nuclear safety should be addressed collectively. Although nuclear energy has become a new source for electricity generation, not all countries possess adequate facilities to suffice their electricity generation.
- South Asia should evolve a regional nuclear disaster management agency. Since there is no universal standard on nuclear safety, regional standards should be set based on the size and capacity of individual countries and their nuclear establishments.

## 6. Creating Regional Cooperative Mechanisms

- A regional energy cooperation framework, based on respect for and compliance with international law, should be institutionalized in South Asia.
- All the existing mechanisms in SAARC should be revived and bureaucratic procedures should be made functional and not cumbersome.
- Alternative energy conservation policies should be promoted at the regional level.
- Mechanism should be devised in order to facilitate sharing of information, technology and know-how on the use of both fossil and non-fossil fuels.
- While individual member states certainly need to evolve national plans, they should also be mindful of the negative aspects of climate change along with energy woes.
- Policies must focus not only on increasing energy

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supply to meet demands, but also give due importance to diversifying renewable energy sources with a special emphasis on promoting judicious use and conservation of energy.

- Management of biodiversity, sharing of traditional knowledge, organic farming practices and cooperation in adaptation to climate change including in the area of technology should be given priority.
- Cooperation in management of risks and disasters will be the most important part in dealing with environmental security particularly for the smaller countries and poorer people in the region. There is a need for a common climate security policy. Separate funds should be established for renewable energy projects.

### **7. Signing of South Asian Energy Charter**

- Energy sector is undergoing a dynamic transformation in South Asia and co-operation is essential since most of the countries in the region are facing similar challenges which have so far been hindered by local priorities and ground realities in the member countries.
- Since South Asian governments as well as investors have fears and apprehensions about possible adverse repercussions arising out of regime changes and inter-state conflicts, it is necessary to have confidence-building measures as well as legal safeguards to ensure long-term planning and investments.
- The signing of a South Asian Energy Charter is important. There is also a need for Regional Energy Regulatory Authority (RERA) to address governance problems at national level.

Renewable energy sources such as solar and wind need to be harnessed. SAARC member countries should explore high-end technology and expertise required to exploit these resources.

South Asia should work towards a regional framework for technology sharing. India could take the lead, given its expertise and should give priority to SAARC countries while exporting machines especially turbines required for wind mills.



## 8. Solar and Wind Energy

- Renewable energy sources such as solar and wind energy need to be harnessed. SAARC member countries should explore high-end technology and expertise required to exploit these resources.
- South Asia should work towards a regional framework for technology sharing. India could take the lead on this given its expertise and should give priority to SAARC countries while exporting machines especially turbines required for wind mills.
- The energy surplus and energy deficient countries should undertake joint projects in order to reduce their energy disparity and they must work together to harness renewable energy resources. SAARC needs to work more on renewable energy sources and encourage small countries to access them.
- Biogas is also an alternative source of renewable energy. Individual countries should promote generation of biogas by providing subsidies at rural level as it is the cheapest available resource in SAARC countries.

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