ASIA NETWORK FOR PEOPLE'S ENERGY

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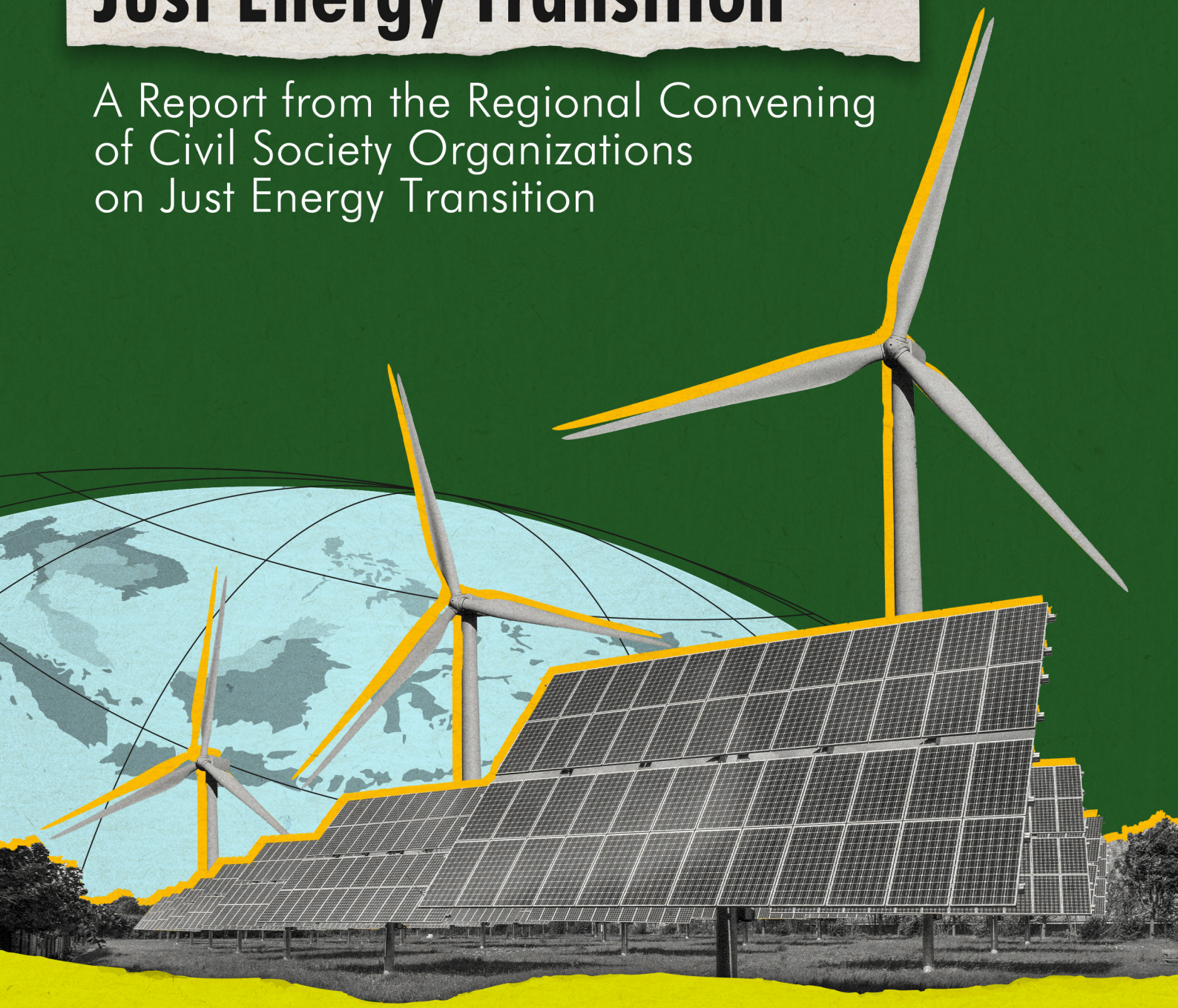
Towards Southeast Asia's Just Energy Transition

A Report from the Regional Convening of Civil Society Organizations on Just Energy Transition



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ABOUT THE ASIA NETWORK FOR PEOPLE'S ENERGY

The Asia Network for People's Energy (ANPE) is a network that aims to convene civil society organizations from the Southeast Asian region to address JET gaps and challenges at the country level with perspective and purposeful actions at the region, through network building, learning and campaigning, and resource mobilization.

ABOUT OXFAM

Oxfam is a global movement of people who are fighting inequality to end poverty and injustice. We are working across regions in about 70 countries, with thousands of partners, and allies, supporting communities to build better lives for themselves, grow resilience and protect lives and livelihoods also in times of crisis.

ABOUT PUBLISH WHAT YOU PAY – INDONESIA

PWYP Indonesia is a civil society coalition for transparency and accountability of extractive resource revenues and governance of oil, gas, minerals and other natural resources. PWYP Indonesia focuses on advancing transparency and accountability of extractive resource governance in Indonesia, as well as in the global level, advocating public interest from civil society point of view, and strengthening civil society's capacity to play significant role and active engagement in extractive resource governance reform for justice and sustainable development.

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CONTACT

On behalf of the ANPE Secretariat
Kenneth Bernard Hizon
Campaign Officer – Regional Just Energy Transition
KBHizon@oxfam.org.uk

ABBREVIATIONS

The views in the document are a summary of the discussions during the workshops and they do not represent the views of one participant or organization.

BACKGROUND

The Southeast Asia collaborative convening on just energy transition (JET) is part of a bigger initiative to provide a platform for civil society organizations (CSO) to discuss country and regional level experiences on energy transition and to surface possible collaborations among civil society actors.

The energy transition has been widely discussed as part of global initiatives to mitigate the impacts of climate change. So far, the energy transition has focused more on the technocratic aspects of accelerating renewable energy and the retirement of coal plants but has neglected aspects of gender justice and social inclusion as enabling factors for realizing a just energy transition.

Women and other vulnerable groups are often underrepresented in the energy sector regarding employment, leadership roles, energy access, decision-making, and policy development. This is due to stereotypes from social norms, lack of education and training, and inadequate access to technology and finance. In addition, marginalized and vulnerable communities have obstacles in accessing energy services. Lack of access to energy can perpetuate social and economic disparities. Meanwhile, access to participation and involvement, especially in policy planning and implementation, will help a just and inclusive energy transition.

The Regional Convening is part of the Asia Network for People's Energy's (ANPE) inaugural initiatives to establish South-South collaborative platform on JET. ANPE's goal is to strengthen the civic space at the national and across Southeast Asia through strong work cohesion and collaborative development to achieve a rapid, just, and democratic energy transition. The Regional Convening aims to discuss the different country-level JET experiences and possible collaborations that surfaced at the national convenings. Specifically, it seeks to:

1. Discuss the different country-level JET narratives and solidify the JET perspective at the regional level;
2. Organize deep-diving discussions on the challenges and opportunities of implementing just. Energy transition at the country level and how the CSOs in the region can address and maximize these challenges and opportunities; and
3. Discuss ways of working and collaboration between CSOs on implementation and promoting JET at the regional level.

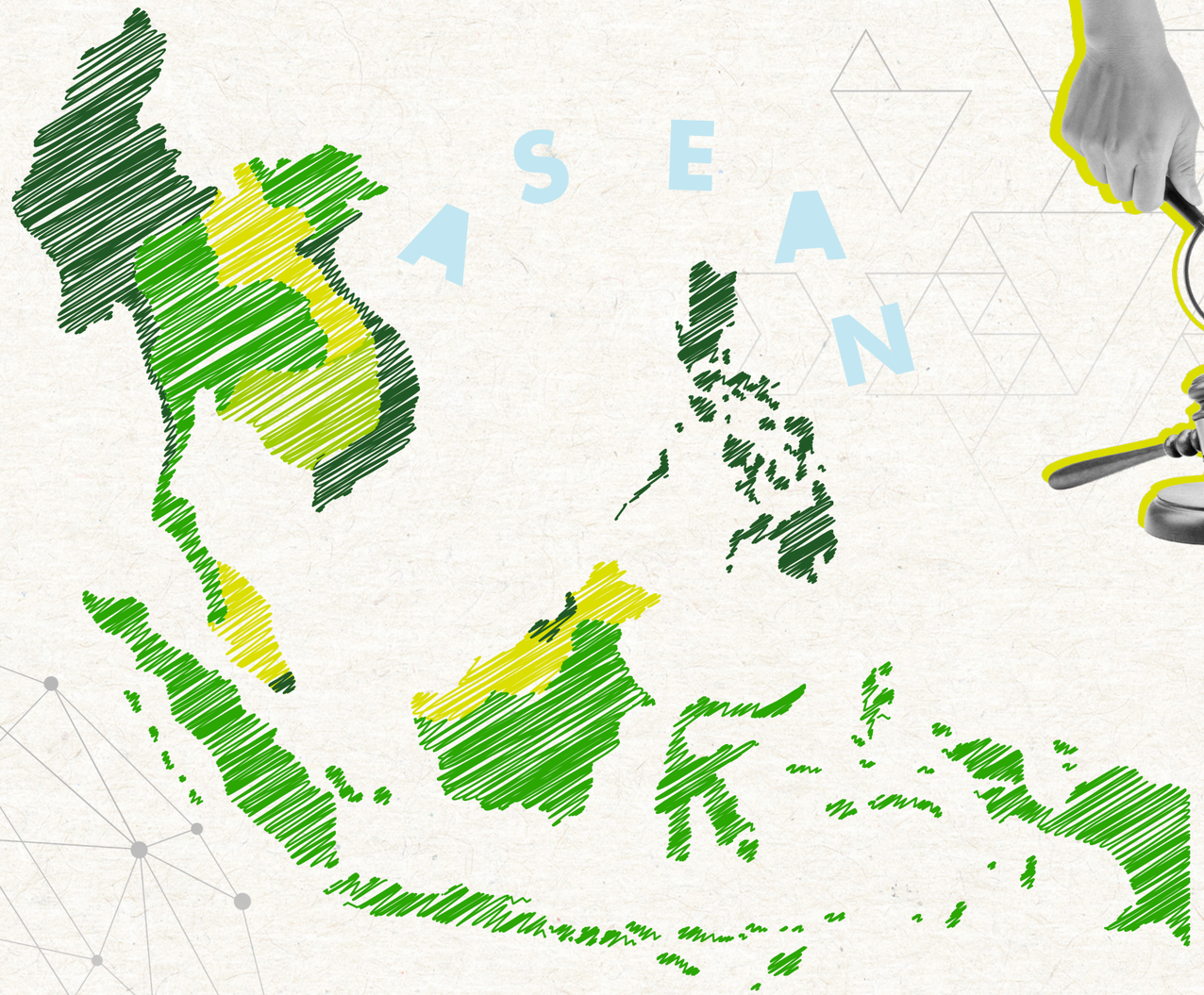
PARTICIPANTS

Over three days, this activity was attended by 100 representatives of CSOs, women's rights organizations (WROs), organization of persons with disabilities (OPD), and representatives of related ministries, with 51 female participants and 49 male participants, from Cambodia, Indonesia, Laos, Malaysia, Philippines, and Timor Leste.

ASEAN ENERGY LANDSCAPE

ASEAN represents 8.7% of the total world population, and the annual population growth rate is around one to 1.3%. It is predicted that in 2015 ASEAN will have a total population of 792 million. With this population of people, the economy's GDP will also grow. The growth will also keep up with a positive average of 4.7%.

In 2050, there is hope for higher energy requirements than in 2020 to fuel the region's economic growth. Again, **fossil fuel dominates the energy sector** within this baseline scenario or even with other systems in each nation's energy policy in their NDC target. In ASEAN Energy Cooperation Phase II, the blueprint is to accelerate an energy transition and strengthen energy resilience through innovation and cooperation. ASEAN wants to achieve energy security and ensure accessibility, affordability, and sustainabilit



- In the 41st Minister of Energy meeting, Indonesia, Malaysia, and Singapore signed on this ASEAN Power Energy group to have this interconnection, and this is what the region needs to have to strengthen the energy transition. And, of course, we always mentioned the significant investment we need that cannot be secured only from regional sources. **The critical thing here is collaboration, where policy coherence and interlinking are a must to do this in a way that energy and climate policy must be coherent and interlinked**. Regional integration must be expanded on the power grid and other sectors, strengthening international partnerships in the global supply chain.

- **The electricity generation facilities in ASEAN are varied, including coal, oil, natural gas, hydro, geothermal, solar, PV, wind, and bioenergy**, and total installed capacity grew by 166% between 2005 and 2020. The share of ASEAN installed capacity increased from 19% in 2005 to 33% in 2030. As of 2020, renewable power generation varied significantly among ASEAN member states with a high 56%, such as Cambodia, Myanmar, and Vietnam, and generally high renewable energy share results from hydropower, geothermal, and bioenergy production. Vietnam has made great strides in increasing its solar and wind generation.

the policies to support energy transition. Several countries in ASEAN still have policies that do not support the growth. For example, subsidies for fossil energy are still high. Many countries still need more access to power.

The challenges of the energy transition in the ASEAN region include the **need for more renewable energy, technology, and infrastructure availability.** Renewable energy, such as solar and wind energy, has great potential in the ASEAN region. However, the technology and infrastructure to utilize this energy still need to be improved and

- Countries in the ASEAN region can work together to develop renewable energy, technology, and infrastructure. This can be done through **investment in research and development and collaboration between industries**. Second, **strengthen policies supporting the energy transition**, such as removing fossil energy subsidies, setting competitive renewable energy tariffs, and providing incentives for renewable energy development.

- Countries in the Asia region can improve energy accessibility by **building adequate energy infrastructure, providing subsidies for underprivileged communities, and collaborating with ASEAN countries**. Cooperation between countries in the ASEAN region can increase the effectiveness and efficiency of energy transition efforts. Collaboration can be carried out, such as **joint investment in research and development of renewable energy technology, joint financing of renewable energy projects, and cooperation in developing renewable energy infrastructure**.

CLIMATE AND ENERGY FINANCE IN THE ASEAN

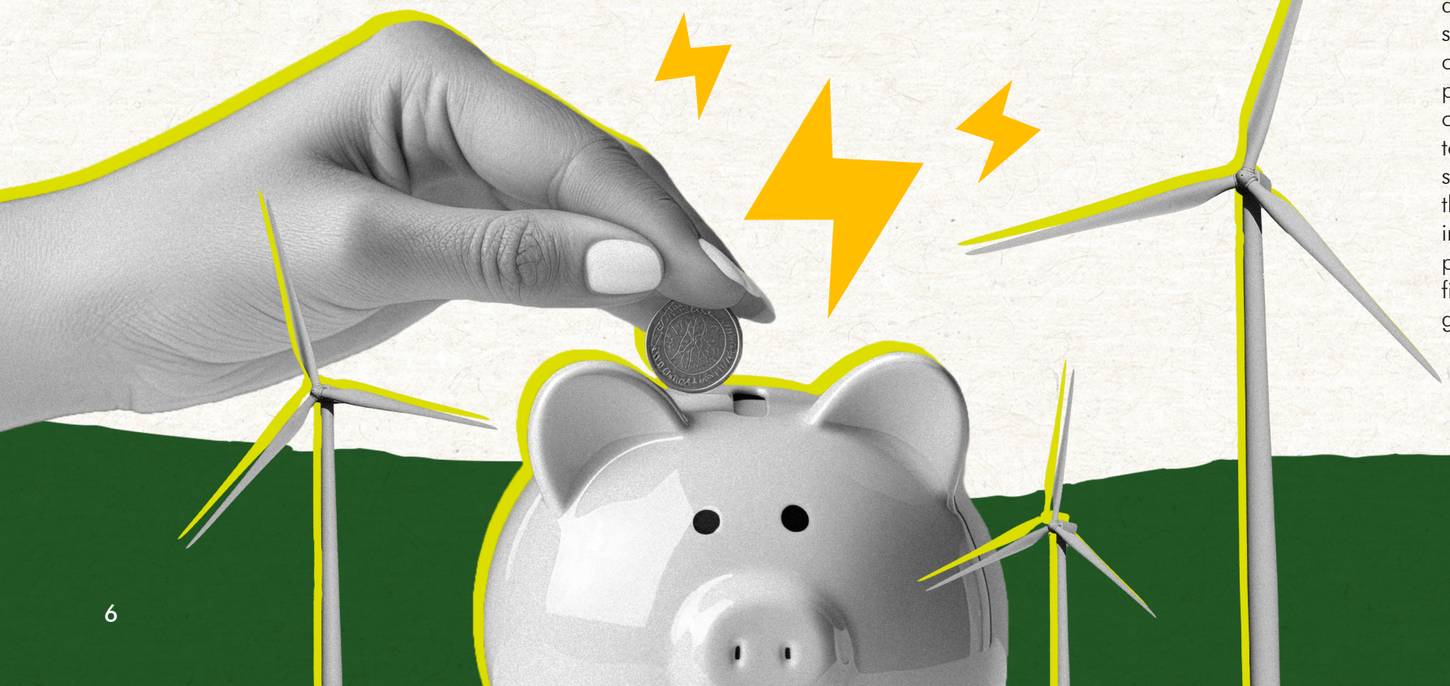
One of the critical pillars of the collective effort is climate finance to mobilize and allocate financial resources to address the impacts of climate change, transition to a low-carbon economy, and support to vulnerable communities. As part of the Paris Agreement, developed countries were committed to mobilizing $100 billion by 2020 to assist vulnerable countries and to mitigate and adapt to climate change. However, the spread of Covid-19 devastatingly halted the delivery of the pledge. A study by the World Resource Institute points out that international climate finance decreased during the pandemic, and even before the pandemic, climate finance had been falling short. Based from Oxfam's Climate Finance Shadow Report 2023, developed countries reported that they have mobilized $83.3 billion worth of annual climate finance however, only $21 to $24.5 billion are considered real support.

More public finance is needed to respond to climate change mitigation and adaptation needs. This also calls for greater need to mobilize finance from the private sector and private financial institutions. Fair Finance Asia focuses on how private financial institutions align themselves with international norms and standards and consider their operations' social and environmental impacts when they provide financing and services to achieve and support climate and energy transition initiatives in Asia and beyond.

Research on A Future Without Coal was launched in by the Fair Finance Asia coalition. In this study, FFA tried to map the existing financing that are still found to have heavy investments on coal across countries in Asia. In 2022, they also released another study Financing the Just Transition, launched alongside the G20 summit in Indonesia. This collaboration was with Stockholm Environment Institute and research partners, Profundo. This report is a look at another side of the transition, not only leaving fossil fuel financing such as coal in the first study but also looking at whether there is a considerable shift happening towards energy transition and renewables by analyzing the financial flows of large international financial institutions as well as ASEAN financial institutions in the region.

- The first study on the future of coal essentially looks at the financing, confirming what we know to be accurate: that a large Asian financial institution continues to finance and invest in fossil fuels. Even after the Paris Agreement came into action in 2015, this data was five years after the agreement was signed. Therefore, we confirm that **there has yet to be considerable action to the commitments made by financial institutions to leave fossil financing and focus more on transitioning to renewable energy**.

- Another study financing Asia's just transition. This looked at the financial flow toward renewable energy financing. The study found minimal funding for renewable energy across all the Asian countries studied, including those mentioned, such as Korea, China, Singapore, and Malaysia. The total average was just a 14% increase in energy financing in the countries studied, with no discernible upward trend.



- This means that **Asia is experiencing an energy addition rather than an energy transition due to the slow uptake of climate and energy policies across the region.** More importantly, the study highlighted the need for justice element in the energy transition that still needs to be fully embedded in policymaking across Asia, to reduce the exposure of underprivileged, under-resourced, and vulnerable groups and communities to social and environmental risks.

- On ADB's Energy Transition Mechanism, it's important to note that **there are still many areas where safeguarding policies and emerging social and environmental considerations must be fully addressed**. This is aligned with climate science imperatives to ensure that fossil fuel-dependent infrastructure and other facilities stay out of the investment pipeline, to provide credible methodologies for how the coal our project operators are going to be reimbursed compared to how the communities are going to be remunerated for the environmental and social damages that they will experience during the transition and requiring, for example, implementing partners of the projects, including project operators, utility companies, and other financiers that were involved in expanding the global coal fleet to timeouts.

- **Globally, in developing countries generally, 85% of the total funding for green sectors goes towards the already rich countries**. Developing countries are only getting about 15% of the evolving country needs, and it is estimated that $1 trillion annually is required. The UNEP has calculated that based on the NDCs of the countries, $71 billion is needed. If they extrapolate to all the developing countries, $200 billion is required. What was spent in 2020 was $29 billion.

- A study showed that three of the top ten most vulnerable countries in the world lie in our region, which again says there needs to be a better match in where the financing is going. The concessional and cheap financing has gone very little into Southeast Asian parts and renewable investments. **Most of the renewable assets have been funded through the private sector, through private investments**, with public investments accounting for only 25% of the total assets over the past seven years. And most of that is on commercial grounds rather than on concessional grounds.

- On a positive note, we need to remember that rather than get very worried and upset about the fact that there is not much funding, **the reality is that funding is available. We need to be able to unlock it**. If we look at the total global investments globally, it's about 22 trillion. So, even in the most optimal aggressive estimates for annual clean investment, what is required is still only a fraction of the total assets in the world.

THESE ARE A FEW OF THE CONSIDERATIONS AND SOME OF THE POTENTIAL SOLUTIONS:

1 Firstly, the Just Energy Transition Partnerships (JETP) with Indonesia and Vietnam are ongoing, as well as in South Africa, if done well, it can be a good source of funding. The critical question is whether it is done well because the South Africa JETP has been underfunded. In many ways, it has led to an electricity shortage in the economy because insufficient investment has gone into replacing the coal-fired power plants.

2 The second area that can do with more activity is with the multilateral development banks (MDB), and development capital in general. These have been too conservative in pushing the green transition. There may be a need for more innovative instruments and instruments that are lower credit-rated but can attract a different kind of risk capital and other forms of money. So, there needs to be more innovative thinking from development capital and MDBs to deploy more capital into the renewable and clean energy space.

3 There is undoubtedly room for ASEAN countries, whether the Philippines, Vietnam, Thailand, or Indonesia, to have some national development bank focused on green investments. And then, finally, just on carbon markets, there will be issues of verification on greenwashing, etc, that we need to watch out for. Still, we should continue looking at these markets as carbon trading and carbon markets, as there's also funding for developing countries, especially those with room for using these to support green development. The important thing is to make sure that the funding goes in simultaneously to work on having systems in place to avoid greenwashing, to establish proper rules following the acceptable national standards for the usage of various carbon credit measures, etc.

OPPORTUNITIES AND CHALLENGES ON JUST ENERGY TRANSITION

BIG QUESTIONS, CONCERNS AND IDEAS FOR SOLUTION

How can we ensure civil society organizations, voices are heard or considered in the national policymaking?

How can CSOs facilitate phasing out coal and mining coal energy?

What is the process of developing the renewable energy policy for the ASEAN?

What is the role of net zero targets in JET?

What is the best large-scale or community-level?

What are the justice aspects of the energy transition that all parties or stakeholders will agree on?

What's the standard definition?

Who controls the power of industry or power sector?

What are technologies like? Is it mega hydro or community-based?

Circular economy could be one of the solutions for a sustainable, resilient society.

- Include gender and feminist lenses in energy transition.
- Educate, empower, and raise awareness about just energy transition.

Raise women and people with disabilities; we have challenges like local and religious leaders. If we express women's leadership, there are many challenges from the top. So, we have a strategy for how to involve the group from the beginning.

Support the community's capacity building to engage in energy dialog for more inclusion.

Meaningful participation of women with disabilities. Meaningful participation means design, budgeting, planning, implementation, and monitoring evaluation are essential.

Building resilience for the women by using energy transition

How to ensure inclusive and meaningful participation of those affected by energy transitions to the policy-making process

Technical and programmatic capacity building to engage and value add with JET stakeholders

How to mitigate the impacts on mining labor sector after the energy transition

Mechanism transition in the industrial context because, until now, most of the discourse surrounds the electricity sector, which is related to the livelihood of many economic classes

Commitment with our position to this monitoring advocacy to push the set to attach into our general state budget and petroleum

- Participation in national policy and decision-making
- Engagement with policymakers and regulators
- Socioeconomic and environmental development
- Collaborative action
- Community awareness
- Capacity building of stakeholders

JET building community for sustainability and JET transforming lives, transforming society

Inclusion of mining-impacted communities into JET discussions

National narratives on the JET

Takes the village to raise money for the JET

GEDSI inclusion in JET

Integrating the just elements in the energy plan

SOUTHEAST ASIA'S JUST ENERGY TRANSITION:

A CALL FOR A FAST, DEMOCRATIC, EMPOWERING, AND EQUITABLE ENERGY TRANSITION IN THE REGION

The Southeast Asia (SEA) region as one of the fastest growing economies, being the 3rd largest in Asia and the 5th in the world, is projected to triple its energy demand by 2050. Energy outlook for the region will primarily consist of coal (33.8%), natural gas (26.1%), and hydropower (21.6%). The projected energy demand in the region would mean continuous dependence on coal, natural gas, and other conventional energy sources.

However, remaining reliant to the use of fossil fuels and conventional fuel sources would lead to significant socio-economic and environmental risks to the region. Especially, with fossil fuel commodity prices rising sharply due to geopolitical drivers, which showed the vulnerability of the conventional power systems. This vulnerability is continuously affecting the poorer countries in the region, which are also the same countries that are most affected by the chronic and sudden impacts of climate change. Similarly, the constant use of these sources would mean an increase in greenhouse gas emissions directly contributing to climate change.

Thus, a call for a fast and just energy transition is highly needed. A fast and just energy transition would be a way for the countries in the ASEAN to attain further economic development, energy security, cheaper electricity, and energy accessibility. This is in conjunction with a fast and just energy transition by the northern countries to reduce GHG emissions and achieve the below 1.5 degrees Celsius target of global temperature increase.

The meaningful participation of civil society in the implementation of just energy transition (JET) in the region is hindered due to shrinking civic spaces and challenges related to transparency, governance, accountability, inclusion, and their capacity despite its recognized pivotal role in the process. It is important to highlight that civil society organizations and the enabling civic spaces are an important part in supporting governments in achieving their net-zero targets and nationally determined contributions under the Paris Agreement.
In recognition of these issues, challenges, and opportunities toward just energy transition, the civil society organizations (CSOs) in Southeast Asia firmly assert the following courses of action towards fast and just energy transition for the development of ASEAN Member States (AMS) and benefit of the communities.

Ensure multi-stakeholder engagement to inform planning and action

A fast, democratic, equitable, and just energy transition is impossible without meaningful multi-stakeholders' engagement from planning to the implementation phases of energy transformation programs. It must be implemented through a democratized and decentralized process that accounts for both the supply and demand sides of the energy market and ensure that the basic needs of the most vulnerable communities in the region are met and their rights are protected.

Platforms by the AMS must encourage participation of CSOs and other non-state actors to support governments in co-developing and achieving their net-zero plans and targets. This includes the protection of the rights of the civil society organizations and allowing civic spaces to flourish. Whenever and wherever possible, governments must devise mechanisms to maximize full participation of different stakeholders in an inclusive, equitable, and safe manner, and include in key decision-making bodies to inform community perspectives on energy transition. The governments must ensure that these platforms and mechanisms are safe spaces for the CSOs and other non-state actors that will help realize our common goals at the national, regional, and global levels.

Establish robust mechanisms for transparency, accountability, and governance that encompass both public and private sectors

All information on JET must be accessible, contextualized, and popularized while ensuring that mechanisms are transparent and inclusive through accessible platforms (e.g., conventional and digital).

We highly urge governments to respect, protect and fulfil the rights of communities especially the most vulnerable people, including the youth, women, people with disabilities, people of all gender identities, indigenous people, and community aspirations on accessible, affordable, sustainable, and renewable energy sources.

Robust feedback and grievance mechanisms should be established to practice accountability in relevant sectors impacted by the energy transition, including land and based used, also critical minerals, both at the community and national level. AMS must also ensure that implementation of energy projects fosters transparency, accountability, inclusive, equitable, and democratic governance. The importance of expanding spaces for civil society and private sector participation through national and regional platforms are also highly recommended.

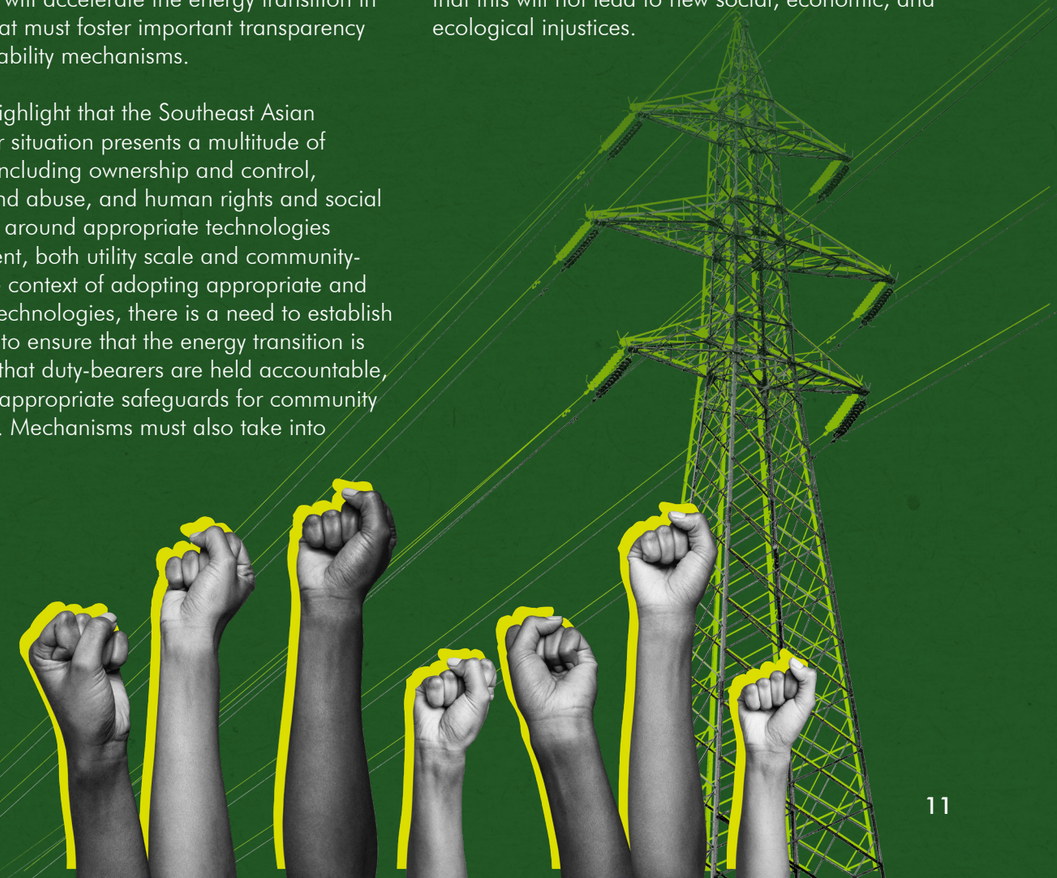
Promote the development and adoption of appropriate and sustainable renewable energy (RE) technologies

RE technologies must be accessible for community stakeholders with sustainable financing and enabling policies in place that hold transparency and accountability frameworks. Increasing sustainable financing for utility scale and community-based RE technologies will accelerate the energy transition in the region that must foster important transparency and accountability mechanisms.

It is vital to highlight that the Southeast Asian energy sector situation presents a multitude of challenges, including ownership and control, corruption and abuse, and human rights and social justice issues around appropriate technologies for deployment, both utility scale and community-based. In the context of adopting appropriate and sustainable technologies, there is a need to establish mechanisms to ensure that the energy transition is transparent, that duty-bearers are held accountable, and provide appropriate safeguards for community participation. Mechanisms must also take into consideration technology transfers and capacity building to ensure sustainability of operations and that the community benefits from the transition.

Ensure that the green energy supply chain to accelerate the renewable energy transition is just, democratic, and equitable for the region

The energy transition is also expected to accelerate the demand and extraction of critical and transition minerals to supply RE technologies required globally. The SEA region is also poised to become an RE production hub with its rich deposits of critical minerals needed for the transition. In this context, the risk of over-extraction and inequitable distribution of benefits from the extraction is projected as the shifting energy geopolitics will pose critical justice and rights issues in the countries and regions, e.g., indigenous people and land rights. We need to uphold the principle of common but differentiated responsibilities (CBDR) of countries in addressing the ecological and climate justice imperatives of the mineral extraction related to the energy transition—that while all states are responsible to address the climate crisis, there has to be bigger weight of responsibility to global carbon majors. This must also hold true for the region in the energy transition movement to continue its vision towards clean energy leadership but it has to ensure that this will not lead to new social, economic, and ecological injustices.



Implement robust capacity-building programs to navigate the complexities of the energy landscape

The lack of technical and advocacy capacity among CSOs, WROs, POs, and local communities limit understanding of the energy landscape and the impacts of massive energy transition initiatives at the country level and in the region. Energy literacy and informed country-specific JET narratives are key ingredients towards meaningful policy engagement and programmes. Capacity building and development must be embedded in energy transition policies and programs to ensure that the CSOs, WROs, POs and impacted communities are well-equipped and integrated in the emerging green economic and social transformation towards national and regional development.

Integrate gender-responsive and socially inclusive policies into every facet of energy transition planning and implementation

In achieving genuine and meaningful participation of women, people with disabilities, all gender identities, youth, indigenous people, and other marginalized groups in the energy transition movement, AMS must establish gender-responsive, conflict-sensitive and socially inclusive enabling policies and mechanisms.

The group also calls for domestic, regional, and international financial institutions to increase funding on JET and include gender equality, diversity, and social inclusion (GEDSI) frameworks as compulsory requirement in energy programs and green supply chain.

A multi-stakeholder monitoring, and accountability mechanism platform shall be set up and organized by non-state actors, as supported by the government for communities to take significant strides towards intergenerational responsibility.

Justice at the heart of energy transition movement

Justice, equity, and democracy must be at the core of energy transition, which is defined through a clear framework that is inclusive and relevant to all sectors and country contexts, and must include recognition-based justice, procedural justice, distributional justice, and remedial justice. AMS must devise participatory processes which must be led by a working group consisting of CSOs, WROs, POs, private sector, and governments, highlighting the country-specific JET experiences and aspirations that will inform an ASEAN JET narrative.

The energy transition movement is currently faced with risks and challenges, it also presents opportunities for national and regional economic development and substantive participation of the broader civil society given appropriate and meaningful platforms in accelerating a fast, equitable, democratic, and just energy transition.

A fast, equitable, and just energy transition must ensure minimizing of negative impacts to communities and sectors while maximizing its benefits for community and national development. Transforming our current extractive schemes to regenerative systems which value justice, accountability, human rights, care, and solidarity will pave the way for countries and the region towards economic, social, and environmental prosperity.

PARTICIPATING ORGANIZATIONS AND INSTITUTIONS

AKSI EKOLOGI & EMPANSIPASI RAKYAT (AEER)

AKSYON KLIMA PILIPINAS (AKP)

ASEAN CENTRE FOR ENERGY

BANTAY KITA - PUBLISH WHAT YOU PAY PHILIPPINES

BUSINESS AND HUMAN RIGHTS RESOURCE CENTRE

CIS TIMOR-INDONESIA FOUNDATION

CLICK/LAO FARMER NETWORK

CLIMATE ACTION NETWORK SOUTHEAST ASIA (CANSEA)

CLIMATE POLICY INITIATIVE

CLIMATE TRACKER ASIA

COMMUNITY ASSOCIATION FOR SALVATION AND ENVIRONMENT (CASE)

ENERGYLAB CAMBODIA

FATHER SATURNINO URIOS UNIVERSITY

FORD FOUNDATION

GEMA ALAM NTB

HIMPUNAN WANITA DISABILITAS INDONESIA (HWDI)

HIVOS

INDONESIA CERAH

INDONESIAN CENTRE FOR ENVIRONMENTAL LAW (ICEL)

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