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GLOBAL CLIMATE CHANGE: SARI

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The South Asia Regional Initiative for Energy Cooperation and Development (SARI/Energy) encourages the countries of South Asia to take a cooperative regional approach to energy development and trade in clean energy resources.

SARI/Energy is at the center of efforts to strengthen public-private sector partnerships and regional economic cooperation. By promoting rational use of regional energy supplies, SARI/Energy contributes to energy security, reduced greenhouse gas emissions, and overall improvements in environmental quality and human health in the region.

Background. Energy consumption from commercial sources in South Asia increased nearly 50% between 1990 and 1997 due to economic and population growth. This rapid growth is causing widespread power shortages manifested in frequent, costly, and widespread power blackouts. The poor quality, efficiency, and reliability of power supply are exacerbating the shortages. From a regional perspective, increasing the ability to supply more power is critical for continued economic growth. In a global context, reducing greenhouse gas (GHG) emissions from power production will be a critical factor in slowing the rate of global climate change.

Sector-Specific Climate Change Activities. The South Asia Regional Initiative for Energy Cooperation and Development (SARI/Energy) encourages regional cooperation in energy development and trade in clean energy resources among South Asian countries, including Bangladesh, Bhutan, India, the Maldives, Nepal, and Sri Lanka. The program was developed jointly by USAID and the U.S. Department of State to improve regional stability. The lack of market-driven commercial energy supplies in the region was identified as a fundamental constraint to increased energy security; economic growth and associated improvements in environmental quality; human health; and reduced GHG emissions in the energy sector.

SARI/Energy forms the centerpiece effort to strengthen public-private sector partnerships and economic cooperation between countries in the region. SARI/Energy enables energy professionals from the region to share experiences and lessons learned and to catalyze the long-term process of rationalizing commercial energy supply and its regional distribution. USAID's support helps establish the groundwork and sets the stage for policies and agreements for greater cross-border energy cooperation and trade.

SARI/Energy Programs Overview. SARI/Energy targets improvement of policies and agreements for cross-border cooperation and trade in sustainable energy. The program does this through the implementation of programs designed to achieve the following results:

- Development of private sector energy plans and investments in infrastructure that facilitates regional energy exchange
- Development or modification of policies, laws, and regulations, with private sector and civil society concurrence, to facilitate regional energy trade and cooperation

SARI's partners in climate change activities include*:

- American Chambers of Commerce in Bangladesh, India, Maldives, Nepal, and Sri Lanka
- National Chambers of Commerce in Bangladesh, Bhutan, India, Nepal, and Sri Lanka
- National Chambers of Industry in Bangladesh, Bhutan, India, Nepal, and Sri Lanka
- Energy Forums of India and Sri Lanka
- Energy associations such as Bangladesh Energy Companies Association and Sri Lanka Solar Energy Association
- Academy for Educational Development (AED)
- Confederation of Indian Industries (CII)
- Core International
- Independent Power Producers Association of Nepal
- Institute of International Education (IIE)
- Nexant (a Bechtel consulting company)
- U.S. Chamber of Commerce (USCOC)
- U.S. Department of State
- U.S. Department of Energy/Energy Information Administration (USDOE/EIA)
- U.S. Department of Energy National Renewable Energy Laboratory (NREL)
- United States Energy Association (USEA)

* Because partners change as new activities arise, this list of partners is not comprehensive.

For more information on SARI's climate change activities, visit USAID's SARI Web site at:

- www.sari-energy.org

- Increased capacity of regulatory bodies to support energy exchange
- Regional best practices and standards that lead to energy efficiency and improved commercial practices
- Regional adaptation of best practices that lead to improved rural energy services
- Increased private sector participation in and civil society support for sustainable energy development

As an example of increased private sector participation, SARI/Energy has implemented nine technical assistance/training activities that focus on the development of competitive energy markets that promote market-based energy prices, decrease fossil fuel subsidies, allow open access to independent providers, establish open and transparent bidding practices, and use independent regulatory bodies. Experience in implementing sector reform (including policies, legislation, regulations, and institutional reform), both within the region and with other regions of the world, is actively and productively shared by SARI/Energy program participants through many partner activities. For example, Bangladesh, Nepal, and Sri Lanka are following India's lead in establishing regulatory bodies; India and Nepal are learning from Bangladesh's highly successful rural electrification cooperative model; and Sri Lanka is sharing its model power purchase agreement with Nepal. SARI/Energy activities have catalyzed the formation of Energy Service Companies (ESCOs) in Nepal and Sri Lanka, improved demand side management practices in India and the Maldives, and initiated efforts to establish a regional set of harmonized energy efficiency standards and labels for appliances in South Asia. Outreach efforts include the launch of the Energy South Asia magazine, the SARI/Energy Web site (www.sari-energy.org), a media partnership program, and support for the South Asia Energy Journalists Forum.

The Future. The next phase of the program proposes to expand the target audience beyond a primarily technical audience in order to identify and strengthen internal change agents for reform, including the media, eminent academicians, other influential individuals, industry leaders, nongovernmental organizations, parliamentarians, and politicians. With South Asia still lagging behind the rest of the world in terms of intraregional energy trade, the untapped potential to develop and trade clean energy resources in an efficient manner is enormous.