



Strengthening Planning Capacity for Low Carbon Growth in Developing Asia: Project Overview

AIM International Workshop, 17-18 February 2012, Tsukuba

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Plan of Presentation

- Background
- Project overview
- Progress and status

The Economics of Climate Change at ADB

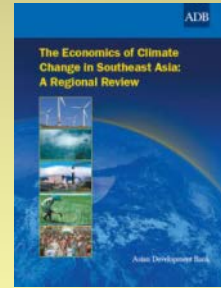
- Support adaptation and low carbon planning, and inform policy making
- Share knowledge and build capacity, based on research focusing on economic aspects
- Raise public awareness about climate change challenges and opportunities

Why economics?—it helps answer important policy questions

- How much would climate change cost us?
- Is it worth taking action?
- To what extent and when?
- What and where first?
- What are the levels of investment and financing needed?
- What policies will help ensure consistency across adaptation and low carbon agendas?

Regional Studies

- SE Asia (completed)
 - Phase II: Strengthening Planning Capacity for Low Carbon Growth in Developing Asia (started in Q1 2011)
- South Asia
 - Part I – Cleaner Technologies and Options (tbc Q2 2012)
 - Part II – Adaptation and Impact Assessment (tbc Q1 2013)
- Pacific (tbc Q1 2012) – impact and adaptation
- NE Asia (tbc Q2 2012) – adaptation and LCG
- Central and West Asia (to start in Q2 2012)



Project Overview



Objectives

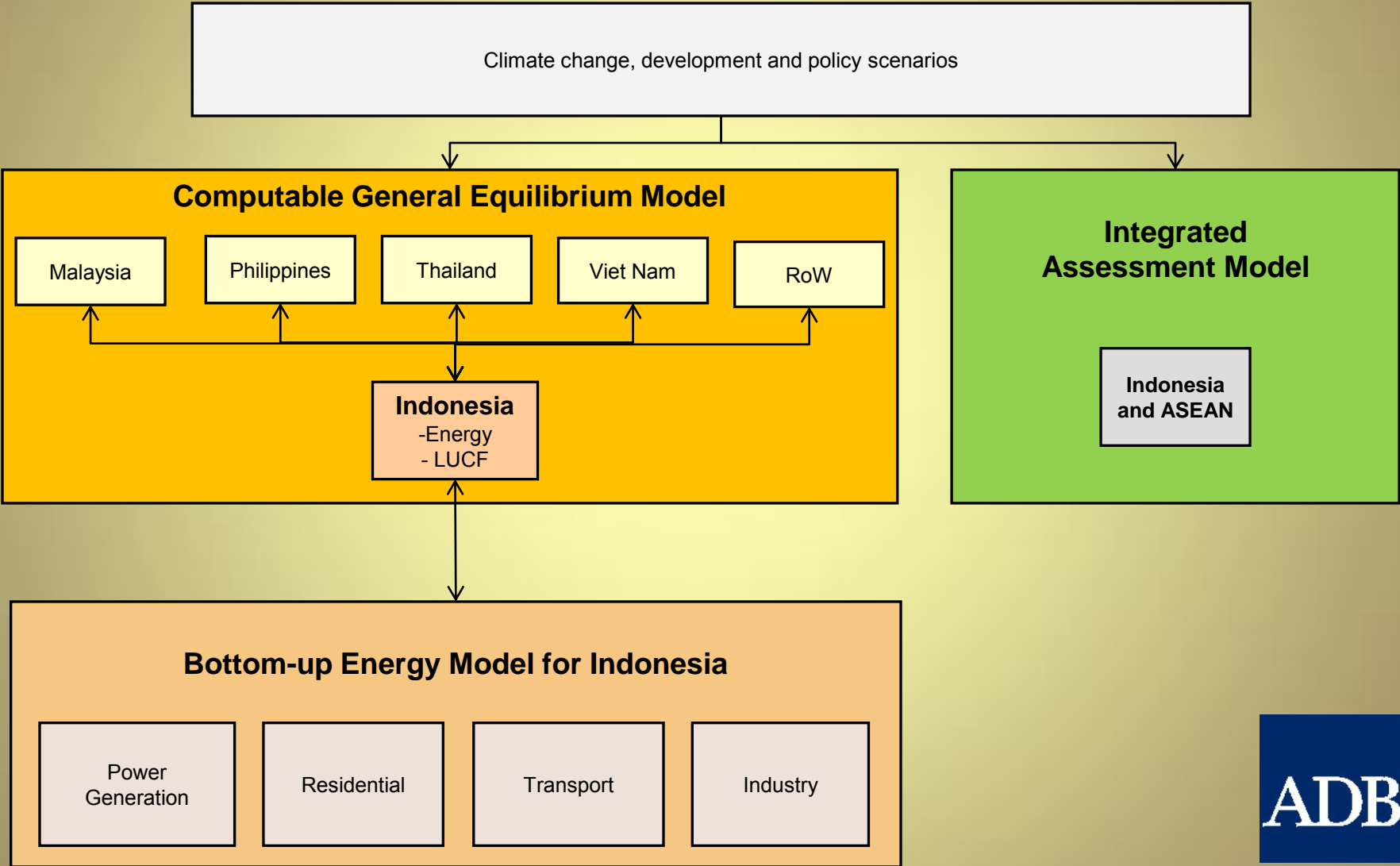
- Customize low-carbon growth planning framework that is transparent, flexible, and user-friendly
- Help develop/update low-carbon roadmap
- Provide a suite of tools and training to enhance the capacity of relevant agencies and institutions to maintain and utilize models and database

Project at a Glance

- **Participation:** Indonesia, Malaysia, Philippines, Thailand, and Viet Nam
- **Funding:** Japan, UK, and ADB
- **Component:** tools, training, and analysis
- **Sector:** Energy (power, transport, household, industry) and LUCF
- **Implementation:** Jan 2011-June 2013



Modeling Framework (Indonesia case)



Towards a hybrid framework—why?

- Capture interactions between economic instruments and technology options
- Capture macro-economic changes (technical, prices, elasticities, structural, GDP growth) and their impacts on the energy systems and available options
- Capture the impact of LC technologies on non-energy sectors, and the economies (employment, welfare, trade, etc)
- Capture (strategic) interactions among countries, regional cooperation, policy spill over effects

Progress and Status

General

- **First Regional Consultation Meeting, KL (Jan 2011)**
- **LOAs review mission (June 2011)**
- **LOAs finalized (Aug-Dec 2011) – NSCs, NWGs, RSC**
- **Assembling expert team**
 - National Experts (5 countries)
 - Global CGE Economist
 - Integrated Assessment Economist
 - Bottom-up Energy Specialist



Bottom-up

- **EFFECT and MACtool templates ready** (in collaboration with the World Bank)
- **Data collection underway**
 - *Residential*: Recent household surveys
 - *Transport*: Segment Y Automotive Intelligence (commissioned by ADB and WB),
 - *Power generation and Industry*: will start shortly
- **Potential partnership with AIM network**



Dynamic CGEs

- **Intertemporal Computable Equilibrium System (ICES):** framework ready
- Introduction of *renewables* and *biofuels*
- Linking *land use* (AEZ) and *non-CO2 GHG* data with ICES database and model
- Processing purchase of *GEMPACK license*
- National CGEs (and latest SAMs) to start shortly — **potential partnership with AIM network**

Integrated Assessment

- **PAGE09 (country-specific)**
 - Countries split out
 - Update of climate parameters to post-AR4
 - Update of scenario to Copenhagen-Cancun
- **WITCH (ASEAN)**
 - ASEAN disaggregation (new database and model code)
 - Harmonization with CGE on macro-economic scenario
 - Model testing
 - Addition of local air pollution
- **Potential partnership with AIM network**



Immediate next steps

- **First Regional Capacity Building Workshop**
(5-8 Mar 2012) – introduction to tools and basic training
- **Second Regional Consultation Meeting**
(9 Mar 2012) – RSC and NSC meetings, report progress, seek feedback
- **Timeline:** refer to Appendix 2 of LOAs
- **Project website** up and running by RCM2

Thank You!

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The logo for the Asian Development Bank (ADB), consisting of the letters 'ADB' in white, serif font, centered within a dark blue square.