

Invitation of Proposals for Study of Energy Market Integration in East Asia

Economic Research Institute for ASEAN and East Asia

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Background

Economic Research Institute for ASEAN and East Asia (ERIA) is inviting proposals for studies related to Energy Market Integration (EMI) in the region. ERIA is an international organization established by the 16 East Asia Summit (EAS) member countries. It is expected to contribute intellectually to the regional efforts for ASEAN Community building and East Asian Economic Integration in wide-ranging policy areas from trade/investment to SMEs, human resource development, infrastructure development, energy and environmental issues and others. Its role is to provide policy analyses and recommendations to Leaders/Ministers at regional meetings such as the ASEAN Economic Ministers Meeting, EAS Energy Ministers Meeting (EMM), ASEAN summit, and the EAS.

ERIA's energy projects are the key component of the "Sustainable Development" pillar, one of the three pillars of ERIA's research (the others are "Deepening Economic Integration" and "Narrowing Development Gaps"). ERIA's energy research projects service the East Asian energy policy-makers very well, covering all the three work streams under the EAS Energy Cooperation Taskforce (EAS ECTF)¹, namely, energy efficiency and conservation, EMI, and bio-fuels for transport and other purposes.

In the fifth EAS, leaders emphasized the need for greater regional cooperation on energy and welcomed the efforts to address market barriers and promote more transparent energy trade and investments, and enhance dialogue and communication between energy producers and consumers. In the EMM5, Ministers "reaffirmed the importance of establishing efficient, transparent, reliable, competitive and flexible energy markets as a means to provide affordable, secure and clean energy supplies for the region." The Ministers also noted the outcomes of ERIA's study report on EMI and "welcomed the EMI Work Plan 2012, which aims to address impediments to the efficient functioning of markets by focusing on activities to (i) enhance energy infrastructure and (ii) facilitate greater energy trade and investment across the region."

¹ The ECTF was established by the EAS leaders at the second EAS in Cebu the Philippines, January 2007. The ECTF is an expert working group to study possible areas of cooperation among EAS members to enhance energy security.

Issues and Suggestive Topics

In line with these instructions and past studies, ERIA would like to invite proposals of study to promote EMI in the EAS region. For the next year, we would like to focus more on how to move EMI forward in an incremental manner. However, as required by Singapore, co-chair of the EAS ECTF EMI work stream, further deepening understanding of the impact of EMI is also necessary. Therefore, at this moment, we are thinking of the follow themes:

1. The impact of EMI, including: 1) the impact of subsidy removal on national economy and various sectors in a country such as Indonesia and Malaysia; 2) EMI on economic development.
2. National and regional experience in promoting EMI: trade liberalization and facilitation; investment liberalization facilitation; trans-boundary energy infrastructure (governance of trans-boundary electricity and gas pipelines); energy pricing reform; and domestic market liberalization (integration).
3. Standardization of gas specifications and other energy products for the purpose of regional trade facilitation.
4. Case studies in the electricity sector, including regulatory reform, improvement of competition, and domestic market integration.

However, these topics are illustrative and proposals on any other topics will be given equal consideration. The study should assess cases of promoting EMI either at a regional level, or at the national level with regional perspectives taken into consideration.

We expect the proposal includes at least the following parts: background and literature review, data and methodology (analytical framework), and policy implications. You can refer to ERIA' discussion paper 2011 no. 5, no. 6 and no. 7 for some examples. Since EMI studies are policy oriented, we are interested to see how the study is related to the EAS EMI process and prospect policy implications. Proposals without the policy implication part are not acceptable.

We prefer at least one researcher in the team from the EAS region.

Please submit a brief CV and a sample paper, preferable in a journal article style, together with the proposal.

Time Framework and administrative issues

All studies are expected to present their major findings and policy implication by the end of June 2012.

To be fully considered, the proposals should be submitted to Dr. Xunpeng Shi (xunpeng.shi@eria.org) by 16 December, 2011 Jakarta time.

After we receive proposals, ERIA will present them to the ECTF co-chairs for their advice. ERIA will accept no more than ten proposals which have significant policy and academic prospects. The leading researchers for the accepted proposals will form a Working Group (WG). The WG is expected to meet twice during the study period. Working Group members have the obligation to attend the WG meetings, participate in discussions and provide review, comments and discussions on others' works.

ERIA will fund around USD6,000 for each proposed study. Costs for attending WG meetings will be provided by ERIA as well.

The tentative framework is listed at the following table.

Table Tentative Time Framework

16 Dec 2011	Submission of proposals
15 Jan 2012	Notification of acceptance
Jan-Feb 2012	Draft Introduction, Literature Review and methodology; Elaborate models and preparation of data (if applicable)
Mid February 2012	The first workshop , which presents and discusses background, literature review, methodology and data, and expected results.
March– June 2012	Research work
Early April 2012	Submission of the Members' mid-term report to ERIA.
Later May 2012	Submission and cross review of the preliminary report
Mid June 2012	The second/final workshop , which presents and discusses the Members' draft of final report
Mid July 2012	Submission of final report
July 2012	Cross review and final revision
August 2012	Conclusion of the study