



Economic Research Institute for ASEAN and East Asia

Invitation for Proposals for ERIA FY2022 Study

‘Innovative Ways for Financing Renewable Energy Projects in ASEAN and East Asia¹’

March 2022

Background

The Economic Research Institute for ASEAN and East Asia (ERIA) is inviting research proposals for studies related to innovative ways for financing renewable energy projects in ASEAN and East Asia.

ERIA is an international organization established by the 16 member countries of the East Asia Summit (EAS). It is expected to contribute intellectually to the regional efforts for ASEAN Community building and East Asia economic integration. Its role is to provide policy analyses and recommendations to Leaders and Ministers at regional meetings such as the ASEAN Economic Ministers Meeting, EAS Energy Ministers Meeting (EMM), ASEAN Summit, and the EAS.

The economic recovery plans for 2021–2022 increased the global energy demand, resulting in a sharp increase in the prices of oil and other fossil fuels. However, the increase in fossil fuel prices could not stimulate new investments in renewable energy and energy-efficiency projects. The main reason behind this low level of investment and the reluctance of private investors toward the green sector is the existence of various risks and economic uncertainty, which has forced the investors to look for safer assets. This low level of interest toward renewable energy and green infrastructure investments threatens the Paris Agreement on Climate Change and the achievement of

¹ Please note that this proposal is sub-theme under the project of “Economic Analysis of Large-Scale Deployment of Solar PV with Battery Storage in ASEAN and East Asia”

several sustainable development goals (SDGs).

The current investment levels in renewable energy and energy efficiency projects in the ASEAN region and East Asia are insufficient to achieve the carbon neutrality goals by 2050. Renewable energy projects have more difficulties compared to other projects in accessing finance. The main challenges that renewable energy projects face for accessing finance are lack of long-term financing, the existence of various risks, Lower rate of return in renewable energy projects, and lack of capacity in market actors. Hence, for achieving energy transition and carbon neutrality goals, we need to scale up the financing of investments that provide environmental benefits through innovative ways. In the wake of COVID-19, the importance of innovative ways and policies for enhancing investments in renewable energy projects to achieve climate-related goals is highlighted.

Potential issues for the study

With this background, ERIA would like to invite proposals of study on innovative ways for financing renewable energy projects in ASEAN and East Asia.

The call for proposals seeks empirical and policy-oriented studies on ASEAN member states and East Asian economies that deal with innovative and market-based solutions for unlocking private investments in renewable energy projects. The final manuscripts will consist of papers developed based on a sound theoretical framework and significantly contribute to the literature. The project aims to collectively provide policy recommendations for designing funding strategies for renewable energy development in ASEAN and East Asia. The project aims to provide lessons to end-users, policymakers, and market players in ASEAN and East Asia on access to finance for renewable energy development.

Proposals may deal with, but not limited, to the following:

- Innovative and market-based instruments and renewable energy deployment.
- Role of green finance in renewable energy development.
- Analyzing renewable energy financing programs in ASEAN and East Asia.
- Obstacles for renewable energy financing and solutions.
- Green bonds, renewable energy, and energy transition

- Carbon taxation for renewable energy development.
- Role of governments in unlocking the private investments in renewable energy projects.
- Roles of institutional innovation, innovation in products, and processes in renewable energy development.
- Public supports for investments in renewable energy projects during the pandemic and in the post-pandemic.
- Role of new technologies in easing access to finance for renewable energy development.
- Case studies on utilizing innovative finance and FinTech in funding renewable energy projects.
- Application of AI, DLT or blockchain, peer-to-peer lending platforms, big data, internet-based and mobile-based payments, IoT, matchmaking platforms including crowdlending and tokenizing green assets in scaling up renewable energy financing.
- Role of venture capital, crowdfunding, angel investment, and partner financing in funding renewable energy projects.

The proposal will include at least the following parts:

- ✓ Research question (s);
- ✓ Background and contribution to the literature.
- ✓ Data and methodology (analytical framework)
- ✓ Expected policy implications. ERIA studies are policy orientated, and it is essential that the study delivers policy implications for ASEAN and East Asia.

Together with the proposal, the lead researcher will submit a brief CV with a list of publications (if the researcher has not been a member of ERIA's EMI Working Group in the past) and a sample paper, preferable in a journal article style.

Timeframe and administrative issues

To be fully considered, proposals should be submitted to Dr. Han Phoumin (han.phoumin@eria.org) and to Prof. Farhad Taghizadeh-Hesary (farhad@tsc.u-tokai.ac.jp) no later than **15 May 2022**. Early submission is encouraged. Only successfully selected proposals/authors will be notified, expectedly by the end of May 2022.



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ERIA will fund not less than USD 4,000 for each proposed study. At least, we will have one on-line meeting

All studies are to be finalized by end of November 2022. This deadline is firm to make it possible to report the results to Energy Policy Makers as well as to be submitted for the international book publication.