## APEC Concept Note

Please submit through APEC Secretariat Program Director. ***Concept Notes of more than 3 pages***

***(including title page) or incomplete submissions will not be considered.***

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| **Project Title:** | **Policy options for energy resource diversification in the Asia-Pacific region** |
| **Source of funds** *(Select one):* [x]  Operational Account [ ]  TILF Special Account [ ]  APEC Support Fund |
| **Committee /** **WG / Sub-fora / Task-force:** | Energy Working Group |
| **Proposing APEC economy:** | Russian Federation |
| **Co-sponsoring economies:** | Indonesia, Japan |
| **Expected start date:**  | March 2013 |
| **Expected completion date:** | December 2013 |
| Project summary: Describe the project in under 150 words. Your summary should include the project topic, planned activities, timing and location: *(Summary must be no longer than the box provided. Cover sheet must fit on one page)* | It is clear that APEC needs a comprehensive energy strategy embracing all aspects of energy security. Energy resource diversification is now being viewed as one of the most viable options for increasing energy security. But the enormous challenges associated with the development of alternative clean energy technologies and other costly methods of energy resource diversification threaten to derail energy security of the APEC region even further. The proposed project would attempt to find the viable alternatives to the “standard” techniques of energy resource diversification. Its analysis could result in the set of common policy options for the major APEC Member Economies and the subsequent visionary roadmap for their implementation. The project will span nine months from March 2013 to December 2013. The main research will be carried out in Russia in close cooperation with APEC energy experts. These efforts will result in a two-day conference. |
| **Total cost of proposal: *(****APEC funding**+ self-funding)****USD*** 130,597.5+119,402.5=250,000 | **Total amount being sought from APEC (USD):** 130,597.5***By category:***  *Travel:* 34,437.5+self-funding *Labor costs:* 84,960+self-funding *Hosting:*  5,000+self-funding *Publication & distribution:* 4,200 *Other:* self-funding |

***Project Overseer Information and Declaration:***

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As Project Overseer and on behalf of the above said Organization, I declare that this submission was prepared in accordance with the **Guidebook on APEC Projects** and any ensuing project will comply with said Guidebook. Failure to do so may result in the BMC denying or revoking funding and/or project approval. I understand that any funds approved are granted on the basis of the information in the document’s budget table, in the case of any inconsistencies within the document.

*Name of Project Overseer*

**Date:**

**Project Synopsis**

1. Relevance: Why should APEC undertake this project? What problem or opportunity will the project address and why is it important?

Energy security issues are now on the agenda of all major organizations including the UN, EU, OECD, OSCE and NATO. It is clear that to meet fast growing energy needs and to secure its rising stature in the international system, APEC will also need a comprehensive energy strategy embracing all aspects of energy security. Traditional energy security responses such as building of strategic petroleum reserves, acquisition of foreign energy assets, and expansion of exploration and production activities proved to be inadequate in an increasingly adverse global conditions. Energy resource diversif ication on the contrary is now being viewed as one of the most viable options for increasing energy security.

But the enormous challenges associated with the development of alternative clean energy technologies and other costly methods of energy resource diversification – the way adopted by the EU – threaten to derail energy security of the region.

The proposed project would attempt to find the viable alternatives to the “standard” techniques of energy resource diversification. Its analysis could result in the set of common policy options for the major APEC Member Economies and the subsequent visionary roadmap for their implementation. The final report could be an essential reading for any decision maker in industry as well as in government.

To represent the convergence of some of the best minds and institutions around the world, the project team would organize a number of video-interviews with the major energy think tanks such as Taiwan Institute for Sustainable Energy or Japan Institute of Energy Economics or International Energy Agency. The study tours to these organizations are also possible.

The project thus aims at performing the value-added independent research for the common benefit of all APEC Member Economies.

1. Objectives: Describe the 2-3 key objectives of the project. (e.g., to... create a framework...; ensure participants will be able to...; share experiences...; enhance understanding...; develop recommendations...; build interest...; revise strategies... etc.)

The key objectives include:

* To analyze the world best available practices on the energy security enhancement and develop policy recommendations for energy resource diversification for the major APEC Member Economies;
* To outline the common APEC energy resource diversification strategy;
* To elaborate the visionary roadmap for energy resource diversification, potentially contributing to more balanced energy resource diversification strategies of the APEC region.
1. Alignment: Describe how the project will help achieve APEC’s key priorities and meet your forum’s work-plan or medium-term plan.

The proposed project is in line with the current APEC strategies aimed at increasing energy security in the region. Since 2007 Darwin the issue of energy security is at the top of APEC’s agenda. In 2012 the adopted St. Petersburg Declaration on energy security defined the main challenges and strategic choices for this problem. Indonesia as the host of APEC-2013 has been repeatedly stressing the urgent need for energy resource diversification in the APEC region. The theme of the proposed project is thus fully aligned with the key APEC strategic objectives and targets.

1. **Methodology: How do you plan to implement the project? In this section, address:**
* ***Timeline:* Project timelines and dates for key activities and deliverables**

**Project timeline:** March 2013 - December 2013 (9 months)

**Project stages:**

*Stage 1: Policy options for energy resource diversification (March-August 2013)*

Review of the world best available practices on energy resource diversification. Analysis of the political, economic and social applicability of the identified practices to the APEC region.

**Outputs:** report containing policy recommendations for APEC Member Economies on energy resource diversification.

*Stage 2: APEC common energy resource diversification strategy (September-October 2013)*

The project at this stage will try to outline the common APEC strategy for energy resource diversification. A special two-day conference will be held to share and discuss the preliminary findings of the project.

**Outputs:** 1). Research paper with the common APEC policy strategy for energy resource diversification could be presented to the APEC Secretariat prior to the APEC-2013 CEO Summit on 5-7 October 2013; 2). The two-day Conference devoted to the energy resource diversification strategy for the APEC region.

*Stage 3: Visionary roadmap for energy resource diversification (November-December 2013)*

Once the policy recommendations for the major APEC Member Economies and the common policy strategy for energy resource diversification in the APEC region had been developed, the project will enter the final stage – elaboration of the visionary roadmap for the implementation of the project’s findings. It will try to provide guidance at the conceptual level for APEC policy makers to contribute to the more balanced energy strategies of the APEC Member Economies. The final report will be submitted to the APEC Secretariat at the end of this stage incorporating the main achievements of all three stages.

**Outputs:** 1). The visionary roadmap for energy resource diversification in the APEC region; 2). The final report on policy options for energy resource diversification in the Asia-Pacific region, submitted to the APEC Secretariat at the end of this stage.

* ***Stakeholders:* Beneficiaries and stakeholders (APEC & non-APEC) and how they will be engaged**

The report could be of good value for policy makers of the APEC Member Economies, equipping them with the concise and to the point policy recommendations and options for energy resource diversification. The research paper containing the summary of this material will be sent to the APEC Secretariat prior to the APEC-2013 CEO Summit on 5-7 October 2013.

The project team will also attempt to establish the right direction for governments, scientists and industry to move from reactive to proactive energy policies and to explore the opportunities for cooperation in these spheres by organizing a two-day conference in Vladivostok (Russian Federation) at the end of October 2013.

A comprehensive overview of the state-of-the-art studies and value-added independent research could also make it an indispensable reference for advanced students in the energy-related fields who could be also invited to the project as guest experts.

* ***Previous projects/activities:* If and how this proposal builds on the findings or lessons learned from previous projects/activities, while avoiding duplication**

Despite extensive research carried out in recent years, existing studies all have a fragmented nature and cannot provide an all-round up-to-date review of the available policy options for energy resource diversification in the APEC region. The proposed project could be a natural integration and extension of those previous studies and could serve as some basis for the development of the common APEC energy strategy plan and/or document.

* ***Communication:* How you plan to communicate the results or benefits of this project to others**

1). The report containing policy recommendations for the major APEC Member Economies on energy resource diversification could be published as a special booklet for the wide audience;

2). The research paper with the common APEC policy strategy for energy resource diversification could be presented to the APEC Secretariat prior to the APEC-2013 CEO Summit on 5-7 October 2013;

3). The major step-by-step achievements of the project will be published on an open access in Internet on the project’s web-site;

4). The final report will be published in Internet for the benefit of all relevant project stakeholders.