

THE PATH TO NET ZERO FOR INDIA: THE ROLE OF PUBLIC PRIVATE PARTNERSHIPS

THE WORLD ECONOMIC FORUM, DAVOS



Summary of Discussions

Girish Sethi, Senior Director (Energy) at TERI as the moderator to the panel shared his opening remarks on the net zero commitment of 2070 made by India during COP26 at Glasgow. Speaking about the creation of policies initiated by the Government of India, Mr. Sethi cited the example of the National Green Hydrogen Mission which would provide India an opportunity to transition to a low carbon society. With this context, Mr. Sethi invited the panellists to briefly discuss the opportunities available as countries, and especially India look to transition to a low – carbon society.

Jeremy Oppenheim, Partner at SYSTEMIQ and a member of the Energy Transmission Commission (ETC) and the Mission Possible Partnership, spoke about the sea change in the expectations set by the Indian industry. He mentioned “10 years ago the net zero plans majorly spoke about the costs to transition”. However, presently, the calls for transitioning to net zero have shifted towards availing the opportunities and recognising that technologies are coming through. Solar energy is one of the key areas that can unlock potential not merely across the energy sector but also economies, which will eventually feed into green hydrogen, green steel and green cement. He further commented that the companies present in the Energy Transitions Commission represent just a tip of the sphere of the changes currently taking place in the energy sector, with start-ups symbolising the ecosystem of change in the Indian energy system.

Additionally, strong government commitment to net zero targets is translating into how investments take off, and change the economics of the way in which energy transitions are taking place. Combined with a strong entrepreneurial and innovative ecosystem in India of transforming emerging unique technologies and commercialise them will help India move forward faster.

Paul Marriott, President, SAP Asia Pacific Japan (APJ), spoke on how a continued severe climate change will negatively impact the GDP of India, putting the figures at 30-35% of the GDP turning negative. There is a clear financial impact from climate change that has been understood clearly in the present times.

There is an incredible amount of activity in the start-up community of India, and there has been a shift in the way that start-ups are driving sustainable solutions. Mr. Marriott, also mentioned that SAP is particularly keen on embracing sustainability since ~ 87% of the world's commerce flows through its clientele, and hence, re-engineering companies' with green tech needs to be incorporated into across their business processes and practices. Moving forward, some of the barriers faced while encouraging sustainable transitions include accelerating regulations.

Markus Solibieda, Managing Director at BASF Venture Capital GmbH, highlighted that primarily, entrepreneurial talent and the local start-up ecosystem is what led the BASF Venture Capital team to begin investing in India. The BASF team is focusing on those start-ups, which are most focused on digitalisation and sustainability. One of the portfolio companies of BASF was invited to the WEF and nominated in the 'Top 10 Innovators' category. The portfolio company, 'C6', aims to transform the entire value chain of the chemicals sector by replacing petrochemicals with red seaweed.

Anthony Hogley, Executive Fellow – Strategic Engagement, Center for Nature and Climate, World Economic Forum, spoke about the new initiative 'Giving to Amplify Earth Action' or 'GAEA' launched at WEF 2023. Speaking of public private partnerships, Mr. Hogley mentioned how philanthropy had become the "forgotten child of collaboration". Philanthropy plays an immense role whenever societies change, and its role becomes even more catalytic when it works in collaboration with the government and the private sector. Mr Hogley mentioned that less than 2% of philanthropic funding goes to climate mitigation, and the idea behind 'GAEA' initiative is to raise the level of consciousness, and bring philanthropic funding to the level which is commensurate with the level of natural and environmental crisis being faced today. Concluding with his remarks, Mr. Hogley shared that philanthropy can play a catalytic role in accelerating decarbonisation by helping rewire relationships across value chains, and de-risking early technologies on green ammonia and hydrogen. Concluding with his remarks, Mr. Hogley stated that most of climate funding comes from western philanthropy yet the biggest growth of philanthropy is emerging in countries like India, Middle East and Southeast Asia. Engaging with Indian family offices to mobilize Indian philanthropy is required to catalyse the speed and scale of climate finance, and move to a new model of "public-private-philanthropic" collaboration.

Elaborating more on Mr. Anthony Hogley's remarks on enhancing the scale of Indian philanthropy by leveraging Indian family offices, **Carl Brinton, Managing Director at the Rockefeller Foundation**, spoke about the mightiness of philanthropy. Citing the example of the Asia Office of the Rockefeller Foundation providing a mass seed of grants to the 'Global Alliance for Mass Entrepreneurship', Mr. Brinton spoke that the alliance aims to create 10 million new entrepreneurs, half of whom will be women, and how these entrepreneurs will help create 30 million more jobs. Explaining the process of providing seed grants, Mr. Hogley spoke about the how the millions in seed grants can unlock the billions in collaboration through public and private partnerships.

Pankaj Agarwal, CEO, Panitek Power AG, spoke about digitalisation, and how India can leapfrog to the new way of energy distribution. Integrating technology and bringing stakeholders together can play a major role in enhancing the share of renewable energy. To ensure that energy transitions take place, regulation needs to keep up with evolving technologies.

Dr. Asa Persson, Research Director and Deputy Director at the Stockholm Environment Institute stated that the creation of the Leadership Group for Industrial Transition (LeadIT) firmly put industry transition into the agenda of businesses, and revealed how there exists a business opportunity in green steel and cement. Talking about the work of LeadIT, Dr. Asa mentioned how sectoral decarbonisation roadmaps can help in the implementation of NDCs, and act as sources of the efforts required to decarbonise. Moving beyond the sectoral approach, Dr. Asa mentioned that technological collaboration at the broader sustainable development governance level will need to shift away from technological transfers to a more collaborative effort which focuses on the co-development of technology. Mobilisation of finance, de-risking technologies and supporting market creation through development of green procurement guidelines and developing common standards for products deemed “greener” are some of the asks that the industrial players in the LeadIT group have urged for. Commercial implementation of green steel and green hydrogen technologies in developing countries is necessary and important.

Further, Dr. Asa, spoke highlighted the gaps in the skills sets not merely in terms of upgradation of requisite skills but also the highlighted the need of having the requisite volume of people.

Prem Kumar Barthasarthy, Managing Partner at Pontaq, presented a picture of how quickly India’s start-up ecosystem is evolving with over 75,000 incubated start-ups. Speaking about the projects supported by Pontaq, Mr. Prem Kumar highlighted the efforts involved in decarbonising three-wheelers (or, autos) in India by retrofitting them with electric motors. The second investment involved creation of a biodegradable electrolyte which can be used in batteries, making the batteries ~ 90% biodegradable.

Concluding Remarks

Moving to the concluding section, **Anthony Hobley** spoke how companies’ lack of strategy in transitioning to a more sustainable pathway was leading to “climate hushing”, wherein companies did not know how to approach their climate commitments. Initiatives by the Mission Possible Partnership and the LeadIT group with their sectoral decarbonisation roadmaps offered ways of moving beyond sectors towards regional decarbonisation efforts which could be effectively incorporated into countries’ NDCs.

Paul Marriott concluded that many of SAP’s customers in India were unable to strategically connect their digital transformation programmes with sustainability goals. Getting started on ESG strategy and reporting was an essential beginner step before companies’ begin embarking on cleaner technological products.

Prem Kumar stated that balancing the inherent needs of India along with global pressure from the rest of the world will be a challenging task.

Further, **Pankaj Aggarwal** concluded that despite how much of philanthropy will be catalytic, transitioning to green ecosystems will come from businesses, and green transitions provide an opportunity to businesses to grow.