Inaugural session

Dr R K Pachauri, Director-General, TERI, welcomed HE Anne Marie Idrac, Minister of State for Foreign Trade, Government of France and the Chief Guest Mr Jairam Ramesh, Minister of State for Commerce, Industry, and Power, Government of India. He introduced the theme of the forum and made a brief mention of the issues, which were going to be discussed in the forum—issues concerning emission reduction by industries, impact of future regulatory policies related to mitigation, and the need to come up with a clear strategy and develop correct action plans. Based on the NAPCC (National Action Plan on Climate Change), TERI prepared a White Paper, which was tabled at the World CEO Forum. Dr Pachauri urged the corporates to develop a strategy in line with the missions in the NAPCC. After his enlightening deliberation, a short TERI-BCSD film showcasing TERI’s initiatives towards sustainable development was screened.

HE Ms Anne Marie Idrac, Minister of State for Foreign Trade, Government of France, in her address, emphasized the need to not only discuss issues related to climate change, but also act upon the prevailing issues. Her address dwelt on the fact that the current economic downturn and the financial crisis should not let the issues of environment take a backseat. She emphasized that this is the time to bring such issues to the fore and act upon them. Her address also focused on an alliance between SMEs (small and medium enterprises) and big corporates on an alliance between SMEs (small and medium enterprises) and big corporates.

Mr Jairam Ramesh, Hon’ble Minister of State for Commerce, Industry, and Power, focused on the ministry’s partnership with some of the leading corporates such as Areva, Alstom, and Lafarge, and reiterated the significant contribution of these companies towards mitigating climate change and global warming. He emphasized the need for international collaboration, which can play an important role. He also focused on the unique role that India will play in the years to come in terms of providing clean coal production technologies, since India has high-ash and low-sulphur coal.

He reiterated that a joint collaboration between NTPC and TERI on photo bioreactors on natural algae will be experimented for the first time in India. He strongly felt that India is a growing nation having a rich pool of managerial skills, technology, and resources to meet the challenges of climate change. In his address to the gathering, he also said that India should not buckle under international pressure to adhere to the norms but rather act proactively and address local climate change issues faced by country. In his concluding remarks, he cited several examples of receding glaciers and low production of crops such as wheat, tea, and coffee, which have become a common sight in the country in the last few decades. The session concluded with a vote of thanks by Dr R K Pachauri.
The panel discussion started with the participants voting on two questions, the answers to which epitomize the complexity involved in ensuring sustainable development. While there was an overwhelming agreement on the need to strengthen business ethics of the corporate sector to integrate shareholder interests with societal interests, the response of business community to climate concerns in the wake of current economic downturn received a mixed response.

The panelists emphasized, almost unanimously, on the importance of partnerships between governments, business, and civil society along with the opportunities for business in tackling climate change. The level of investment and demand for newer and better products and services emerging out of the need to address climate change concerns offer tremendous business opportunity. For this to fructify, governments need to come to an agreement on a legal framework that would induce investment by businesses.

Given the scale of challenge, where over one trillion dollar investment per year is envisaged till 2050, it makes economic sense for businesses to be proactive, with special focus on buildings, transportation, and industry. A large part of climate-friendly business activity has to come in the form of energy-efficient practices and technology deployment. Another critical challenge to sustainable development is the issue of water availability, quality, and access. Since it has a serious economic and social consequence, it augurs well for businesses to also look into water efficiency in the same vein as energy efficiency.

The session began with the chair, Mr Nitin Desai, mentioning that need of the hour was a new industrial revolution that could possibly seek solutions for a better future. The point was re-emphasized by Prof. Jeffrey Sachs who categorically stated that such a change needs to be on a considerably higher scale to make a dent in the current scenario. They mentioned that globalization today was losing its sheen and is being replaced by nationalism. The speakers stressed on the need for having the right kind of policies in the advent of the economic crisis looming and is being replaced by nationalism.

The world needs to invest more than one trillion dollars a year into stable energy systems, according to former Under Secretary General of the United Nations and Executive Director of UNDP, Mr Ashok Jaffrey. The session was re-emphasized by Mr Rob Moult from WBCSD, President and WBCSD, President, Intel Technology India Pvt. Ltd, Mr Harry Verhaar Mr Rob Moult Mr Kjell Forsen Mr Praveen Vishakantaiah.

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Panel Discussion III: Fast tracking business action

The session focused on how businesses contribute to tackling climate change. Dr J J Irani, the chair, began the session with a thought on how the business community cannot stand aside on issues of societal significance such as climate change. He also stressed on the fact that governments cannot achieve environmental goals without the support of business houses.

Speaking on the idea of sustainability in business, the panellists emphasized the need for a responsible understanding of issues related to climate change. They also stressed the need for building a model of sustainable business to strike an equilibrium between economy, ecology, and the society. The panellists emphasized the need for the business community to reach out to the society to find such an equilibrium. The role of the management in ensuring that their actions reflect their good intentions was also discussed. It was stressed that inculcating a sense of direct connection with the environmental cause in employees and in product design is the most challenging and important task for the leadership.

The importance of appropriate investment and enhanced R&D through public-private partnerships in developing affordable technologies and meeting the bottom-of-the-pyramid needs of the country came out as one of the key programmatic requirement to enable business to take up a greater responsibility. The role of the government beyond taking up joint activities with the private sector was also stressed. It was emphasized that the role of the government is utmost importance in giving a direction to business practices through designing suitable regulations.

Government regulations to provide a good incentive for enhancing green investments was highlighted as the need of the hour. However, it was also emphasized that the governments need to be careful in introducing new regulations so that there is an optimal alignment between incentives provided and the scale of desired activity.

Similarly, it was also felt that while responding to regulations, the business community needs to explore the scale at which regulations can create good business opportunity. On the issue of what corporations can do without the government, it was stressed that sharing knowledge and experience, and mutual learning are some of the most responsible business practices. The attitude of the business community and the way it perceives situations were other critical points that the panellists emphasized upon. Most of the panellists were of the opinion that the necessary expertise and capacity exists, but what is needed is a drastic change in the mindset of the people and the business community. In the concluding remarks, the role of appreciation, price incentives, and the media in changing the mindsets was discussed.

Voting session

Panel Discussion II: Partnerships – the answer for tomorrow

Q What are the critical elements of effective partnerships?
- Designing and implementing innovative financing mechanisms
- Promoting cleaner energy technologies
- Strengthening cooperation among developed and developing countries

Response
The response from the floor tilted equally towards two options. About 44% of the respondents opted for designing and implementing innovative financing mechanisms as the key elements of partnerships and 40% voted in favour of strengthening cooperation among developed and developing countries. The message set at the outset was clear: partnerships are imperative for achieving sustainable solutions.

Voting session

Panel Discussion III: Fast tracking business action

Q What factors will motivate your organization to actively address the issue of climate change?
- More information sharing of best practices and awareness building
- Guidelines in the form of assistance and training support
- Incentives
- Regulation

Response
The respondents considered “incentives” and “information sharing of best practices and awareness building” as the most effective motivating factors. Both these options received about 37% votes each. “Regulation” received 21% votes and the least motivating factor was “guidelines in the form of assistance and training support.”
Mr Björn Stigson, President, WBCSD and Mr Nitin Desai, Former Under Secretary General, United Nations and Distinguished Fellow, TERI concluded the panel discussions by sharing the key messages from the rich discussions in the three sessions. Mr Stigson conveyed a positive and encouraging impression of the corporate response and their willingness to contribute to solutions in the context of climate change issues in India and other major economies such as China. He highlighted energy and IT as the sectors with major business opportunities. The energy sector provides immense business opportunities since simple, clean, and affordable energy solutions are required for the 1.6 billion poor of the world. The IT industry has a huge business opportunity in terms of enabling other industries to reduce their carbon footprint. He said that India is positioned very well to take a leadership role in these areas in terms of providing business solutions.

Mr Nitin Desai also started on a positive note by saying that the corporate sector recognizes the depth of the climate change problem and is willing to take the initiative rather than wait for incentives from the public domain. He emphasized on the need for a long-term outlook for action rather than being pessimistic about the flow of funds in the short term. He highlighted that the primary purpose of the CEOs at this forum should be to convey what the corporate sector wants from inter-governmental negotiations so that they can continue their business in a sustainable manner. He summarized the insights from today’s discussions in three words: Integrate, Innovate, and Anticipate. Innovation is going to be the hallmark of success for the economies in the new carbon constrained world. We are looking at a new industrial revolution where manifold increase in carbon productivity will drive the revolution and therefore innovations to achieve this would be most necessary for the survival of a firm. In today’s carbon constrained world, it is not control over the conventional energy supply and resources but gaining command over carbon control technologies that will ensure survival and success in the next few decades. The organizations that can anticipate this and take appropriate and relevant actions would be the companies that would remain on the top of the list 40 years from now.

Mr Jairam Ramesh, Minister of State for Commerce and Industry, Government of India, said that we are looking forward to the expectation of a true consensus at COP 15 to be held at Copenhagen, Denmark. India is not a key contributor to the stock of emissions but is increasingly contributing to the flow of it. There is a need to understand the steps India is taking to meet the challenges with regard to energy, water, and agriculture, and how this reflects in the National Action Plan on Climate Change. Indian companies are now working towards mitigating the impact of their operations. He highlighted the need for collaborations between Indian and international companies and research institutions.

Ms Connie Hedegaard, Minister for Climate and Energy, Government of Denmark, started by voicing the concerns for Climate and Energy, Government of Denmark, started by voicing the concerns for Climate at Copenhagen, Denmark. India is not a true consensus at COP 15 to be held at Copenhagen, Denmark. Ms Hedegaard also focused on speeding up the dissemination of technology and information.