

Climate Change fast tracking business action

Summit Bulletin

Wednesday, 4 February 2009



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 and public-private partnerships, which can come together and fight climate change in an effective manner. Her concluding remarks emphasized the



Dr R K Pachauri



Mr Jairam Ramesh



HE Ms Anne Marie Idrac



need for countries to share the burden keeping in mind the equity and diversity of each nation. She also invited those present to come and see some of the technologies, services, and products on display at the French pavilion in the exhibition area.

The address delivered by 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.



TERI-BCSD India Enabling responsible business for a sustainable future

The goal of sustainability is now integral to the long-term survival of human society. Environmental and socio-economic problems are increasing in intensity and complexity. There is a growing appreciation of the need for a collaborative approach to develop strategies for industrial sustainability and corporate responsibility.

In India, a vast body of knowledge and experience is lying untapped within industry, which could be used to implement the sustainability agenda. TERI-BCSD India – the corporate round table on development of strategies for the environment and sustainable development – has been set up to galvanize this latent knowledge and expertise, and transform it into an agent for change. TERI-BCSD India is a partner of the World Business Council for Sustainable Development and a member of its regional network.

Presently, the network has 84 corporate members across India, representing a varied section of the industry.

Mission

To provide an independent and credible platform for corporate leaders to address the issues related to sustainable development and to promote leadership in environmental management, social responsibility, and economic performance.

The work undertaken by TERI-BCSD India has no ideological or political bias.

Goal

To use TERI-BCSD India membership and TERI's research capabilities to gain a better understanding of existing and emerging sustainability concerns facing the industry.

Membership

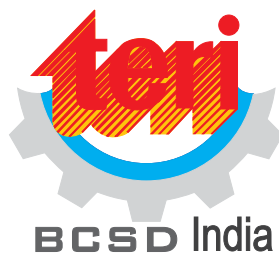
Membership of TERI-BCSD India is open and is solicited from organizations and not individuals. It is open to any cooperation dedicated to fostering environmental excellence and social responsibility within itself and in the industry as a whole. For membership details please e-mail <bcسد@teri.res.in>.

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Panel Discussion I

Climate Change: tackling the global challenge

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.



Mr Björn Stigson



Mr Ashok Jaitly



Ms Naina Lal Kidwai



Ms Anne Lauvergeon



Mr Harry Verhaar



Mr Rob Moulton



Mr Kjell Forsen

As they said it...



We should not be deflected by the current economic crisis. Integrate, Innovate, and Anticipate: don't get carried away by the \$40 price

Nitin Desai
Former Under Secretary General of the United Nations and Distinguished Fellow, TERI



The world needs to invest more than one trillion dollars a year into stable energy systems.

Björn Stigson
President, WBCSD



Only the paranoid survive: we have to be paranoid about the future scenario.

Praveen Vishakantiah
President, Intel Technology India Pvt Ltd



Voting session

Panel Discussion I: Tackling the global challenge

Q.1 In today's context there is a need to strengthen business ethics of the corporate sector to not only serve the interests of its shareholders but also cover the long term self interest of the society. Do you agree?

- Fully agree
- Partially agree
- Can't comment
- Disagree

Response

The response for this question was an overwhelming yes with 90% of the respondents saying 'fully agree' and the remaining 10% agreeing 'partially'. It was the response to the second question, which reminded the session participants of the complexities involved in the functioning of the business world.

Q.2 What impact will the global economic downturn have on business response to climate change?

- Retreat from concern about climate change
- Increased support for government policies on climate change
- Deeper reflection about the human drivers of climate change

Response

The responses to the second question were well distributed among the three options. Thirty-three per cent respondents were of the opinion that the economic downturn would result in a retreat from concern about climate change. While 28% saw an increased business support for government policies on climate change, 39% believed that the economic downturn would make the business community reflect more deeply about the human drivers of climate change.

Panel Discussion II

Partnerships: the answer for tomorrow

The session began with the chair, Mr Nitin Desai, mentioning that the 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

today. They emphasized that the existing policies are more protectionist in nature and not addressing the global concerns holistically. This was highlighted as a worrisome issue and a solution was arrived at. The emphasis was on forging 'global cooperative partnerships'

In the changing climate regime, efforts have already been made by different countries to manage the repercussions of climate change. However, during the discussion, a need to erect an architectural design to exchange ideas and resolve the overarching issue of climate change was



Panel discussion II in progress



Mr Nitin Desai

stressed. There was a special mention of Copenhagen as a place offering such an opportunity. Financial mechanisms that could strengthen cooperation amongst various countries were highlighted as critical factors.

Building partnerships for climate resilience was further considered an important aspect by the panel. The panel also emphasized the need for a new level of cooperation in building such partnerships. In a scenario where access to clean energy fuels was a concern, the need to accelerate transition to cleaner energy options was reiterated by the panel. A need was also felt to forge



Dr Ajay Mathur

partnerships that focus on development and diffusion of cleaner energy products. Further, close association between technology developers, entrepreneurs, regulators, and policy-makers was pointed out as a necessary factor to ensure that clean solutions reach those who require them.

The panel discussion came to an end with a plan for the future in terms of partnerships amongst key stakeholders to bring about change. It was emphasized that solutions for a better tomorrow emanate from global cooperation and globalization needs to be given an upper hand over nationalist views.

Panel Discussion III

Fast tracking business action



Panel discussion III in progress

The session focused on how businesses contribute to tackling climate change. Dr JJ 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 on 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



Dr JJ Irani

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 of 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

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
- Strengthen 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.



Prof. Jeffrey D Sachs



Mr Yvo de Boer



Mr Ashvin Dayal

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.

As they said it...



The CSR department is the wrong place for climate change to be residing in a company... it should be in the mainstream with the company.

Arun Seth
Chairman, BT (India) Pvt Ltd



We are looking forward to Copenhagen 2009 where we would focus on a consensus emerging on technology improvements and energy efficiency.

Jairam Ramesh
Minister of State for Commerce, Industry, and Power,
Government of India



Dr Praveen Vishakantiah



Mr Arun Seth

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'.

Concluding session

The way forward



Mr Björn Stigson

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 would 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 Nitin Desai

Dinner session



Dinner session in progress

The dinner session began with the felicitation of new BCSD members by Dr R K Pachauri. Mr Jairam Ramesh, Minister of State for Commerce and Industry and Minister of State for Power, 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.

HE Ms Connie Hedegaard, Minister for Climate and Energy, Government of Denmark, started by voicing the concerns of people across many affected countries like Thailand and Bangladesh, who are directly affected by the increasing

uncertainty of climate conditions. She said that the international community has now reached a crossroad where it can work towards building a new world order. The financial crisis has presented an opportunity for rethinking our ways. She urged the business leaders to recognize the role they can play in reliably managing greenhouse gas emissions through the establishment of an efficient carbon market and provision of green jobs. She also emphasized the need for the audience to share their ideas with policy-makers for building a long-term policy framework. Ms Hedegaard also focused on speeding up the dissemination of technology and information.



Felicitations of new TERI-BCSD India members

International Climate Change Exhibition 2009

TERI organized the second ICCE (International Climate Change Exhibition) to complement the theme of DSDS 2009. The exhibition was inaugurated by Mr Jairam Ramesh, Minister of State for Commerce and Industry, and Minister of Power, Government of India in the presence of HE Ms Anne Marie Idrac, Minister of State for Foreign Trade, Government of France; and Dr R K Pachauri, Director-General, TERI. The ICCE provides a platform

for exhibitors to demonstrate new environment-friendly technology, products, and services. It also aims to engage visitors in the debate on possible solutions to mitigate climate change and find out more about alternative technological revelation. It endeavours to motivate people to take action towards reducing their ecological footprint and hopes to inspire organizations to act on an individual level and explain how small changes can make a difference.



Mr Jairam Ramesh, Minister of State for Commerce and Industry, and Minister of Power, Government of India inaugurating ICCE 2009

