

DSDS 2014: CURTAIN RAISER HIGH LEVEL CORPORATE DIALOGUE

HOW WILL BUSINESSES LEAD INDIA'S ENERGY, WATER AND FOOD SECURITY?

5–8 February 2014 | Taj Palace Hotel, New Delhi, India



SPECIAL LUNCHEON SESSION

Presidential Address: Mr Arun Maira, Member, Planning Commission, Government of India

Keynote Address: Mr Dev Sanyal, Executive Vice President and Group Chief of Staff, BP p.l.c.

In Conversation with: Mr Yvo de Boer, Global Chairman, Climate Change & Sustainability Services, KPMG International; Former Executive Secretary, UNFCCC and Dr R K Pachauri, Director-General, The Energy and Resources Institute (TERI)

The High Level Corporate Dialogue on the theme 'How will Businesses Lead India's Energy, Water and Food Security?' was held on 5 February 2014 as a curtain raiser to DSDS 2014. The session took off with Dr R K Pachauri welcoming the dignitaries and highlighting that the energy issue is relevant not just to society but also for business operations.

He identified innovation, R&D, new technologies, and CSR as the key aspects of the discussion. He added that the corporate sector is endowed with a range of skills to benefit society, and said that businesses should work with governments to ensure enlightened policy-making and stakeholder partnership.

Mr Dev Sanyal rephrased the 'Energy Dilemma' as the 'Energy Trilemma', referring to Energy Sufficiency, Security, and Sustainability. He called India's energy dilemma 'intense' due to its rising population, increasing energy consumption, increasing carbon emissions, and rising imports. He opined that a pragmatic approach, following examples from other countries, is needed, and also endorsed gas as a transition fuel. He suggested four areas of action — creating the right above-ground conditions, enabling the right pricing, creating fuel,

HIGHLIGHTS

The corporate sector is endowed with capacity, in a whole range of skills and capabilities, which make it capable of benefitting the society by setting examples or models of success.

The business community would have to work in tandem with investors, policy-makers, and consumers for right pricing, better regulation, and creating awareness.

The businesses also have the responsibility of reaching out and joining hands with other stakeholder groups, governments, civil society, research, and academia by which we can create synergies to find solutions which can make a difference.



and supporting market needs. He also referred to subsidies as distortive.

Mr Arun Maira emphasized the need for institutional, social, and governance reforms in India. Mr Yvo de Boer highlighted the importance of correct pricing and partnerships between investors, consumers, and policy-makers. He emphasized that the true value of a company should not only be its financial contribution to the stakeholders, but also its environmental impact. The discussion ended with a question-answer session that raised concerns on energy pricing, better regulation, and consumer awareness. ■

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In Conversation

This session with Dr R K Pachauri and Mr Yvo de Boer started with Mr Boer stating the importance of intangibles and not just physical assets. The three vertices of policy-makers, investors, and consumers are key to business operations today. The conversation was supplemented with inputs such as Mr Dev Sanyal's reiteration of the necessity of technology, policy, and partnerships. Mr Arun Maira emphasized the increasing trust deficit of citizens on big businesses and the need for better communication between them. He also commented on the problem of citizens and consumers wanting sustainable and cheaper

options, respectively, and recommended corporate self-regulation for sustainability.

Ms Amina J Mohammed spoke about the importance of trust with the civil society. It was also pointed out that the consumer will choose the cheaper option over the sustainable option, and the business community needs to work around that. Mr Assaad Wajdi Razzouk questioned why the movement for sustainability hasn't worked, stating that lessons from successful movements should be drawn. Dr Pachauri concluded by summarizing the three ways to better sustainability — right pricing, better regulation, and creating awareness. ■

HIGHLIGHTS

- Around 80 per cent of a company's values are today determined by intangibles and not just physical assets.
- There is a need for better communication between corporates and the citizens to help build a direct link.



MR YVO DE BOER

Global Chairman, Climate Change & Sustainability Services, KPMG International; Former Executive Secretary, UNFCCC

Corporates have moved beyond just physical assets to a new definition of values.

INAUGURAL SESSION

Welcome Address: Dr R K Pachauri, Director General, The Energy and Resources Institute (TERI)

Special Address: Ms Amina J Mohammed, Special Advisor of the United Nations Secretary-General on Post-2015 Development Planning

Presidential Address: Mr Arun Maira, Member, Planning Commission, Government of India

Inaugural Address: Mr Vivek Rae, Secretary, Ministry of Petroleum and Natural Gas, India

Vote of Thanks: Dr Annapurna Vancheswaran, Director, Sustainable Development Outreach Division, TERI



Addressing the Inaugural session, Dr R K Pachauri said that there is need for greater engagement with the corporate sector which will only happen if business treats it as a part of its own agenda.

Ms Amina J Mohammed began by highlighting the achievements of the MDGs which have been well received globally, although there have been quite a few challenges and complexities for some countries to deliver as per the MDG goals. She quoted the positive example of China wherein a decrease in poverty has been observed.

She also mentioned the need for 'climate smart' agriculture and stressed for a more robust framework.

She said that the transformative agenda post-2015, should be based on multi-stakeholder dialogue and should be operationalized at the country-level. Ms Mohammed also thanked TERI for providing a platform for deliberation on issues outside the UN system.

Mr Arun Maira discussed the urgent need for better management of the global commons. He emphasized how "we are struggling with a top-down approach", where long term concerns go unattended. He felt it is now an emerging need to deliberate on corporate and civil society initiatives to address global problems. He noted that there will be resistance to new solutions but we must act and reshape our methods as we move forward. He strongly highlighted the need for addressing the challenge of managing the commons which requires innovation and synergy amongst different actors.

Mr Vivek Rae represented some views from the oil and gas sector. He opened his address by noting his sector's controversial contributions on sustainability and development. His address focused on three issues. The first was oil and gas pricing, wherein he emphasized how getting prices right is crucial, and policy signals from governments are key. He further stressed the

need for incentivizing oil and gas exploration and production. He then discussed clarity of objectives, pointing out that there is multiplicity of objectives and we rarely have win-win policy decisions, since our focus remains growth. He noted that businesses are profit-oriented and should be left as such. He also discussed how clean fuel is linked to co-benefits of health, especially amongst women, noting that cleaner fuel and public health is an area where corporates could engage through CSR.

Dr Annapurna Vancheswaran concluded the session by thanking the panelists for their stimulating words. ■



MR DEV SANYAL

Executive Vice President and Group Chief of Staff, BP p.l.c.

Energy 'Trilemma' – Can energy be Sufficient, Secure, and Sustainable?



AMINA J MOHAMMED

Special Advisor of the United Nations Secretary-General on Post-2015 Development Planning

We do have to change the way we do business and change the way we operate.



CORPORATE ACTION TOWARDS ENERGY, WATER AND FOOD SECURITY: CHALLENGES AND PROSPECTS

Chair: Mr Yvo de Boer, Global Chairman, Climate Change & Sustainability Services, KPMG International & Former Executive Secretary, UNFCCC

- Mr Philippe Joubert, Managing Director, Energy and Climate, World Business Council for Sustainable Development & Executive Chair, Global Electricity Initiative
- Dr Bindu N Lohani, Vice President, Knowledge Management and Sustainable Development, Asian Development Bank
- Mr Tadashi Maekawa, President, Mayekawa Mfg. Co. Ltd
- Mr Stephen Rumsey, Chairman, Permian Global
- Mr Tulsi Tanti, Chairman, Suzlon Group

Special Address: Mr Masamitsu Sakurai, Executive Advisor, Ricoh Company Ltd



This session saw a variety of opinions from a number of eminent speakers. It began with Mr Philippe Joubert, Managing Director, Energy and Climate, World Business Council for Sustainable Development and Executive Chair, Global Electricity Initiative, saying that our focus should be on the present as much as on the future since resilience is very important and needs to be built in immediately.

Dr Bindu N Lohani, Vice President, Knowledge Management and Sustainable Development, Asian Development Bank, pointed out that by 2015, 70 per cent people will be living in urban areas, most would be affluent middle class, and business

would be able to meet most of their requirements. However, if such a large proportion are urban residents, who is going to produce food in sufficient quantities? He also felt that the corporate sector needs to do more with respect to carbon capture and storage, and that the pricing structure for private players in urban water supply needs attention. Mr Tadashi Maekawa, President, Mayekawa Mfg. Co. Ltd, stated that their company has developed water saving technology and is working with TERI and JICA, and they are interested in transferring energy saving technology from Japan to India. Mr Stephen Rumsey, Chairman, Permian Global, emphasized the development

of a carbon credit market. He explained that conserving forests also helps in watershed protection that benefits the bottom strata of society and public owners of land. Mr Tulsi Tanti, Chairman, Suzlon Group, spoke about long-term energy sustainability goals and universal affordable energy access as a real possibility through coastal energy sources.

The session concluded with Mr Yvo de Boer summarizing that people need to be actively employed to reduce forest degradation, and Payments for Environmental Services (PES) is required while measuring carbon usage/sequestration, both labour intensive activities. ■

CHANGING PARADIGMS OF CREATING SOCIAL VALUE FOR BUSINESSES

Moderator: Mr Martin Wright, Founding Editor, Green Futures & Director - India, Forum for the Future

Speakers:

- Ms Naina Lal Kidwai, Country Head, HSBC India & Director, HSBC Asia Pacific
- Mr Ravi Pandit, Chairman and Group CEO, KPIT Technologies Ltd
- Mr Assaad Razzouk, Group Chief Executive Officer, Sindicatum Sustainable Resources
- Mr Krishnan Dhawan, CEO, Shakti Foundation.



This session was chaired and moderated by Mr Martin Wright, Founding Editor, Green Futures and Director - India, Forum for the Future.

Mr Krishnan Dhawan enlightened the audience about the corporate scene in India where an increasing number of companies are working on sustainability, and focusing on energy consumption, water management, and the environment, and also mentioned companies that focus on CSR.

Ms Naina Lal Kidwai then discussed sustainability as the DNA of the system, articulating the need for creating an evaluation matrix to drive necessary action on the sustainability front. She also discussed trust deficit in India's policy actions, and touched upon the importance of green finance. She concluded by emphasizing that finance can

be used as a tool with the collaboration of local and foreign banks.

Mr Ravi Pandit spoke about conviction and action in creating social values. He drew on conclusions from his own business and actions, and spoke of outcomes ranging from reduced fuel consumption to the area of 'smart energy'. He suggested that what one delivers to clients must also be reflected in one's own business actions, highlighting again the significance of values. Mr Pandit lastly discussed the four levels of sustainable change: means of social awareness, policy planning in collaboration with stakeholders, a sustainable economic model, and the need for innovative, scalable, and cost-effective technologies. Mr Assaad Razzouk focused on the issue of sustainability from a critical point of view

and recalled Puma and Unilever as being the outliers in the business environment. He informed the gathering that 90 companies in the world are responsible for 2/3rd of all man-made emissions; therefore, climate change issues must be looked at through a corporate lens. He said that change in corporate behaviour cannot happen via government action or by citizens alone, but investors are capable of bringing about change. ■



DR R K PACHAURI

Director-General, TERI

What is good for business will also be good for society.

CONCLUDING SESSION

Mr John Bryson, Head, Bryson Climate Initiative, Woodrow Wilson International Center for Scholars & Former Secretary of Commerce, USA

Dr Shashi Tharoor, Hon'ble Minister for State for Human Resources Development, India

Dr R K Pachauri, Director-General, TERI

Dr Annapurna Vancheswaran, Director, Sustainable Development Outreach Division, TERI



At the concluding session, Dr Pachauri summed up by saying that we need solid partnerships among government organizations, business entities, and research and academia that can further the goal to attaining energy, water, and food security. With respect to water, demand is not just for domestic use, but also for industry. Business entities need to be more sensitive to the use of water and energy and take into consideration the macro picture. Otherwise it would be very difficult for businesses to survive. In terms of food security, Dr Pachauri quoted the results of the IPCC Report saying that climate change would lead to an overall decline in yield.

Mr John Bryson made a very interesting point. He said that companies that succeed in the short term but not necessarily making a lot of money, are the ones that are actually doing good work,

because they are constantly looking to build, create, innovate and move forward to meet people's need. Mitigating the effects of climate change is a 'need' today, so we need innovative companies that look to bring about this change. He praised TERI's efforts towards making a difference.

Dr Shashi Tharoor spoke of the nexus between energy, water, and food security and emphasized the need for an innovative and integrated approach in dealing with it. He reiterated the role of businesses in resolving issues related to climate change. Dr Tharoor pointed out the need for long-term strategies in meeting MDGs and in fostering regenerative sustainability.

Dr Annapurna Vancheswaran concluded the session and thanked the delegates and participants for helping find some answers to the questions raised at the start of the day. ■

"We cannot win the battle to eliminate poverty without placing sustainable energy at the center." – SE4All

Dr Kandeh K Yumkella, Secretary-General's Special Representative for Sustainable Energy for All (SE4All) and Chief Executive of the SE4All, urged countries across Asia to commit to achieving sustainable energy for all. He pointed out that 30 per cent of humanity relies on biomass for their energy needs and was committed to eliminating this dependence. He was speaking at the Asia regional launch of the 'UN Decade for Sustainable Energy for All (2014-2024)', hosted by



TERI on the occasion of its annual flagship event the Delhi Sustainable Development Summit (DSDS). Also present on the occasion were Dr Shashi Tharoor, Dr R K Pachauri, and Mr Dev Sanyal.

Dr Shashi Tharoor highlighted that "India is deeply committed to all the three focus areas of the SE4ALL initiative. We have energy access as our domestic goal already. The government aims to double the country's energy capacity and it's a challenge, not just for the government alone, but the civil society and the private sector."

Dr R K Pachauri expressed his solidarity with the initiative, and stressed that "we need sustainable energy to be the engine and driver for making a sustainable difference." He referred to TERI's long-term work in the area of sustainable energy and its involvement in implementing programs in the area for several years, particularly in Africa.

The United Nations General Assembly (UNGA) unanimously declared 2014-2024 as the Decade of Sustainable Energy for All, underscoring the importance of energy issues for sustainable development and for the elaboration of the post-2015 development agenda.

In recognition of women and children, the initiative – SE4ALL is dedicating the first year of the decade to the Energy-Women-Children-Health nexus to raise awareness about the potential benefits modern energy services can bring to women and children. ■

Release of TERI- YES BANK Publications



Two knowledge papers were launched at the event

SPECIAL EVENT

FOREST BASED CARBON FINANCING

The event was organized by the Forestry and Biodiversity Group of TERI in association with Ministry of Environment and Forests, Government of India, and Iora Ecological Solutions at the India Habitat Centre on February 5, 2014.

Mr A K Srivastava, Additional Director General of Forests, MoEF, emphasized the role of forests in various ecosystem services, and elaborated upon different strategies and financial mechanisms.

In the technical session, Mr Swapan Mehra, CEO, Iora highlighted the potential of compliance and voluntary markets for carbon-based financing. Mr Suresh Chauhan, Fellow TERI; Mr A K Lal, Executive Director Himachal Pradesh; Mid Himalayan Watershed Development Project, and Dr Ashish Aggarwal, Fellow TERI; presented case studies on carbon forestry projects. It was concluded that forestry CDM projects were complex and costly, hence difficult to pursue.

This session was followed by a panel discussion on the post-CoP-19 scenario. The panel was largely satisfied with the Warsaw REDD+ Framework and expected it to be much simpler and holistic compared to the CDM process.



DR KANDEH K YUMKELLA

Special Representative of the UN Secretary-General for Sustainable Energy for All and Chief Executive Officer of the Sustainable Energy for All Initiative

The first two years of the SE4ALL Decade will focus on the theme of women, energy and health. This is for those who care about women and the MDG (Millennium Development Goal) of health.