

COP28 Side Event:

Just Energy Transitions and SDGs: Tools and Enablers

Date: 05 December 2023

Time: 2:45 p.m.– 4:15 p.m. IST

EVENT SUMMARY



GETTING ASIA TO NET ZERO
A High-level Policy Commission
Convened by the Asia Society Policy Institute

CICERO
Center for International
Climate Research



Just Energy Transitions and SDGs: Tools and Enablers

Date: 05 December 2023

Time: 13:15 - 14:45 hrs

Venue: SE Room 3, **Blue Zone**, COP28



ABOUT

WORLD SUSTAINABLE DEVELOPMENT SUMMIT

The World Sustainable Development Summit (WSDS) is the annual flagship Track II initiative organized by The Energy and Resources Institute (TERI). Instituted in 2001, the Summit series has a legacy of over two decades for making 'sustainable development' a globally shared goal. The only independently convened international Summit on sustainable development and environment, based in the Global South, WSDS strives to provide long-term solutions for the benefit of global communities by assembling the world's most enlightened leaders and thinkers on a single platform. Over the years, the Summit series has witnessed the participation of 54 Heads of State and Government, 103 Ministers, 13 Nobel Laureates, 1888 Business Leaders, 2745 Speakers, and 38,280 Delegates.

ACT4EARTH

Act4Earth initiative was launched at the valedictory session of the 21st edition of WSDS. Building on the discussions of WSDS, this initiative seeks to continuously engage with stakeholders through research and dialogue. Act4Earth initiative has two components: COP Compass and SDG Charter. The COP Compass seeks to inspire and mobilize leadership at all levels for inclusive transitions through ambitious and informed policies and measures, enabling paradigm shifts towards meeting the United Nations Framework Convention on Climate Change (UNFCCC) and Paris Goals through mitigation, adaptation, and means of implementation. SDG Charter seeks to identify gaps and suggest ways for strengthening and mainstreaming sustainability in policy agendas for enhanced environmental, social, and economic outcomes.

JUST ENERGY TRANSITIONS AND SDGS: TOOLS AND ENABLERS

Energy being the largest contributor to net greenhouse gas emissions globally when considered on both the supply and the demand side, becomes essential in meeting the Paris Agreement goals. The IPCC has highlighted the existence of an 'implementation gap' between adopted policies and what is needed to reach the Paris goals. It further emphasized the distributive implications of energy systems and transitions and, thereby, the need to be just and inclusive. To bring this into action, various tools and enablers, such as finance, technology, and capacity building, are required. The overarching questions for this event are: What are the emerging lessons from the experience of policy tools and mechanisms toward inclusive and just energy transitions? How can synergies between SDGs and energy transitions be enhanced? How can trade-offs between energy transitions be mitigated? How can domestic mechanisms better leverage international mechanisms and vice versa to promote inclusive and just energy transitions? What are the gaps in the present international architecture? How can international means of implementation be strengthened to ensure climate finance, technology transfer, and capacity-building initiatives support inclusive and just energy transitions?

Suggested Citation

The Energy and Resources Institute. 2023. Just Energy Transitions and SDGs: Tools and Enablers [Event Summary], Act4Earth and World Sustainable Development Summit. New Delhi: The Energy and Resources Institute.

SPEAKER LINE-UP

Opening Remarks by Chair

- Ambassador Manjeev Singh Puri (Former Diplomat and Distinguished Fellow, The Energy and Resources Institute)

Welcome Address

- Dr Vibha Dhawan (Director General, The Energy and Resources Institute)

High-Level Remarks

- Dr Ajay Mathur (Director General, International Solar Alliance)
- Mr Ramesh Subramaniam (Director General and Group Chief – Sectors Group, Asian Development Bank)
- Mr Fabby Tumiwa (Executive Director, Institute for Essential Services Reform)

Technical Segment

- Dr Shailly Kedia (Senior Fellow, The Energy and Resources Institute)
- Dr Solveig Aamodt (Senior Researcher, Center for International Climate Research)
- Ms Bhavya Batra (Doctoral Scholar, TERI School of Advanced Studies)
- Dr Gopal Sarangi (Associate Professor, TERI School of Advanced Studies)
- Ms Kate Logan (Associate Director – Climate, Asia Society Policy Institute)

Audience Q&A

Vote of Thanks

- Ambassador Manjeev Singh Puri (Former Diplomat and Distinguished Fellow, The Energy and Resources Institute)

ACTIONABLE MESSAGES

Message 1: As the strenuous phase of climate negotiations commences at this COP, the focus needs to be on accomplishing inclusive, just, and equitable transitions with special emphasis on the financial and technological needs of the Global South.

Message 2: Interventions at the grassroots level are required for change to happen for villagers in developing countries. Solar power has the potential to change the global market, but it needs our help.

Message 3: Business as usual is not the best approach since mobilization of funds at the current rate shall disallow achievement of SDGs even by 2065. We need to make sure that money goes to marginal or unbankable spaces.

Message 4: It is necessary to determine how to expedite assistance to local communities to equip them to carry out a just transition efficiently in accordance with the SDG target. For this, we need to consider the mobilization of international collaborations.

Message 5: Just Energy transitions are minilateral initiatives that need to essentially follow a more holistic approach aligning with existing multilateral climate finance mechanisms. Further, it should not add to the debt burden of developing countries.

Message 6: Current Just Energy Transition Partnerships (JETPs) suffer from a lack of interconnection between energy demand and supply, which are the key to energy transition.

Message 7: We need to expand our interpretation of just transition to ideally include goals of enhancement of synergies and minimization of trade-offs. It needs to broaden the focus from the macro-level of safeguarding coal sector jobs to include income and gender inequalities for tackling energy poverty and energy inaccessibility problems for the poor.

Message 8: Just transition should ideally enhance the capability of all, increase income, be inclusive, and create equal opportunities.

Message 9: The scale and rate of transition are essential to understand if India is looking at incremental or radical changes for achieving net zero emission targets. Incremental changes tend to minimize negative impacts.

Message 10: Enabling tools for transitioning from a regulated regime to a more market regime requires checks and balances.

“ Transition is by definition difficult. In addition to being just, it also needs to be affordable.

Ambassador Manjeev Singh Puri
Former Diplomat and Distinguished Fellow, The Energy and Resources Institute

“ We need development models that are built around sustainable development, just transition, circularity, and inclusivity. This means more finances for developing countries.

Dr Vibha Dhawan
Director General, The Energy and Resources Institute

“ We need to jump-start, we need to prime the pump; it will not happen by itself. The last point I want to make is capacity, you need people, you need institutions, you need trained people.

Dr Ajay Mathur
Director General, International Solar Alliance

“ Financial institutions have total assets of USD 486.6 trillion in 2021 and a mere 1.4% of this amount could close the SDG financing gap of USD 7 trillion.

Mr Ramesh Subramaniam
Director General and Group Chief-Sectors Group, Asian Development Bank

“ Just transition is about the survival of this region and communities, and we have to put a call to this. They require immediate support because the current choices are limited.

Mr Fabby Tumiwa
Executive Director, Institute for Essential Services Reform

“ We feel that just energy transitions is a minilateral initiative and it needs to follow a more holistic approach that aligns with existing multilateral climate finance mechanisms. Also, more importantly it should not add to the debt burden of developing countries.

Dr Shailly Kedia
Senior Fellow, The Energy and Resources Institute

“ We have to have ambitious countries moving forward and other possibilities to bypass the trust challenges we have between the Global North and the Global South.

Dr Solveig Aamodt
Senior Researcher, Center for International Climate Research

“ Just transition needs to integrate the SDGs into the discourse and it will be crucial to understand the inequality implications and the structural inequalities that already exist.

Ms Bhavya Batra
Doctoral Scholar, TERI School of Advanced Studies

“ Just transition tools and enablers are changing, moving from a regulated regime towards a more market regime. There needs to be checks and balances.

Dr Gopal Sarangi
Associate Professor, TERI School of Advanced Studies

“ Taking more ambitious climate action and reducing emissions sooner could enhance Asia Pacific's economic and social development.

Ms Kate Logan
Associate Director–Climate, Asia Society Policy Institute

Ambassador Manjeev Singh Puri, Former Diplomat and Distinguished Fellow, The Energy and Resources Institute

Ambassador Puri chaired the session and set the tone of the discussions by highlighting the significance of the Just Energy transition globally whilst advocating those large developing countries, among which India remains the frontrunner. He emphasized that developing countries need to essentially ensure development along with undertaking transition, which must be just, fair, and equitable with the acknowledgement of accepted differentiations amongst people. Appreciating Indonesia's approach to driving equity in social transitions and the necessity to internalize environment and climate change, he underscored the Indian government's public movement: Lifestyle for Environment (LiFE). Further to this, he chaired the sessions wherein TERI's policy briefs on 'Internationalizing Lifestyles for Sustainable Development' and 'Advancing Environmental and Climate Goals through a Multidimensional Model of Green Budgeting' were launched. He concluded the event by stating the greatest responsibility for developing countries (including India) is the sustainable development of their societies, economies, and lives.

Dr Vibha Dhawan, Director General, The Energy and Resources Institute

Dr Dhawan set the stage for discussions by accentuating the implementation gap wherein the GHG emissions are predicted to increase by 5% by 2030, whilst a minimum 4% reduction is required. She emphasized the need to align ourselves with the 2023 G20 New Delhi Summit's recognition of ensuring no one is left behind in our quest to achieve a sustainable, inclusive, and just transition. Further, mentioning the necessity of financing USD 4 trillion by 2030 for clean energy technologies in developing countries, she stressed the limitations in the existing approach, which falls short on resource endowment and security amongst countries. Dr Dhawan also remarked on the availability of critical minerals for MSMEs and its interface with the sustainable development goals. She highlighted that as the strenuous phase of climate negotiations commences at this COP, the focus needs to be on accomplishing inclusive, just, and equitable transitions with special emphasis on the financial and technological needs of the Global South. Dr Dhawan concluded her remarks by emphasizing the need to focus on moving trillions, not billions, in climate finance.

Dr Ajay Mathur, Director General, International Solar Alliance

Dr Mathur began his remarks by highlighting the practical examples of challenges faced by people residing in Togo, Chad, and Burkina Faso in transitioning to solar energy. These included insufficiency in technology, skillsets, finances, and inertia involving conventional utility-based electrification models. Adding on the issue of finances, he mentioned that enough money is present in the market, however, 74% of the available money is invested in the OECD countries and China. He further highlighted his discussions with investors, which revealed their apprehension in investing in developing countries like Africa stems from concerns about low returns on investment and scarcity of lucrative projects. He shared the International Solar Alliance's work on attempting to bridge these gaps by developing robust models, providing certified training, and furthering the decentralization of solar power. Dr Mathur, stressing the significance of grassroots-level interventions, remarked that timing in terms of the gap between training and subsequent employment needs to be essentially minimized.

Mr Ramesh Subramaniam, Director General and Group Chief – Sectors Group, Asian Development Bank

Mr Subramaniam remarked how tracking of financial flows globally reveals that transition is affordable in Asia, the Pacific, and even Africa, as global assets up to USD 1,500 trillion is available, out of which merely USD 6–7 trillion is needed for meeting SDG goals and even lower for achieving SDG 7 globally. The improbability in achieving this occurs as investors look for returns, and it is challenging to get the right type of money after

the right projects. He stressed how business as usual is not the best approach since mobilization of funds at the current rate shall hinder the achievement of SDGs even by 2065. He argued that money needs to reach marginal or unbankable spaces. Highlighting ADB's efforts in aligning with the triple agenda posted under India's presidency of the 2023 G20 New Delhi Summit, he mentioned the presence of four critical shifts: climate shift, private sector mobilization, technological solutions, and partnership challenge. In response to these shifts, he mentioned ADB's four P framework for promoting energy transition: power systems, policy space, partnership, and people dimension. Mr Subramaniam added that the ADB has launched a just transition partnership centring on the people dimension to utilize their expertise in a collaborative, inclusive, and participatory manner.

Mr Fabby Tumiwa, Executive Director, Institute for Essential Services Reform

Mr Tumiwa, speaking in the context of Indonesia's Just Energy transition scenario, highlighted that apart from having Just Energy transition partnerships, three other essential components needed to achieve the Net Zero goal by 2060 or sooner therein include the right technology for renewable energy and energy-efficient technology for industry and manufacturing, investment capital at a reasonable cost, and strong local economy. He added that for a strong local economy, it is essential to have enhanced research and development technology, build domestic manufacturing capability, and create a supply chain for clean energy. Mr Tumiwa stressed that the survival of the local economy is critical for just transition, and a coal demand peak is expected in Indonesia in 2030, post which the transition can impact the employment of millions directly or indirectly associated with the industry. He mentioned the necessity of determining ways to expedite assistance to local communities to equip them to carry out a just transition efficiently in accordance with the SDG target. For this, he suggested the mobilization of international collaborations through the establishment of just transition facilities for providing technical and financial support to local communities and governments, specifically in coal-producing countries like Indonesia and India.

Dr Shailly Kedia, Senior Fellow, The Energy and Resources Institute

Dr Kedia highlighted TERI's Act4Earth Initiative, comprising two components, COP Compass and SDG Charter, under which four policy briefs have been launched in 2023. Under COP 28 Compass, she discussed the two policy briefs launched previously: 'Road to Dubai and the Global Goal on Adaptation (GGA)' and 'Just Energy Transition Partnerships, Climate Action, and Minilateralism'. On the GGA policy brief, she highlighted that COP28's outcome on GGA needs to be rooted in Common but Differentiated Responsibilities and Respective Capabilities (CBDRRC) while being linked to New Collective Quantified Goal on Climate Finance (NCQG) and Global Stocktake (GST). For the Just Energy transition policy brief, she mentioned that JETPs are seen to be minilateral initiatives that need a more holistic approach and an alignment with the current multilateral climate finance systems without adding to the debt burden of developing countries is necessitated. Underscoring the SDG Charter component, Dr Kedia elaborated on the other two policy briefs, including 'Internationalizing Lifestyles for Sustainable Development' and 'Advancing Environmental and Climate Goals Through a Multidimensional Model of Green Budgeting' at this COP28 event. For the Internationalizing Lifestyles policy brief, she advocated for bringing downstream indicators such as consumer data, and eco-labels under the purview of SDG 12 and highlighted how India can reflect on internationalizing lifestyle for the environment. Discussing the Green Budgeting policy brief, she cited TERI's practical work with Indian state governments and emphasized the significance of mainstreaming environment and climate across departments and sectors both horizontally and vertically.

Dr Solveig Aamodt, Senior Researcher, Center for International Climate Research

Dr Aamodt began her remarks by drawing attention to INDGREEN, a collaborative project between CICERO and TERI SAS, funded by the Norwegian government with the objective of understanding India's ambitions and potential cooperation measures for advancing the green agenda. She stressed the essentiality of promoting minilateralism through sector-specific initiatives like JETPs for bypassing trust challenges between

the Global North and Global South in the UNFCCC. Dr Aamodt showed interest in the possibility of new learning and leadership opportunities if cooperation is enhanced beyond COP and across sectors. She reflected on existing partnerships with Indonesia, Vietnam, and South Africa in the form of granted loans, and India's reluctance to take part due to unilateral conditions set by donor countries. She further emphasized the trust issues existing on both ends: for donors, there is a higher risk in investment, and for countries receiving investment, the hidden intentions of donors create a challenge. Dr Aamodt concluded her remarks by reflecting on India's growing position as the voice of the global south.

Ms Bhavya Batra, Doctoral Scholar, TERI School of Advanced Studies

Ms Batra emphasized enabling SDG Centric Just Energy transition, wherein she highlighted the need to create an enabling environment for transition at the micro level. Being associated with the INDGREEN project mentioned by Dr Aamodt earlier, she drew attention to her research on interlinking synergies and trade-offs of the energy transition with SDGs in India. Ms Batra highlighted the dual objectives that most countries operate on undergoing decarbonization and tackling energy poverty. She argued that inequality acts as the focal point for bringing just transition into action and hence becomes crucial for alignment amongst almost all SDG goals and targets. Citing the example of utility-scale solar projects like solar parks, which require the acquisition of land, she highlights how this act of transition can potentially enhance inequality in ways such as reproduction of existing inequalities in land ownership, exclusion of marginalized from potential benefits, loss of traditional livelihood, and unequal employment opportunities for women in the construction of solar parks. She concluded that just transition in India can act as a significant way forward for fulfilling its climate and development goals, however, a more holistic understanding is needed of just transition considering the existing structural inequalities and inequality implications.

Dr Gopal Sarangi, Associate Professor TERI School of Advanced Studies

Dr Sarangi began his remarks by highlighting the completion of 25 years of TERI School of Advanced Studies, which aims to provide a unique approach to sustainability from different points of view, including social science, science, technology, and management. Reflecting on the issue of just transition, he highlighted that the scale and rate of transition is essential to understand if India is looking at incremental or radical changes for achieving net zero emission targets. Advocating for the adoption of incremental changes, he argued that negative impacts therein need to be essentially minimized. With respect to tools and enablers, he mentioned that we are transitioning from a regulated regime to a more market regime, which necessitates checks and balances. He concluded by highlighting the occurrence of distortion in incentive structures at the ground level, as seen in the case of decentralized energy systems.

Ms Kate Logan, Associate Director- Climate, Asia Society Policy Institute

Ms Logan highlighted the four pillars of just transition, wherein the first two essentially focus on designing the emissions trading system effectively for raising revenues and hitting decarbonization targets. The third pillar is focused on leveraging revenues for just transition, and the fourth pillar is on international collaboration. She shared findings of research undertaken by ASPI's High-Level Policy Commission, which reflected that improved adoption of ambitious climate action could result in enhanced economic and social development in the Asia Pacific. Ms Logan remarked that international support in terms of investment needs to be identified for increasing the finance flow and concessional finance. She further discussed a new initiative ASPI intends to launch in India whereby it plans to focus on structuring carbon credit trading schemes in a manner that promotes effective and efficient decarbonization whilst ensuring the revenue generated can be utilized to combat unemployment and social factors associated with just transition.
