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THE ENERGY AND RESOURCES INSTITUTE  
Creating Innovative Solutions for a Sustainable Future

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# IKI India & Climate Policy Newsletter

## Inside...

- Highlights at a glance
- News from India
- Special Feature
- IKI India Project News
- India Climate Fact Sheet



## “Public Sector Enterprises shall continue to play a key role in forwarding the commitments of the Indian Government towards climate change mitigation”.



**Interview with Mr. Atul Sobti, Director General of the Standing Conference of Public Enterprises (SCOPE), an apex body of the Public Sector Enterprises (PSEs) of India. Due to the Corona pandemic the interview was conducted in writing by Swati Ganeshan, TERI.**

*India is one of the few countries that is on track towards fulfilling its commitments. To keep it on track, the role of say PSEs is significant. So, how is SCOPE planning to contribute to this progress? And please give a brief overview of these programmes?*

Public Sector Enterprises (PSEs) in India have a significant role in moulding the country's socio-economic landscape. They have been contributing immensely in fulfilling the objectives to take the country on a growth trajectory. Contributing almost 13% to the Indian GDP (in terms of turnover),

PSEs have vital presence in strategic sectors including Power generation, Coal, Oil & Gas. Though many PSEs pre-dominantly operate in sectors where carbon emissions are inherent, consistent efforts are being made by them to reduce the emissions by adopting non-conventional sources to replace fossil fuels wherever possible, moving towards automation, firming up voluntary emission targets, developing low carbon emission products etc. Many such steps are being undertaken by Indian PSEs to commit to climate change mitigation.

The Standing Conference of Public Enterprises (SCOPE), an apex body of Indian PSEs, is dedicated to promoting global competitiveness and create a conducive policy environment for PSEs through policy advocacy and capacity building programs that facilitate efficient and effective functioning of PSEs. The apex organization is also committed to climate change mitigation by creating awareness, building capacities and fostering collaborations across the world in order to ensure positive effect on climate change. For this purpose, SCOPE entered into a Memorandum of Understanding (MoU) with GIZ, Germany, for the purpose of utilizing capabilities together on activities for building capacities of PSEs on climate change, SDGs, carbon markets and climate finance. SCOPE and GIZ have successfully completed an awareness program in December 2019 which was participated by strategic players from the power sector, logistics, transportation, oil, gas and steel. Further, we also organized a Webinar on impact of COVID on Climate Change recently so as give insights into sustainability initiatives during the pandemic. We are in the process of identifying sector specific issues and concerns related to climate change for which SCOPE and GIZ shall undertake more capacity building programs.

In addition, SCOPE is working closely with the PSEs in relation to climate change mitigation and emissions reduction. For this purpose, in the coming months, SCOPE and GIZ shall be undertaking a capacity assessment exercise for the PSEs to identify areas of focus for training.

I can say in the affirmative that PSEs shall continue to play a key role in forwarding the commitments of the Indian Government towards climate change mitigation and SCOPE shall assist the PSEs in whatever way possible to achieve this purpose.

***Which are the PSEs that are undertaking major sustainability initiatives and what is their current progress and achievement?***

Well, PSEs as a fraternity are working towards achieving carbon emission targets. I would not like to take names but rather to talk about it sectoral. In the power sector, PSEs are actively engaged in adopting non-conventional sources of power generation. Further, SOEs (State owned enterprises in global parlance) are actively expanding capacities of renewable power plants. Recently, power generation through solar has been given renewed impetus, as a result significant capacities have been added by PSEs in Solar Power. Also, PSEs in the field of power



generation are focussing on expanding grid storage capacities for renewable sources. Alongside, PSEs have been spearheading schemes of the government to reduce power consumption by adopting efficient technologies like LED bulbs. On the coal front, while power companies are trying to reduce coal dependency, a consortium of PSEs is developing highly efficient Advanced Ultra Super Critical Technology for emission reduction. Since India has large coal deposits, PSEs are working on alternative uses of coal like "Coal gasification", "Coal to methanol", "Coal to fertilizers".

Besides, the logistics and transportation sector has been actively working on replacing petrol and diesel vehicles with CNG and electrical vehicles. Indian Railways is committed to 100% electrification by the year 2024 and innovative ways are being developed to electrify railways, one being setting of Solar Plants along railway tracks. Further, emission reduction projects are being rampantly used to contribute to climate change mitigation. Regenerative braking systems are replacing the old braking system in mass transportation systems to reduce carbon emissions by over 30%.

In addition, besides setting low emission targets by many oil and gas companies, they are also exploring ways to develop low carbon products. Oil companies are working on promoting bio gas plants while ensuring flare gas recovery systems for reducing flaring and fuel consumption.

In order to reflect intent and commitment, PSEs have adapted an Environmental Policy Statement at a strategy level to address climate change with inclusive growth of the company.

### *What is SCOPEs' assessment on the need for capacity building and how will it aid Indian PSE to fill this gap?*

SCOPE works with a vision to enable PSEs to be globally competitive in a market driven environment by facilitating and strengthening their effective and sustained engagement with stakeholders. Capacity building forms an essential element in this sphere. While SCOPE undertakes an array of subjects to enhance skills and engage in knowledge sharing with PSEs, recently in line with the global benchmarks and India's commitment to climate change mitigation, we have also engaged actively in climate change mitigation efforts of PSEs.

While we believe that PSEs are equipped to develop alternatives and also engage in research and development activities, it is always better if a more structured approach is adopted. Hence, we feel that a more formal assessment of areas where PSEs can work towards climate mitigation is required. This would help in evaluating areas where carbon emission reduction can be achieved and going a step further develop a platform for exchange and experience sharing amongst PSEs to share and implement best practices. As discussed earlier, SCOPE and GIZ shall also engage in training needs assessment of PSEs basis the capacity gap assessment. Through this we intend to handhold the PSEs in developing processes and aligning the corporate strategies with climate change goal. With time we also hope to foster collaborations amongst PSEs and other stakeholders to achieve climate change mitigation without compromising on commercial prudence.

### *What are SCOPEs' plans to leverage its international linkages for enhancing its sustainability measures?*

SCOPE believes in moving beyond boundaries to provide a competitive edge for PSEs. This is all the more true in the present dynamics because the world is a global village and containing oneself within boundaries would not give a fair advantage to anyone. At present, all international organisations are focussed towards saving the planet and working towards this common agenda. The need for global benchmarking is all the more relevant now as PSEs are also expanding their horizons and making a global footprint. SCOPE is certainly open to leveraging its international linkages for ensuring climate change mitigation wherever required and necessary. In line with this, SCOPE has launched a series of sustainable efforts with its knowledge partner GIZ to forward the efforts of PSEs towards climate change mitigation in a concerted way.

Early this year, I was invited to a workshop organised by the Center on Global Energy Policy forum of Columbia University in New York. This gave me an opportunity to share views and the work of Indian PSEs with respect to climate change in a global forum. During the interactions, we agreed on engaging Indian PSEs at global level for benchmarking and capacity building to adopt to new technology for climate change mitigation.



## How is SCOPE going to contribute in the recovery and stimulus packages? How are the recovery measures being aligned to sustainability initiatives?

The pandemic has posed a new challenge to the world economy. PSEs being an integral part of the Indian economy have been supplementing the efforts of the Government and contributing on all fronts be it medical facilities, social well-being or monetary contributions to PM Relief Fund. SCOPE has also been making efforts to contribute to support the needy during such a challenging time. Our employees have contributed a one-day salary to the Prime Ministers CARE Fund. Besides, we are continuing with our capacity building initiatives through digital medium which have been well received across the country. We are continuously interfacing with the Government and appropriate departments on policy issues in the economy while focussing on interacting on PSEs and their concerns.

The underlying tone of the recovery measures is 'Self-Reliance' or 'Atmanirbhar Bharat'. This is an opportunity for India in the present adverse situation and will ensure constructive measures with respect to employment generation, entrepreneurship, developing the country into a manufacturing hub and penetrating health facilities. All this will ensure achieving of SDGs, of eradicating poverty, no hunger, good health and well-being, reduced inequalities, growing industry innovation and infrastructure, to name a few. So, the relief measures aim at meeting two objectives with a single mission of a resilient and self-reliant India. As PSEs will continue to work towards making the country self-reliant, SCOPE will work continue to focus on sustainable, inclusive and green growth.

## INDIAN PUBLIC ENTERPRISES WITH BILLIONS OF TONNES OF CO<sub>2</sub> EMISSIONS WILLING TO ACT ON CLIMATE CHANGE

The Climate and Environment Cluster of GIZ India has signed a Memorandum of Understanding (MoU) with the Standing Conference of Public Enterprises (SCOPE). A particular valuable signature is that of SCOPE member Coal India Limited, as this public company alone produced approximately 86 % of India's CO<sub>2</sub> emissions in 2017. Now, SCOPE members are willing to act and agreed with the BMU Global Carbon Markets project to build capacities on Climate Change, Carbon Markets, Carbon Pricing and Climate Finance.

*By Kundan Burnwal, GIZ India Climate and Environment Cluster*

India is one amongst the few G-20 countries whose climate actions are in line to achieve its NDC targets. For this, it is crucial that the capacities of Private and Public enterprises to tackle climate change are enhanced. In particular, Public Sector Enterprises (PSEs) are of strategic importance for the Indian economy as they have contributed to capital formation, employment generation (about 1.7 million people), balanced regional development, promotion of research and they represent a very high proportion of India's CO<sub>2</sub>eq emissions of 2.3 billion tonnes in 2018.

A milestone was achieved, when SCOPE and GIZ India entered into a Memorandum of Understanding (MoU) in October 2019 to build capacities of Public Sector Enterprises on climate change, SDG implementation, carbon markets and climate finance. This initiative is part of the BMU funded 'Global Carbon Market' (GCM) Project. To start action, SCOPE and GIZ India jointly organised an event on 'Climate Change Mitigation & Adaptation and Sustainable Development Goals – Emerging Role of Public Sector Enterprises (PSEs)' in December 2019 in New Delhi. The participating Indian PSEs included several which are rated by Thomson Reuters<sup>1</sup> in the list of top 100 global



<sup>1</sup> <https://www.downtoearth.org.in/news/air/four-indian-companies-among-top-100-ghg-emitters-in-2016-59131>



businesses with highest CO<sub>2</sub> emissions, among them Coal India Limited, National Thermal Power Corporation Limited and Oil & Natural Gas Corporation. In addition, big players like Gas Authority of India Limited (GAIL), Steel Authority India Limited (SAIL), Nuclear Power Corporation joined the meeting. Concerning CO<sub>2</sub> emissions, the state-owned company Coal India Limited tops the list with 2.076 billion tonnes in 2017.

After China, India is the world's largest coal consumer meaning India could largely determine the global trajectory for coal considering that coal has fuelled rapid growth in Indian electricity sector. One estimate says that coal generated 76% of India's electricity in 2017.



The SCOPE-GIZ event was inaugurated by Additional Secretary, Ministry of Environment Forest and Climate Change (MoEFCC), Mr. Ravi Shankar Prasad, who underlined that engaging with PSEs can galvanise actions for meeting the goals on Climate Photo: GIZ India

With view to international climate negotiations, Mr. Prasad highlighted that independent analysis shows that it was

the developing countries who are taking more action than the developed countries as the latter are not meeting their commitments, including that under the Kyoto Protocol. A closer look at India shows that climate action is indeed being enhanced beyond the national NDC targets – for instance the increase in the target for renewables from 175 GW to 450 GW as well as commitments under the Bonn Challenge announced to increase from 21 million hectares to 26 million hectares mha. Additional Secretary Prasad added that the State Action Plans on Climate Change are currently being aligned with the national NDCs.

The SCOPE and GIZ India event had sessions on Indian Climate Policy and international negotiations; Low carbon growth and decarbonization of key sectors; Climate Resilient Infrastructure and Supply Chains; Carbon Pricing and Carbon Finance in Indian Industry; Role of Indian Public Sector in achieving SDGs; and accelerating mobilisation of climate finance in India. Mr. Atul Sobti, Director General SCOPE, and Mr. Ashish Chaturvedi, Director Climate Change, GIZ India shared the proposed plan of action as a follow up to the event:

1. GIZ and SCOPE will develop an online and offline platform for experience sharing and foster collaboration and partnerships amongst PSEs and other stakeholders.
2. Champions among PSEs for Climate Change and SDGs will be identified to develop a network for knowledge sharing. The champions would be involved in a regular basis for the ongoing capacity building efforts of SCOPE and would also be supported to develop master trainers for future programmes on climate change and SDGs.
3. SCOPE and GIZ will conduct training needs assessment of the PSEs to develop training manuals on climate change, carbon pricing, carbon markets etc. followed by joint national and regional events on climate change and SDGs.
4. The key insights from the training manuals developed for the PSEs will be integrated in ongoing and future executives' capacity building and training programs offered by SCOPE;
5. Selected PSUs will be supported in establishing climate change strategies. Discussions on technological insights from national and international experiences will be organized to cater the needs of Indian PSUs.

