UN CLIMATE CHANGE MEET COULD PROVIDE INDUSTRY A ROADMAP FOR LOW CARBON GROWTH

Relevant for: Environment | Topic: Environmental Conservation, Sustainable Development, and EIA

The writer is special secretary in the government of India and has been India's climate negotiator. The views are personal.

On the margins of the UN General Assembly in September, the UN Secretary General has convened a summit to discuss plans to address climate change. The summit will take place exactly a year before the implementation of the Paris Agreement begins. The UN Secretary General is concerned that the collective climate ambition is low and is keen to launch new initiatives to close the gap between the Nationally Determined Contributions (NDCs) made under the Paris Pact and the goal of climate stabilisation.

The recent IPCC report which called for limiting the global warming to 1.5 degree Celsius has added momentum to the push. For this goal, the world will need to move towards zero carbon emission around 2050. But such a world is contingent on heavy electrification of energy, industry and transport systems in the medium term and market adoption of low or near zero carbon technologies in the longer term.

Nine tracks of discussion are planned at the summit, with the hope of nudging countries to move to an aggressive path of decarbonisation. One of them, the "industry track," focussing on industrial decarbonisation, is led by India and Sweden. One has to see if the leaders of this track will handle it with finesse or put industry under pressure.

The challenge of industrial decarbonisation looks daunting at first glance. However, India's experience in this respect is telling. As per government data, India may be on track to achieve its NDC target of emissions intensity well ahead of time. The period between 2005 to 2014, for which emissions data is available, has seen consistently higher economic growth (around 6-7 per cent) than the rate of growth in emissions (around 3.8 per cent). Falling energy costs of renewables have made it possible for incomes and jobs to be protected while lowering the emissions.

However, over a third of the emissions is generated by the harder-to-abate sectors which will witness high growth rate in the next decade, leading to three to four times increase in energy demand. While the energy intensity of these sectors may fall because of improved energy efficiency, their emissions intensity may remain high. The fall in India's emissions intensity of GDP may not be sustainable unless attempts are initiated now to address the carbon intensity of these sectors in the long term. The trouble is that for heavy industries such as iron and steel, cement, aluminum, plastics, and long distance transport, which depend on fossil fuels, technologies to replace such fuels are either not ready for commercial-scale application or simply not available. Typically, industry is hesitant to adopt better but costly technology because of concerns about market share. A common aspirational goal has to be established on a scientific basis to enable industry to make investment decisions on a level-playing field. In the process, cost of newer technologies may also come down over the medium term.

One can think of the summit helping to build three levels of coalitions in a push for such transformation. First, a voluntary coalition of industries having the desire to accelerate to low or zero carbon technologies could be formed. These coalitions could adopt sector-wide goals by 2023 based on the best-available technology using life-cycle methods. The second coalition could consist of countries interested in promoting decreased carbon intensity through specific schemes — for example, the perform, achieve and trade scheme for energy efficiency in India. A coalition of industries and countries could also be formed to push for international agreements aimed at promoting technology solutions in harder-to-abate sectors through working groups and partnerships.

Whichever coalition India may offer to join, it will be useful for the country to think of its sectoral actions as part of a long-term low carbon national growth strategy.

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