

EDITORIAL ANALYSIS → 15 FEBRUARY 2023 → THE INDIAN EXPRESS:

GREEN TRANSITION ENABLER:

- **Context:**

- The G20 agenda places a high priority on changes in the energy industry.
- The transition from fossil fuels to renewable energy, concerns about energy security, and in many cases, the pressure to uphold financial commitments made in relation to combating climate change have made geopolitics and energy governance in 2023, when India holds the presidency, extremely challenging.
- **The concept of "Energy Poverty" is a serious issue in several parts of the world:**
- According to the International Energy Agency, 20 million more people don't have access to electricity today than there were in 2021. The area that has been most severely impacted is sub-Saharan Africa, which has seen its lowest rate of electrification since 2013.
- Insufficient energy supplies now affect 80 million people in Europe, increasing from 34 million in 2021.
- Significant levels of inflation as well as a dearth of gasoline and electricity exist in even middle-income countries in Asia, South America, and Africa.
- The loss of industries hurts economies, and the increased price of safe fuels like cooking gas has an impact on public health.
- A lot of countries are also struggling with their balance of payments, which is partly a result of the high cost of energy. The application of technology, industry, and sustainable development goals—all G20 goals—are impacted by widespread, global "energy poverty."
- Energy should be readily available, safe, and able to solve issues related to energy.
- In October 2022, Gateway House established a distinct task team to find quick fixes to increase energy availability, security, and affordability.

- To do this, it is necessary to resolve the conflicts that exist between short-term and long-term energy goals, deal with the energy disruptions caused by the CoVid-19 pandemic and the conflict in the Ukraine and Russia, and use creative financing to hasten the development and adoption of new renewable technologies as well as new business models that make use of these technologies.
- The G20 must be a major player in developing answers.
- **The following are three crucial recommendations that can provide India immediate prospects to win the G20 presidency:**
 - The G20 should place equal focus on these concerns as the United Nations Framework Convention on Climate Change Protocol and successive COPs have reinforced and formalised financial aid for the most vulnerable as a cornerstone of climate action and the switch to renewable energy. This is a natural role for the G20 to play given the participation of leading economies and its capacity for assembling.
 - Even if financial assistance to developing countries has been increasing, it is still far insufficient to ensure a smooth transition. This agenda can be accomplished with the help of the G20.
 - Public money alone cannot resolve the current energy problems. Both public and private funds are required.
 - Therefore, it is necessary to make measures to maintain global financial flows in keeping with the goals of the Paris Agreement.
 - Innovative finance strategies are needed to combat climate change, such as mixing public and private investment, and significant barriers like exchange rate risk for project financing must be removed.
 - This global agenda must be advanced in large part by the G20, particularly by making sure that multilateral institutions continue to make progress on climate spending.
 - A game-changer might be the creation of a Global Climate Finance Agency to more effectively integrate and push this global agenda, particularly on very practical levels.
 - The agency could be required to lower hedging costs to lessen a significant risk that green project developers face as well as to insure large-scale clean energy projects against potential losses brought on by problems like public utilities failing to meet supply and payment obligations, a problem that still exists in developing countries like India.
 - Utilize the vast potential of the public procurement system to hasten the energy transition:
 - A tonne of research suggests that, when done correctly, this might be a powerful change agent, for example by ensuring funding and widespread adoption.
 - By leveraging public procurement to drive such reforms, the winner-takes-all dynamic that comes from new technologies can be avoided.

- The development of tiny modular nuclear reactors, electric vehicle transport systems connected to renewable energy systems, and green hydrogen, all of which have a vital role to play in accelerating the adoption of new technologies, can all find inspiration and motivation from the G20.
- **Conclusion:**
- These suggestions will ultimately lead to updated company strategy, energy transition technology, and new train lines.
- The growth of this new economy depends on the G20 countries' significant corporate hubs and financial centres, such as Mumbai.
- In order to hasten the transition to a low-carbon economy and guarantee widespread access to energy, the G20 should encourage cooperation and coordination between these centres, particularly through green financing and economy taxonomies in accordance with the aforementioned ideas.



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