

# CoP-27 has thrown up plenty of opportunities for Indian industry

*Various agreements at Sharm el-Sheikh will enlarge the space for our industries to play a significant role in climate action*



**CHANDRAJIT BANERJEE**  
is director general, Confederation of Indian Industry.

**N**egotiations at CoP-27 this year were under the shadow of an increasingly complex geopolitical landscape that is causing global energy worries, and the summit concluded on Sunday, more than a day later than planned, with a breakthrough decision on establishing a loss-and-damage fund that will be operationalized by CoP-28 in 2023. This was important for developing countries, which made strong appeals at CoP-27 to compensate countries that are most vulnerable to climate-related disasters but have contributed little to the climate crisis. Along with deliberations on setting a "new collective quantified goal on climate finance" in 2024, taking into account the needs and priorities of developing countries, a key outcome was that negotiators managed to avoid backsliding from commitments made at CoP-26. Parties and non-state actors re-committed themselves to pursue efforts that would cap the global temperature rise at 1.5° Celsius above the pre-industrial level.

From the perspective of India Inc, there are quite a few opportunities ahead to leverage. CoP-27 saw the launch of several initiatives and developments on existing initiatives—particularly those involving non-state actors such as businesses—that open the door to funding and global collaborations on decarbonizing hard-to-abate sectors, driving net-zero transitions for financial institutions, and addressing adaptation and resilience challenges.

A very significant outcome from CoP-27 was the launch of the Sharm el-Sheikh Adaptation Agenda, the first comprehensive global plan to rally both state and non-state actors towards a set of adaptation objectives by 2030. It highlights the need to integrate climate risk and adaptation planning into core business strategies. The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) risk and resilience portal estimates India's annualized average loss (AAL) from slow-onset hazards, extreme events and biological hazards at \$93 billion (3.35% of GDP), even as India Inc faces rising costs of doing business due to climate-related disruptions to operations and value chains. In this context, the Adaptation Agenda may provide opportunities and direction for Indian industry that will enable it to not only make its own businesses resilient, but also local communities.

On the financial front, the Global Financial Alliance for Net-Zero (GFANZ) released guidance for financial institutions to plan net-zero transitions. Financial institutions are not only creating capacity for energy-transition financing, but are also now expected to have clear transition plans of their own. This offers opportunities for industries looking to garner investments for implementing clean technologies. The agriculture sector also received much needed attention through a series of promised investments by the International Finance Corporation (\$6 billion), Gates Foundation (\$1.4 billion) and



Rockefeller Foundation (\$11 billion) to address issues of food security and promote regenerative agriculture.

With the International Energy Agency having announced that investments in renewables are now significantly higher than those in fossil fuels and most economies re-committing themselves to the expansion of renewable energy, strong growth in the deployment of renewables should be easier to sustain globally and especially in India. This bodes well for Indian businesses that continue to commit to expanding their renewable capacity.

Perhaps the biggest key moment for industry was that under the 'Breakthrough Agenda'—45 countries representing approximately 70% of global GDP, including India and the US—an action plan was set out to help make clean technologies cheaper and more accessible everywhere to fight climate change. This plan features 25 sector-specific priority action points by CoP-28 to decarbonize power, steel and transport, scale up green hydrogen production and accelerate a shift to sustainable agriculture. A specific area of opportunity for India Inc is the goal to ramp up deployment of infrastructure projects and set up 100 'hydrogen valleys' in 2023.

Additionally, the First Movers Coalition—a global initiative harnessing the purchasing power of companies to decarbonize hard-to-abate industrial sectors—has more than doubled its members since CoP-26, signalling that heavy industry is serious about decarbonization. These developments, combined with the launch of the Climate Investment Funds (CIF) Industry Transition Programme that will provide \$500 million to developing countries to decarbonize hard-to-abate industries, throw up

significant opportunities for Indian industries to drive adoption and production of clean technologies such as green hydrogen.

India's statement at CoP-27 highlighted how individual and community-based consumption patterns need to transform in the direction of sustainable lifestyles. Mission LiFE (Lifestyle for Environment), launched by Prime Minister Narendra Modi last year, is a key piece of India's strategy to address the climate crisis faced by world. India also released its Long-Term Low Emissions Development Strategy (LT-LEDS) at the summit. This strategy focuses on the three pillars of mitigation, adaptation and means of implementation, and highlights the interdependencies and complex nature of the transition towards a low-carbon economy. CII played a key role in framing inputs towards the development of the LT-LEDS document on low-emission industrial systems and pathways to achieve the same.

India's aim to achieve net-zero emissions requires balancing our growth aspirations and developmental goals with emission reduction and ensuring a 'just transition' that takes into account our socioeconomic complexities. With India's upcoming presidency of the G20, Indian industry must focus on the fact that addressing the complex challenges of climate change is a collective journey that must be undertaken with principles of equity and climate justice at the forefront. CII, in its role as B20 Secretariat, looks forward to leading and engaging in fruitful discussions over the course of next year with the hope that CoP-28 would deliver on the plans and goals of the Glasgow Climate Pact as well as CoP-27.