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Open letter to leaders participating at Davos 2023

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Synopsis
The World Economic Forum must put the spotlight on climate change, energy security, and the role of renewables in addressing these issues. This letter is my humble attempt to draw your attention to climate change, a critical threat to human life as we know it and the role of renewable energy, the most powerful tool in our armoury to help combat it.



Girish Tanti



Co-founder & Vice Chairman, Suzlon Energy Limited

Dear Leaders at Davos,

The inception of the World Economic Forum at Davos came from a vision to promote socially responsible 'stakeholder capitalism'. Today, over half a century later, Davos has gained importance in enabling a collective response to global crises through dialogue and collaboration.

This year, as the world faces challenges on multiple fronts, the annual meeting could not

have chosen a theme more apt than **“Cooperation in a Fragmented World”**.

The conclave is taking place against a backdrop that includes the Russia-Ukraine conflict, turmoil in the energy markets, economies struggling to

balance inflation and growth, pandemic fatigue, and increasing climate-induced disasters.



Climate change is one of the biggest challenges facing humanity. Addressing climate change is an environmental imperative. The science is clear: unless we take urgent action to reduce our greenhouse gas emissions, we will face increasingly severe consequences, including more frequent and intense natural disasters, crop failures, and disruptions to global supply chains. The Intergovernmental Panel on Climate Change (**IPCC**) indicates that GHG **emissions** need to be cut 43% by 2030.

John F. Kennedy had said, in a crisis, we must be aware of the danger but also recognize the opportunity. As leaders, we have a unique opportunity and responsibility to drive the transition to a low-carbon to net-zero economy. This will require investments in clean technologies and practices, a robust collaboration between all stakeholders on technology and a collective will to forge necessary policy frameworks against all odds.

The World Economic Forum must put the spotlight on climate change, energy security, and the role of renewables in addressing these issues. This letter is my humble attempt to draw your attention to climate change, a critical threat to human life as we know it and the role of **renewable** energy, the most powerful tool in our armoury to help combat it. It is also my heartfelt plea to one of the most powerful communities of the modern world, gathering under the **aegis** of WEF to take definitive and decisive action in the interest of humankind and the planet. Countries and leaders need to rise above individual concerns and move towards the collective good of mankind. We need to take decisions with compassion and generosity to help bridge the divergent priorities of the developed and the developing world. This in my opinion is the only way to win this war against climate change.

Low-carbon technologies make economic sense

In 2006, the Stern Review provided us with an understanding of the economics of climate change. The first to quantify the costs of addressing climate change and its impact on the global economy vis-à-vis the impact of continued unchecked carbon pollution on the world, it estimated the cost of damage at 20% of GDP against the cost of action at 1% of global GDP each year. Today, seventeen years later, the problem of climate is closer on the horizon and the cost of inaction has gone up. On the brighter side, advances in low-carbon and renewable technology have significantly reduced the cost of action.

Renewable energy can insulate economies from global shocks

The pandemic in 2020 and the Russia-Ukraine conflict that is currently ongoing led to turmoil in the global oil and gas industry and exacerbated the energy crisis, reminding us of the fragility of the current global energy system and the perils of being dependent on imported fossil fuel. With geopolitical uncertainty in pockets around the globe being a continuing risk factor, energy markets remain extremely vulnerable. Renewable energy can help countries become energy independent by reducing **reliance** on imported fossil fuel energy sources, thus insulating them from geopolitical risks. With lower operating costs as compared to fossil fuels, renewable energy can give cost stability and reduce the overall cost of energy.

Interestingly, according to a December 2021 study by Mark Z. Jacobson from the Department of Civil and Environmental Engineering, Stanford University, a substantial reduction in costs is possible for an interconnected region depending solely on wind, water and sunlight (WWS) based energy. The study focused on an interconnected Western Europe depending fully on (WWS) and showed that it may decrease aggregate annual energy costs ~13 %. It also showed that all countries, even small ones, can be fully dependent in WWS, with interconnection with neighbours bringing in substantial cost reductions.

(<https://www.sciencedirect.com/science/article/abs/pii/S0960148121011204>)

Focus on cross-border, interdisciplinary collaborations

The COVID pandemic saw international cross-border scientific collaboration between public and private researchers and healthcare workers for medicines and vaccines. These opened pathways of global alliances and provided us with a suggestive roadmap on collective action. Now, we must have interdisciplinary collaborations across countries with experts in the physical sciences, climate impact and adaptation, and greenhouse gas mitigation coming together with economists, policymakers, businesses and investors to insure the world against the shock of climate change. It is only through global collaboration in knowledge sharing and technology transfer, that we will be able to address climate change cost-effectively and equitably.

In fact, the IPCC report found that financial flows are a factor of three to six times lower than the levels needed by 2030 to limit warming to below 2°C; however, there is sufficient global capital and liquidity to close investment gaps. Once again collaboration – between governments, businesses, private investors and financial institutions – is required to move the needle on deploying such capital to the right projects in the right places.

Increase investments in renewable energy

The International Energy Agency report stresses building a global energy sector with net zero emission by 2050 which will require an unprecedented transformation on how energy is produced, transported, and used globally. Public and private investments in renewable energy must go up multi-fold so that we reach the net zero targets in this timeframe.

Governments, financial institutions, and leading renewable energy companies should come together to drive the agenda with streamlined approvals for setting up renewable projects, modernization of grids, and setting ambitious renewable energy targets.

The annual average growth rate in clean energy investment in the five years after the signature of the Paris Agreement in 2015 was just over 2%. Since 2020 the rate has risen to 12%, well short of what is required to hit international climate goals, but nonetheless an important step in the right direction. The highest clean energy investment levels in 2021 were in China (USD 380 billion), followed by the European Union (USD 260 billion) and the United States (USD 215 billion). A total of \$14.5 billion was invested in renewable energy in India in 2021-22, up by 125% compared with financial year 2020-21 and 72% higher than in the pre-pandemic period of the 2019-20 financial year.

In conclusion, we must act on the climate agenda NOW. This issue is confronted by humanity as a whole and needs to be dealt with by our collective might. Equitable responsibilities and funding by both the developing and developed nations while thinking about the Planet Earth as One, is the priority now.

Renewable Energy will help us create a green future where harmony is restored between people and the planet. Scalable new technologies and nature-based solutions will enable us to leapfrog into a cleaner more resilient world. Today, renewables are one of the lowest cost sources of electricity making them a climate imperative as well as a commercial choice. All we need now is a rapid ramping up of our efforts and investments to accelerate this transition.

The consequences of inaction on climate change today will be felt most severely by our future generations. We have a moral obligation to keep Mother Earth healthy for them.

Let us take urgent and decisive action to accelerate the transition to a greener, cleaner and more sustainable planet! Let us act today!

Yours truly,


Girish Tanti
Vice Chairman
Suzlon Energy Limited

(Disclaimer: The opinions expressed in this column are that of the writer. The facts and opinions expressed here do not reflect the views of www.economicstimes.com.)

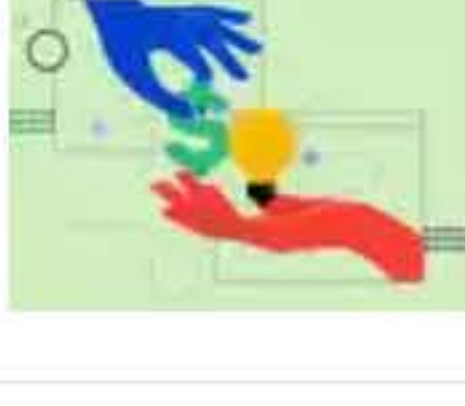
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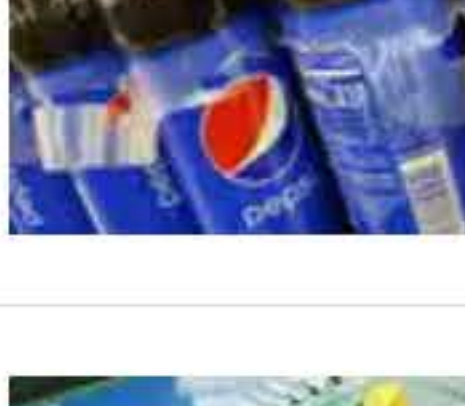

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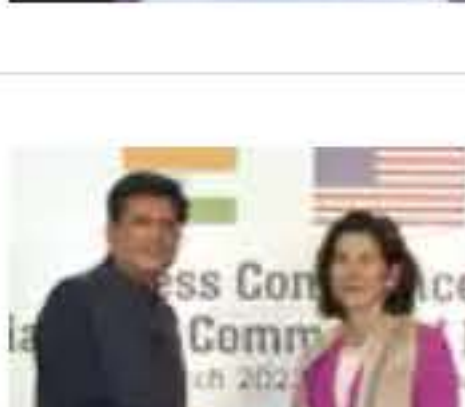

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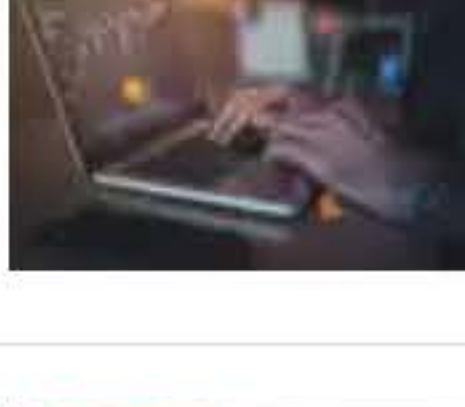

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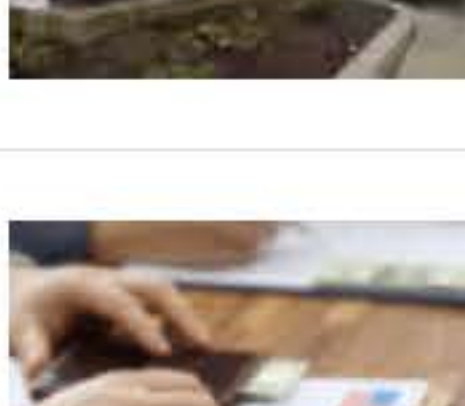

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