

## **A Just Transition Approach for Developing a Green Economy**

### **A Case of Electric Mobility**

18<sup>th</sup> Oct, New Delhi

Special remark note:

CUTS' partnership with FES has been a long and prolific one with collaborations on diverse range of issues since mid-1990s. Even before the concepts of electric mobility and just transition were heard of; we were pursuing for power reforms in Rajasthan. We advocated for people's representative in advisory committees of utilities and regulators. By involving consumers in our efforts, we were able to achieve a higher quality of execution in the areas of rural electrification, reliable power supply, greater use of non-conventional energy appliances, and technical aspects of power loss reduction and time of day tariffs.

Our cooperative endeavours go well beyond boundaries with initiatives on reforming and strengthening the World Trade Organisation through trade liberalisation; building trust and convergence between smaller developing and developed WTO members; and developing country negotiators. Our recent works with FES have revolved around the electric mobility segment and its capacity in creating jobs, impact on manufacturing sector and other relevant socio-economic factors, all from a just transition point of view.

The concept of a just transition has become an inherent part of the sustainable development conversations. I wish it could be as simple as shutting down a thermal power plant or a coal mine and transit all the associated jobs to renewable energy sector. But majority of the coal mines are in eastern states and renewable projects are concentrated in western and southern states. What should be the right course of action in that regard?

On the subject of electric mobility – we can very well propose replacing conventional automotive manufacturing units with electric ones and reskilling the existing workforce. The automotive industry relies heavily on SMEs for providing engine components. A manufacturer may have tie-ups with as many as 20 vendors for a single model of motorcycle or a car. Electric vehicle manufacturers do not require these many vendors and currently most of the components are imported. How are we going to ensure that SMEs do not get affected adversely?

The demand for raw materials for making batteries has skyrocketed in response to the surge in demand for electric vehicles. As a result, the world's largest known resource of cobalt in the Democratic Republic of the Congo is being mined by an increasing number of people, including children. In fact, with continued demand growth, their condition has not improved in the least over the years. Safety and health hazard concerns related to battery recycling also lie within the scope of just transition.

The inadequate growth of charging infrastructure is another important aspect of electric mobility. Interoperability within battery charging ecosystem must be ensured so that it charging a battery becomes as convenient as going to petrol refuelling station. Presently, you need to have a mobile application for one charging service provider and another application for a different service provider. Also, all these charging stations are fully automated and unmanned. Compare it with number of jobs associated with fuel retailers across India and the concept of just transition expands further.

The massive number of E-rickshaws with its limited speed is a major cause for the traffic congestions in Delhi or any other city. To the extent that city municipalities have restricted them from entering major connecting roads. There is nothing unacceptable and unlawful with this mode of transportation. It is indeed a socio-economic upgrade from manual rickshaws, and provides self-employment opportunities. But from a just transition angle, they are completely unsafe.

The point is that the concept of Just transition is subjective, much more complex than it seems, and incorporates multiple tangible and intangible factors. And also the reason for organising this consultation - to collectively brainstorm and identify the most suitable strategies for a just transition approach for developing a green economy. The transition from fossil fuels to a cleaner source of energy is a huge opportunity for developing a framework that promotes a strong and resilient economic structure. And It is critical to ensure that it is not limited to preventing economic damages such as job loss but strive towards a better than before socio-economic landscape.

India is the leader amongst developing countries as far as commitments to tackle climate change is concerned. And we have delivered on those commitments. With COP 27 next month, we may expect new developmental goals taking into account the precedents of historic COP 15 in Paris and last year's Glasgow summit. It will be interesting to see what new milestones we set for ourselves.

Next year, our country will hold the presidency for G20. That could very well play a pivotal role in establishing India as the voice of global south, not only in climate matters but trade and manufacturing as well, which are equally essential.

Financing is a matter much discussed amongst stakeholders and policymakers, and deservedly so. We require about \$20 billion of investment each year to achieve climate targets and fund green transition. If we escalate it to a net-zero economy by 2060 or 2070 – financing requirement would be somewhere between 12-15 trillion US dollars. India has already sought \$One trillion from the developed world to achieve the net-zero targets. A Just Energy Transition- Partnership (JET-P) with G7 countries supported by other bilateral agreements with developed nations can unlock new financial channels for the flow of funds.

Altogether, we are living in a very dynamic and climate driven geo-political environment and India must ensure that it scores on all fronts.

Additionally, what we are currently witnessing on the global stage must be replicated at a national, state and district level to provide an additional push to the climate efforts. State governments should start thinking about setting up Niti Aayog like bodies. Delhi has Dialogue and Development Commission which is doing quite well, and I think Maharashtra also has some plans in that regard. Here, the role of industry, think-tanks and civil society organisations will be crucial through collaboration with these state level agencies, and insistence upon better policy and regulatory framework in climate related affairs.

The innovations in the clean energy space in last few years have been astonishing. It is pertinent that we constantly increase research & development efforts for obtaining alternate, cost-effective and sustainable technologies and products. Simultaneously, manufacturing needs to be ramped up so that it can be leveraged against global trade uncertainties.

Particularly in electric mobility segment where battery technology is currently dominated by lithium and other minerals such as nickel and cobalt, which are scarce in India. It is an

encouraging sign that National Mineral Development Corporation is exploring opportunities overseas to mine these minerals.

It is through collaborative efforts only that we can safeguard the interests of informal economy which is most vulnerable to any sort of transition let alone in energy domain. All our efforts for a just transition must be guided by a non-negotiable principle - will it prove to be beneficial for the least earning worker in the sector in which are fostering a new change.