
3. Energy Transition Index

Prelims Syllabus: India and WEF

Mains Syllabus: GS-II Important International Institutions, Agencies and fora- their structure, Mandate.

Why in News?

- The World Economic Forum (WEF) has recently released the annual rankings of the global Energy Transition Index.

About Energy Transition Index:

- It benchmarks 115 economies on the current performance of their energy systems across economic development and growth, environmental sustainability and energy security and access indicators and their readiness for transition to secure, sustainable, affordable and inclusive energy systems.
- It shows that Sweden has topped the Index for the third consecutive year and is followed by Switzerland and Finland in the top three.
- The only G20 countries are France (8th) and the UK (7th). Only 11 out of 115 countries have made steady improvements in ETI scores since 2015.
- Argentina, China, India and Italy are among the major countries with consistent annual improvements.
- The China which is ranked 78th, because of the problems of air pollution have resulted in policies to control emissions, electrify vehicles and develop the world's largest capacity for solar photovoltaic (SPV) and onshore wind power plants.
- The Scores for the US, Canada, Brazil and Australia were either stagnant or declining.
- The US ranks outside the top 25% for the first time, primarily due to the uncertain regulatory outlook for energy transition.

About Performance Analysis of the Index:

- It shows the results for 2020 that 75% of Countries have Improved their Environmental Sustainability.
- It is a result of multifaceted, incremental approaches, including pricing carbon, retiring coal Plants ahead of Schedule and Redesigning Electricity Markets to Integrate Renewable Energy Sources. Its study measuring readiness for clean energy transition in 115 economies showed that 94 have made progress since 2015. The greatest overall progress is observed among emerging Economies.

About India and Index:

- India has stepped up two positions to rank 74th with improvements in all three dimensions of the energy triangle. They are **Economic development and growth, Energy access and security and Environmental sustainability.**
- The India has also made significant strides in energy efficiency through bulk procurement of LED bulbs, smart meters and programs for labelling of appliances. Similar measures are being experimented to drive down the costs of electric vehicles (EVs).
- It indicates a strong positive trajectory, driven by strong political commitment and an enabling policy environment.
- **Various Impact of Covid-19:** It risks cancelling out recent progress in transitioning to clean energy, with unprecedented falls in demand, price volatility and pressure to quickly mitigate socioeconomic costs placing the near-term trajectory of the transition in doubt.

About World Economic Forum:

- It is a Swiss non-profit foundation established in 1971, based in Geneva, Switzerland.
- It is recognized by the Swiss authorities as the international institution for public-private cooperation, its mission is cited as, "committed to improving the state of the world by engaging business, political, academic, and other leaders of society to shape global, regional, and industry agendas".
- The Major reports published by WEF are **Global Competitiveness Report, Global IT Report, Global Gender Gap Report, Global Risk Report, Global Travel and Tourism Report**

Way Ahead:

- This pandemic offers an opportunity to consider unorthodox intervention in the energy markets and global collaboration to support a recovery that accelerates the energy transition once the crisis subsides.
- The economic recovery packages like the announcement of the Pradhan Mantri Gareeb Kalyan Yojana by India, introduced by the governments can accelerate the transition to clean energy, by helping countries scale their efforts towards sustainable and inclusive energy systems, if implemented with long-term strategies.
- The Policies, roadmaps and governance frameworks for energy transition at national, regional and global levels need to be more robust and resilient against external shocks.