



Energy Transition Index: WEF

 drishtiias.com/printpdf/energy-transition-index-wef

Why in News

Recently, the **World Economic Forum** (WEF) has released the **annual rankings** of the global **Energy Transition Index**.

The index **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.

Key Points

- **Data Analysis:**

- **Sweden** has **topped** the Index for the third consecutive year and is **followed by Switzerland and Finland** in the top three.
- **France** (8th) and the **UK** (7th) are the only **G20** countries in the top ten.
- 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.

In **China** (78th), 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.

- 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.

- **Performance Analysis:**

- The **results for 2020** show 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**.

- **India's Ranking and Reasons:**

- India has **moved up two positions to rank 74th** with **improvements** in all **three dimensions of the energy triangle** namely:

- Economic development and growth.
- Energy access and security.
- Environmental sustainability.

- For India, gains have come from a **government-mandated renewable energy expansion programme** i.e. to add 275 GW by 2027.
- 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**.

- **Impact of Covid-19**

Covid-19 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.

- **Suggestions**

- Policies, roadmaps and governance frameworks for energy transition at national, regional and global levels need to be more robust and resilient against external shocks.
- The 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.

- It is a **Swiss nonprofit foundation** established in **1971**, based in **Geneva, Switzerland**.
- 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".

Source: HT