



Fostering Effective Energy Transition 2022

For Prelims: World Economic Forum, Energy Transition

For Mains: Way forward for smooth energy transition

Why in News?

Recently, the [World Economic Forum \(WEF\)](#) has released a report named **Fostering Effective Energy Transition 2022**, which calls for **urgent action by both private and public sectors to ensure a resilient energy transition** to address the challenges to environmental sustainability, energy security and energy justice and affordability.

What are the Findings of the Report?

- The energy transition is **not keeping pace with the growing climate urgency**, and recent **compounded disruptions** from a **post-pandemic surge in energy demand, fuel supply bottlenecks**, inflationary pressures and reconfigured energy supply chains as a result of the [war in Ukraine](#) have made the transition even more difficult.
- High energy prices, risks of energy supply shortages, and soaring demand for [fossil fuels](#) are simultaneously challenging energy affordability, energy security and access, and sustainability.
- The lack of access to an affordable energy supply has **emerged as a key threat to a just transition**.
- Industrial activity generates more than 30% of anthropogenic emissions, yet many industries face considerable challenges to decarbonize.
- **Skewed Fuel Imports:** Of the 34 countries with advanced economies, 11 rely on only three trade partners for over 70 % of their fuel imports.

What are the Recommendations?

- **Climate Commitments and Long-Term Visions:**
 - More countries need to make binding climate commitments, create long-term visions for domestic and regional energy systems, attract private sector investors for [decarbonisation](#) projects and help consumers and the workforce adjust.
- **Holistic Approach on Transition Imperatives:**
 - It is crucial to **develop adequate enablers and support mechanisms to keep the momentum of the transition** through this turbulent phase.
 - What is needed now, more than ever, is a holistic approach that delivers concurrently on the three transition imperatives – **energy affordability, availability, and sustainability** – at an accelerated pace.
- **Incentivize Efficient Consumption and Behavioral Intervention:**
 - Actions are necessary to protect those most vulnerable through appropriate support measures, in a way that incentivizes efficient consumption.
 - Behavioral interventions and [fourth industrial revolution technologies](#) can help households and businesses alike.

- **Energy Diversity and Security:**
 - Dual diversification (of supply source and supply mix) is **key to strengthening countries' energy security.**
 - Diversifying the ecosystem of import partners in the short-term and diversifying the portfolio of domestic energy with low-carbon alternatives in the long-term can yield significant benefits.
- **Supply-side Interventions and Demand-Side Efficiencies:**
 - Supply-side interventions will need **to be augmented with demand-side efficiencies.**
 - Current energy market volatility and security constraints provide an opportunity to supercharge the transition by boosting demand for clean energy and fostering more efficient energy consumption from both industrial and end consumers.
- **Regulatory frameworks:**
 - Regulatory frameworks **need to be strengthened to drive the necessary actions and investments.**
 - Anchoring climate commitments into legally binding frameworks would not only ensure that those commitments endure political cycles, but **also provide enforcement mechanisms to keep the long-term implementation efforts on track.**
- **Clean Demand:**
 - Clean demand signals could be the necessary **turning point to scale the projects and investments required** for the development of low-emission industries.

What is World Economic Forum?

- **About:**
 - The World Economic Forum (WEF) 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.
- **Mission:**
 - 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.
- **Founder and Executive Chairman:** Klaus Schwab.
- **Some major reports published by WEF are:**
 - [Energy Transition Index.](#)
 - [Global Competitiveness Report.](#)
 - **Global IT Report**
 - WEF along with INSEAD, and Cornell University publishes this report.
 - [Global Gender Gap Report.](#)
 - Global Risk Report.
 - Global Travel and Tourism Report.

UPSC Civil Services Examination, Previous Year Questions

Q. Which of the following gives 'Global Gender Gap Index' ranking to the countries of the world? (2017)

- (a) World Economic Forum
- (b) UN Human Rights Council
- (c) UN Women
- (d) World Health Organization

Ans: A

Exp:

- The Global Gender Gap Report is published by the World Economic Forum. The report's Gender Gap Index, which is designed to measure gender equality ranks countries, according to the calculated gender gap between women and men in four key areas: health, education, economy and politics to gauge the state of gender equality in a country.
- The Global Gender Gap Report 2021 benchmarks 156 countries on their progress towards gender parity across four thematic dimensions: Economic Participation and Opportunity; Educational Attainment, Health and Survival, and Political Empowerment. In addition, this year's edition studied skills gender gaps related to Artificial Intelligence (AI).
- India ranks 140th in WEF Gender Gap Index-2021. **Therefore, option (a) is the correct answer.**

Q. India's ranking in the 'Ease of Doing Business Index' is sometimes seen in the news. Which of the following has declared that ranking? (2016)

- (a) Organization for Economic Cooperation and Development (OECD)
- (b) World Economic Forum
- (c) World Bank
- (d) World Trade Organization (WTO)

Ans: C

Exp:

- Ease of Doing Business Index provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the sub-national and regional level. It is prepared and released by the World Bank.
- The Doing Business Project, launched in 2002 looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.
- India was ranked 63rd in the latest Doing Business Report (DBR 2020).
- **Therefore, option (c) is the correct answer**

Source: BS

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