

The right consultant is key to climate change strategy

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The challenge of climate change is climbing on top of the corporate agenda and companies are exploring ways and means of formulating sustainable and profitable solutions. It's not merely about environmental sensitisation, but about converting climate change risks into business opportunities. It's about reducing risks from greenhouse gas (GHG) emissions, improving energy efficiency, undertaking carbon trading and increasing profits. GHGs include carbon dioxide, methane, nitrous oxide, ozone and chlorofluorocarbons. GHGs trap heat in the earth's atmosphere and contribute to global warming.

While very big companies have in-house experts constantly working on energy related issues, others have to seek external consultants for help. A typical consultant will have grounding in greenhouse gas mapping and accounting procedures, expertise in carbon footprint services, developed proven strategies for emission reduction, successful track record in emission trading, including in clean development mechanism, and resources in offering cleantech solutions.

David Metcalfe, director, Verdantix Ltd, says that Indian companies should particularly focus on the climate change knowledge and track record of a consulting firm's practice leader. It's important because many climate change consultants have switched from an area like corporate social responsibility or non-financial assurance into climate change. Verdantix is a business research and advisory on climate change issues. Verdantix's recent report Green Quadrant: Climate Change Business Consulting has reviewed leading global consultancies on their climate change services.

Adds Metcalfe, "Indian businesses need advice from consultancies that combine environmental expertise with business analysis. And their consulting partner must have a well-demonstrated knowledge of the current and future global climate change regime as well as have relationships with policymakers."

Agreeing with him, Malti Goel, former adviser to the Indian ministry of science and technology, adds, "Experience in working on climate change issues with government or public sector is desirable." She also says that knowledge of new technology developments and national/international practices is necessary.

Carbon offset providers provide ready checklists for choosing offsetting partners. For example, the CarbonNeutral Company says that a carbon partner should use third parties to calculate emission reduction from client activities, publish its protocol or code of practice, use third party verification agencies, sell all types of carbon credits, have global reach, contract and retire carbon credits, and get its own business audited.

Bill Sneyd, director, advisory services, CarbonNeutral Company, says that value for money can be obtained by ensuring that the scope of work is well defined and clear to both sides from the outset and not changed half way through. Speaking to more than one consultant is helpful. At the same time, he cautions, “The cheapest consultant may not necessarily represent the best value. Make sure you evaluate the quality and experience of your consultant alongside the price.”

Carbon footprinting is the entry point for laying down an emission reduction strategy. Typically the process begins by doing surveys to find out energy usage, its break up and quantifying the total carbon emissions and figuring out the scope for its reduction. It is usually followed up by setting targets, devising strategies for reducing emissions and in some cases by selling carbon credits and finally reporting progress. The Greenhouse Gas Protocol, which has been developed by the World Resource Institute and the World Business Council on Sustainable Development, is a comprehensive accounting framework for GHGs measurement.

At the basic level, it can mean either replacing energy intensive equipment or improving the way equipment is used to reduce energy consumption without affecting the performance. The common energy guzzlers are buildings themselves. Buildings accounts for 30-40 % of global energy use, according to the United Nations Environment Programme and Sustainable Buildings & Construction Initiative. Air-conditioning account for a major chunk of energy consumption. For example, 49% of energy demand at Infosys is due to air-conditioning, according to a study by the Centre for Social Markets.

Such energy consumption and emission patterns are usually highlighted by diligent climate change business consultancies, but the process begins by choosing the right one in the first place.