



Homegrown, World-class

**Council on Energy, Environment and Water:
Building an Independent Policy Think Tank for India**

*Swati Sinha, Ananta Centre with,
Manisha Mirchandani, Centre for Asian Philanthropy and Society*

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COUNCIL ON ENERGY, ENVIRONMENT AND WATER: BUILDING AN INDEPENDENT POLICY THINK TANK FOR INDIA

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CEEW was formed to provide independent domestic research to Indian policy makers for creating a sustainable India.

There is perhaps nothing more telling of India's development path than the rise of the air conditioning (A/C) unit. In a country known for its long, sweltering summers, only 2 percent of households owned an A/C unit in 2005, according to the National Sample Survey Office. But coveted room A/C units have become increasingly affordable for India's new consumer class, as more people move from the countryside to cities in search of better-paid jobs. World Bank data shows that sales doubled from 400,000 units in 2006 to 800,000 in 2011.

Behind the surging demand for air-conditioning is a remarkable story of urbanization and rising wealth in India. But less evident are the environmental costs associated with the proliferation of A/C units. In June 2013, a consortium of non-profit organizations published an issue brief, *Cooling India with Less Warming: The Business Case for Phasing down HFCs in Room and Vehicle Air Conditioners*, articulating the merits of switching from A/Cs containing highly polluting refriger-



CEEW's Arunabha Ghosh speaking at a state consultation for an Asian Development Bank-National Water Mission study on improving national water use efficiency. (CEEW)

ants called hydrofluorocarbons (HFCs) to more climate-friendly alternatives.

COOL INDIA, HOT DATA

One member of that consortium was a young Indian policy think tank called the Council on Energy, Environment and Water (CEEW), who were struck by a lack of reliable data available to build the case to policy-makers and A/C manufacturers. “The problem here is related to the credibility of information in the market: we did not know for sure how good or bad it was,” said Vaibhav Chaturvedi, research fellow at CEEW. Seeking answers, Chaturvedi and his colleagues conducted further research and published a July 2014 study, *Modelling Long Term HFC Emissions from India’s Residential Air-Conditioning Sector*. “It was the first-of-its-kind analysis done in India,” said Nehmat Kaur, consultant at the Natural Resources Defense Council (NRDC), a Washington-based environmental research group that collaborated with CEEW on the study. Drawing upon data from national sources,

the report attracted the attention of Indian policy makers who until then had relied on research from outside the country. “The government was very receptive because this was domestic research as opposed to international analysis,” Kaur added.

Less than one year on, in April 2015, CEEW’s findings supported India’s position during negotiations on the *Montreal Protocol on Substances that Deplete the Ozone Layer*. In a surprising act of global leadership, India proposed phase-out plans for developed and developing countries, and the strengthening of a financial mechanism to help industry cover the costs for the latter. “That was a conversation that we, along with CEEW, have been trying to drive for a long time,” said Kaur. “It changed the dynamic for India in the international fora on climate change.” The government’s turn-about on HFCs was a milestone for CEEW, which was created to fill a vacuum in domestic policy for reliable empirical data on the environment. Arunabha Ghosh, founder and chief executive officer of CEEW, described his organization’s role as an ex-



CEEW researchers conducting interviews for an energy access study. (CEEW)

ample of thought leadership. “We literally changed the course of the planet on this issue,” he said.

MIND THE GAPS

The pressures on India’s environment are manifold, and increasingly felt in the form of air pollution, energy shortages, and water quality and supply issues. Face with these challenges, Indian policy makers lack credible data and information on to better manage resources, or how sustainable economic growth can be achieved. CEEW was established in 2010 with a mission to identify the integrated solutions required to achieve balanced growth and development for India. Given the global nature of climate change and resource challenges, and the need for cross-border, collective action, Ghosh envisioned an internationally focused institute to “solve real problems using world-class research.” Since its founding, CEEW has engaged in more than 100 research projects, published more than 50 peer-reviewed policy reports and papers, and organized more than 110 seminars and conferences.

A policy of editorial independence from donors has allowed Ghosh and his team to focus on issues where there is a clear opportunity to affect change, and where there has been a paucity of data to move discussions forward. For Mihir Shah, communications specialist at CEEW, this is one of the organization’s greatest strengths. “We find areas of knowledge where we feel there is a gap, and fill these with our own original analysis,” he said. One such area was water management and governance; it was one of the first issues to emerge on CEEW’s radar and the organization staged a series of Water Dialogues in November 2010 to discuss the challenges facing India. Following this, the Planning Commission of the Government of India asked CEEW for support in preparing evidence for water sector reforms within India’s *12th Five Year Plan*. In September 2011, CEEW, in collaboration with the 2030 Water Resources Group, submitted a 584-page report, *National Water Resources Framework Study: Roadmaps for Reform*, which

drew plaudits in the national policy arena. “We demonstrated that research of high quality can be delivered within a tight timescale in a manner that can be used by the government,” said Ghosh. “That demonstrated that we are here, we can deliver—and that we are not just about pie-in-the-sky, academic research.”

CEEW has since risen to prominence as one of India’s leading policy think tanks, producing research on issues ranging from energy access and storage to resource security, renewable energy technologies, urban water and sanitation, hydro-power, strategic industries, climate risk, and other topics related to India’s environmental, energy and water challenges. Five years from its founding, CEEW is recognized globally for its research and analysis. It was named India’s top climate-related think tank by the International Center for Climate Governance (ICCG), an Italian research group, in 2013 and 2014. CEEW has also been consistently cited as one of South Asia’s leading think tanks in the influential *Go To Think Tank Index Report* by the University of Pennsylvania’s Think Tanks and Civil Societies Program. For Kaur of NDRC, the recognition is well deserved. “They are developing data that nobody has, and it is research that is comparable to any international body of work,” she said. CEEW has also been invited to advise national and international governments on more than 140 occasions; more evidence of how far it has come from the small, unfurnished room in the satellite city of Gurgaon where it began operations.

NEW BEGINNINGS

While completing research on climate governance at the University of Oxford in 2009, Ghosh was contemplating his next move. A Princeton research fellow who had previously worked at the World Trade Organization, the United Nations Development Program and as an author of the annual Human Development Report, Ghosh was not short of options. A native of Delhi, he was being courted by multilaterals, academic institutions, consulting groups, and niche investment organizations for

his policy expertise. Ghosh was also considering opportunities within the Indian government, while toying with the prospect of setting up his own research organization. The last was the most difficult nut to crack—but also the most enticing. “The other choices were explicitly there for the taking, and I felt that I would not have challenged myself enough if I opted for one of them,” he said.

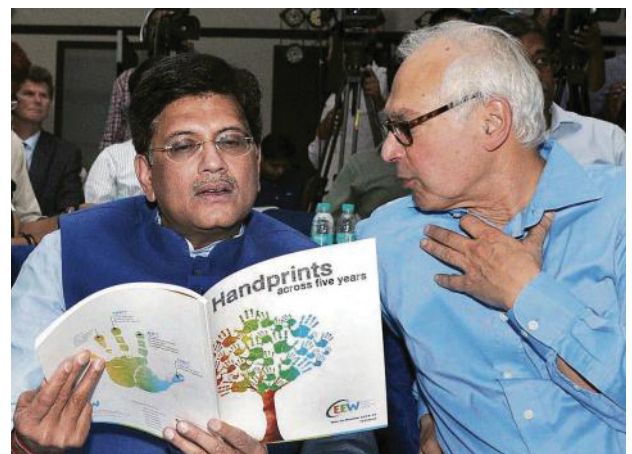
At the behest of Tarun Das, former director general of the Confederation of Indian Industry, Ghosh reconnected with current Union Minister for Railways Suresh Prabhu, who had served as a Union-level minister for Environment and Forests, Chemicals and Fertilizers, and Power, Heavy Industry and Public Enterprises under the previous National Democratic Alliance government. While in charge of these portfolios, Prabhu had noticed a “silo” mentality amongst ministries that precluded cross-sectoral policy solutions he thought necessary to address India’s environmental challenges. “The lack of coordinated and synchronized efforts to tackle these concerns amplifies the problem and makes it more difficult to meet the goal of India’s holistic development,” he would later write in a CEEW annual report.

Another concern of Prabhu’s was that the environment and resource utilization were emerging as ideological issues, and being acted upon without the benefit of empirical evidence. Prabhu’s views rang true to Ghosh and drove him to dig deeper, but he found no Indian institutions that covered issues on environment at the international standards he was accustomed to, or that were genuinely independent of the government or other entrenched interests.

So he decided to build one from the ground up. With the encouragement of Das, Prabhu and others, Ghosh sat down in February 2010 and developed a business plan for what was to become CEEW. The plan was partly about institution-building, bringing together Indian talent into an organization that could deliver independent, evidence-based research while avoiding the pitfalls of activism. After seven months of planning, Ghosh shared his proposal with Das, Prabhu

and business leader Jamshyd Godrej, chairman of Godrej & Boyce Manufacturing Company. Ghosh’s holistic approach to the environmental challenges facing India resonated with his backers. “Studies have shown how energy access and access to water and sanitation make a huge difference in economic development,” said Godrej in a 2012 speech. “The integration of all these issues is very crucial.” With this support, Ghosh made the decision to return to India and crack the toughest nut. “I was assured that the individuals who would become our board members were seeing the gaps that were resonating with me,” he said. “If they were not there, I wouldn’t have necessarily come back to India and started something.”

CEEW began operations in August 2010 in a sparsely furnished room in Gurgaon, with just two staff members and an INR 5,000 donation (around US\$100 at the time) from Godrej to open a bank account. With a high-powered board of trustees behind him, including Prabhu, Das, Godrej and Gautam Thapar, founder and chairman of the Avantha Group (who would later provide office space for the CEEW team), it was up to Ghosh to begin the work of institution-building. His first and most urgent task was to stand in line at the Income Tax Department to procure 80(G) status for CEEW, which allowed for tax-deductible donations from corporate and individual donors. From the organization’s



Minister of State with Independent Charge for Power, Coal and New & Renewable Energy Piyush Goyal reads CEEW’s annual report with founding board member Jamshyd Godrej. (CEEW)

inception, Ghosh has been persistent in avoiding activism, and to base policy recommendations of CEEW on impartial research. “For the purpose of honest public engagement, you cannot push advocacy under the guise of research,” he said. CEEW does not take pre-conceived positions and will not speak on a topic until it has conducted research. “We don’t come across as activists or lobbyists, and that independence is our most cherished ethic.”

MOVING THE NEEDLE

The positioning of CEEW as an evidence-based institution has so far paid off for Ghosh and his team. Their value is not lost on peers and affiliates. For Bhaskar Deol, India representative of the Natural Resources Defense Council, CEEW is slowly changing mindsets with its approach. “They have definitely brought a culture of rigor and analysis to the non-profit think tank space,” he said. Operating independently of donor agendas, almost all CEEW projects are conceptualized by the research team, which is encouraged by Ghosh to be forward thinking. “Is this something that has not been done before? Is the research question, methodology, data or audience new to us? If it is not a ‘yes’ to at least one of these questions, then it is probably not worth doing,” he said.

This approach has shaped CEEW’s research output in several ways. First, it has focused on those areas where there is a shortage of data, which for Kaur of NDRC is one of CEEW’s major contributions. “They are conducting good primary research that doesn’t exist, and trying to fill gaps that are visible,” she said. In addition to its work on HFCs, another high-profile example was a July 2015 project that brought CEEW together with the Centre for the Environment at Harvard University, Tsinghua University and the Centre for the Study of Existential Risk at Cambridge University. The findings of this joint effort to quantify the global risks associated with climate change were released simultaneously at the Bombay and London stock exchanges, and picked up by more than 20 Indian media organizations.

CEEW’s work on the governance of geo-engineering—the use of techniques to manipulate the global climate to moderate or forestall the effects of climate change—is another case in point. “A lot of people avoid talking about it because it is a very contentious issue,” said Chaturvedi. CEEW chose to take a running start in international policy circles by writing on the topic and organizing workshops to shape the dialogue. Its independence has allowed CEEW to focus on cutting edge research opportunities from the beginning. Clean energy, and its proliferation in India, is one such area. “If the government is working at a certain pace and thinking to the future, an organization such as ours cannot lag behind,” said Shah. In this sense, government officials remain CEEW’s core constituency. “We believe that our research should improve public policy, but the only people who can change policy are in the government,” he added.

REALITY IN THE FIELD

Ghosh said that the next step for CEEW is to examine how policy initiatives are playing out on the ground, most critically in the area of energy access and affordability. According to the 2011 Census, forty-five percent of rural households lack access to the national electricity grid meaning that decentralized (off-grid) energy is a key development priority for India. The importance of this was reiterated during a March 2014 visit by United States’ Secretary of Energy Ernest Moniz, who participated in a CEEW dialogue on *Scaling Decentralized Clean Energy in India* where he emphasized the “transformational goal” of off-grid energy access to improve lives in rural India.

Ghosh observed this firsthand during a 2013 field visit to Karnataka State, when he came across a man squatting outside his own hut. The hut was sparsely furnished, but Ghosh spotted a solar panel on top of his thatched roof. He asked what had compelled the man to take out a US\$400 loan to purchase the panel, and was surprised by the answer. The man said he owned two white shirts—he was wearing one and the other was drying on

a clothesline outside. “When I did not have a solar panel, I was using kerosene for lighting and the smoke was making my shirts dirty,” said the man who was spending INR50 (US\$1 at the time) on laundry detergent per month because in the south of India, a clean crisp shirt is a matter of pride, no matter how poor the person wearing it. “We still use kerosene for cooking, but we now use the solar panel for (LED) lighting,” he told Ghosh. “My shirts don’t get as dirty, so I spend only INR20 (US\$0.4) on detergent now.” It was a revealing encounter for Ghosh. “Factors as seemingly minor as the cost of laundry powder can play a key role in decision-making,” he later wrote in the *Bulletin of the Atomic Scientists*, an international journal. “Project developers, services providers and investors have to understand consumer needs and behavior to offer appropriate renewable energy solutions.”

For the CEEW research team, this meant heading to the field to develop a better understanding of how individuals were utilizing resources and facing environmental challenges at the household level. To complement its 2014 scenarios on energy access, CEEW has undertaken India’s largest energy access survey, covering more than 8,500 households, 714 villages and 51 districts across six Indian states: Bihar, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh and West Bengal. The findings of the study, *Access to Clean Cooking Energy and Electricity – Survey of States (ACCESS)*, were released in September 2015 by India’s Minister for Power, Coal and Renewable Energy, Piyush Goyal.

FROM RESEARCH TO ACTION

As CEEW matures, Ghosh is interested in taking its output to the next level. He wants to better “action” the research and apply the organization’s expertise to assisting interventions in the field. A clear opportunity arose when the United States Agency for International Development (USAID) commissioned CEEW to conduct a study on the development of India’s off-grid sector. They found that many small and medium enterprises involved in the “last mile” delivery of services were in need

of more support to get their businesses off the ground. “We realized that we are not in the business of setting up solar panels on the roof of a poor farmer; we are not a financing agency, nor are we the government,” said Ghosh. “We analyze decentralized energy and we wanted to help this sector, so we decided to support the entrepreneurs.”

Following a consultation with 100 entrepreneurs, CEEW developed a business plan for the Clean Energy Access Network (CLEAN), an industry group for off-grid clean energy entrepreneurs and stakeholders that was launched by a consortium of 12 founding members in July of 2014. “We did not have an industry body in the off-grid space,” said Ashis Kumar Sahu, chief executive officer of CLEAN, which supports efforts by its 57 members to gain access to financing and engage with government. Having played a role in setting up CLEAN, Ghosh remains an active member of the board while CEEW continues to make the case for off-grid sector development to policy makers. “In this sense, an organization such as CEEW based out of Delhi is crucial for practitioners,” said Harish Hande, co-founder and managing director of social enterprise SELCO India, and CLEAN board member.

LESSONS AND CHALLENGES

By all accounts, CEEW has been successful in its founding mission: to establish itself as a respected policy research institution and to highlight linkages and areas of opportunity for sustainable development in India. It has since added to its board of prominent trustees, which now includes S Ramadorai, chairman of the National Skill Development Agency and National Skill Development Corporation; Deepak S Parekh, chairman of HDFC, and Anil Kakodkar, former chairman of the Atomic Energy Commission. For Godrej, originally the board’s co-chair and current chairperson, CEEW is an example of how a young and innovative organization can quickly affect change for the better. “It has been a very big journey in a very short time. From one person running CEEW, we now have a young and engaged team,” said Godrej at CEEW’s 2012 anniversary dinner.



The CEEW team in November 2015. (CEEW)

Star Power

Several factors have contributed to CEEW's success, one of which has been the clout and support of its board of trustees. Founding chairperson Prabhu, now Minister for Railways, released a CEEW policy briefing on the solar potential of Indian railways in June 2015. Godrej has also taken key roles in CEEW dialogues on the environment and climate change, and Godrej & Boyce is one of the first India-based manufacturers to produce A/C units using climate-friendly refrigerants. Ramadorai has also been active in promoting CEEW's work, fronting the launch of the 2015 climate change risk assessment at the Bombay Stock Exchange.

Rigorous Research

The crux of CEEW's proposition remains the quality of its research output, which is subject to external peer review and is consistently well rated. Despite the competition for research talent, CEEW has been able to recruit and retain a committed team whose members possess skills that are complementary to Ghosh's. "A big achievement

has been to attract the kind of people who can do the things I cannot do with my skills and training," he said. "So CEEW has become very quantitative, an attribute which has been deeply missing across research institutions in India."

In an organization where research lies at its heart, Ghosh has taken pains to develop a collaborative yet rigorous research culture. "I want CEEW to be the default public policy research institute in India," he said. "If young people want to do public policy work and engage in energy, environment and water, I want this to be the first institute that they think of." Ghosh has developed several practices to maintain research standards and keep CEEW's mostly young research team motivated and on their toes. Part of this is an open and frank process of internal peer review. "We are extremely aggressive when discussing research amongst ourselves. In that way we are like a university, where we push each other," he said. Looking forward, Ghosh aims to increase research output, and to start expanding CEEW's properties; for example, developing CEEW's multi-state

rural energy access survey into a model that can be updated every 18 months to build a database of useful time-series data. But Ghosh and his team are cognizant of the patience required to bring such an initiative to fruition. “These are long-term efforts, which hopefully will reveal true value over the medium-term (7 to 10 years),” he said.

Navigating Government

CEEW’s journey has not been without its challenges. From the very beginning, engaging with government has been one of the more difficult aspects of the organization’s mission. “It is hard to get access to government in Asia, and no one is going to compliment you or even acknowledge your work at times,” said Ghosh. “It can be like selling yourself from scratch, every time.” CEEW researchers look to establish contact with the relevant government agencies before commencing a project, although Ghosh is the first to profess that this does not always happen. “If I were at an international organization, I would get an appointment with any government department within a day,” he said. “But because I am here in India with an institution that they might not have been heard of, I can come up with the best quality report and it would take me weeks to get an appointment to just hand it to them.”

Yet, the effort that CEEW has put into briefing government officials and responding to requests for advice has slowly created traction among the relevant ministries. “Your track record lies in quiet reputation,” said Ghosh. “You just have to believe in the long game.” CEEW has also become more proficient at communicating with government officials. In preparing for the new National Democratic Alliance administration to take office in May 2014, CEEW drew upon its existing research to develop a two-page policy brief highlighting strengths, opportunities and recommendations for new ministers. Ghosh and his team have also been responsive to tasks assigned by the Prime Minister’s Office; helping them to deepen their engagement with government. This focus on national-level minis-

tries and departments, however, means that CEEW has been hard pressed to build upon its earlier work with state governments, including the 2010 *Maharashtra-Guangdong Strategic Partnership on Sustainability*. “I know the need for hand-holding would be even greater there than here (in the capital of Delhi), but we have limited capacity and no regional offices,” said Ghosh.

Communing with Corporates

Engagement with the corporate sector also has fallen short of early expectations. Research on hot-button issues, such as that on HFCs, has attracted some attention —at one point, CEEW was interacting with 30-40 A/C manufacturers who were relying upon its research to make sense of government policy. Beyond consuming CEEW’s work, however, few companies have stepped up to the plate to fund research projects. “Some companies get it, and fund projects because they want to understand the wider market and are fine with the work being out in the public domain,” said Ghosh, citing Veolia Water India, a management services company headquartered in Paris that supported a 2013 CEEW report on *Urban Water and Sanitation in India*.



Minister of Railways and CEEW board member Suresh Prabhu releases a policy briefing on the solar potential of Indian railways. (CEEW).

Beyond CEEW's policy of political independence, Ghosh attributes the low level of corporate support to the state of strategic philanthropy in India relative to other countries. "A big company in the United States donates to a think tank because they believe that it can understand the world for them in a way that they cannot," he said. Ghosh observed that Indian companies usually see less value in that idea, which has implications for the depth of engagement that CEEW can have with many corporations. "The notion that your business is affected by strategic outcomes is not yet fully internalized in the Indian corporate environment," Ghosh said. This could change, with the introduction of a Corporate Social Responsibility (CSR) provision to India's 2013 *Companies Act*, under which registered corporations are required to dedicate 2 percent of gross profit to specified CSR activities. But since the law's enactment, confusion remains over the types of research covered under the new provisions, and whether think tanks such as CEEW are even eligible.

Financial Ebbs and Flows


Funding remains an ongoing challenge for CEEW, particularly given its policy to generate the vast majority of its research projects internally. "Every second day you can find an opportunity to respond to a World Bank request for proposal, or to bid for a specific government project. But our business model is not to do [this kind of] consultancy," said Ghosh. CEEW has faced difficulties in raising institutional grants, despite the pedigree of its team and international reputation. "Translating these credentials into a genuinely India-born, organization that should be supported at the institutional level has been a very hard sell," he added.

The weak local culture of giving to institutions complicates funding for CEEW. It is awaiting approval from the Government of India for registration under the *Foreign Contribution Regulation Act* (FCRA). Whereas most international organizations are exempted from the provisions of the FCRA, CEEW is as yet unable to receive funding

from external donors. A lack of clarity on regulatory issues has required Ghosh to focus attention on more consistent revenue streams, for instance, by developing CEEW's multi-year research programs. Project funding keeps CEEW afloat, but longer-term financial sustainability remains a challenge. "You can't raise the funds unless you already have developed an innovative idea," said Ghosh. But, given the volatility associated with project funding, consultancy is a path that cannot be completely ruled out for CEEW in the coming years.

OUTLOOK

In the competitive sphere of international and domestic policy research, Ghosh is sure of this: that CEEW is only as good as its last project and its people. "I have a simple metric: that less than 50 percent of the research output should carry my name after five years," he said. "If I pop it tomorrow, can CEEW operate independently of me? Do we have people here who can carry on doing things beyond my own skills and training?" In choosing to set up CEEW, Ghosh hoped to develop an ecosystem where other researchers can also flourish. But when it comes to succession planning, the extent to which CEEW can thrive without its charismatic founder is up for debate, particularly within India's policy circles where seniority remains highly valued. "There is an age, gender and designation dimension to it," admits Ghosh.

The construction boom across the country shows its relentless growth; India is set to become richer, more populous and more complex than ever. At the same time, its environment and resources will be under much more stress. In establishing CEEW, Ghosh and his founding trustees hoped to build a homegrown institution to generate and disseminate policy research that would help India to develop in the most sustainable and equitable way possible. In this they have achieved some success, but there remains much work to be done. 

The case was made possible by the generous support of Jamshyd Godrej.

QUANTITATIVE INDICATORS

Financial

Planned budget or income versus actual expenditure for the fiscal year	NA
Income composition by source: individuals, corporations, events, trusts, other (please specify)	NA
Income composition: domestic versus international	NA

Personnel

Staff retention rate	NA
Turnover rate	NA
What is the board composition?	Occupation : Manufacturing; politics, atomic energy; consultancy; banking; diversified business conglomerate; industry group Gender: men (6)
How many meetings does the board hold per year?	Quarterly (4)
How many staff members are there?	20 full-time staff, 3 full-time consultants as of October 2015
How many staff members have attended some non-profit or management training course?	None

*Quantitative Indicators Continued***Organizational**

Do you publish an annual report?	Yes
How many sites/locations do you currently operate in?	New Delhi
Do you measure results?	Yes
What types of outreach?	Social media, conferences, workshops, seminars, website, newsletters, media engagements, publications, fact sheets, issue papers
Do you regularly meet with government representatives? If yes, on a scale of 1-3 how close is the relationship with government? 1 = not close; 2 = somewhat close; 3 = very close	Yes. CEEW have advised national and international governments on more than 140 occasions, and has collaborated with Indian entities such as the Planning Commission, the Prime Minister's Office, Bihar Government, and the Ministry of Water Resources Closeness of relationship = 3