







Enabling Partnerships to Promote Standards and Business Best Practices on Resource Efficiency

THEMATIC TRACK SUMMARY

Venue: Kaziranga

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World Sustainable Development Summit (2022), Enabling partnerships to promote standards and business best practices on resource efficiency, Thematic Track Summary (Rapporteurs: Ankit Kumar Rath and Aparna Choudhary), New Delhi: The Energy and Resources Institute.

Actionable Messages

Message I: India can work further on important sectors such as extended textile, electronic and plastics with a focus on extended producer responsibility (EPR) and design for circularity standards.

Message 2: Innovation in recycling mechanism and knowledge sharing on EU business practices on EPR framework and technical knowhow.

Message 3: There is a need to focus on financial support and resource efficiency policy by the government, along with the need for capacity building through analysis of the knowledge gaps in key sectors to mainstream circular economy.

Message 4: There is a need to develop new technologies and promote sectors that engage in repair for circular economy.

Message 5: Recycling parks can be created involving good collaboration between governments and industries, and converting waste into useful resources.



Narrative

The thematic track provided valuable insight into enabling resource efficiency (RE) and circular economy (CE) across sectors and bolstering India's G20 presidency in 2023 through EU-India partnership. The initiatives undertaken by India and EU, along with the challenges and way forward were discussed. The need for policies recognizing consumers as main players along with EPR and original equipment manufacturer (OEM), promotion of industrial symbiosis and startups through incentives and mainstreaming of informal sector were highlighted. **Dr Suneel Pandey** highlighted that CE is a key element in material extraction and production. Owing to material scarcity, the linear model is no longer being considered and there is a switch to CE principles. Various issues such as re-manufacture and recycling are being considered for enabling RE and fast track adoption of CE in India.

Mr Sudhir Kumar, NITI Ayog mentioned that new areas considered for RE and CE include solar panel waste, lithium ion battery and gypsum. End of life vehicles (ELV) require further development, mature policy, and regulations. Business drivers are a difficult area which needs more attention and investment. Facilitation and flagging of cross cutting issues related to business is required. Infrastructure gap, reverse logistics, and technology up-gradation need attention. Informal sector issues are present in the value chain which need to be integrated. The action plan laid down throws light on key issues to be addressed in the immediate, next phase of CE.

Ms Astrid Schomaker, Director, DG-Environment mentioned that clean transport, energy sectors and sustainable system require a radicle shift and consumers should play their part. The economic model should be compatible with the future generations. Whole economic model should be developed covering all sectors supported through cross policy and cross government approach. The CE action plan covers - sustainable production, consumer empowerment, concrete action in key sectors (electronic, ICT, batteries (sustainable battery by considering whole life cycle of battery), plastic, textile), updated rule on persistent organic pollutant in waste and new rules related to waste shipment to reduce waste pollution. Waste will be exported to a non-EU country only if the country is willing and can manage the waste in environmentally sound manner through facilities. A crucial phase is making the products sustainable, which is the main milestone. There are sustainable product initiatives in pipeline to promote usable, repairable, recyclable, fewer harmful chemicals and improved product environmental characteristics. Informed choices will be beneficial with respect to environment as the customers play a fundamental role. A strong push towards circularity is crucial while creating jobs and competitiveness. In EU, the legislation will be revised for right to repair for durable products and repair of defective goods. EU-India will play its role in supporting implementation of RE and CE. EU will work on standards, procurement and supply chain with India. India has a strong foot for global action on plastic.

In 2023, at G20, India will show a roadmap for enabling RE/CE. India needs to work on important sectors such as textile, electronic and plastics with a focus on EPR and design for circularity standards. **Dr Rachna Arora** stated that while moving to G20 presidency, our role in enabling partnership should first consider the need for innovation. NITI Aayog should not just focus on informal sector but also on product design criteria to create the momentum needed. EPR, innovation led business model, sustainable policy, exchange between country and inclusive aspect need to be considered. Secondly, the approach taken up by India considers various sectors like electronic, plastic, iron and steel and aluminum. However, a value chain approach is very much needed along with policy innovation. Ministry of Electronics & Information Technology (MeitY) has a subscription service for industries. Private sector and innovation led by industry for aspects like recycled content uptake is required which needs to enabled at a large scale. For example, CII along with World Wide Fund for Nature-India has launched a plastic pact for circular system. Thirdly, there is a need to define role/identify scope of innovation for moving ahead and setting up business action. State government can set up State-level Task Forces and committees for promoting innovation and enabling business action.

Dr Arora mentioned that "There is shift from command and control type to industry lead initiatives for RE/CE which is sustainable." The EU platform on CE can showcase best practices for different perspectives, create networks, cross alliances and standard setting. We need to look at the capacities that we are talking about and different need of the stakeholders at large scale and in full picture. The toolkit should focus on different role of actors. With G20 presidency and RE/CE dialogue, it will be good to "scope out collaborations with CII especially on G20." A big shift is required for formalizing the informal sector and policy compliance is other issue that needs attention. Secondary resources are quite expensive, sometimes more than virgin raw materials and as we compare prices, this becomes a big challenge. There is a need to consider standards, work with pretty well established startups and show transition. There should be fast track adoption and mandatory uptake of waste derived products in the form of sustainable public procurement (SPP) or green procurement. **Dr Suneel Pandey** mentioned that for example, large bulk consumer like the Indian Railway utilizes available green product in bulk which will trigger industries.

Dr Sandip Chatterjee highlighted MeitY's initiatives for RE/CE and way forward. Green public procurement, tracking of secondary raw material (SRM), and critical raw material is required. The upgradation of informal sector by skill enhancement is necessary. Micro, Small & Medium Enterprises (MSME) will be considered for cluster formation. Sustainable product initiative will consider recyclability and suitability for disassembly. Product subscription or lease model is in the final stage of shaping up along with a scheme for supporting capital equipment for recycling in country. Solar panel and lithium ion battery can be sent to authorized recyclers. Informal sector yield can be enhanced as more elements are extracted. SRM, global supply chain, eco design and capability to recycle material need to be considered. CE plan does not cover right to repair and "we should talk about right to repair, "ecolabel". Owing to a lot of resistance from manufacturers, CE action plan does not mention "right to repair" term instead the term- longer product life is used. In India, a graded approach is required to go from strategy to policy and then towards action over the years. Sustainable product policy needs to be defined for Indian manufacturers/consumers.

Dr Sudhir Kumar, NITI Aayog told that right to repair got a mixed reaction from manufacturers and this area requires more deliberation. Mr Ulhas Parlikar, mentioned that most of the initiatives for RE/CE are in developmental stages. The empowerment of consumers is important to build sustainability into the system. The business in development mode can be sustained through industrial symbiosis. Waste materials (solid/liquid/gases) offer enormous potential to make resource and reduce pollution. For example, waste carbon dioxide can be converted into fuel. Red mud, a residue from aluminium industry can be reused for cement manufacturing. "How can you convert a liability into asset" through best practices. Recycling parks are very crucial and policies need to be designed so that there is robust cooperation in parks. India is a major recycler for plastics but its quality is not as good due to lack of segregation and cleaning of plastics. There are problems with machinery as they are designed for small and medium scale industry but EU has large capacity machinery. Recycling park can be built on PPP mode or whatever and the machines can be imported or produced that can be employed to recycle plastics. Plastics can be collected, segregated, cleaned/dried and then MSME can utilize them. "a large number of small and medium sector will be able to produce good quality resin as good as virgin quality". There is a need to promote competition for startups to facilitate transformation. The transformation of business model from business as usual to change is better needs policy framework which considers incentives or sometimes, disincentives. Business models have to be shown as working and industries just pick up. There a lot of entrepreneurs who want to get into mode of transformation.

There is a need to turn environmental challenges into socio-economic opportunities. CE /RE specific design will promote dissemination, research and innovation (technological), with a lot of convergence in this space for useful and path breaking implementation phase. The informal sector issues present in the value chain need to be integrated. Also, facilitation and flagging of cross cutting issues related to business is required. Informed choices will be beneficial with respect to environment as the customers play a fundamental role. In India, a graded approach is required to go from strategy to policy and then towards action over the years. India has a strong foot for global action on plastic. In 2023, at G20, India will show a roadmap for enabling RE/CE. India needs to work on important sectors such as textile, electronic and plastics with a focus on EPR and design for circularity standards. There is a need for further discussion and collaboration for taking initiatives in the right direction.

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Required collaboration for taking initiatives in the right direction. Upgradation need attention for informal sector.

Mr Sudhir Kumar Advisor, NITI Aayog

Economy model is compact with clean transport and energy. We need to convert environmental challenges into socio-economic opportunities.

Ms Astrid Schomaker

Director, DG-Environment, EU Commission

Capacity building on resource efficiency/circular economy and developing tools for implementation should be our next goal. Forces and committees are needed for promoting innovation and enabling business action.

Dr Rachna Arora

Team Leader & Coordinator EU-REI, GIZ

Resistance to right-to-repair needs further deliberation. Formalization of informal sector, sensitizing stakeholders.

Dr Sandip Chatterjee

Director, Ministry of Electronics and Information Technology (MeitY)

Converting of liabilities into useful assets. One thing that the society or consumer will not like is the word waste.

Mr Ulhas Parlikar

Global Consultant (Waste Management, Circular Economy, Policy Advocacy & Co-processing)