

Achieving Sustainable Development Goals through Legislation



Outcome Report

Consultation meeting with Industries and HEP Plants representatives

21st February 2017, Janta Bhavan, Gangtok, Sikkim



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CONTENTS

1. <i>Overview</i>3
2. <i>SDGs in the context of Industries and Sikkim</i>4
3. <i>SDGs in the context of HEP Plants and Sikkim</i>4
4. <i>Policies, Legislations and Terms currently in place</i>5
4. <i>Mapping challenges and opportunities</i>7
5. <i>Annexure A – List of Participants</i>9
6. <i>Annexure B – Agenda</i>10

OVERVIEW

The Sustainable Development Goals (SDGs) are a set of 17 intergovernmental Goals and 169 targets agreed on and adopted by the 193 member states of the United Nations (UN) on 25th September 2015 in succession to the Millennium Development Goals (MDGs) which were in place from 2000 till 2015. Officially known as *Transforming our world: the 2030 Agenda of Sustainable Development*, the SDGs came into effect on January 2016 and will be used to direct developmental policies of UN agencies and member states till 2030. India, as one of the 193 countries has set up the National Institution for Transforming India (NITI) Aayog as the nodal body responsible for facilitating and reporting on India's progress on the SDGs while the Ministry of Statistics and Program Implementation has been tasked with creating the national level indicators. Sikkim, as one of the progressive states working on the SDGs is in the process of formulating legislation for implementation of the SDGs. The proposed act for sustainable development of Sikkim is being created through an examination and assessment of existing laws and public policies in order to identify gaps which can be filled through the legislation. In order to achieve this outcome, multiple stakeholder consultations have been conducted across the state of Sikkim as well as the national capital, New Delhi. Similarly, a consultation with representatives from breweries, pharmaceuticals, packaging industries as well as hydroelectric power (HEP) plants was conducted to identify gaps within current policies and practice, as well as to identify future needs which can be tackled through the creation and implementation of the proposed Act.

The consultation was structured into two parts. The first part included opening remarks by RP Gurung from ECOSS followed by a presentation on the 17 goals and the goals specific to the participants by Rowena Mathew from UNDP, a presentation on the linkages within the goals and industries, HEP Plants by Sudarshana Srinivasan from the Office of the MP (Lok Sabha) and on Sikkim and the role and impact of industries and HEP Plants in its development by Tarang Singh from Development Alternatives. This was followed by a participant discussion and presentation round. Participants were divided into three groups and tasked with identifying gaps and challenges they face in practice and policy that prevent them from achieving economic, ecological and social sustainability, as well as the probable solutions and action points that they expect from the government, a change in their own practice and the civil society.

SDGs IN THE CONTEXT OF INDUSTRIES AND SIKKIM

Since the need for an integrated understanding and implementation of the SDGs framework is integral to its success, it becomes important to realize the linkages between various goals and their targets. The goal most relevant to industries is Goal 9 (build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation) which through its 5 targets focuses on sustainable technologies, increasing industry's share in national employment, along with sustainable industrialization. While the industries of Sikkim will impact and will be impacted by this goal, they also influence Goals 1 (end poverty in all forms, everywhere), 5 (achieve gender equality and empowering all women and girls), 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), 11 (make cities and human settlements inclusive, safe, resilient and sustainable) and 12 (ensure sustainable production and consumption patterns).

SDGs IN THE CONTEXT OF HEP PLANTS AND SIKKIM

Similarly, the goal directly relevant to HEP plants is Goal 7 (ensure access to affordable, reliable, sustainable and modern energy for all) which through two of its three targets focuses on ensuring universal access to modern, clean energy and on increasing the renewable energy share in final energy consumed. However, HEP Plants, due to their dependence on water systems and need of changing the ecology in their area of operation, which often includes displacement of people, along with biodiversity loss have a greater interconnectedness with other goals. They influence goals 1 (end poverty in all forms, everywhere), 5 (achieve gender equality and empowering all women and girls), 6 (ensure availability and sustainable management of water and sanitation for all), 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), 9 (build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation), and 15 (protect, restore and promote sustainable use of terrestrial ecosystem, sustainably manage forests, halt and reverse land degradation and halt biodiversity loss).

POLICIES, LEGISLATIONS AND INITIATIVES FOR INDUSTRIES IN SIKKIM

North East Industrial Investment Promotion Policy (NEIIPP, 2007)

- Government of India approved package of fiscal incentives and concessions.
- Excise duty exemption, income tax exemption, interest subsidy, capital investment subsidy, and transportation cost exemption.

Sikkim Growth Centre

- 42 acres of area to promote investment into industries in Sikkim and to encourage industrial growth
- In collaboration with the Ministry of Commerce and Industries

Sikkim Industrial Development and Investment Corporation Ltd (SIDICO)

- A public sector undertaking by the Department of Commerce and Industries
- Provides long term loans for micro, small and medium enterprises
- Also grants time sensitive interest free loans to students
- Grants loans to unemployed youth for setting up enterprises

The Sikkim Industrial Policy, 1996 and New Industrial Policy, 2003

- Fiscal incentives for new industrial units and expansion of existing units
- Development of industrial infrastructure
- Tries to maintain green state image through promotion of eco-tourism, traditional industries, enrichment of agriculture sector, encouraging retrofitting production lines for improvement in resource efficiency.

The Sikkim Industrial Promotion and Incentive Act, 2000 and Amendment Act (2003 and 2007)

- Act to make provisions for incentives for micro, small, medium and large scale industries to set up in the state
- Includes subsidy on interest on working capital, subsidy on power, exemption on security deposit

TERMS, POLICIES AND LEGISLATIONS FOR HEP PLANTS IN SIKKIM

Terms for development of HEP Projects (>25 MW)

- Royalty at the rate of 12% of net production for the first 15 years to the state
- Environment Cess at 1 paisa per unit electricity sold
- Company carries out the EIA studies and prepare Environment Management Plans
- Company has to provide employment to one family member from each family that it displaces
- Encourages contracting to local businesses for the purpose of construction, tunneling etc.
- Company should ensure minimum labour import from outside the state

Hydropower Development Policy, 1998

- Aims to exploit vast hydroelectric potential at a fast pace
- Promotes small and mini hydel projects
- Attempts to increase private investment

National Water Policy, 2012

- Treats water as an economic good to promote its conservation
- Prioritises water use in the following descending order: domestic use, agriculture use, hydropower, thermal power, navigation, recreation.

National Resettlement and Rehabilitation Policy, 2007

- Gives preference to employment in the project of one member from an affected family
- Gives preference to employment of labour groups and cooperatives near the project site
- Mandates transparent display of information on displacement
- Mandates Social Impact Assessment, but only after a certain threshold of displacement

MAPPING CHALLENGES AND OPPORTUNITIES

	Gaps and Challenges	Possible Solutions
Breweries	<ul style="list-style-type: none"> • Disposal of solid waste from breweries is an issue due to lack of vendors willing to collect waste (mainly glass culets) and due to a lack of guidelines and opportunities for waste disposal. • Currently raw material for breweries is being imported from Rajasthan or Haryana which results in high costs and greater footprint. • There is no subsidy for retrofitting buildings with energy efficient lighting which discourages a shift towards sustainability. • Water recycling is being attempted (even without any governmental mandate), however, due to the hilly terrain, it is a challenge. State support and expertise will benefit industries and ecology here. • Poor road infrastructure results in greater losses and more number of transportation trips. 	<ul style="list-style-type: none"> • Provisions can be made to encourage use of eco-friendly fuels for transportation and operations. • The State Water Department, even though Sikkim is a water secure state, can create guidelines for water recycling and reuse on site. • There is a need to incentivize private waste collection enterprises which will generate livelihoods for some, while also solving the waste management issues. Alternatively, the government needs to put provisions in place for waste collection.

	Gaps and Challenges	Possible Solutions
Pharmaceuticals	<ul style="list-style-type: none"> • There is a lack of skilled labour which prevents higher local employment, especially at managerial roles. • Due to the isolated locations of factories and a lack of infrastructure and amenities, it becomes difficult to retain employees for a longer duration of time. • There is intermittent supply of water and power. • Waste disposal, especially for hazardous and chemical waste is an issue due to lack of disposal mechanisms/ procedures. 	<ul style="list-style-type: none"> • The proportion of clean energy can be increased in the power being provided currently. • Rainwater harvesting on factory rooftop is an opportunity that can be explored with the help of the state. • Career counseling for the youth, in order to help them become job ready for employment in the upcoming industrial sector in Sikkim should be done.
HEP Plants	<ul style="list-style-type: none"> • Environmental Impact Assessment is only mandatory for projects with a capacity above 25 MW, which disregards the possibility and remediation of any negative impact. • Employment generation for Sikkim citizens is still low as most of the managerial roles are being filled by people from other states. • The cache of clearances that need to be taken from different departments works against the projects by causing delays and loss of funding. • While the project companies have given timely payments to the Forest, Environment and Wildlife Management Department for implementing rejuvenation projects, there has been a delay in action on the same. 	<ul style="list-style-type: none"> • Local employment rates can be improved through vocational training programs for the youth to build skills that are relevant to the needs of HEP projects. • To prevent delays in clearances and to ensure stringent checks, the Power Department can act as the nodal body that ensures cohesion between other departments. • EIA should be made mandatory for all projects irrespective of scale • Training and capacity building institutes can be set up in collaboration with the HEP companies to increase local employment proportion

Annexure B

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21st February, 2017

Agenda

TIME	TOPIC
10:30 – 11:00 AM	Registration
11:00 – 11:05 AM	Opening remarks and introductions <i>Mr. RP Gurung, ECOSS, Sikkim</i>
11:10 – 11:20 AM	SDG Background, Context & Targets <i>Rowena Mathew, UNDP, Sikkim</i>
11:25 – 11:35 AM	Relevance of SDGs & Inter linkages <i>Sudarshana Srinivasan, Office of the MP – Lok Sabha</i>
11:40 – 11:50 AM	State of Industries in Sikkim <i>Tarang, Development Alternatives, Delhi</i>
11:55 – 12:25 PM	Group discussion <i>Participants will be divided into small groups to discuss</i>
12:30 – 12:45PM	Presentations on discussions <i>Group members will share learning from the discussion</i>
12:45 – 12:55 PM	Questions and participants' remarks
12:55 – 01:00 PM	Closing remarks and vote of thanks