

Policy Action towards Mainstreaming Green Economy through Local Green Enterprises

India Habitat Centre, India

6 February 2020

Context

2018 has been a defining moment in the global transition to green economies. Renewables accounted for an estimated 70% of net additions to global power generation capacity; private investment in the green economy has reached USD 9.3 trillion since 2007 and over USD 1.45 trillion green and climate sensitive bonds were allotted; issues such as plastics, air pollution and the health of our oceans have cut through into mainstream media and debate.

But these highlights are set against an alarming backdrop. Biodiversity, the web of life that underpins all our natural systems, is in a dire state: 58% of Earth's land surface — where 71% of all humans live — has already lost enough biodiversity to question the ability of ecosystems to support human societies. At the same time, as people across the world are faced with stagnating wages, joblessness and rising inequality, communities are increasingly turning to populism or violence.

As the world looks towards India as a new engine of growth, the Indian economy holds the responsibility to meet the development needs of its billion plus population, without exceeding its environmental boundaries.

Priorities of Government of India and Alignment with Green Economy Principles

The Government of India has made some promising commitments, and subsequently programmes, to enable India in achieving its global commitments and transitioning its economy towards green and inclusive development.

The Government of India has taken many significant steps that will strengthen India's potential to achieve its sustainable development targets. **Ambitious renewable energy targets:** India is running one of the largest and most ambitious renewable capacity expansion programmes in the world. The government is playing an active role in promoting the adoption of renewable energy resources by offering various incentives, such as generation-based incentives (GBIs), capital and interest subsidies, viability gap funding, concessional finance, fiscal incentives etc. **India initiates massive campaign to become plastic-free nation:** The Government has taken steps towards freeing India of single-use plastic. As per reports, six single-use plastic items will be scrapped with effect from the day, including plastic bags, straws, cups, plates, small bottles and certain types of sachets. **India investing in Green Skill Development among the youth of the country:** Realising the need for developing green skills, the Ministry of Environment, Forest & Climate Change (MoEF&CC) has taken this initiative for skill development in the environment and forest sector to enable India's youth to get gainful employment.

MSMEs in India not just provide an opportunity, but also a huge potential in realising the gains from many programmes mentioned above, and some others like Make in India, Skill India and Start Up India. In India, as per the Federation of Indian Chamber of Commerce and Industry (FICCI), there are around 63 million MSMEs that employ around 111 million people and contribute to 28.77% to the GDP. (MoMSME, 2017) World Bank states with evidence that MSMEs are also responsible for creating 4 out of every 5 new job positions. With growth of MSMEs, gains at the societal level are significant in terms of better gender equality, skill development of youth and women, and improved access to basic facilities such as education and safe water. MSMEs play a key role in increasing competitiveness and promoting rural and global value chain development, thereby achieving inclusive growth and poverty reduction.

The UN-PAGE Programme in India

The Partnership for Action on Green Economy (PAGE) responds to paragraph 66 of the Rio+20 outcome document, "The Future We Want", which calls upon the United Nations system to support countries interested in pursuing inclusive green economy policies. India has become a member of PAGE in 2018. PAGE brings together the expertise of five UN agencies – UNEP, ILO, UNIDO, UNDP and UNITAR – working closely with national governments; and offers a *comprehensive and coordinated package of technical assistance and capacity building services* towards inclusive green economy. India is one of the newest members of PAGE. The Indian government expects the following benefits from PAGE:

- Knowledge partnership for fostering an inclusive green economy – support for studies, visioning processes, stakeholder engagement, dissemination of knowledge and best practices, and capacity building.
- Support for development of national plan on 10YFP for sustainable consumption and production. Provision of technical assistance to support market based approaches and policy instruments such as eco-labelling, to enhance sustainable consumption and production and resource efficiency.
- Solutions for micro, small and medium enterprises who are typically at a disadvantage to implement environment friendly practices due to unfavourable economies of scale, gaps in skills and financing.

The PAGE initiative has been ushered in India with an inception workshop. A comprehensive stocktaking study and four national/regional workshops have been conducted to establish the baselines, and to identify and elaborate priority areas for PAGE support. PAGE work plan for 2020 has been developed for Local Green Enterprise (LGE) interventions.

Green Economy Coalition: Bringing the Civil Society Perspective

Green Economy Coalition (GEC) is the world's largest civil society alliance representing different interests like nature, poor people, business, government and workers, existing not just to inspire but also accelerate the transition to green and fair economies. In 2019, GEC reached its ten-year anniversary. It will take this moment to use the strength in catalysing civil society voice and action towards a green economy in India. GEC hosted their Global Meeting back to back with the UN-PAGE Ministerial conference in 2019 at Cape Town, South Africa, and ensured that civil society voices are heard loud and clear. GEC is currently working with local partners called 'GEC-Hubs' in seven countries, namely South Africa, the Caribbean, Uganda, Senegal, Peru, India and Mongolia. Development Alternatives, as a member of GEC, has been running a programme on Mainstreaming Green Economy in India. Under this programme, DA has built an active network of civil society, labour groups, small businesses, researchers and practitioners in India, coordinating and campaigning for green economic transformation. From DA's experience, it can be inferred that LGEs are providing alternatives to the brown sector, as well as alternative green and decent livelihoods at the grassroots in various sectors like agriculture, construction and tourism that DA directly engages with.

Focus of the Day

In the discussions on the third day of the Global Annual Meeting, participants will work towards identifying what has been done, what needs urgent attention, and who will need to steer and play roles in taking these actions forward. The day will be spent in consolidating sharp policy recommendations to support actions for most effective, efficient and relevant solutions to scale up LGEs. The day will specifically explore financing, measuring and enhancing procurement needs to scale up LGEs in the country. The focus of the day will include:

- Progress of India on Green Economy shared by GoIndia, UN-PAGE and GEC representatives
- Joint Statement by Indian Civil Society on LGEs and Asks from the Government of India
- Technical Thematic Policy Sessions on Financing LGEs, Sustainable Procurement and Triple Bottom Line Assessment of LGEs