

Green ratings in India

Small Industries Development Bank of India (SIDBI), India

<http://smallb.sidbi.in>

Green rating is an estimate of an industry's environment friendliness. It assesses the adverse impact on environment caused by an industry's activities and methods adopted by an industry to minimize the damage. This assessment is done by a credible third party evaluator. The rating is arrived at after considering industry's current processes and technology and their impact on the environment, adoption of clean technology and various processes adopted for mitigating adverse impact on environment. The incentives which were announced in Budget 2014 will cover broader scope of green technology activities in the areas of energy, transportation, building, waste management, and supporting services activities. It also facilitates the transition of the expired (by 31 December 2015) tax incentives relating to renewable energy (RE) and energy efficiency (EE) projects under the Promotion of Investment Act (PIA), 1986.

Relevance of green rating around the world

Rapid industrialization and the associated global warming have placed a question mark on the sustainability of the planet's delicate ecological balance. The "United Nations Framework Convention on Climate Change (UNFCCC)" and more particularly the "Kyoto Protocol" have placed stringent and legally binding Green House Gas (GHG) emission norms on developed / industrialized countries. Countries like the USA and those within the EU have also imposed carbon taxes on fossil fuel based industries.

The increased awareness about environmental degradation is making environmental regulations more stringent the world over. The MSME sector cannot remain insulated from this trend. Exporting MSMEs may soon see themselves set against trade barriers such as the impending imposition of carbon taxes by European countries. In order to position themselves as responsible corporate citizens and as a preventive measure against probable censure from environmental organizations like Green Peace, MSMEs will feel the need for Green Ratings in near future.

Green rating in India

Green Rating initiatives in India are spread across various sectors ranging from buildings to manufacturing industries.

Green building initiative

In order to create more energy efficient and eco-friendly buildings, the Ministry of New and Renewable Energy in collaboration with The Energy and Resource Institute (TERI) initiated Green Rating for Integrated Habitat Assessment (GRIHA), the National Rating System for Green Buildings in India. GRIHA rating system consists of 34 criteria categorized under various sections such as site selection and site planning, conservation and efficient utilization of resources, building operation and maintenance, and Innovation points. For further details, visit GRIHA.

Green rating project

It is a non-government initiative launched by Centre for Science & Environment (CSE) in 1995 to guide Indian industries to improve their environmental performance. The project mainly relied on voluntary participation of companies and depended up on the company's eagerness to avoid bad publicity as these ratings are released for public. Along with the assignment of Green Rating, the initiative charted out steps need to be taken by each industry to improve their performance. In majority of the cases, the companies have implemented the road map provided by CSE. The industries covered in this project are paper and pulp, cement, automobile and the chlor alkali sector. For further details visit Green Rating Programme. A larger proportion of companies rated for green credentials under this programme are large enterprises.

SMERA green ratings

In India Green Rating of enterprises is offered by SME Rating Agency of India Limited (SMERA). Green Rating is a joint initiative of SMERA and SIDBI. The Energy and Resource Institute (TERI) acts as a Knowledge Partner. SIDBI promotes and facilitates the process by offering credit at concessional rate to Green Rated companies. The Government of India (GoI) has urged lending institutions to encourage borrowing MSMEs to go for "Green Rating".

SMERA is only agency that exclusively caters to Indian MSMEs' "Green Rating" needs. Read extract on Green Ratings from OPTIMISM (SIDBI bi-monthly magazine).

Benefits of green rating

- An independent third party evaluation about environment friendliness: It indicates that the MSME is conscious about its duty towards environment and society at large
- Credit at concessional rate: It will help a MSME to obtain credit at a concessional rate from lenders like SIDBI
- Mitigation of environmental risk: It reduces the risk associated with the stringent environmental norms that is becoming stricter
- Confidence among value chain partners: The rating assures lenders, buyers, collaborators, JV partners that the MSME is a responsible corporate citizen and does not adversely impact ecology
- Self-assessment tool: Green Rating is a self-assessment tool that can be used to identify areas of improvement
- Creating awareness: Green Rating awarded by an independent agency improves the visibility of MSME in the eyes of various stakeholders like buyers, suppliers, collaborators/JV partners etc

Green rating process

A typical Green Rating process is described in the below diagram. Typically the entire process starting from information receipt to assignment of rating takes 15 business days (Source: SMERA). The cost of Green Rating conducted by SMERA is Rs. 50,000 (Service tax extra).

1. Request for Rating by MSME
2. Submission of Financial and Managerial Information
3. Finalising the Assignment and Detailed Questionnaire
4. Site Visit and Discussion with Management
5. In-Depth Analysis, Industry Research and Draft Report
6. Proposed Rating before Rating Committee
7. MSME Advised on Rating
8. Appeal before Rating Committee
9. Publishing of Final Rating

Indicative list of documents required

1. SSI registration certificate/Entrepreneurs memorandum

2. Audited accounts report and balance sheet of last three years
3. Pollution control certificate for air, water & noise pollution
4. Latest test results conducted by Pollution Control Board
5. ISO Certificate or any other quality certificate
6. Energy audit certificate, if any
7. Details of process map and energy usage as per process map
8. Any specific step by unit to mitigate harmful impact on environment

How can I use a green rating?

- To establish MSME as a responsible corporate citizen who is sensitive to the environment
- Establishing credibility in the eyes of buyers, suppliers, technical collaborators, JV partners
- To execute projects in environmentally sensitive areas
- To identify the best practices prevailing in the industry and areas of improvement

WIPO GREEN

The Marketplace for Sustainable Technology

WIPO GREEN is an interactive marketplace that promotes innovation and diffusion of green technologies. It does this by connecting technology and service providers with those seeking innovative solutions. WIPO GREEN consists of an online database and network that brings together a wide range of players in the green technology innovation value chain, and connects owners of new technologies with individuals or companies who might be looking to commercialize, license or otherwise distribute a green technology. In this way, the database helps not only to accelerate innovation and diffusion of green technologies, but also contribute to the efforts of developing countries in addressing climate change.

WIPO GREEN contributes to green technology innovation and transfer by bringing together a wide range of technologies and players in the green technology innovation value chain. It connects owners of new technologies with individuals or companies looking to commercialize, license or otherwise access or distribute a green technology.

WIPO GREEN's database assembles in one place technologies at all stages of development, from upstream research to marketable products (and everything in between). These technologies are available for license, collaboration, joint ventures and sale. It therefore adds greater transparency to the market for green technology.

In addition to matchmaking via the database and Partner initiatives, from time to time WIPO GREEN organizes regional matchmaking projects focused on specific fields of technology. Through these matchmaking events, WIPO GREEN brings together providers and seekers of technologies and/or services as well as other facilitators and experts from the WIPO GREEN network and beyond. The WIPO GREEN Network facilitates commercial relationships and transactions by connecting green technology providers and seekers.

For more information, access:

<https://www3.wipo.int/wipogreen/en/>

Eco-innovation

United Nations Environment Programme

<http://www.unep.org/ecoinnovationproject/>

Eco-innovation provides a win-win solution to improving economic competitiveness and sustainability as it starts at the company strategy level and extends influence beyond the company gates to the supply chain

Eco-innovation aims at reducing impacts on the environment, enhancing resilience to environmental pressures, or achieving a more efficient and responsible use of natural resources. The growing market, reputational and regulatory pressures in response to rising resource scarcity and environmental degradation reinforce therefore the business case for eco-innovation.

Operationally, it works through a new business strategy that incorporates sustainability throughout all business operations, based on life cycle thinking and involves partners across the value chain. By implementing a set of coordinated modifications to products (goods / services), processes, market approaches and organizational structures, eco-innovation enables the creation of novel solutions leading to enhanced sustainability performance and competitiveness.

Harnessing eco-innovation for sustainable development

Alarming high levels of resource depletion, and environmental pollution from current production and consumption patterns are pushing the limits of sustainability. Multi-faceted and profound transformations are required to realign development towards a more resource efficient economy. This implies the creation of new strategies, products, processes and practices as well as shifts in consumption behaviour. Eco-Innovation holds the potential for systemic change through creating and meeting a demand for sustainable goods and services.

This is particularly important for developing and transition economies with growing manufacturing sectors. In many of these economies, small and medium-sized enterprises (SMEs) are key to economic activity and growth, providing up to two thirds of formal employment. Unsustainable production practices and business models however hinder company growth. This points to a number of challenges that SMEs in these countries face, such as access to finance and technology, that ultimately make them less competitive in the global market. Eco-Innovation breaks this "business as usual" routine to address these challenges.

What creates an enabling environment for eco-innovation?

For eco-innovation to be viable in the long-run, the following create a conducive environment:

- Business case
- Technical knowledge and expertise
- Enabling policy framework
- Regional and international cooperation

The business case for eco-innovation

- The Business Case for Eco-Innovation publication outlines the key business drivers to implement eco-innovation. It builds on company examples spanning sectors across the globe that generated significant business benefits from eco-innovation.
- In conjunction, a technical Eco-innovation Manual has been developed for implementing partners to identify opportunities and develop strategies to implement eco-innovation. The Manual is complemented by supplements for the agri-food, chemicals and metals sectors.
- The Manual's approach has been validated through a number of regional expert meetings to confirm the eco-innovation approach in different countries and contexts. It is now being piloted through demonstration projects in the countries highlighted on the map above.

The policy & technology context

- The Mainstreaming SCP Policy for Eco-Innovation guideline aims to inform implementing partners about proactive ways to support a policy framework that will stimulate sustainable production and consumption through ecoinnovation. National level action planning will be carried out in countries highlighted on the map above, with some initial activities implemented within the project span.
- The Technology dimension is also highlighted as part of the conducive framework for eco-innovation. The publication Technologies for Eco-Innovation includes an assessment of the 'enablers' for the uptake of technologies for eco-innovation. In turn, this will support implementing partners in assisting SMEs in the identification, adaptation and development of technology for eco-innovation.

Scaling up eco-innovation lessons

- A Final Compendium of best practices and lessons from pilot demonstration projects will be compiled upon their conclusion.

The Eco-Innovation Project

Promoting Resource Efficiency and Eco-innovation in Developing and Transition Economies (REEDTE)

In partnership with the European Commission (EC), UNEP is currently implementing a four-year project to promote resource efficiency and eco-innovation. The project aims to change consumption and production patterns in developing and transition economies by encouraging businesses to reduce their environmental footprint.

The project targets the global network of Resource Efficient and Cleaner Production (RECP) intermediaries, in particular National Cleaner Production Centres and Programmes (NCPCs) and other providers of RECP services. Intermediaries and business supporting institutions can also include local governments, private corporations, non-profit organizations, business associations and academic institutions. They support particularly SMEs and are facilitators of knowledge, experience, funding sources and business contacts.

National implementation activities

Earlier this year Calls for Proposals were launched for the regions of Africa, Asia-Pacific, and Latin America and the Caribbean for:

Pilot Application of Eco-innovation in SMEs and Mainstreaming of SCP Policy for Eco-innovation. Service providers and institutions in the fields of resource efficient and cleaner production (RECP), innovation and other technical areas were invited to submit proposals. UNEP received a total of 64 project proposals, and nine countries have been selected after a thorough evaluation process.

The implementing countries are:

- Pilot application of Eco-innovation in SMEs: Colombia (Chemicals), Egypt (Chemicals), Malaysia (Chemicals), Peru (Metals), South Africa (Metals), Sri Lanka (Agri-food), Vietnam (Agri-food), Uganda (Agri-food).
- Mainstreaming SCP Policy for Eco-innovation : Colombia, Kenya, Peru, Vietnam.

The REEDTE Project is a partnership between UNEP and the EC.

Selected Renewable Energy Publications

Renewable Energy Statistics 2018

The Renewable Energy Statistics 2018 yearbook shows data sets on renewable power-generation capacity for 2008-2017, renewable power generation for 2008-2016 and renewable energy balances for about 120 countries and areas for 2015 and 2016. Further, it features statistics on investments in renewable energy compiled from the OECD-DAC database and 20 major multi-lateral, bilateral and national development financial institutions, presented for the period 2009-2016.

Renewable Capacity Statistics 2018

This publication presents renewable power generation capacity statistics for the last decade (2008-2017) in trilingual tables. For most countries and technologies, the data reflects the capacity installed and connected at the end of the calendar year. Data has been obtained from a variety of sources, including IRENA's questionnaire, official national statistics, industry association reports, other reports and news articles.

Renewable Energy Market Analysis: Southeast Asia

This regional market analysis examines the challenges of economic and population growth, the need to boost energy supply, and growing environmental and energy security concerns. Some insights into the diversity of socio-economic benefits are captured in six case studies, together with a summary of key findings that have emerged from these insights.

Power system flexibility for the energy transition

This report from the International Renewable Energy Agency (IRENA) outlines a planning approach to boost flexibility, specifically to accommodate the largest possible shares of variable renewable (solar and wind) energy sources. The report comes in two parts: Overview for policy makers outlines a range of options to scale up system flexibility; and IRENA FlexTool methodology provides guidance for technical experts on the use of the underlying assessment tool.

For more information, access:

*International Renewable Energy Agency
Masdar City, P.O. Box 236, Abu Dhabi
United Arab Emirates
Tel: +97124179000
E-mail: info@irena.org
Web: <https://www.irena.org>*