



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.

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 OPTI-MiSM (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

SME-type promising green technologies



APEC SME Innovation Center, Republic of Korea

<http://www.apec-smeic.org>

The Small and Medium Business Administration (SMBA) of the Republic of Korea has identified and announced 117 'SME-type Promising Green Technologies' as a first step to nurture green-specialized SMEs that will assume production of core parts and materials and R&D in the green industry field. The green technologies forwarded this time were established after having undergone a six-month discussion process by experts from industry, academia and research institutes, including the Korea Institute of Science and Technology Information (KISTI).

Based on the nation's existing overall 'Green Technology Roadmap', SMBA suggested the 117 technologies that encompass eight industrial fields and 50 strategic products requiring a growth strategy focused on short-term commercialization potential, etc. from the perspective of SMEs. SMBA pursued identification of the promising green technologies as part of its medium and long-term R&D support strategy to single out and grow green industry-specialized SMEs that have secured key technological power, the core of its SME green growth dissemination initiative.

When converting domestic green industries into growth engines, it a prerequisite to cultivate domestic technologies that can replace imports of core parts and materials to support the technological competitiveness of green products. In reality, however, the environment for green SMEs is still weak. Therefore, the latest promising green technology information by field is expected to enhance SMEs' understanding of green technologies as well as their strategic green technology planning capability so as to accelerate development of high value-added green technologies.

In the case of photovoltaic and wind power, in particular, although these are representative fields of the new & renewable energy industry, the core of green industries, the nation's dependence of imported key parts and materials is high and participation by SMEs is weak. But based on the 'SME-type promising green technologies' program, SMBA plans to grow technology-intensive SMEs that have secured core technologies and to enhance their global competitiveness.

SMBA identified the SME-type Promising Green Technologies based on an analysis of data from other ministries, research institutes and specialist enterprises, while taking into consideration the charac-

teristics of the SMEs in terms of R&D investment scale, R&D stage, existence of basic technologies, commercialization potential, etc.

The SMBA move followed the Ministry of Knowledge announcement that the nation would invest a total of 3 trillion won (US\$ 2.7 billion) over the next five years to develop green technologies in nine areas including solar cells and light-emitting diodes.

The green energy development strategy consists of four core fields -- nurturing nine new growth-engines, development of market-oriented energy technologies, support for market creation and fostering the necessary infrastructures. In consideration of marketability, technological viability and urgency, the government plans to select and nurture nine areas as national growth engines.

Under the plan, the government intends to convert four fields -- Photovoltaic, Wind Power, LED and Electric IT, with rapidly growing global markets and highly developed related domestic industries, into growth engines with priority. It also decided to intensively support five additional fields -- IGCC, CCS, Energy Storage, GTL/Ctl and Hydrogen Fuel Cell, for which securing of a comparative technological advantage is urgently required due to the high potential in global markets.

The government and private sector will jointly invest a total of three trillion won (government: 1.7 trillion won, private: 1.3 trillion won) in the nine fields over the next five years with the goal of securing advanced country-level technological prowess. To achieve this, the government decided to establish technology development goals by field and prepare a 'Mid- and Long-Term Green Energy Technology Development Strategy and Roadmap' by March next year.

The government plans to achieve its established goals by field. For example, in the solar energy area, it intends to secure fossil fuel-level economic viability by 2020, and for hydrogen fuel cells, it aims to develop mass production technology for kW-class household use cells by 2015.

Taking into consideration the existing technological level by field, in particular, the government decided to promote efficient technology acquisition methods with such strategies as 'independent development,' 'technical alliance & joint research,' 'inducement of technology' and 'foreign investment.'

Home-grown innovation

The Network for Drugs, Diagnostics, Vaccines and Traditional Medicines Innovation (ASEAN-NDI) brings together researchers from 10 ASEAN countries to create products that combat diseases like tuberculosis (TB), malaria, dengue, and parasitic infections.

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