

## *EU-INDIA THINK TANKS TWINNING INITIATIVE 2020 - 22*

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### **Title: Enhanced EU-India Multilateral Cooperation – Circular Economy**

Part 1: Identification of the problem and relevance to the EU-India strategic partnership

At a time of changing systems and alliances, the EU and India have been recognised as ideal partners to strengthen and provide much needed direction to evolving concepts of multilateralism. Given their increasingly central role in international relations, which was seen in the Alliance for Multilateralism meeting in June 2020 and later emphasised in the 15<sup>th</sup> EU-India summit, both need to promote a rules-based order. This is not only from a trade and security perspective but also looking at emerging non-traditional security challenges, human rights, sustainable growth to build back better and achieve the SDGs. One of the cornerstones of this concept of a better future, underscored during the turmoil of 2020, is the transition to a more circular economy (CE), where the value of products and resources is maintained for as long as possible and the generation of waste is minimised, both within a country and in the global system.

The move away from a linear resources depleting system is a key aspect of the 2030 Agenda and other commonly agreed international targets, including the Paris Agreement. The July 2020 EU-India meeting stressed on these concepts, where CE features prominently and could become an important avenue for engagement going forward. As both Brussels and New Delhi work together on promoting a rules based order and values of peace and security, this paper suggests that they also place greater prominence on goals towards adopting the principles of a CE as agreed upon in the '[Road to 2025](#)'.

The EU has been working closely with India on realising these goals, including sector specific strategies to not only design out waste in industrial processes, but also to process waste in a sustainable and environment friendly manner to align more closely with India's commitments to the SDGs. The recent [2020 Climate Transparency Report](#) finds that many of India's actions are compatible with Paris targets, however they also need to align with the parallel, but interconnected, goals of circularity. To truly embrace the concept of CE, would require a larger systemic change. Current economic models – their systems, objectives, as well as measures for growth and rewards – are not centred around circularity. Marketing, manufacturing, and consumer behaviour are hinged on the use and throw model. Globally we generate [2.01 billion tonnes](#) of municipal waste every year, a figure set to increase by 70 per cent by 2050.

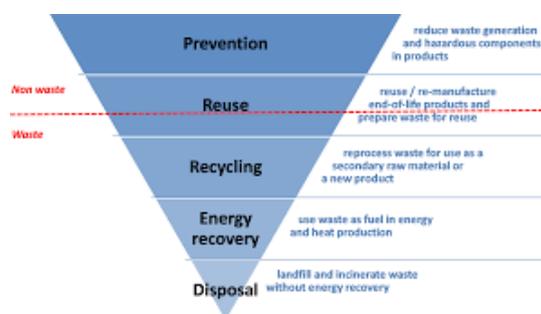
A wider adoption of CE would require a transformation in international economic systems, where circularity is a way of life and not a choice, both at the individual and policy level. The EU and India are both well poised to collectively take on this challenge and capture the growing momentum. Both partners can work towards positively influencing and introducing policies of change to encourage resource recycling, facilitate sustainable production and management practices beyond ad hoc solutions and develop new global models not wholly

dependent on mass consumption patterns. International coordination and transparency of standards, regulations and policies are central to a circular economy and society, to avoid issues of mass waste export, relocating the problem and placing the burden elsewhere.

## Part 2: Critical analysis of the issue

Patterns of linear economic activity depend on permanent output of materials that are traded and processed and finally disposed. Increasingly so in other countries, making the idea of 'waste' someone else's problem. It is predicted that global material use will double by 2060 to reach 190 billion tonnes. Municipalities in low-income countries spend an average of 20 per cent of their budget on waste management, an unsuitably high number. Reducing the consumption footprint and increasing the circular material use rate, both within the country and as part of global trade and export practices, then becomes a priority. The conversation around circularity when it comes to an industry specific roadmap and technological innovation is growing in India, however, without combining these with a bottom-up approach, long term gains will be minimal.

The rapid pace of economic development in India, with a massive increase in packaged home delivered products, and access to cheaper electronics, has meant an increase in the amount of waste generated, overwhelming current systems. The Government of India has introduced various laws, where, under the Environment Protection Act 1986, several rules and regulations police E-waste (2016 and amended in 2018), Plastic Waste (2016) and Solid Waste (2016). [The National Environment Policy, 2006](#) in its guiding principles recognizes that "efficiency of resource use may also be accomplished by the use of policy instruments that create incentives to minimize wasteful use and consumption of natural resources". The 2014 'Swachh Bharat' mission has shown a keenness to tackle the growing problem by state governments. Of the [62 million tonnes\(MT\)](#) of municipal solid waste generated by urban India every year, only 43MT is collected, 11.9 MT is treated and 31 MT is dumped in landfill sites. Solid waste management systems in most municipalities continue to rely on landfill and incarceration<sup>1</sup>, which from the circular economy perspective, are bottom most in the hierarchy of circular economy:



Source: [OECD](#)

<sup>1</sup> Waste to Energy plants are an important part of Government of India's strategy promoted through Solid Waste Management Rules, 2016. However the [92 Waste-to-energy plants](#) that have been set up in the country, with an aggregate capacity of around 250 MW, face several problems including an underutilization of capacity due to inadequate segregation of waste at the collection stage.

At the household level, existing systems of urban solid waste management rely heavily on individual initiative and the unorganized sector for the segregation on waste. Small raddi (waste) shops pay households for select materials (paper/metal/plastic) which they then sell for a higher price to recyclers and bigger industries, where regulation and enforcement is also poor. Much of the segregation for recycling is done at the landfill sites by “ragpickers”, often underprivileged sections of society. Civic sense in urban areas is poor: while housing societies and municipalities have waste segregation rules in place, and the power to impose fines as per the Solid Waste Management Rules (2016), they are often not followed nor adequately enforced.

Awareness on the part of the citizen, policies that coordinate between national, state, city governments and the industrial sector and robust financing is required. There is a certain increasing cognizance of food production as linked to the larger environmental ecosystem in urban India, however the same does not often extend to fast fashion, electronics, or white goods for example. Thus, the numerous rules issued by the national government, from e-waste to plastic management to the metals recycling policy, must be aligned with the larger CE roadmap and more importantly integrated into daily life of citizens.

### Part 3: Policy recommendations for the EU /Indian Government/both parties

India’s nascent conversation and strategies in the CE space can gain from policies within the EU (including the Commission’s March 2020 [action plan](#)) and cooperative frameworks such as the proposed [Global Circular Economy Alliance](#). While the EU-India partnership focuses on industry specific efforts, the management of ‘municipal waste’, which includes the waste generated through commercial and household activities is an avenue for cooperation. This also falls under the purview of the EU’s overarching efforts to develop a sustainable, low carbon, resource efficient economy not only within their own region but also with likeminded partners. Against this backdrop, this paper recommends a two-pronged strategy to achieve wider adoption of CE:

1. Creating Models of Adoption: Across the EU there are efforts to move municipal waste up the waste hierarchy, with emphasis on [recycling](#). The March 2020 CE plan aims to ensure EU countries do not export waste challenges and reviews rules on waste shipment, along with action to make ‘recycled in EU’ a benchmark. Within the larger umbrella of the Green Deal, EU missions are mandated to organize events with local entrepreneurs to exchange views, learnings, technical understanding and knowledge. There is much that India can learn from the strategies that help the EU achieve its objective of ‘decoupling economic growth from resource use’ while also ensuring ‘long-term competitiveness’. However, the study of EU systems must consider the requirements of a labour rich country such as India and should look at mechanisms that integrate the existing informal economy around waste. Here, learnings from successful case studies of local and community-based initiatives in

India,<sup>2</sup> could be considered for adaptability at the wider policy level. The EU could support to mainstream solutions into a larger strategy, which both partners can advocate at the global stage and work collectively with other developing nations.

2. Communication and advocacy through campaigning around CE at various levels:
  - a. Consumer Level: Impact of current levels of consumption. More efficient products could lead to dematerialisation, where maintenance rather than replacing a product becomes more mainstream. For example, the European Commission [initiative](#) to standardise chargers for mobile phones and other devices to limit e-waste. Such initiatives also align with India's vision of 'Atmanirbhar Bharat' to boost the local economy and small and medium scale enterprises<sup>3</sup>.
  - b. National Level: A better understanding of CE as a way of life focusing on urban India. EU policies and campaigns such as 'recycled in EU' and 'Close the Glass Loop' help support EU legislation around CE. Both partners can build on existing public campaigns to develop and integrate concepts of CE. Further, development of multi-stakeholder led strategies and alliances (such as the EU's [Circular Action Alliance](#)<sup>4</sup>), can also widen adoption and implementation.
  - c. International Level: Eu-India coming together in a common problem-solving space within multilateral institutions to initiate global action and conversation around CE and waste management. For example, France and Canada through the France-Canada Climate and Environment Partnership (2018), coordinate their efforts to promote sustainable development issues in trade policies within the WTO and the OECD. A similar EU-India coordination around CE could spur wider adoption and a better understanding of CE, which is often treated as interchangeable with recycling and limited to using biodegradable materials.

As India and EU align values pushing for a more equitable and equal rules-based order at the global stage, working together for adoption of a CE through a bottom-up approach will ensure not only circularity but also and a deeper engagement in long-term thinking and planning as well.

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<sup>2</sup> Pune Municipal Corporation (PMC) has an MoU with SWaCH (Seva Sahakari Sanstha Maryadit, Pune), India's first cooperative of waste pickers and other urban poor, to collect and deposit source-separated waste from households and commercial establishments for a fee charged to the producer. First introduced through a pilot in wealthy apartment complexes, with high awareness levels, willingness and ability to pay. Further adoption after the successful pilot, aided by awareness initiatives, rallies, one-on-one meetings, and local political endorsement. The partnership has saved PMC about INR 510 million annually and increased diversion of waste towards recycling, as collectors retain all income from the sale of reclaimed materials. (Kaza, Yao et al, 2018)

<sup>3</sup> Some products integral to traditional and indigenous ways of living in rural parts of India that are intrinsically circular in nature could also be brought into the mainstream both in India and the EU. For example, [Mitticool](#) an Indian start-up that takes inspiration from the age-old custom of using eco-friendly reusable earthenware to keep water cool, produces earthenware refrigerators, which without the use of electricity can store water, milk, fruits and vegetables.

<sup>4</sup> The Alliance brings together public and private actors, as well as academia, in the entire plastic value chain, with a target to 'boost the EU market for recycled plastics to 10 million tonnes by 2025'.

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