CLIMATE ACTION: A CONFLICT OF RIGHTS
RAMANUJ MITRA

POLLUTION - A SIDE EFFECT OF COVID-19 PANDEMIC
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From the CEO’S Desk

This edition of the CRB Newsletter comes at an interesting time. Close on the heels of the 15th meeting of Parties to the Convention on Biological Diversity (CBD) and before the much awaited 26th meeting of the Parties to the UN Framework Convention on Climate Change (UNFCCC) to be held in Glasgow, U.K. It is also just before we convene CRB’s 8th Annual Sustainability Conference - India & Sustainability Standards 2021 or as we refer to it as ISS2021. I shall talk about our expectations from ISS 2021 in the last para.

There is no doubt about the growing interest and attention increasingly of the private sector on both Biodiversity conservation and Climate change. The business case of inaction on these issues has been underlined especially by COVID19. Business leaders like politicians are realising that it's a race against time, and a race for survival.

Outcomes from Kunming (CBD15) point towards a post-2020 global framework on Biological Diversity. The engineers are on the drawing board; the arduous process of adjustments, compromises and commitments will follow. Most observers and actors are expecting similar outcomes from Glasgow Climate Summit (COP26).

All of these developments have implications on our current and future work. CRB has decided to add 'Environment and Climate Change' as the sixth Thematic Area to our work. We will focus on private sector engagement to reduce deforestation and landuse change in their supply/value Chain leading to Biodiversity conservation and Climate related impacts. We shall also explore opportunities for businesses especially SMEs and producers organisations to reduce GHG emissions. Our contribution will remain combination of examining the enabling environment; fostering innovative collaborations and creating knowledge and expertise.

Another cross cutting issue that CRB has been engaged on is sustainable finance. Financial sector and the investor community need to be actively engaged to bridge the financing gap for meeting the SDG targets in India within the set timelines. There are developments in the policy environment and some actions by leading financial institutions already. Global ESG investors are also looking closely at these developments in India.

CRB's 8th annual Sustainability Conference will be held virtually, for the second consecutive year. While this offers us the opportunity to engage a wider international audience, we will miss out on the corridor chats and catch ups over tea. In addition to some of the ongoing conversations, this years event will also help us in bringing some new issues and institutions to the mix. We hope like earlier editions, you will also join us for ISS2021.
Climate change is no longer an impending phenomenon. Its effects are now accelerated; the adverse impacts which we were expecting a few decades in the future are already here. As the recent IPCC Report warns us, there is little time left for us to take urgent action against greenhouse gas emissions, land use change, depletion of forests and other carbon sinks.

We have known mitigation strategies and emission reduction pathways for quite some time. New technologies are being piloted, with a focus on carbon capture, identifying hotspots for afforestation, early warning systems for farmers and residential areas to take precautions against erratic weather, floods, etc. But there has been limited action when it comes to applying solutions at scale, and moving away from traditional, fossil fuel based economic growth. There is little consensus among the developing and the developed countries on shouldering responsibilities for a sustainable economic growth.

It is now clear that the core issue of climate action (prevention, adaptation, and mitigation) is not so much about available technology or capacities, but rather a political one.

Developing countries argue that they have a right to develop their economies and eradicate poverty. Historically, the US, EU and China have been the largest emitters of greenhouse gases and have already consumed 60% of the world’s carbon budget. This puts greater ethical and moral responsibility on these nations to shoulder a greater burden of financing and capacity building for various climate action pathways.

While this may be a sound moral argument, recent experience shows that the developed nations aren’t too keen to indulge in this conversation. This isn’t surprising as the modern economy and society is built upon the pursuit of “self-interest” by economic entities (countries, companies, individuals), rather than the ideal of “universal brotherhood”, or a global community. It makes economic sense (albeit short-sighted) for developed nations to maintain the status quo, as their economic dominance and market power as consumers give them leverage over the developing nations.
Climate scientists, communicators, educators and activists are trying their best to convince the various economic entities to adopt a long term vision and weigh the pros and cons of the status quo; so far there has been minimal success. Many corporations around the world and some governments have set ambitious targets to reduce their climate footprint, but the policies required to transition the system from fossil fuels at scale are absent, owing to vested interests.

India has rightly decided to not agree to unfair commitments (Net Zero, Nationally Determined Contributions, etc.) when support from the developed world is absent. At the same time, it may not be prudent to wait for climate negotiations to succeed. The developed nations may or may not eventually agree to shoulder a larger burden of climate finance, but it is inevitable that India will suffer the most from the increasing climate crisis, given our population and geographical location in a warm tropical zone.

India must be proactive in planning and executing a robust climate action plan. It must be “Atmanirbhar” in this aspect. To become a global manufacturing powerhouse, India must first protect and nurture its ecosystems.
We live in unpredictable times in the middle of unprecedented events. The Covid-19 pandemic may well be one of the biggest global health crises in human history. The novel virus has had an unprecedented impact globally, resulting not only in the loss of lives and livelihoods but also damaging economies of countries as well as the climate.

On 30 January 2020, India recorded its first Covid-19 positive case in Kerala which resulted in a curfew followed by nationwide lockdown extending in 4 phases. While people were worried and bewildered at the uniqueness of the virus, it seemed like a welcome change for nature. The shutdown of the private as well as the commercial vehicles along with decreased industrial activity may have played a role in the reduction of the level of air pollution. Especially in the Delhi-NCR region, which is considered among the most polluted cities in the world, the air quality index (AQI) reached a moderate level. Such was the case until the passing of the first wave of Covid-19 after which the easing of the lockdown started.

The situation began to change for the worse. Due to the social distancing rules and restrictions to public movement, the worries of contracting Covid made people resort to personal vehicles and private cabs for transportation. While the passenger vehicle industry suffered from de-growth, India Brand Equity Foundation quotes, that domestic automobiles sales increased at 1.29% compound annual growth rate between FY 2016-2020 with 21.55 million vehicles being sold in FY2020. According to their report, the sale of two-wheeler vehicles stood at 995,097 units as opposed to the sale of passenger vehicles which stood at 261,633 units in April 2021. Naturally, the level of pollution increased exponentially. This not only affected the environment but also people's health. Debashis Nath, a researcher at the School of Atmospheric Sciences, Sun Yat-Sen University in China, in his paper, “Factors affecting Covid-19 outbreaks across the globe: Role of extreme climate change” correlates climate change with zoonotic disease epidemiology. He explained that air pollution may weaken our system which in turn makes us susceptible to the novel virus. There is a growing consensus among the medical community that patients who have compromised lung functions and are suffering from Covid-19 are more likely to have bad outcomes. For those who recover from the novel coronavirus, patients with pre-existing conditions like asthma and other respiratory problems have reportedly suffered from post Covid-19 condition, also known as ‘Long Covid’, more than others and their condition worsened whenever the pollution level in the air increased.

Furthermore, due to the high transmissible nature of Covid-19 large numbers of single-use face masks, disposable gloves and Personal Protective Equipment (PPE) Kits were ordered, used and disposed of. Not only did it create a new large-scale solid waste but many a time, it entered the water bodies (local streams, lakes, oceans, etc.) thereby leading to water pollution. French clean-up charity, ‘Opération Mer Propre’ is among those who called for action.
Moreover, the use of plastic packaging, especially in the food industry also increased as restaurants were shut down and had to switch to take-aways and deliveries in single-use plastic food containers along with plastic cutleries. The sudden call for complete lockdown with transport restrictions also resulted in wastage of large amounts of food and these organic wastes decays to release greenhouse gases into the environment.

Talking about electronic waste (E-waste), the lockdown and social distancing norms changed people's lives and restricted them to display devices. A whole new system emerged where the consumption of electronic and electrical equipment escalated worldwide due to home-schooling, home offices (work-from-home setups), online hangouts, online shopping, movie streaming, gaming nights, etc. Under a partnership with UNEP, the United Nations University (UNU) Sustainable Cycles programme (SCYCLE), Bonn, and the United Nations Institute for Training and Research (UNITAR) released a report titled “The Impact of the Covid-19 Pandemic on E-waste in the First Three Quarters of 2020”, where they analysed the effect of COVID-19 pandemic on E-waste by comparing the trade statistics against a “business as usual” scenario. It states, “Consumption of game consoles, cell phones, electrical ovens and laptops increased due to Covid-19 adding 0.3 megatonne to the consumption of electronic and electrical equipment, and hence future e-waste generation. The increase is solely caused by high-income countries.”

Therefore, it is evident that this pandemic has also contributed to environmental pollution. Clearly, our governments and policy-makers were neither prepared nor ready to handle the situation well enough, but it was a much-needed wake-up call. Over the last two years, new regulations have come up to mitigate the adverse effects of the pandemic and overcome the challenges. Reusable and sustainable facemasks are being encouraged to be used, vaccines were manufactured and released in record time. Many private organisations as well as the Government offices in India have completely banned the use of single-use plastic bottles, plates and cutleries and switched to more sustainable ones which definitely sends a positive message to the citizens and creates awareness. Vehicle manufacturers are also coming up with new models that reduce pollution (electric cars, electric bikes, electric buses, etc.). While small steps of change are occurring, yet now, more than ever, we need better policies and their effective implementation, a stronger risk management system, awareness and capacity building among people and workers in order to avoid another epidemic.
The Sustainable Palm Oil Coalition for India (I-SPOC) organized its second Open Day session on 21st September 2021. The open day is a one-day virtual session to be facilitated by the I-SPOC Secretariat, the Centre for Responsible Business. Along with discussions on issues and challenges an organization might face regarding the uptake of sustainable palm oil, the session also looked at examples of good practices. The session was conducted in the format of a round table discussion. It alluded to the recent approval of the National Mission on Oilseeds and Oil Palm (NMOOP), its implications in India, domestic production, frameworks and timelines.

Rijit Sengupta, Centre for Responsible Business (CRB), shared his views on Food Loss and Waste at the webinar on Fostering Friends of Champions 12.3 in India organised by WRI India. CRB has recently authored a Briefing Paper on Food Loss and Waste.

His insights at the webinar included the need for businesses to be engaged with the SDGs and calls for better capacity building on the business case of addressing Food Loss and Waste. Furthermore, he shared that the principles of Circular Economy can be applied in the approach of addressing Food Loss and Waste and that there is a need for a dedicated policy at the national level.

Nandini Sharma represented Centre for Responsible Business (CRB) at the QCI's Virtual Quality Conference and shared her views on business and human rights with a particular focus on child rights.

Circular Economy (CE) considerations (design out waste & pollution; keep materials and products in use, and regenerate natural systems) are emerging as a key factor in facilitating resource efficient, resilient and equitable growth for countries involved in global supply chains. While the discourse on CE principles has primarily emanated from countries in the Global North, countries in the Global South, as major producer economies, have different incentives and needs when it comes to applying CE principles. There is a need for awareness and capacity building, technology and business model innovation, more conducive policies
and regulations and availability of requisite finance. CE principles also provide the opportunity to facilitate inclusive and equitable growth through creation of new employment opportunities, upskilling/reskilling and factoring in the requirements of just transition. Watch the recording here.

UNPACKING BUSINESS AND HUMAN RIGHTS FOR SMES - THE FOREFRONT TO STEER RESPONSIBLE BUSINESS CONDUCT ACROSS INDUSTRIES

27th August 2021

To ensure sustainability of operations keeping in mind the identity and values of SMEs, the webinar titled, “Unpacking Business and Human Rights for SMES – The forefront to steer Responsible Business Conduct across industries”, co-organised by Centre for Responsible Business and Friedrich Naumann Foundation for Freedom (FNF) South Asia, endeavours to address the topics of relevance, expectations and implications of Business and Human Rights for SMEs through a webinar series. Watch the recording here.

ENGAGEMENTS

THE FACT DIALOGUE MULTISTAKEHOLDER DEEPPDIVE MEETING

July 2021

A multi-stakeholder consultation was conducted in July 2021 involving a total of 43 expert stakeholders. The participants were grouped under three tracks based on their areas of expertise and practice. Recommendations emerging from the conversation have been enumerated below under the three broad heads.

- India's position and potential as a steward promoting sustainable and responsible international supply chains in international forums (e.g., G7, G20)
- Set examples for balancing domestic and distant sustainability issues
- Intensify domestic production and address policy and institutional challenges in strengthening commodity export supply chains

TIES FORUM

September 2021

Individual Stakeholder meetings are underway with the officials of a number of EU Companies that operate in India and have participated in the survey. On 14th September 2021, a roundtable was organised which included these core businesses, civil society organisations, academia, think tanks, international organisations, representatives from the Indian Government, EU Delegates and many more.

WORKING GROUP ON TAXONOMY OF SUSTAINABLE FINANCE

CRB became a Member of the working group on ‘Developing a Taxonomy of Sustainable Activities’ which is being constituted under the co-Chairmanship of NITI Aayog and The Ministry of Environment, Forest and Climate Change (MoEFCC), to help in promotion of sustainable financing in India.
Sustainability standards can support post-pandemic recovery and build resilience.

Sharing risks, sharing responsibilities: An agenda for industrial water resources management in India.

Why and how are agricultural value chain actors adopting a circular economy approach?

Let value do the talking.

The time might be right to think about family-friendly workplaces.

Technology upgradation to conserve water in a traditional mill.

Gagye Textile Ltd., Nagpur, Maharashtra.

Technology upgradation to conserve water in a traditional mill.

Are we doing enough? Value chain-based solutions can address the world's environmental and socio-economic crises.

Inspiring, enabling and mobilizing action on food loss and waste in India.

Addressing the ‘triple crisis’ COVID-19, climate change and nature loss: A catalyst for business to increase its sustainability?

From the Publisher's Desk:

Addressing the 'triple crisis' COVID-19, climate change and nature loss: A catalyst for business to increase its sustainability?
The BRICS Women's Business Alliance, which aims at promoting women's economic participation and empowerment in BRICS countries, has recommended the five partner nations to explore setting up of a Credit Guarantee Fund to address challenges around access to credit and financial or digital literacy faced by women entrepreneurs. The alliance in its report, which was presented to Prime Minister Narendra Modi by BRICS India chapter Chairperson and Joint Managing Director at Apollo Hospitals Enterprise Sangita Reddy at the 13th BRICS Summit on Thursday, said the fund can be administered by a national rural or agricultural bank or developmental finance institutions for each BRICS country, viz. Brazil, Russia, India, China, and South Africa. Among other recommendations, the alliance also asked for creating a financial literacy tool kit based on the best practices of BRICS countries and encouraging banks and other financial institutions to promote financial literacy through the establishment of public and private investment programs. Second, it sought a BRICS Venture Fund for Women Run Digital Companies — a fund to provide low-cost financing for innovation-driven projects led by women entrepreneurs. Third, the alliance suggested a Women's Business Alliance Digital Platform – a digital platform serving as a one-stop to get in touch with potential partners and investors. Read the full article here.

Climate change is not just a region specific issue. Pandemics, crop failures, migration patterns and civil unrest, cyclones, rain and heat events, super drought, and our consumption spiral— all of this is closely interlinked with climate. We need rapid prototyping of nature based solutions and creation of climate action zones and livelihoods to attract green finance, scientifically created carbon sinks, grants and SDG linked finance solutions to raise capital for funding our survival strategy. Read more here.

In a bid to discuss the challenges faced by the recycling industry, the Material Recycling Association of India (MRAI) will convene a two-day business summit in Goa from September 19-20, which will be attended by over 500 MRAI members compromising key stakeholders of the recycling industry and manufacturers, suppliers, buyers and traders. The discussions at the summit will focus on strengthening cooperation and business engagement between India and other countries. There will be an exclusive session on ELV, circular economy, e-waste recycling and plastic recycling industry to bring all stakeholders under one roof. The summit will enable businesses to showcase good practices, technology, innovations and services in the recycling sector, and address challenging issues. Read more here.

Manufacturers of food, beverages, paints, room fresheners and pharmaceuticals that use tin cans and peel-off packaging are facing shortages, forcing them to delay or pare production. The packaging shortage is hitting chocolate, juice and paint companies that are looking to ramp up production in anticipation of higher demand during the upcoming festive season. This follows a Bureau of India Standards (BIS) order effective last month. It mandates use of BIS-certified tinplate and tin-free steel for cans, easy-open ends and peel-off ends for packaging. The certification requirement has created a shortage of raw material. The industry had been importing 90% of these materials since local production wasn't adequate. Read more here.
Technological obsolescence and sub-optimal scale are two critically distinguishing features of Indian MSMEs, which predominantly consist of micro, informal enterprises. Therefore, policymakers in India have two persistent challenges to the modernization of the MSME sector in the country, namely, first how to accelerate technological upgradation and modernization of more and more MSMEs?, and second, how to enable more and more MSMEs to expand their scale of production (for their gradual growth)?

First and foremost, improved access to finance is needed to boost the widespread technological transformation of MSMEs across the country. In credit markets, adverse selection and moral hazard are exacerbated in the case of micro-enterprises that are without any loan history or collateral to secure a loan. Due to their higher risk profile, micro enterprises also typically suffer from higher loan rejection rates than the rest. The “financing gap” affecting micro enterprises is in fact often a “growth capital gap”. Read more here.

The National Human Rights Commission (NHRC) has issued notices to the Centre, Delhi, Rajasthan, Haryana, Uttar Pradesh governments and other authorities asking for reports of ongoing farmers agitation against the new farm laws.

The NHRC has asked the National Disaster Management Authority, Ministry of Home Affairs and Ministry of Health and the Government of India to submit reports with respect to the adverse impact of farmers agitation on various aspects and observance of Covid protocols at the protest sites. The NHRC has requested the Delhi School of Social Work, University of Delhi, to depute teams to conduct a survey and submit the report assessing the disruption of livelihood, lives of people, impact on the aged and infirm persons due to the protracted agitation by farmers. The NHRC said that there is an allegation of breach of Covid-19 protocols by the agitating farmers at the protest sites. There is further allegation that the inhabitants are not being allowed to move out of their homes due to the blockade of the passage.

Read the full article here.

IFC and Snowman Logistics, one of India's largest cold-chain logistics companies, have launched a global open call for innovators to bring sustainable temperature-controlled logistics (TCL) solutions to the growing Indian market, as part of IFC’s award-winning TechEmerge Program. The TechEmerge Sustainable Cooling Innovation Program is funded by the UK Government's International Climate Finance. With a total pool of up to $500,000 in grant funding, it aims to offer competitively selected innovators the opportunity to partner with Snowman to pilot new technologies, services, and business models that improve the efficiency, affordability, and help curb greenhouse gas emissions in the Indian TCL sector. Read more here.

Prime Minister Narendra Modi virtually addressed the Investor Summit in Gujarat on 13 August 2021 while launching the National Automobile Scrappage Policy on the occasion. The scrappage policy, he said, is a “significant milestone” towards Aatmanirbhar Bharat. “The scrappage policy will provide a new identity to the country's auto sector. It will play a huge role in removing unfit vehicles from roads, and bring a positive change in all sectors and not just auto sector,” Prime Minister Modi said.

Describing it as a “waste-to-wealth mission,” the Prime Minister further remarked that the policy is an important part of the circular economy. “It will reduce pollution from our cities and also reflects the government's commitment towards rapid development. The policy will bring investments worth more than ₹10,000 crore and, in the process, create employment opportunities for thousands of youngsters,” he said. Read more here.
Indifi Technologies has initiated deploying digital loans to small and medium businesses in association with Facebook. The loans range from Rs 5 lakh to Rs 50 lakh and can be availed by businesses across 200 cities in India.

In a statement, Archana Vohra, Director, Small and Medium Business, Facebook India said, “access to timely credit is critical, and we hope the Small Business Loans Initiative can help unlock the right economic opportunities for our small business advertisers.”

Commenting on the partnership, Aditya Harkauli, Chief Business Officer, Indifi said, “We are delighted to be a part of Facebook’s Small Business Loans initiative. This relationship provides us the opportunity to expand our reach to millions of businesses that advertise on Facebook.” Read more [here](url).

The European Commission and the High Representative on Thursday adopted a Joint Communication on the EU Strategy for cooperation in the Indo-Pacific. This is seen as a major development for the region ahead of the first in-person Quad meeting in Washington next week, in which key players of the Indo-Pacific i.e. India, Japan, Australia and the US are taking part. "The EU is stepping up its strategic engagement with the Indo-Pacific region. This region is increasing in strategic importance for Europe. Its growing economic, demographic, and political weight makes it a key player in shaping the rules-based international order and in addressing global challenges. The EU aims to contribute to the region’s stability, security, prosperity and sustainable development, in line with the principles of democracy, rule of law, human rights and international law," a statement said. Read the full article [here](url).

With the launch of NMEO, the government's intention is to focus more on areas available for oilseeds and oil palm cultivation. Ensuring assistance to seed gardens for the North-East and ecological hotspots like Andaman and Nicobar Islands will help India's peripheral regions to contribute to Gross Value Added (GVA) after 4-5 years of planting. Second, the NMEO-OP move will strengthen the entire value chain from farm to fork. Asian Agri is the largest producer and processor of oil palm, and employs one worker for every seven hectares of land. Every year oil palm cultivation requires one tonne of fertiliser per hectare. Third, NMEO will also help set up processing units to remote regions and reduce out-migration to major cities. However, there should be renewed interest in land use policy given the scope of ground water recharge. In other words, food should be grown naturally so that the local environment can support the production system. To conclude, Roundtable for Sustainable Palm Oil is the guiding authority in certifying sustainable oil palm production. There are recommendations for economic, environmental, and social standards which need to be met for sustainable production. Read more [here](url).

In a bid to empower India’s 125 million small farmers to take advantage of growing opportunities in the agricultural sector, the Tata-Cornell Institute (TCI) for Agriculture and Nutrition launched a hub for Farmer Producer Organizations (FPOs) within its Center of Excellence in New Delhi. The hub features a first-of-its-kind database of Indian FPOs. Created with grant funding of $1 million from the Walmart Foundation, the Hub will serve as a repository of learnings, information, and knowledge for the advancement of FPOs in India, TCI said in a statement. Read more [here](url).
Centre for Responsible Business (CRB) was established in 2011 as think-tank to pursue its vision, ‘businesses integrate sustainability into their core business practices’. Given that sustainability is a multi-dimensional problem especially in the context of India and other emerging economies, CRB has adopted a model of engaging multiple stakeholders to develop action plans for promoting sustainable/responsible business, across various sectors in India.

CRB has consolidated its programmatic activities into the following thematic areas:

- Circular Economy
- Business & Human Rights
- Private Sector & SDGs
- Voluntary Sustainability Standards
- SMEs & Sustainability

Ashima has a diverse experience in academics and industry. After completing her doctoral degree in Applied Sciences she decided to do an MBA. Prior, to joining CRB she worked with Global Network for Sustainable Development, USA. At her tenure at GNSD she worked on multiple projects on the implementation of SDGs involving youth. She has also worked on projects in different areas of sustainability with organizations like United Nations Global Compact India, Vedanta Pvt Ltd. and Inwelle Study and Resource Centre.

Her interest lies in the area of implementation of SDGs through collaboration among business, and non profit organizations.

She finds baking cakes as a form of self expression and in her free time you will find her in the kitchen making one.