

TIC Council Recommendations for a Promising Circular Economy Ecosystem In India

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Introduction

The world continues to feel the negative environmental impact of the "take-make-waste" economic model. In 2019, more than 92 billion tonnes of materials were extracted and processed, contributing to about half of the world's CO2 emissions, impacting the environment and our health.

To change the narrative that economic growth comes at an environmental cost, adopting and implementing a circular economy model (CE) is becoming a critical issue.

TIC Council would like to contribute to the relevant debate in India with the following recommendations:

- Develop and implement standards at the national level that are internationally harmonised. This should include all definitions, data and methods in government, industry and international organisations.
- Establish bilateral and multilateral agreements to share best practices in policy initiatives and technologies.
- Consider the feasibility of specific circular economy initiatives and whether they can realistically be implemented in India.
- Promote and encourage third-party conformity assessment practises as a means of verifying CE claims.
- Ensure that the TIC sector is involved in supply chain assurance to provide trust in the measurements, tests, inspection and certification carried out in another jurisdiction or market sector.

The TIC sector provides these recommendations based on its existing experience with supporting India to build a promising circular economy that will put the country on the path to economic prosperity.

The assurance provided by the independent third-party TIC sector is necessary to prevent environmentally harmful products and technological solutions from entering the Indian market. It ensures compliance with the effective implementation of the circular economy principles, including regular monitoring, transparency in reporting, and reliable and credible disclosure.

Conformity assessments not only ensure compliance with applicable legislation, but also allow for faster action than post-market surveillance. It relieves the burden on

national surveillance as they can better target their resources by focusing on products that have not been certified by third parties.

It is therefore important that the independent TIC sector gets a seat at the table. For instance, the current 11 committees formed under India's Circular Economy Action Plan should ensure that the TIC sector is a relevant stakeholder for policy formulation and implementation in the respective focus areas.

The role of the TIC sector becomes all the more necessary as it requires the use of new age technologies, such as renewable energy technologies, reverse cycle technologies and green and e-mobility technologies.

For instance, electric vehicles are gaining traction in the Indian market. However, there are concerns about the acceptability of these vehicles due to the increase in accidents in recent times. The TIC sector helps in conducting energy efficiency inspections, labelling and certification. It is also a valued sector for sharing expertise on new technologies and interaction of smart energy products. Using TIC services builds trust and also ensures safety requirements.

The TIC sector is not seen as a hindrance, but rather helps make it easier to do business in India. For example, the TIC industry helps companies meet sustainability requirements. It can help domestic players adopt the world's best standards and provide its expertise by working with quasi-government/regulatory bodies, such as the Bureau of Energy Efficiency (BEE) in developing regulatory standards for energy efficiency, or the Bureau of Indian Standards (BIS) in developing a standard framework for green hydrogen.

All in all, the role of TIC organisations becomes an integral and crucial factor when CE is considered as an instrument for economic growth without compromising with environmental and social parameters.

Annex 1: Detailed Recommendations For Establishing A Robust Circular Economy Ecosystem

Develop and implement standards at national level which are harmonised internationally

It is important to harmonise definitions, data, and methodologies across different stakeholders which include national governments, industry, and international organisations. These can range from agreed terms on methodologies for data collection and analysis to conformity assessment tools related to sustainable products and new-age renewable technologies. Inconsistencies may lead to hampering India's ease of doing business. For instance, ISO/TC 323 is currently developing standards related to CE including general method for assessing the proportion of reused components in products, guidance on material circularity considerations, and waste management. The TIC sector in India can invariably help in ensuring that the current regulatory framework is seamlessly working and complementing the standards set by ISO.

Sharing Global Best Practices

Promote sharing of best practices through appropriate programmes and platforms. India can come up with bilateral and multilateral agreements on sharing best practices in policy initiatives and technology with respect to CE. In the EU, there are many good examples of local initiatives successfully implementing measures to achieve a more CE. Furthermore, India's G20 Presidency sets the stage for positioning the concerns of the developing countries in climate negotiations and advocate for inclusive actions on climate change and related matters of food security, energy security and maintaining a decent quality of life.

Assessing Socio-Political Scenario and Setting Up Appropriate Policy Initiatives

While sharing best practices becomes essential, Indian policy practitioners should be cautious of a one size fits all approach as well. The policy-makers should take into account the feasibility of certain circular economy initiatives and whether it can be realistically applied in an India scenario. It needs to be made sure that an ecosystem is ready and balance considerations of all stakeholders

Promoting/Encouraging Conformity Assessment Practices

The TIC sector plays a critical role and is positioned at the center for facilitating transition to CE. Further, the sector can contribute as an independent third party to verify the CE claims made by manufacture and instill trust amongst relevant stakeholders. Robust testing and certification of the same will reflect that safety and performance requirements are being met, reassure high quality during the product life cycle and facilitate in reaching the global market. For instance, NITI Ayog in its mission to make [India a global hub for green hydrogen](#) has identified developing standards and a green hydrogen labelling programme critical. This

reflects how crucial of role conformity assessment practices play in not only securing public health and safety but also in putting a country on the path of economic development.

Building Sustainable Supply Chains

As manufacturing in the 21st century is happening at unprecedented scale, building sustainable supply chains become an essential part of combatting climate change and building circular economies. Modern supply chains are increasingly complex as they stretch across multiple countries and sites pose major challenges in terms of environmental and social responsibility. Given this complexity, reassurance in the measurements, tests, inspections and certifications that are performed in another jurisdiction or market sector is essential. It is, therefore, critical for the TIC sector to take a deep dive into supply chain.

Annex 2: The Current Policy And Regulatory Framework In India For Building Circular Economy:

India has already committed itself and has pursued following initiatives for a CE model. It has adopted the following policy initiatives for building a circular economy:

- **Energy Conservation Act 2001** (amended in 2010): Earlier in 2022, amendments to the Energy Conservation Act 2001 were introduced and passed by both houses of the Parliament for regulating energy consumption and promoting energy efficiency and energy conservation. The amendment aimed at mandatory adoption of non-fossil fuel energy sources within heavy industries, the transport sector, and commercial and large residential buildings. The Act also set up the Bureau of Energy Efficiency. The amendment also set up a regulatory framework for carbon credit trading and provide energy savings certificates. The amendments are aligned with India's commitment to circular economy and in promoting net zero neutrality. The amendment gives statutory recognition to concepts like green hydrogen, green ammonia and carbon credits as important measures for climate change mitigation. The Government is positive that these efforts will lower the energy generation requirement, and thereby reduce greenhouse gas emissions.
- **National Resource Efficiency Policy, 2019 (NREP)**: India has also introduced the draft [National Resource Efficiency Policy, 2019](#) (NREP) that aims for resource efficiency and waste minimisation interventions in a product's life. It will primarily focus on a reduction in primary resource consumption, creating high value with less resources and waste minimisation. Once implemented, this policy will allow companies to take responsibility for their

products and demonstrate their commitment to lowering their carbon footprint.

- **Action Plan on Circular Economy:** In order to expedite the transition of the country from a linear to a circular economy, the Indian government has established 11 committees to be led by the concerned line ministries and comprising officials from Ministry of Environment, Forest and Climate Change of India (MoEFCC) and NITI Aayog, domain experts, academics and industry representatives. It is in [11 focus](#) areas. The committees will prepare comprehensive action plans for transitioning from a linear to a circular economy in their respective focus areas and carry out the necessary activities to ensure the effective implementation of their findings and recommendations.
- **Adoption of Alternates:** The Indian Government is attempting to build an eco-friendly infrastructure. Its [National Electric Mobility Mission Plan](#) lays down the roadmap for electric vehicles in India. Plans to create electric vehicle charging infrastructure, including national policy for battery swapping and combined with the already announced automotive production linked incentive (PLI) scheme, furthers the agenda for green mobility. India is also prioritising green hydrogen as a potential solution to decarbonise hard-to abate sectors. In this regard, the Cabinet recently approved the Green Hydrogen Mission, aiming to make India a global manufacturing hub and a clean source of energy.
- **Waste Management Interventions-** The MoEF&CC notified the new Solid Waste Management Rules (SWM) in 2016. It mandated source segregation of waste, collect back scheme of packaging waste, waste processing and treatment and promotion of Waste to Energy (WTE) processes. One of the biggest milestones achieved with respect to waste reduction and management has been the ban of the single use plastic under the Plastic Waste Management Amendment Rules in 2021. Coupling this move with India's move to ban the use of single use plastic is a giant leap toward CE.
- **Bilateral Cooperation:** India is also engaging in bilateral cooperation and partnership with the developed countries to facilitate its transition to circular economy. For instance, in 2020, India and the EU established the India-EU Resource Efficiency and Circular Economy Partnership that will act as a catalyst in implementation of circular oriented policies and strategies in India.

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Editor's Note About TIC Council

TIC Council is the global trade federation representing the independent third-party Testing, Inspection and Certification (TIC) industry which brings together about 100-member companies and organizations from around the world to speak with one voice. Its members provide services across a wide range of sectors: consumer products, medical devices, petroleum, mining and metals, food, and agriculture among others. Through provision of these services, TIC Council members assure that not only regulatory requirements are met, but also that reliability, economic value, and sustainability are enhanced. TIC Council's members are present in more than 160 countries and the wider TIC sector currently employs more than 1 million people across the globe..

The Value of TIC Report

To learn more about TIC Council and its member's activities, the landmark report on the Value of the TIC sector, developed jointly by the international law firm Steptoe and the London-based consultancy Europe Economics is now available to read. This report illustrates, by using data and case studies, how the TIC sector benefits a variety of stakeholders and industries around the world. You can find the study [here](#), and we welcome you to share it with anyone who might be interested.