

## Plenary 4: Towards a Green Industry Index

### Summary

The session discussed the need for a Green Industry Index system that enables countries and industries to measure the progress towards green growth, with specific criteria. Speakers talked about specific examples from China, Indonesia and India illustrating how these countries attempt to measure companies' green growth progress. The need for a holistic approach and application to each specific country's position was highlighted, while the difficulty to find data, especially for SMEs, was pointed out as a challenge. Governments need to implement appropriate policies and standards to strengthen the green industry index system.

### **(Chair) Mr. Rene Van Berkel, Chief Technical Advisor, Indonesia, UNIDO**

- Green Industry Index – a concrete way to measure and document the implementation of green industry
- Index is a composite score against multiple criteria, with rating ordering assessed entities in classes or categories based on the index. Criteria with indicators are the assessed (Green Industry) features.
- Green economy progress measurement framework incorporates aggregate supply and aggregate demand. We want to focus on the contribution of the manufacturing sector to the green economy.

### **Mr. Pan Haoran, Professor, Beijing Normal University, Green Industry Platform, China Project Management**

Green Indicators for firms in China

- Green Growth is becoming increasingly important in China.
- Under UNIDO-UNEP GIP China Chapter Programme (GIP. CCP) since 2014, particular tasks include greening industries, creating new green industries, and promoting green industry policies and practices.
- Two achievements: an indicator system for green firms in China and ways to rank green Chinese firms were developed (green voluntary membership and green certified membership).

### **Mr. Lintong Sopandi Hutahaean, Head, Centre for Assessment and Development of Green Industry and Environment, Ministry of Industry, Indonesia**

- Indonesia, just like any other countries, faces problems balancing economic growth with environmental preservation.
- Industrial sector is increasing in national economic activities and there is a need for green growth.

- Explained green industry milestone: Indonesia signed Manila declaration in 2009, 1<sup>st</sup> green industry award in 2010, national action plan on GHG emissions reduction in 2011, law no.3 regarding industry in 2014 and so forth, demonstrates progress towards green growth.
- Green industry has become one of the national industry goals.
- The challenge is how to introduce and encourage companies. Green industry principles need to be implemented with unified standards. In preparation, green industry standards are being formulated with regulations from the government.
- 2010 Green Industry award: awarded 365 companies by evaluating production processes, waste and emission management, and business management.
- Now Indonesia is in the process of developing a green industry standard itself, with 8 standards, classified based on the Business Group Classification Standard of Indonesia in 5 digits.

**Mr. Kiran Ananth, Senior Counsellor, Confederation of Indian Industry**

- GreenCo Rating: a catalyst for 'greening' Indian Industry.
- Define and assess the performance on the green front, with a holistic approach for monitoring and sustaining green initiatives, and guiding phased growth. It consists of 10 parameters, including energy efficiency, water conservation and renewable energy, etc.
- Some parameters are more important for specific sectors – so occasionally have a moderated version for certain sectors.
- Over 200 companies work with 78 rated companies. More companies have been attracted with benefits achieved through the rating system, covering the related parameters.
- Benefits include resource conservation, corporate green image, bottom line improvement, global best practices, and recognition of future environmental needs and regulations.
- 13 SMEs have adopted GreenCo Rating system, with a voluntary approach.
- GreenCo Rating is emerging as an excellent framework for catalyzing and promoting Green Industry Growth in India.

**Ms. Jane Nyakang'o, Director, National Cleaner Production Centre, Kenya**

- We have different approaches and experiences in different countries. China, Indonesia and India are still in progress, with quite a detailed and complex system.
- We have been implementing at enterprise level the Green Industry Index system to materialize and standardize ways to measure green growth.
- We still face challenges in collecting data, especially with SMEs and their record keeping. Policies should work as drivers to move companies in the right direction.

**Anthony Shun Fung Chiu, Professor of Industrial Systems Engineering, De La Salle University**

- Green Industry Index has 3 levels – enterprise (micro), sub-sector of industry, whole economy (macro).
- The Chinese Government has already created an indicator system for 30 industrial production

systems- there is already a lot of progress being done in China.

- Natural resource use, resource productivity, consumption, adjusted resource productivity, investing in green industry, enabling green industry and human development index – additional issues for green industry index.
- On the ecological side, we have called for sustainability and efficiency, but chemical managements need to be taken care of (UNIDO has taken the lead in this matter).
- Externalities- index system should not only look at the process, but at the end of the process.
- Data structure – there is always difficulty in collection of data – we want to see if the index system is easily accepted and acquired.
- We need to speak to the audience of the readers of the index (countries have different objectives and holistic approaches should be found).