

NITI Aayog

Supporting Framework to Encourage Circular Economy in India

Relevant to Mahindra Accelo and Mahindra Electric

Context

Measures like fiscal incentives and stricter regulations are in the offing to encourage circular economy in India. Different measures are being looked at to support the circular economy. Extended producer liability in eleven sectors or products and a refund option for products after use besides some other fiscal sops could be introduced to shift the economy from linear to circular one.

NITI Aayog had put the agenda of circular economy on a fast track after Prime Minister's Independence Day address emphasizing on 'Mission Circular Economy'.

A circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing, and recycling existing materials and products if possible, to tackle global challenges like climate change, biodiversity loss, waste and pollution.

Highlights

- There are 11 sectors that have been extended producer liability include scrap metal (ferrous and non-ferrous), lithium ion (Li-ion) batteries, tyre and rubber recycling, gypsum, end-of-life vehicles (ELVs), electronic waste, toxic and hazardous industrial waste, municipal solid waste and liquid waste, agriculture waste, used oil waste (generated from tools and machines) and solar panels.

- High level committees have been set up for such 11 sectors/products and these committees are laying out the timeline for the work to be done to help India achieve success in mitigating climate change and adhering to its global commitments on environment.
- Short-term, medium-term, and long-term goals are being set for these sectors in consultation with the line ministries. Short-term targets would be for the remaining period of the current fiscal while medium to long-term targets are being put in place for a period extending up to two years.
- Carrot and stick policy is being used from fiscal sops to stricter compliances.
- Targets have been set for 6 months to 2 years with periodic review for effective monitoring.
- The idea is to revamp the model of production and consumption in these sectors going forward.
- Extended producer responsibility provisions have already been put in place for plastics and e-waste.

Conclusion

India generates over 140,000 Metric Ton of solid waste per day. The government estimates that a circular economy path could bring in annual benefits of ₹40 lakh crore or \$624 billion in 2050. These measures would help to meet sustainable development goals of the country matching the global commitments.