

Statement on Local Green Enterprises in India

India's fast paced economic growth has not translated to corresponding benefits to the large population of the country. The growth story goes in parallel with immense problems of environmental degradation and social inequity. For India to achieve Sustainable Development Goals, transformations are required in the way our economies are designed. Businesses are both actors and recipients of changing the economy. Today a workforce of 485 million resides in India, and it grows by a million each month. Large corporations, medium sized businesses, and institutions in the formal economy generate employment for less than one-tenth of this increasing workforce.

To achieve this transformation, Green micro and small enterprises are critical enablers. In India, MSMEs contribute to 37% of the GDP. MSMEs create 4 out of every 5 new jobs positions. With around 36.1 million units throughout the country, MSMEs in India contribute to 37 percent of the GDP, 37% of India's manufacturing output and employ close to 20% of the workforce.

Environmentally conscious MSMEs or what we call **Local Green Enterprises** are providing solutions that are not just creating local jobs but also reducing adverse effects, and many cases conserving nature.

We have come together in recognition that local green enterprises stand at the frontline of the transition to inclusive, green and resilient economies and achieving the Sustainable Development Goals. We are here to demonstrate and build support from our respective states, and spheres of influence for local green enterprises to lead, shape and accelerate the transition.

We believe that LGEs with their environmental sustainability are well placed to promote inclusive green economic development in India. They are critical to the development of local economies and empowerment of people especially socially, economically and environmentally backward communities; and creation of jobs at scale;

We recognize that a transition towards green and inclusive economy with a special role for LGEs requires effective policymaking, policy implementation, inter-sectoral policy coordination, capacity building among aspiring and existing green entrepreneurs, regional and global knowledge sharing, technology development and transfer, enhanced access to financial support, access to markets and increased public awareness;

We urge the involvement of all major stake holders, including private and public sector, civil society organizations in promoting local green enterprises through the establishment of innovative partnerships, promotion of voluntary initiatives and exchanging experience;



We advocate strengthening cooperation in the following areas, especially with the Ministry of MSMEs, Government of India and the UN-PAGE India Programme:

- **Financing Local Green Enterprises:** We urge financing community to design instruments and systems to provide easy and affordable credit to small green businesses. This will require support from Government to mitigate the initial risk by innovative mechanism like blended finance, climate finance.
- **Market and Procurement systems for Local Green Enterprises:** We urge for streamlining the process of public procurements from MSE's in India by removing delays and bottlenecks at the stage of need assessment, budget preparation and approval. We further urge the government to provide due incentives through tax, tariffs and aggregator platforms such that products and services of Local Green Enterprises reach out to the customers at scale.
- **Triple Bottom Line Impact Assessment of Local Green Enterprises:** We urge the government to define triple bottom line impact of MSMEs; and dedicate large portfolio in their programmes and schemes specifically for the Local Green Enterprises. Incentives for micro and small enterprises to align their practices towards more sustainable ways may further help in motivating more and more brown enterprises to shift towards greener ways by capacity building, training, technology and financial incentives.

We are committed to work together to advocate transition to sustainable and inclusive futures and share lessons, ideas and experiences about Local Green Enterprises in India.

