



# EU-RESOURCE EFFICIENCY INITIATIVE

## MAINSTREAMING RESOURCE EFFICIENCY AND CIRCULAR ECONOMY IN THE INDIAN TEXTILE SECTOR

**European Union's Resource Efficiency Initiative (EU-REI)** for India aims to support India in the implementation of the United Nations Global Sustainable Consumption and Production (SCP) agenda by way of adapting international standards and best practices in business on resource efficiency and circular economy and fostering the efficient and sustainable use of natural resources. It acts as an important vehicle for taking forward the 2020 EU-India Joint Declaration on Resource Efficiency (RE) and Circular Economy (CE). EU-REI is implemented on behalf of the European Union by a consortium led by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH with The Energy and Resources Institute (TERI), the Confederation of Indian Industry (CII) and Adelphi.

The Indian textile sector encompasses the entire value chain, from raw material and fibre production to post-consumption management techniques. Being key to economic development and employment generation in the country, the textile sector needs to rapidly transform towards sustainability and circularity by addressing environmental and socio-economic impacts stemming from high levels of land, water, and resource use; high energy consumption, the use of hazardous chemicals, and generation of large amounts of waste and pollution.

### INDIAN TEXTILE SECTOR



**Direct (~45 million) & Indirect employment for millions of people (including a large number of women & rural population)**



**Contribution to India's GDP in terms of percentage share of industrial output was around 7% during the last three years (as of Dec 2022)**

Source: <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1885412>

Micro, Small and Medium Enterprises (MSMEs) are an integral and dominant part of the Indian textile sector and have a critical role to play in mainstreaming circularity and sustainability in the sector. In order to enable sustainable transformation, there is an imperative need to undertake capacity building on sustainable and circular business models and practices, provide support for technology adoption, scale up innovations, promote traceability across the value chain, and raise awareness.



**CII-ITC Centre of Excellence for Sustainable Development**



Recognising the need for a sustainable and circular approach along the textile value chain, the Ministry of Textiles, Government of India, launched a new vertical on sustainability and set up a Sustainability Cell in 2022. EU-REI seeks to support the Ministry of Textiles towards mainstreaming RE and CE in the textile sector, with a focus on MSMEs and institutional actors. To this end, the following measures are planned along different parts of the textile value chain, including in a selected textile cluster:



## Awareness Generation and Capacity Building

- Application of **circular and resource efficient** practices including on water use, energy use, materials and improved sludge management
- Development of **Information, Education and Communication (IEC)** materials to promote incorporation of RE and CE practices in MSMEs on selected topics to enable behaviour change
- Supporting knowledge sharing on current best practices in **industry, innovation and technology** use; and collation of a repository of illustrative practices and solutions



## Needs Assessment across the Textile Value Chain

- Development of the outline of the **'Baseline'** and the **'Endline'** reports for a selected cluster
- Development of a **cluster level 'Needs Assessment Report'** drawing **inputs from the baseline and desired endline** and **emphasising on critical issues** (such as water, energy and materials) identified through stakeholder consultations and rapid appraisals at selected industries. The Needs Assessment Report will contain a **high-level operational plan** to move towards the desired endline



## 'How to' Guide at the Cluster Level

- **Development of a 'How-to Guide'** and a **Self-evaluation kit for MSMEs** to support transition towards a sustainable and circular textile cluster, with emphasis on water use, energy use, materials and improved sludge management
- **Piloting of the 'How-to Guide'** in partnership with a **selected cluster**, and with **institutional actors**, including development of implementation plans

## CONTACT DETAILS

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