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Resource efficiency is the key condition for sustainable consumption and production. It underpins the achievement of Sustainable Development Goals (SDGs) on inclusive economic growth, resilient infrastructure, sustainable consumption and production, and sustainable industrialization. There are increasing calls for global governance of natural resources that would include the interests of countries at all stages of economic development. Least developed emerging economies are particularly vulnerable to the consequences of resource depletion and climate change, but at the same time their financial, institutional and infrastructure capacities to address these issues are extremely limited. These countries also have high levels of entrepreneurs: for many people the only way out of unemployment and poverty is to become self-employed. But whilst this concept of resource efficiency is receiving increasing attention from policymakers, it also requires increased investments in order to achieve the on-the-ground improvement and innovation in technologies, infrastructures and production of goods and services.

In recent years, the corporate and financial sectors have begun seriously considering resource efficiency and the circular economy as a business case; they have not, however, reached this stage where these solutions would compete with business as usual models, in terms of capital allocation. The estimated global institutional assets under management today exceeds 70 trillion US dollars, and in recent years, the considerations of environment, social and governance factors – also known as ESG – when making investment decisions, have become a standard practice of all these institutional investors. However, when it actually comes to making investment decisions, we see a completely different picture. According to the Global Sustainable Investment Review, in 78% of all investment decisions made by institutional investors, the ESG factors were completely ignored, and in 21.1% these factors were only considered as long as there would be no adverse effects on the return of investment identified. Only 0.8% of investment decisions were driven by the ESG factors.

So why are over 99% of investments not working towards the Sustainable Development Goals? There are millions of small and medium enterprises and start-ups worldwide that work towards sustainable development. The problem is that these start-ups often lack knowledge, funding, and the managerial skills necessary to expand and attract significant investments into the sector that would permit them to scale up, diffuse, and replicate the sustainable business practices across the regions and industries. For investors and financiers there are also many obstacles. Senior management is often opposed to uncertainty and risks, and because sustainable businesses have also socio-environmental dimensions, and not just profit dimensions, the costs of due diligence and risk assessment go up. There is a lack of tech and commercial clusters that could give investors both the relevant financial assessment, and insights into the sustainable solutions. There is a lack of metrics and indicators to measure what resource efficiency and sustainability mean from the business sense, which means how can you connect them to profits and returns on investments? And this is all caused, of course, by the lack of an appropriate institutional infrastructure that would allow mainstreaming investments into resource efficiency, and developing the necessary knowledge to make sustainable business models the new normal.

This is where our project proposal, IBIRE, comes in. IBIRE stands for Igniting Business Investments into Resource Efficiency. The objective of the project is to boost investments, lending, and transfer of business knowledge from the private, corporate and financial sectors into resource-efficient and sustainable businesses. This can be done by optimizing information flows and creating clusters of investor networks, bank groups and corporations on one side, and resource-efficient business clusters, sustainable innovation hubs and social entrepreneurs on the other side. With the necessary capital inflows and transfer of skills, resource efficient businesses and start-ups can scale up and prove to the investors and financiers that sustainable business models can be both viable and profitable.

Our project proposal involves work streams for five years, consisting of three main stages. These stages can be done in cooperation between the private sector entities, local public authorities and UN networks, such as Resource Efficient and Cleaner Production Centers, who already working with us. The first stage would be to establish the business ecosystem for sustainable consumption and production, to create financing databases and pre-investment trainings, both for the entrepreneurs and for the investors. The SCP business ecosystems could develop the investment criteria and databases for the relevant projects, and it would allow training for entrepreneurs on the ground on how to better draft their business plan, their pitch and investment proposal, and how to make their ideas more proper as a business proposal.

The second step would be to build the direct investment platforms on top of that, so they could be platforms both online and offline, that could showcase what business solutions are available in particular regions and particular industries, that would allow investors and financiers to have a better insight into the economic opportunities there. It could also involve implementation of activities and structuring deals for private investors and financiers who could work in cooperation with the UN or local authorities that have much better insight into the Sustainable Development Goals, as well as what sustainable projects actually need. And the last aspects that could be included into that would be crowd-funding and crowd-sourcing; solutions that could be contributed by the experts in the fields, or money that could be contributed, not only by the institutional investors, but also by individuals and smaller companies.

The last step would be to develop the knowledge bank for sustainable consumption and production businesses. This knowledge bank could be used to allow mainstreaming investments not only in the sectors which are considered, but also to replicate this framework to other areas where funding is needed. So, the learning aspects of this model would be transferable to any other area that requires investments.

We have been building the consortium of IBIRE for the last two years; we have currently built a consortium of over 200 international organizations, NGOs, and governments. They also include, among others, UNEP, UNIDO, EIT, SwitchMed, WWF, as well as the governments of Switzerland, Belgium and Costa Rica. We have gone through the process of the UN 10YFP, the 10-Year Framework Programme, which is the secretariat responsible for the implementation of SDGs for the past 1.5 years, and we came as a top project amongst flagship project proposals. In the end, however, it turned out that the UN 10YFP was unable to fund any of the flagship projects due to lack of donors, so we have currently put this project on hold, and we are currently fundraising. So in this sense, if anyone is willing to either support the project or to partner up to mobilize resources, I would be very happy to speak with you, and I am sure that together we can make sustainable consumption-production the new standard model of business, and to empower sustainable entrepreneurs to build a better world. Thank you.