Input from International Trade Centre (ITC)

Report of the Secretary-General "Towards the achievement of sustainable development: implementation of the 2030 Agenda for Sustainable Development, including through sustainable consumption and production, building on Agenda 21"

Draft Outline

I. Introduction

In its resolution 78/151of 14 December 2023, the General Assembly requested the Secretary-General to submit to the General Assembly at its seventy-ninth session a report on the implementation of the present resolution, with a particular focus on the state of play with regard to sustainable consumption and production and the application and promotion thereof, taking into account the impacts of, response to and recovery from COVID-19, and to recommend concrete actions to implement the 2030 Agenda for Sustainable Development in this regard.

In the same resolution, the General Assembly decided to include in the provisional agenda of its seventy-ninth session, under the item entitled "Sustainable development", the sub-item entitled "Towards the achievement of sustainable development: implementation of the 2030 Agenda for Sustainable Development, including through sustainable consumption and production, building on Agenda 21".

II. Promoting sustainable consumption patterns for the implementation of the 2030 Agenda for Sustainable Development, building on Agenda 21

A. Follow-up of the 2030 Agenda for Sustainable Development

This section will provide an overview of the status 2030 Agenda for Sustainable Development, built on Agenda 21, which recognizes that eradicating poverty in all its forms and dimensions, including extreme poverty is the greatest global challenge and an indispensable requirement for sustainable development.

B. Sustainable Consumption and Production

Taking into account the impact of the global COVID-19 pandemic, this section will focus on the central role of Goal 12 on sustainable consumption and production as a cross-cutting goal supporting the implementation of the 2030 Agenda, recognizing that eradicating poverty, changing unsustainable and promoting sustainable patterns of consumption and production and protecting and managing the natural resource base of economic and social development are the overarching objectives of and essential requirements for sustainable development. It will refer to progress achieved in making fundamental changes in the way societies consume and produce goods and services through the transition to sustainable economic and business models that promote sustainable consumption and production patterns as well as enabling policies, policies, frameworks, partnerships, technological innovation and instruments that improve resource efficiency and the sustainable management of natural resources, including water-use efficiency, reduce waste, promote life-cycle approaches, encourage approaches such as the circular economy, life cycle and other approaches, ass appropriate and taking into

account national circumstance and capacities, enable consumers to make sustainable consumption choices, mainstream sustainability practices, encourage sustainable and environmentally sound bio-based products and increase resilience across all sectors of the economy, which will contribute to the achievement of the 2030 Agenda and its Sustainable Development Goals, in particular SDG 12. It will also take consider the important role of private sector in prompting and utilizing sustainable practices.

It will also explore sustainable consumption and production approaches, in which products and materials are designed in such a way that they can be reused, remanufactured or recycled and therefore retained in the economy for as long as possible, along with the resources of which they are made, the generation of waste is avoided or minimized, and greenhouse gas emissions are prevented or reduced.

United Nations Development Systems' support for the implementation of SDG 12.

This sub-section will provide concrete examples of actions and initiatives being taken across the UN system in support of the implementation of the present resolution.

It will also include commitments and initiatives that provide tools for action on sustainable consumption and production, such as the 10-Year Framework of Programmes on Sustainable Consumption and Production Patterns and its new Global Strategy on Sustainable Consumption and Sustainable Patterns.

International Trade Centre (ITC)

Small businesses offer a largely untapped potential for the implementation of SDG 12. They account for two-thirds of jobs globally and are massive drivers of economic growth, while serving as pillars of their communities and economies. Small businesses play a key role in creating jobs, either through direct and indirect jobs, often for low-income and marginalized communities, including informal economies.

While many small businesses are aware of the need to adopt sustainable production practices — and are willing to do so — they are often unable to because they lack information, skills, technology, finance or an enabling ecosystem.

The International Trade Centre (ITC) has a long-standing experience supporting small businesses shift to sustainable production practices:

- Through its <u>coaching programme</u> on Resource Efficiency and Circular Production (RECP), ITC builds the capacity of small businesses to adopt resource efficient and circular practices, resulting in reduction in GHG emissions over a multi-annual process, increased productivity, cost savings and enhanced compliance with environmental standards and regulations. This coaching approach has been implemented with more than 250 MSMEs in over 15 countries.
- ITC is a partner of the One Planet Network and its SDG 12 Hub. The ITC RECP coaching methodology is featured in the <u>SDG 12 Hub</u> as one of the technical tools for businesses for in support of sustainable consumption and production.

- ITC's free online <u>Green Performance Toolkit</u> supports small businesses to take climate action through improved environmental performance. It empowers businesses to establish baselines, benchmarks and improvement targets, make informed businesses decisions, produce ESG reports and prepare for standards compliance. The tool is available in English, Spanish, French, and Arabic.
- Through the <u>GreenToCompete Hubs</u>, ITC partners with business support ecosystems to expand their services for small businesses to help them transition to a low carbon economy. The GreenToCompete Hubs provide knowledge, practical expertise and a global network to support small businesses to adopt sustainable production practices while strengthening their competitive advantage.
- The <u>ITC SME Trade Academy</u> offers free online on trade and trade-related topics, including courses on sustainable production and management practices for small businesses. To date, over 400,000 individuals have enrolled in courses offered by the SME Trade Academy.
- The I<u>TC Alliances for Action Programme</u> is a network that transforms food systems and advances the Sustainable Development Goals through producer partnerships that cultivate ethical, climate-smart, sustainable agricultural value chains. This market systems approach looks to leverage private sector finance to support MSMEs transform.

One of its recent initiatives, led to the launch, together with partners such as International Coffee Organization (ICO), Lavazza Foundation and Academia, of the <u>Centre for Circular</u> <u>Economy in Coffee</u> (C4CEC). More information on C4CEC under the section "Partnerships for Sustainable Development"

D. Financing for Development

This section will address the challenges of financing for development as envisaged in the Addis Ababa Action Agenda, including financing the shift to sustainable consumption and production.

It will also explore policy options that incentivize and attract private sector finance and adjust national public and private financial systems to mobilize resources for sustainable investment at the national and regional levels.

Under the **Alliances for Action** framework, ITC and its Caribbean partners conducted an *Access to Finance Landscape Study* in the agribusiness sector, following the ITC-SAFIN (SME Agribusiness Finance and Investment Network) methodology. The study identified the following pain points in the financing sector.

On the supply side, FIs struggle to connect to MSMEs due to the following issues:

- Perception: FIs consider agribusinesses scarcely profitable, risk-averse, hard to reach and monitor.
- Specialization and Innovation: FIs lack agri-business specific products, personnel, presence, and innovative strategies tailored to better understand and address the needs of MSMEs in an inclusive way.
- Scalability: Single investees are too costly to support and too risky to finance, given the lower margins expected on the investment.

On the demand side, MSMEs struggle to connect to FIs due to the following issues:

- Weak Linkages: Agri-MSMEs lack awareness about financing opportunities and requirements and do not have ties to any FIs. In addition, the majority of Agri-MSMEs do not have strong ties among themselves with their buyers, their value chains or with support institutions.
- Capabilities & Scale: Agri-MSMEs lack finance-specific capabilities to meet FIs' requirements to access and manage loans. They also lack production volumes, planning capabilities, and sound value-adding projects to attract investors.
- Unmet needs: FIs primarily offer short-term finance at high rates for working capital, failing to meet MSMEs' long-term needs for growth and resilience. Lack of technological solutions defined from the bottom up to simplify access to finance and markets exacerbates the problem. Indeed, available finance schemes are also perceived to be top down, costly, not inclusive and too risky and there is a limited amount of trust in financial institutions.

Based on the study, ITC will scale its existing programmes in the Caribbean region to achieve the following:

- Strengthen the capabilities of agri-MSMEs to better understand and manage financial requirements and support the development of value-added products and risk diversification to increase investability and bankability.
- Strengthen capabilities of FIs in the Caribbean to address unmet agri-MSMEs needs and support the development of more innovative agri-targeted financial products and schemes that involve the value chain;
- Boost the supply-demand connectivity and linkages through the development of an agri-MSMEs investment pipeline and facilitating mutual knowledge.

In Pakistan under the **Growth for Rural Advancement and Sustainable Progress (GRASP)** programme, ITC also conducted significant analysis on the financing landscape in the agribusiness sector. The projects focus on value chain development and aim to shift MSMEs toward sustainable production and consumption. A matching grants programme was created to leverage private sector financing through the a co-financing mechanism and supported the bankability of MSMEs. Over 300 grants to the tune of 3 million USD were disbursed, focusing on funding aspects such as renewable energy, process improvements, high efficiency irrigation, among others.

E. Strengthening Science-Policy Interface

This section will assess the current state of scientific knowledge on sustainable development. innovative approaches to sustainability science, digital technologies.

It will refer to initiatives to harness science, technology and innovation, including new and emerging technologies, including through scaling up the use of open science, affordable and open-source technology, research and development to accelerate the achievement of the Sustainable Development Goals including SDG 12.

It will also explore initiatives from the international community to support developing countries in strengthening their scientific and technological capacity to move towards more sustainable patterns of consumption and production.

F. Partnerships for Sustainable Development

This section will examine the role of multi-stakeholder and cross-disciplinary partnerships as means of implementation of the 2030 Agenda for Sustainable Development. It will refer to partnerships at all levels, including with the United Nations system and international financial system, to advance innovative pathways to achieving sustainable consumption and production.

This section also will refer to partnerships that contribute to resource efficiency, sustainable management of natural resources, reduce waste, and increase resilience across all sectors of the economy, which will contribute to SDG 12 and 2030

It will also address the imperative of leaving no one behind by supporting countries to implement sustainability practices through joint delivery.

- Together with the International Coffee Organization (ICO), Giuseppe e Pericle Lavazza Foundation, Politecnico di Torino, the University of Gastronomic Sciences in Pollenzo, Italy, and the United Nations Industrial Development Organization (UNIDO), ITC launched the **Centre for Circular Economy in Coffee** in September. The centre will work with players across the coffee value chain and ecosystem as they test out ways to make the circular economy a reality within the sector. It builds on longstanding efforts underway under the ITC Coffee Guide and related network to bring together players in the coffee sector to craft solutions to shared challenges.
- Through <u>GreenToCompete Hubs</u>, ITC partners with business support ecosystems to expand their services for small businesses to help them transition to a low carbon economy. The GreenToCompete Hubs provide knowledge, practical expertise and a global network to support small businesses to adopt sustainable production practices while strengthening their competitive advantage. To date, 7 Hubs were established with local business support ecosystems in Ghana, Kenya, Lao, Vietnam, Nepal, Peru and the Caribbean.
- ITC is a partner of the **One Planet Network** and its SDG 12 Hub. The ITC Resource Efficiency and Circular Production (RECP) coaching methodology is featured in the <u>SDG</u> <u>12 Hub</u> as one of the technical tools for businesses for in support of sustainable consumption and production. This coaching programme builds the capacity of small businesses to adopt resource efficient and circular practices, resulting in reduction in GHG emissions over a multi-annual process, increased productivity, cost savings and enhanced compliance with environmental standards and regulations. This coaching approach has been implemented with more than 250 MSMEs in over 15 countries.

III. Conclusions

This section will refer to policy implications necessary to achieve implementation of sustainable consumption and production as a cross-cutting goal to achievement 2030 Agenda for Sustainable Development.