

Speech of Mr. César Barahona, President of the Worldwide Resource Efficiency and Cleaner Production network, Representative of Latin American Cleaner Production Centers and Director of the Cleaner Production Center of Nicaragua.

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Population of the world will keep increasing every day. Demand of goods and services will increase even more with the economic growth of all nations around the world. Energy, Water and other natural resources demand will increase at least five times per unit of good sold in any part of the world. Unless we change the way goods and services are offered for the welfare of human kind, environmental stress will cause health and social pressure.

Industrial production is set to increase by a factor of four by the year 2030, so decoupling economic growth from increased resource use and negative environmental impacts is a fundamental prerequisite for any future sustainable development;

Industrialization is required to achieve overall socio-economic progress and poverty eradication, due to job and income creation, and bringing goods and services to everyone. Yet we need to foster particular forms of industrialization that are socially inclusive and protect environment and climate. These forms of industrialization need to recognize the significant role of SMEs are playing and will keep on playing in economy growth and job generation, both in developed and developing countries.

Now, if all we agree that more sustainable patterns of production and consumption should be achieved very soon, addressing the barriers and eliminating the perverse incentives should be done in the short term.

We have worked in Greening some of the **Existing Industries** by Improving their environmental performance, increasing their efficient use of resources , strengthening their sound waste management practices, phasing out toxic substances, shifting to renewable energy sources.

Some **New Green Industries** have been created to Support industries delivering environmental goods and services and accelerating their progress towards sustainable consumption and production patterns.

We have contributed to achieving a number of cases of dematerialization of products and services by reducing material footprint of processes and products, by applying eco-innovation, by identifying and promoting new business models and the eco-design of products.

However, the number of companies that are implementing these strategies are still very limited, though the adoption of these practices have proved to be very successful.

The World Wide network for Resource Efficiency and Cleaner Production, of which I am proud to be the president, covers more than 50 countries, and is composed by organizations that have as core activity, demonstrating and promoting resource efficiency and cleaner production, by building local capacity, disseminating related policy and technical information, providing technical advice to companies and particularly SMEs, policy advice, assisting in the technology development and transfer, as well as identifying financial mechanisms to support such companies' interventions.

The 65 members of this network, the RECP net, worldwide have demonstrated that companies (including SMEs but not limited to them) implementing resource efficiency and cleaner production have achieved an average of:

Productivity increase of 10%

Energy saving 25%
 Water saving 30%
 Waste reduction 27%

Average annual impact reduction for the period (average indicators for 2001-2013)

Annual impact of the Cleaner Production Centre (2001 - 2013)		
Economic	Savings obtained through CP implementation (U\$)	8,087,356
	Investment required for CP implementation (U\$)	11,142,450
	Reduction in water consumption (m ³)	1,183,481
Environmental	Reduction in energy consumption (kWh/year)	23,656,621
	Reduction in waste generation (kg/year)	3,809,573
	Reduction in CO ₂ emissions (kg)	16,730,287
Social	Families benefiting from water savings	13,116
	Families benefiting from energy savings	13,141

Source: Nicaraguan National Cleaner Production Centre (2014).

That basically means that we have demonstrated that conditions are there to produce 10% more, using the same natural resources we are currently using.

However, **Upscaling and mainstreaming are the new challenges to ensure that this intervention provides a meaningful and continued contribution to sustainable development.**

The post-2015 development agenda (and the Sustainable Development Goals) requires a strengthened global partnership for sustainable development to mobilize means of implementation, involving governments but also including other influential actors, including civil society and the private sector.

Within this framework, the role played by sustainable consumption and production is fundamental.

As well as, the relevance and the opportunity of SMEs to participate both at national level and at global level should be fostered.

In this sense, the RECP network has an important track record of 20 years of experience of partnering at local, regional and global level to address the needs and opportunities of SMEs. The RECP network, should be a key channel to convey the challenges these companies face to a discussion such as the SDGs discussion. SMEs capability to implement the conclusions and decisions of all these discussion are key elements to achieve the desired goals.

There is no need of creating new institutions. Organizations like ours, chambers of industry and commerce, NGOs are already established and successfully operating in implementing sustainable production and consumptions patterns. Efforts should be focused in promoting strategies, mechanisms and Goals that are relevant, achievable and measurable, and that take into due consideration the private sector and specifically SMEs.

Considering globalisation and the influence that multi-national corporations exert on their supply chains, working with business and industry targeting **sustainability along value chains** is critical. It is important to separate the Social advertising / green washing from the Corporate Social and Environmental Responsibility. Transnationals and big companies should support SMEs to green their production and contribute to making global value chains sustainable.

Based on our experience and taking into consideration the specificity of the new challenges of upscaling and mainstreaming sustainable production and consumption practices, we recommend to include, support and strength in the SDGs the following aspects:

Building on a foundation - Know-how exists: A wealth of tools and methodologies have been developed to help business and industry design and implement more resource efficient and cleaner and safer production (RECP) practices. These are primarily applied at the company level for resource efficiency and safety focused improvements, through the support of business intermediaries (such as National Cleaner Production Centres and members of the UNIDO – UNEP RECPnetwork).

Sustainability along supply chains: Companies that have successfully embedded sustainable consumption and production practices at the core of their strategies has enabled them to contribute to greening the supply chain by supporting greening of their suppliers. They have also benefited from a growing demand of sustainable goods and services in a growing number of markets (including by governments through public procurement of sustainable goods and services). More specifically supporting SMEs

Policy support to sustainability in consumption and production practices: There are a number of policy frameworks that have the potential to support sustainable consumption and production as well as eco-innovation in business. There are successful regional and national efforts as well as business and industry initiatives that are contributing to build the foundation for innovative change at policy levels. The organization member of RECP have been very active in successfully promoting such policies and becoming the technical arm for their implementation.

Financial mechanisms for SMEs: The global study of financing mechanisms to promote cleaner production, performed by the Asian Development Bank (Evans/Hammer, 2003), found that there is no shortage of capital financing available for sustainable production improvements, but that the main obstacles lie in the relationship between the financial system and SMEs. SMEs often lack collateral and the technical expertise to prepare adequate financial proposals.

Working with financial institutions and intermediaries in developing countries, strengthening their understanding of the benefits of sustainable production investment, as well as developing targeted credit line or financial mechanisms, would have the potential to increase the opportunities for SMEs to access finance for their resource efficiency and eco-innovation projects.

A last point I would like to refer to accounting for the contribution of SMEs in progressing to the sustainable development goals. In this sense, the RECP network is also ideally placed to play a strong role in the process in both building capacity in SMEs to keep track of their sustainability performance, as well as to help monitor the contribution of the SME to the SDGs.

It is our aim to contribute to achieve sustainable management and efficient use of natural resources to enhance human welfare within the carrying capacity of ecosystems by implementing resource use/efficiency/productivity aiming to decoupling economic growth from environmental impacts.

Closing remarks.

We as RECP network have demonstrated all around the world that it is possible increase productivity while at the same time reducing the environmental impact and pressure on natural resources. However the need of Mainstreaming and Upscaling to all companies in the world is what will make the difference, including giving due consideration to the relevant role of the SMEs.

Companies in charge of providing the goods and services to humans should be able to be part of an inclusive society which builds on a sustainable industrial development and responsible consumption behaviour. Therefore the required enabling conditions should in place for them to take the required

actions, supported by existing organizations such as the UNEP/UNIDO worldwide network for resource efficiency and cleaner production.

These enabling conditions to sustainable consumption and production practices would need to include: access to information, capacity building, technical advice, clean technology, including renewable energy technology, all of these supported by **implemented** policies and functional economic instruments, designed for Micro, Small, Medium and Large companies all around the world.
