



## Executive Summary Report

The Second Global Network Conference on Resource Efficient and Cleaner Production (RECP-2011) was held on the 17<sup>th</sup> and 18<sup>th</sup> October 2011 at UNEP Headquarters in Nairobi, Kenya. The theme of the conference was **'Green manufacturing driving low carbon, resource efficient and clean industrialization in developing and transition economies'**. The objective was to enhance the promotion of green manufacturing in developing and transition economies and to introduce key findings from UNEP's Green Economy Report and the strategic elements of UNIDO's Green Industry Strategy. The conference was designed to draw from lessons learned and the outcomes of efforts undertaken in the last 20 years towards cleaner production and green industrialization; additionally to ensure that service providers and Small and Medium Sized Enterprises (SMEs) attain access to appropriate and affordable technology and financing. The conference provided an opportunity for the RECPnet to identify actions on how to work together to achieve green manufacturing.

Ninety participants from NCPCs and international RECP support-providing institutions coming from more than 40 developing, transition and developed economies attended the conference. It was opened by UNEP Deputy Executive Director Ms Amina Mohamed; UNIDO Managing Director of its Division of Programme Development and Technical Cooperation Mr Dimitri Piskounov; and the President of RECPnet Mr César Barahona. Presentations were given by NCPC members as well as the *Institute for Communication and Analysis of Science and Technology, International Standards Organisation, International Finance Corporation, Africert, Agventure Group, Wuppertal Institute, UNDP, Godrey Green Business Centre, European Commission, Centre for Industrial Sustainable Development, Eco - design Centre (EDC), Pôle Eco-conception et Management du Cycle de Vie, GIZ* and the *Frankfurt School of Finance & Management gGmbH*.

The global network was recognised as key to supporting the shift in business behaviour and policy creation. It has also been noted that, statistically, countries with NCPCs have better governance for sustainable industrial development and resource efficiency. The business case for RECP becomes stronger with the increase in the use of resources which leads to the need for improving the skills and know-how of the business and the public sector.

**Advocacy:** In the past 18 years the NCPC programme has developed the tools to prove that RECP makes good business sense for enterprises and other organizations. In particular, NCPCs have developed methodologies and accumulated experience on greening industries. With this, RECPnet members have the legitimacy to work with respective government officials on inputs to the Rio+20 processes and on the recommendations for local, national government and regional bodies to adopt the green manufacturing concept as one of the main opportunities to drive and sustain industrial development. NCPCs can also encourage the refinement of education systems and programmes in order to enhance the human resources capable to innovate and use green technologies. They can work to mainstream the actions of national chambers of industry and commerce. Advocacy should include governments as well as business and industry.

**Communication and Dissemination of Best Practice:** NCPCs play an important role in encouraging SME's to engage with the public sector and the Green Economy discussion by sharing success stories. Green Economy Advisory Services and NCPCs need to work together in countries where the two service providers co-exist to contribute to national efforts in the context of Green Economy. It was agreed that mechanisms could be put in place to better up-scale the positive practices existing on the national SME level. Experience and



information can be exchanged to encourage capacity building and enhance effective technological cooperation. This can be done through joint projects for information dissemination, education and training for both the public and private sectors. National Sustainable Consumption and Production (NSCP) action plans and mainstreaming SCP objectives in development policies make a substantial contribution towards poverty alleviation. RECPnet can therefore work on implementing additional environmental projects aimed at resource efficiency that contribute towards the reduction of poverty and inequality.

**Sectoral Areas:** Selected priority areas were covered during the conference, these included agri-industry, manufacturing and tourism. Outcomes for **agri-industry** emphasized the importance of making solutions accessible for farmers and keeping track of buyers/market requests. The need to work along the value chain is essential and RECPnet has a fundamental role in creating awareness and transferring knowledge and capacities along the whole value chain. UNIDO suggested the creation of a working group to support the design of an action plan for this sector. Outcomes for **manufacturing** show that there is no 'one-size-fits-all' when it comes to clean manufacturing technology, it must respond to local basic sustainable development needs. However, RECPnet can support this through awareness raising, capacity building, and South–South business cooperation. The possibility of a basket of functioning “clean technologies” that includes technologies and the associated skill sets was put forward. Outcomes for **tourism** highlighted that NCPCs have good experience supporting the implementation of energy efficiency and renewable energy improvement plans in the tourism sector, they can also support the adoption of the many existing international and national standards. The tourism sector is an ideal platform to integrate the human/social factor in the greening of the industry and carries a strong potential for green job generation at a local level which will support national green economies. NCPCs can work to further include the social aspect of RECP and environmental management systems, an essential part of the tourism and service sectors.

**Financial and Technical Support Mechanisms for SMEs:** Several multilateral development institutions presented their support mechanisms for SMEs with a variety of options for accessing this support. The NCPCs also provided their country perspectives on needs and challenges for delivery of these mechanisms to SMEs. There is still a major funding barrier from banks that are reluctant to provide funds for environmental improvement. This hinders the possibility for SMEs to carryout technology upgrades for increased efficiency, and therefore their ability to compete in global markets.

**Innovation:** Traditional business models have a short-time management focus instead of having a long-term strategic view. The real-value business model integrates true environmental costs into company decision making (or customers), these are: *1. Real Cost Model; 2. Disruptive Technology Business Model; 3. Multi-Functional Products and Services Business Model; 4. Product Service System Business Model, e.g. the case study of Chemical Leasing (Egypt, Mexico, Russia, Serbia); and 5. Societal Business Model.* It is important for RECPnet to emphasize the business case for increased investment in resource efficiency. The RECP global network should encourage the uptake of new sustainable business models and support to SMEs in this context. There is also the need to explore how these models are linked to the company's decisions.

NCPCs can play an important role in the development of **Eco Industrial Parks** through technical assistance, capacity building and encouraging multi-stakeholder involvement where necessary as well as providing policy support for local and national governments. Strategies were put forward regarding **low carbon and resource efficient manufacturing** including: dematerializing products, increasing process efficiencies, minimizing process emissions, switching to low carbon inputs, closing the carbon loop. The NCPC's can play an instrumental role for fostering climate related technology innovation, adaptation and deployment and thereby



facilitate the transition to resource-efficient and low carbon industries. Several business models were presented aimed at making the business case for integrating RECP in private businesses. SMEs can benefit from such **innovative business models** because they are adaptable and therefore able to adopt the model quicker, they can also benefit from the support of larger industries. Regarding **Sustainable Products**, there are still barriers such as; lack of incentives and support policy instruments for sustainable products, lack of skills of national designers and other research and development staff, and perceived high costs as well as a weak market demand for sustainable products. NCPCs can support design for sustainability (D4S) by contributing towards awareness raising, behavioural change of management and the business mind of a company. RECPnet represents a good opportunity to build a platform for knowledge sharing and transfer across government, business, education and other stakeholders.

**Overall conclusion:** There is a need to develop appropriate and effective communication practices using adequate language for common methods and step-up the communication of achievements made within and without RECPnet. A knowledge sharing platform is needed at all levels: national, regional and multilateral. RECP can open the market and be a great factor for competitiveness. It was strongly highlighted that RECPnet members and similar service providers need to take the first step in showing how RECP can work to make their activities more visible, as by doing so more funds will be attracted. The conference demonstrated that opportunities exist for RECPnet to take action. Tools and solutions exist, as does funding, but these mechanisms need to be adapted to SMEs.

There is also still a strong need for supporting the development of enabling policy conditions. RECPnet needs to work together with respective public entities, working industry and environment government institutions as well as other relevant bodies. NCPCs can support the public and private sector to work towards green economy and industry both through partnering and joint initiatives. The current financial crisis creates the solid case for resource efficiency and decoupling, therefore represents the opportunity to work towards green manufacturing, low carbon, resource efficient and clean industrialization.

The RECP programme offers various opportunities for further promoting and delivering resource efficiency and cleaner production, representing therefore a real solution as the link between green industry and economic needs.