

## Report of the

# Smart START-UP

## *Multi-Stakeholder Meeting on the Future of Sustainable Business and Entrepreneurship in the Mediterranean*



### 1. Introduction

The event took place on **Friday 17 February 2012** at the Boğaziçi University in Istanbul, Turkey. It was organized by Regional Activity Centre for Cleaner Production (CP/RAC), UNEP Mediterranean Action Plan (MAP), UNEP/Wuppertal Institute Collaborating Centre on Sustainable Consumption and Production (CSCP). Boğaziçi University Sustainable Development and Cleaner Production Center (SDCPC) kindly hosted the Meeting. Turkish Ministry of Environment and Urbanization was the official supporter of the event.

The Meeting was organized within the third edition of the SMART Start-up Programme focusing on the challenges and opportunities of Sustainable Entrepreneurship in the Mediterranean countries. It was launched by the **SMART Start-up Training on Sustainable Entrepreneurship**, which took place directly before the Stakeholders Meeting, **14-17 February 2012**. The Training's participants joined also the Stakeholders Meeting, which brought altogether sixty Sustainable Business and Entrepreneurship stakeholders, from entrepreneurs to policy makers, NGOs, academics, companies as well as students as and young professionals from Turkey.

## 2. Objectives of the Event

The objectives of the Meeting were presented in the introductory speeches of the director of CP/RAC **Mr. Enrique de Villamore**, and a representative of CSCP, **Ms. Burcu Tunçer**.

The objectives included:

- To define the state-of-the-art of Sustainable Entrepreneurship in the Mediterranean region;
- To sketch current trends and tools for enhancing the capacity for Sustainable Entrepreneurship;
- To explore how SMART Start-up like tools can be replicated in the Mediterranean region;
- To sketch suggestions for introducing Sustainable Entrepreneurship in university curricula;
- To explore future directions on how you, the invited stakeholders can jointly foster Sustainable Entrepreneurship field in the Mediterranean region.

## 3. Panel presentations and discussion

Panel presentations aimed to provide a landscape and practical insights of Sustainable Entrepreneurship (SE) in the Mediterranean. The role of various stakeholders in enabling SE in the Mediterranean was presented by five speakers. Some of the key insights of their presentations are mentioned below.



**Prof. Dr. Göksel Demirer, Chairman of the Environmental Engineering Department, Middle East Technical University: *Case Studies of Resource Efficient Industrial Production in Turkey***

- Have we reached the end of evolution?
- There is a pressing need to realize full-scale demonstration projects in the priority sectors in order to accumulate know-how for information and dissemination strategies. This will support raising awareness and developing capacity.
- Industrial symbiosis (Eco-industrial networking) describes long term partnerships of two or more industrial operations to increase resource efficiency, environmental performance and competitiveness. It provides great benefits through e.g. facilitating the development of new products, energy cost minimization, waste processing and compliance with environmental law and regulations.
- Universities play a key role functioning as gates through which tools, concepts and programs enter a country and support the adaptation to local conditions.



**Ms. Francesca Culcasi, CP/RAC, Project Coordinator, Green Economy: Greening the entrepreneurial spirits of the Mediterranean**

- People in the Mediterranean countries have always been entrepreneurs and it is important to go back to the roots: renewable energy and farming.
- The turning point is in the interpretation of words, for example Χρσιση(crisis) means an opportunity for people to integrate the environment and society within economy and scale up these practices. How to do it? By having a clear picture of the state of the art, rising awareness and moving into action.
- Green entrepreneurs are passionate about their ideas.
- Sustainable lifestyles are about empowerment and commitment to future generations and social entrepreneurs. It is about creating networks and communities and seeing things from different perspective.



**Ms. Ferda Ulutaş, Coordinator of Environmental Project Group, TTGV Turkey: State of the art of Green Entrepreneurship in Turkey**

- In order to understand the perception of green entrepreneurship a conceptual framework is needed. Green entrepreneurship is a combination of sustainable entrepreneurship and eco-entrepreneurship.
- The investment instruments in the presented report show that private equity financing has not effectively taken off in Turkey though venture capital is a growing sector and business angels are more interested in green initiatives.
- Present and potential sectors for green entrepreneurship are e.g. energy, waste management, agriculture, automotive and electrical household appliances. Priority sectors for entrepreneurs in Turkey are renewable energy and material.



**Assoc. Prof. Dr. Nilgün Cılız, Bogazici (Boğaziçi) University, Lecturer at Institute of Environmental Sciences, Director of Sustainable Development and Cleaner Production Center: How to succeed in green production initiatives in Turkey?**

- There's been a notorious progress from management into cleaner production due to the incorporation of people with multidisciplinary backgrounds and stakeholders that support eco-business development. It holds potential to outgrow business drivers that consider economical and social impact, bring innovation as key for substitution and replication with potential for synergizing initiatives.
- Labelling for quality is an increasing solution that can be reinforced through an award process that strengthens the GES (Growth Efficiency Stability) and is becoming a customary practice in production activities.



**Mr. Hansin Doğan, UNDP Private Sector Programme Manager: *Public-private partnerships to advance sustainable entrepreneurship***

- The UN Global Compact helps the private sector use its resources beyond philanthropy toward a more sustainable approach to reaching out the poor and to support sustainable development at global and national levels.
- SE is closely linked with the principles of Sustainable Development, which argues that enterprises should make decisions based not only on financial factors such as profits or dividends, but also based on the immediate and long-term social and environmental consequences of their activities.
- Support from others such as grants, subsidies, governmental frameworks and research institutions is essential. Everyone has the potential to engage contributing to more inclusive businesses.
- It is important to take into consideration the new consumer class and expanding workforce as they provide new opportunities for income generation, increase in productivity and reinforce the importance of the roles of each societal stakeholder since societies are transforming themselves.

## 4. Presentation of the SMART Start-up Training and testing the sustainable business ideas

In this session, the SMART Start-up Programme was presented by Ms. Jadwiga Zurad representing the CSCP. Under the framework of this Programme, CSCP has been providing trainings and developing tools to sensitize the academic community and the youth to Sustainable Entrepreneurship and develop the capacity of entrepreneurs. It aims to stimulate sustainable entrepreneurship particularly in rapidly growing economies. It presents the concept of sustainability as an opportunity for potential entrepreneurs to develop sustainable business ideas and provides a platform for collaboration between multinational companies, micro entrepreneurs, and supportive civil society organizations.



Moreover, during this session the participants of the SMART Start-up Training pitched in front of the stakeholders their business ideas. An initial reality check of the developed business models was conducted. Stakeholders got an insight into the SMART Start-up Training, whereas the participants get hands-on feedback on the developed business ideas.

Following business ideas were presented:

1. 'Connect One Threads - Green Fashion Show: A vehicle for sustainable solutions in the clothing value chain'
2. 'SMSE : Saving Money by Saving the Environment'
3. 'Sustainability Community LAB'

Furthermore, members of the Environmental Club of the Boğaziçi University presented their existing initiative 'Green Fest' recently awarded the UNEP TUNZA Good Practice Award.



## 5. The interactive session



The interactive session in the afternoon aimed to identify success factors as well as projects and actions needed for enabling Sustainable Entrepreneurship in the Mediterranean. The discussions were focused around four areas, which had been defined as the priority ones, including:

- Innovative Entrepreneurship,
- Partnerships for Policy Making,
- Tools for Education in Sustainable Entrepreneurship,
- Infrastructure for Cleaner Production.

The conclusions derived from these discussions are summarized beneath, respectively for:

### **Area 1: Innovative Entrepreneurship** hosted by **Mr. Oriol Pascual, ENVIU**

Existing opportunities and success factors for sustainable entrepreneurship to flourish in the Mediterranean:

- Clean energy, Energy from organic wastes,
- Tapping into existing recycling frameworks,
- Heritage, regional products, capitalizing on the local knowledge,
- Ecotourism, sustainable fishery,
- Greening the shipping solutions.

Entrepreneurial initiatives that we can co-create to tap into the identified opportunities:

- Consulting,
- Knowledge sharing (best practices, web page collecting current opportunities from the region),
- Connecting green entrepreneurs from the Mediterranean region.
- Furthermore, the group presented an inspiring entrepreneurial green trade idea.

## **Area 2: Partnerships for Policy Making hosted by Mr. Enrique de Villamore, CP/RAC**

Identified opportunities for policy makers to support Sustainable Entrepreneurship in the Mediterranean region:

- Changing the legal framework for green taxes, green law,
- Green public procurement encouraging sustainable solutions,
- More public subsidies and better coordination of the subsidies,
- Entrepreneurial hubs, hybrid organizations,
- Involving all the relevant stakeholders from entire value chains (industry, civil society etc.) in participatory processes,
- Market evidence for sustainable products (eco labeling, collaboration between the government, companies, retailers as well as academia),
- Industrial research centers.

Partnerships and initiatives that were identified as key to activate the enablers of Sustainable Entrepreneurship:

- Development of sustainability criteria and standards for products and services,
- Mandatory environmental standards to regulate housing and waste management,
- Better guidance for consumption of products and services,
- Boosting green investment in banking, collaboration of financial sector with green start-ups.

## **Area 3: Tools for Education in Sustainable Entrepreneurship hosted by Ms. Vanessa Rodríguez Gómez, CP/RAC and Ms. Jadwiga Zurad, CSCP**

Following existing approaches and tools for educating Sustainable Entrepreneurship were discussed:

- Regional trainings organized by the Ministry of Science, Industry and Technology,
- Training programmes for industry and universities (eco-efficiency, environmental consciousness, productivity improvement),
- SMART Start-up Training programme on Sustainable Entrepreneurship,
- One-month-long training (MBA-like) at the Boğazıcı University.



## 6. Summary

During the Stakeholders Meeting various aspects of the Sustainable Entrepreneurship were discussed. The participants were striving to identify and understand different points of view concerning existing challenges, opportunities and needs to enhance the Sustainable Entrepreneurship in the Mediterranean region.



Final conclusions included the following:

- Sustainable Entrepreneurship translated into practice is about providing eco-products and services, replicating eco-efficient technologies, resources management, yet above all it is about sustainability-driven innovation for satisfying basic needs.
- Collaborating with financial institutions and being inclusive of financial institutions in our future projects is key for success.
- The role of universities in disseminating Sustainable Entrepreneurship is crucial. Universities are the incubators of future engineers, business men/women, managers, economists, lawyers. Accordingly introducing SCP teaching as crosscutting in all and MBA schools is necessary. Thereby, replication of the SMART Start-up Programme was one of the suggestions for introducing the concept of SCP in university and business school curricula in the Mediterranean region.

Last but not least, the stakeholders present during the Event defined potential collaboration areas and examined future directions on how they could jointly foster the capacity of Sustainable Entrepreneurship. Some of the final messages that were expressed:

- *'We could facilitate exchange between start-ups and existing green businesses. An exchange platform for idea generation could be also done.'*
- *'Let's replicate SMART Start-up further in Turkey and other Mediterranean countries!'*
- *'Organize a bigger inclusive multi- stakeholders (inviting more decision makers, investors etc.)'*
- *'We should take advantage of the green business ideas and concepts developed right here to inspire possible future projects and actions in the framework of the cooperation initiatives for Sustainable Entrepreneurship'*
- *'In Turkey specifically we are looking forward to discussing the idea of a network on sustainable entrepreneurship that can aim at exchange of lessons-learned and framing of the theme.'*



