

15 September 2017

Re: National Policy Statement on the Bioeconomy – a Response to Public Consultation

With a goal to further mobilise private sector investment into the low-carbon and resource efficiency sector, Sustainable Nation Ireland (SNI)¹ welcomes the opportunity to contribute views on Ireland's National Policy Statement on the Bioeconomy, and thus to the long-term formulation of Irish economic policy, which will contribute to Irish long-term, sustainable and inclusive growth.

SNI views the development of Ireland's bioeconomy as a contributor to Ireland's overall ambition to be a low-carbon, resource efficient and circular economy, and as an important contributor to economic growth and regional job creation.

Working with both the public and private sectors, SNI is committed to the promotion of Ireland as a world-leading hub for sustainable investment and innovation. We work to stimulate greater investment into smart innovations, new enterprises and sustainable business practices. Forming part of the Irish Government's IFS2020 strategy and the National Mitigation Plan, our ambition is to have €250 billion managed, domiciled and deployed into low carbon enterprise solutions, all underpinned by sustainable and responsible investment principles by 2021.

In effect, SNI is a platform for those working right across the low-carbon sector and capital markets to come together, understand each other – and ultimately do business at a local and global level. We achieve this by delivering programmes and activities across two pillars – **sustainable business** and **sustainable finance**, underpinned by skills and promotional capability. It is the sum of the parts between our pillars and activities that ensures SNI is achieving successes, including but not limited to:

- representing [Climate-KIC](#) in Ireland, Europe's largest climate innovation, with a focus on sustainable finance & decision metrics and smart land-use, thus bringing even more support to the Irish eco-system;
- representing the [Climate Bonds](#) Initiative in Ireland, an entity dedicated to mobilising the \$100 trillion bond market in support of climate change solutions;
- supporting > 50 start-ups and SMEs in the past 12 months, via our [2ºPlatform](#), to develop sustainable businesses through structured capacity-building & leadership programmes, with many of those companies developing bioeconomy solutions;
- launching Dublin's first pan-European sustainable finance & decision metrics [Accelerator](#), supported by Climate-KIC. With a potential investment of up to €1.2 million in to Irish SMEs over three-years;
- progressing the activities of Ireland's Sustainable & Responsible Investment Forum, a platform established to raise awareness of the responsible investment agenda and hosted by SNI as per our IFS2020 AP2017 commitments;
- hosting the Sustainability Skillnet network, Ireland's first private sector skills platform dedicated to the enhancement of world-class knowledge and competence in the low-carbon area;

¹ Formerly known as The Green Way and the Green IFSC

- supporting partner firms as they secured near €2 billion in new funding to support the development of both domestic and international low-carbon enterprise activities (year-to-date). Most of these funds are provided by international investors, demonstrating the high-regard for Ireland's low-carbon enterprise talent base held by an important pool of global capital providers.
- SNI has actively contributed to many the projects and initiatives highlighted in the consultation paper, including [ReNEW Network](#)²

Indeed, as we seek to hit our target of €250 billion by 2021 in low-carbon funds domiciled, managed or deployed into Irish enterprises, the importance of this growing global recognition of Ireland's world-class excellence in the low-carbon and bioeconomy space is critical.

To deliver Ireland's potential for a low-carbon society, focused on bioeconomy opportunities, it is imperative that the long-term opportunities are considered in the context of **'Opportunity – Mobilising Private Capital & Innovation.'**

SNI's comments reflect *"Question 10 - Are there any other issues to be addressed through a national policy statement?"*

Transiting Ireland's Economy

At a global policy level, governments are putting in place plans to mitigate against and adapt to climate change. These plans are investment roadmaps, with the G20 estimating that an investment of \$90 trillion is required globally to achieve a low carbon future. These investments will range from provision of clean energy and clean water to sustainable land-use practices to support food and resource production for a rapidly growing global population.

The global and national investment required to achieve a low-carbon economy is inclusive of agriculture, forestry and land-use. However, these figures may not fully take account of the economic opportunities arising through the development of value-chains within the circular economy, such as the bioeconomy value-chain. Europe has estimated that it will support 22 million jobs and have a €2 trillion annual turn-over.

Ireland's Strategic Investment Fund estimate that Ireland alone will require €40 billion to meet its planned decarbonisation targets.

The transition to a low carbon and circular economy is a catalyst for economic growth and prosperity.

SNI believes that economic growth can be catalysed and inspired through several policy/government enabled actions, including but not limited to:

1. Positioning Ireland as a sustainable-finance hub;
2. Supporting SME growth programmes to deliver a pipeline of eco-entrepreneurs;
3. Building capacity and skills on sustainable finance, across the sector.

² The Green Way was an Irish partner in this consortium

1. Sustainable Finance - Positioning Ireland as a sustainable-finance centre

Europe's High Level Working Group on Sustainable Finance defines sustainable finance as about two imperatives. The first – *to improve the contribution of finance to sustainable and inclusive growth, in particular funding society's long-term needs for innovation and infrastructure, and accelerating the shift to a low-carbon and resource efficient economy. The second is to strengthen financial stability and asset pricing, notably by improving the assessment and management of long-term material risks and intangible drivers of value creation – including those related to environmental, social and governance (ESG) factors.*

Very large sums of money will be required from the international capital markets in the coming years to assist the global transition from the “brown” to the “green” economy. Public sector money alone will not cover the cost. Different estimates exist but the indicators are that private investors must finance 85% of the capital required for this transition. Green finance – a sub-set of sustainable finance which specifically relates to the capital required to tackle climate change - must be globalised to be successful. Ireland, as a globally-recognised centre for specialist international financial services, is well-placed to support the development of sustainable finance.

This has already been recognised by Government. The IFS2020 strategy sets out a vision for Ireland to be the recognised global location of choice for specialist international financial services. The 2017 Action Plan for IFS2020 has tasked SNI to work towards positioning Ireland as a global leader in sustainable finance.

Sustainable Nation – as part of the IFS2020 Strategy – has developed Finance-Green. Finance-Green is Ireland's response to the global call to mobilise investment to tackle climate change. It has a purpose to connect capital with talent, know-how and innovation to ultimately do business at a local and global level. €28 billion of green-finance is currently domiciled, managed or deployed in Ireland.

Sustainable Nation has delivered three key actions that will position Ireland as a sustainable finance centre, and thus a leader in the space:

1. Establish [Finance Green Ireland](#) – Ireland's green finance centre, bringing together policy makers and market actors to drive the mobilisation of private sector finance to support the transition to a low-carbon economy.
2. Establish [Sustainable & Responsible Investment Forum \(SIF-Ireland\)](#) – bringing together policy makers and market actors to build awareness of best-practice & opportunities on environmental, social governance (ESG) and responsible investment agendas.
3. Development of a **venture-capital fund** for investment in low-carbon businesses, inclusive of bioeconomy. AIB have committed €5M to this fund, and SNI is currently working with other funders to progress to launch.

The [2017 report](#) *Access-to-finance conditions for Investments in Bio-Based Industries and the Blue Economy* recognised the many challenges that face bio-based and blue-economy industries require to access to capital to develop. Finance-Green and SIF Ireland as convened by Sustainable Nation as part of IFS2020, provide are an important focal point to build awareness of Ireland's bioeconomy opportunities from an investment perspective.

This mobilisation of private sector finance should be regarded as a vital component of Ireland's bioeconomy value-chain. Fortunately, there is no need to reinvent the wheel, a structured approach exists to engage with private-sector capital.

Recommendation

- In partnership with Sustainable Nation organise quarterly briefing sessions with investors (domestic and international) as pertains to national bioeconomy opportunities.

2. Sustainable Business - Supporting SME growth programmes to deliver a pipeline of eco-entrepreneurs

No new low-carbon – or bioeconomy- innovation will survive in the marketplace if it fails to maximise customer value along multiple dimensions. The innovations must also bring bottom-line value in terms of total cost reduction, enhanced performance, or competitive edge.

It is for this reason that SNI developed [2°Platform](#); to provide researchers, innovators and entrepreneurs with the skills to bring low-carbon solutions to market.

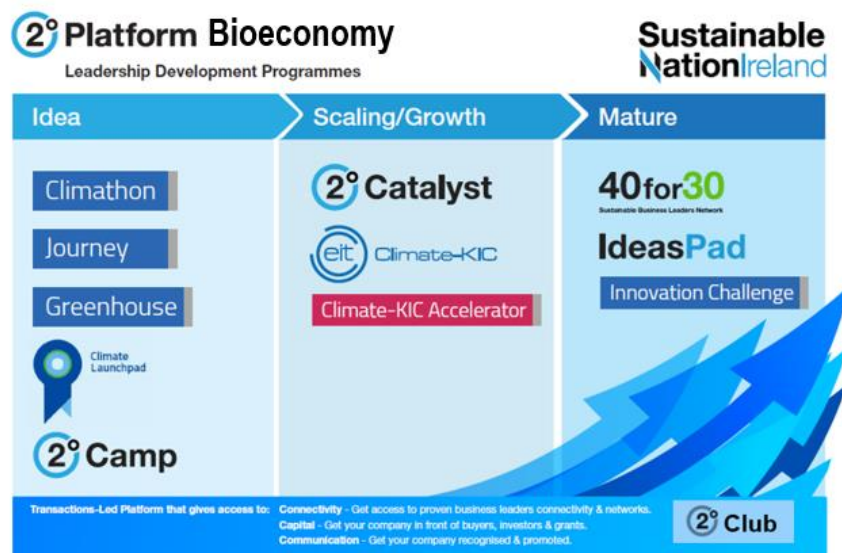
Irish companies lead the way in creating innovative ideas and products to solve global sustainability challenges. SNI's platform – 2°Platform – supports businesses in a structured manner to help grow sustainable businesses, turning Ireland's smartest sustainability and low-carbon ideas and products into commercial reality.

2°Platform is supported by Enterprise Ireland, Climate-KIC and Sustainability Skillnet, and is Ireland's only SME initiative that focuses on sustainability and climate-innovation to ensure Ireland develops a pipeline of eco-entrepreneurs. It brings together a network of investors, corporates and public sector organisations that are keen to support the next wave of clean and green technology. 2°Platform supports businesses at all stages of maturity, from early stage ideation through to scaling & growth and beyond.

SNI has developed an evidence base for the sector, which encompasses more than 350 companies developing low-carbon and resource efficient solutions. Many of these companies can be regarded as contributing to Ireland's bioeconomy. To date these companies have raised over €115M and employ over 5,000 people. SNI believes it is crucial to understand the metrics for the sector in which it operates, and is currently completing its 2017 survey. These numbers do not include the wider supply chain of consulting and professional services firms.

Year-to-date, 2°Platform has supported >50 companies to develop and grow their business. The Platform also supports existing businesses that need to be more sustainable, and to consider the impact of climate change on their business rather than just the company's impact on climate change. Notwithstanding, a company that focuses on sustainability will improve efficiencies and thus be more competitive and attractive to an investor base.

The 2°Platform supports SMEs in a range of applications and sectors, and we have now created 2°Platform Bioeconomy.



Our world-class programmes and ecosystem can be applied at local, regional or national level and to mixed or sectoral groups. Our programmes such as 2°Camp, is a 1-day bootcamp that we bring to the regions, building awareness of the business opportunity and identify potential business ideas. Companies can progress on to ClimateLaunchpad, a pre-accelerator, which provides companies with mentoring and training skills, delivered via a 2-day bootcamp with international trainers and 6-follow-up coaching sessions. Participants pitch at a national final and the top-3 selected represent Ireland in a European Final. It is worth noting that ClimateLaunchpad is the world's largest cleantech competition, and exposes Irish start-ups to a vibrant European community. Companies can then progress to our Accelerator programmes, where we work with companies that are close to or in revenue to help them accelerate their business by means of mentoring support and limited grant funding. Finally, companies that need to scale & grow join our Catalyst programme.

SNI has brought in world-class trainers and coaches to build capacity for innovators in low-carbon and bioeconomy solutions. We connect participants with proven leaders from business and experts from academia / research, who provide invaluable insight and context for business development. **More importantly our 2°Platform is connected to the investment community, nationally and globally e.g.** VC fund and green finance as outlined in section 1 above. Connectivity with green finance creates a greater chance of accelerating new solutions and creating synergies to ignite new business opportunities. Additionally SNI is:

- advisor to the Climate-KIC Investor Network
- partnership the Global Cleantech Cluster (GCCA) – where to date 5 Irish companies have won GCCA Awards – thus promoting the company internationally to investors
- partnership with the Cleantech Group – where one Irish company, OxyMem, is recognised as one of the top-100 global companies to watch.
- new partnerships are being developed with the [UK's Global Entrepreneur's Programme](#), which will provide another critical pathway to the UK market.

SNI believes that new bioeconomy businesses will arise from a mix of entrepreneurs, including the serial innovator who “has an idea” to intrapreneurs in existing corporates, in addition to the commercialisation of research. SNI’s structured approach will help all SMEs to commercialise and grow their business through its 2°Platform to deliver a pipeline of eco-entrepreneurs which will catalyse the Irish economy.

Provision of **structured business-supports** is vital to aid commercialisation. It is a key aspect of the value-chain but one that is not deeply considered within published documentation.

Recommendation

- Support the development of 2°Platform for Bioeconomy, which builds on existing European networks and supports such as Climate-KIC. It should be regarded as a framework of supports tailored to diverse needs and motivations of companies that wish to commercialise their products or services.
- Work with SNI to further develop out Ireland’s evidence base for the low-carbon sector, inclusive of bioeconomy, allowing for further targeted intervention to support the growth of the sector.

The development of Ireland’s bioeconomy will require a multi-faceted approach, with multi-stakeholders contributing to its success. Sustainable Nation believes it can contribute to this success. It makes new businesses investment-ready through its 2°Platform, while stimulating interest from investors through Finance-Green. Sustainable Nation is delighted to contribute to, and support the development of Ireland’s bioeconomy in order to contribute to Ireland’s sustainable and inclusive growth.