



The Curse of Riches: Extracting Nature's Wealth,
Contrasting Claims & Rights and Criminal Law

“Developing a sustainable
business ecosystem: An
innovative systemic
approach”

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Curse of Riches

- Richness is not a curse per se. In fact all humans are naturally geared toward a better life, pursuing more and more richness in the faux paradigm richness=happiness
- The “curse” of countries rich in natural resources is nonetheless a stunning reality
- The curse of these countries (or regions within countries) is not in their richness but in the unlimited greediness of human beings and unethical and unsustainable behavior of many enterprises

What are the main elements of exploitation of naturally rich countries (in alphabetic order)

- Bribery & Corruption
- Environmental damage ([air](#), [water](#) and [soil](#) pollution, water and energy consumption, waste generation), [GHGs](#), biodiversity
- Human rights violation/abuse
- Impact (negative) on local communities
- Money laundering
- Tax avoidance
- Undue political influence
- Work conditions (child labor, health and safety, slavery, wages)

The solution: fighting these elements of exploitation

- We need to rethink the way of doing business
- Many initiatives are currently undergoing for a sustainable and more ethical behavior of governments, business sector and consumers
- The Agenda 2030 with its Sustainable Development Goals (SDGs) is certainly the universally agreed “benchmark” for sustainability
- The business sector is moving fast toward definitions and solutions of sustainability, often faster than regulators

What is ethical and sustainable?

- The concept of ethics is “to some extent” subjective (or culturally-biased), while the concept of sustainability is getting to “some” degree of common understanding
- Let us assume, simplifying, that Environmental, Social and Governance (ESG) principles are a decent proxy for sustainability and let us see what they are and how they could contribute to a blessing for natural richness
- The many initiatives referring to ESG principles are often opaque, with generic references, different definitions, lack of performance indicators and unknown methodologies.

Variety of frameworks addressing the sustainability problem

There is growing guidance available at national and international level by private and public institutions with no consolidation of frameworks

Multilateral organizations

- OECD: Guidelines for Multinational Enterprises
- ILO: Tripartite Declaration of Principles concerning multinational enterprises and social policy
- IFC: Performance Standards on Environmental and Social Sustainability
- The Environmental, Health and Safety guidelines of IFC and WBG
- United Nations Global Compact
- United Nation Guiding Principles

International Standards

- ISO 26000
- Global Reporting Initiative
- WBCSD: Guidelines for Environmental & Social Impact Assessment
- Sustainability Accounting Standards Board
- Equator Principles

European Initiatives

- EC European non-binding guidelines on non-financial reporting
- EC on taxonomy on sustainable finance
- EU climate benchmark and ESG disclosures
- Guidelines on reporting climate-related information
- European Bank for Reconstruction and Development Performance Requirements and Guidance

Financial Institutions

- Banca di Italia ESCG Investment
- Candriam
- Patamar Capital
- NN Investment Partners

A paradigm shift

Toward a sustainable human-centred business ecosystem

- A. core set of values at the base of business embedded in the businesses' bylaws, to build sustainable value
- B. legal framework and new governance solutions to shift from shareholders to stakeholders' engagement
- C. responsible finance to support sustainable businesses
- D. fiscal system leveling the playing field with a combination of incentives and disincentives to promote sustainable behaviors
- E. public and private "sustainable" procurement policies and practices
- F. from profit maximization to stakeholders' engagement

Private sector approach vs regulatory approach

- A “human-centred” private sector approach is market-driven and it is a response to a growing demand
- It is particularly efficient and effective in countries with a weak legal/regulatory framework or weak enforcement mechanisms
- The inclusion of a set of Human-Centred values within the corporation’s bylaw, paired with an adequate governance will help “prevent criminal offenses” from the top management even in countries with no or weak legal systems
- The set of values should be focused on ALL aspects of sustainability, including the “social” and the “ethical/integrity” components
- Sustainability is a key element in access to responsible finance, access to new markets (private and public procurement), better market positioning (with stakeholders including responsible consumers)



- The Human-Centred Business Model project, currently coordinated by OECD Development Centre, provides some practical references with the design of a holistic approach where governments and business stakeholder should collaborate in the participatory establishment of a sustainable business ecosystem
- Sustainability principles have been set and paired with suggested performance indicators
- Sustainability principles have been compared to different international initiatives to capture and validate them in the context of CSR, ESG and overall sustainable development



Thanks for your attention and consideration



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