

ESG promotional content
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sustainable japan

Cofounder of SDG Impact Japan applies years of global experience

Bradley Busetto: Green investments, great returns

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Leaders & Readers

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Of all the types of finance, green finance simply sounds ... interesting. Perhaps it is the tension in the name: Like the phrases “teenage werewolf” or “military intelligence,” “green finance” is two slightly oxymoronic words describing a single thing. This catches your attention, and leaves you wondering: Can the pursuit of profit (a ruthless endeavor) be environmentally positive (an altruistic action)? Can doing the right thing make shareholders money? Bradley Busetto is here in Japan to answer that question. Together with Mari Kogiso and Mamoru Taniya, he is one of the founding partners of SDG Impact Japan, the country’s



Mohandas Gandhi’s phrase “be the change in the world you want to see” has inspired Busetto throughout his life. HIROMICHI MATONO

first full-service sustainable investment firm. SIJ sees environmental and social challenges as technical limitations; companies that solve them will simply make more money. To Busetto and his team, ESGs aren’t obligations, but opportunities. The first category of opportunity encompasses the innovators. “We’re looking for great ideas. For instance, we just jointly announced the first close for an agri-tech/food-tech fund with a Singapore based global venture capital platform. The aim is to find companies developing new technologies that limit the use of inputs (such as water and pesticides) and enable other companies to create a more productive and sustainable food supply,” Busetto said. His ambition is broad. “There are many different sectors, we think, that will really profit by seeking these kinds of technologies.” It is the second category of opportunities that make Busetto stand out. SIJ and its partners aren’t just targeting good ESG companies; they are also looking for companies not yet leveraging their ESG potential. It is a space few other impact funds are looking at. “A lot of the ESG funds are more about reporting on things, box-ticking exercises or selecting companies that are already ‘good.’ They don’t focus on the vast majority of companies who haven’t really thought about sustainability, so they aren’t helping them move forward,” Busetto said. “That’s what we’re focused on. We take an outcome-focused, engagement-focused approach.” I was confused — what outcome was he talking about? He got specific. “We’re looking at companies in Japan who might not be top of the class in sustainability, but they have room to grow. And we’ve identified leverage points that can

increase their ESG performance, which will also increase their financial performance.” Ah, now I understood. It is the oldest game in finance — find an undervalued company. Except now the improved corporate value would come from improving a company’s operations via ESG technologies. Busetto is a new arrival here in Japan, a country he sees as a natural fit for his sustainable mission. “Japan has inherent drivers for sustainability just among the people and the culture. We wanted to be at the edge of the spear and help push it along.” To Busetto, the sustainable values in Japanese finance are quickly following the sustainable values of Japanese society. “In Japan, one of the first big moves was when [Hiromichi] Mizuno-san at the Japan Pension Fund started aligning their policies on investment toward sustainable indices.” He argued that good financial stewardship is just good sustainable investment. It is the same. It is not “either-or,” it is “and.” “And now, today, we’re really at a tipping point, a good place.” What kind of training does a green finance professional need? Short answer: a unique one. Before he joined SIJ, Busetto wore many hats, including a blue one: He was the highest-ranking U.N. official in Armenia for five years. “With the U.N., I had many roles. I started out working in conflict, then there was the election work,” he said. “But all of it could have been called sustainable development in some way.” He elaborated about his time in Armenia. “Yes, there was a political angle to that, the free and fair elections, sure. But it was also about figuring out how the U.N. could help the government kick-start the economy and build a more inclusive and broad economy.”



HIROMICHI MATONO

At this point, I became a little skeptical. I asked Busetto what all that really meant in most developing countries, governments “kick-start” a sector by handing it to an oligarch ... or to the president’s cousin. He chuckled at my cynicism. “Well, we helped identify sectors that they could develop, and helped them craft policies that would help those sectors grow,” he said. “For example, in Armenia we discovered there was actually a very cool nascent startup tech scene. Armenia had been a node of what we now call ‘deep tech’ within the former Soviet Union

— stuff like astrophysics. So we helped the government nurture that through policies and the U.N. too.” From this anecdote and others, he described a career of doing good across the world: nurturing democracy, identifying entrepreneurial opportunities, helping innovators compete. Many government officials only add another layer of bureaucracy to commerce, but Busetto hadn’t done that. He spent over 15 years at the U.N. accelerating hundreds of technologies. My skepticism was replaced with admiration. Now he is here in Tokyo, partnering with

Son of refugee helped across world

Bradley Busetto grew up in Vallejo, California, the son of an educator father who came to America as an Italian refugee from World War II. He attended Stanford University, where he earned both undergraduate and graduate degrees in philosophy. It was then that he started a long career with the United Nations, first as country manager for the U.N. World Food Programme and then as a United Nations representative to Armenia. It was there that he began the first of many U.N. initiatives to foster innovation and sustainable technology. Busetto then helped design the U.N.’s Joint SDG Fund, and then was named inaugural director of the U.N.’s new global Centre for Technology, Innovation and Sustainability in Singapore. He now lives in Tokyo, where he likes to cycle across the city and enjoy some outdoor and downtime in parks.

excellent asset management firms, helping companies radically improve their value through hands-on investment. He is here to achieve both financial and sustainable return through positive impact for Japanese investors: Just before our interview, SIJ announced it had entered into a capital and business alliance agreement with Meiji Yasuda Life Insurance. “This approach, it’s been done before. Others have proven it works,” he said. “But it’s still new. It’s an outcomes-based approach. It’s about actually transforming how companies operate and generate profits in a way that is linked to their ESG performance.” After I heard Busetto’s passion, I understood why they had backed SIJ. Japanese institutions are always searching for new ways to make more money. Now they can make the world a bit more sustainable, too. Mohandas Gandhi once said, “Be the change you want to see in the world.” Busetto and SIJ are proving that the same could be said for investments.

Times Gallery



On the occasion of the commemoration of the 178th anniversary of the Independence Day of the Dominican Republic, the Embassy of the Dominican Republic in Japan hosts a reception at the Okura Tokyo Hotel on Feb. 25. EMBASSY OF THE DOMINICAN REPUBLIC



Representatives of the German, Israeli, Swiss and U.S. embassies gather in front of the German Embassy’s wall art to commemorate the centennial of Albert Einstein’s visit to Japan on his birthday, March 14. EMBASSY OF GERMANY



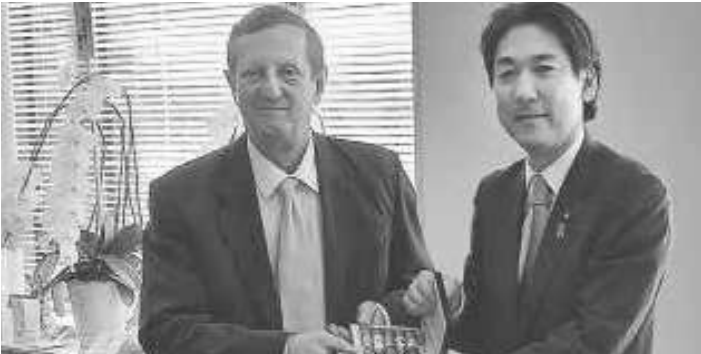
Ambassador of the Republic of Kosovo Sabri Kicmari meets with professor and famed philosopher Kojin Karatani in Hachioji, Tokyo. EMBASSY OF KOSOVO



Irish Ambassador Paul Kavanagh at the Yokohama St. Patrick’s Day Parade. From left: Mary Corbett, John McCormack, Paul Opera, Parade Grand Marshall Tom Tyrrell, Kavanagh, Hiroshi Takarada and Yokohama Parade Committee Chairman Hideki Mimura. EMBASSY OF IRELAND



The Embassy of Lithuania commemorates the 32nd Anniversary of Restoration of Independence of Lithuania and expresses solidarity with Ukraine with the participation of Oleksandr Semeniuk, deputy head of the Embassy of Ukraine in Japan. EMBASSY OF LITHUANIA



Cuban Ambassador Miguel A. Ramirez exchanges views with the chairman of the Foreign Affairs Committee in the House of Representatives, Minoru Kiuchi. EMBASSY OF CUBA

Tsukuba ‘bar’ guides both visitors and revitalization efforts

Satoyama ~ Authentic Japan

MAIKO MURAOKA
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On the outskirts of Tsukuba in Ibaraki Prefecture, there is a homey place called Tamaribar, a play on words combining “tamariba” (“hangout”) and “bar.” It serves local delicacies, the kind that people eat everyday without noticing their value, like fresh eggs with locally grown rice. It also sells souvenirs and fresh-picked vegetables, holds various events and rents the space for new activities such as cooking lessons. But the most valuable thing you can get at Tamaribar, if you are looking to learn about the area or considering moving there, is connections with local people. Tamaribar is located in Oda, one of the eight districts that surround the central area of Tsukuba. Similar to other rural towns in Japan, it faces various challenges due to the aging of residents and depopulation. “The house vacancy rate in Oda is rising. The community will lose its sustainability as the number of empty houses increases,” Hiroyuki Orui, director of the nonprofit Tsukkura, which manages Tamaribar as well as other events and projects in the community, said in a recent online interview with The Japan Times. Orui has been aware of these issues for quite some time, since for many years he worked for a construction company as an architect specializing in the restoration and reconstruction of old buildings. He

is originally from Tokyo but was transferred to the company’s headquarters in Tsukuba 17 years ago. “Once you settle in a community, you start to realize issues that the community has. Just like Japan suffers from the issue of overpopulation in urban metropolitan areas and depopulation in rural areas, the population in the central part of Tsukuba is increasing, while the opposite is true in the surrounding area, with more houses becoming empty,” he said. Orui started thinking about what he could do to revitalize the town by utilizing existing resources and vacant houses, and just before he turned 70 he found a place where he can realize his ideas. It was a vacant building that once had been a general store that everyone in the neighborhood, from children to the elderly, used to visit daily. He renovated it and turned it into a place where people gather again, this time not only from the neighborhood but also from outside the community. This is how Tamaribar was born in December 2019. “More than 100,000 visitors come to the area to enjoy trekking in Mount Hoko, which is part of the Tsukuba mountain range, but there are not many places to eat, have coffee or shop,” Orui said. There are also many bikers who come to ride on the Tsukuba Kasumigaura Ring Ring Road, a cycling path that runs through the town. But Tamaribar’s purpose is not just catering to the needs of temporary visitors. Orui explained that there are people who are actually looking for places to live in the area, including foreign researchers commuting to Tsukuba Science City. One might think that renting vacant houses to such people would be a perfect solution, but it is not easy to find the right person to talk to if you are an outsider. That is where Tamaribar becomes useful, because where people gather, information gathers too. Tsukkura members and supporters who help run Tamaribar are a diverse group, from university students to local landowners. Outsiders are able to find the information they want, receive useful advice and be introduced to the kinds of people they had been looking for. However, Orui said, there is yet another problem that one needs to be aware of



These members of the Nagata House Project have a special interest in traditional minka houses and renovation. TSUKUBA CITY

when trying to find a solution for vacant houses. “Many of the owners are simply not interested in renting the empty houses,” he said, either because they don’t need the money or because they want to keep relatives and neighbors from speculating about their financial situation. “In such cases, underlining economic values would not help,” he said. “The keyword to convince these owners would be ‘contribution.’ We need to make clear that they would be contributing to the people and the community by leasing those vacant houses.” In addition to promoting the use of vacant houses, Tsukkura runs the Nagata House Project renovating a 90-year-old traditional house near Tamaribar. Orui said about 20 volunteers, including graduate students and foreign students at the University of Tsukuba, come to help with the work. “We want to use this house as a short-term accommodation for foreign researchers. With this as a model case, we aim to work on other vacant houses to turn them into various facilities such as a shared house, co-working space and group home for the elderly,” Orui said. This section highlights the environment and a sustainable society. For more information please visit www.sustainablejapantimes.com

