

# SWITCH-Asia Regional Networking Event

SUPPORTING ASIA AND CENTRAL ASIA IN MOVING TOWARDS AN INCLUSIVE GREEN ECONOMY

21-22 November 2019 – Pullman Hanoi Hotel, Hanoi, Vietnam



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The EU SWITCH-Asia Regional Networking Event has been organised by the SWITCH-Asia SCP Facility in collaboration with the European Commission, Directorate-General for International Cooperation and Development (DG DEVCO), and the European Union Delegation to Vietnam.

# ACRONYMS

<b>10YFP</b>	10-Year Framework of Programmes on Sustainable Consumption and Production (One Planet Network)
<b>DG DEVCO</b>	European Commission's Directorate-General for International Cooperation and Development
<b>EC</b>	European Commission
<b>EU</b>	European Union
<b>EUD</b>	Delegation of the European Union
<b>GGGI</b>	Global Green Growth Institute
<b>GIZ</b>	Gesellschaft für Internationale Zusammenarbeit
<b>IRP</b>	International Resource Panel
<b>MoIT</b>	Ministry of Industry and Trade
<b>MSME</b>	Micro, Small and Medium Enterprises
<b>NAP</b>	National Action Plan
<b>NFP</b>	National Focal Point
<b>SCP</b>	Sustainable Consumption and Production
<b>SCPF</b>	SWITCH-Asia Sustainable Consumption and Production Facility/ SCP Facility
<b>SPP</b>	Sustainable Public Procurement

# CONTENT

<b>INTRODUCTION</b>	<b>5</b>
<b>OPENING SESSION</b>	<b>6</b>
<b>PLENARY SESSION I - NATIONAL AND REGIONAL POLICY FRAMEWORKS: CONTRIBUTION OF SCP TO CLIMATE CHANGE MITIGATION</b>	<b>8</b>
<b>PLENARY SESSION II - SWITCH-ASIA GRANTS: ACHIEVEMENTS, CHALLENGES AND LESSONS FOR REPLICATION AND SCALING-UP</b>	<b>11</b>
<b>PARALLEL BREAKOUT SESSIONS</b>	<b>15</b>
<b>PLENARY SESSION III - INCREASING ACCESS TO FINANCE AND LEVERAGING INVESTMENTS FOR GREENER PRODUCTS, SERVICES AND TECHNOLOGIES</b>	<b>25</b>
<b>CLOSING SESSION - MOVING FORWARD: ENABLERS AND MULTIPLIERS</b>	<b>27</b>
<b>ANNEXES</b>	<b>29</b>



# INTRODUCTION

“SWITCH-Asia projects play a pivotal role within the programme. Their results are meant to feed into policy dialogue with national governments supporting them in their transition towards a low-carbon, resource-efficient and more circular economy.”

## H.E. Mr. Giorgio Aliberti

Head of Delegation, EU Delegation to Vietnam



This report summarises the presentations and discussions that took place at the EU SWITCH-Asia Regional Networking Event in Hanoi, organised by the SWITCH-Asia SCP Facility in collaboration with the European Commission, Directorate-General for International Cooperation and Development (DG DEVCO), and the European Union Delegation to Vietnam.

With nearly EUR 280 million in funding since its launch in 2007, SWITCH-Asia is the largest SCP programme supported by the European Union. The programme has achieved more than a decade of progress on SCP in 24 countries in the region. This has been possible through the joint efforts of the three SWITCH-Asia components:

The **Regional Policy Advocacy Component (RPAC)** implemented by the United Nations Environment Programme (UNEP). This component is currently not covering activities in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.

The **Sustainable Consumption and Production Facility (SCP Facility)** implemented through a consortium composed by GIZ, Adelphi and the Institute for Global Environmental Strategies (IGES).

The **Grant scheme** managed by DG DEVCO and by the EU Delegations in countries eligible to the programme. Through its grants scheme the SWITCH-Asia programme funds pilot projects helping companies to adopt cleaner technologies and more sustainable industrial practices as well as helping consumers to act more responsibly in their daily choices and lifestyles. Since 2007, this EU programme has funded more than 100 projects across a wide range of sectors (energy efficiency in industrial plants and houses, agri-food and fishing sectors, textiles and leather, tourism, logistics and freight) implemented by over 400 Asian and European partners, about 100 private sector associates, indirectly benefitting up to 70.000 micro, small and medium-sized enterprises (MSMEs).

### The objectives of this Regional Networking Event were to:

- Promote extensive learning and knowledge exchange among the 24 SWITCH-Asia Countries on key SCP thematic issues.
- Learn about ongoing grant projects' achievements, challenges, lessons for replication and scaling-up.
- Strengthen synergies among grantees, SCP experts, EU Delegations and representatives of the national ministries of countries eligible to the programme ("SWITCH Asia National Focal Points").

### Structure of the Report

The structure of this report is guided by the agenda of the Regional Networking Event. The two-days event that took place in Hanoi, Vietnam, was divided into nine sessions, each with their own theme relevant to Sustainable Consumption and Production (SCP). Each session is built around a theme and summarises the main points made by each speaker.



## OPENING SESSION



The conference was opened by **H.E. Mr. Giorgio Aliberti**, Head of Delegation, EU Delegation to Vietnam who explained how the EU has been supporting the shift to a low-carbon and a more circular economy within its Member States. The ambition of the EU is to promote the same also within its external cooperation. In this regard, through the 'New European Consensus on Development' adopted in 2017 the EU has committed to make the best use of its trade policy and international cooperation to foster sustainable value chains and responsible practices with its partner countries, promoting circular economy and global transformation to low-emission, resource efficiency and climate resilient economies.

The new 'European Green Deal' adopted in late 2019, embeds the new ambition of the European Commission to become the first carbon-free continent by 2050. It also aims at promoting these values with its partner countries. In this regard, the EU Commission will prepare a new package for circular economy focusing on a number of sectors such as textile and construction. Particular attention will also be paid to sustainable value chains in the agricultural sector as well as to biodiversity, water and oceans, energy transition and green and smart cities. Finally, the European Commission's new 'International Platform for Sustainable Finance' will aim at exchanging best practices on taxonomy between the EU and third countries in order to facilitate a common understanding on green products and green finance in the future.





**H.E. Hoang Quoc Vuong**, Vice Minister of Ministry of Industry and Trade (MoIT), Vietnam reinforced the country's commitment to the promotion of SCP and Green Growth through various legal frameworks, policies and strategies, in particular the approval of the first National Action Plan (NAP) on SCP 2016, until 2020, and its vision to 2030. The draft of the NAP on SCP for period 2021 – 2030 is currently being supported by SWITCH-ASIA SCP Facility and is expected to be approved by the Prime Minister by the end of the year. Mr. **Hoang Quoc Vuong** also highlighted the importance of the networking event to share, learn, and evaluate the implementation of SCP activities among 24 SWITCH-Asia countries and expressed his hope that through this platform, Vietnam can learn through knowledge exchange from the other countries in the Region, particularly for successfully implementing their NAP on SCP.



## KEY MESSAGES

1

Sustainability in our societies is no longer simply about increasing efficiencies or complying with regulations; it is about making fundamental changes in the way business is done and the way the world consumes.

2

The shift to a low-carbon and greener economy can bring significant benefits: promote economic diversification, create new business opportunities and stimulate economic growth.

3

The SWITCH-Asia Grant projects play an important role in participating in policy dialogues, sharing lessons learned and providing recommendations useful for policy makers and other stakeholders to transition to SCP.

4

It is important to have a platform to share experiences and lessons learned to discuss on how to replicate and scale up outcomes and lessons from grant projects and to sustain efforts in the long term through policy support, multi stakeholder partnerships and access to finance.



## PLENARY SESSION I - NATIONAL AND REGIONAL POLICY FRAMEWORKS: CONTRIBUTION OF SCP TO CLIMATE CHANGE MITIGATION

Panel Moderator: **Arab Hoballah**, Team Leader SCP Facility, SWITCH-Asia Programme

This session discussed SCP policy frameworks in relation to climate change mitigation and how SWITCH-Asia projects may support their implementation.

### SCP and Climate Change in Vietnam



**Nguyen Thi Lam Giang**, Director General of Energy Efficiency and Sustainable Development, Ministry of Industry and Trade (MoIT) from Vietnam

Ms. Giang presented the existing SCP and climate change programmes in Vietnam and explained the importance of linking SCP and climate change in country's activities, through policies on greener production, energy efficiency and climate change mitigation, among others. Related

priority actions have been carried out in Vietnam for decades; for instance, greener production was introduced in 1998 through Vietnam's National Cleaner Production Center (NCPC) and until today, the MoIT has supported industries to integrate greener production guidelines in their operations. Several SWITCH-Asia Programmes have also been implemented with a focus on renewable energy and cleaner production. Moreover, climate friendly products are now being promoted across sectors through labelling programmes including criteria addressing waste management. On the consumption side, Vietnam has spearheaded a Green Public Procurement Programme to change consumer behavior. With support from SWITCH-Asia, the country has developed the National Action Plan on SCP 2016-2020.

### SUSBUILD Bangladesh: Resilience Through Construction





**Anisur Rahman Chowdhury**, Bangladesh SUSBUILD, Bangladesh

In Bangladesh, brick-making is the largest source of greenhouse gas (GHG) emissions. The industry consumes 2.2 million tons of coal and 1.9 million tons of firewood and emits annually 8.75 million tons of greenhouse gas emissions. The overall objective of the SUSBUILD project was to promote sustainable and eco-friendly building practices in Bangladesh within an enabling policy environment. The project sought to reduce the negative impacts brought by the fast developing construction, housing and building industry in Bangladesh, while protecting communities and the environment, and enabling policy change regarding the transition from unsustainable Traditional Bricks (TB) to sustainable Alternative Bricks (AB). Mr. Chowdhury outlined major achievements of the recently closed project, highlighting that 8.9% of targeted consumer groups have reportedly used green construction materials when building their houses; 28.7% of users living in project sites now have a clear understanding of the benefits of employing green construction materials and 86% are willing to use green construction materials in the future. Moreover, even MSMEs have started their transition to production of green building materials, and more than 250 government officials, policy experts and executive magistrates have developed better understanding on the benefits of using green construction materials and green technologies. Policy and regulatory frameworks have been strengthened as an outcome of this project. Moreover, the promotion of Alternative Bricks and green construction practices directly contributed to SDG Goal 12, by reducing the consumption of topsoil, along with the illegal use of firewood, and other SDG Goals, including SDG 13, SDG 9, SDG 11, SDG 1 and 2.

### Green Growth, Climate Mitigation and SCP in the Context of Cambodia



**Vuthy E.**, Deputy Secretary General of the National Commission for Sustainable Development, Representing SWITCH-Asia National Focal Point, Cambodia

Mr. Vuthy introduced the structure and priorities (2019-2023) of the National Council for Sustainable

Development (NCSD), a policy making body established in 2015 with a cross cutting mandate to lead, manage and coordinate the work on Climate Change, Green Economy, Biodiversity Conservation, and Science and Technology in Cambodia. He explained, while currently Cambodia does not have a specific SCP policy or action plan, there are several measures related to SCP, climate mitigation, resource and energy efficiency, circular economy, among others, that are embedded in existing policies and initiatives; for instance, those on Green Economy, the National Green Growth Roadmap, National Policy on Green Growth, Cambodia Climate Change Strategic Plan 2014-2023, the implementation of several SWITCH-Asia grants projects, among others. The challenges that were identified in Cambodia include the lack of a national framework to guide the implementation of SCP, weak coordination among government ministries and institutions working on SCP, lack of technical capacity on SCP from multiple sectors, and limited funding. However, Vuthy also reported that an Inter-Ministerial Technical Working Group on SCP has been formally established and will serve as the consultation platform to push the SCP agenda forward.

### Contribution of SCP to Climate Change Mitigation in Central Asia



**Zafar Makhmudov**, Executive Director, Central Asia Regional Economic Cooperation Program (CAREC)

Countries in Central Asia are well-aware of the urgent need to switch to more sustainable consumption and production patterns and green economy. Central Asia is very sensitive to environmental perturbations and regional climate change. Mr. Makhmudov first introduced the environmental challenges facing the region, then, explained the multilateral approach taken by CAREC to tackle these challenges, particularly through five thematic programmes: climate change and sustainable energy; water initiatives support; environmental management; education for sustainable development; and environment and health. He further explained how SWITCH-Asia can support the promotion and mainstreaming of SCP in the agri-food and processing industries, identified as priority sectors in the region and stressed the importance of regional cooperation and multi-sectoral partnerships when advancing SCP and sustainable development.

## Implementing SDG 12 through the One Planet Network: Promoting resource efficiency and climate change mitigation



**Fabienne Pierre**, the 10 Year Framework of Programme on SCP/One Planet Network, UN Environment Programme

Ms. Pierre provided a global perspective on the implementation of SDG 12 through the One Planet Network and the importance of promoting resource efficiency and climate change mitigation. She shared key messages from the last Global Resource Outlook of the International Resource Panel (IRP), which was launched at the UN Environmental Assembly in 2019. The IRP is an interdependent scientific group that works in analysing the state of natural resources use in the world. Ms. Pierre explained that consumption and production patterns are the major causes of climate change. Extraction and processing of materials, fuels, and food accounts for

50% of Greenhouse Gas (GHG) emissions and 90% of biodiversity loss. If nothing is done, global material extraction will double in the next 30 years. Even if the trends are discomfoting, if resource efficiency and climate change policies are combined and integrated, there will be greater chances to head towards a healthier economic growth. For example, a decrease of 25% in global material extraction, can decrease 90% GHG emissions, she explained. Sectors such as construction, agriculture, food and hospitality, industry and transport can minimise impacts on the environment with an estimated 60 to 80% improvement in energy and water efficiency. Finally, Ms. Pierre introduced the work of the One Planet Network and SWITCH-Asia's active contribution.



## KEY MESSAGES

1

SCP is an overarching framework to achieve sustainable development. It is important to address SCP through the implementation of SDG 12 on Responsible Consumption and Production, and in SCP related targets in other SDGs.

2

SCP and climate change mitigation are interlinked and it is important to have a coherent legal and policy framework that integrate actions and programmes across sectors, among Ministries, and through involvement of multi-stakeholders, including business and youth.

3

Resources use and environmental ethics are needed as the basis of new consumption models.

4

Regional cooperation and multi-sectoral partnerships are essential to advance SCP and sustainable development.



POLICY DIALOGUE ON SDG 12 REPORTING  
REGIONAL NETWORKING EVENT

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## PLENARY SESSION II - SWITCH-ASIA GRANTS: ACHIEVEMENTS, CHALLENGES AND LESSONS FOR REPLICATION AND SCALING-UP

### Panel 1: Responsible Consumption Behaviour

Panel Moderator: **Sutthiya Chantawarangul**, SWITCH Asia Referent, EU Delegation to Thailand

Speakers:

- **Shri Prakash**, Sustainable Auto-Rickshaw, India
- **Shantamay Chatterjee**, Women-Centred ICS, India
- **Nipatta Quamman**, Dear Supermarkets: Consumers and Retailers Driving Sustainable Food Market in Thailand in the Seafood, Chicken and Banana Supply Chains, Thailand
- **Padma Sunder Joshi**, Sustainable Tourism and Green Growth for Heritage Settlements of Kathmandu Valley, Nepal

The focus of this panel was on responsible consumption behavior and provided an opportunity for ongoing SWITCH-Asia projects to present their implementation challenges and achievements and to share lessons for possible replication and scaling-up.



The first speaker, **Shri Prakash**, from the Sustainable Auto-Rickshaw, India project explained that auto-rickshaws have been a landmark feature of Indian cities since their introduction in the late 1950s, becoming an indispensable aspect of urban mobility for millions of people. The auto-rickshaw sector could play a key role in shaping a sustainable urban transport ecosystem; it is, however, still an inefficient sector that neither answers appropriately to the changing dynamics of urban mobility in India, nor embeds a sustainable pattern of transportation. Mr. Prakash also presented the challenges faced during project implementation, as well as the achievements and lessons learned. Through the SWITCH-Asia project, over 1200 auto-drivers switched to clean autos. Since sustainability was found not to be the top priority among auto users / riders, the project launched the “Clean and Green Autos” behavioural change campaign, targeting 2.5 million residents. Support was also provided to policy makers. Among the lessons learned, Mr. Prakash shared that there must be a balance between work done at the policy level and implementation on the ground. Furthermore, capacity building and behaviour change initiatives are a pre-requisite to mainstreaming sustainable practices. Most importantly, we must link “Switch goals to People’s core goals”, he said. Several measures to ensure project sustainability were also presented.

The second speaker, **Shantamay Chatterjee**, from the Women-Centered ICS, India project reported that India is the second largest Liquefied Petroleum Gas consumer in the world. Over 145 million Indian households use traditional cook stoves for daily cooking and depend on biomass (wood, dung, forest products) as fuel. This has



significant implications especially on women's health due to household air pollution. He further explained, in spite of the fact Improved Cook Stoves account for 60-70% less smoke and consume 40-50% less bio-fuel compared to traditional cook stoves (TCS), challenges persist when investing and adopting ICS. Among the lessons learned for project replication and scaling-up, the women centered adoption model was praised as most effective, together with a multi-stakeholder partnership approach.

Next, **Nipatta Quamman**, explained how the Dear Supermarkets, Thailand project is supporting urban consumers and retailers to drive the development of a food market system that increases sustainable food consumption in the seafood, banana and chicken chains. Ms. Quamman encouraged participants to think about what constitutes "Good Food", explaining food does not only have to be cheap, clean and nutritious, but it also has to be environmentally sustainable, socially responsible and consumer welfare must be taken into account. Achievements of the project were presented, with CP and TESCO committing to be more transparent by disclosing their policies to the public and taking human rights into account. However, challenges persist as supply chain information disclosure is still not common and consumers lack understanding on the role supermarkets play in ensuring sustainable and equitable food products reach their customers. Among the lessons learned, awareness

raising and good targeted communications were identified as a must to educate consumers and redirect their spending power towards more sustainable choices.



The last speaker, **Padma Sunder Joshi**, introduced the project on Sustainable Tourism and Green Growth for Heritage Settlements of Kathmandu Valley, in Nepal. Kathmandu Valley has been experiencing unprecedented urban growth in the past several decades. This has greatly threatened traditional settlements. The devastating earthquake of 2015 has further caused extensive damage. Mr. Joshi explained this project has been designed to revitalise the settlements in the Kathmandu Valley, more specifically those of Bungamati and Pilachhen in Lalitpur Metropolitan City, through heritage conservation, green growth and creating livelihood opportunities through the tourism industry. He affirmed, "SCP is about responsible marketing" and highlighted the importance of both informed and correct consumer choices, and educating locals on green and heritage compatible product and fair trade. One of the main challenges encountered during the project's implementation was to instil a sense of ownership at community and municipal levels. Promoting the project as part of "Community Building" and encouraging active participation among locals were recognised as essential to ensure the project's long-term sustainability.

## KEY MESSAGES

1

There must be a balance between work done at the policy level and implementation on the ground.

2

Capacity building and behaviour change initiatives are a pre-requisite to mainstreaming sustainable practices.

3

Awareness raising and good targeted communications were identified as a must to educate consumers and redirect their spending power towards more sustainable choices.

4

Encouraging active participation among locals are recognised as essential to ensure the project's long-term sustainability.





## Panel 2: Greening the Supply Chain

Panel Moderator: **Ranjan Prakash Shrestha**, SWITCH Asia Referent, EU Delegation to Nepal

Speakers:

- **Malini Balakrishnan**, METABUILD, Bangladesh, Nepal, Sri Lanka
- **Quentin Moreau**, Switch off Air Pollution: Energy efficiency advisory and financial intermediation for sustainable housing in unplanned areas of Ulaanbaatar, Mongolia
- **Nguyen Hung Cuong**, Sustainable and Equitable Shrimp Production and Value Chain Development in Vietnam, Vietnam
- **Guillaume Touati**, Sustainable Textile Production and Ecolabelling in Mongolia (STeP EcoLab), Mongolia

The focus of this panel was on greening the supply chain from a SCP perspective and provided an opportunity for ongoing SWITCH-Asia projects to present their implementation challenges and achievements and to share lessons for possible replication and scaling-up.



**Malini Balakrishnan**, from the multi-country METABUILD project implemented in Bangladesh, Nepal, and Sri Lanka shared the project's experience in working with 400 metal component SMEs from the building and construction

sector to reduce waste emissions and increase resource efficiency. Main achievements and key lessons learned were presented. Raising awareness on SCP and building trust among SMEs were considered of utmost importance for the success of the project. Establishing public-private partnerships and always highlighting the business case of SCP were also identified as top priorities.



The second speaker, **Quentin Moreau**, introduced the Switch off Air Pollution project that is ongoing in Mongolia. The Government of Mongolia has declared air pollution in Ulaanbaatar a state emergency in early 2017, with renewed ambitions and openness to explore additional ways to tackle the issue. Despite many projects and actions were spearheaded in the country, addressing the issue of thermal efficiency of individual houses is still playing an important role when developing a sustainable solution for pollution challenges in Ulaanbaatar. Mr. Moreau presented the expected impact of the project and shed light on the existent cost-effective technologies and solutions in construction and retrofitting. He also stressed the importance of working with banks and mobilising Green Finance in order to successfully scale up the project.

Shrimp is an important source of livelihood to more than one million people in Vietnam, from which over 80% are small-scale shrimp producers. **Nguyen Hung Cuong**, from the Sustainable and Equitable Shrimp Production and Value Chain Development project in Vietnam, explained that since extensive shrimp farming



is low in productivity, over 3,000 households have shifted to practice mixed shrimp-rice farming. Among the main project achievements, CH<sub>4</sub> emission from rice production was reduced by 50% annually, while shrimp productivity increased by 167% compared to extensive shrimp farming. Nevertheless, several challenges were also encountered, including limited capacities in shrimp farming of those who used to just cultivate rice, value chain linkages remain volatile and value chain financing remains a complex issue.



**Guillaume Touati**, from the STeP EcoLab project in Mongolia briefly introduced the Mongolian textile sector and the way forward in greening the Mongolian fine animal fiber value chain. Based on traditional pastoralist livelihoods, the cashmere and wool sector is a key driver of the Mongolian economy and second only to the

extractive industry. It is however facing new challenges due to increased competition from foreign processors (sourcing and production). Therefore, there is a need to establish a more quality-driven production system as well as the emergence of a niche market amongst end customers. The sector has recently been the focus of the Government of Mongolia and its Sustainable Development Vision in order to adopt more environmentally friendly production methods, thereby, lowering GHG and overall pollutant emissions while increasing the share of nationally processed leather, wool and cashmere up to 80% by 2030. The STeP EcoLab project, explained Mr. Touati, aims at supporting the supply chain and the textile industry in adopting more sustainable sourcing and production practices and simultaneously improve the branding for sustainable products, optimise cost-saving measures and reach out to climate finance and diversify the portfolio of customers. Main achievements were presented as well as the ways in which SCP is being implemented in Mongolian textile factories.



## KEY MESSAGES

1

Raising awareness on SCP and building trust among SMEs were considered of utmost importance for the success of the project.

2

Establishing public-private partnerships and always highlighting the business case of SCP were identified as top priorities.

3

It is important to mobilise Green Finance in order to successfully scale up the project.

4

It is essential to green the supply chain in various sector by adopting more sustainable sourcing and production practices and simultaneously improving the branding for sustainable products, optimising cost-saving measures and reaching out to climate finance and diversify the portfolio of customers.





# PARALLEL BREAKOUT SESSIONS

## 1. Low-Carbon Economy: Housing Potential and Greening the Supply Chain

Session Moderator: **Quentin MOREAU**, Regional Director for Central Asia, GERES

Speakers:

- **Lewis Akenji**, Executive Director, SEED, adelphi
- **Chun Xia**, International Coordinator, Western China SUSBUILD, China
- **Riaz Ramin**, Kabul Green Homes, Afghanistan
- **Bhawna Singh**, Representing SWITCH-Asia National Focal Point, India
- **Naeem Razwani**, Director Asia Pacific Terwilliger Center for Innovation in Shelter, Habitat for Humanity International

This session focused on energy efficiency, green finance, and green/sustainable public procurement as key areas towards sustainable building and construction in the housing sector.

Discussions explored the role of policy frameworks for promoting sustainable housing towards a low-carbon economy. The session moderator, **Quentin Moreau**, Regional Director for Central Asia, GERES, stressed the importance of housing and construction as Asia is expected to reach 68% urbanisation by 2050. The housing sector has a major impact on carbon mitigation targets and has to address climate adaptation.

**Lewis Akenji** from adelphi presented the outcomes of the SWITCH-Asia scoping study on Sustainable Housing. He highlighted the entry points of SCP along the building value chain and the importance of addressing the social aspect of affordable housing on material production, design and manufacturing, construction, usage and recycling. The study presented best practices from Asia and Central Asia on green/sustainable public procurement and labeling, on models, zoning, and addressing affordable housing. Mr. Akenji also noted the potential for recycling demolished products. He further presented current challenges in the housing sector: the need to understand the situation on the ground, looking at both the consumption and production sides in the sector; the need to address the gap between policy and implementation; the importance of emphasising the human rights aspect for decent housing, addressing access to energy, energy poverty and access to basic amenities and services. As a way forward, he stressed the importance of understanding well-being and ensuring a dignified way of life in the housing and construction sectors; the importance of design and manufacturing to support and build capacity of SMEs towards eco-design & innovation towards sustainable housing and construction; and the necessity of an enabling policy environment with integrated policy that ensures coordination of agencies responsible for overseeing policies in the sector, encourage innovation, and ensure oversight of policies.

**Chun Xia**, International Coordinator from Wuppertal Institute presented the SWITCH-Asia grant funded project Western China SUSBUILD which aims to foster sustainable building practices among SMEs in Chongqing City and Yunnan province with a replication potential

for Western China. Ms. Chun Xia explained the project followed an integrated approach of six components. These included capacity building of SMEs and government officials on sustainable building technologies and business, conducting pilot demonstrations of green buildings with renewable energy application, strengthening dialogue among SMEs and enhancing business networks, facilitating SMEs' access to finance, supporting the development of policy frameworks, and developing EU-China comparative studies on sustainable buildings. Challenges faced during project implementation include low incentives for SMEs and building developers, and limited access to finance.

**Riaz Ramin** presented Kabul Green Homes, the SWITCH-Asia grant funded project that is ongoing in Afghanistan. Mr. Ramin explained the major difficulties faced when implementing the project, including security issues, more than 50% of the population standing under the poverty line, and the vulnerability of the country due to the impact of climate change. On policy and standards, the Renewable Energy and Energy Efficiency building codes were recently developed and it was noted that the country's contribution to global emission is only 0.035%. Main objective of this project is to provide Energy Saving Solutions (ESS) to be accessible and affordable to different segments of Kabul's housing market. Mr. Ramin also noted that the dialogue with national and international institutions in Central Asia may contribute to a favorable environment for scaling up ESSs and replicating good practices in similar contexts.

**Bhawna Singh**, SWITCH-Asia National Focal Point in India discussed India's policies towards sustainable housing. Housing has the 2nd largest economic share with 10% and by 2025, India is set to be the third largest construction industry in the world. Urbanisation is also expected to rise to 50% from its current level of 34% by 2030. Currently, the building sector accounts for 30% (22% residential and 8% commercial) of total electricity use, and consumption in this sector is rising 8% annually. Smart

Cities Mission and Housing for All 2022 aims to construct houses with basic civic infrastructure like water, sanitation, sewerage, road access, electricity, etc. Construction activities are extremely resource intensive, therefore adopting resource efficiency is key to making the sector affordable, sustainable and green in the future. Ms. Singh mentioned existing policy initiatives such as certification for green building, energy conservation building codes, EIA, waste management, and EE star rating programme on consumer goods. India is currently drafting a National Resource Efficiency Policy, which is an overarching policy to guide efficient usage of resources across all sectors, with minimal adverse impacts on environment. To address waste generation from buildings and construction in the housing sector and following an integrated life cycle approach, certain interventions were introduced: identify designated areas where consumers responsible for demolition can dump Construction and Demolished (C&D) waste; provide incentives for products developed and sold from C&D waste; public procurement of materials made from C&D waste; development of a comprehensive set of norms and standards for locally sourced and recycled materials; and greater use of indicator frameworks and green rating schemes.

**Naeem Razwani**, Director Asia Pacific Terwilliger Center for Innovation in Shelter, Habitat for Humanity International, presented on the topic of access to housing finance and stressed the importance of a system's approach in the housing market and creating an enabling SCP environment to achieve low carbon housing and housing accessibility. On access to housing finance, Mr. Razwani remarked the lack of access to affordable financing for home improvements and repairs and sustainable housing products. He also explained how social norms may influence households' decision making, often leading to suboptimal construction choices. A case study on Housing Microfinance Potential in Philippines was also presented.

## KEY MESSAGES

- 1 Energy efficiency, green finance, green/sustainable public procurement are key areas to foster sustainable building practices among SMEs.
- 2 Design and manufacturing are important to support and build capacity of SMEs in eco-design & innovation towards sustainable housing and construction, including addressing climate mitigation and adaptation in the design phase.
- 3 Importance of an enabling policy environment with integrated policy that ensures coordination of agencies responsible for overseeing policies in the sector, encourage innovation, and ensures oversight of policies.
- 4 Sustainability of efforts need access to finance and multi-stakeholder collaboration and policy support and reforms.
- 5 Emphasis on human rights aspect for decent housing addressing access to energy, energy poverty and access to basic amenities and services.





## 2. Circular Economy: Lessons from and for the Textile Industry and Fashion Trends and Behavioural Change

Session Moderator: **Burcu Tuncer**, Team Leader, SwitchMed Networking Facility

Speakers:

- **Mirko Zuerker**, adelphi, Presentation of the SWITCH-Asia study on Fashion and Apparel Sustainability
- **May Mi Kyaw**, SMART Myanmar, Myanmar
- **Abhishek Jani**, SWITCHing India's Consumption to Fair and Sustainable Goods, India and Bhutan
- **Tsedevsuren Bat-Ochir**, Representing SWITCH Asia National Focal Point, Mongolia
- **Thao Vu**, Founder and Designer KILOMET 109, Vietnam

The focus of this panel was on the fashion and apparel industries; in particular, resource efficiency in the production cycle, waste prevention and management, adoption of new technologies, eco-labelling schemes and the circularity approach (reduce, reuse, refuse, recycle) in these sectors.

The first speaker, **Mirko Zuerker** from adelphi, introduced the SWITCH-Asia study on Fashion and Apparel Sustainability and its results. Asia maintains its position as one of the main global manufacturing hubs of fashion and apparel products, as well as the largest consumers of these products. Moreover, sustainable production aspects vary between countries according to the focus of production segments; for example, groundwater use of industry in Bangladesh, use of water in cotton production in Pakistan, cutting waste energy in Cambodia. "Fast fashion" poses great challenges in the region, with limited awareness of SCP among the growing middle class consumers. The "Slow Fashion" movement, on the other hand, is still at its infant stage. Mr. Zuerker also noted that there are SCP policies in many countries, but those are yet to be translated into sector specific initiatives in most

countries. Strong consumer advocacy is needed as well as tracing the link between global and regional initiatives.

The second speaker, **May Mi Kyaw**, represented the SMART Myanmar project and highlighted that Myanmar is industrialising very quickly and that the garment sector is the country's fastest growing industry. May explained that before focusing on issues such as energy efficiency, chemical management, waste management, among others, the SMART Myanmar Project had to focus first on social standards, especially the protection of worker's rights. Through the project, 20 local technical experts were equipped with the knowledge and skills on renewable and energy efficiency, HR management, labour law compliance, carbon foot printing, chemical risk management, international standards, among others. The latter then trained and educated 270 factories and 260,000 workers. One of the major challenges for environmental improvements is the lack of enforcement from government authorities. "While profits are taxed, environmental pollution is not", affirmed May. Some of the biggest problems do not require engineering and technical solutions, rather, better policies.

**Abhishek Jani**, from SWITCHing India's Consumption to Fair and Sustainable Goods, a project conducted in India and Bhutan, introduced the giant negative impacts that Fast Fashion has particularly in cotton growing regions. Over 310,000 farmers in India have committed suicide since 1995. That's almost one farmer committing suicide every forty minutes. Through a multi-stakeholder approach, Jani explained the project has been invested in: creating sustainable consumer movements pushing for alternatives that do not exploit the environment and people; a network of sustainable fashion value chains and brands; building capacities of farmers and workers to follow sustainability standards in production; collaborating with government institutions to promote implementation of better business and human rights standards. During the second year of the project, 10,564 youths have been educated on SCP and Fairtrade, communication and media stories reached 27.5 Mn people and the number of

Fairtrade garments sold in India grew from 18,456 in 2017 to 86,340 in 2019.

**Tsedevsuren Bat-Ochir**, representing SWITCH-Asia National Focal Point in Mongolia, provided an overview of the cashmere, wool, leather and textile industries in Mongolia. She explained, companies, except for the primary processing companies, do not face close monitoring and can discharge waste water into the main sewage system without treatment and inspections. However, an increasing number of wool and cashmere production factories are introducing international best practices on recycling and reusing waste water for their production. At the policy level, there are more than 30 laws related to the manufacturing industry and SMEs, as well as those on environmental protection and green development. Economic instruments and energy efficiency technologies are also employed in Mongolia, and those who use them are awarded a 'green certificate'. Finally, Bat-Ochir stressed the importance of developing a National SCP Roadmap and Action Plan in Mongolia with the support of SWITCH-Asia and providing capacity building to relevant stakeholders.



The last speaker, **Thao Vu**, Founder and Designer at KILOMET 109, explained how design can be used to address complex social issues, support cultural preservation, and improve livelihoods in Vietnam. Thao has created a circular production chain in which waste is minimised and marginalised communities gain benefits. Her vision encompasses every detail of the production process, starting with the natural materials that go into the garments she designs. Using organic fibers and traditional dyeing techniques, Thao works with local artisans to grow, spin, weave, color and print Kilomet 109 fabrics. Garments are then hand-stitched in her studio in Hanoi.



## KEY MESSAGES

1

There is limited awareness and relevance of SCP issues related to fashion and textile among Asian middle-class consumers.

2

Giving a human face to sustainable products and strategic investment in consumer awareness a must.

3

Need for better regulatory environment and country-specific SCP Road Map and Action Plan that gives due attention to priority sectors, such as textiles and apparel production and consumption.



POLICY DIALOGUE ON SDG 12 REPORT  
REGIONAL NETWORKING EVENT

20-22 November 2019 • Pullman Hanoi Hotel, Vietnam



### 3. Communicating SCP Effectively: Successful Experiences from Grants and Media Experts

Session Moderator: **Sara Gabai**, Communications Expert, SWITCH-Asia SCP Facility

Speakers:

- **Jens Kristian Nørgaard**, SWITCH to Green
- **Abhijeet Dabhole**, Project Coordinator, Promoting SCP systems for safe and organic foods in India, India
- **Jacob Clere**, SMART Myanmar, Myanmar
- **Anh Le**, Director, Center for Regional Urban Studies, Media Engagement Programme on Climate Change and Energy Transition, Vietnam
- **Amy Sim**, Internews, Earth Journalism Network

This session was introduced and moderated by **Sara Gabai**, Communications Expert at SWITCH-Asia SCP Facility. The SWITCH-Asia grants, the Center for Regional Urban Studies in Vietnam and the Internews Earth Journalism Network presented and discussed on ways in which communication can be used strategically, effectively and creatively to promote change in attitudes and behaviour, towards greener supply chains and responsible consumption.

The first speaker, **Jens Kristian Nørgaard** from SWITCH to Green, stressed the importance of having a good communication strategy during the initial stage of the project. Often, however, communication is left to the last project's phase. Communicating impact and results effectively is essential to influence policy. In the context of the SWITCH-Asia Programme, Jens recognised that stronger communications efforts would benefit the whole programme, particularly when communicating about the work of grants and how the latter address key EU priorities

such as those outlined in the European Union Green Deal. EU visibility should not just come across as a branding issue (inserting a logo on a product). Improved communication must lead to greater understanding of how through a strengthened cooperation between Europe, Asia and Central Asia, the SWITCH-Asia Programme is promoting sustainable production and consumption patterns and behaviour in the region, and supporting SMEs and MSMEs.

**Abhijeet Dabhole** and **Pooja Chowdhary** who are implementing the project "Promoting SCP systems for safe and organic foods in India", introduced the 360 degrees communications strategy that was set-up before implementing the project. When working with multiple-stakeholders one has to craft messages that are appropriate for different target audiences. Consumers, farmers, journalists, and government officials often speak 'different languages' and access knowledge and information from different media channels (radio, social media, television, newspapers, discussion forums, exhibitions, among others). Therefore, it is crucial to know one's audience and to get the right message out. Among the project's achievements, Abhijeet and Pooja explained that improved communications, especially through social media, helped bridge gaps and create wide networks; however, online communities must necessarily translate to offline groups taking action in the real world. Marketing, branding and storytelling were identified as top priorities for effective behaviour change communications. However, it was also acknowledged that not everyone has these skills and more training opportunities should be provided to grantees. When Malini from the METABUILD Project asked panelists how to creatively communicate a difficult and "unattractive" topic such as "Metals", Pooja recommended to transform any SCP topic into a human interest story that everyone can relate to.

**Jacob Clere**, Team Leader of SMART Myanmar, showcased the successful and viral social media campaign “Value Your Clothes”. He explained that before finding the right “communications formula” to reach out to the project’s target audience, they had to test several communication approaches and learn from the challenges encountered. Jacob stressed the importance of understanding which channels work best in each cultural context, identifying your target audience, connecting with the right partners and keeping one’s communication messaging focused, simple and effective. The success of SMART Myanmar’s communication approach also lies in the interconnection of online and offline activities. Having a strong presence on social media is not enough, direct engagement must be mobilised through seminars in schools, universities, parks, and public spaces.

**Anh Le**, Director of the Center for Regional Urban Studies in Vietnam was also invited to share her experience on the implementation of the project “Media capacity development to raise public awareness of climate change mitigation in Southern Vietnam” sub-granted by Internews Earth Journalism Network. This was the Center first media project initiated to address the lack of environmental journalists, networks and data from Vietnam. As an outcome of this work, over 150 journalists joined the training and about 105 stories were published in national media. The Center also benefitted from this initiative with increased visibility of their work and research. Most importantly, Anh and her team clearly understood the value of involving media professionals when communicating about sustainability and environmental issues. If technical research, studies and data are not being properly and clearly conveyed to the general public what is the purpose of producing that knowledge. Anh also encouraged others to strengthen their collaboration with communication experts in order to have a larger outreach.

Finally, **Amy Sim**, from Internews Earth Journalism Network, concluded the session by introducing the work of the Earth Journalism Network in the region and its capacity building and media reporting projects. She also outlined the key challenges in reporting on SCP, explaining that often these issues are complex and multidimensional. Even the relationship between the media and SCP practitioners has been recognised as not an easy one. While media are often the bearers of bad news, good media reporting is also about being bearers of hope and sharing solutions, empowering individuals and promoting sustainable behaviour and consumption habits, explained Amy. This is where representatives from the grant projects and media professionals should come together to better communicate to the general public the results and the impact of their work implemented on the ground.



## KEY MESSAGES

1

There is a consensus among grantees on the importance of having a good communication strategy in place from the initial stage of the project; yet, most teams lack communication skills and knowledge and have requested SWITCH-Asia to support them through capacity building, visibility efforts, among others.

2

SCP practitioners must communicate their work more effectively and translate complex knowledge into human interest stories that can be shared widely among the general audience.

3

The relationship between media and SCP practitioners does not have to be necessarily a conflicted one. There are organisations that are invested in bridging the gap and helping practitioners communicate their work more effectively, as shown by the Center for Regional Urban Studies.





#### 4. Eco-Innovation and Co-Design with Consumers: Drivers for the Change of Sustainable Productions Practices

Session Moderator: **Loraine Gatlabayan**, Southeast Asia Expert, SWITCH Asia SCP Facility

Speakers:

- **Qazi Sabir**, Project Manager for the EU SWITCH-Asia Project - Implementation of Resource and Energy Efficient Technologies in the Sugar Sector of Pakistan (IREET), Pakistan
- **Tamal Sarkar** lead of the EU SWITCH-Asia Project - Promote Bamboo MSME Clusters for Sustainable Development, India
- **Nguyen Thi Bich Hoa**, Project Deputy Director, AIT, Get Green and Spin, Vietnam
- **Nguyen Hong Long**, Senior Expert on Sustainable Product Innovation and Green Production, Director of Centre for Creativity and Sustainability (CCS), Vietnam
- **Matti Tervo**, Councillor with the Embassy of Finland in Hanoi

The objective of the Session was to share experiences, challenges, and opportunities on eco-innovation and co-design of sustainable products and services to innovate business models and improve the economic and environmental performance of companies, especially SMEs.

**Quazi Sabir**, representative of SWITCH-Asia project 'Implementation of Resource and Energy Efficient Technologies in the Sugar Sector of Pakistan (IREET)' introduced the aims of the project and the importance of promoting sustainable production of sugar and consumption of bagasse through reduction in specific

energy consumption of sugar mills, adoption of Resource & Energy Efficient Technologies, enabling access to finance, and working with relevant public sector authorities for the formulation of a conducive regulatory regime for promotion of R&EE in the sugar sector. On innovation and co-design, the project will be benchmarking the best practices for the sugar sector in terms of scale economy, technology, and revising the policy to include the benchmarks. Main challenge faced by the project was influencing policy makers and the creating of an enabling environment for reforms and mainstreaming sustainable consumption and production practices.

**Tamal Sarkar** representative of SWITCH-Asia project 'Promote Bamboo MSME Clusters for Sustainable Development in India' explained that bamboo can be rapidly grown and harvested all year long, hence, there is great potential in using the latter to create green jobs and promote bamboo enterprises. Bamboo Startups are mostly concerned with handicrafts at the household level; nevertheless, Mr. Sarkar noted there is enormous potential to transform bamboo into an industrial product and upscale it. Through the creation of Common Facility Centers (CFCs), one objective of this project was to promote producers' networks, since most do not have the skills to link with buyers, and create linkages with development banks to provide access to finance. Strengthening policy dialogue was also a top priority. While in the past, bamboo was highly regulated as a forest product, the Government has now classified this resource as an agricultural commodity with the aim to disseminate successful models at state, national and international level.

**Nguyen Thi Bich Hoa**, Deputy Director of the Asian Institute of Technology in Vietnam (AIT-VN) presented different models of agriculture supply chain and good

practices on SCP and eco innovation. She explained, the best model is one that takes a multi-stakeholder approach, led by enterprises that have an understanding of eco-innovation and a willingness to promote SCP. When cooperatives, associations of farming household representatives, local authorities and other organisations are working together, the agriculture sector can be supported more effectively, including through the uptake of cleaner technologies. Ms. Hoa also explained current policies do not support the promotion of eco-innovation. The National Action Plan on SCP will be helpful especially for SMEs and Agriculture enterprises to address this gap.

**Nguyen Hong Long**, Senior Expert on Sustainable Product Innovation and Green Production (SPIN), Director of Centre for Creativity and Sustainability (CCS) in Vietnam provided an overview on the application of eco-innovation and co-design for SMEs in the country. He highlighted the SWITCH-Asia Grants, the SPIN Project and Get Green Projects, that supported SMEs to make profit using greener technologies or in greening the value chain and applying co-design, integrating customers and other stakeholders in the early phase of product development. The SWITCH-Asia Grant projects provided activities on awareness raising; capacity building; business model development; clean technology introduction, development and localisation; and policy support.

An overview of policies supporting eco-innovation was also provided, including: the Vietnam National Action Plan on SCP toward 2020, vision to 2030, Viet Nam Sustainable Development Strategy for 2011-2020, The National Action Plan to implement the 2030 Agenda for SDGs (SDG NAP) and the National Innovation and Start-up Scheme. Mr. Long noted that in Vietnam there is still low social awareness on SCP and lack of case studies. There are also limitations in policy and the lack of social trust is an obstacle for sustainable products consumption. The drivers for eco-innovation and co-design are mainly

on accessing unused resources such as recycling wastes, quick market development for sustainable products, green public procurement, and through start-up and innovation. On enabling conditions and the support needed for eco innovation and co design, it is important to have fair tax policy on natural resource consumption, support for product information and certification, and to build and support the capacity for innovation and design particularly of service providers.

**Matti Tervo**, Counsellor with the Embassy of Finland in Hanoi provided an overview of Finland's support to Vietnam when it comes to eco-innovation. The Innovation Partnership Program - IPP; 2009- 2018 is a pioneer in supporting Vietnam in the innovation sector. The program's objective is to generate lasting impact in the Vietnamese innovation ecosystem by supporting the scale up of practices tested on the ground for entrepreneurship and innovation training in universities, financing innovative companies, and creating cross-border business. The program works with key national and international partners to scale up practical innovation and entrepreneurship training as well as to improve local support mechanisms and programs for Vietnamese new innovative companies. It connects key actors in the ecosystem to build a strong foundation for Vietnam's next-generation entrepreneurs and promotes innovation and business partnerships between Vietnam and other countries, particularly Finland. It also enables a strong and healthy Innovation and Entrepreneurship Ecosystem contributing to innovation-led economic development of Vietnam through three pillars: Institutional development and capacity building, Partnership for innovation and Innovation projects. They supported policy makers through Executive Training (Finland and Singapore), Executive Talks and Public Lectures in Vietnam and support to 100 Senior Policy Makers and startups through funding and capacity building through the Innovation Partnership Program.

## KEY MESSAGES

1

Access to finance is critical to support SMEs to apply cleaner and greener technologies in the value chain and SMEs have to ensure high quality of business model case to receive financing;

2

Policy support is needed to provide incentives for eco-innovation and co design and there is a need for integration of policies which can be addressed through the drafting of policies on SCP (Roadmap/National Action Plan on SCP);

3

SMEs benefit from stakeholder partnerships that provides them access to information, capacity building opportunities, and financial support towards eco-innovation and co design. These partnerships also provide the platforms for their participation in consultation processes for country policy-making decisions.



# POLICY DIALOGUE ON SDG 12 REPORTING REGIONAL NETWORKING EVENT

20-22 November 2019 • Pullman Hanoi Hotel, Vietnam



## 5. Main Regional Challenges: How to Tackle Plastics and Wastes Minimisation and Management Along the Supply Chain and with Consumers

Session Moderator: **Delphine Brissonneau**, SWITCH Asia Referent, EU Delegation to Myanmar

Speakers:

- **Katerina Veliskova**, Improving Resource-Efficiency and Cleaner Production in the Mongolian Construction Sector through Materials Recovery, Mongolia
- **Mahbub Ullah**, Tomato and Mango Value Chain, Bangladesh
- **Lewis Akenji**, “Circular Economy for Plastics in ASEAN Region”, EU E-Readi Project
- **Alvaro Zurita**, Team Leader, “Rethinking Plastics – Circular Economy Solutions to Marine Litter”, EU Marine Litter and Plastics Project

The main focus of this session is for better understanding the challenges of better tackling the serious issue of wastes production, plastics in particular, through achievements of the grant projects and outcomes of two important EU regional projects, while duly considering supply chain and consumption

**Katerina Veliskova**, from the “Improving Resource-Efficiency and Cleaner Production in the Mongolian Construction Sector through Materials Recovery” project explained, the booming construction industry in Mongolia has resulted in the production of massive amounts of Construction and Demolition waste (CDW). It is estimated that this waste accounts for 20-25% of all overall solid waste produced in Mongolia. CDW is thus one of the largest waste streams. In Ulaanbaatar (UB) and other cities, the construction waste is dumped illegally. A huge

part of the construction and demolition work is done by small and medium-sized contractors and subcontractors. Thus, SMEs are producing most of the CDW, and their current unsustainable approaches have negative impacts on human health and the environment. CDW management represents a significant challenge. Among the achievements presented by this project, Katerina introduced products made from recycled construction waste, a new university curriculum and MOOC, awareness raising initiatives, and the development of a new legal procedure. She also mentioned that project scaling-up must happen together with policy change.

**Mahbub Ullah**, from the Tomato and Mango Value Chain project in Bangladesh explained that food safety in the Bangladeshi fruit and vegetable sector is an area of increasing concern. Consumers have lost confidence in locally produced food. The current intense political and consumer pressure on the horticultural industry has urged the sector to adhere to food safety levels. With the legal framework for food safety in place and a strong market demand for sustainable and safe produce, there is now a conducive environment for change. In his presentation, Mahbub showcased good agricultural, handling and manufacturing practices.

**Lewis Akenji**, from adelphi, introduced the “Circular Economy for Plastics in ASEAN Region”, EU Enhanced Regional EU-ASEAN Dialogue Instrument (E-Readi) Project and the Gap-Analysis Report. He explained the importance of accelerating the circular economy transition in the ASEAN region on addressing the plastic issue and how this will require coordinated policy interventions at all stages of the life-cycle of plastics, including: resource extraction and refining, design and manufacture of products, trade and retail, use and reuse, recycling, and final disposal when necessary. On key findings of

the report, Mr. Akenji explained that policies and actions in ASEAN countries focused on the downstream, where plastics are framed as a waste management issue and not as a materials management issue. There are also few policies to stimulate eco-design and innovation on alternative materials and there is little recognition of the need to regulate hazardous additives used in plastics. He also highlighted the increasing production and use of plastics as business as usual, and the few efforts to improve the quality of recycling. The study identifies four main types of gaps common to addressing plastics in the region: Information and Knowledge; Policy and Governance; Technical Capacity; and Markets and Finance. Region-wide collaboration is needed because of the transboundary nature of issues associated with plastics and the interlinked economies of ASEAN Member States, Akenji explained. Proposed regional initiatives aligned with the recently adopted ASEAN Framework of Action on Marine Debris were also presented.

**Alvaro Zurita**, Team Leader of the “Rethinking Plastics – Circular Economy Solutions to Marine Litter”, EU Marine Litter and Plastics Project, provided an overview of the global challenges in addressing marine litter and the project’s objectives to support the transition towards SCP of plastics and strengthening cooperation among EU-countries on circular economy, plastic waste, and marine litter. In particular, Mr. Zurita highlighted that the project will undertake policy dialogues and activities towards circular economy, focusing on plastic waste prevention

and management, shifting to SCP of plastic, enhancing efforts for the reduction of litter from sea-based sources, and strengthening green procurement policies, processes and cooperation. The project will be implemented in China, Indonesia, Philippines, Thailand and Vietnam through close cooperation with regional, national and local partners and the respective EU Delegations in East and Southeast Asia. On-going initiatives by other international organisations, public and private sectors, civil society and academia are also taken into account. This project is co-funded by the EU and the German Federal Ministry for Economic Cooperation and Development (BMZ) and is jointly implemented by GIZ and Expertise France.



## KEY MESSAGES

1

Addressing unsustainable approaches and waste will require awareness raising and policy interventions that apply SCP tools and approaches along the supply chain and shifting to circular economy models.

2

Addressing the plastic issue is not only about waste management but will require policy interventions in all stages of the life-cycle of plastics including: resource extraction and refining, design and manufacture of products, trade and retail, use and reuse, recycling, and final disposal.

3

Global, regional, national and local collaboration is needed through partnerships with stakeholders towards plastics and wastes minimisation and management.



## 2<sup>ND</sup> PROGRAMME STEERING COMMITTEE MEETING

### POLICY DIALOGUE ON SDG 12 REPORTING REGIONAL NETWORKING EVENT

# 2019

20-22 November 2019 • Pullman Hanoi Hotel, Vietnam



## PLENARY SESSION III - INCREASING ACCESS TO FINANCE AND LEVERAGING INVESTMENTS FOR GREENER PRODUCTS, SERVICES AND TECHNOLOGIES

Session Moderator: **Alessandra Lepore**, SWITCH Asia Coordinator, DG DEVCO, European Commission

Speakers:

- **Victor Abainza**, Promoting sustainable cleaner development through the establishment of an Asian Cleantech MSME Financing Network (ACMFN), India, China and Indonesia
- **Ujjwal Pokhrel**, The Bar Wa, Myanmar
- **Burcu Tuncer**, Team Leader, SwitchMed Networking Facility
- **Laura Würtenberger**, Project coordinator Asia, Finance in Motion
- **Tran Hoai Phuong**, Deputy Director, Commercial Banking, HDBank, Vietnam

This important plenary session focused on the needs, challenges and opportunities to further access to green finance, notably for grant projects, to better ensure scaling up and replication as part of the priorities of the 2nd phase of the SWITCH Asia programme.

Presenting the Asian Cleantech MSME Financing Network (ACMFN), a 4-year project co-financed by the EU to build and leverage a cleantech financing eco-system for promoting sustainable cleaner development, **Victor Abainza** highlighted some of the challenges faced by the project, such as the lack of enabling policy environment for clean technologies, adequate awareness, limited access to financial and business development services for CT enterprises. Financing tools and mechanisms developed and promoted by ACMFN were also presented.

Covering China, India and Indonesia, the project looks at identifying appropriate possible investment mechanisms that best replies to respective needs and context such as a fund exclusively for start-ups in China, with private investors, with 1.5 million USD; green loans and ESCO model financing in India, and a platform for clean tech, targeting clusters in specific regions; and in Indonesia, leveraging green finance to MSMEs through financial institutions and community.

**Ujjwal Pokhrel** introduced the Tha Bar Wa project which promotes cleaner production solutions in Myanmar by supporting the Food and Beverage sector. The sector represents 60% of the industry in the country and it is composed in large part (89%) by MSMEs, the main target beneficiaries of SWITCH Asia programme. The project worked with the 4 major banks in the country facilitating the understanding and promotion of green products (in terms of energy efficiency solutions for MSMEs). Thanks to the project, the 4 banks set aside USD 12 million (USD 3 million each) for green finance, a great achievement for scaling up the outcomes of this project.

**Burcu Tuncer** provided examples of how the SwitchMed programme has set up the "SwitchersFund" to scout a pipeline of innovative projects and to facilitate the access to finance for Manufacturing SMEs: The case of facilitating access to the MORSEFF is a credit facility managed by the EIB, EBRD, KfW and AfD in Morocco was highlighted, through which working capital needs were identified and a project pipeline for the local banks was established. Establishing mechanisms for ensuring a safe journey for enterprises putting Green and Circular

Economy business models in place is key and should work to catalyse innovative ideas, identify innovative projects, provide them seed funds and connect them with local and international financiers.

**Laura Würtenberger** from Finance in Motion introduced the study being carried out on access to finance and private investments in Asia, funded by DG DEVCO. The scope of this study is the identification of viable market-sector combinations for green investments in support to needed sectors such as industrial resource efficiency waste & water management, renewable energy, green buildings, etc. Related green finance needs in Asia are very high with great opportunities for investment in support to sustainable development.

**Tran Hoai Phuong**, from HDBank of Vietnam, presented the implementation of the green financial scheme of the HDBank. The bank has been working with the SWITCH-Asia programme in Vietnam since the beginning on access to finance. At the Regional Networking Event, we were eager to learn more about the green financing promoted by this bank. He provided examples of green financing projects in funding rooftop solar panels, which the bank supports partners specialised in installation, construction, maintenance, and warranty. SELF-Investment Model and ESCO Model have been used in the green financing projects. Green financing is an opportunity for the HDBank to improve the green market in Vietnam.



## KEY MESSAGES

1

Developing Green business models is key.

2

Establishing Cleantech Financing mechanisms and Networks to spark improved access to finance in support to MSMEs is critical to enhancing SCP patterns in Asia.

3

Energy efficiency practices and green products are of great potential interest for banks investment.

4

Ensuring access to finance and private investments are key in further adopting technologies and improved industrial practices tested through SWITCH Asia pilot projects.





## CLOSING SESSION - MOVING FORWARD: ENABLERS AND MULTIPLIERS

In the closing session, rapporteurs of each parallel session identified key challenges, lessons learned and opportunities to move forward in advancing SCP and scaling up SWITCH-Asia projects, while identifying the enablers and multipliers for more effective transformative SCP action plans:

### A. Challenges identified:

- Need to address the gap between policy and implementation on SCP including consumer rights;
- Lack of incentives and supportive policy mechanisms for green products and services;
- Need for access to financing of actors in the value chain towards application of green technologies and innovations and for long term sustainability of the project;
- Lack of technical capacities on SCP tools and application and awareness and access on cleaner technologies, products and services across the value chain.
- Need for an institutional framework for better coordination in the government and participation of stakeholders.
- Lack of social awareness on SCP among consumers and producers and their impact on the environment.

### B. Lessons Learned

- Policy dialogue and exchange and collaboration among SMEs and multi-stakeholders including financial institutions are important to enhance business networks and facilitating SME's access to finance.
- Consumers must be better educated, engaged and empowered to make the SWITCH. The youth have a strong resonance with the message of SCP and Socio-economic Justice. Consumers demanding change and more sustainable products is the best business case.
- Importance of understanding well-being and ensuring a dignified way of life is as important as environmental sustainability. Social and economic justice in the SCP frameworks is important to empower those who are least responsible but most affected.
- Access to Green financing is essential to promote and deliver SCP.
- There is a need for stronger regional perspectives and cross-border cooperation where regional/sub-regional guidelines are helpful to support effective policy making.

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## C. Way Forward

- Support an enabling regional, sub regional, national and local policy environment with integrated policies, ensuring coordination of agencies responsible for overseeing policies in the sector and boosting innovation.
- Scale-up replication of projects has to happen through policy changes.
- Encourage collaborative consultations and multi-stakeholder partnerships across the value chain, especially from the ground.
- Explore how to change consumer behavior by analysing market forces and providing access to information and participation in decision-making.
- Explore access to finance for innovation and application of technologies in various sectors.
- Projects should plan for long-term sustainability, aiming at delivering greener and circular economy.
- Private sector involvement is crucial to know better the sector's needs and plan better actions and incentive mechanisms.
- Target on educating younger generation and create demand through strategic investment in consumer awareness.
- SWITCH-Asia can support SCP practitioners and grants funded projects to communicate better their impact and results through new Communication Strategy 2020, as well as capacity building programmes.



# ANNEXES

- Annex 1: [Conference Agenda](#)
- Annex 2: [Media Advisory](#)
- Annex 3: [Presentations](#)
- Annex 4: [Photos](#)



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