

IMPACT SHEET: Eco Fair

Promotion of Supply and Demand of Eco-Fair Agri-food Processing Products in Vietnam



The Eco Fair project addresses sustainable supply chain management, with a focus on green trade, and also facilitates the integration of MSMEs into supply chains. It supports sustainable consumption and consumer awareness on Sustainable Consumption and Production, and increased capacity for eco-fair MSMEs, creating an enabling environment to strengthen the implementation of national SCP policies.



PROJECT BACKGROUND

Vietnam, on its journey towards an open market, has entered into several Free Trade Agreements (FTAs) with various countries worldwide. While these agreements hold great promise for boosting Vietnamese exports, they also pose challenges concerning the capacity of Micro, Small, and Medium Enterprises (MSMEs) to meet the heightened production regulations and overcome technical barriers. In 2018, Vietnam's agri-food exports to the EU were valued at 2.5 billion EUR, representing over 6% of the total value of Vietnamese exports. However, in recent years, there has been a downward trend in this regard. This decline can be attributed to the increasingly stringent production standards imposed by the EU for imported products, particularly concerning food quality and safety, as well as stricter guidelines for certification of origin and traceability. These standards often proved to be beyond the capability of Vietnamese producers. Another complexity in Vietnam's participation in these FTAs was the obligation to open its market to higher quality and more diverse EU agri-food products, putting pressure on Vietnamese producers to enhance their competitiveness or risk losing ground to foreign products and companies within the domestic market.

CHALLENGE

The capacity of MSMEs regarding ecological and fair-trade development was limited. Most MSMEs lacked a strategic plan for sustainable development and had limited capabilities in producing and marketing eco-fair products. They also faced challenges in accessing green technology, sustainable designs, and green financing. However, our project successfully enhanced the capacity of Vietnamese MSMEs to implement sustainable production and innovate agri-food supply chains.

Awareness among MSMEs, consumer groups, civil society stakeholders, and the public sector was also limited. Consumers had some awareness of eco-fair products, but these products had not yet become integrated into their lifestyles, as evidenced by their infrequent purchasing behavior. To address this barrier, we took measures to raise awareness within a specific large consumer group about sustainable consumption behaviors and built a network within that group to promote the eco-fair label.

At that time, there were no cost-effective service providers to help consumers access eco-fair agri-food processed products from Vietnam, and there were no systematic networks of eco-fair product venues (e.g., franchise stores). This challenge was addressed by establishing an eco-fair retailer network for local markets and an ITC E-platform for the international market.

PROJECT OBJECTIVES

Overall Objective: To promote sustainable production and consumption of eco-fair agri-food processing products in Vietnam, contributing to economic prosperity, poverty reduction, sustainable livelihoods, and the development of a green economy

for a transition toward a low-carbon, resource-efficient, and circular economy in Vietnam.

- Enhance the capacity of MSMEs to implement sustainable production and product innovation practices in the agri-food supply chain.
- Raise awareness within a large consumer group regarding sustainable consumption behaviors and build a network to promote the eco-fair label.
- Establish a sustainable E-platform to create an eco-fair retailer network.
- Enhance the capacity of eco-fair MSMEs to access financing.
- Support policy development on eco-fair production and consumption in Asia.

TARGET GROUPS

- Micro, Small, and Medium Enterprises in agri-food processing in Vietnam.
- Consumer groups and individual consumers in Vietnam.
- Industry bodies and intermediary business support organizations such as VIRI, VNCP, CCS, Cooperative Alliance, national professional associations, etc.
- Governmental bodies, including ministries and sub-national agencies.

PROJECT ACTIVITIES

Effective Outreach to a Large Number of MSMEs

Enhance the capacity of MSMEs to implement sustainable production and product innovation practices in the agri-food supply chain through designed MSMEs training courses, disseminating knowledge about Resource Efficiency and Cleaner Production (RECP) objectives, technology and product innovation, and sustainability certifications.

Effective Outreach to Large Consumer Groups

Raise awareness among a large consumer group regarding sustainable consumption behaviors and build a network to promote the eco-fair label through online courses for consumers. Promote existing MSMEs at domestic and international trade fairs and enhance the accessibility of the eco-fair philosophy and practice through various high-profile events.

Stimulating Sustainable Consumption and Production through the establishment of an E-platform and retailing network

Collaborate with the E-Platform of the International Trade Center (ITC) to promote certified businesses abroad and sustainable products through a retailer network in Vietnam.

Capacity Building for MSMEs on Bankable Activities and Access to Finance

Raise the capacity of MSMEs for bankable actions/activities and increase access to finance by linking MSMEs with suitable financial institutions.

Advocacy for Eco-Fair Policy

Advocate for Eco-Fair and circular economy policy for agri-food processing, implement line ministries and capacity building for sub-national agencies, and organize a regional policy dialogue on Eco-fair production and consumption in Asia. By partnering with key ministries in Vietnam (MOIT and MARD) and national associations, the Eco-Fair philosophy was integrated into the country's sectoral strategies and policies.

LESSONS LEARNED

The COVID-19 pandemic significantly impacted project implementation in the second year, limiting travel and business opportunities and causing other complications. To adapt to social distancing measures and restricted travel, the project team developed an online working method. This resulted in the team shifting to online meetings and instruction sessions, creating a convenient and efficient form of social networking. The team successfully used this innovative approach to fully implement all project activities.

Many MSMEs encountered difficulties in accessing financing resources due to Vietnam's stricter credit policy in the project's second year. Consequently, the project team sought alternate funding sources such as the Beacon Fund, the Rabobank Foundation, and national and sub-national credit funds. This prepared the concerned MSMEs to seize opportunities when credit requirements loosened at the end of 2022-2023.

Several lessons emerged during this process:

- The project team learned how to foster greater support by eliciting more enthusiasm from participants and mobilizing resources from co-partners and associate partners, including the International Trade Center, government ministries, and other national associations.
- They increased their flexibility in implementation methods and diversified outreach strategies to better adapt to unforeseen circumstances like the COVID-19 pandemic, better preparing for future challenges imposed by unforeseen external factors.
- They engaged in continuous monitoring and evaluation to identify upcoming contingencies and measure progress, allowing for necessary adjustments to fully achieve the original project objectives.

PROJECT ACHIEVEMENT

The project has demonstrated positive results in several key areas. It is noteworthy that the target groups participating in the project have expressed high satisfaction and appreciation for the support provided:

- 1,024 MSMEs received online capacity-building on sustainable production through training courses.
- 1,824 individuals became change-makers in a Facebook group focused on sustainable consumption.
- More than 200 MSMEs were assessed on RECP, product innovation, and technology innovation.
- 504,402 consumers were reached with awareness-raising courses.
- Over 200 statements were submitted by pioneer MSMEs and CSOs to advocate for enabling environments for Sustainable Consumption and Production (SCP).
- 6 training classes with 318 participants were conducted to build capacity for line-ministries systems.
- 6 codes of conduct were established for national associations, and 6 policy recommendations were made by national associations. Additionally, 17 success stories and 5 case studies were documented.
- A network of eco-fair retailers comprising 21 satellite shops was established.
- More than 100 MSMEs received support in accessing green finance, new product development, clean technology, RECP consultation, and Eco Fair certifications.
- 202 Eco Fair products were commercialized, leading to a roughly 30% increase in Eco-Fair turnover.





Dr. Nguyen Bao Thoa
Director of VIRI/Eco Fair project



The future of the Earth and the generations to come are entirely in our hands. The change brought about by the actions of each individual will create a significant impact. Therefore, the project's goal is to empower individuals with the knowledge and tools to embark on this journey of change.



Long-term project sustainability

The project has empowered MSMEs in eco-fair agri-food processed products in Vietnam by promoting sustainable consumption and production. The enhanced capacity of MSMEs in eco-fair technologies, RECP, certification, and finance access equips them with a long-term strategy to continue fulfilling the Eco Fair philosophy. The project has contributed to increasing the sales volume of eco-fair products in the marketplace through the e-platform and eco-fair retailer networks in Vietnam and the surrounding region. The retail network has been securely established with Eco Fair partners, and the ITC E-platform ensures the sustainability of the action without additional platform maintenance costs. Customers can benefit from consuming eco-fair products that are safe, healthy, and reasonably affordable. The increasing demand for such products will drive the entire manufacturing sector towards sustainable development. The enabling environment for SCP, capacity building of sub-national agencies, and regional policy dialogues will effectively support the implementation of national SCP policies in Vietnam, ensuring vigilant support for the promotion of basic human rights, gender equality, democracy, good governance, preservation of indigenous cultures, protection of children and youth, and increased awareness of environmental issues.

Project contributions to Climate Change Mitigation and SDGs

The project has made significant contributions to climate change mitigation and the achievement of Sustainable Development Goal 12 (**SDG 12**) - Responsible Consumption and Production. In our activities, we aimed to create sustainable production within the general supply chain, enhancing it through the strategic transition toward a circular economy. Both eco and fair trade principles prioritize environmental respect. Fair trade companies maximize the use of raw materials from sustainably managed sources in their regions, employ production technologies that seek to reduce energy consumption, and minimize the environmental impact of their waste stream. These practices comprehensively minimize their overall environmental footprint. By integrating environmental performance factors into production and trade, these actions become standard “best practices,” encouraging emulation and replication within other sub-sectors. The project provided MSMEs and consumers with training on Sustainable Production and Consumption through an efficient online course, supporting MSMEs in adopting sustainable production practices such as disease and pest control, sustainable packaging design, and resource efficiency.

The project contributed to **SDG 2** (Zero Hunger), **SDG 8** (Decent Work and Economic Growth), **SDG 9** (Industry, Innovation, and Infrastructure), and several cross-cutting goals such as promoting gender equity, taking action on climate change, and reducing economic and social inequalities. It focused on sustainable farming practices, disease control, and food waste treatment, which contributed to improving food security and promoting sustainable agriculture (SDG 2). The project's support for MSMEs fosters economic growth and creates decent work opportunities (SDG 8). Additionally, this initiative increased MSMEs' access to financial services, provided consulting for bankable project development, and facilitated their integration into value chains and markets through satellite shops, trade fairs, and a sustainable network for marketing and distributing products (SDG 9).



Impacts at a Glance

Economic Impact	<ul style="list-style-type: none"> • Sales turnover of Eco Fair products increased by approximately 30%. • 18 MSMEs were listed on the ITC platform. • 100 MSMEs received support in accessing green finance, developing new products, adopting clean technology, receiving RECP consultation, and obtaining Eco Fair certification. • The project successfully improved and commercialized 202 identified products.
Environmental Impact	<ul style="list-style-type: none"> • 1,024 MSMEs received training on sustainable production. • 504,402 consumers accessed the awareness-raising course on sustainable consumption. • 200 MSMEs received direct consultation on resource-efficient and cleaner production. • 21 MSMEs achieved Eco Fair certification (Organic, Fair Trade, PGS, VietGAP), and over 20 MSMEs were supported with sustainable packaging design and waste treatment initiatives to reduce environmental pollution and waste generation. • The project contributed to reducing the negative environmental effects of conventional farming methods by promoting sustainable agricultural practices, including farming practices, disease control, pest management, sustainable packaging, and waste treatment using black soldier fly larvae.
Social Impact	<ul style="list-style-type: none"> • The implementation of Fair Trade certificates demonstrated the strong commitment of MSMEs to social responsibilities, such as eliminating child labor, promoting human rights, gender equality, and other related observances.
Climate Benefits	<ul style="list-style-type: none"> • Water consumption reduced by about 40%. • Electricity costs decreased by approximately 5-7%. • The use of advanced drying technology resulted in a 60-80% reduction compared to the current resistor drying machine technique.
Green Finance	<ul style="list-style-type: none"> • The project implemented an online training course on green finance access, and it developed 42 bankable projects submitted to various banking institutions and funding programs. Ten of these bankable projects were successfully funded.
Target Group Engagement	<ul style="list-style-type: none"> • Pioneer MSME beneficiaries submitted 200 statements to associations in the agricultural sector to advocate for opportunities related to Sustainable Consumption and Production (SCP). They also provided feedback and evaluations from Vietrade (MOIT), DCRD (MARD), and a large group of consumers.
Policy Development	<ul style="list-style-type: none"> • The project organized one regional and two national policy dialogues with 470 participants from government agencies, associations, independent organizations, and MSMEs. • Six in-line training classes were conducted for 324 officers from local agencies and MSMEs. • The project was engaged by MARD to assist in developing strategies for rural development for the period between 2021-2030.
Europe-Asia Cooperation	<ul style="list-style-type: none"> • The Eco-Fair project was featured as a key speaker at the EU Pavilion during a Side Event at COP27, highlighting its significant contributions to a circular economy and other policy developments accelerating the transition of the agri-food value chain to a low-carbon industry in Vietnam. • The project successfully facilitated connections between 50 Vietnamese enterprises and five European partners, indicating strong collaboration between Europe and Asia in the context of sustainable agricultural practices and innovation. • ITC Platforms supported the connection of Vietnamese MSMEs and potential buyers in the EU in a sustainable manner.



FUNDING

EUR 1,838,256.24
(EU Contribution: 80%)



DURATION

April 2020 - May 2023



PARTNERS

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