

## EDITORIAL

In the past two centuries, more and more machines have been introduced in the production of goods and have replaced manual labor. This industrial revolution first took place in Europe and North America while other parts of the world did not catch up until much later. Economic growth in Asia has really taken off since the struggle for more entrepreneurial freedom took ground, e.g. due to market liberalization in Viet Nam or China, or reforms in the Tiger Cub Economies of Thailand or Indonesia.

But economic growth is not everything if indicators related to resource use and environmental quality are decreasing because of outdated technologies, obstacles to SME, environmentally unconscious consumption, and institutional failure. In most Asian countries, urbanization and uncontrolled economic development have contributed to urban air and water pollution.

Asian policy makers, the private sector, non-government and civil society organizations have become aware of this situation. Questions on how to tackle the environmental challenges have become louder. The EU Switch-Asia program is one of the answers as it assists its partners by providing international experience and funding.

The first part of the newsletter provides an overview on EU SWITCH-Asia while the second part presents how the program is leveraged by green finance made available through development banks. The last part highlights practice-oriented examples on how GFA contributions led to successful implementation of EU SWITCH-Asia projects and studies that promote sustainable consumption and production.



Klaus Altemeier  
Managing Director  
GFA Consulting Group

## HELPING ASIA SWITCH TO SUSTAINABLE DEVELOPMENT

**The SWITCH-Asia Network Facility (SANF), a project funded by the European Union (EU) and implemented by the GFA Consulting Group in partnership with the collaborating Centre on Sustainable Consumption and Production (CSCP), was concluded in December 2017. The EU established SANF to support and coordinate the collection of data, internal and external cooperation, dissemination of best practices, and long-term sustainability of SWITCH-Asia. It is the largest EU-funded program promoting sustainable consumption and production (SCP) in developing Asian countries.**

SWITCH-Asia was launched in 2007 to contribute to economic prosperity and poverty alleviation in Asia through more sustainable production and consumption patterns that minimize negative environmental impacts and are aligned to climate change mitigation and adaptation strategies. In particular, SWITCH-Asia targets local small and medium-sized enterprises (SMEs) and consumer associations. In its first decade, the program funded around 100 projects in 17 develop-

ing countries in South, Southeast and East Asia, including grant projects, regional and national policy support components (NPSCs). GFA implemented three out of five SWITCH-Asia NPSCs in Indonesia, Malaysia and the Philippines.

During its 52 months of operation, SANF carried out a wide range of initiatives to create synergies among successful SWITCH-Asia grant projects and international stakeholders, while continuing to support individual projects towards effective implementation. A new knowledge management process was established that increased productivity and improved the flow of know-how within the program, its projects and external stakeholders by combining conventional communication platforms and social media tools. Every year, several regional technical workshops and networking events in target countries examined specific themes of project interventions such as energy efficiency, and increased exchanges among practitioners. Multi-media products and publications raised awareness about the program and its impact with policy makers and other interested parties, and investigated key topics such as green finance.

[www.switch-asia.eu](http://www.switch-asia.eu)



Enhancing the environmental performance of the leather industry in Bangladesh, the SWITCH-Asia project ECOLEBAN improves working and living conditions for local workers and residents

## THE NEED FOR CLEANER DEVELOPMENT AND GREEN FINANCE

**Asian economies have witnessed substantial economic growth over the last decades which contributed to a significant reduction of poverty. However, the region's rapid economic growth came at a price – severe environmental degradation and increases in greenhouse gas (GHG) emissions made Asia the continent with the highest GHG emissions in absolute terms.**

Reversing this trend by restoring environmental quality, particularly in Asia's megacities, and establishing SCP patterns requires substantial investments of a different kind in comparison to previous decades. While some financing mechanisms are available from international development banks and institutions, they are not yet at the scale required. At the same time, Asia's financing landscape needs to develop further to keep pace with private sector financing needs. This particularly concerns investments by SMEs, the backbone of Asian economies.

As finance is relevant to all SWITCH-Asia projects and stakeholders, the GFA experts on the SANF team carried out targeted initiatives that looked more specifically at the situation and financing needs of SMEs in Asia, the barriers that prevent them from accessing green finance for implementing SCP, and possible ways forward.

SANF coordinated ten country-specific studies that provide an up-to-date overview of existing SME finance opportunities as well as trends and barriers in these countries, focusing particularly on financing renewable energy and energy efficiency investments. These studies include recommendations on how to overcome the identified barriers and feature detailed databases and contact lists of the most relevant financial actors in the countries. SWITCH-Asia projects and other stakeholders in Europe and Asia working on green climate finance use these resources as relevant tools to approach financial institutions and help SMEs find solutions to their financing needs.

In conjunction with these studies, SANF organized and supported international conferences that brought together SCP practitioners and SME managers with representatives from financing institutions. For instance, it organized a forum in Viet Nam in 2014 in partnership with the Asia Low Emission Development Strategies (LEDS) Partnership. In 2017, together with the European Commission's Executive Agency for SMEs (EASME), it held a match-making event for innovative SMEs in the field of circular economy. In Thailand, SANF convened a dedicated regional session and networking with representatives of the Asian Development Bank, European Bank for Reconstruction



In Laos, cleaner and more efficient cook stoves promoted by a SWITCH-Asia project improve working conditions and environmental impact

and Development, and the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP). After extensive research, SANF produced and published country-specific info graphics on access to finance for each of the SWITCH-Asia target countries. These handy one-pagers offer a snapshot of the status of green finance for SMEs in a specific country, with highlights on credit sources. As with all other SWITCH-Asia publications, they are available from the SWITCH-Asia website: [www.switch-asia.eu/publications](http://www.switch-asia.eu/publications)



Export-oriented companies in the leather sector in Bangladesh are now implementing environmental management principles transferred by the SWITCH-Asia project ECOLEBAN

### IN BRIEF

**Project title:**

**SWITCH-ASIA Network Facility 2.0**

Implemented through GFA Consulting Group in consortium with the Centre for Sustainable Consumption and Production (CSCP)

**Implementation period:**

September 2014 – December 2017

**Contract value:** 3,499,750 Euro

**GFA contact person:** Dr. Ilona Schadl

**Full-time TA expert team:**

**Team leader:** Dr. Uwe Weber

**SCP experts:** Dr. Patrick Schröder and Kartika Anggraeni

**Communication expert:** Silvia Sartori

[www.switch-asia.eu](http://www.switch-asia.eu)



The SWITCH-Asia project BIOTRADE scales up ethical biotrade initiatives in Viet Nam’s phyto-pharmaceutical industry

More than 3,000 farmers are benefitting from the BIOTRADE project in Viet Nam

### CLIMATE CHANGE MITIGATION AND ADAPTATION

Fueled by factors such as unsustainable consumption and production patterns, climate change has emerged as a significant threat with impacts on human health, ecosystems, biodiversity, food and energy security worldwide. Cleaner production plays a role in preventing, minimizing and tackling challenges brought about by climate change. As SMEs are the main target group of SWITCH-Asia projects, the SANF team of GFA experts identified lessons learned and promoted best practices that foster SCP adoption in conjunction with climate change mitigation and adaptation.

In 2016, for example, SANF organized a workshop within the framework of a major three-day forum and exhibition of Sri Lanka’s Ministry of Mahaweli Development and Environment. It developed a series of info graphics that, for each SWITCH-Asia target country, capture the status of climate change impact, especially in relation to SMEs. SANF efforts developed the capacity of local SMEs and business intermediaries to embrace SCP to raise their resilience to climate change. SANF publications and video documentaries illustrated how environmentally friendly technological solutions and alternatives are often readily available, and that business cases for cleaner, more efficient and often less costly production practices have been proven. What is still lagging behind is a solid awareness of the urgent need for transition to sustainable development

avenues, access to adequate green finance, and the provision of incentives. Enabling policy and investment frameworks, along with solidly linked institutional and regulatory frameworks, remain crucial to bridge these gaps.

### CAPTURING AND ASSESSING IMPACT

SCP gained increased international momentum as the 2015 United Nations Sustainable Development Summit in New York adopted Responsible Consumption and Production as Sustainable Development Goal 12 into the 2030 Agenda for Sustainable Development. Two years later, SWITCH-Asia celebrated the 10-year anniversary of its program. As the program grew in volume and reputation, and awareness about SCP spread, the SANF team started capturing its impact during its first decade. The task was challenging because each project has been using its own self-assessment and monitoring system. Aggregating project-specific data, the GFA SCP expert coordinated the first comprehensive data-collection within the program, and contributed to developing a harmonized set of indicators. The resulting impact assessment study was published in the 2017 issue of the SWITCH-Asia Magazine and provides the first detailed quantitative overview of results and lessons learned from 53 grant projects completed by April 2017. It conveys figures and success stories of economic impacts, social and environmental improvements, climate change mitigation and adaptation measures, enhanced access to finance, and SCP policy development.

### SUSTAINABLE DEVELOPMENT AND WOMEN’S EMPOWERMENT

The SWITCH-Asia program as such does not have a gender-specific, stand-alone objective but calls for proposals to encourage projects to promote economic and social rights and empowerment of girls and women. Despite this intent, the program never assessed its gender dimension in its 10 years of history. Yet, through its interactions with individual grant projects and field visits, SANF realized that in their promotion of SCP many projects directly or indirectly contribute to empower women.

Hence, the SANF communication expert embarked on a study that highlights barriers, opportunities and successful approaches regarding the link between sustainable development and women’s empowerment. Published by the EU Bookshop in 2017, the study ‘Advancing Sustainable Development and Women’s Empowerment in Asia’ summarizes the experiences of 19 SWITCH-Asia projects from 11 countries in South Asia and Southeast Asia that played a significant role in empowering women in their communities. The projects demonstrating a substantial link between SCP promotion and women’s empowerment are active in three main sectors: garment and textiles, energy, and agriculture and natural resources. Female beneficiaries range from low-skilled farmers and factory workers to SME managers and owners with higher levels of educations. Through capacity building, training and education, occupational



More than 1,500 SMEs in China learned energy-efficient construction techniques through the SWITCH-Asia project TRAIN THE TRAINERS



In Laos, the SWITCH-Asia project COOK STOVES promoted the production, distribution and use of improved cook stoves

health and safety, technology upgrades, social compliance promotion, business support and financing opportunities, the featured SWITCH-Asia interventions underline a proven track record of improved living and working conditions for thousands of Asian women. This has had positive trickle-down effects on their families and communities.

### SUPPORTING ACCESS TO INTERNATIONAL MARKETS

Beneficiaries of SWITCH-Asia projects are creating new products and services that reduce the environmental footprint of their industries, strengthen the competitiveness of small businesses, generate local employment, and preserve cultural traditions. They achieve all this by switching from synthetic to natural materials, using cleaner production technologies and processes,

sourcing resources responsibly, restoring traditional crafts, and training local artisans and vulnerable social groups such as illiterate women, disabled groups or unskilled laborers.

Notable examples for related products are rattan furniture from Indonesia, handmade lampshades from palm leaves in the Philippines, recycled textiles that Indian women turn into accessories, and ceramics manufactured through cleaner production in Viet Nam. Despite their quality and exclusivity, these products do often not reach prospective buyers as SMEs lack access to bigger or international markets. In order to tackle this problem and enhance the visibility of green Asian producers, SANF conceived and launched the online platform SWITCH Products that allows Asian SMEs, artisan groups and local communities to promote their green products to a wider audience at no cost. Interested viewers

may directly contact the producers to request more information on the production process or goods, or to place an order. Launched in September 2016, this promotional platform features more than 50 products, grouped under four categories: sustainable furniture and home décor, textiles and accessories, green technologies and sustainable services. By July 2017, 14 vendors associated with as many SWITCH-Asia projects in eight Asian countries have taken advantage of this new window of visibility.

In 2017, SwitchMed, an EU sister program working in the MENA region, joined this initiative and started to display products produced by associated entrepreneurs from the Mediterranean.

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### IMPRINT

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GFA Consulting Group is a growing consulting organization active in international economic development. The main sectors of the company comprise agriculture & rural development, natural resources management, energy and climate change, good governance, public finance management, private sector development, education, skills & employment, financial systems development, health, monitoring & evaluation, water & sanitation. GFA Consulting Group presently works in more than 90 countries and is implementing about 300 projects and studies.

**GFA vision:** to be the partner of choice for clients in our core service areas. **GFA mission:** to improve the livelihood of beneficiaries through our professional services. **GFA core values:** to offer high performance in service delivery, technical excellence in our main sectors, innovative approaches and products, and credibility with our clients when putting projects into practice.