This is not an ADB material. The views expressed in this document are the views of the author/s and/or their organizations and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy and/or completeness of the material's contents, and accepts no responsibility for any direct or indirect consequence of their use or reliance, whether wholly or partially. Please feel free to contact the authors directly should you have queries.

Knowledge Sharing Workshop Strengthening the Environment Dimensions of the SDGs in Asia and the Pacific

21-22 February 2018 Bangkok, Thailand







IN COLLABORATION WITH









Sustainable Asia

Lessons learned from 10 years of SCP implementation in Asia

ADB Workshop Bangkok

Kartika Anggraeni

February 22, 2018

COLLABORATIVE SOLUTIONS FOR A SUSTAINABLE PLANET

Who we are



by the United Nations Environmental Programme (UNEP) and Wuppertal Institute of Climate, Environment and Energy. Headquarters in Wuppertal, Germany



Think & **Do Tank**

The Centre provides scientific support to clients from the private and the public sector, in the field of sustainable consumption and production (SCP)

60 Team Members

with interdisciplinary backgrounds



International Scope

and activities in four continents



all photos © CSCP

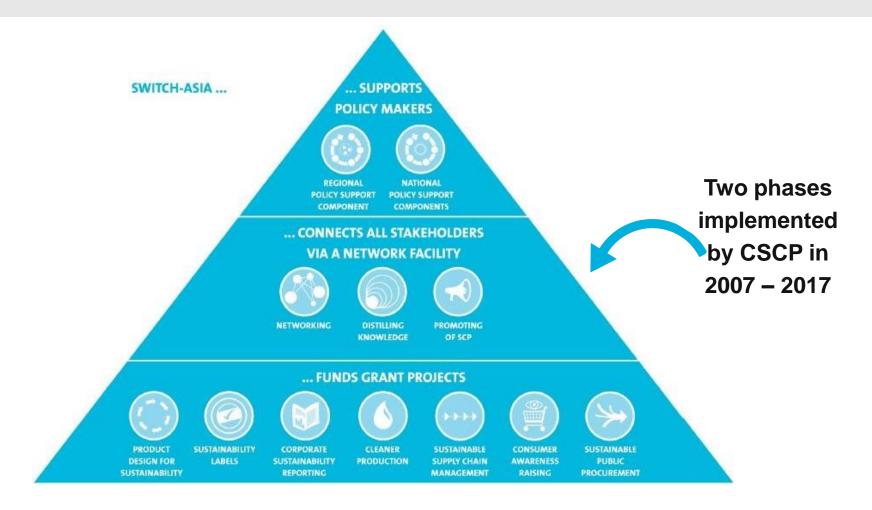


Experiences with SWITCH-Asia

- Involvement in the Programme since 2007 through implementing the Network Facility and several grant projects (Bhutan, India, Thailand)
- The Programme sought to contribute to poverty reduction (SDG 1) in Asia by promoting sustainable consumption and production (SDG 12)
- Programme's funding of more than EUR 300 million



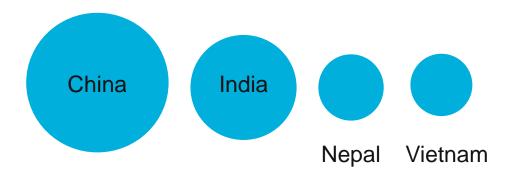
The Programme's components (2007-2017)





Regional coverage: 18 countries

2007 - 2017

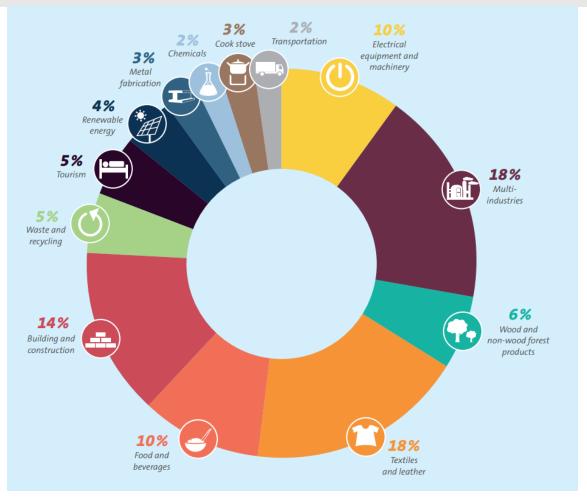






Lessons learnt: Selecting the right sector

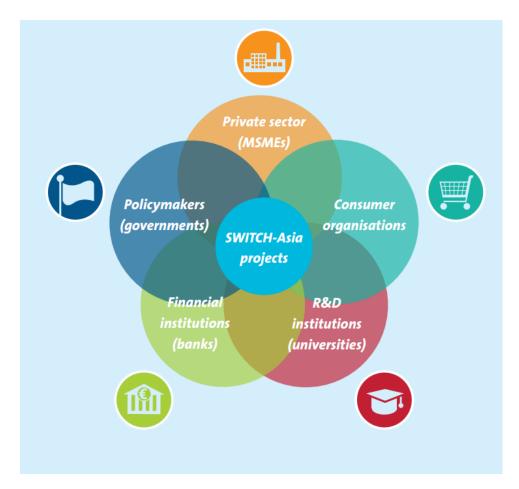
with leverage potential for replication





Lessons learnt: Involving strategic target groups

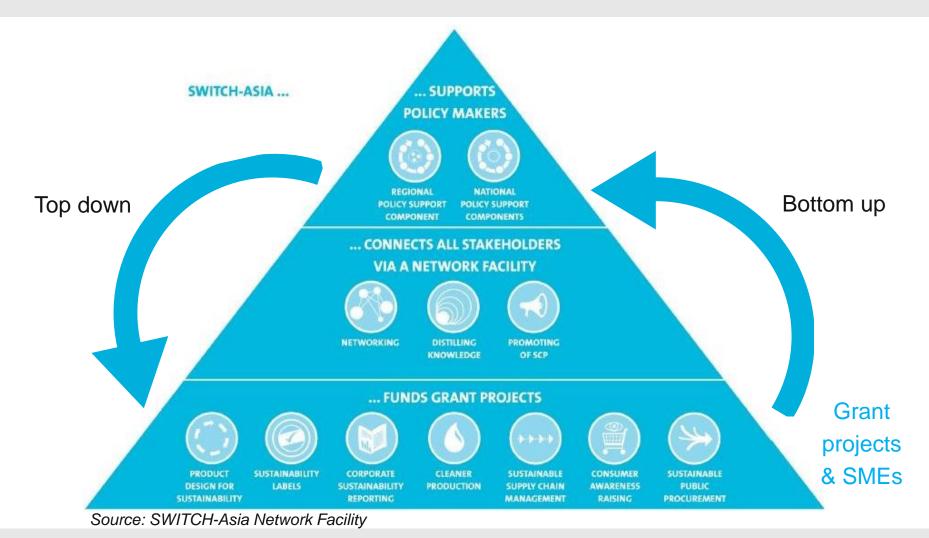
 Levers for effecting change: involvement of strategic key stakeholders





Lessons learnt: Combined approaches

Addressing policy issue and piloting





Lessons learnt: Mainstreaming sustainable consumption

Green Public Procurement Project in Bhutan, Green Retail Project in India

- Green public procurement and retailer engagement are strategic leverages for sustainable consumption
- Helping SMEs to get access to finance is of great importance if we want to mainstream SCP in Asia









The way forward: Bolting multi-stakeholder engagement in global value chains

Raw material	Production	Supply	Retail	Usage	End-of-life
	management systems Industrial symbiosis	VALUE (sustainable lifestyle Marketing for eco-products HAIN		green product supply
 Designing for sustainabilty Eco-Design Products for the poor Product Improvement 	 Improving production Emissions reduct. Technical innovation CSR Environmental 	 Greening the supply chain Sustainability criteria Knowledge sharing 	 Creating demand for better products Consumer awareness raising Promoting 	 Eco-labelling products Product information disclosure Eco-labelling schemes 	 Greening public procurement Sustainable public procurement Encouraging



The way forward: Enabling green entrepreneurship

Facilitating and enabling entrepreneurs to adopt SCP practices















Contact:

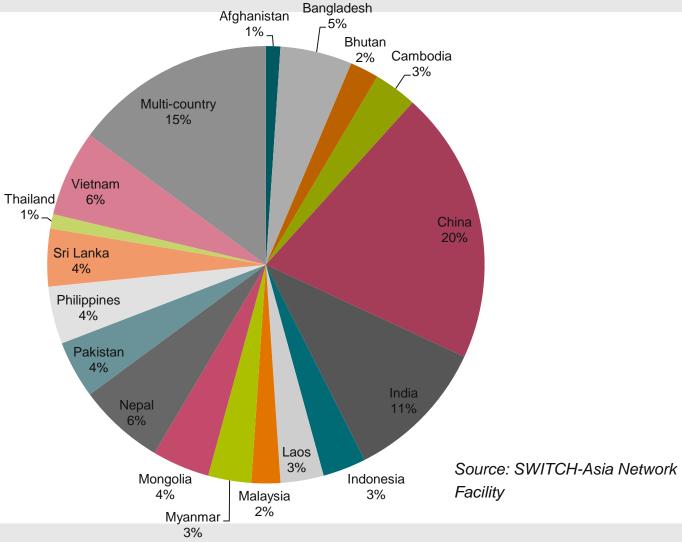
kartika.anggraeni@scp-centre.org

Backup slides



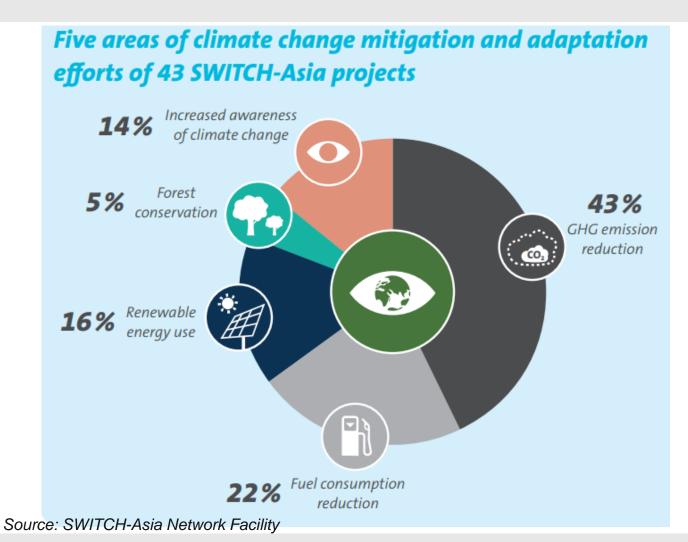
Country distribution of 95 grant projects

2008 - 2017



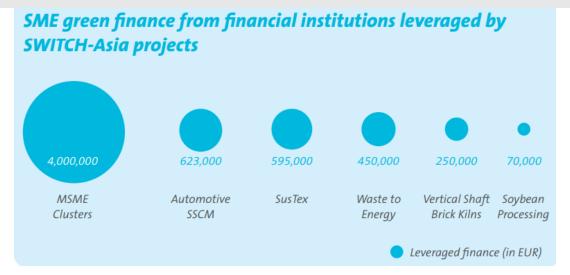


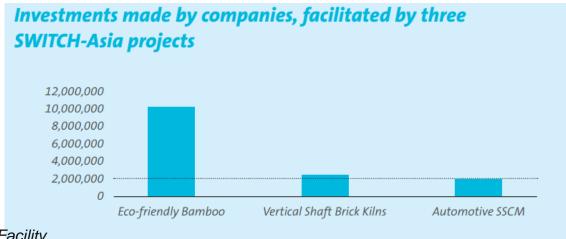
Addressing climate change mitigation & adaptation





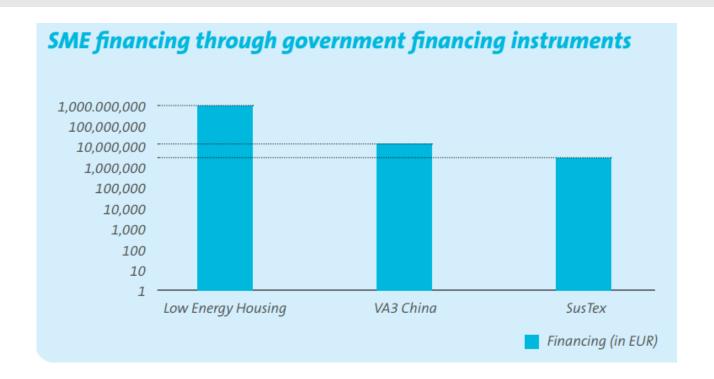
Results: Increased access to finance (1)







Results: Increased access to finance (2)

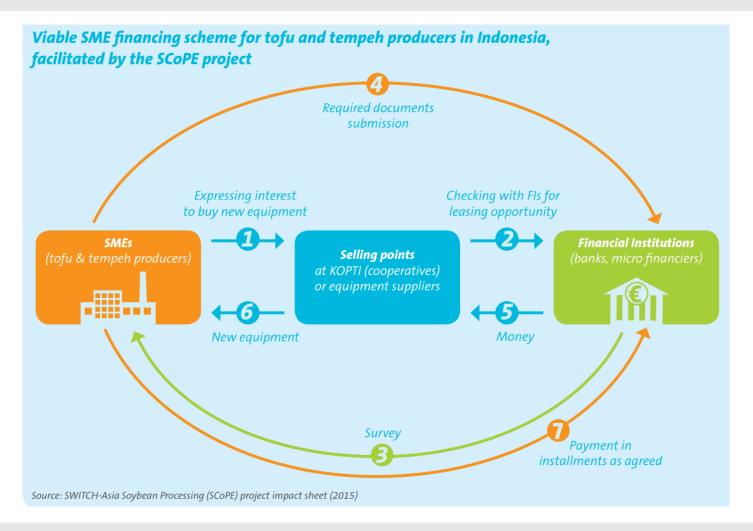






Example of SME financing scheme

SCOPE Project in Indonesia





Results: Policy engagement (1)

- Out of 53 projects, 26 submitted policy recommendations and/or guidelines to the governments
- Out of these, 13 projects had their recommendations taken up by government departments resulting in the issue of new policies, the amendment of existing ones or the integration into government five-year plans (FYPs).
- SusTex project in India, for example, submitted policy recommendations on OHS and Social Security of Artisans and Craft Workers that were adopted in India's 12 FYP for the handloom and handicraft sector.



Results: Policy engagement (2)

- AEMAS project contributed to the amendments of existing Energy Efficiency and Conservation Laws in ASEAN member countries.
- ASEAN SHINE project a regional policy roadmap and seven national policy roadmaps towards an improvement of minimum energy performance standards (MEPS) in ASEAN member countries.
- Timber Indonesia project was successful in their policy engagement where the Ministry of Trade eventually revised its national regulation following the project's recommendation in relation to FLEGT certification.



Promoting SCP good practices

Individual Project Impact Sheet

switchasia

SCALING UP ENERGY EFFICIENCY AND CLEANER PRODUCTION IN SMALL- AND MEDIUM-SIZED ENTERPRISES THROUGH INTEGRATED SOLUTIONS AND GREEN CREDIT (FEES)

Enhancing SME's access to green credit for cleaner production and energy efficiency in Shaanxi, China



The project identifies SME-friendly innovative financing models which favour cleaner production and energy efficiency approaches, aiming at a reduction of GHG emissions of 396 000 tonnes in eight energy- and pollution-intensive sectors

IMPACT SHEET | SWITCH-Asia project Financing Energy and Environmental Solutions (FEES)

The Challenge

Within the context of 'The Shaanxi Province Twelfth Five-Year Plan', the Chinese central government imposed binding environmental targets on Shaanxi Province to reduce energy consumption, sulphur dioxide emissions, nitrogen oxide emissions, chemical oxygen demand discharges, and ammonium nitrogen discharges. Lack of access to finance is the greatest barrier to implementing high-cost cleaner production (CP) and energy efficiency (EE) projects by SMEs. There is a gap between SMEs and financial institutions (Fis). SMEs often lack the capacity to make a compelling business case to Fls. On the other hand, FIs still lack the knowledge to gauge CP/ EE related risks and opportunities. To address this problem competent environment and energy service providers with integrated technical and financial solutions are required.

Objective

aims to help SMEs in the Shaanxi Province achieve significant pollutant discharge reduction, energy saving, and carbon emission mitigation by improving their capacity to access green credit and to implement high- and medium-cost energy efficiency and cleaner production measures. The specific objectives include:

- Enhancing the capacity of Shaanxi SMEs, particularly in eight energy and pollution-intensive sectors; . Developing risk-sharing mechanisms between government
- and financial institutions, implementing innovative green credit products for SMEs, and improving their risk management capacity: . Strengthening the ability of government agencies and
- audit inspection and information management activities

TARGET GROUPS

- 500 SMEs in eight polluting or energy-intensive industrial sectors, i.e. chemical/petrochemical, electronics, equipment manufacturing, electroplating, metal industries, in Shaanxi Province, China
- . 20 financial institutions receiving training on green credit and risk management
- 100 CP/EE service providers · Government agencies
- Shaanxi residents

Activities / Strategy

EE High-cost Options

The project is organising 20 three-day training implement CP/EE. 150 selected SMEs out of 500 will receive further training on green credit and support to create bankable green projects and apply for green credits. Out of these 150, 50 SMEs will be assisted to obtain financing and to implement CP/EE investment projects.



The project engages with financial institutions (FIs) to identify and create green credit schemes best suited for the target SMEs, including a risk compensation scheme. To support this action, a multi-stakeholder internet-based service portal, "Shaanxi Green Credit 828 Platform", is being established. Staff from 30 FIs will be trained on the following green credit business models: 1. State-owned commercial bank credit: 2. Green bond funds: 3. Clean Development Mechanism (CDM) funds; and 4. Energy efficiency and environment promotion loans

Providers
91 staff from local environment/energy service companies (ESCOs) have already received basic and advanced CP/EE and Green Credit Training (in a form of a 'train the trainer' workshop) to enhance their technical capability to support SMEs in implementing high-cost CP/EE aptions. Out of them, 30 will be coached further in assessing and preparing bankable CP/EE investment projects and three SMEs will receive on-the-job training by European and Chinese specialists in preparing EE bankable projects for 150 SMEs. The project is developing certification methods to certify qualified service providers

veloping Policy Recomme

EE Promotion
The project is engaging in policy dialogue by organising annual events inviting representatives from central, cial and local governments, as well as FIs, ESCOs, industrial associations, SMEs, media and academia. It is also involved in drafting policy recommendations for promoting CP/EE and Green Credit in SMEs in Shaanxi. Six governmental officials and energy policy experts were selected to attend a policy study tour to relevant institutions in Europe (Germany and the United Kingdom) to learn from the past experience EE and other EE practice in the selected European countries

IMPACT STICET | SWITCH-Asia project Financina Energy and Environmental Solutions (FEES)

Impact in Numbers



- Expansion of the green product portfolio in Shaanxi Province, which includes: 1. Contract-based environmental service finanding,

 Z. Contract-based energy management
- finanding; Remissions rights trading products; 4. Triency conservation and environmental
- protection project franchise rights pladge, 5. Hi-tech environmental protection data
- 6. Cradit loans of science and technology, /. cleaner production risk compensation



45 SMts implemented cleaner production and energy efficiency measures reducing their environmental footprints.



Freation of Johs in the growing energy efficiency service sector and environme technology manufacturing sector.



396 000 turnes of COse in eight high-politting sectors in Shaanxi will have been reduced.



- The protect increased SMES' access to The project introduction with the shaped finance by establishing link with the shaped Financial Finding Groun (SFHC) and other ER. SFHC Issues green bonds and leverages green finance totalling EMRASO million (FLR ST million) for green projects. The project facilitated the burch of the SSHaped Kennick of Section 1.
- The project natures to the surror of the "Shamid fareigned of Fergy Efficiency and Employment Linguovement Financhy Project" by the Asian Development Bank (PLIS) in March 2017 with funding of USD 156 million (CUE 127 million). The fund is available as leans for companies (SMFs) investing in green projects.
- INVESTING IN GREEN PROJECTS.
 The project has facilitated 90 SMEs in submitting handable credit proprisals amounting to EUR 725 million of SFI IG. 17 SMEs were shortlisted and out of them, 7 SMEs have passed final audits and received. loans, 50 bankable credit projects will be achieved by the end of the project.
- The project has engaged with 12 banks and fis besides STHG and ADB. Bank of China, China Industrial Bank Co., Ltd., China Merchants Bank Corporation, Shanghai Pedong Development Eank, China Minsharg. Banking Corp. Ltd. Industrial & Commercial Bank of China, China Construction Eank, Chang'an Bank, Evergrowing Bank, China



- Financing Guarantee Co., Ltd. Henglong International Financial Leasing Co. Ltd. Naw financial instruments created through
- Green bond funds by SFIIG; Friengy efficiency and environment
- 429 SMEs engaged in project activities through training events, workshops, matchmaking meetings, green finance project proposals, etc.
 - project, proposals, etc. In total, for stakeholder groups were involves in the project, le Administrative Committee of XYan Hi-teui Industries Development. Zong, The Cimate Croep, XYan Municipal Research institute of Environmental Production, Shaanxi Brancial Holding Group



The DEFEnratort collaborated with SDCH

- bishing the Shaarxi Creen Financial Platform supporting better access to finance for smiss. The project put forward policy recommendations about risk compensation. In XI'an Hi-tech Zone, For enterprises Implementing cleaner production (CP)
 and energy efficiency (FF) in the Zone, the
 government provides 10% 1sk compensati
- In rase of had delt for two years (2015-2017) for pilot CP/EE projects. The XI'an HI tech Zone Authority has agreed to Increase the opvernment subsidy for TO Interease the government currently for CP promotion in SMES for one pilot rear. A subsidy of up to RMB 130 COD (EUR 16 500) Was given to includual SMEs implementing CP/EE measures.



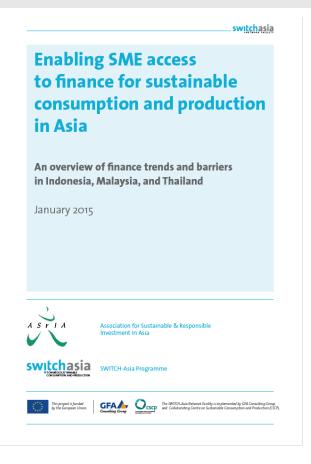
One new EU-Asia partnership has been Initiated between STHG and TOV Rheinland (TDV) with a Mini I haing signed STHG will deliver project technical and environmental assassment to TOV In the process of promoting green finance project, through the FCES project, TOV will find domestic and international experts to undertake technology and environment assessments, and introduce green finance to SMEs. The project organised two events involving

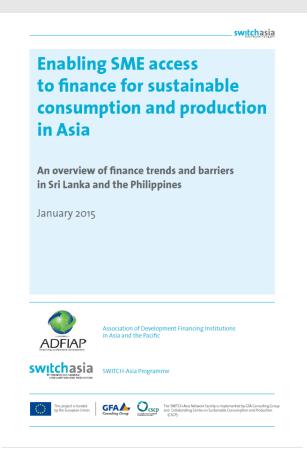
European and Asian participants, i.e. the annual dissemination event and a workshop on volable Organic Lompounds (VUL) and risk sharing mechanisms together with SEI



Promoting SME Green Finance

10 Country Studies

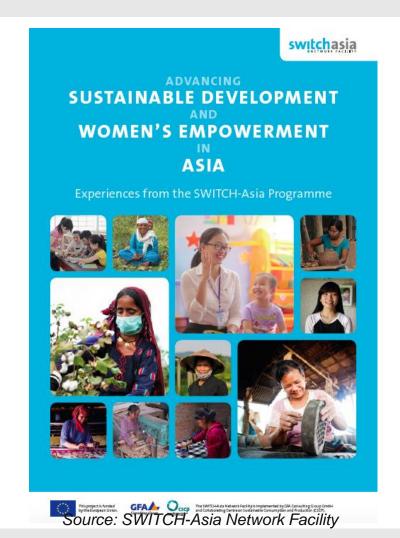


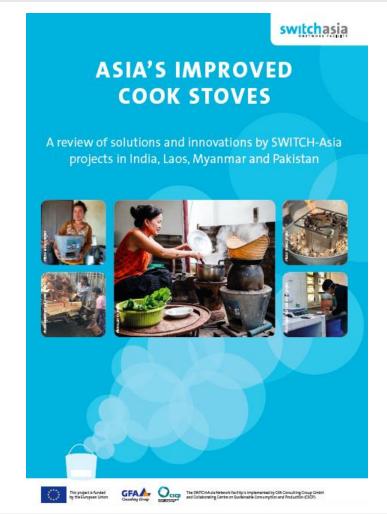




Technical studies

Women Empowerment, Improved Cook Stoves







Sustainable Asia

Latest update on SCP implementation in Asia

