SWITCH-ASIA BRIEFING

Source: SWITCH-Asia Network Facility

SCP policies for Green Growth in Asia

"Asia-Pacific has a number of advantages in creating a green economy. These include its traditional culture, which is affirmative of sustainability, its people, many of them well educated and ready for innovation and the fact that a lot of the infrastructure required for the future has not yet been established, creating a huge window of opportunity for doing things well. Well-designed policies that guide green economic development, enabled by SCP, may well be a future economic driver which can create competitive advantages in the region." [1]

In conjunction with the 7th ASEAN+3 Leadership Programme on Sustainable Consumption and Production (SCP) held from 30th September to 3rd October 2014, the SWITCH-Asia Network Facility organised a workshop entitled "National SCP Policy Developments: Progress and Impacts". The SWITCH-Asia Programme supports SCP policy development in Asian countries through the establishment of one Regional Policy Support Component (RPSC) implemented by UNEP and National Policy Support Components (NPSCs) in Indonesia, the Philippines, Thailand and Malaysia, with one in Sri Lanka expected to start soon. During the workshop, the NPSCs presented their results and exchanged their experiences with the ASEAN+3 representatives, the Indonesian Ministry of Environment and other policymakers from Asian countries. This briefing summarises the achievements of the NPSCs and the discussions on SCP policy development held during this workshop.

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Linking the global SCP agenda and national Green Growth initiatives

For SCP policy development, the latest approaches of many Asian governments link SCP and Green Growth agendas, which are in many cases identical or overlapping. The key principles of SCP can easily be applied to the ideas of 'Green Growth' and arriving at a 'Green Economy'. Especially since the adoption of the 10 Year Framework Plan of Actions for SCP during the Rio+20 Summit in 2012, the topic of SCP has moved into the focus of many governments. National minis-tries of environment are taking the lead, such as in the case of Indonesia, where the Minister of the Environment launched a national 10 YFP in June 2013. However, it is important that other ministries also take ownership of the SCP agenda. This can be achieved by linking SCP with national economic Green Growth strategies. For instance, in the case of Malaysia, the main stakeholder in the development of SCP agenda is the Economic Planning Unit of the Prime Minister's Department.

Linking SCP and National Development Plans

Following the alignment of SCP and Green Growth strate-gies, an effective way of bringing SCP into national policy agendas is the inclusion of SCP-related policies and indica-tors into national development plans. For instance, the next five year plan of Indonesia (RPJMN 2015-2019) includes a separate chapter on strategy, objectives, targets and imple-mentation activities for SCP. Furthermore, SCP is featured as cross-cutting programme in Indonesia's Government Work Plan (RKP) 2015. Similarly, the Philippines Development Plan (2011-2016) includes SCP elements, in particular focusing on Green Public Procurement (GPP). Related to that the Philip-pines Development Plan includes provision for supporting the greening of Micro, Small and Medium-sized Enterprises (MSMEs). In Malaysia, the NPSC has developed an SCP Blue-print and provided SCP input for the 11th Malaysia Plan start-ing in 2016.

Many countries already have various SCP elements in their policy frameworks for sustainable development or environmental protection. Hence, an important step for successful implementation of these policies is the synchro-nisation and streamlining of these sometimes scattered policies, mandates and legal provisions. The integration of existing policies for environmental protection under an SCP umbrella is a challenge. A suitable approach can be through a national development plan and assigning mandates and responsibility for implementation to specific line ministries, which are already working on these issues in one way or an-other.

SWITCH-ASIA NATIONAL POLICY SUPPORT COMPONENT

MALAYSIA

The NPSC in Malaysia takes a macro-policy approach to SCP through direct involvement of the Economic Planning Unit of the Prime Minister's Department. The programme has developed an SCP Blueprint and input on SCP for the 11th Malaysia Plan starting in 2016. The Blueprint includes pol-icy recommendations and intervention options for green growth until 2030 through SCP, applying a macro-economic perspective with cross-sector focus looking at energy effi-ciency, waste management, transport, and other sectors.

Furthermore, an SCP indicator system has been devel-oped to evaluate the Malaysia 2020 Vision in terms of mon-itoring progress towards SCP. The indicators were developed and tested through a questionnaire with the goal to de-velop a robust methodology. In the SCP prototype report, monitoring questions based on the SCP indicators were applied. The methodology will also be used for future re-views of development targets.

Green Public Procurement (GPP) is another focus of the Malaysia NPSC. The government developed the institutional GPP concept in 2012. The short-term plan from 2013-2014 included GPP product guidelines, implementing pilots and carrying out capacity building. From 2015 onwards, Malay-sia will enhance the GPP scope, use life cycle costing meth-odologies and build up a cadre of trainers.

Additional baseline studies on policies and existing eco-nomic instruments, the role of NGOs as supporters for SCP and gap analyses and government priorities assessments have been carried out. These studies and more information about the Malaysia NPSC are available here:
www.scpmalaysia.gov.my

National Sustainable Public Procurement (SPP) Policies

The participants agreed that governments need to lead by example for the promotion of SCP. Sustainable Public Procurement (SPP) offers an opportunity for governments to demonstrate to both industry and consumers that governments are serious about implementing SCP. Implementing SPP is a challenging task for governments: on the one hand it requires very technical work including the establishment of product categories, legislative work on changing regulations and legal frameworks of tendering and procurement practice and capacity building training for local procurement, e.g. on how to use life cycle costing analysis. On the other hand, successful implementation requires consultation and bargaining processes with suppliers and industry as often new contract conditions for suppliers need to be developed.

A good starting point for SPP is the acquisition of office equipment of which governments of many countries are main consumers. Green technical standards for these products are mostly readily available. For instance, the Philippines SPP programme starts with three office product categories: paper products, office IT and freezers/cooling units. In a second step printers, lighting equipment and vehicles will be added. SPP can also help to move eco-labelled products out of niche markets and enhance consumer acceptance of green products in the market. Still, one of the barriers is the lack of both quantity and quality of green products in the market. Possible support options could be differentiated VAT criteria, e.g. reduced VAT on green products.

Successful SPP needs to move away from the common practice of giving bids to the lowest bidder. Changing this practice very often touches on the very legal basis of the procurement and competition rules. Many existing legal provisions pose obstacles for effective implementation. For instance, as in the case of the Philippines, a two-step bidding process where offers are both assessed based on environmental and pricing criteria cannot be applied under current law. Whilst the initial costs of SPP are likely higher, the use of life cycle costing (LCC) will demonstrate that savings in energy consumption will reduce overall costs for administrations. Capacity building for local authorities and procurement agencies is another aspect that needs to be considered. For instance, the LCC requires training for government agencies implementing SPP.

In the context of SPP, it is also possible to build synergies with other sectors, for instance with the tourism sector through establishing green hotel guidelines for conferences held by government departments. Finally, SPP requires close coordination with other government agencies, e.g. Ministry of Finance to changing procurement and bidding regulations to give higher weighting for environmental products.

SWITCH-ASIA NATIONAL POLICY SUPPORT COMPONENT

PHILIPPINES

In contrast to, for instance Indonesia or Malaysia, the Philippines NPSC is not supporting the creation of a new national framework for SCP. Instead, the NPSC of the Philippines targets three fields relating to the Philippines climate change mitigation policy framework, namely: energy, green public procurement (GPP) and the Philippines Clean Air Act, including air quality monitoring.

The Philippines NPSC is an example of how SCP can be linked to the issues of decarbonisation of the energy sector and climate change mitigation strategies. Energy as a crosscutting issue that is relevant for a number of end-use sectors (industry, residential and commercial buildings, transport) directly relates to SCP. The Philippines have established a systematic legal framework for energy efficiency. Overall, the development of the energy intensity trend is going in the right direction and has decreased constantly since 2005, easily meeting ASEAN energy intensity reduction targets.

However, much more can be done. For instance, the enforcement of national energy standards is still an issue. The NPSC has contributed to the development of a revision of the Energy Efficiency Roadmap from 2014 – 2030 which has been endorsed by the Department of Energy. The NPSC has also reviewed the national renewable electrification policy for off-grid areas and proposed three action areas: streamlining processes, providing certainty for rates and subsidies, and adopting a demand-driven approach.

Regarding GPP, an initiative was launched by the Department of Trade and Industry (DTI) of the Philippines in January 2013 to create a replicable and workable innovation for SPP practice within the DTI procurement system. The specific contribution of the NPSC will be the development of the National Electro-labelling Programme "Green Choice Philippines".

The third component of the NPSC addresses the Philippines' Clean Air Act. The NPSC has identified priority instruments for the implementation of the policies specified in the Act and supports progress towards air pollution monitoring and tracking of pollution sources. For more information, visit the SWITCH-Asia NPSC Philippines website: www.switch-asia.eu/policy-support-components/psc-philippines

Policies addressing public awareness of green lifestyles and household consumption

To be successful in establishing SCP patterns, the concept needs to penetrate the whole economy and society. Communication of SCP as a concept remains a challenge. SCP can only be successful if the society is educated and well informed. The responsibility of government is to increase awareness of the public through environmental communication campaigns and to include environmental education in schools, universities and to civil society as a whole. Furthermore, it is necessary to set the right framework for the private sector to provide transparent product information. NGOs can play a crucial role: if they are given political space and resources, NGO campaigns can be very effective in consumer awareness raising.

In addition to policies, what is needed to address the complexity of SCP are concrete initiatives and lifestyle campaigns in which government departments are key stakeholders. Lifestyles are closely linked to urbanisation trends. For this reason, the Thailand NPSC has made an effort to develop a methodology of measuring SCP awareness at the municipal level. In Indonesia, the NPSC focused on Young Urban Middle-Income Families (YUMIF), as these are the driving force in societal change, show huge potential for future sustainable consumption as their lifestyle already influences industry as well as other society groups.
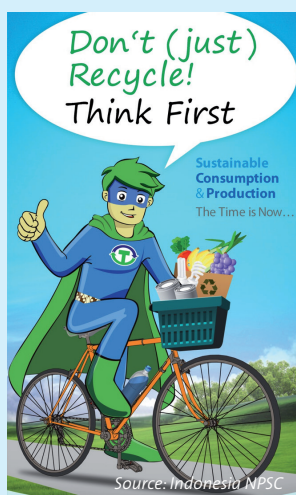
For instance, the Indonesian NPSC has initiated and implemented campaigns to stimulate sustainable consumption and green lifestyle pilot areas in the cities of Surabaya and Yogyakarta. The Thailand NPSC has run a video competition for public participation encouraging recycling, cycling and energy savings at home (see textbox below).

SWITCH-ASIA NATIONAL POLICY SUPPORT COMPONENT
INDONESIA

Following the adoption of the 10 YFP on SCP in Rio, Indonesia initiated a national 10 YFP in 2013. As part of the Indonesian 10 YFP, three main targets have been established in cooperation with the NPSC: First, making SCP part of the next five year plan, which will include a special chapter on SCP (GPP, labels, green consumption). The second target is asset development and management through the development of an SCP resource pool. Thirdly, the NPSC aims to achieve quick wins in four priority sectors, namely green buildings, green tourism, GPP and green industry.

The NPSC conducted a thorough baseline study on SCP. It included a review on the existing SCP-related policies and their implementation status, a mapping on the existing SCP tools and stakeholders, including identification of key drivers of SCP development, and a collection of SCP success stories in Indonesia. Regarding the issue of greening the industry, the NPSC placed their focus on registration and verification of green technologies and the financial and non-financial incentives for clean technologies.

Don't (just) Recycle!
Think First

Sustainable Consumption & Production
The Time is Now…

Source: Indonesia NPSC

In addition to these macro-level policy guidance materials, the NPSC in Indonesia initiated a campaign to stimulate sustainable consumption (SC). On a national level it cooperates with the Ministry of the Environment for government officials training on SC. Furthermore, two local campaigns were initiated as pilot programmes in the cities of Surabaya and Yogyakarta. The specific approach used by the NPSC to achieve actual behaviour and habit change is to motivate rather than educate the people involved through a co-design process, based on the belief in a self-enhancing movement gaining its own momentum. The goal is that until 2020, sustainable consumption habits should be well established in society. In Surabaya, a school and household campaign is performed through competitions between schools on energy and water saving and other sustainable consumption patterns. Through the schools, several hundred households and families are included in the campaign. These pilot campaigns provide information and teaching for further replication and scaling-up. The campaign also includes journalist training on SCP, working with bloggers and photographers through competitions, and editor roundtables to discuss media policy and strategy on environmental issues. For more information about the Indonesia NPSC, please see the website: www.switch-asia.eu/policy-support-components/psc-indonesia

Working with retailers, as they are gatekeepers and intermediaries between consumers and producers, is another important area that currently is not fully utilised. The recognition and promotion of eco-labelled products will largely depend on how these green products are featured by retailers. Retailers will also play a key role in the promotion of product service systems.

When designing campaigns, governments and NGOs alike need to demonstrate that SCP will have visible and significant local benefits for people and communities. SCP can gain higher recognition by the public if its campaigns join with global environmental events to achieve more visibility, e.g. during the annual Global Environment Day.

Environmental education and awareness raising activity in Indonesia
"From Learning to Living" (Source: Indonesia NPSC)

Policies for greening priority industry sectors

A common issue across most Asian countries is that many SMEs are not ready to implement SCP practices such as responsible waste management, energy efficiency or environmental reporting. The perception among SMEs is that being green is more expensive, and large companies should move ahead first. Already a large number of instruments to steer, involve, inform and regulate SMEs exists as a toolbox for governments.

One important approach to promote adoption of SCP practice by SMEs is that of capacity building. The Thai PSC has established a Green Industry Mark (GIM) in the three sectors of food, building materials and automotive parts. Larger companies are more progressive to achieve certification, while SMEs require additional support, encouragement and training. The Thai NPSC took the approach of working

with pilot companies to explore the feasibility of green certification. Furthermore, the Thai experience also highlights the need to work closely with industry associations and chambers of commerce. Initiating industry awards through which SMEs gain public recognition can be used to get SMEs involved.

Governments can support greening supply chains by requiring transparent environmental reporting and information disclosure, in the first place by large companies. Greening the supply chain involves taking a life cycle perspective from the very initial stage of product design until the product is disposed of. This indicates that greening supply chains requires full integration and collaboration of the players along the product life cycle. The legal framework of the waste sector can play a crucial role in redefining what

The world's largest rice milling facility of CP Intertrade Co (CPI) at Ayatthaya participated in the Thai Green Industry Mark certification scheme.
(Source: Thailand NPSC)

SWITCH-ASIA NATIONAL POLICY SUPPORT COMPONENT
THAILAND

The Thailand NPSC consists of four components. Under component one on SCP policy assessment and monitoring, the NPSC worked closely together with the Office of National Economic and Social Development Board (NESDB) and the Office of Natural Resources and Environmental Policy and Planning (ONEP). Under this component, the NPSC recommended a national SCP coordination body to be established as a sub-committee under the National Sustainable Development Committee, and suggested how SCP policies could be further reviewed and discussed.

Component two looked at GPP, with the Pollution Control Department (PCD) as partner. In this component, the state of green procurement in Thailand as of July 2012 was analysed and a process for the establishment of Thai SPP Plan II was initiated. Specific technical activities included capacity building for the Pollution Control Department on new aspects concerning GPP, such as providing data on life cycle assessments (LCA) and life cycle costing (LCC) for five new product groups.

Greening industry was addressed under component three in coordination with the Department of Industrial Works (DIW). After first assessing the Thai Green Industry Mark (GIM) certification scheme, the NPSC assisted 10 larger companies to reach GIM level 4 or 5, within the three sectors of food, building materials and auto parts. Furthermore, training SMEs in applying for GIM is an on-going activity, which addresses the real challenge of greening SMEs.

Finally, component four focused on SCP awareness in cooperation with the Department of Environmental Quality Promotion (DEQP). The NPSC conducted an SCP awareness survey among 90 large and medium sized municipalities across the country. Based on the survey, SCP awareness

Thailand NPSC conducting environmental audit at Dairy Home company.
(Source: Thailand NPSC)

campaigns were carried out in two pilot municipalities to test "behavioural changes", which is an on-going activity. For more information about the Thailand NPSC please see the websites:

www.switch-asia.eu/policy-support-components/psc-thailand
www.scp-thailand.info

waste is, for enforcing the 'polluter pays' principle to achieving circular economy objectives. An example of a SWITCH-Asia grant project which was successful in providing policy recommendations on improving the environmental performance of the Indian block-printing sector was the "SUSTEX: Sustainable Textiles for Sustainable Development in India" project.

The tourism sector has been addressed by several of the NPSCs. Green hotel certification systems were established which can be integrated into green procurement systems.

For instance, the Thai NPSC has initiated a sustainable tourism campaign on Koh Samui and the Indonesian NPSC has offered seminars and training on eco hotel issues for star rated hotels and has supported the Ministry of Environment to develop an Eco Hotel Guideline. Also, in Bhutan, the RPSC is involved in developing green hotel guidelines. In the tourism sector, SWITCH-Asia grant projects have developed and demonstrated successful SCP examples, including recommendations for policymakers, which can serve as valuable reference points for national policy development.

"You cannot manage what you cannot measure": Data and indicators for SCP policies in Asia

Effective SCP policy design, implementation and monitoring require access to reliable data. Policies need to address hotspots along the life cycle. A reliable set of SCP indicators not only shows where countries stand, but are also the precondition for monitoring activities assessing the effectiveness of policies. Generating sufficient and reliable data can be a problem for some aspects (e.g. environmental impact and SCP awareness). In particular, it can be a challenge to collect data from local authorities.

The RPSC has developed an SCP indicator framework to be applied in Asia. It consists of six main indicator domains including natural resource use, resource productivity, eco-efficiency of production, consumption, primary resource trade dependency and adjusted resource productivity. At the same time, Laos, Vietnam and China are developing their own national datasets, to link SCP to socio-economic national development plans. Malaysia has developed some headline indicators which are needed to monitor the policy imple-

mentation process, e.g. if government investment in green industry is increasing over time. Other national indicators can be developed to measure more specific development achievements, e.g. annual amount of green procurement or number of eco-labels in the market.

Source: SWITCH-Asia Network Facility

SWITCH-ASIA REGIONAL POLICY SUPPORT COMPONENT (RPSC)

The RPSC, implemented by UNEP, aims to strengthen national and regional policy frameworks in 19 countries to promote the shift towards more SCP patterns and resource efficiency. Like the other NPSCs, it consists of various components. The first component provides a review of the present situation and relevant policies in Asia based on which the focus of the programme is determined. The second component consists of capacity-building and demonstration activities on SCP. The goal is to strengthen awareness and enhance knowledge of decision-makers in the public and private sectors and among consumers. The third component entails policy dialogues to transform awareness and knowledge into operational and effective policies. Component four is concerned with ensuring the sustainability of the programme by strengthening implementation

networks, creating pools of national Asian experts able to sustain themselves in the long term. For more information about the RPSC please see the website:
www.switch-asia.eu/rpsc

Policy support for certification and labelling

Certification is the main approach to make green products visible to consumers and increase acceptance by the market. In many Asian countries, independent third party certification systems for energy efficient products are already in place, but the impact and influence of these certification schemes is still limited. A number of SWITCH-Asia projects work on developing new labels and certification schemes for product groups, for instance carbon labelling for construction materials in Malaysia. Policies which push for higher energy efficiency standards and which put a price on carbon emissions can support the scaling-up of existing and emerging certification schemes.

Certification, labelling and product standards are also related to trade issues, e.g. the ASEAN free trade zone. Labels and energy efficiency standards for energy using products could be regionally harmonised, an initiative which is undertaken by the SWITCH-Asia project "Efficient Air Conditioners", which aims for the adoption of common Minimum Energy Performance Standards (MEPS) in the ASEAN region. Another approach to certification is industry labels, such as the Thai

Green Industry Mark (GIM) certification scheme. Here the challenge consists in supporting SMEs in gaining certification through awareness raising and training.

A close link also exists between Sustainable Public Procurement and product certification and labelling, as many green procurement guidelines refer specifically to environmental labels as reference for procurers. Finally, green product labels are important for household consumers to be able to identify green products. In many ASEAN countries currently many consumers are confused with the multitude of labels in the market, unsure about the credibility of specific labels and, therefore, often unwilling to pay more for green products. Government policies aiming to increase transparency and information disclosure could help to address these issues.

CONCLUSIONS & RECOMMENDATIONS

Based on the experiences of the NPSCs and discussions with other ASEAN members, one of the main challenges remains implementation of national SCP policies at the local level. This requires ongoing cooperation with local governments. In particular the development of guidelines and capacity building for local governments on how to implement SCP in the local context is still necessary. Mainstreaming of national SCP policy frameworks into local policies at the sub-national level via regular national roundtables with stakeholders, including SMEs and local industry associations, would be a suitable format.

Furthermore, SWITCH-Asia grant projects can support national and local governments in the design, implementation and evaluation of new and existing policies. To be successful, it is necessary for projects to engage with policymakers from an early stage, to understand the needs of policymakers and identify windows of opportunity for intervention in the policy development cycle. Likewise, it is important that the links are in place for policymakers to be aware of and liaise with projects and to be open to recommendations based on project experiences.

Finally, under the 10 YFP, coordinated by UNEP, further sector-specific SCP policies will be developed in the future in many Asian countries. The SWITCH-Asia Programme will also continue to support governments through national policy support components.

For more information about the work of the SWITCH-Asia Network Facility on SCP policies, please contact: *network.facility@scp-centre.org*

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