IMPACT SHEET • SWITCH-ASIA PROJECT

SUSTAINABLE PRODUCT INNOVATION IN VIETNAM, CAMBODIA AND LAOS (SPIN-VCL)

GREENING PRODUCTS AND GROWING MARKETS BY FOCUSSING ON INNOVATION AND DESIGN

800 AND RISING – THE NUMBER OF NEW OR RE-DESIGNED SUSTAINABLE PRODUCTS PRODUCED BY 500 COMPANIES IN KEY INDUSTRIES IN VIETNAM, CAMBODIA AND LAOS

switchasia NETWORK FACILITY

THE CHALLENGE

Vietnam, Laos and Cambodia are expecting economic growth. However, competitiveness and the added value of are still relative low. Current growth also has significant environmental and social impacts. Sustainable product innovation (SPIN) is an essential element in the development towards a greener economy as products are the core business of enterprises. Innovation for sustainable product designs is the key to create new business activities. The project aims to expand the scale of SPIN to involve important sector organisations targeting food processing, handicrafts, furniture, textile, and footwear.

OBJECTIVE

The SWITCH-Asia project *Sustainable Product Innovation in Vietnam, Cambodia and Laos (SPIN-VCL)* contributes to the improved innovative power of industry, and improved environmental and societal quality of products made in Vietnam, Cambodia and Laos.

This is realised by implementing sustainable product innovation (SPIN) on a significant scale in these three countries:

- It reaches out to 500 companies resulting in over 1,000 sustainable products in key industries
- It includes capacity building on the methodology of sustainable product innovation, branding and marketing skills for SMEs. It also promotes sustainable public policy and procurement; and
- It contributes to the improved innovative power of industry, and the improved environmental and societal quality of products.

ACTIVITIES / STRATEGY

CREATION OF TASK FORCES FOR SUSTAINABLE PRODUCT DESIGNS

The *SPIN-VCL* support centre (Green Office) and helpdesks in three countries are established to form a network of expertise centres. Resource institutions and experts are identified and mobilised to support the project.

DEVELOPMENT OF SPIN TOOLKIT AND STUDIES

Three versions of the SPIN Toolkit, especially the web-based SPIN Do-It-Yourself (DIY) kit, are developed for each sector. SPIN potential, market requirements and market channels are researched to form a knowledge base for company consultation, combined with studies on policy and institutional mechanisms.

DELIVERY OF WELL-EQUIPPED TRAINERS AND FUTURE CONSULTANTS

Four train-the-trainer workshops are organised to transfer knowledge on SPIN techniques to future trainers, and leading companies are provided with advanced trainings on radical sustainable product innovation. Exchange programmes for European and Vietnamese Master Students and PhD candidates are part of the capacity building.

SPIN IMPLEMENTATION – NEW/RE-DESIGN PRODUCTS

The actual implementation of *SPIN-VCL* in 500 companies in three cycles is the cornerstone of the project. In cycle 1 and 2, companies are visited from four to 10 times by the *SPIN* experts, and in cycle 3, the DIY Toolkit is provided with support from *SPIN-VCL* experts. Capacity building for the managers and designers is also delivered as part of this work package.

FACILITATION OF COMPANIES' MARKETING AND MARKET BUILDING

To help companies bring sustainable products to the market, *SPIN-VCL* provides them with training to develop the right marketing strategies and tools while fostering awareness-raising among policy-makers for the development of a market for sustainable products.

TARGET GROUPS

COMPANIES: training and support from national and international experts; improvement of product development, branding and marketing

DESIGNERS, CONSULTANTS AND SERVICE PROVIDERS: enhanced project experience in core industries; expanded network

INDUSTRY ASSOCIATIONS, PUBLIC SECTOR STAKEHOLDERS AND CIVIL SOCIETY ORGANIZATIONS: support in developing sustainable industries and green economies; support in developing policy frameworks conducive to SPIN; and development of an informal network for regional knowledge sharing

REPLICATION STRATEGY

REPLICATION VIA TRAINING COMPONENT

The training component of the *SPIN-VCL* project has succeeded in gathering the representatives of companies, associations and designers, experts and consultants to provide knowledge on product innovation.

REPLICATION VIA NETWORKING AND EVENTS

The project is developing networks and events to spread the knowledge of sustainable product innovation, combined with updating websites, issuing bi-monthly bulletins, and forming the Green Designer Club. The project also regularly participates in different events, e.g. LifeStyle Vietnam fairs, mini fashion shows, etc.

REPLICATION VIA BUSINESS-TO-BUSINESS INITIATIVE CLUSTERING

The idea of the B2B initiative clustering is to connect enterprises or production units to enhance the engagement of target groups and improve their knowledge sharing. This includes both vertical clustering, for enterprises within the same supply chain, and horizontal clustering for enterprises in the same sector and with similar production characteristics.

REPLICATION VIA PROMOTION OF SUSTAINABLE PUBLIC PROCUREMENT POLICIES

Based on the results of studies and company implementation, the project advises the government on favourable policy and institutional mechanisms that encourage proactive and innovative engagement of business. This attracts the attention of enterprises to the opportunities of shifting from traditional product processes to innovative ones.

REPLICATION VIA CORPORATION WITH OTHER PROJECTS

In order to broaden the impact and effectiveness of sustainable product innovation, the project is collaborating with a lot of other projects in the field of sustainable development, such as GetGreen Vietnam (for sustainable consumption), Green Credit Trust Fund (a Swiss fund for technology innovation), and One-UN (green production and trade for the rural poor).

> ***The competitiveness of products made in Vietnam, Cambodia and Laos is relatively weak due to their low added-value and production which is mostly based on the use of cheap labour and the export of raw natural resources. The SPIN-VCL project covers all aspects of product development helping to improve the design, quality and value of domestic products. This increases the social benefits and minimises negative impacts on the environment and society. We have been assisting companies and other beneficiaries in developing innovative competence for sustainable products.***
>
> *Dr. Marcel Crul,*
> *Project Coordinator*

RESULTS

After two years of implementation, the project has achieved positive results in different aspects.

IN-COMPANY IMPLEMENTATION – INCREASING NUMBER OF SUSTAINABLE PRODUCTS AND DESIGNS

In cycle 1, 100 companies in three countries joined the project for new/re-design of their products or for strategic development. During the visits of the project team, company managers and designers had the chance to work with international and national experts and come up with ideas and designs for product development. So far, more than 500 products have been developed within the framework of the *SPIN-VCL* project. Two versions of the SPIN Toolkit have been developed and delivered to the companies.

CLEAN TECHNOLOGY DEVELOPMENT

Cleaner production consultancy was provided as part of the D4S methodology, especially in handicraft and furniture sectors thanks to the clean technology developed and transferred by *SPIN-VCL* experts (e.g. solar heating chamber, boiling and carbonising technology, etc.). In the food processing sector, various zero-waste techniques were introduced to certain agricultural farms producing sustainable organic food. In some companies (e.g. TxT, Tre Lang), the technological solutions proposed by *SPIN-VCL* have actually opened new directions for their development strategy.

SUCCESSFUL TRAINING OF EXPERTS, CONSULTANTS AND DESIGNERS

The Design for Sustainability (D4S) methodology was assessed by companies as a useful tool and guideline for managers and designers to improve the quality of their products and reduce environmental and social impacts. Eight training courses in D4S, innovation skills and marketing skills were organised to spread the knowledge of sustainable design to the target groups. Trainers from the Training of Trainers workshops have made certain contribution to the *SPIN-VCL* implementation in companies.

CAPACITY BUILDING FOR COMPANIES AND EXPERTS

Awareness-raising, the lowest level for building capacity in a company, has been done effectively by the project team. Capacity of companies, especially in designing, was built through the training courses they attended as well as in-company implementation in which company staff worked together with *SPIN-VCL* experts. At the end of the company-project, sustainable and innovative production was sustained, proving that the capacity had actually been enhanced.

EFFECTIVE OPERATION OF TASK FORCES

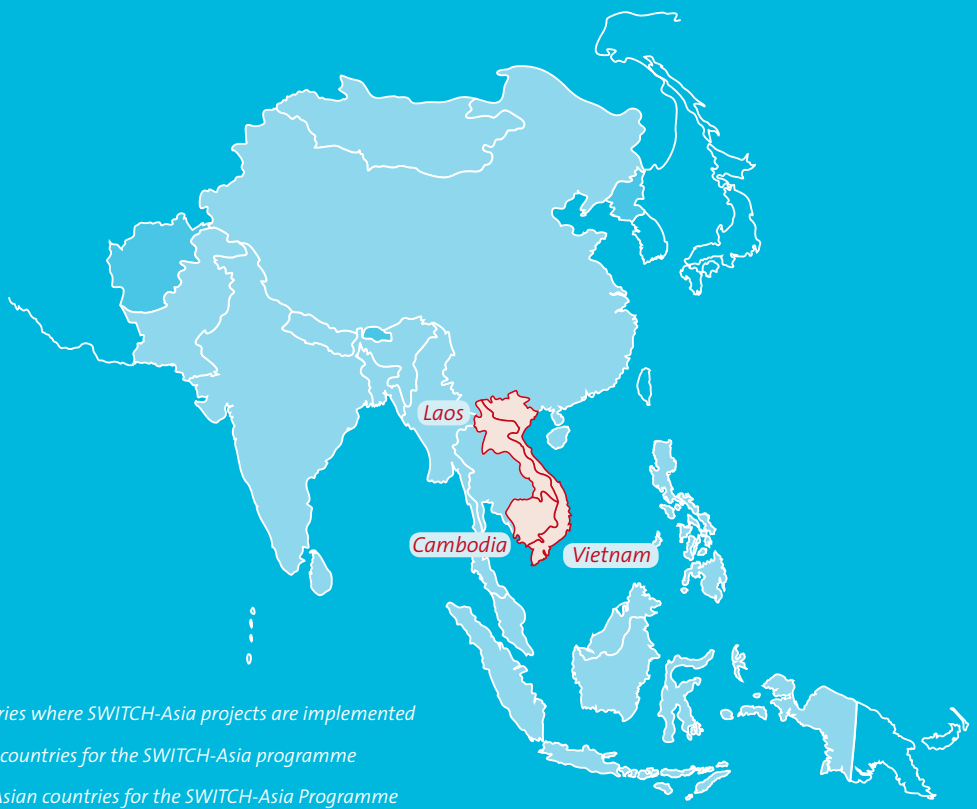
The Green Office in Hanoi (Vietnam) and three helpdesks (in Ho Chi Minh City, Vientiane and Phnom Penh) have been established and operating as support centres for companies and independent consultants and designers. Especially, the helpdesk in Ho Chi Minh City, Future Living Studio, is an initiative from a PhD project at Delft University of Technology.

IMPACT IN NUMBERS

ECONOMIC IMPACT	• Increased market opportunities for Vietnamese enterprises by enhancing product quality, innovating product design, and reducing production costs
ENVIRONMENTAL IMPACT	• Sustainability impact is being recorded: from 10% materials reduction per product to zero waste/energy++ product service systems; 5-10% of packaging materials reduced; renewable energy (e.g. wood, rice husk) used as main energy input • 174 sketches of new/re-design, 61 prototypes and 571 new product lines of environmentally friendly products developed. Anticipated final number of new/re -designed products of least 1,000.
SOCIAL IMPACT	• Sustainable livelihood for the community in rural areas • Safe and healthy working environment for the labourers • More jobs can be created
ENGAGEMENT OF TARGET GROUP	• Working actively with 100 companies: 70 in Vietnam, 20 in Cambodia, and 10 in Laos. Total (2010-2014) will be 500 • Number of participants at training events: over 150 company representatives and 50 experts and consultants trained in 8 different courses
POLICY LINKAGES	• UNEP will start the policy advisory component of *SPIN-VCL* in 2012

When we introduced these new products, even national producers and pottery craftsman did not believe that An Do was able to produce such delicate, light and sophisticated products. The design preserved the traditional 'blue and white' with the 'clouds and leaves', pattern but on a more modern background that has fewer vignettes, making the product more elegant and using fewer chemicals. In the upcoming years, we will keep moving towards cleaner production and sustainable product innovation to increase the product value and reduce environmental impacts.

Vu Thi Cam Tu,
Director, An Do



Legend

Eligible countries where SWITCH-Asia projects are implemented

Eligible Asian countries for the SWITCH-Asia programme

Non-eligible Asian countries for the SWITCH-Asia Programme

Project implementation area

City *Region* *Country*

The boundaries shown on this map do not imply on the part of the European Union any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.

OBJECTIVES

The aim of the *SPIN-VCL* project is to contribute to an improved innovative power of industry and an improved environmental and societal quality of products made in Vietnam, Cambodia and Laos by implementing sustainable product innovation as an advanced approach for sustainable consumption and production, on a significant scale, in key industrial sectors.

DURATION

04/2010 - 04/2014

2008 2009 2010 2011 2012 2013 2014

FUNDING

EU co-funding; EUR 2,302,182.19

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Sustainable Product Innovation

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PROJECT CONSORTIUM

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Asian Institute of Technology in Vietnam (AITVN), Vietnam

Lao National Chamber of Commerce and Industry (LNCCI), Laos

Cambodian Cleaner Production Office (CCPO), Cambodia

United Nations Environment Programme, Division of Technology, Industry and Economics (UNEP DTIE), France