



BRIEFING
PAPER

JUNE
2013

EU Switch Asia programme

An assessment and recommendations from WWF's perspective

This briefing paper aims at sharing views on the EU Switch Asia programme and proposing recommendations for the future of the programme, based on the experience gained by the WWF network in implementing SWITCH projects. This programme has proved to be a valuable tool to work towards the goals of green economies and should continue to boost efforts for supporting actions that link climate change and conservation objectives with social and economic aspects that are embedded in Sustainable Consumption and Production practices. It should help Europe to proactively engage in promoting SCP in regions of fast economic growth such as Asia, as a step towards building the basis for new regional cooperation. The SWITCH programme has also a great potential of being replicated and expanded to other regions in the world such as Africa, Latin America and Neighbourhood and the successful experiences in managing Switch Asia Programme may add value to this purpose.

THE MAIN ADDED-VALUE FEATURES OF THE PROGRAMME

A green economies tool: Within the EU funding programmes, the Switch Asia Programme is currently one of the best funding opportunities that enable partners and beneficiaries to work towards the goals of green economies. It is a funding tool to address both environmental and economic impacts as well as livelihood components, by promoting innovative and inspiring approaches on the ground.

A change of mindset: In our view, this programme has contributed to changing the mind-set of all relevant stakeholders, in particular producers and end users in developing countries, which now increasingly recognise the importance of investing in the sustainable use of raw material/natural resources within different sectors from wood industry to fisheries, textiles, etc. Moreover, the focus on Small and Medium Sized Enterprises (SMEs) has proven particularly useful because they comprise the larger part of industrial sectors in Asia which are instrumental in promoting sustainable economic development. Such small businesses need to be addressed if there are to be benefits at the domestic level in partner countries.

Awareness raising: The programme has played a crucial role, and should continue to do so, in supporting awareness raising of end-users in the countries both in urban contexts and in rural areas, where the concept of sustainable consumption is not yet widespread.

Multistakeholder engagement: The programme also encourages strong collaboration among partners and stakeholders from the initial design of the project, therefore enhancing positive outcomes and results via multi-stakeholder engagement. In this respect civil society organisations have played a key role in proposing innovative initiatives on green economies and gathering diverse stakeholders around the table such as communities, SMEs, large companies, authorities.

Knowledge and information sharing: The Switch Asia Network Facility provides an excellent opportunity for knowledge and information sharing and inter-regional support. In particular, the facility helps to connect projects, project teams and stakeholders on one platform and represents valuable support during the implementation of projects. The facility also contributes to the sharing and communication of lessons learned, therefore helping in making changes at the policy level as well as opportunities for replication of best practices in other countries. The availability of several publications and thematic technical material for building the capacity of project teams as well as stakeholders has been extremely valuable. Regular audits in technical progress and financial operation have also proved helpful to improve the implementation of the projects.

Feedback from our partners indicates that the cooperation with the Switch Asia staff was generally very good and the SWITCH programme team has been very responsive and helpful in extending its support.

Predictability and transparency of the programme: The Switch Asia programme is run in a transparent manner and enables interested stakeholders to track easily when the calls for proposals will be launched and with predictable priorities. It allows applicants to prepare in an appropriate timeframe for future calls for proposals.

WWF Recommendations:

- Continue to work towards the goals of green economies by addressing both environmental and economic impacts as well as livelihood components.
- Maintain the focus on SMEs and continue working along the entire supply chain of production and consumption.
- Encourage strong collaboration among diverse partners and stakeholders starting from the initial design of the project.
- Continue to address awareness raising of end-users and consumers in both rural and urban areas.

- Knowledge and experience sharing should be maintained within the Switch Asia Network facility. To this end different regional hubs may also be developed. Meetings and learning events should be open for interested stakeholders even if not currently engaged with the SWITCH programme.
- Focus on decision makers at all levels to support the creation of a sound enabling policy environment for the promotion of sustainable production and consumption.
- Continue to support civil society organisations' engagement in the transitions to green economies for their added value in proposing innovative and practical solutions as well as for their multistakeholder convening power.
- Ensure transparency and predictability of future SWITCH programmes.

MISSED OPPORTUNITIES

Division of the call into lots: Experience from projects financed under this scheme demonstrates it is very important to continue working along the entire supply chain and on both production and consumption. However, the division of the call into different lots did not always prove effective, e.g. split into production and into market links, because support is needed in both directions. For example demand from international retailers can trigger sustainable production and without this assurance local producers are hesitant to commit to sustainable production/certification as this requires planning and investments. At the same time without the know-how of making production more sustainable (including Cleaner Production, design etc.) SMEs cannot respond to the requirements of international buyers. It is thus crucial to work along the entire supply chain, engaging all stakeholders, from small producers and processors and traders in the region to international retailers, as well as financial services providers and other development partners, and to have production and consumption aspects integrated in one project.

Lack of support to initial SME investments: One type of support that was identified as missing, is the opportunity within the project to have a budget allocated (loan and grant) in support of SMEs for initial investments since, in general, support from financial institutions and mechanisms is not available or is inadequate.

Primary production not addressed: A major drawback of the programme is that primary production has not been addressed, despite the fact that engaging directly with primary producers could be beneficial to the overall aim of SCP. This was felt as an obstacle/limitation by many different WWF-implemented projects. In the forest sector, for example, there is usually little funding available to involve domestic forest holders and producers in SCP and projects funded under SWITCH could have addressed this gap. It is not effective to address solely the sustainability of the processing e.g. less energy use, less water pollution, while the inputs used are wholly unsustainable, e.g. timber from poorly managed sources. Experience showed it is crucial to connect each stage of a business process, from primary producer to end consumer, in order to improve SCP and its impact. Any future SWITCH programme should consider this aspect.

Missing links and scale up options: In general there could be more coherence on what the programme wants to tackle in terms of SCP, as currently it seems challenging how SWITCH can scale up regional changes. For example to have some dedicated project staff based in Europe and not only in the partner country, where there is a market link to Europe (contact to retailers, matchmaking, information campaigns etc.) in order to ensure further sustainability of the approach.

Alignment to National Priorities and international standards: In some cases it was perceived that SWITCH projects could have been better aligned to and more consistent with the priorities included in the country's National Development Plans and EC Country Strategy Papers. It will be very important to strengthen such links in the framework of future SWITCH programmes particularly where green growth, green economy and natural resource management are the pillars of national development plans. In other cases, project teams recognized the need for implementing existing and

established standards in resource conservation (e.g. Alliance for Water Stewardship standards) in the framework of their actions. This important element should be covered by the future SWITCH programme as it will be of great value added.

WWF Recommendations:

- The division into lots should be reviewed so as to not hinder the effectiveness of working alongside different sectors and different stakeholders.
- Loans and grants to SMEs for initial investments activities should become eligible.
- Start addressing the issue of primary production in order to connect each stage of a business process, from primary producer to end consumer, to improve SCP patterns and impact.
- Budget for staff and activities in Europe should be eligible in particular when the project aims at addressing market links between Europe and Asia and other regions.
- Strengthen the links and synergies between SWITCH projects and national development plans, as well as future Multiannual Indicative Programmes.
- Highlight the need for implementing established standards in resource conservation in the framework of future actions.

MAIN OBSTACLES ENCOUNTERED IN PARTICIPATION IN THE PROGRAMME

Size of grants and sustainability: Tackling SCP issues in order to achieve lasting results requires resources and funding which are commensurate to the challenges faced. The size of grants available under the Switch Asia programme was often inconsistent with the expectations of the call, therefore limiting the impact and effectiveness of the actions. Ensuring the long term sustainability of the actions should always be at the heart of this programme. In this respect, when a project has proven to be successful, a phase two of the project could be considered with a follow-up grant from the EC.

Eligibility requirements have often hindered the possibility to choose the best and most valid local partner, as these were required to be non-profit making entities. SCP projects foresee the engagement of business associations which do not necessarily meet these conditions. A review of this approach, by opening eligibility also to SMEs, may contribute to the overall effectiveness of the projects and thus of the programme.

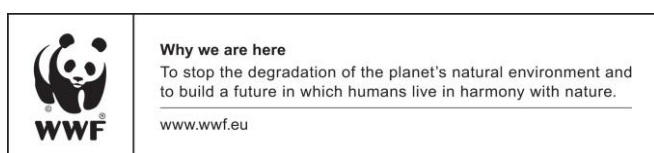
Furthermore, the EC rules of the awarding of contracts and grants to third parties can potentially lead to the exclusion of organisations which are branches of an international network, such as international NGOs, who operate and have normal project management functions in eligible countries but are however not effectively established there as a separate legal entity. In this respect we welcome the Switch Asia calls for proposals guidelines which accepted as eligible, entities which do not have legal personality under the applicable national law. We encourage the European Commission to enable branches of International NGOs which have the ability to undertake legal obligations, such as signing contracts and implementing projects in eligible countries, to be eligible even though their statutes are established in another country than the country where they operate.

Administrative and Financial requirements: On a more practical side, project implementation teams have sometimes experienced difficulties in understanding financial and procurement rules, thus investing additional time and resources. Administrative and financial requirements could be simplified and made more user-friendly and support from the EC could also be envisaged, to help project teams in understanding rules and procedures. For example, under the EC LIFE+ funding line, support is provided by the EC to address all sorts of questions on the financial and

administrative aspects of the project through kick off meetings and ad hoc visits of external monitoring teams.

WWF Recommendations:

- The size of grants proposed in future SWITCH programmes should be consistent with the expectations of the call for proposal and adequate to address the challenges posed by SCP.
- A phase two of successful projects could be considered with a follow-up grant from the EC ensuring the long term sustainability of the action.
- Eligibility should be granted to SMEs and to NGOs operating in an eligible country although its legal personality resides elsewhere.
- Administrative and financial requirements could be simplified and made more users friendly and support from the EC could be envisaged to help project teams in understanding rules and procedures.



For further information:

Emilie Van der Henst

EU Funding Officer
WWF European Policy Office
Email: evanderhenst@wwf.eu

Margherita Solca

EU Development and Finance assistant
WWF European Policy Office
Email: MSolca@wwf.eu