Session 2

Practical experience of making trade work on the ground - Showcase of facilitating agency

Enabling the partnership between Asia and Europe to inspire eco-innovation of SMEs

Helsinki, Finland
11 Oct 2011

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Asia-Europe Meeting SMEs Eco-Innovation Center (ASEIC)

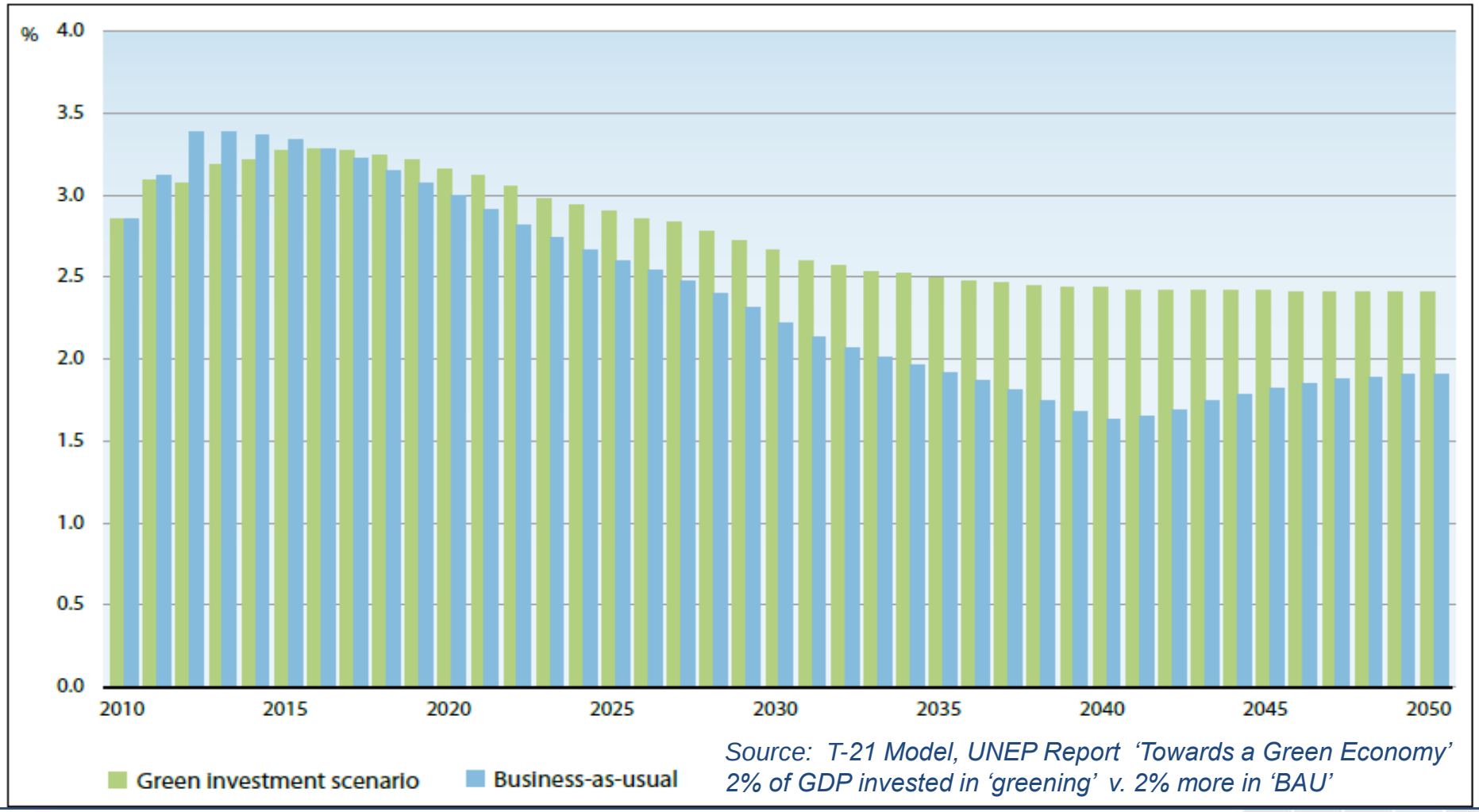
SMBA

SBC Small & medium Business Corporation

eTAP

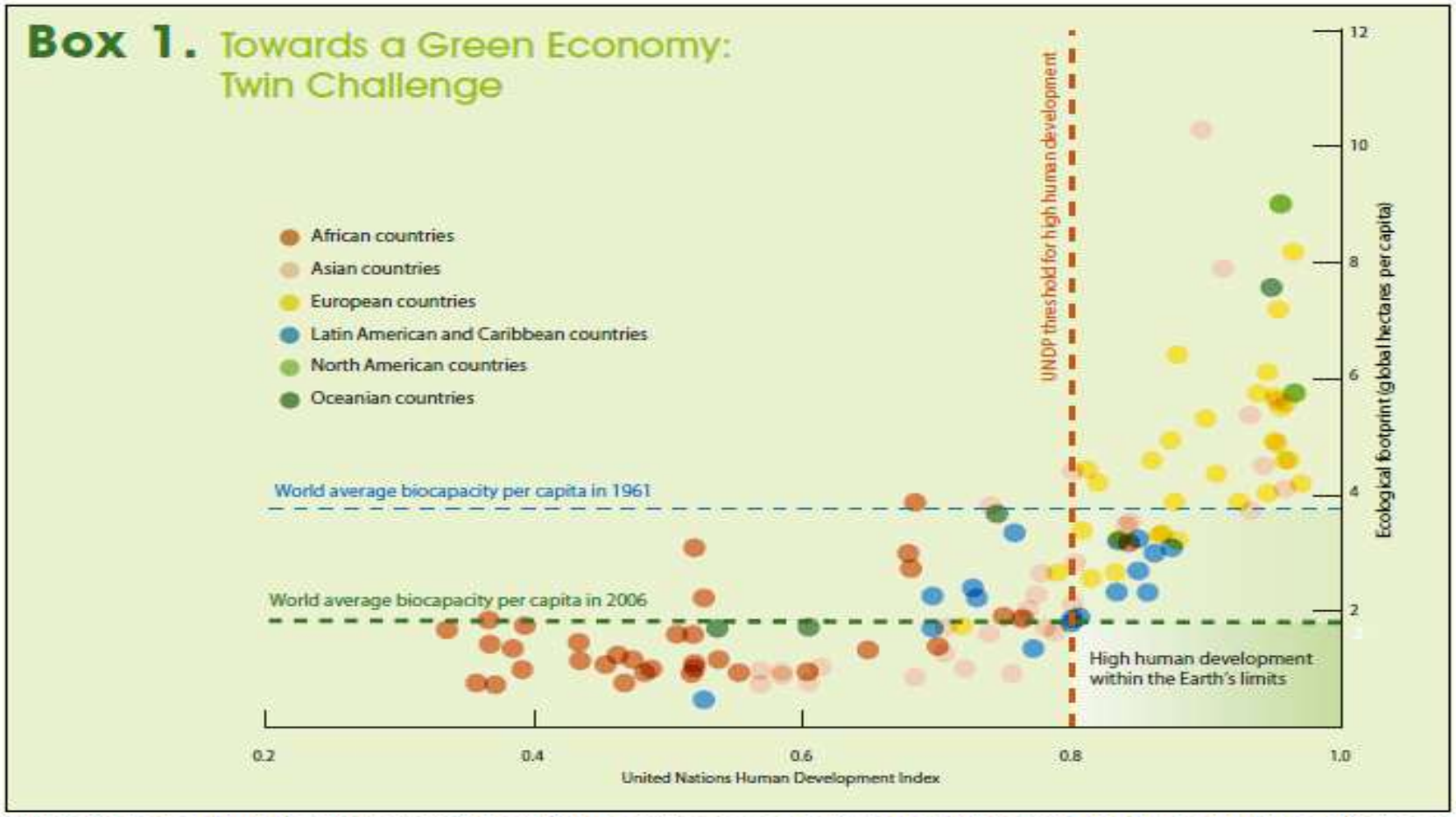
Table of Contents

Foreseeable Future of a Green Economy



Source: T-21 Model, UNEP Report 'Towards a Green Economy'
2% of GDP invested in 'greening' v. 2% more in 'BAU'

Common Goal, Different Path



Source: *The Ecological Wealth of Nations: Earth's Biocapacity as a New Framework for International Cooperation. Global Footprint Network (2010), p. 13; Human Development Index data from Human Development Report 2009 – Overcoming Barriers: Human Mobility and Development.* UNDP (2009).

Sustainability Family

Source: Presidential Committee on Green Growth, Republic of Korea

Dealing with **environmental**, **economic** and **social** aspects

-A green economy in the context of sustainable development and poverty eradication

-The institutional framework for sustainable development

I. Introduction

Eco-Innovation Working Definition

"The production, assimilation or exploitation of a novelty in products, production processes, services or in management and business methods, which aims, throughout its lifecycle, to prevent or substantially reduce environmental risk, pollution and other negative impacts of resource use (including energy)." (ETAP)

"Eco-Innovation is defined as **eco-innovative products, techniques, services or processes** which aim at the prevention or the reduction of environmental impacts or which contribute to the optimal use of resources." (European Commission Eco-Innovation Initiative)

SMEs as Key Factor of Eco-Innovation

7th **ASEM** Summit

ASEM Forum 2010 on Green Growth and SMEs

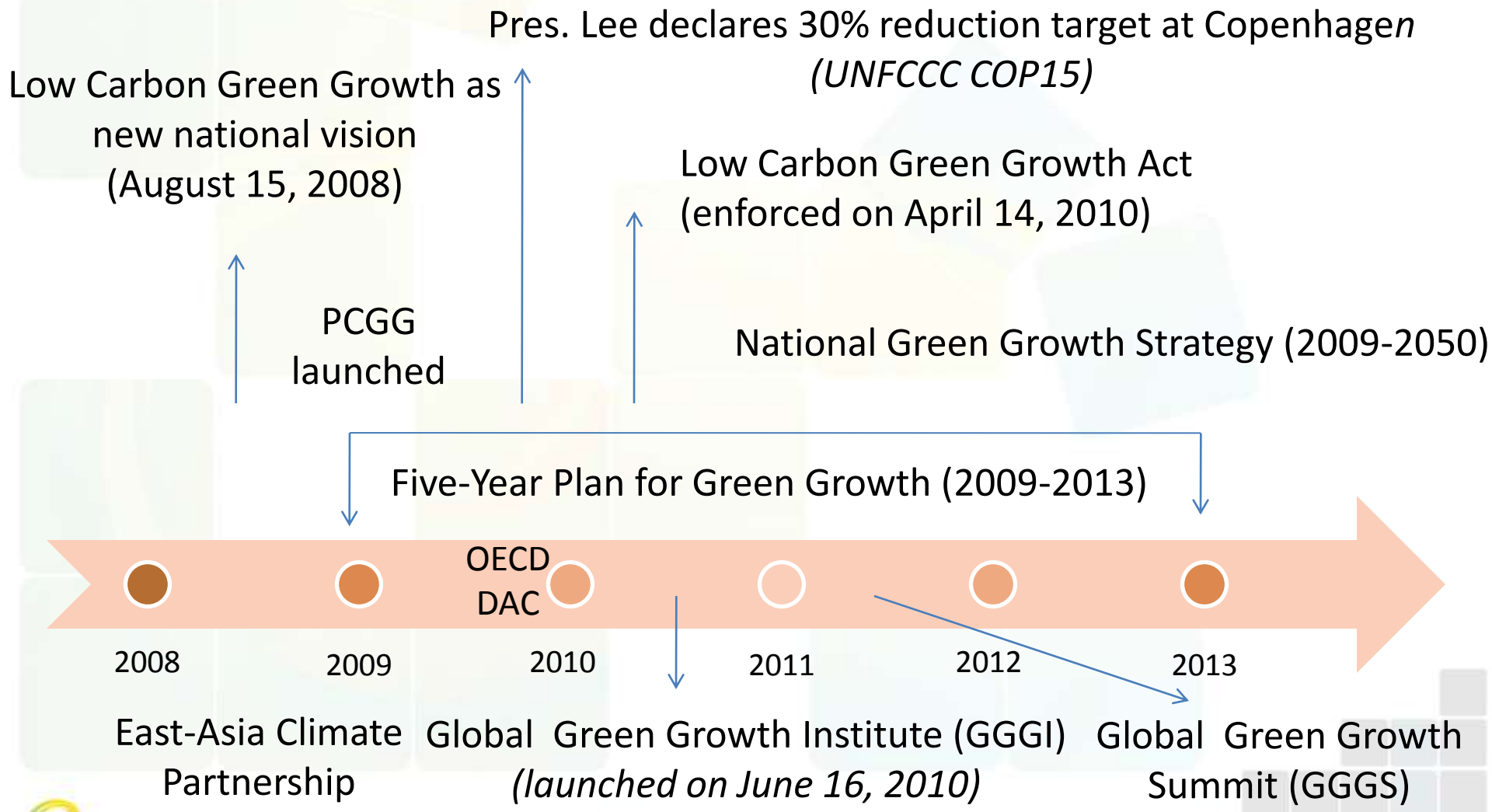
8th **ASEM** Summit

Establishment of the **ASEIC**

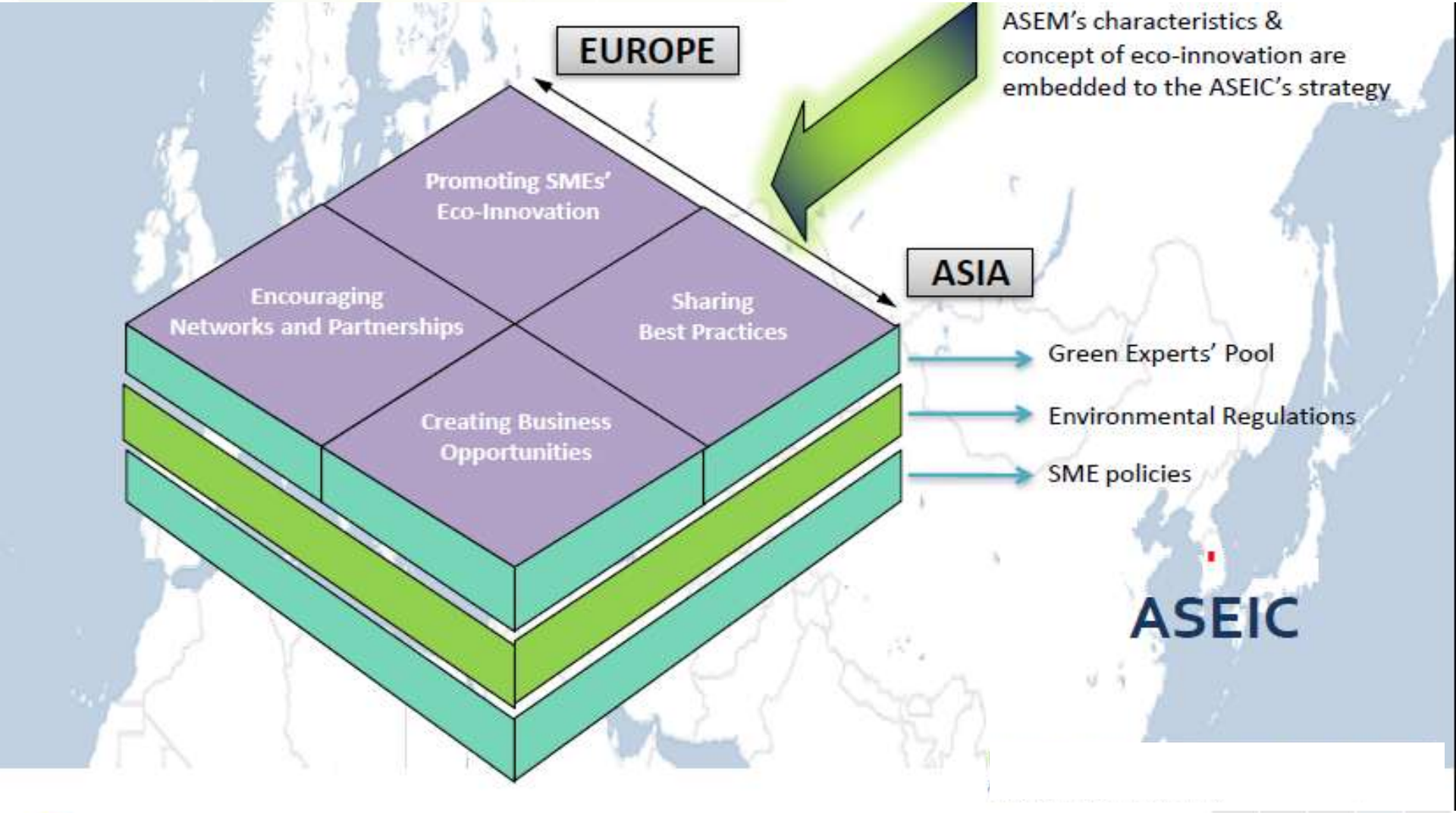
Brussels, Belgium
October 2010

Seoul, Korea
February 2011

Republic of Korea as a Bridge Nation



ASEIC as International Platform



Vision and Mission

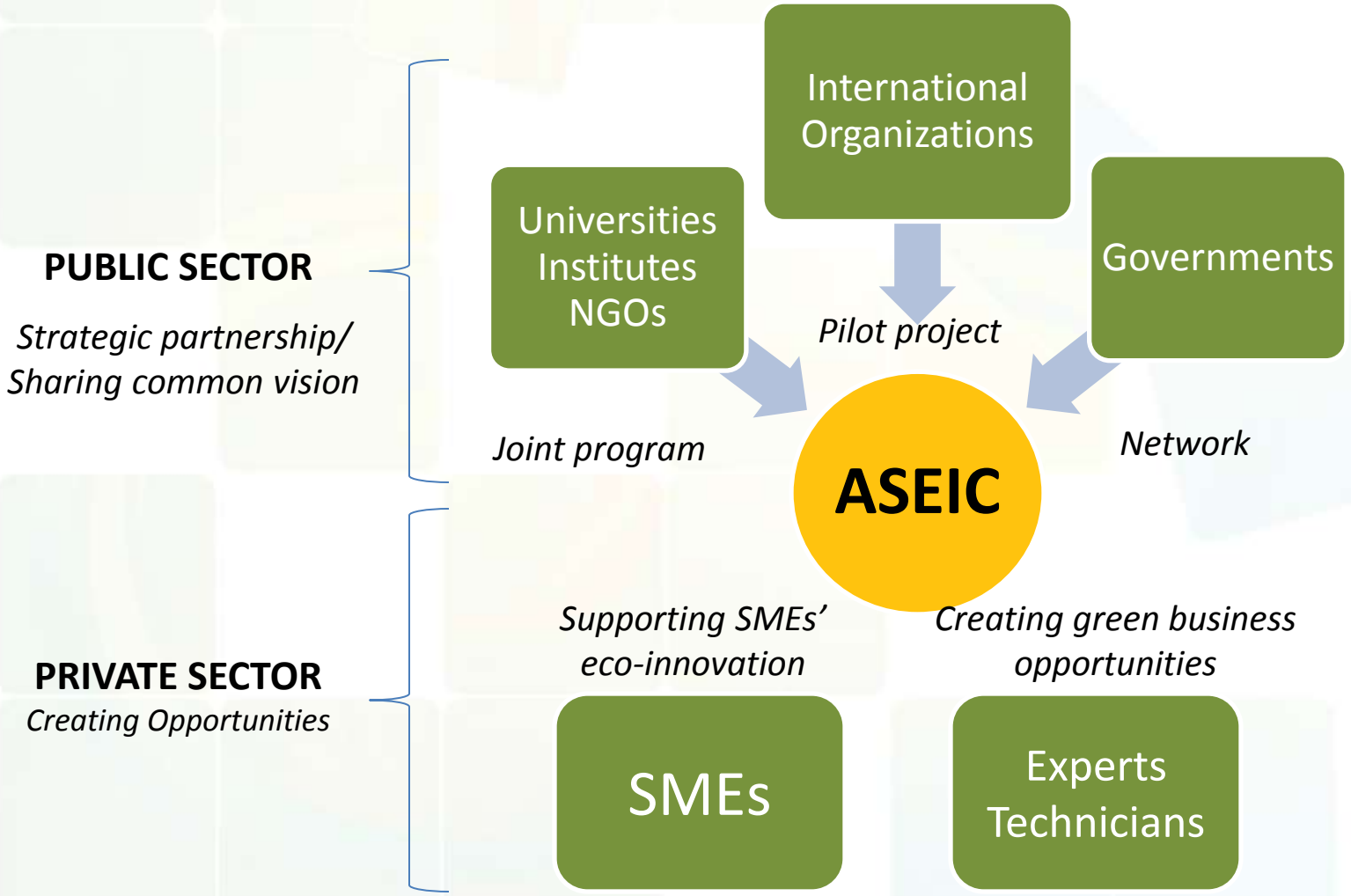
Vision:

International platform dedicated to promoting eco-innovation for SMEs in Asia and Europe, ultimately implementing green growth vision worldwide

Mission:

1) Provide **advisory services for SMEs** in need of eco-innovative transition
2) Provide **technical and financial support for SMEs** in developing regions
3) Provide **an online and offline platform** where up-to-date information is shared and new global green business opportunities are created for SMEs

ASEIC as Interntional Platform



Key Activities

SMBA SBC Small & medium Business Corporation

I. Advisory Service

- Eco-innovation consulting service
- SMEs Creation and Promotion in developing countries

II. Knowledge Sharing

- Web portal
- Research activities on eco-innovation

III. Communications

- Conferences and seminars

III. Pilot Project

Advisory Services

Track 1 – Eco-Innovation Consulting Service

- Our goal is to help SMEs: (Capacity and Finances)
  - evolve towards sustainable manufacturing
  - raise awareness of eco-innovation
  - identify enablers and barriers to eco-innovation

- Sharing innovative ideas and providing recommendation

III. Pilot Project

Advisory Services

Track 1 – Eco-Innovation Consulting Service

Profile of Pilot Project for 2011 (in progress)

- 33 SMEs
- Target countries: Malaysia, Indonesia, Thailand and Vietnam
- Cross-cutting project (in principle, sector is widely opened)
- Participating Organizations: UNIDO, Eco-Frontier(K), Eco-Eye(K), OWW Consulting(M), Universitas Islam Negeri(I), The Federation of Thai Industries(T), Vietnam Cleaner Production Centre(V)

Advisory Services

Track 2 – SMEs Promotion/Creation with Eco-Innovative Tech Transfer

- Energy shortage, environmental degradation
- What's **'appropriate' technology**?
- 'Bottom of Pyramid' – business opportunities for the other 90%

Social Entrepreneurship – 'Value-Driven' Business Model

1) fuel shortage -> charcoal out of corn-stalk, coconut shell
2) electricity shortage -> solar power generation



Working with local partners – Failure case

III. Pilot Project

Working with local partners – Success

Economic Benefit

- Micro lending concept

20 technology centers set up

-**300,000** installed as of 2009

Environmental Benefit

-Reduce fossil fuel consumption

Social Benefit

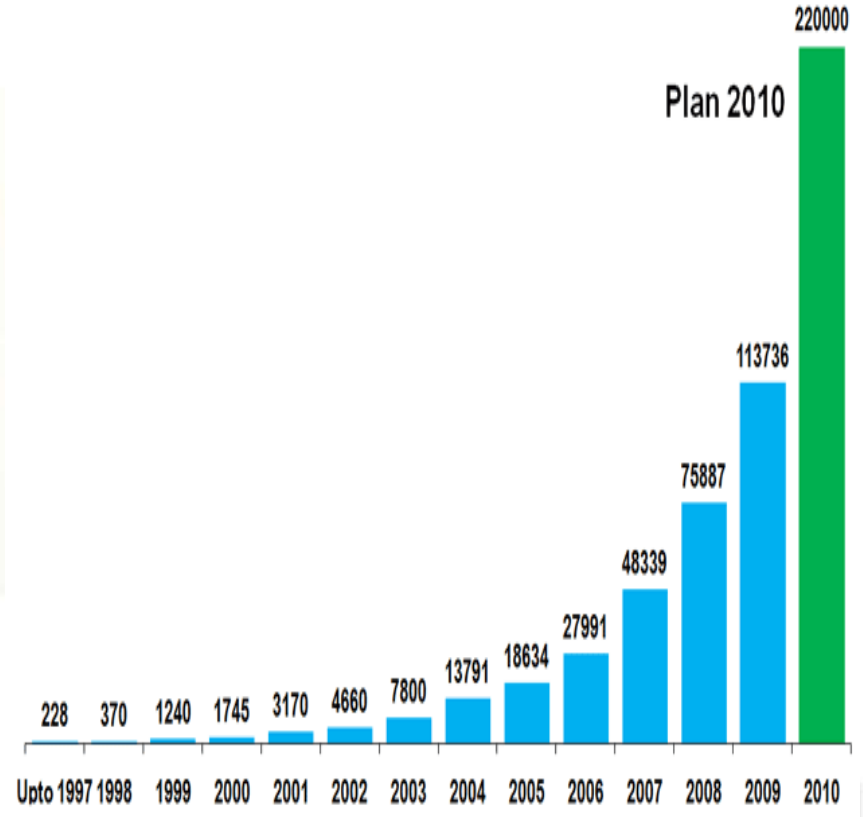
- Community participation:

660 women employed, **600 youth** trained

- Aiming to create 100,000 jobs by 2015

Innovative Business Model

Grameen Shakti (GS)



Source: UNEP Green Economy Developing Countries Success Stories (2010)

Overview

Target Site

small town in Phnom Penh, Cambodia

Deforestation and fuel shortage

Heaps of undisposed garbage

health, sanitation, pollution issues raised

Applicable Green Technologies

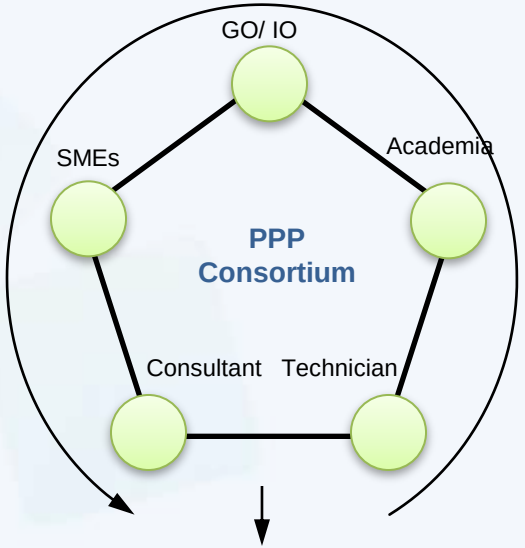
waste treatment, waste reduction-reuse, biomass

Solar cooker

Improved Waste incinerator

Expected Outcomes

beneficiaries



Disposal of waste materials

Creation of solar cookers

Encouraging social entrepreneurs

Poverty Reduction

Job Creation

Social Development

III. Pilot Project

Project Participants

Public Sector

Private Sector

Supports international cooperation with the UN and other international organizations, disseminates the project story to the international community, provides training programmes and fund raising if necessary

GGGI

Manages project and provides funds as host organization/liaises with participating agencies

Produces solar cooker and transferS its technology to the local community; support social entrepreneurs (Energy Farm)

SMEs

NPIC

ASEIC (SMBA/SBC)

Recipient

Local SMEs

Better for health,
Better for local market

Local Phnom Penh residents with appropriate waste incinerators and solar cookers (Isaac School, Food for the Hunger, etc.)

Enhance market through technology transfer

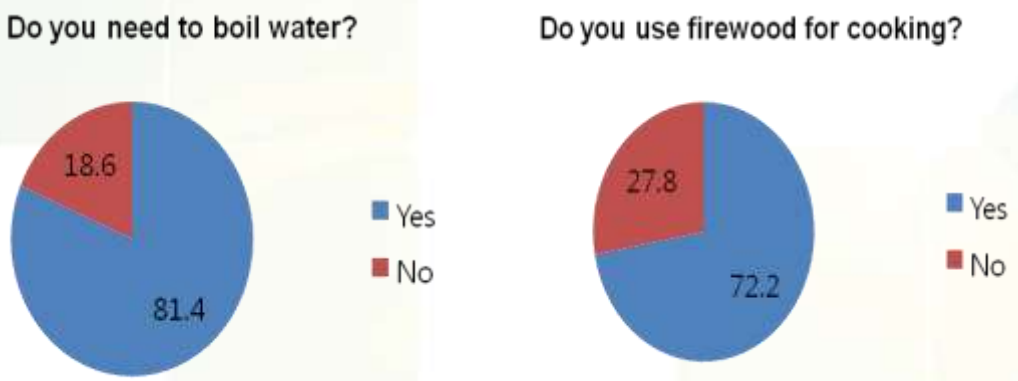
Provides local sources and research assistance

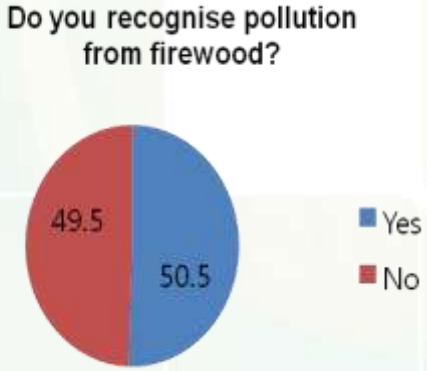
Tech. Experts

Provides related technical support and installation
-Appropriate Technology Research Institute, Hanbat National University

Feasibility Study – Solar Cooker case

Local survey at Takeo region (97 households)





Clear need of local residents

III. Pilot Project

Feasibility Study – Waste Incinerator



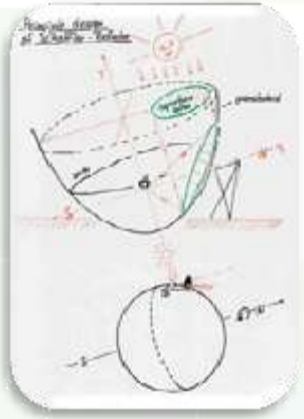

III. Pilot Project

Technology Transfer – Solar Cooker case

"Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime." -> changing fishing environment

Korean SMEs Technicians

• Provide energy-efficient design and frame



Technology Transfer

Cambodian SMEs

• Provide components and local labour for installment
•Transfer out technology from Korean experts

End product

• Market creation
• Support social entrepreneurship

III. Pilot Project

Theoretical Recommendation

- Need of a comprehensive strategy for widespread adaption of technology

- Shift from supply-push to **demand-pull** approaches

- Improving local capacity for commercializing renewable technologies

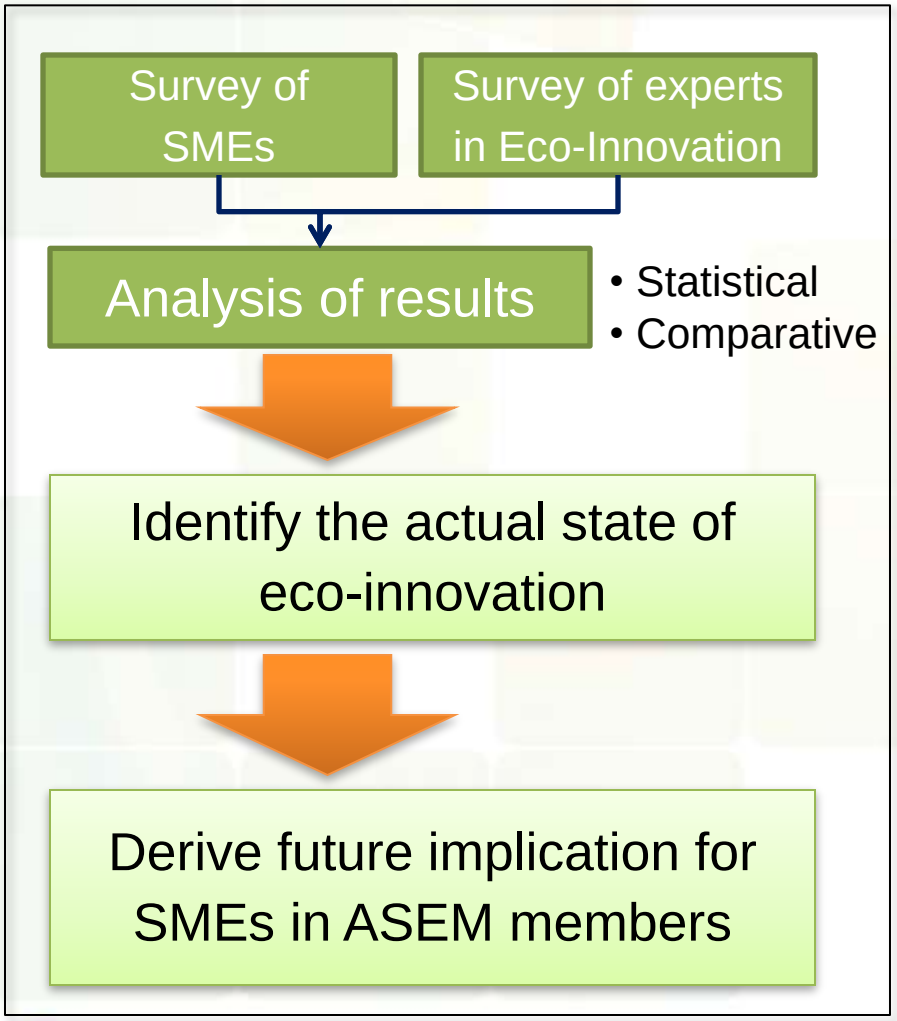
- No universal institution to deliver renewable technologies

Derived from ODA Analysis from 1980's-1990's Case of renewable energy
Source: Keith Kozloff, 1995

Key Characteristics of Advisory Service

- **Bottom-up approach** v. top-down approach
- **Dispersive and small scale** v. centralized and large scale
- Active participation of local community – with local education
- Finding new opportunities of sustainable use of appropriate technologies – finding a way of creating local enterprises

Knowledge Sharing



Expected results of survey

- Assess current condition of eco-innovation of SMEs in selected members
- Establish the early direction of ASEIC SMEs supporting projects

III. Pilot Project

Communications

- ASEIC's the 1st Global Forum on Eco-Innovation (18 Nov 2011, Seoul)

- Strategic communications with international and national entities (European Commission DG ENV, ASEF, GGGI, Korean government, Indonesian government, etc.)

Planning 2012 with European Partners

- Asia-Europe Joint Research Project on Eco-Innovation

- Asia-Europe Global Forum on Eco-Innovation

- Concern on Critical Sectors

Road Ahead to

RIO+20
United Nations
Conference on
Sustainable
Development

Thank you for your attention

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