

particularly disadvantaged by their limited earnings and fewer worker protections in agriculture sector employment<sup>29</sup>. The situation challenges the government's ambition to develop a smart, ecological and circular agricultural sector.

In general, the agriculture sector does not yet have sufficient capacity to take up circular economy practices. Farmers, businesses and other stakeholders often lack knowledge about business models, practices and technologies, and also necessary skills to apply circular economy approach throughout the value chain.

There is a need to raise awareness and build capacity of economic actors and farmers, especially women and people from underserved groups such as people with disabilities, on RCE models/practices in agricultural sector with the view to develop business cases for further upscaling. The success models and lessons learnt documented, promoted and disseminated via proper channel is essential. Currently, there are limited mechanisms or platforms for collaboration and coordination between different stakeholders involved in promoting RCE in agriculture. This lack of coordination and platforms hinders the development and implementation of effective policies and initiatives

The action will support the development of circular economy in the industrial and agriculture sectors. It will contribute to strengthen capacity of public authorities, economic actors along industrial and agricultural value chains, and other relevant stakeholders to implement gender sensitive and inclusive circular economy models and practices that integrate the Human Rights Based Approach and the rights of people with disabilities, thereby improving economic, environmental and social performances of the sectors and the whole economy.

### **The non-state actors (NSA)**

The development process is a collective endeavour that involves both state and non-state actors working together to address complex challenges, promotes economic growth, and improves the well-being of people. The government plays a central role in policy formulation and resource allocation, while NSAs, together with other development partners, contribute valuable expertises, resources, and on-the-ground implementation. Collaborative partnerships that gather diverse perspectives and ensure inclusive participation are critical for achieving sustainable development goals and creating a better future for all. As such, non-state actors can play pivotal roles in promoting the shift to a green and circular economy. They are key in raising public awareness about sustainable practices, influencing consumer behavior, and advocating for policy changes. NSAs collaborate with governments to develop and implement circular economy policies, providing critical insights and expertise. They also drive innovation by supporting green entrepreneurship and new business models, as well as they facilitate networking and partnerships across sectors to share best practices and resources, essential for scaling circular initiatives. They also play a role in monitoring and evaluating the effectiveness of these initiatives, ensuring they are inclusive and effective. Promoting the participation of the entire society, including the public, NSAs and individual consumers, is thus an important driving force to promote RCE models/practices.

However, NSAs, depending on their political functions and areas of specialisation, have their own challenges and constraints including limited access to resources such as finance, technology, knowledge/information, skills and practical experiences on RCE, networking and marketing for business development, market connection and investment opportunities. These limitations affect their green production, employment and advocacy opportunities to promote RCE practices. Currently, the involvement of NSAs in the government funded programmes (including ODA projects) is mainly limited to either participating in public consultation or being as final beneficiaries.

While the two Actions promoting circular economy in industry and agriculture sectors will be jointly implemented with the government, this Action will support NSA to strengthen and exercise their roles in including policy developments and promoting circular economy principles in Viet Nam. This includes supports to build capacity and to implement innovative RCE's initiatives in the two sectors which could not be otherwise supported within the framework of the two bilateral cooperation Actions<sup>30</sup>. This Action is designed as complementary measure to ensure the inclusive participation in RCE actions by all relevant stakeholders.

From experience of grant projects funded under the EU SWITCH-Asia Programme, engaging with the private sector in partner countries like Viet Nam and support their **micro, small and medium enterprises (MSMEs)** in the transition to more sustainable and circular production processes and in complying with high European and global standards will be crucial to prevent the disruption of global value chains and ensuring the resilience as

<sup>29</sup> ADB, 2022. Agriculture, Natural Resources and Rural Development Sector Assessment, Strategy and Road Map - Viet Nam 2021–2025

<sup>30</sup> In Viet Nam, the bilateral cooperation projects/programmes for which a Financing Agreement is concluded with the Government of Viet Nam, generally provide very limited opportunities for NSA to receive financial and technical support.