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MEKONG SUSTAINABLE MANUFACTURING ALLIANCE

To strengthen sustainable and competitive manufacturing in Cambodia, Thailand, and Vietnam, the Mekong Sustainable Manufacturing Alliance (The Alliance) helps factories advance initiatives to increase the regional adoption of Environmental, Social and Governance (ESG) standards.

In alignment with the [Indo-Pacific Economic Framework for Prosperity](#), the [USAID Climate Strategy](#), the [Private Sector Engagement Policy](#), and USAID/RDMA's [Regional Development Cooperative Strategy](#), the Alliance partners with local factories in the lower Mekong region, while engaging multinational brands to catalyze market forces and scale up ESG-aware business models and policy frameworks. The Alliance aims to accelerate the transition to low-carbon economic growth across the lower Mekong region.

INCREASING REGIONAL ADOPTION OF ESG STANDARDS BY MANUFACTURERS

Textile and food factories in the lower Mekong are at a crossroads. Business owners face a choice between adopting ESG standards that will increase sustainability and make them more competitive in

the international market or employing lower-cost, but ultimately counterproductive, practices that compromise natural resources, the health and safety of factory workers, and the well-being of surrounding communities.

ESG interventions generate a positive return on investment by enabling manufacturers to meet global buyers' sourcing standards, lower operating costs, and increase productivity. The manufacturing sector has tremendous potential to set the region on a sustainable development path if obstacles blocking manufacturers' adoption of ESG standards can be removed. These obstacles include a lack of awareness of the positive return on investment (ROI) from ESG investments, limited expertise to execute ESG improvements, and inability to access ESG financing.

APPROACH AND IMPACT

The Alliance engages directly with local factories in Cambodia, Thailand and Vietnam to promote regional competitiveness, while leveraging the purchasing power of global brands to drive adoption of ESG standards and sustainable manufacturing in the Mekong region. This engagement promotes regional competitiveness and continuous improvement by participating manufacturers.

At the facility level, The Alliance's multi-pronged approach to ESG improvements includes:

- Tailored technical assistance to implement decarbonization solutions that reduce greenhouse gas (GHG) emissions and drive improvements in gender, social, and governance solutions
- Capacity-building programs to broaden factory management's knowledge in energy efficiency, renewable energy, and inclusive workplace dynamics
- Facilitating regional dialogues and industry-level exchanges of best practices and collaborative actions on ESG-related topics, including decarbonization solutions and sustainable finance

This powerful, multi-pronged approach catalyzes market-driven choices by factories to improve their ESG standards. It enables manufacturers, in coordination with the global brands they supply, to adopt climate-smart ESG technologies and practices that result in greener and safer production. Moreover, it demonstrates to factories that environment, health, and safety improvements can go hand-in-hand with improved competitiveness and profitability, thus fostering economic growth and promoting a more resilient, inclusive, and secure region.

ABOUT THE ALLIANCE

The Alliance is made possible by a partnership between the [Institute for Sustainable Communities, ELEVATE](#), and the [Asian Institute for Technology](#), with funding from the United States Agency for International Development ([USAID](#)).

CONTACT INFORMATION

For more information, please visit www.usaid.gov/asia-regional or email info-rdma@usaid.gov