Project Summary

Project Background
The textile sector is an important driver of export and economic growth in Bangladesh. It currently accounts for 83% of all exports and employs over 4,000,000 people, 80% to 85% of whom are women. However, the sector does not fully comply with national and international safety and environmental (SE) standards in production. Inadequate safety standards jeopardise the health of employees and fuel social conflict between employers and employees. Insufficient compliance with environmental standards leads to excessive water use and pollution and exacerbates existing environmental problems and energy shortages in the country. Despite international pressure from buyers, textile factories remain reluctant to invest in SE measures. Information about possible and profitable SE investments and about relevant standards is lacking, as is the commercial expertise needed to analyse and evaluate relevant risks and advantages. Moreover, many textile factories do not have access to adequate financial services. Bangladeshi financial institutions and textile factories are making too little use of the limited capacity development and information services on investing in SE measures.

Project Objectives
The overall objective of the project is that Bangladeshi financial institutions and textile factories are using the newly created capacity development and information services on investing in SE measures. The project comprises three components:
1) Financial systems development
2) Promoting the availability of information in the textile sector
3) Expanding the range of services on offer

Project Results
Intended project results are:
• The conditions for the financing of investments in SE measures in the Bangladeshi textile sector have improved at selected financial institutions.
• The level of information available to the management of textile factories on the advantages of and financing options for SE investments has improved.
• The range of services for profitability analyses and/or investment planning of SE measures has been expanded.

Services Provided
• Assessment of sectoral Line of Credit and funding modalities;
• Development, launch and roll-out of SE investment/loan management course;
• Development of innovative SE investment/loan products;
• Review, enhancement and dissemination of SE business cases and guidelines;
• Development, launch and roll-out of competence development programme on SE investment and business finance management;
• Preparation and implementation of sector wide awareness and dissemination campaign on available SE funding and investment;
• Facilitation of pilot measures and uptake of SE investments;
• Integration of private and public sector dissemination partners;
• Capacity development for Local service providers (LSPs) and in-house experts of RMG/textile factories;
• Support to LSPs in launch and roll-out of SE investment support services;
• High-level capacity building for acceleration of roll-out (Study tour, follow-up event).

Bangladesh
Promoting safety-related and environmental adaptation investments in the textile sector in Bangladesh (SSREU)

Client
German International Cooperation (GIZ)

Duration
23/07/2018 - 22/01/2021

Personnel
• 1 internat. LTE (30 PM; Team Leader)
• 2 national LTE (60 PM; Senior Advisor)
• pool of internat. STE (10,5 PM)
• pool of national STE (21,5 PM)