

BANGLADESH'S APPAREL SECTOR'S TRAJECTORY TO GREEN GROWTH

Globally, the need to transition toward green growth and a circular economy has been recognized as key to sustainable development and prosperity. Green growth is an imperative, not a luxury to reduce our resource usage footprint. Even for a developing country such as Bangladesh, it is a means to reducing pollution and greenhouse gas emissions, minimizing waste and inefficient use of natural resources, maintaining biodiversity, and strengthening energy security.

Some emerging-market economies have been at the forefront of this movement, with the Republic of Korea in particular organizing its economic recovery efforts around a 'green' growth strategy announced in June 2009 and aggressively promoting the concept in international forum.

We need green growth because risks to industrial development are rising as growth continues to erode the natural capital, such as water and fossil fuels.

At present, the USD 26 billion ready-made garment (RMG) sector is the bedrock of the Bangladesh economy. It is needless to say, for a young country like Bangladesh, the RMG sector has witnessed phenomenal success over a short period of time. However, striving towards environmental sustainability is critical for the sector in order to reach US\$50 billion worth of apparel export by 2021. The sector is water intensive and large quantities are consumed in the direct operations and supply chain. It is estimated that around 200 to 250 liters of water per kilogram of fabric produced. This is the equivalent to the daily water use for two people in Dhaka. For comparison, the global benchmark for fabric production is 70 litres of water per kilogram. This massive use of groundwater contributes to a major decline in the water table (close to 2.5 m/year), whose impacts are already being felt through seasonal water shortages in Dhaka and environments.

Furthermore, the metropolitan water utility, Dhaka WASA, (D-WASA) is increasingly unable to treat surface water to potable standards, while the depleting groundwater stands the growing risk of contamination from surface waters.

Recent analysis undertaken by 2030 Water Resource Group highlights that Bangladesh will have a water supply deficit during the dry season of up to 26% by 2030. This is due to the high seasonality of water availability, limited surface water storage and water quality issues. There is additional stress on water supply due to climate variability and change and the increasing frequency of extreme events such as floods, storms and droughts.

These risks and the scale of the environmental impact caused by the apparel sector spells the ardent need for transforming the sector to a circular economy, whereby waste can be eliminated along the value chain, while attention is given to restoring the finite resources that the sector relies on (such as water, gas, etc.), while at the same time not compromising on the value of the products. This paradigm shift would lessen the environmental impact of the sector—and even potentially restore resources.

This also spells the urgent need to act; for stakeholders at large; both government and industry to undertake a comprehensive framework to achieve economic growth and development while at the same time preventing costly environmental degradation, climate change and inefficient use of natural resources.



It is indeed encouraging to witness strides made by the apparel industry towards environmental sustainability and green growth in the recent times. There are scores of good practices across the industry — whereby factories strives to produce goods with minimum carbon footprint and reduce per capita

energy and water usage through latest technologies and efficiency; some have taken measures to take sustainable business to the next level by going for green factory buildings; etc.

Execution of such wide stakeholder event such as this summit that also focuses on green growth exemplifies the industry's commitment to this agenda. Needless to say, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), as the apex industrial association is on the forefront of the agenda as well. I am confident that today's summit will convene many global experts to help Bangladesh formulate strategies toward a more sustainable apparel supply chain and also to drive innovation and prosperity. This is indeed a commendable initiative undertaken by BGMEA.

I am happy to say that BGMEA has been a strategic partner to PaCT (Partnership for Cleaner Production Program). PaCT, a joint initiative, funded by the Netherlands Government, leading apparel brands and managed by IFC is working towards the adoption of cleaner production in the textile wet processing sector (washing, dyeing and finishing /WDF units). Cleaner production is an integrated strategy to maximize profits by making more efficient use of inputs, while maintaining or increasing production and minimizing waste and pollution at source.

PaCT looks at ways to improve water and electrical efficiency within a WDF facility; opportunities to upgrade process machinery; thermal efficiency; promoting metering of resource usage; process optimization; to name a few. PaCT Advantage is a tool introduced by the program that is a management diagnostic that helps factories to build and implement the foundations of an effective management system for inputs such as water, energy and chemicals.

The program has been a pioneer in driving long-term competitiveness, and environmental sustainability of the sector by addressing critical issues, particularly focusing on the reduction of water, energy, and chemical consumption and wastewater pollution. PaCT has been a holistic program that not only worked with the factory units but a broad spectrum of partners such as leading global apparel brands, solution providers, financial institutions, government and other key stakeholders, to stimulate the notion of resource efficiency/cleaner production in the sub-sector. Working with over 200 factories, PaCT has contributed to water and energy savings of 19.4 Million m³ and 1.2 Million MWh, respectively per annum, reduced GHG emission by 188,000 tonnes of CO₂ equivalent annually and resulted in factory savings of US\$10.1 million, as of June 2016. For more information on PaCT, please visit www.textilepact.net

Other notable achievements of PaCT includes development of a harmonized procurement guidelines, Decision Support Guidelines/ DSG, for brands on sustainable wet processing that will help brands to make informed decision about the environmental implications of the design parameters and overall procurement; developed brand specific Water Footprint Assessments (WFA) that will help the brands to develop an informed water management strategy across their supply chain in Bangladesh.

PaCT also established the Textile Sustainability Platform (TSP), a sector- specific dialogue platform between the public sector and private actors to catalyze regulatory reforms that supports the PaCT agenda. USD 200 million "Green Transformation Fund" was established by the Government of Bangladesh (GoB), to cater to the financing needs for green projects by the textile and the leather sector.

PaCT's access to finance facilitation efforts led to mobilization of USD 325,000 by partner financial institutions (FIs) for PaCT factories for capital expenditure heavy technology upgrades.

PaCT also helped to develop demonstration pilots - PaCT commissioned feasibility studies for a 65 MLD ZLD based central effluent treatment plant and a 122 MWatt combined cycle power plant for the Konabari cluster, as a basis for industrial infrastructure investment by third parties. The Program identified the potential to implement rooftop Solar PV captive power projects within factory premises and completed technical feasibility studies in this regard.

These achievements could not have been made alone. BGMEA's role was instrumental in raising awareness across the industry regarding the importance of resource efficiency and cleaner production. They partnered in establishment of the knowledge center Textile Technology Business Center (TTBC), the first of its kind in the country to cater to the information need of the sector and facilitate technical training and business to business linkages for the industry-linking factories to technology suppliers; solution providers etc. It is a small step in the right direction. Going forward, we hope to see this center flourish as a "one stop shop" for all knowledge needs of the industry; help the industry contribute towards a trajectory of a circular economy and much more.

Notwithstanding the impressive successes of PaCT, much remain to be done to enhance the overall competitiveness of the sector from the perspective of resource efficiency.

PaCT hopes to continue to support the Bangladesh apparel industry in its drive towards green growth in the near future.

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