



Dear Reader,

Welcome to the July Issue of the PaCT Newsletter!

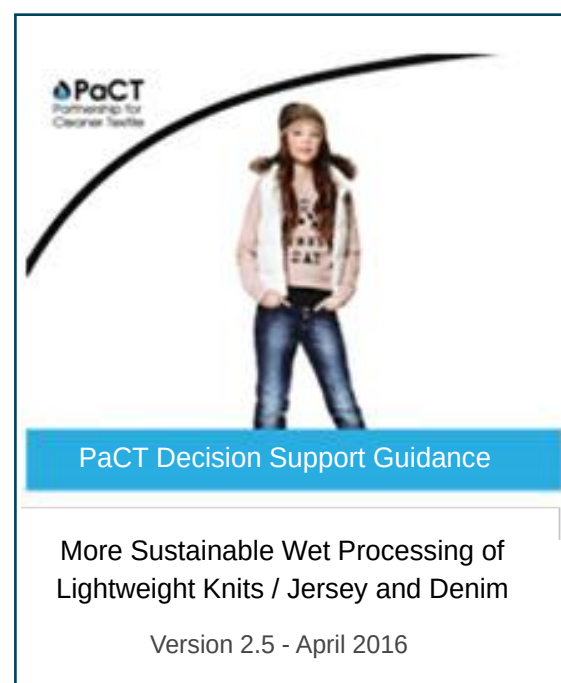


“ PaCT aims to expedite investment and adoption of more resource efficient and cleaner production practices along Bangladesh’s entire textile production chain. ”

It has been a busy three months since our inaugural issue, and we have much to share on the progress of the program. The main highlights are mentioned below.

To begin with, it is with great pleasure that I announce that the PaCT Steering Committee has extended PaCT for another year, with program activities now slated through June 30, 2017. Moreover, PaCT is equally pleased to welcome two brands, BestSeller and GAP Inc. into the PaCT family.

Another major event is the formal launch of the Textile Sustainability Platform (TSP) on June 26, 2016 at Lakeshore Hotel. The Textile Sustainability Platform (TSP) is a national-level dialogue program, established to address resource use efficiency, and environmental sustainability of the textile sector in Bangladesh. (To read more [click here](#)).



At the same time, PaCT is pleased to report on the progress of a related development, the Decision Support Guidance (DSG). The DSG is an innovative approach for brands to embrace environmentally

sustainable processing practices within the supply chain, and compare against other parameters such as look, feel, and price. It was developed with assistance from Solidaridad, MADE-BY, chemical and technology suppliers, consultants, and brands. Two separate versions are available – one for denim and one for knits. (To read more [click here](#)).

Speaking of finalizations, the inaugural market segmentation report for the wet dyeing and finishing sector in Bangladesh was published. The segmentation study was conducted in order to assess the actual number of factories currently in operation across the country. The study concluded that 719 wet dyeing and finishing factories are currently ongoing. (To read more [click here](#)).

In March and June we also had senior management from IFC Headquarters visit PaCT clients. Mr Sergio Pimenta, Director, Global Manufacturing Services, and Ms Milagros, Rivas Saiz, Global Manager of Cross Cutting Advisory, visited Ananta Textiles. John Kellenberg, Global Head of Energy and Resource Efficiency, visited Fakir Apparels Ltd. These visits demonstrate IFC’s commitment to the RMG and textile sector in Bangladesh.

Further program highlights include PaCT being featured in the Climate Change Conference, “Dialogue for Climate Action” held in May 2016 in Vienna. PaCT was acknowledged in the conference’s session on Supply Chains, titled “Securing and Enhancing Climate Friendly Supply Chains”. Mr Md. Zahid Ullah, Head of Sustainability, DBL Group attended this session.

Finally, PaCT would like to congratulate Puma and Nike for embracing the IFC Global Trade Supplier Finance (GTSF) scheme. It is a US\$500 million multicurrency financing program that provides RMG factories with working capital financing. Levis was the pioneer in this innovative approach.

Respectfully,

Mohan Seneviratne
Program Manager, PaCT

PaCT Newsletter

July Issue

John Kellenberg, Global Head of Energy and Resource Efficiency, IFC/World Bank Group, visits PaCT partner factory Fakir Apparels Ltd.



Program ImPaCT

Launching Ceremony of the Textile Sustainability Platform (TSP)

On June 26, 2016, PaCT officially launched the Textile Sustainability Platform, a national-level dialogue program that aims to establish the social capital for dialogue between the public and the private institutions to address resource use efficiency, and environmental sustainability of the textile sector in Bangladesh. The forum will be co-chaired by BUILD and BGMEA, while the Policy Research Institute (PRI), a leading consultant organization, will act as the secretariat.

One of the first initiatives undertaken by the TSP team was to address the issue of non-compliant chemicals as identified by the Zero Discharge Hazardous Initiative known as 11 Chemical Groupings. As a result of PaCT's leadership in pushing for tariff increases for ZDHC-banned chemicals, the National Board of Revenue (NBR) Bangladesh has levied higher tariffs for 3 of the 11 chemicals in the budget for 2016. The

other successful outcome of the forum was the launch of the US\$200 million Green Transformation Fund by the Bangladesh Bank, a loan scheme for the export oriented RMG sector to promote resource efficiency. (To read more [click here](#)).

“BGMEA has always been an active partner of Bangladesh PaCT. Through the Textile Sustainability Platform, together we can address the issues pertaining to the textile wet processing sector, and support the industry as a whole to develop policies that are sustainable, eco-friendly, and cost effective.”

Mr Faruque Hassan
Senior Vice President, BGMEA



Members of the Textile Sustainability Platform (TSP) at the launching ceremony.

PaCTIVITIES

New Brand Engagements

Leading brands BestSeller and GAP Inc. have partnered with Bangladesh PaCT to help increase sustainable industrial practices in the Bangladesh supplier factories. As part of this engagement, PaCT will lead the design and implementation of Cleaner Production (CP) program in the factories nominated by the brands (To read more [click here](#)).

BestSeller and GAP procure stitched garments from supplier factories in

Bangladesh. Both brands are highly focused on sustainability, working towards reducing the environmental footprints of their supplier factories in the textile sector.

Gap Inc.

BESTSELLER

PaCT and IDLC Strike a Deal

IDLC Finance Ltd, a leading financial institution, signed an agreement with PaCT on May 4, 2016 to catalyze the adoption of sustainable practices through investments in resource efficiency in the Bangladesh textile sector. The agreement seeks to expand IDLC's loan portfolio in energy efficiency financing in the textile sector through PaCT's technical

advisory services and business development support. (To read more [click here](#)).



FGDs at IFC Dhaka Office

PaCT recently hosted two half-day Focus Group Discussions (FGDs) at the IFC Dhaka office on two urgent issues concerning the textile sector: 'Central Effluent Treatment Plant (CETP)' and 'Captive Power Plant'. The objective of the FGDs was to showcase the economic and technical feasibility of a CETP and demonstrate the value proposition of a Centralized Power Plant in Konabari, which is situated on the outskirts of Dhaka city. Both events were attended by representatives from The World Bank Group and IFC, Tamil Nadu Water Investment Company Ltd. (TWIC),

General Electric (GE), international clothing brands C&A and H&M, PaCT partner factories, garment and knitwear manufacturers' associations BGMEA and BKMEA, Bangladesh University of Engineering and Technology, and Bangladesh Center for Advanced Studies (BCAS).



CAFI Tool For Partner Banks

PaCT organized two separate training sessions in May for partner banks, BRAC Bank Ltd. and IDLC Finance Ltd. on the use of the Climate Assessment for FI Investment (CAFI) tool, a web-based software application. The sessions were designed to help enable the partner banks to screen climate-smart projects and their viability for climate investments, and evaluate and monitor results in areas of energy efficiency and renewable energy.

In total, 52 participants took part in the training sessions.

“With the training provided by the IFC experts, we believe our CAFI Tool users will effectively use this tool for portfolio monitoring on specific climate targets and expertise their decision-making capability based on IDLC's green policy before financing any project.”

Md. Shahriar Rahman
SEO, Green Banking Unit, IDLC Finance Ltd.

PaCT and Partners

PaCT Organizes Solar PV and LED Lighting Workshop

In light of the growing demand for resource efficient practices in the textile sector, PaCT organized a workshop on Solar PV and LED Lighting in May for the textile and garment sector, in collaboration with the Textile Technology Business Center (TTBC), Deloitte, and General Electric (GE).

The aim of the workshop was to present a strong business case for Solar PV and LED Lights as 'Green Lighting Options' in the textile and garment sector.

The event showcased two feasibility studies, and financial viability that Deloitte had conducted on behalf of PaCT. The second half of the workshop focused on LED lighting and issues pertaining to it.

Alongside Wendy Werner, Country Manager, IFC Bangladesh, Md. Siddiquir Rahman, President, BGMEA, Faruque Hassan, Senior Vice President, BGMEA, speakers from GE, Deloitte, IDLC Finance Ltd., SREDA, and other industry experts also spoke at the event.

(To read more [click here](#)).



Dissecting The Textile Market

PaCT, in partnership with Bangladesh Center for Advanced Studies (BCAS), recently conducted a segmentation study on the Bangladesh textile sector.

The purpose of the study was to conduct an in-depth market analysis to better understand the Washing, Dyeing, and Finishing (WDF) sub-sectors in Bangladesh, and to identify the development potential of the individual segments.

The study offers recommendations on how to further improve the findings, and use them to draft sustainable development plans for the textile sector.

STUDY FOCUS AREAS

- Assessment of the actual number of WDF units
- Identification of production capacities of industries ranging from 10 MT to 20 MT/day, and above 20 MT/day
- Evaluation of yearly water usages and availability of operational ETPs within WDF units
- Comparison of the findings of the quantitative and qualitative assessments to validate findings

KEY FINDINGS

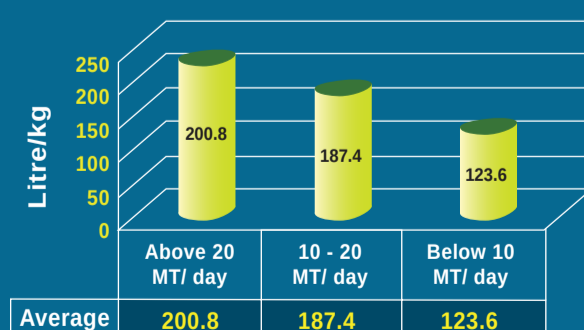
Factory Product Type

- 40.6% include Woven, Garments Wash, Apparels etc.
- 35.4% of the Factories Produce Textile Knit Products.
- 24.0% of the Factories Produce Denim Washing Products.

Sources of Water

- 95.3% of the factories use ground water
- 4.3% of the factories use supply water

Comparison of Water Consumption Among Different Segments



Effluent Treatment Plant (ETP) Type

- 50% Biological
- 28.2% Chemical
- 15.2% Bio-Chemical

Case Study

Not long ago, Tarasima Apparels Ltd. (TAL) was consuming 2.4 million litres of water per day at its manufacturing facilities. Since TAL started its Cleaner Production journey, water consumption has been reduced by over 36%.

Tarasima Apparels Ltd. (TAL) of Bitopi Group is a PaCT partner factory, and a leading supplier to global brands including VF Asia, H&M, Decathlon, and Benetton. Highly focused on improving resource efficiencies throughout its supply chain, TAL undertook several sustainable and innovative initiatives having payback as little as 0.7 years. (To read more [click here](#)).

KEY IMPLEMENTATIONS

- Installation of thermal oil heaters to cut down steam consumption
- Installation of a two-ton incineration boiler, resulting in savings in natural gas consumption
- Use of skylights in the cutting, washing, and finishing units
- Installation of Electro Cascade Reactor at the onsite Effluent Treatment Plant (ETP)
- Establishment of a bio gas plant, producing 56 m³/day bio gas from food waste

ENVIRONMENTAL BENEFIT

Water Savings - 40,560,000 l/year
 Electricity Savings - 105,000 kWh/year
 Natural Gas Savings - 1,073,280 m³/year
 Steam Savings - 21,840,000 kg/year

FINANCIAL BENEFIT

Investment - US\$ 1,398,520
 Cost Savings - US\$ 655,800/year

OTHER BENEFITS

Chemical Conservation, Improved Wastewater Quality, Improved Waste Management, Reduced GHG Emissions

“Manufacturing garments while respecting the environment is our mission. TAL started its journey to become energy efficient by joining hands with the Cleaner Production program in 2011. Adding to that interest, we also joined Bangladesh PaCT program with the same enthusiasm and since then, this journey has never slowed down.”

Hasan Mahmud
 Executive Director, Bitopi Group



PaCT is a partnership program that is supporting the textile wet processing sector in Bangladesh to move towards greater adoption of Cleaner Production practices, with a focus on reducing resource consumption and pollution, and contributing to the sector’s long term competitiveness. PaCT works in partnership with

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