

IMPACT SHEET • SWITCH-ASIA PROJECT
**JUTE: AN ECO-FRIENDLY ALTERNATIVE
FOR A SUSTAINABLE FUTURE**

Reducing poverty through promoting the SCP of eco-friendly jute-diversified products to SMEs



**A 15% increase in income for 25 000 workers
manufacturing jute-diversified products and their
dependents, in Bangladesh and West Bengal**



The Challenge

Jute is vital to the economies of India and Bangladesh. It is biodegradable, absorbs CO₂ and releases O₂ and N₂ in the atmosphere. However, during jute cultivation, jute plants are soaked in water for several days (a process called retting) in order to separate the fibres. This retting process destroys the quality of water and affects fish cultivation. Additionally, during production of Jute Diversified Products (JDPs), producers use dyes and chemicals which can cause negative environmental impacts. Addressing these challenges and encouraging production and consumption of eco-friendly JDPs helps to develop the jute industry in Bangladesh and India, to alleviate poverty and to ensure environmental sustainability.

Objective

The project aimed at reducing poverty and promoting economic prosperity by encouraging a switch to more sustainable production and consumption of eco-friendly Jute Diversified Products (JDPs) in Bangladesh and West Bengal, India.

Specific objectives included:

- To support 500 JDP-producing SMEs in Bangladesh and West Bengal, India;
- To promote eco-friendly production processes (reducing water and energy consumption, chemical residues and greenhouse gases emissions);
- To increase the use of environmentally-friendly dyes;
- To increase the demand for and sales of eco-friendly JDPs from Bangladesh and India (in Bangladesh, India and Europe);
- To increase sales by the target SMEs by 20%;
- To receive orders from at least 50 wholesalers for eco-friendly JDPs.

TARGET GROUPS

- JDP-producing SMEs in India and Bangladesh to build capacity in producing and marketing eco-friendly JDPs
- Local service providers to provide affordable services to the SMEs
- Institutional buyers and consumers becoming aware of and interested in buying eco-friendly JDPs
- Government of Bangladesh to bring in appropriate policy changes

Activities / Strategy

The Jute: An eco-friendly alternative for a sustainable future project aimed to increase domestic and international demand for eco-friendly products and to enhance the capacity of SMEs to produce market-driven eco-friendly jute products. To provide sustainable service and buyer linkages, two Business Facilitation Units (BFUs) were established in Bangladesh and India (West Bengal). The project also brought together stakeholders to address policy concerns, and ran an awareness campaign to increase the demand for eco-friendly jute products. Overall, this project sought to benefit at least 500 SMEs, 25 000 workers and their family members.



Addressing supply and demand of JDPs
 The project worked on both the supply side and the demand side improving business capacity to produce more marketable jute products and raising awareness of consumers. In Bangladesh, the consumer campaign started in May 2013 at the Jute Lifestyle Expo, a three-day exhibition for a new range of JDPs. More than 4 500 people visited the exhibition.

The main project activities included capacity building of local service providers and support toward jute SMEs to produce market-driven products. Through the BFUs, the project provided training sessions, one-to-one service, and need-based business and technical support to the SMEs.

Advocating Policy Changes
 The project conducted a policy research and, through discussion of the findings with stakeholders, prepared a policy draft, Jute Policy Position Paper, which was shared with all stakeholders to advocate favourable policy changes supporting a sustainable jute sector.



Scaling-up Strategy



Establishing service capacity

Establishing a pool of service providers was a key multiplier approach of the project. By November 2013, 45 SMEs in Bangladesh and 28 SMEs in West Bengal (India) received product design support from two Bangladeshi service providers and six Indian designers. Other service providers offered different services in finance, quality assurance, carbon footprint calculations, marketing, etc. Using these designers and service providers, the project provided support to more SMEs to build their capacity.



Enabling More Business Linkages

The Business Facilitation Units (BFUs) served as a central hub, providing market information to SMEs. Both BFUs linked SMEs with institutional buyers, as well as to individual buyers through participation at fairs. BFUs also organised buyer-seller meetings to enable business linkages and supported access to both local and international markets. Under the project, an annual Jute Lifestyle Expo was organised to promote eco-friendly Jute Diversified Products to general consumers and more buyer-seller meetings to link institutional buyers with the SMEs.



Setting up a JDP SME Association

An ad-hoc Committee of the Association of Jute Diversified Products Producers was formed in Dhaka and the registration process for SMEs started. The role of the association is to advocate SMEs' rights, to facilitate large orders and to negotiate with mills and government bodies. The association also acts as a wholesaler for raw jute material from the mills. While helping small producers to get better access to raw materials, the association operates as a service provider in terms of facilitation of orders.



Policy Uptake

A national jute policy draft was prepared in Bangladesh in 2011, and published as a gazette in April 2012. Discussion regarding the findings of the research with jute sector stakeholders resulted in a policy position paper, which was then shared with the project's core group, who advocated appropriate policy changes.



I enjoyed working in the Eco-Jute project. Before joining the project, I did not know that such wonderful products were possible with jute. Due to political unrest, we could not work properly. However, I believe that this project has contributed in creating interest about jute among consumers through developing new range of jute products. It is even more satisfying as jute is our own material and at the same time it is eco-friendly.

*Ismat Jahan,
Project Coordinator*



Results



Mapping Concluded

In both countries, the project undertook mapping exercises and in order to identify the status of JDP SMEs, networked with relevant stakeholders to gain further insights into the sector. Project experts also conducted baseline studies, domestic and international market research, and service assessment. The project identified major buyers and the existing constraints hindering the SMEs from tapping the market. The different research studies delivered insights into service gaps and prevailing export standards, labels and legislations.



Service providers Established

Business Facilitation Units (BFUs) were established in Bangladesh and West Bengal, providing need-based support to SMEs through the service providers linked with the project. The BFUs organised five training sessions on different topics in Bangladesh and nine in West Bengal, and provided coaching to SMEs through their service providers. By November 2013, 47 Bangladeshi SMEs and 101 Indian SMEs had received various services from BFUs.



New Range of JDPs

Supporting SMEs in developing a new range of JDPs was one of the major activities of the project. A European designer together with seven SMEs in Bangladesh and four SMEs in India developed 28 JDP samples for the European market. 43 Bangladeshi SMEs and 10 West Bengali SMEs also received support by local designers to develop new JDPs. In Bangladesh, four designers produced 425 new samples for the local market.



Consumers made aware

The new range of JDPs was exhibited at a three-day Jute Lifestyle Expo in Dhaka in May 2013. During the event, a consumer awareness campaign was organised, targeting general consumers and highlighting the new JDPs in order to gain leverage. The exhibition was covered by 7 TV channels and 19 newspapers with special features in three magazines.



Policy recommendation submitted

A Policy Position Paper was prepared based on policy research that engaged all stakeholders in various group discussions as well as in regional and national workshops. The policy recommendations included expanding the JDP industry to ensure the raw material availability; commercialisation of new products developed by the Bangladesh Jute Research Institute (BJRI); setting a price range to ensure a fair price for jute farmers; supporting the project of Balancing, Modernisation, Rehabilitation, and Expansion (BMRE) of the mills of both BJMC members and of private-owned mills; ensuring the availability of good quality seeds; re-excavation of canals for both irrigation and retting processes.











After the training, I evaluated myself and realised that my supervision and coordination needs to be stronger than before to assure clients of quality products. I shared the training skills with the concerned staff and follow it up.

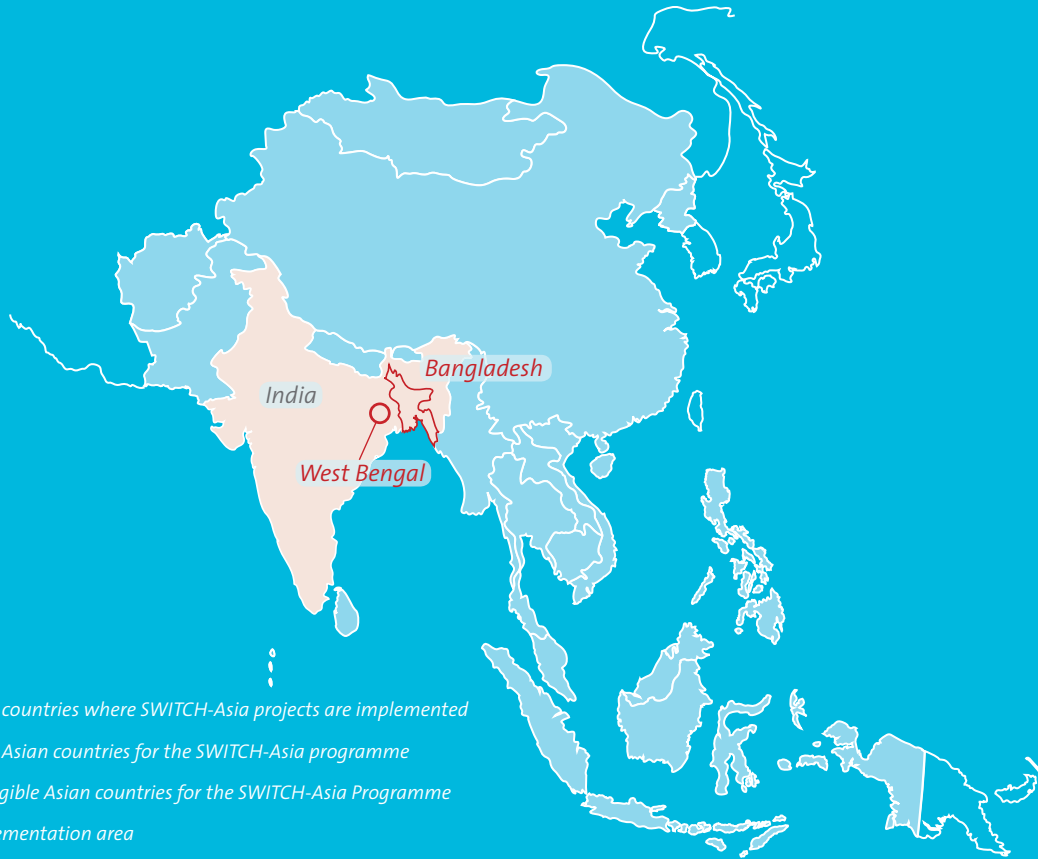
*Ms. Santona Momtaz,
M/s Parul Garden based in Dhaka,
Beneficiary of the quality control
training and design support*



Impact in Numbers

<p>Economic Impact</p> 	<ul style="list-style-type: none"> Up to November 2013, through facilitated business linkages, sales of Tk. 6 283 268 (around EUR 63 000) were generated in Bangladesh and Rs. 5 079 462 (around EUR 65 000) in India. During the exhibition in 2013, BFU received orders for 1 200 products worth Tk. 463 681 (EUR 4 700) and through facilitated business linkages, SMEs received further orders worth Tk. 330 032 (EUR 3 300). New types of green products were developed and marketed, e.g. jute jewellery, balls of jute yarn, jute belts, jute bags, etc. 	<p>Green Finance</p> 	<ul style="list-style-type: none"> 17 SMEs were linked to banks and helped to get green financing. 3 SMEs benefitted from better access to finance.
<p>Environmental Impact</p> 	<ul style="list-style-type: none"> Reduction of solid waste by 826 kg, used as fuel and raw materials, or sold as secondary products. Before the project, out of 12 SMEs that dye their products themselves, only one SME used reactive azo-free dye. Now four SMEs use azo-free dyes and protect their communities by discharging liquid waste into a pool. Eight SMEs started using natural dyes. The project calculated the carbon footprint of 40 SMEs and provided concrete steps for reduction. In the Increasing Awareness Programme about Eco-Friendly Production Process in West Bengal (India), 76% switched from GSL bulbs to CFL bulbs; 92% improved solid waste management. In Bangladesh, the project helped SMEs to recycle solid waste as fuel or a raw material. 	<p>Target group Engagement</p> 	<ul style="list-style-type: none"> 181 SMEs and 50 stakeholders were engaged in project activities, including government agencies, international research organisations and semi-governmental organisations. Relevant organisations received training to play a role as service providers. The organisations include Bangladesh Jute Research Institute (BJRI), Small and Cottage Industries Training Institute (SCITI), Micro Industrial Development Assistance and Services (MIDAS), and Bangladesh Small and Cottage Industries Corporation (BSCIC). Other organisations joined the events organised by the project and provided input to the research and studies. This stakeholder group included International Jute Study Group (IJSJG), Bangladesh Jute Research Institute (BJRI), and Jute Diversification Promotion Centre (JDPC).
<p>Social Impact</p> 	<ul style="list-style-type: none"> The project supported an SME to get vendor enlistment from a large telecommunication company, part of which was to improve the hygiene and safety measures (e.g. masks, First Aid boxes). In West Bengal, seven SMEs were mentored to provide health insurance for their workers under a scheme for poor people with low premiums. 	<p>Policy Development</p> 	<ul style="list-style-type: none"> Workshops were held for policy research dissemination and to identify key issues. A Policy Position Paper was submitted to further promote policy changes fostering eco-jute industry.
<p>Climate Benefits</p> 	<ul style="list-style-type: none"> Out of 34 SMEs in West Bengal, 33% shifted to an early working time to reduce electricity consumption, 45% switched to energy-saving electrical equipment; 22% rearranged their units to improve their resource efficiency. Most SMEs developed green belts to offset their carbon footprints. 	<p>Europe-Asia cooperation</p> 	<ul style="list-style-type: none"> Engaging Asian and European experts in a workshop on carbon footprint calculation at the SWITCH-Asia Networking Event in Kathmandu in June 2013.





Legend

- Eligible countries where SWITCH-Asia projects are implemented
- Eligible Asian countries for the SWITCH-Asia programme
- Non-eligible Asian countries for the SWITCH-Asia Programme

Project implementation area

- City
- Region
- Country

The boundaries shown on this map do not imply on the part of the European Union any judgment on the legal status of any territory or the endorsement or acceptance of such boundaries.

OBJECTIVES

The project aimed to ascertain domestic and international demand for eco-friendly products, enhance the capacity of SMEs to produce market-driven eco-friendly jute products, establish Business Facilitation Units for sustainable service provision, train service providers to provide effective and affordable services, bring together stakeholders to address policy concerns, and campaign with consumers to increase the demand for eco-friendly jute products.

DURATION



PROJECT TOTAL BUDGET

EUR 920,569
(EU contribution: 80%)

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