

IMPACT SHEET • SWITCH-ASIA PROJECT
**RE-TIE BANGLADESH: REDUCTION OF ENVIRONMENTAL
THREATS AND INCREASE OF EXPORTABILITY OF
BANGLADESHI LEATHER PRODUCTS**

IMPROVING WORKING CONDITIONS BY IMPLEMENTING CLEANER PRODUCTION



**RE-TIE BANGLADESH: REDUCES ENVIRONMENTAL THREATS
AND INCREASES EXPORT POTENTIAL OF BANGLADESHI
LEATHER AND LEATHER GOODS**



THE CHALLENGE

Tanneries in Bangladesh trigger three categories of waste: wastewater, solid waste and gas emissions. Also the use of resources is way above acceptable. Water consumption is unnecessarily high due to the free access and limited resource control. Chemicals, energy and other inputs are also being consumed at too high a rate, due to poor control mechanism, and lack of awareness. The leather industry in Bangladesh is situated in the midst of a densely populated residential area where people are living unaware that it is one of the worst polluted areas in the world. The incentive for small and medium-sized enterprises (SMEs) in this area to clean up their production practices lies in the improved exportability and competitiveness of their products that results when they reduce the inputs.

OBJECTIVE

The SWITCH-Asia project *Re-Tie Bangladesh: Reduction of environmental threats and increase of exportability of Bangladeshi leather products* aims to promote more economically and ecologically sound practices among SMEs in the leather industry and to increase the use of more sustainable technologies. As such, it addresses employment and income-opportunities through:

- More efficient use of resources, thus reducing waste and emissions;
- Better exportability by adhering to international standards such as occupational health and safety (OH&S), Corporate Social Responsibility (CSR), etc.;
- A policy framework supporting sustainable consumption and production (SCP);
- Strengthened institutional structures and outreach of SCP to SMEs

TARGET GROUPS

The main target groups are:

- Business membership organisations (BMOs), e.g. Dhaka Chamber of Commerce and Industry (DCCI), Bangladesh Finished Leather, Leathergoods and Footwear Exporter's Association (BFLFEA), Bangladesh Tanners Association (BTA)
- SMES (member companies of the participating sector associations and DCCI)

The final beneficiaries are the people living in residential areas around the tanneries. They benefit from less pollution, more OH&S measures and better employment opportunities, and the application of more corporate social responsibility.

ACTIVITIES / STRATEGY



FOCUS ON CAPACITY BUILDING

The *Re-Tie* project trains staff and experts in the sector associations BFLFEA, BTA and DCCI so they can support member companies in their demands. It builds capacity for improved environmental practices, environmental technology and management. It established three sector units (focus groups), each lead by a trained facilitator (group consultant) who is coached in the provision of support to the tanneries. The project also trained 12 national experts in 'cleaner production' matters who serve as advisors to tanners.



INTRODUCING TECHNOLOGICAL INNOVATION

The project introduced technological innovations such as water meters, water mixing system, hair saving, solar water heating in pilot enterprises. Technological innovations were also presented during study tours for example to India. The Indian tour focused on Central Effluent Treatment Plants (CETPs) in order to capacitate the participants for the upcoming construction of a CETP by the Bangladeshi government.



STRENGTHENING EXPORT TIES

The project enables tanneries to produce in a less ecologically harmful way. To better market their products in Europe, project experts raised awareness on European environmental standards. More specifically, several study tours for selected tanners were conducted which included a visit to an international trade fair and consumer organisations. First business contacts were established between the members of the Toscana Shoe Manufacturers Association and the leather sector in Hazaribagh during a study tour to Germany and Belgium. To expand the number of contacts, the project prepared an export promotion guide.

REPLICATION STRATEGY



REPLICATION VIA BUSINESS MEMBERSHIP ORGANISATIONS AND LOCAL STAKEHOLDERS

The project has broad outreach to SMEs through its direct incorporation of the two main sector associations, BFLFEA and BTA and the most important chamber in Bangladesh, namely DCCI. One of the innovative instruments introduced is the 'nucleus approach', established within BFLFEA, DCCI and BTA as the target groups. These BMOs play a key role in disseminating information and in consolidating the political dialogue between private sector and public stakeholders. The nucleus (or sector unit) approach helps to identify and define the specific needs and solutions for the companies present. Ideally 10-15 SMEs comprise one nucleus within the same sector and geographical area.

The project also successfully collaborates with the Bangladesh College of Leather Engineering and Technology (BCLET) and Bangladesh University of Engineering & Technology (BUET). Both organisations are actively involved and can use most of the training material developed directly.



Re-Tie Bangladesh is relevant and it is the first technical assistance project implemented in the Bangladeshi Leather Sector considered useful by the companies and the sector associations. These words come from a young leather technician who works in a tannery in Hazaribagh and is personally involved in the provision of OH&S workshops. We realise this especially now since the companies have to move to a new industrial estate for environmental reasons and actively seek project support. We are very glad about this outcome of the project but will not

do their work for them. We want them to do it themselves and therefore support thru technical assistance and facilitation.



*Gerhard Weber,
project director,
sequa*



REPLICATION VIA PEER EXAMPLES

12 tanneries are selected as pilots and serve as good practice case studies for others in Bangladesh. Several international and national experts provide them with support in order to reduce water and energy consumption, minimise hazardous components, and address OH&S issues. Their practises serve as show case to other tannery owners in Bangladesh. As a key SCP replication mechanism the project includes training of local experts and staff of enterprises in the sector, implementing sector units to work on SCP matters within the BMOs, and dealing with SCP issues with SMEs.



REPLICATION VIA ACCESS TO MARKET

The increased exportability of local products serves as great motivation to SMEs to improve their production practices. By creating awareness of European market requirements, tanners gain an understanding that economic success in the near future depends on environmentally friendly production since consumers are demanding products produced in an environmentally and socially acceptable way.

RESULTS

Most of the SMEs targeted had been working with machinery 40+ years old and had no real plans to change it until they saw the benefits of cleaner production practises. They began to question their own production methods. The combination of greater awareness, more capacity within the BMOs, trained local experts, and pilot tanneries is now enabling extension and replication of project results.



GROWING AWARENESS THAT ECONOMIC SUCCESS IS CONNECTED TO ENVIRONMENTAL PRACTICE

Being able to make the link between economic sustainability and the environment also means that economic success in the near future is understood to depend on environmentally friendly production: consumers want products produced in an environmentally and socially acceptable way. SMEs are now more aware of energy saving, solar water heating, using water meters, and improved occupational health and safety practises. According to participants, the last study tour to Europe was an “eye opener” revealing, as it did, new perceptions of the environmental and social aspects of leather production.



CAPACITY BUILDING MATERIALS FOR CLEANER TANNERIES DEVELOPED

This included the training, employment and coaching of 12 national experts in ‘cleaner production’. More than 30 training sessions, workshops and conferences, were conducted, attended by more than 1 000 participants. Twelve pilot tanneries participated directly and more than 50 were frequently involved. Training materials including handbooks, interactive materials, production guidelines

and other material on innovation were prepared and disseminated via the sector units to about 400 SMEs. The project also disseminated results further afield to other stakeholders in Bangladesh.



FUTURE OF THE BANGLADESH TANNERY ESTATE

The project involved policy-makers as much as possible and worked directly with government departments relevant to the sector. Its recommendations concerning the physical infrastructure of the new tannery development at Savar, north of Dakar, were acknowledged by the Government of Bangladesh and in some areas the Ministry of Industries requested more detailed recommendations for example with regard to solid waste management. Since the government signed the contract with the construction company for the CETP, the impact of the project is visible. The BMOs representing the tanners are now in a better position to assure that the CETP will serve their needs.



PARTNERSHIPS ESTABLISHED AND STRENGTHENED

The project established strong partnerships in the sector. The Ministry of Industries offered to organise a joint workshop for the leather sector and is requesting technical assistance in certain areas. The leather college in Dhaka offered space to hold seminars during the course of the project. The Export Promotion Bureau (EPB) will organise a workshop with DCCI for leather and leather goods exporters.



My tannery is one of 12 pilot tanneries. We installed solar water heating, water consumption management techniques, adjusted machineries such as drums and were trained for better health and safety awareness. Solar water heating and improved production technology are reducing my costs. I save money for gas, chemicals and water. The government is establishing a new tannery estate outside of Dhaka. I will consider these and other technologies already in my construction plans before shifting there.

Mr. Shah Amran Patwary , Proprietor M/S. Lien Enterprise, Hazaribagh, Dhaka, Bangladesh, with 18 years' experience as a tanner.



IMPACT IN NUMBERS

ENVIRONMENTAL IMPACT



- COD/BOD (chemical and biological oxygen demand) reduced by 30%
- Water consumption reduced by 30-50%
- Chrome content reduced by 60%

SOCIAL IMPACT



- Reduced risk of accidents and health hazards by implementing OHS measures

ENGAGEMENT OF TARGET GROUP



- More than 30 training sessions, workshop, & conferences attended by more than 1,000 participants
- 12 pilot tanneries participating directly and more than 50 frequently involved

POLICY LINKAGES



- Recorded interaction with policy-makers
- Recommendations for development of tannery site acknowledged by Government of Bangladesh





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.

OBJECTIVE

The project SWITCH *Re-Tie* aims for SMEs of the leather industry to work more economically and ecologically and to be more sustainable with the use of aligned technologies and practices.

DURATION



FUNDING

EC co-funding
Total budget: 2,071,001 EUR (EU contribution: 90%)

PROJECT CONTACT

Mr Gerhard Weber
sequa gGmbH
Alexanderstr. 10
D-53111 Bonn
Germany

Telephone: +49 228 9823822
Email: gerhard.weber@sequa.de

PROJECT CONSORTIUM



sequa gGmbH,
Germany



United Nations
Industrial Development
Organisation (UNIDO),
Austria



Berufliche
Fortbildungszentren
der Bayerischen
Wirtschaft (bfz),
Germany



Dhaka Chamber of
Commerce and Industry
(DCCI), Bangladesh



Bangladesh Finished
Leather, Leathergoods
and Footwear Exporter's
Association (BFLFEA),
Bangladesh



Bangladesh Tanners
Association (BTA),
Bangladesh (ass.
partner)