

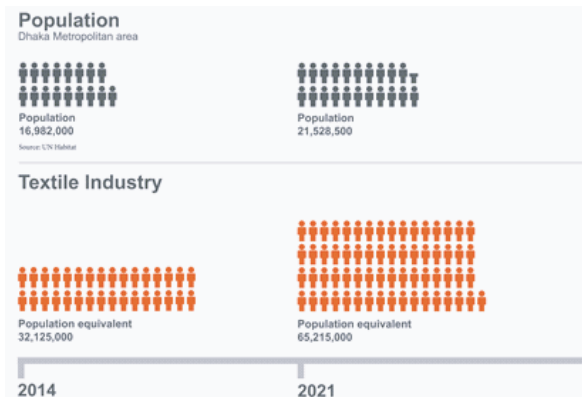
# Will We Have Enough Water for \$50 Billion in Exports?

## The Textile Sector is Taking Action

Bangladesh's textile sector has a goal of reaching \$50bn in exports by 2021. To attain this goal, we need water - a lot of it! Today, for every kg of textile produced, our factories typically use 250 liters of water for washing, dyeing, and finishing; that's the daily water requirements of two people. Overall, the sector today uses as much water as required by two cities the size of Dhaka.

If our environmental practices don't change by 2021, the sector's water demand will double. This is risky: our water table has been declining by at least 2m per year. And consider: for every 20m drop in the water table, we spend about Tk 4,000 crore (half a billion dollars) on pumping water up from greater depths. This is a colossal amount, greater than the entire 2014-15 budget allocated for social welfare.

### A Comparison of Water Consumption of the Textile Sector and of greater Dhaka, in 2014 and 2021



Source: Arup Group Ltd and Water Resources Group

In principle, textile mills could use Dhaka's abundant surface water, but this is now too polluted for industrial use. Paradoxically, it is the textile industry itself that is

responsible for much of this pollution. Current levels of pollution have already taken a toll on agriculture and human health and a worsening situation will only undermine the country's aspiration for a mid-income status.

Fortunately, environmental initiatives are emerging, moving the sector from a culture of compliance-based practices towards taking responsibility for environmental performance through Cleaner Production.

Cleaner Production represents actions factories can take to minimize use of inputs such as energy, water, raw material, and to reduce waste and emissions, while maintaining or increasing product output. Cleaner Production practices also demonstrate to buyers that the factory is carefully managing resource consumption and cost, which is a sign of good business management.

If Cleaner Production becomes part of business-as-usual, then by 2021 the industry can reduce its water consumption by 20-50%, or more. In this way, the industry could double in size, without significantly increasing its water consumption.

### A POSITIVE PARTNERSHIP TO PROMOTE CLEANER PRODUCTION IN BANGLADESH

Some 70 wet processing factories are in the process of implementing Cleaner Production improvements. Some are at the start of their journey, adopting basic measures that make their operations more efficient, such as plugging leaks in steam pipes; others have begun investing in new equipment and processes that further reduce consumption of water, energy, and chemicals. **Mr. Imtiaz Iqbal, General Manager Corporate Sustainability of Yassin Knitex Limited**, says, "Our company invests in Cleaner Production because we believe this is a prudent step for the next generation and

essential for the growth of our business, keeping in perspective the resource scarcity in Bangladesh."

These factories are part of the Bangladesh Water PaCT: Partnership for Cleaner Textile. PaCT is a positive partnership to help factories bring Cleaner Production into their business-as-usual operations and to help the sector overall - including buyers, service and input providers and government - make Cleaner Production mainstream. The partnership includes eight leading brands: C&A, H&M, Inditex, (lead sponsors), and G-star, Kappahl, Lindex, Primark, and Tesco; as well as BGMEA, participating textile factories, DuPont, the Water Footprint Network, the Embassy of the Kingdom of the Netherlands (anchor sponsor) and the International Finance Corporation (IFC) and Solidaridad (co-implementors).

PaCT partners are showing leadership: for example, in addition to adopting Cleaner Production in their facilities, PaCT partners factories in the Konabari manufacturing cluster, North of Dhaka, are coming together to develop a roadmap for a Cleaner Cluster.

PaCT partner H&M has developed a water stewardship strategy to deliver improvements both in their own value chain as well as through collective action for better water management at river basin level.

"The PaCT program matches perfectly with H&M's water strategy. Together with partners we increase awareness, deliver real efficiency improvements in factories and engage stakeholders for collective solutions from local to national level", says **Shariful Hoque, Environmental Sustainability, H&M Bangladesh**.

Through PaCT, brands are also developing guidance material on environmentally optimized textile wet processing, which they can share with factories for a joint approach on environmental improvements. Says **Lars**

**Doemer, Global Sustainability Manager, Production, Lindex**, "Clear understanding and communication about environmental process requirements at all relevant product life cycle stages will improve production processes and add sustainable value to the final product. The guidelines should help create a common thread in communication among all critical parties involved."

### GIZ: IMPROVED ENVIRONMENTAL PERFORMANCE

Entrepreneurs and professionals in Bangladesh are becoming more knowledgeable and responsive to environmental issues. For example, GIZ has noted that more than 80 factories have improved their environmental performance, the industry is contracting 140 environmental advisors, and 200 factory staff were trained. This progress took place through "Promotion of Social and Environmental Standards in the Industry" (PSES), a program of the governments of Bangladesh and Germany implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, which supports the RMG sector to improve its environmental performance in the areas of international and national environmental laws, standards and codes, efficient use of resources and environmental management systems.

### CENTRAL BANK SUPPORTS ENVIRONMENTAL INVESTMENT

The Central Bank is committed to aligning development and the environment. "There are many ways in which businesses can introduce good practices in their operations that are environmentally friendly," says **Atiur Rahman, Central Bank Governor**, "Not all of them require huge investments. But for the ones that do, we are ready to ensure good access to finance."

### WATER RESOURCES GROUP: WE ALL HAVE A ROLE TO PLAY

Ensuring water security should not be the responsibility of water experts only. We all have a role to play.

That is the spirit behind the 2030 Water Resources Group, which is working in several countries, - such as India, Peru and Tanzania, and now Bangladesh - to bring together the private sector, government, water experts and other actors to share local data and global knowledge. This brings forward bold ideas and concrete plans to enhance water security.

The 2030 Water Resources Group has just started work in Bangladesh, and held its first dialogue in October. **Anders Berntell, Executive Director, Water Resources Group**, points out, "We are hoping that all actors will join the Water Resources Group in Bangladesh, and the private sector will play a leading role. The private sector has knowledge, experience, energy and the ability to innovate - and this should be brought to bear on an issue as vital as water security."

### BGMEA: TIME HAS COME TO MOVE FROM BEING JUST THE ENGINE OF GROWTH

For BGMEA, environmental sustainability is an integral part of the vision for \$50bn in exports by 2021. It goes hand-in-hand with increased productivity, well-managed factories, supply chain transparency, strong partnerships with buyers and worker health and societal well-being. BGMEA has created a program called TREES: Towards Resource Efficiency and Environmental Sustainability, under which it is offering several groundbreaking initiatives on the environment, including the **Textile Technology Business Center (TTBC)**. The Center, first of its kind in Bangladesh, is a knowledge hub that supports textile factories in adopting best practices and technologies that improve business and environmental sustainability.

Launched in May 2014, by Netherlands Minister for Trade and Development Cooperation, TTBC

provides practical and unbiased information on best available technologies, business-to-business linkages, and financing to factories, service providers, input suppliers, knowledge institutions and others. The TTBC covers such topics as Cleaner Production, Occupational Health and

Safety (OHS) and Water, Sanitation and Hygiene (WASH).

**BGMEA Vice President Md. Shahidullah Azim** says, "An institution that connects the industry with academia and provides localized, tailor-made solutions is vital if we are to ensure long term sustainability of the Bangladesh textile sector. For the textile sector in Bangladesh, time has come to move from being just the engine of growth to becoming the leader in sustainable development."



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