



## IFC-PRI organize Dialogue to Enhance Environmental Sustainability of the Bangladesh RMG sector

Thursday, Aug 4, 2022

Dhaka, Bangladesh, August 3, 2022 – To enhance the environmental sustainability of Bangladesh’s ready-made garments (RMG) sector in the aftermath of the COVID-19 pandemic, Policy Research Institute (PRI) and the International Finance Corporation (IFC) organized a dialogue to enhance environmental sustainability of the Bangladesh ready-made (RMG) sector at an event in Dhaka today. About 50 government officials, representatives from global apparel brands and industry and other stakeholders participated at the event.

The RMG sector contributes one-fifth of the Bangladesh's gross domestic product and more than 80 percent of its export earnings, while directly employing more than 4.5 million people, mostly women. However, it is also the biggest industrial contributor to Bangladesh's carbon footprint.

Miran Ali, Vice-President, BGMEA, said "the garments sector has come a long way since the establishment of IFC's Partnership for Cleaner Textile (PaCT), which showed the industry a new path of competitive advantage by being responsible and making cost-effective and financially feasible changes in operation that reduce emissions." He emphasized on the importance of having a business case around sustainable solutions such as rooftop solar and rainwater harvesting in the sector.

At the event, stakeholders discussed the present challenges and opportunities in enhancing RMG sector sustainability during the post-COVID recovery stage. Some of the issues identified during the discussions included the necessity of a long-term sustainability plan, easier and greater access to finance, knowledge gaps and barriers that prohibit smaller manufacturers to get financing.

In 2015, IFC's PaCT launched a national-level dialogue program to address resource use efficiency and environmental sustainability of the RMG sector in Bangladesh, under which several regulatory reforms were enacted. As part of this initiative, PaCT organized a series of public-private dialogues which convened stakeholders related to the RMG sector to work collectively towards lowering sectoral barriers and creating a more enabling environment.

"The ready-made garment (RMG) sector needs to address environmental challenges and make further strides towards greening production. Some sectoral and regulatory barriers remain, but I am very confident that the RMG sector will rise to the challenge and become even more energy efficient," said Martin Holtmann, IFC Country Manager for Bangladesh, Bhutan and Nepal.

Dr. Ahsan Mansur, Executive Director, Policy Research Institute (PRI) was the keynote speaker at the event. During his presentation he focused on the potential for rooftop solar power, reducing input materials through greater resource efficiency, recycling and reusing waste. “We need to help accelerate the process so that the targets can be realized. Financing, regulatory changes, customs and tax policies and incentives are important issues that needs to be solved through continued cooperation and policy discussions with specific agencies,” he concluded.

Mr. Khondkar Morshed Millat, Director, Sustainable Finance Department, Bangladesh Bank, Dr. Md. Jafar Uddin, CEO, Bangladesh Foreign Trade Institute and Mr. Golam Sarware Kainat, Member (Joint Secretary), Renewable Energy, SREDA, were present at the event. Other participants included representatives from Bangladesh Standards and Testing Institution, Bangladesh Export Processing Zone Authority, Bangladesh Investment Development Authority, Tariff Commission, high officials from the Embassies of Denmark and the Netherlands, as well as industry representatives and civil society organizations.

The Partnership for Cleaner Textile (PaCT II) program is funded by the government of Denmark through the Danish International Development Agency (DANIDA) and the Embassy of the Kingdom of the Netherlands in Bangladesh.