

People's Oriented Program Implementation (POPI)
Sustainable Enterprise Project (SEP)

A short brief of the Project:
 Name of sub-sector: Leather Product (belt) & Shoe Making
 Sub Project Name: Promoting Footwear Microenterprise to Environmentally Sustainable Microenterprises in Kishoreganj District.

Project Location: 3 Upazilas in Kishoreganj district (Bhairab, Bajitpur and Kuliarchar Upazila under Kishoreganj district)

No. of Project Participants: 1090 microentrepreneurs

Project Duration: 25 November, 2019 to 24 November, 2022 (03 Years)

Project Budget: BDT Total: 190300000 Tk; Component 1: 40300000 Tk; Component 2: 15,00,00,000 Tk/-

Financed by: The World Bank

Technical support by: Palli Karma Sahayak Foundation (PKSF)

Project

Background:

Enhancing environmental sustainability and climate resilience are becoming increasingly important for sustaining Bangladesh's economic progress. Bangladesh ranked 173 out of 180 countries on Yale's 2016 Environmental Performance Index. Globally, Bangladesh ranks among the countries with the economy most at risk due to the impacts of climate change. The rapid growth of manufacturing, dominated by micro, small and medium enterprises (MSMEs), has led to a massive increase in natural resource use and degradation and to growing air, soil and water pollution. Reducing negative environmental externalities has been identified as a priority area for Bangladesh to continue progress toward reducing poverty and inequality. Embarking on a greener growth pathway would provide major benefits for Bangladesh in terms of increased productivity and innovation, access to new markets, generation of public revenue, and reduction of vulnerability to shocks. In the microenterprise sector, attention to environmental sustainability and climate resilience is limited due to a mix of capacity, market accessibility, knowledge and financial barriers. While the statistics show a high contribution to GDP from microenterprises, there is little evidence to show that microenterprises are growing in a sustainable way. The performance of micro, small and medium enterprises (MSMEs) is limited in terms of revenue earnings, machinery use, capital-labor ratio, and growth of value added, except labor productivity in some instances. Negative externalities, such as pollution, health impacts, or loss of productivity, are typically not reflected in costs, thereby reducing the incentive for microenterprises to shift to more sustainable goods and services, or collectively invest in better environmental technologies and infrastructure.

People's Oriented Program Implementation (POPI) is implementing this sub-project in Bhairab, Kuliarchar & Bajitpur upazilas under Kishoreganj district of Bangladesh financed by The World Bank and Technical support by Palli Karma-Sahayak Foundation (PKSF) under Sustainable Enterprise Project (SEP). This 03 year's (2019 to 2022) sub-project will support to achieve global goals of the main SEP project. The sub-project activities will be implemented in the business clusters of "Leather Product (belt) and Shoe making" sub sector to improve the overall business and environment of the microenterprises.

The Sustainable Enterprise Project (SEP) support microenterprises in agribusiness and manufacturing clusters with a focus on areas that are environmentally stressed and/or vulnerable to climate change and natural disasters. The project aims to support microenterprises through environment friendly investments (energy, water and resource efficiency) in the agribusiness and manufacturing sectors to promote environmentally sustainable technologies and practices among microenterprises in environmentally vulnerable areas, induce changes in the micro-lending ecosystem, and support the adoption of basic operational safety norms in project-supported enterprises. The project will consist of three components: (a) enhancing services and enabling systems, (b) strengthened access to finance for commercially viable environmentally friendly and resilient microenterprises, and (c) project management, knowledge management, and monitoring and evaluation. The project will prioritize (i) a selected number of polluting microenterprise business clusters, that can reduce emission and increase resource efficiency and (ii) the expansion of innovative economic activities that contribute to environment friendly clean and green business and climate resilience.