

The Role of Private Sector in Implementing Sustainable Development Goals (SDGs) in Bangladesh

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Introduction and Outline of the Presentation

- Through **2030 Agenda for Sustainable Development**, the World is going to embrace a **Transformative Journey**, in which Private sector is one of the main partners.
- **SDG 12** (Sustainable consumption and production) and some cross-cutting targets of **SDG 8 and SDG 9** have given specific importance to the Private Sector's role.
- The major areas focused here are-
 - Transformation of MDGs to SDGs
 - Role of private sector
 - Situation analysis of SDG 12 targets and 7th5YP targets
 - Private Sector and its role in implementing SDGs with special emphasis of 12, 8 and 9
 - Existing policies and projects related to SDGs
 - Resources and Challenges
 - Some Food for Thoughts

Success of MDGs & Birth of SDGs

- The MDGs were established following the Millennium Summit of the United Nations in 2000 which consisted 8 goals, 20 targets and 60 indicators.
- Bangladesh met several targets of the MDGs like reducing headcount poverty and poverty gap ratio, reducing the prevalence of underweight children, attaining gender parity at primary and secondary education, under-five mortality rate reduction, containing HIV infection with access to antiretroviral drugs etc.
- The incidence of poverty had declined on an average 1.74 percentage points in Bangladesh during 2000 to 2010 against the MDG target of 1.20 percentage points.
- Based on MDGs, SDGs were launched with much broader coverage

SDGs and Engagement of private Sector- Rio+20 (Earth Summit 2012)

- The Rio+20 -the third international conference on sustainable development in 2012 brought a change in the thinking about the **role of the private sector in sustainable development.**
- The SDGs have come to represent a great opportunity for the development community **to engage strategically with the private sector.** (The United Nations Private Sector Forum 2015).
- SDGs, adopted a set of goals to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda, officially known as 'Transforming our world: the 2030 Agenda for Sustainable Development' spans 193 UN Member States, announced on Sept 25, 2015.
- The SDGs reflect an ambitious development objective with a transformative vision. The SDGs framework, unlike the MDGs, has been formulated to be universal and applicable to all countries.
- Each goal has specific targets to be achieved over the next 14 years. These are an intergovernmental set of goals with 169 targets.



RIO+20
United Nations
Conference on
Sustainable
Development



The 17 Sustainable Development Goals



Source: United Nations

SDG- 12- RESPONSIBLE CONSUMPTION & PRODUCTION

- Sustainable consumption and production is about promoting resource and **energy efficiency, sustainable infrastructure**, and providing access to basic services, green and **decent jobs** and a better quality of life for all.
- Achieving economic growth and sustainable development requires that we urgently reduce our **ecological footprint** by changing the way we produce and consume goods and resources.
- The efficient management of our shared **natural resources**, and the way we dispose of **toxic waste and pollutants**, are important targets to achieve this goal.
- All these highlighted points have increased **responsibilities** of the private sector many fold to be more responsible for the use resources available in the earth.
- Government is in the process of preparing a **Strategy** aligning national policies with the SDGs

Comparison of SDG12 Goals with 7th 5YP

SDG 12 Targets	7 th FYP Targets
<p>12.1 Implement the 10-year framework of programs on sustainable consumption and production, all countries taking action, with developed countries taking the lead, taking into account the development and capabilities of developing countries</p>	<p>Not Addressed. Developed Countries need to be made responsible</p>
<p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources</p>	<p>Capacity development on resource accounting and natural resource management</p>
<p>12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses</p>	<p>Not Addressed</p>
<p>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment</p>	<p>Encourage different hazard based contingency planning like chemical and technological hazards, road and water safety, nuclear and radiological risk, biological hazards, landslide</p>

Comparison of SDG12 Goals with 7th 5YP

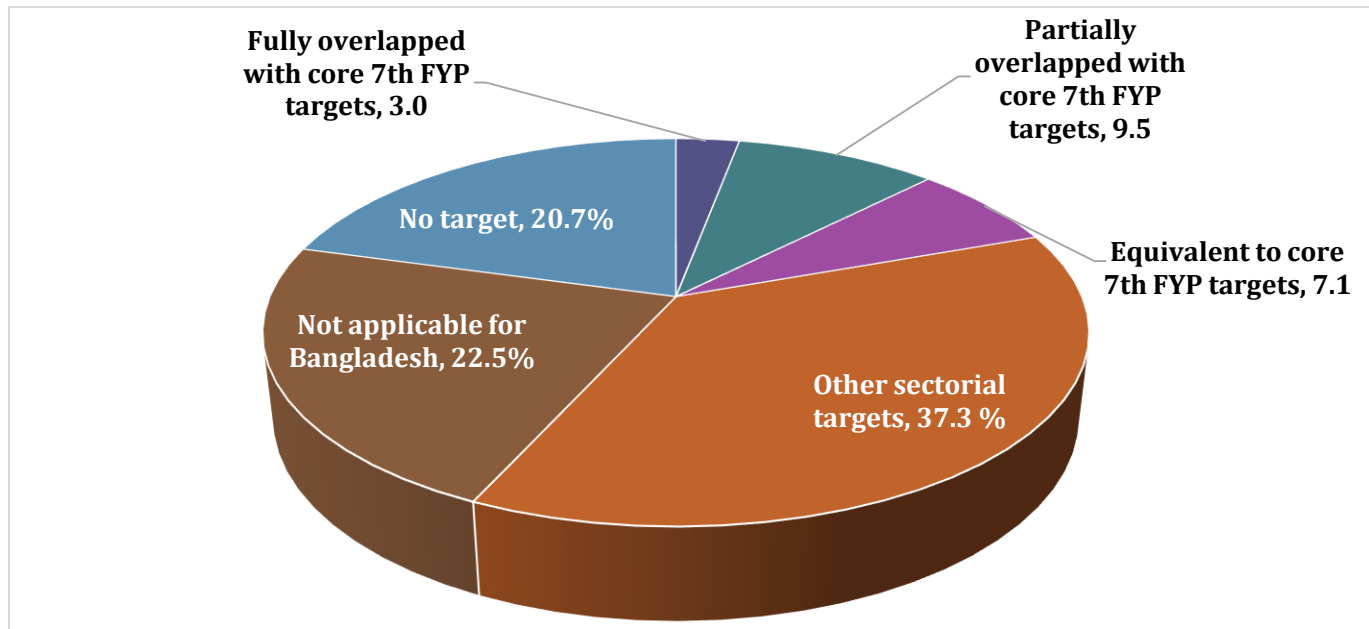
SDG 12 Targets	7 th FYP Targets
<p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<p>Design and implement plans on solid waste management in accordance with the 4R policy (reduce, reuse, recycle, reclaim)</p>
<p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>	<p>Private Sector would need to be engaged</p>
<p>12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p>	<p>Public Procurement Policies are in the process of updating. Private sector can be engaged for revisiting the policy</p>
<p>12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature</p>	<p>Should be included in the strategy</p>
<p>12.8.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production</p>	<p>Supportive projects would need to be initiated. Private sector need special support in this respect. SDGs would need special attention for environmental, economic, legal, social, technological, political and ethical practices development.</p>

Comparison of SDG12 Goals with 7th 5YP

SDG 12 Targets	7 th FYP Targets
<p>12.8.b Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products</p>	<p>Eco-tourism promoted at least in 20 protected areas and ECAs</p>
<p>12.8.c Rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities</p>	<p>Primary energy subsidy will be capped at around 1% of GDP</p>

Source: Govt. Policies, CPD, BUILD

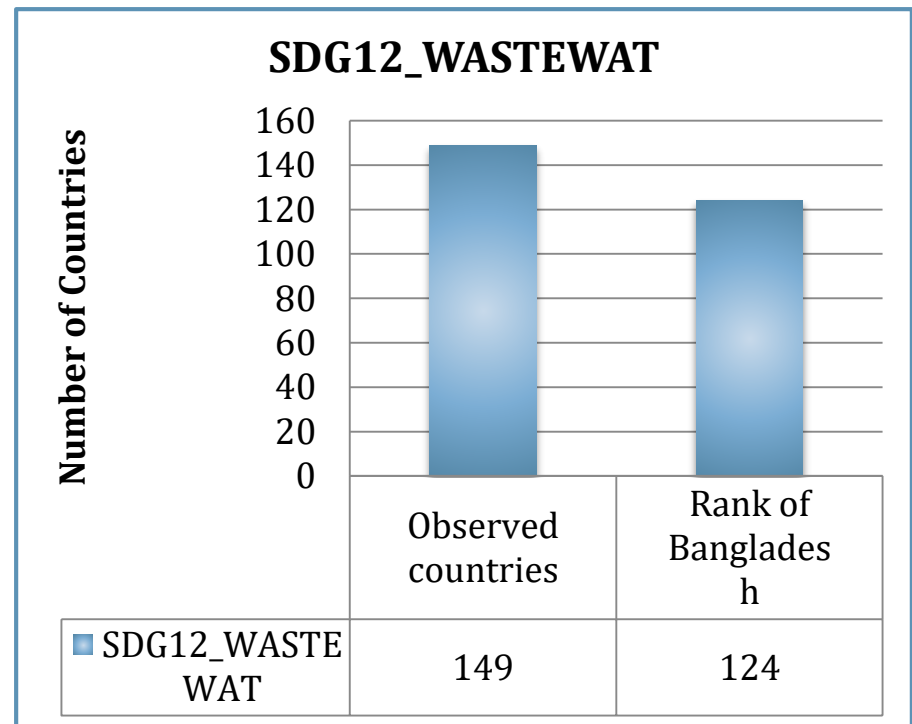
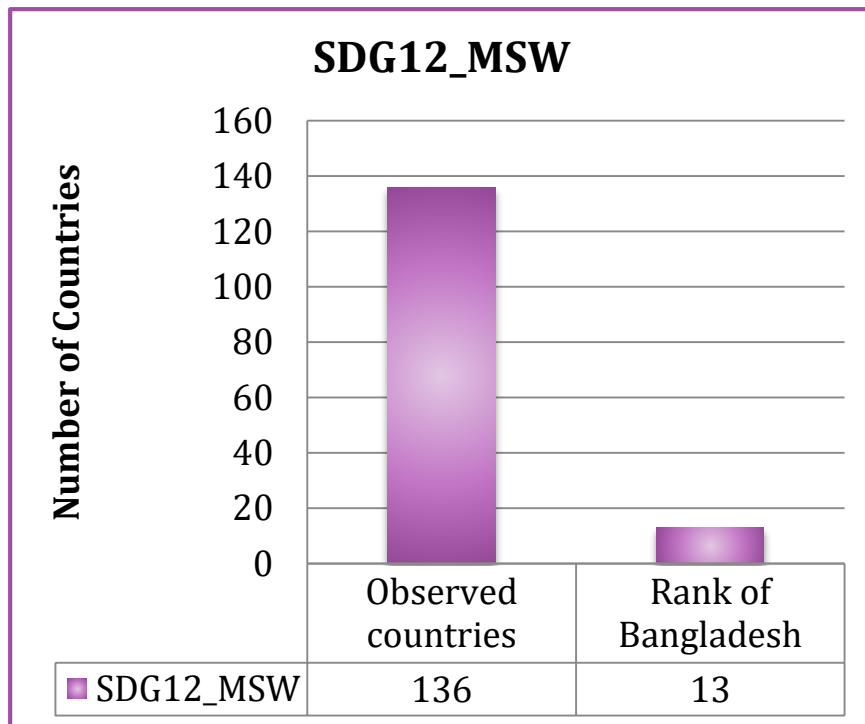
Comparison of SDG12 Goals with 7th 5YP



- The 12.5 and 12.c targets of SDG 12 are partially overlapped with the 7th FYP targets.
- The 12.2, 12.4 and 12.b targets of SDG 12 are equivalent to the 7th FYP targets
- National Sustainable Development Strategy 2010-21 is the sectorial policy for achieving SDG 12.

Rank of Bangladesh Related to SDG12

- In the SDG Index & Dashboard used by UN Sustainable Development Solutions Network (UNSDN), Bangladesh was ranked
 - **13** among **136** countries on Municipal solid waste (**MSW**)
 - **124** among **149** countries on Waste water treated (**WASTEWAT**)



SDGs 8: Promote Sustain, Inclusive and Sustainable Eco Growth, Full & productive Employment and Decent Work for all(Ten Goals)

- Sustain per capita income(7% for the LDCs), end Child Labour by 2025, protect labour rights
- Sustenance of per capita economic growth and Productivity through Diversification
- Technological upgrading and Innovation
- High Value added and labour intensive sectors
- Growth of Micro and SME through access to Finance. Strengthen the capacity of the domestic FI
- Improve **global resource** efficiency in consumption and production progressively
- Education and Training

SDG 9: Build resilient infrastructure, promote inclusive & sustainable industrialization & foster Innovation(5 goals)

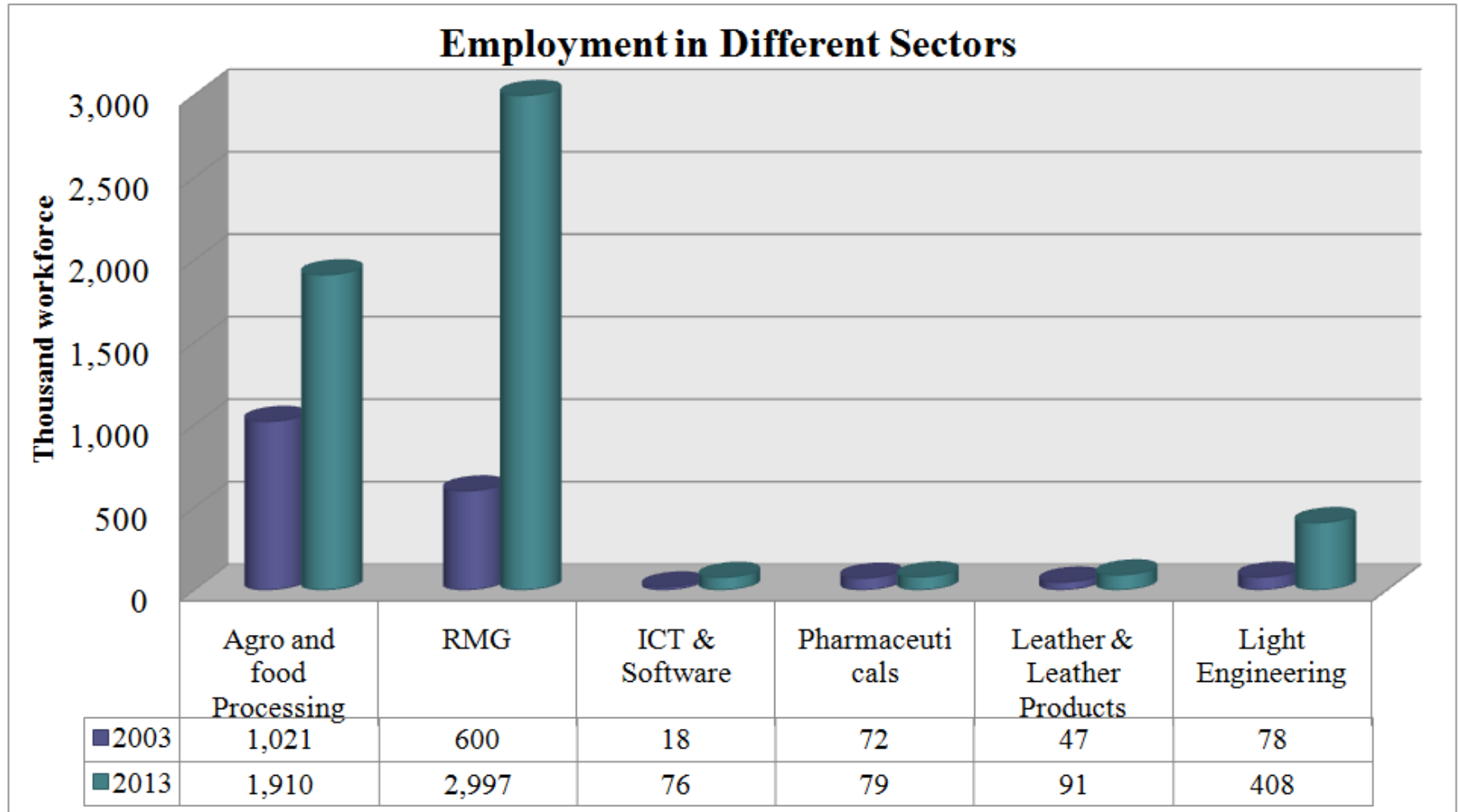
- Sustainable & Resilient Infrastructure including regional and transborder infrastructure
- To support economic development with affordable and equitable access for all
- Promote inclusive and sustainable industrialization and significantly raise industries share of employment and GDP
- Increase access of SMEs to finance to improve their contribution to the global value chain
- Increase resource –use efficiency and greater adoption of clean and environmentally sound technologies and industrial process
- Increase scientific research and upgrade the technological capacities, increase innovative and substantial number of research both in the public and private sector.

Private Sector in Bangladesh

- Private sector is recognized as the primary engine of growth, owning and operating production systems and accounting for most of the investment of the country.
- Total Investment outlay of 7th FYP is BDT 31.9 trillion or USD 407 billion, of which share of private sector 77.3%(USD 314billion) and share of public sector is 22.7%(USD 92 billion). Meaning Private sector has a significant stake.
- Gross Domestic Investment as % of GDP would need to increase from 28.97% to 34.4%. FDI is supposed to increase from USD 2.25 billion to USD 9.56 billion
 - According to The Industrial Policy 2016 of Bangladesh the high priority sectors are:-
 - **Agriculture & Food Processing**
 - **Readymade Garment**
 - **Information Communication Technology & Software**
 - **Pharmaceuticals**
 - **Leather & Leather Products**
 - **Light Engineering**
 - **Jute & Jute Goods**
- In the past there were **32 Priority sectors**, Private sector proposed to reduce the number and extend support to these sectors to come up in a bigger way. For this **7 High priority** sectors there is a serious need of **Sectoral Strategy** so that Private sector can investment significantly in these sectors.
- Main target of the National Sustainable Development Strategy 2010-2021 is to develop Bangladesh through economic, social development and environmental protection (Section 1.4 of Industrial Policy 2015)

Employment Situation (SDG 8)

in thousand



Source: Labor force survey

Employment Projection

- The manufacturing sector includes large medium and small scale manufacturing firms; it generated employment for 12.38 percent of the labour force in 2010. The contribution of industry to employment generation is thus not encouraging despite growth of labour intensive industries. (NSDG)
- The share of manufacturing employment was to expand from 12% to 16% over 2010 to 2015 (7th 5YP).
- This indicates that the employment generation was expected to grow at an average rate of 6%
- Keeping the same expectation of contribution in employment by the industries a projection can be made.

Employment Projection

in thousand

Sectors	2013	2015	2020	2025	2030
Agriculture & Food Processing	1910	2146	2871	3843	5143
Readymade Garment	2997	3367	4506	6030	8070
ICT & Software	76	85	114	152	204
Pharmaceuticals	79	88	118	158	212
Leather & Leather Products	91	102	136	183	245
Light Engineering	408	458	613	820	1098
Jute & Jute Goods	N/A	N/A	N/A	N/A	N/A

Assumption: Industry will grow employment by an average rate of 6% annually

Data Source: Labor force survey 2013 (BCIC at 2 Digit level, Page 137,138)

Vulnerability and the Country-the Convolutated Issues

- According to NASA data, August came in at 1.76°F (0.98°C) above the average from 1951-1980, 0.16C above August 2014, the previous record holder. The record keeps 2016 on track to be the hottest year in the books by a fair margin. It gives us a great concern on what the world climate is going to be.
- By 2050, if the current consumption and production patterns remain the same & with the rising population expected to reach 9.6 billion, we will need three planets to sustain our way of life.
- Bangladesh is widely recognized to be one of the most **climate vulnerable countries** in the world. Climate change will exacerbate many of the current problems and natural hazards the country faces now. Increasing temperature will affect agriculture production threatening the hard earned food security the country now enjoys. Increasing sea level may permanently submerge large tract of flat coastal land forcing large scale migration.
- It has been observed that more than 300 different chemical compounds are being discharged into the river by adjacent industries.
- How favourable policies can address these issues.

Industrial Policy 2016 on Employment Generation

- According to section 2.1 of the Industrial policy 2016 one of the objectives of this policy is to create massive employment through partnership between public and private sector.
- According to section 2.2 of the Industrial policy 2016 it is the objective of the government to upgrade the contribution of human resources from 18% to 25% in 2021.
- According to section 15.6 of the Industrial policy 2016 training will be given to the human resources according to National Technical and Vocational Qualification Framework (NTVQF) in order to develop their skill.

Industrial Policy and Climate Change

- According to section 14.1 of the Industrial Policy 2016 it is imperative to create awareness among people about the harmful impact of the smoke and waste generated from industries.
- According to section 14.3 of the Industrial Policy 2016 the government of Bangladesh will give necessary facilities to those industries which will implement Clean Development Mechanism (CDM).
- According to section 14.7 of the Industrial Policy 2016 government of Bangladesh encourages the private sector to develop green industry.
- **The policies lack OBJECTIVITY.**
- **Industrial Policy is a Wish List, in order to implement the wishes, more time-bound plan with finance is required**

Other Policies on SDGs (Cont..)

- The **Vision 2021** has some addresses some areas and mentioned some goals like : Providing energy security for all, building sound infrastructure and managing urban challenges; Mitigating the impacts of climate change and promoting science and innovation for a knowledge based society etc.
- With support from UNEP the **National Sustainable Development Strategy (NSDS)** has been prepared to meet the formidable environmental challenges.
 - National Sustainable Development Strategy identifies Environment, Natural Resource and Disaster Management as one of the Strategic Priority Areas and articulates a wide variety of actions needed for sustainable development.
- The **Seventh Five Year plan** in its chapter 8, covers “SUSTAINABLE DEVELOPMENT: ENVIRONMENT AND CLIMATE CHANGE”
 - Seventh Plan’s sustainable development strategy involves three key themes: Climate Change Management and Resilience; Environmental Management; and Disaster Management
 - Seventh Plan will also incorporate a Green Growth strategy to harmonize economic growth for better environmental sustainability.

Role of Private Sector in 'Responsible Production & Consumption'

➤ **Becoming Efficient User of Natural Resources**

- Companies can replace natural resources with waste & demolition waste (recycling), recycled minerals and increase the use of bio fuels.
- Responsible management of natural resources

➤ **Reducing Food Waste & Food Losses**

- Agricultural commodity traders can help to reduce postharvest losses by investing in and ensuring better access to processing, storage and transportation facilities
- Companies in private sector in Bangladesh can also donate products to food aid organizations or reuse them as a beneficial source of fertilizer

➤ **Achieving Environmentally Sound Management of Chemicals & Wastes**

- Companies in Bangladesh can minimize release of harmful substances with wastewater and pollution of local water and farmland by limiting the use of hazardous chemicals during the production process.
- Step up efforts to establish eco-design programs and take-back systems that include proper control and monitoring of e-waste.
- Using recycled nutrients as a substitute for mineral fertilizers

(Cont.)

➤ **Reducing Waste through Recycling & Reuse**

- IT based companies can contribute in collection handling and recycling of e-waste.
- The Pulp & Paper industry can increase recycling rates and, together with manufacturers, develop solutions that lead to less wood fiber use from natural forest sources in Bangladesh.

➤ **Integrating Sustainability Information into the Reporting Cycle**

- Designing manufacturing and using of efficient, safe and more environmentally sound chemical processes and products
- Food retailers can use their power and reach to promote more sustainable products to their customers

Resources for SDGs

Financial

- Government
- International Organizations (Donations or Borrowing)
- Private sector initiated Fund

Non- Financial

- Information Infrastructure
- Awareness Buildup
- Policy

- According to the estimates in the final report by the Intergovernmental Committee of Experts on Sustainable Development Financing (ICESDF), achieving the SDGs in all countries will require additional global investments in the range of \$5 trillion to \$7 trillion per year up to 2030.
- UNCTAD estimates that out of this, developing countries will need between \$3.3 trillion and \$4.5 trillion a year
- At current levels of public and private investment there will be an annual financing gap of \$2.5 trillion

Resource Status of MDGs-Bangladesh scenario

- Resource constraints was one of the major impediments to achieving the MDGs.
- The GED publication of "MDG Financing Strategy for Bangladesh" estimated that US\$ 78.2 billion was required for attaining all the MDGs in Bangladesh during 2011-15.
- According to the study, Bangladesh needed foreign assistance of US\$ 5.0 and US\$ 3.0 billion per year under the baseline and high growth scenarios respectively. The MDG Progress Report 2015 reveals that from 1990-91 to 2013-14, Bangladesh, on an average, received US\$ 1.74 billion ODA per year, **which has been far short of the required US\$ 3.0 billion per year.**

Some Significant Projects & Initiatives in Bangladesh

Project /Program Name	Initiative Taker	Description	Impact	Related Goal
GREEN Brick (Improving Kiln Efficiency in Brick Making Industry)	UNDP	Removing barriers to the widespread adoption of energy efficient kilns (specialized ovens for brick making) is the key objective.	<ul style="list-style-type: none"> The Supreme Court of Bangladesh ruled against brick-kiln in 11 ecologically critical areas. The Brick Manufacturing Control Act 2013 has been approved by the Cabinet. The Department of Environment has banned the traditional kilns and ordered their shut down by June 30, 2013. Awareness among the population through its media interventions and campaigns. 	SDG 12
BRESL - Barrier Removal to the Cost Effective Development and Implementation of Energy Standards and Labeling	UNDP	A training module and capacity building strategy has been created for manufactures, as well as Recommendations for revision of standards.	<p>Energy efficiency standards have been determined for:</p> <ul style="list-style-type: none"> Air-conditioners Refrigerators Electric motors Electric fans Ballasts for FTLs Compact Fluorescent Lamp 	SDG 9

(Table Cont.)

Project /Program Name	Initiative Taker	Description	Impact	Related Goal
TREES (Toward Resource Efficiency and Environmental Sustainability)	BGMEA	Partnering with PSES, GIZ. & taking Cluster Based Approach to enhance environmental performance in the factories this project aims to help factories improve their energy efficiency and environmental compliance.	<ul style="list-style-type: none"> •Annual Energy Saving: 1765527 kWh •Financial Benefit: 10972168 BDT •Annual Natural Gas Saving: 38300 m •Annual CO2 Emission Reduced: 799 Ton 	SDG 12
PaCT (Partnership for Cleaner Textile): A Holistic Program	Bangladesh PaCT	Helping factories identify and implement Cleaner Production measures in water, energy and chemical use in the dye house, within the factories' utilities and effluent treatment plants (ETPs), and through housekeeping.	<p>By joining PaCT factories will be able to-</p> <ul style="list-style-type: none"> • Save resources and money • Increase capacity Empower management • Strengthen the relationship with buyers • Become socially responsible 	SDG 12
Sustainability & Green Growth WC	BUILD	BUILD was very closely working with PaCT and an initiator of TSP. The activities of TSP will be subsumed with Sustainability and Green Growth WC of BUILD	<ul style="list-style-type: none"> • Public and Private Sector will work together for sustainability and green growth and will report to the PMO 	SDG 12, 9 and 8

(Table Cont.)

Project /Program Name	Initiative Taker	Description	Impact	Related Goal
(PSES)Promotion of Social and Environmental Standards	GIZ BUILD would probably a partner for the next phase	To help garment factories implement the Labor Act 2006, as well as international social and environmental compliance requirements, the Bangladesh Ministry of Commerce and the German Federal Ministry for Economic Cooperation and Development (BMZ) developed the project Promotion of Social and Environmental Standards in the Industry (PSES), To help garment	This project will impact on- Skill development for garment workers Productivity improvement Competitiveness enhancement Energy efficiency Green factories It achieved- Over 2,400 factory staff were trained on lean manufacturing Productivity gains in participating factories ranged from 20 to 35%.	SDG 8
SED (Sustainable Energy Development) Program	GIZ	Supported by Ministry of power, water and mineral resources and German Federal Ministry for Economic Cooperation and Development (BMZ), GIZ is working for promoting the use of renewable energy as well as efficient use of energy.	<ul style="list-style-type: none"> • Developing the framework condition for promoting renewable energy and energy efficiency • Developing locally customized technological solutions on sustainable energy delivery 	SDG 12

Some Significant Projects Taken in Bangladesh

Project /Program Name	Initiative Taker	Description	Impact	Related Goal
TSP (Textile Sustainability Platform)	Bangladesh PaCT	Officially launched this platform recently in order to provide sustainability information.	<p>From this platform it will be possible to-</p> <ul style="list-style-type: none"> • promote efficiency in use of resources • environmental sustainability in the country's lucrative textile sector 	SDG 12
Bangladesh Water PaCT: Partnership for Cleaner Textile	IFC	The International Finance Corporation (IFC), with the support from the Netherlands government, launched the Bangladesh Water PaCT: Partnership for Cleaner Textile in January 2013. The program aims to initially support factories in specific geographic clusters to reduce their water footprint.	<p>The impact of this program will be in three areas-</p> <p>(a) implementing cleaner production practices,</p> <p>(b) improving water resource management awareness and systems,</p> <p>(c) investing in technologies that will significantly reduce water consumption and effluent.</p>	SDG 12

Challenges

(Stated in NSDG)

Population
Poverty and Inequality
Unplanned Urbanization
Energy Security
Inefficient Water Resource Management
Natural Disasters
Climate Change

Bangladesh in different horizon

12:00 AM, April 27, 2016 / LAST MODIFIED: 12:00 AM, April 27, 2016

COPENHAGEN CONSENSUS

The Daily Star

The smartest ways to adapt to climate

“Bangladesh is one of the most vulnerable countries in the world when it comes to climate change. Millions of citizens are already exposed to severe natural disasters like cyclones, flooding, tidal surges, heat waves, and drought, and rising sea levels are compounding the effects of the sinking Ganges River delta.”

- Dr. Bjorn Lomborg

12:00 AM, April 25, 2016 / LAST MODIFIED: 12:08 AM, April 25, 2016

The Daily Star

Breaking free from fossil fuels

“Climate change is a real threat and Bangladesh is at the very forefront of that change. The Intergovernmental Panel on Climate Change has warned that rising sea levels will wipe out more cultivated land in Bangladesh than anywhere in the world. And then there's the threat of mass migration, which is already a reality. It's being estimated that by 2050, around 15 to 40 million people will migrate from their native place”

Palash Ranjan Sanyal

The Daily Star

WEDNESDAY, "APRIL 27, 2016"

Bangladesh poised to be a top investment destination

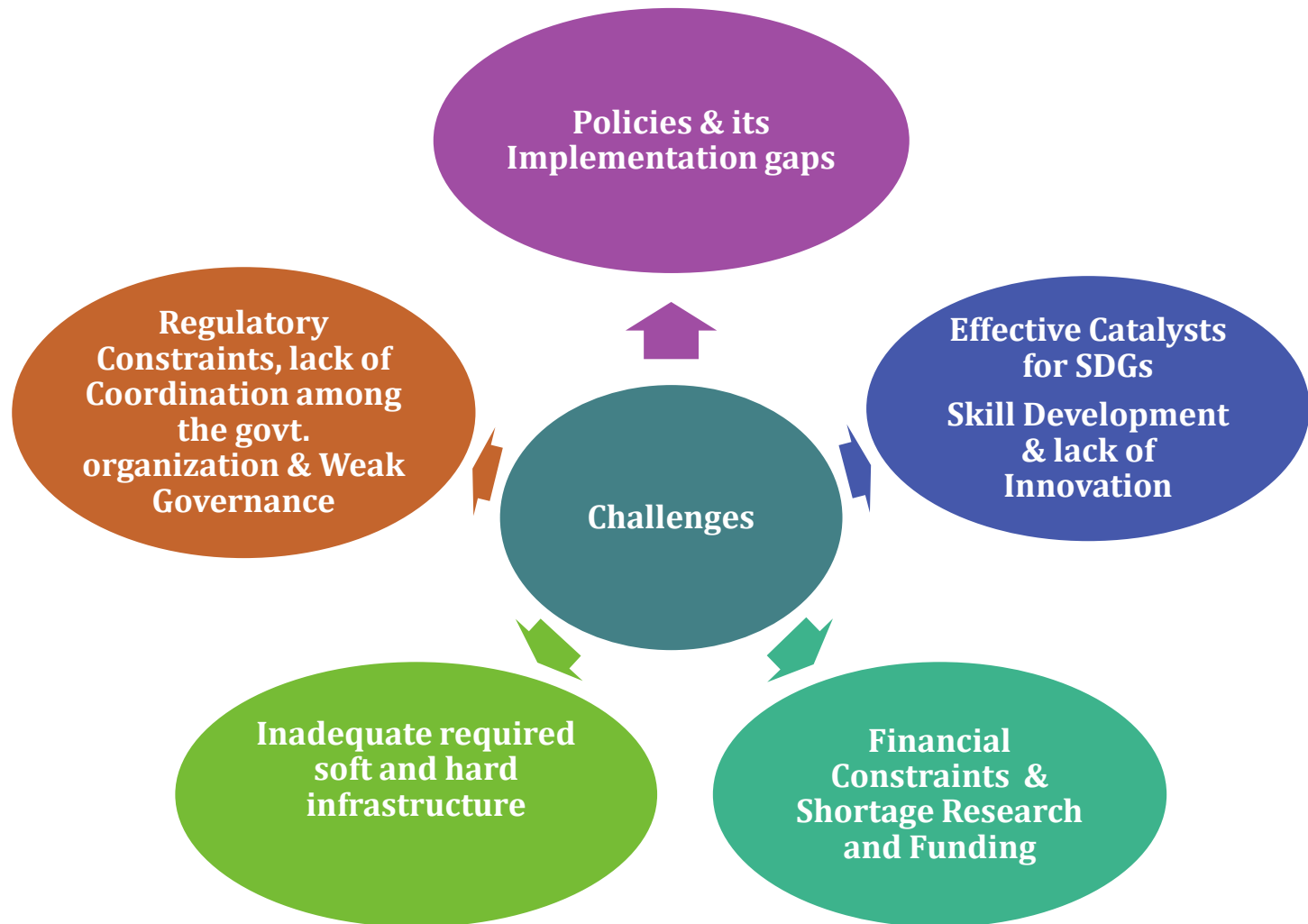
*Minister AMA Muhith says at
Bangladesh Investment Summit
in Hong Kong*

Article 18A of the constitution states
“The State shall endeavor to protect and improve the environment and to preserve and safeguard the natural resources, biodiversity, wetlands, forests and wild life for the present and future citizens”

Decisions of the COP21 is non transparent

- SDGs are a Global issue, shared responsibilities have to be ensured. COP21 signed the Paris Agreement but responsibilities are not shared equally. The countries that sign the agreement pledge to “reach global peaking of greenhouse gas emissions as soon as possible,” without specific date. Adaptation, and loss and damage are left in dark; No legal actions can be taken
- Climate Induced **Displacement** -not be included in the agreement. LDCs Climate Finance is not ensured to sustain-external finance mechanism is stringent
- Specific measures for Parties to **de-carbonize their economies** is not clear. Carbon Trading, Carbon taxation- how to implement. **Climate Refugee**-How to tackle these
- Although the Agreement for the first time recognizes the concept of “loss and damage”. However, the Decision (CL52 of the Decision and Article 8 of the Agreement) makes clear that developed countries **will not accept liability for climate compensation. Non-Economic Losses-How to count**
- **Article 28 of the Agreement has a provision of withdrawl without sanction**
- **How Poor countries will survive is a big question?**
 - We need to robust national policies and innovative solutions and closer public private activities.

Challenges – Bangladesh Perspective



Way Outs- Need both national & International efforts

10/10/2016

- Availability of scientifically proven **Information so that a national action plan** aligning with the SDGs, Climate Change can be prepared in close consultation with the private sector.
- All **policies** of the Government should be coordinated and aligned in order to achieve SDGs.
- Industrial Policy, Agricultural, Jute Policy, ICT and other Sectoral Policies should have coordinated role to address these issues.
- A **Data base** of activities/Projects being implemented in the country should be shared and available to all concerned to avoid overlapping and duplication.
- Benchmarking of resource use-taking examples of successful countries
- **Enforcement** capacities taking care of the Private sector affordability is a must
- Private sector **awareness** –Need assessment
- In all mainstream policy level areas **private sector** be involved
- A Private Sector **Task Force** can be established to put forward integrated opinion to the government
- Utilization of **PPD Platform** to put forward common views without confusing the Govt.
- Support from the donor organization-how best can be availed and utilized. GCF is still far from reality

(Cont.)

- Bangladesh is rather doing good in the national front, green financing and policies of Bangladesh Bank would need to be aligned with the need of the private sector.
- Technology and Innovation are mostly imported from other countries. We need home grown technology, education, science to be developed in this respect.
- For ensuring Mixed Governance, shared responsibility private sector need all related support, bureaucracy should be changed. It should be supportive and friendly to private sector.

Bangladesh-at a Glance



Thank you
so Much

