

Bangladesh INSPIRED

Developing SMEs

Newsflash

Training Programme on Cluster Development and Facilitation

A principle aspect of Component 1 of the INSPIRED Programme is the development of a National SME Development Strategy and Action Plan for Bangladesh along with the capacity building of implementing organisations. The National SME Development Strategy will also need to address implementation at the local level, meaning a level at which implementing organisations work together with clusters and companies. This process begins with targeting "priority sectors" and "priority clusters". The targeted sectors and clusters are likely to be from the list of booster sectors which will be the focus of support during the first few years of implementation.

This objective of capacity and skills development is being addressed by a series of Cluster Development and Cluster Facilitation training courses, the first of which was a 3-day training programme on Cluster Development and Facilitation. This was organized by INSPIRED Component 1 & 2b at BRAC CDM, Savar, on February 10-12, 2015. With 18 participants from the SME Foundation, including Md. Mujibur Rahman, General Manager, SME Foundation and Md. Mamunur Rahman, Deputy General Manager, SME Foundation, the sessions allowed for close interaction and critical thinking regarding cluster identification, as well as on issues related to working with small firms in industrial clusters of Bangladesh. Mateja Dermastia, Senior



Trainer of INSPIRED Component 1 & 2b, was the resource person for the training. She is also the President of Anteja ECG, part of the consortium of companies contracted for INSPIRED Components 1 & 2b and headed by BMB Mott MacDonald. She is working closely with institutions specialized in cluster policy and cluster development. She has hands on experience with cluster policy, cluster development programs, cluster initiatives as well as cluster management.

For the benefit of the participants, the programme was interactive from the very beginning, with active involvement following a "do and explain" approach. The participants were put in groups and roles were assigned for them to remember throughout the 3 days. The training provided an initial introduction and a thorough overview of the 'cluster' concept and the 'clustering' process of industries and institutions, focusing on how this methodology has been successful in

countries around the world. The focus then shifted to an overview of analytical tools, including the identification of individual clusters; how they are classified; which are the driving forces to the region's economy and which are not. Each step was simulated with the participants, simultaneously explaining and applying the tools in the context of relevant examples. Cluster development requires hands-on facilitation. Hence, the training placed heavy emphasis on the practical skills and steps for launching and maintaining a cluster development program. On the last day of the 3 day training programme, Md. Mamunur Rahman commented, "Cluster Development is one of the core areas of work for the SME Foundation. The training programme organised by Bangladesh INSPIRED has helped our staff re-think the SMEF approach to Cluster Development and I believe the knowledge we have gained will add a lot of value to our work."



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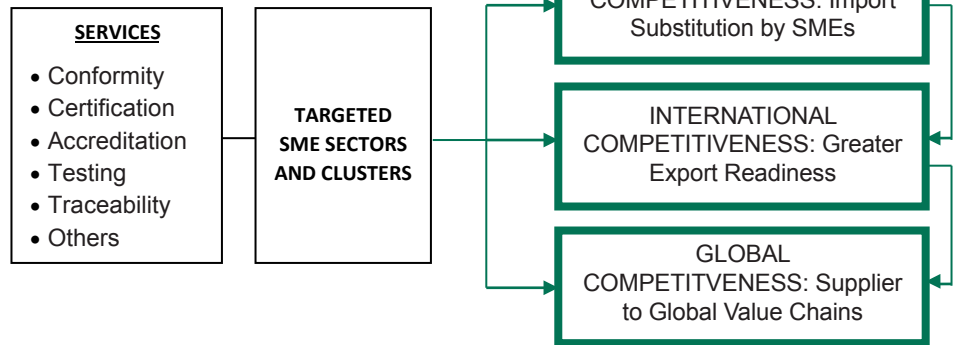


Ministry of Industries
The People's Republic of Bangladesh

SME Development Policy for Bangladesh being formulated

Under the auspices of the Ministry of Industries, the INSPIRED Technical Assistance team, together with the SME Foundation, began the process of developing the National SME Strategy and Action Plan in 2014, to cover the period 2015-2020. At present, the SME sector in Bangladesh is a major contributor to the country's economic growth, employment generation, and exports. In Bangladesh, SME growth and globalisation will be a step by step process with key SME sectors and clusters improving domestic competitiveness and export capabilities before emerging as global players.

This strategy will be complemented with a comprehensive set of sector development studies and strategies. The approach is centred on building domestic capabilities and supporting Bangladesh enterprises link to global markets, and reinforce each other in enhancing industrial competitiveness. The first step of the SME Strategy relates to the enhancing of domestic capabilities through concerted action on business start-up, quality network, skills development,



financing support and sector/company level competitiveness programmes. The second step is a focus on export competitiveness programme to support domestic business moving into export markets and strengthening links with international markets through global players and their supply chains and trade fairs. Lastly, to enhance exports, the strategy will focus on

existing exporters growing into global players through enhanced capacities, access to markets and market knowledge and partnerships with global players. The overarching objective is to ensure that even small business are recognised and engaged as part of an integrated supply chain, as opposed to being a peripheral supplier of goods.

Ministry of Industries and SME Foundation attend Teambuilding Skills Training



Officials of the Ministry of Industries (MoI) and the SME Foundation participated in a training programme on teambuilding skills at BRAC CDM Savar held on 9-10 May 2015. The programme, another example of

skills development and capacity building, was organised by INSPIRED Component 1 & 2b. The programme focused on developing effective teams in the workplace, work ethics and motivational

triggers for employees. Among other officials, Md. Mujibur Rahman and Shaheen Anwar, General Managers of the SME Foundation participated.

The training programme was delivered in order to support the institutional development of the National SME Infrastructure in Bangladesh. Md. Akbar Hassan, Senior Trainer of INSPIRED Component 1 & 2b, was the resource person. Mr. Hassan is involved with capacity building of major Bangladeshi corporations, including conglomerates, multinational organizations and financial institutions and has over 25 years of experience in the field.



H.E. Mr. Pierre Mayaudon attends the seminar on Greening the Garments Accessories and Packaging industries as Special Guest



A seminar on Greening the Garments Accessories and Packaging industries was organised by the Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association (BGAPMEA) on 17 January 2015 at the Bangabandhu International Conference Centre (BICC). The seminar was organised as part of the activities of the SME Competitiveness Grant Scheme Project of BGAPMEA under the EU INSPIRED Project (Component 2b). The garment accessories industry has grown keeping pace with the RMG industry in Bangladesh. The packaging industry too has grown as garments, food and other sectors which need packaging has become more important, including the pharmaceutical industry.

The seminar was chaired by BGAPMEA President Mr. Rafez Alam Chowdhury. "The export earnings from the country's garment accessories and packaging industries can grow to be as much as \$12 billion by 2018 should the sector gets effective support to grow," said Mr. Chowdhury.

At the seminar, Prof. Dr. Feroz Iqbal Faruque, Economist and National Consultant of the BGAPMEA Project under the INSPIRED SME Competitiveness Grant Scheme, presented his paper titled "Greening the Garments Accessories & Packaging Industry", and discussed the scrutiny that major industries are facing in order to become complaint.

He discussed compliance on three fronts: (i) social compliance which includes labour standards, fair labour, child labour, forced labour, working conditions, health and safety issues and free association of workers; (ii) environmental compliance; which include health and safety in the workplace, environmental issues, sound sanitation and waste disposal, drinking water, physical working conditions; and (iii) standards (ISO): includes a verification and certification process and provides amongst other

things: ECO labels – making identification of goods which follow the compliance requirements easier to identify by consumers.

Producing products in a way that is considered responsible and compliant by international standards is a long term goal but the BGAPMEA has begun the process. The message delivered at the seminar will be repeated to the members because they must take these factors into consideration or they will not be able to compete in the export market.

The nature and environment of Bangladesh needs to be cared for too and there is a big role of education and awareness building to be played by the association. The study report can be downloaded from the BGAPMEA website (www.bgapmea.org).

The chief guest of the seminar was Mr. AHM Mustafa Kamal, M.P., Honourable Minister for Planning. The seminar was also attended by special guests Mr. Abdullah Al Islam Jakob, M.P., Honourable Deputy Minister for Environment and Forests, His Excellency Mr. Pierre Mayaudon, Ambassador and Head of the Delegation of the European Union to Bangladesh, Mr. Farhad Uddin, Project Director, Bangladesh INSPIRED and Additional Secretary of the Ministry of Industries, Dr. M. M. Akash, Economist and Professor, Dhaka University and Professor Mustafizur Rahman, Executive Director, Centre for Policy Dialogue (CPD).

More information on the INSPIRED SME Competitiveness Grant Scheme can be found at www.euinspired.org.bd



Training on Technology Based Furniture Manufacturing at BFIOA

In the previous INSPIRED newsletter there was an article about the Training of Trainers (ToT) activity that was being carried out by the Bangladesh Furniture Industries Owners Association (BFIOA) under the INSPIRED SME Competitiveness Grant Scheme.

The first training program for the furniture SMEs to be conducted by those newly trained trainers, namely, "Training on Technology Based Furniture Manufacturing" took place at Sylhet from 20-25 April 2015 with 112 participants from 49 SMEs in Sylhet city and surrounding area. The inauguration ceremony took place on 20 April 2015 and was attended by the President of the Association Mr Salim Rahman, members of the Board of the Association with members of the INSPIRED

Technical Assistance team.

The President stressed the need for owners of SMEs to grasp this opportunity for their workers to be trained in skills which will help produce quality products and help their businesses to grow. The technical training took the trainees through from the slicing of timber through to producing a finished simple product with proper jointing and the minimum use of adhesives and nails. The training venue was kindly offered by Ahmed Furniture (Factory) in Sylhet and accommodated the demonstration machinery and the trainees for 5 days. At the end of the training, requests came in from 23 other SME owners asking for their workers to be trained at a later date. During this inauguration event the Sylhet Furniture SME owners formed their own committee as a



step toward greater cooperation. The 5 day training courses are due to be rolled out to Chittagong, Bolirhath, Rajshahi, Khulna, Barishal, Sylhet, Bogra and Noakhali. These courses too will be given by the trainers who received the original ToT training.



Bangladesh INSPIRED
Ministry of Industries
SME Cell, Room 534
91 Motijheel C/A, Dhaka

TA TEAM Office
Component 1 & 2B
Implemented by BMB Mott MacDonald
SME Foundation, Level 7
Royal Tower, 4 Panthapath, Dhaka

