

NGOs need new sources of fund

A top official of Brac says as post-LDC challenges loom large

JAGARAN CHAKMA

DONORS are likely to jump ship once Bangladesh becomes a middle-income country, meaning the local non-governmental organisations will have to find alternative sources of finance to carry out their development activities, said a top official of Brac.

Bangladesh is on course to graduating from the least-developed country bracket and on to the developing country in 2024.

"Some of the donors will move out to those countries where the need is greater, and Brac is well aware of the challenge," said Asif Saleh, senior director of strategy, communications and empowerment for Brac and Brac International.

To put it in good stead, Brac has been following a strategy of not depending on donor funding alone.

"It is a model that makes it possible to generate our own resources through investments and social enterprises. On the one hand, social enterprises meet social needs, and on the other it generates surplus to support our development programmes," Saleh told The Daily Star in an interview recently.

Brac has 13 social enterprises, including Aarong, Brac Dairy and Brac Seeds. It is set to acquire 26 percent stakes in edotco Bangladesh

and has invested in software company BITS, which is automating Brac's services.

It is also making small investments in socially aware start-ups.

"Our founder says all the time that in order for Brac to be relevant, it has to evolve with the changing needs of the society," said Saleh, who joined Brac in 2011.

For instance, Brac expanded its programmes to address the problem of youth unemployment, urban development, migration and financial inclusion.

On the other hand, it has scaled down some of its programmes, such as the one on water and sanitation as the problem of open defecation has mostly been addressed.

"One success criterion for the sustainability of the impact of our work is government adaption," said Saleh, who worked as a policy specialist for the UNDP-funded Access to Information Programme (A2i) at the Prime Minister's Office prior to joining Brac.

But one area where Brac's focus is steadfast is graduating the ultra poor from poverty.

Brac will spend Tk 300 crore on a cohort of half-a-million ultra poor by providing them assets and trainings.

Once upon a time, the focus was on ensuring access to basic services. Now, the focus has shifted towards



Asif Saleh

affordable and quality services, as the need for the basic services was met thanks to Bangladesh's economic and social development.

"But, we see a role for Brac there, too," said Saleh.

The NGO is also setting up a school, which will open its doors in 2019.

To be called Brac Academy, the

school will focus on giving education and training to children so that they have the skills required for the 21st century.

"We will emphasise on critical thinking," said Saleh.

At present, Brac provides training to youth through the Brac Institute of Skills Development.

"We are talking with the private

sector regarding their skills requirement and providing training in 13 different trades, which include graphic design, hospitality and tourism, and construction."

Brac is also working with the government to scale up high school and madrasa-based vocational training programme.

"We have a target to train 5 lakh

youths by 2021 and ensure employment for them so that they can bring about positive changes in their lives," said Saleh, who has an MBA from the New York University's Stern School of Business.

Brac is the largest responder in the Rohingya issue, he said, adding that about 3,000 employees of the organisation are providing assistance in nine areas including education, health, sanitation, and protection of women.

At the beginning it was providing support to the Rohingyas with its own funds. But later other donors such as the United Nations High Commission for Refugees (UNHCR), Australia and Canada came forward to support the work.

Regarding the success of Brac, Saleh gives all credit to Sir Fazle Hasan Abed's vision and management capability and the dedication of its staff, who work like a family.

Abed's continuous focus on building a very strong organisational culture that gives a lot of space to its workers has been the key to Brac and its sister organisations' success, said Saleh, who previously worked for illustrious names such as Goldman Sachs, Glaxo Wellcome, Nortel and IBM.

Today, the NGO has 43,000 full-time employees and another 30,000 project staff, teachers and volunteers across the country.

Apparel industry building sustainable businesses

AFRAIM KARIM

MARKETS earlier used to solely depend on supply and demand, and the prices and profit were contingent upon these forces. However, the emerging trends of the global economy are disrupting the economy in ways where businesses need to adapt to the increasingly informed consumers, agile digital competitors, and new customer segments brought by the connectivity of information technology.

cent of earnings from exports, and well over one-third of the employment.

The apparel industry has come a long way during the past two decades, wherein it has the highest number of green factories and half of the factories have effluent treatment plants.

The Accord and the Alliance, the two Western buyers' platforms working to improve workplace safety in Bangladesh readymade garment sector, have completed their tenure and the industry remains in positive rating. However, challenges remain in measuring

practices raise awareness," said Linda Germanis, project manager of the UNDP Innovation Hub, while presenting the keynote at the Thought Leadership programme.

The list of examples of financial value in sustainable practice goes on: increasing productivity through capacity building; offering decent work for employee retention and lower absenteeism; certifying good practices; and sourcing responsibly to mitigate risk.

A best example is H&M Plus, which aims to utilise 100 percent recyclable products as part

Trump says China to cut car tariffs in trade truce

AFP, Beijing

CHINA will roll back tariffs on US-made cars, US President Donald Trump said, unveiling another potential breakthrough in a trade war truce that cheered stock markets on Monday.

Trump's surprise announcement late Sunday came a day after he and Chinese President Xi Jinping agreed to suspend any new tariffs and give negotiators 90 days to strike a deal.

The ceasefire follows months of tensions and tit-for-tat custom duties on hundreds of billions of dollars worth of goods that raised fears of an escalation harmful to the global economy.

Both sides gained from hitting the pause button, with Trump securing a Chinese pledge to import more US goods and Xi staving off the further pressure that higher tariffs would place on his country's slowing economy.

Trump tweeted that China had agreed to "reduce and remove" tariffs of 40 percent on cars, though Beijing has yet to confirm the move.

China's foreign ministry declined to confirm Trump's assertion on Monday, instead saying: "On December 1 President Xi and President Trump reached an important consensus on trade issues."

"They agreed to hold off on the imposition of new tariffs and came up with a series of constructive arrangements on how to address the existing differences and problems," spokesman Geng Shuang told reporters.

Trump's tweet did not explain which tariffs would be reduced or removed, or when China would act.

Beijing had reduced auto import duties from 25 percent to 15 percent in July. But it later added a 25 percent tariff on US-made cars as trade tensions soared, bringing them to 40 percent.

Many US automakers build their cars in China for the local market, but for some the tariff hikes have hit sales, including electric car-maker Tesla and US-made models from BMW and Ford.

One expert said China would have to address US complaints about China's forced transfer of intellectual property rights -- a major issue at the core of a US "301" trade investigation -- for Washington to drop its tariffs.

"Any action which increases market access or better ensures a level playing field will certainly be welcomed and could lead to continued discussions," Steven Okun, a Singapore-based senior advisor at strategic advisory firm McLarty Associates, told AFP.

"Still, one must presume that as the existing and proposed tariffs are to spur China to address the US' IPR concerns, only action directly related to that would ultimately impact the 301 tariffs," he said. The White House said Saturday the two sides would "immediately" begin talks on "structural changes" affecting forced technology transfer, intellectual property protection and cyber theft.

China reaffirmed that the agreement held "great significance".

"It prevents the economic and trade frictions from expanding and opens new prospects for cooperation," Geng said.

Asian and European stock markets jumped on Monday, with Hong Kong and Shanghai closing sharply higher and the yuan strengthening after months of trade-war turbulence.

After being spooked by the conflict, investors returned to buying following the long-awaited meeting between the two presidents.

But observers warned there were still major issues that needed to be resolved, including access for US companies and intellectual property protection.

"We anticipate that things are still likely to get worse before they get better, and that the negative sentiment impact created by the trade narrative will create additional market volatility," said Kerry Craig, global market strategist at JP Morgan Asset Management.

China's state-run media cautiously welcomed the Buenos Aires agreement. The nationalist Global Times tabloid called it a "momentous step forward" that brings "huge potential for fair trade".

"It is hoped that the trade teams from both countries will reach as many practical agreements as possible and as quickly as possible to hasten China-US cooperation," the daily said.

Under the agreement, Trump is shelving a plan to raise tariffs on \$200 billion worth of Chinese imports from 10 percent to 25 percent from the start of next year -- but the hike will kick in if negotiators fail to reach a final deal within 90 days.



UNDP

Participants pose for a photograph during a seminar on "Leveraging sustainable supply chain in apparel" at a hotel in Dhaka recently. The UNDP and HSBC jointly organised the event.

The first industrial revolution used water and steam power to mechanise production. The second used electric power to create mass production. The third used electronics and information technology to automate the production process. Now the fourth industrial revolution is building on the third and it is a digital revolution that synthesises its preceding revolutions.

As Bangladesh aims to progress to a middle-income country, its stakeholders need to align with the above trend to sustain its development in the long-term. This means: creating an ecosystem that nurtures innovative entrepreneurs who can compete on the world stage; empowering youth that will be the next generation of the workforce; preventing jobless growth; and finally, growing business with broader social and environmental awareness.

Private and public stakeholders who foresee this necessity have started to convene to align themselves in re-designing the economy, as exemplified by the Thought Leadership programme by Hongkong and Shanghai Banking Corporation (HSBC) and the United Nations Development Programme (UNDP). The programme also congregated leading established businesses in the apparel industry and stakeholders of the supply chain.

Bangladeshi apparel industry is a quintessential part of the national economy, constituting more than 10 percent of the GDP, 80 per-

cent and communicating these positive changes to the export destinations, as well as continuously exploring new business models that ensure growth through the fourth industrial revolution. For the apparel sector specifically, the new economy has created a new customer segment, distribution model, and shareholders.

New digital technology is connecting and informing communities and consumers who are demanding transparency and accountability while having access to several outlet channels that are directly linked to suppliers. NGOs have emerged as supporters of distribution and production models through their livelihood generation and capacity building programme that can support goods consignment scheme or new market outreach. Smaller companies are becoming more agile and competitive with the adoption of latest technologies and personalisation.

These new opportunities and risks represent a shift in how financial value is generated -- profit lies not in merely reducing cost and mass-producing merchandise, but in having an inclusive business model to accommodate the increasingly connected and complex economy where businesses need to address the social aspect and consequences of their business beyond price tags and machines.

"Innovation is not necessarily a new invention. Innovation becomes the structural transformation of the ecosystem when best prac-

of the company's endeavour to create a circular economy and lower the risks of climate change.

DBL is inspiring others to set up fair price shops, and SMEs like Sokhipad are introducing business models with established corporate houses.

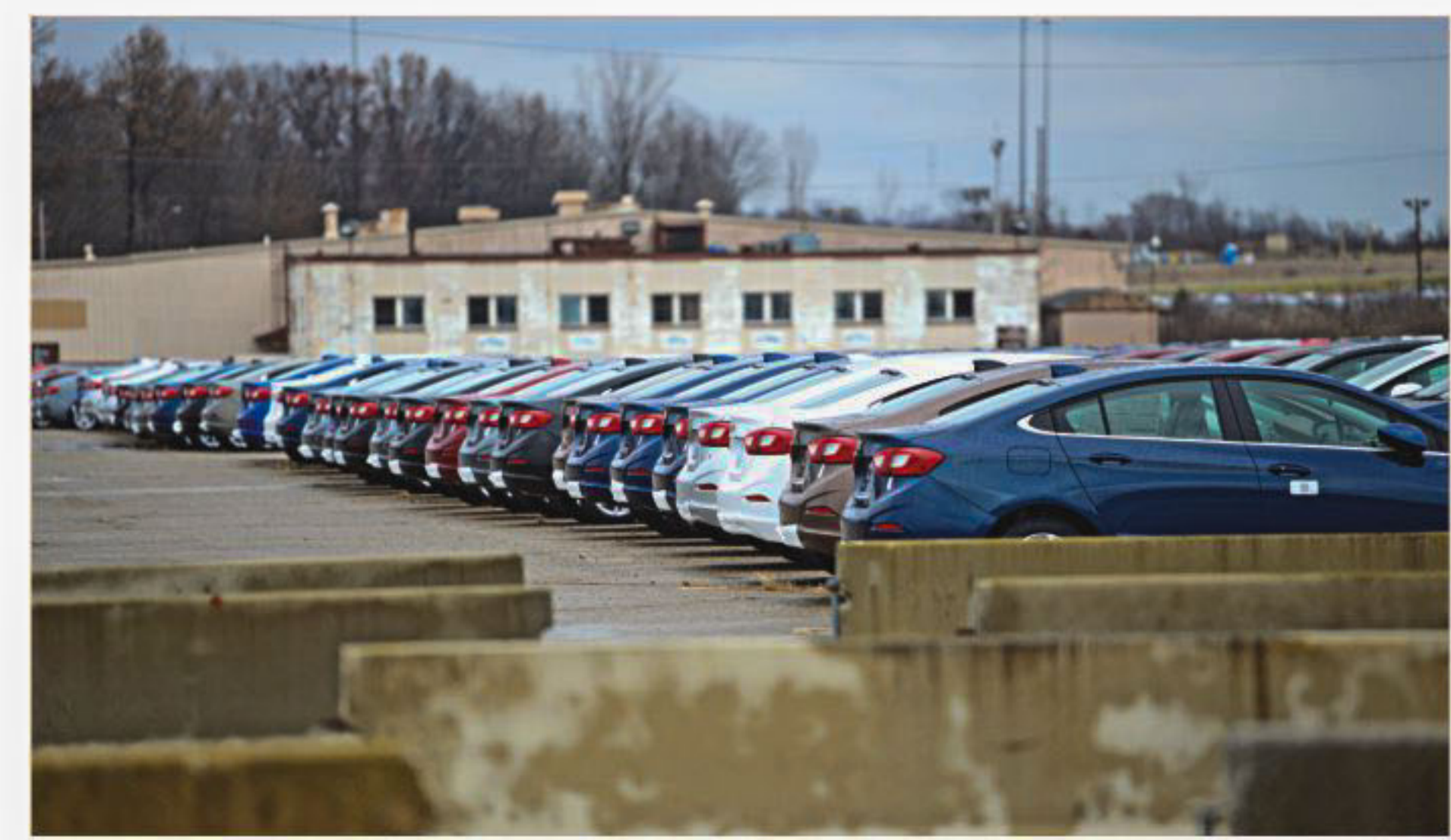
The two companies are part of the platform "Business Call to Action", yet another manifestation of the more significant trend of convergence of stakeholders and socio-economic values. Through the platform, which can be accessed through UNDP Bangladesh country office, businesses can become a member to gain global visibility, impact measurement and planning services, and technical advisory in inclusive business model design.

HSBC's sustainability strategy, on the other hand, is working to reduce the environmental impact of its clients' supply chain.

Transformational change is taking place where new customer engagement, new investment areas and subsequently investment vehicle, and new partnerships are being forged.

Institutions, businesses, and people are shaping a different future of the different economic system where profit will be generated through shared and agreed upon values of society and community, as opposed to the previous and linear process of consumerism.

The writer is a contributor to The Daily Star.



REUTERS/FILE

New vehicles sit in a parking lot at the General Motors Lordstown Complex in Ohio.