

Sustainable Microenterprise and Resilient Transformation (SMART) Project



Implemented by



Palli Karma-Sahayak Foundation (PKSF)

Financed by



THE WORLD BANK
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Background

The rapid expansion of the microenterprise (ME) sector has played a pivotal role in propelling Bangladesh's recent social and economic development, leading to consistent GDP growth and a reduction in poverty rates. According to World Bank, about half of Bangladesh's population depends for its livelihood on 9 million microenterprises. These microenterprises constitute 56 percent of the country's total employment and 25 percent of its GDP. However, they face challenges in achieving sustainable growth, primarily due to the absence of proper financing, targeted policies and institutional limitations. Additionally, MEs are often unaware of resource inefficiencies, cleaner production methods, and lack access to the financial resources required for implementing climate-resilient and environment-friendly practices, which leading to unsafe working conditions and production of contaminated goods.

Palli Karma-Sahayak Foundation (PKSF) is working for the MEs, expediting poverty reduction by expanding opportunities for self and wage employment in Bangladesh. PKSF recognized that embarking on a pathway of green growth for the MEs will yield remarkable benefits for the country, allowing Bangladesh to access new markets, generate public goods, and reduce vulnerability to climate shocks.

About Project

PKSF has undertaken the Sustainable Microenterprise and Resilient Transformation (SMART) project to promote climate-resilient Resource-Efficient and Cleaner Production (RECP) practices and technologies among MEs. This, in turn, will equip the MEs to anticipate, prepare for, and respond effectively to climate-related challenges.

The SMART project focuses on providing support to microenterprises operating in agribusiness, manufacturing, and service sectors, with a specific emphasis on environmentally stressed areas susceptible to climate change and natural disasters. Additionally, the project aims to encourage the development of environmentally friendly businesses and adoption of operational safety standards within microenterprises.

The SMART project places significant emphasis on capacity building, technology adoption, knowledge dissemination, and behavioral change among microenterprises. This multifaceted approach ensures promotion of green growth solutions that are both sustainable and beneficial for the environment.

To maximize environmental and climate co-benefits, the SMART project laid out interventions based on priority principles, including business clusters, pollution reduction, ecosystem preservation, economic and climatic vulnerability, and potential for replication and scaling.

Objective

To increase resource-efficient and resilient green growth of microenterprises (MEs).

The objective encompasses three key concepts:



Resource Efficiency: Promoting cleaner production measures while ensuring profitability and livelihood improvement.



Green Growth: Encouraging businesses to contribute to clean air, water, and healthy ecosystems, safeguarding natural capital and community health.



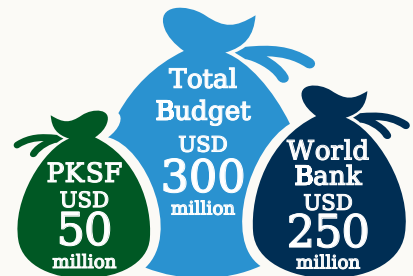
Climate Resilience: Strengthening MEs' economic basis and social cohesion to withstand external shocks, constructing emergency shelters, and conducting climate-resilient assessments.

At a Glance

5 Years (August 2023 to December 2028) 

80,000 
Microenterprise

All over Bangladesh 



Project Components

The SMART project has three major components.

1. Enabling Capacity and Systems for Green Growth of MEs

This Component will provide technical assistance to microenterprises to enhance their knowledge and capabilities in climate-resilient RECP. It will identify and prioritize effective climate-resilient RECP practices and create environmental and digital financial tools to aid in developing business plans that account for economic advantages under climate-related challenges.

2. Providing Access to Finance for MEs to Enable Green Growth

This component is designed to broaden income-generating opportunities for microenterprises by promoting investments in climate-resilient RECP practices, thereby boosting their productivity and competitiveness. Through this component, MEs will receive loans to undertake commercially viable investments. The financing will primarily benefit MEs within the value chain of the selected 21 subsectors across agriculture, manufacturing, and services. Leveraging the success of microfinance in Bangladesh, this component aims to effectively target environmentally sustainable and climate-positive activities.

3. Improving PKSF Project Management, Communications, Monitoring and Evaluations, and Knowledge Management

This component will enhance PKSF's institutional and organizational capabilities to ensure timely and effective project implementation. It will focus on expanding the use of digital tools, data analysis, effective business practices, communications, monitoring and evaluation, and knowledge management. Specifically, the component will strengthen the environmental and climate-change units at the Partner Organization level by integrating additional RECP knowledge and activities. This initiative will also identify and address capacity-building needs, equipping stakeholders with essential knowledge of green, resilient, and RECP practices.



Scope

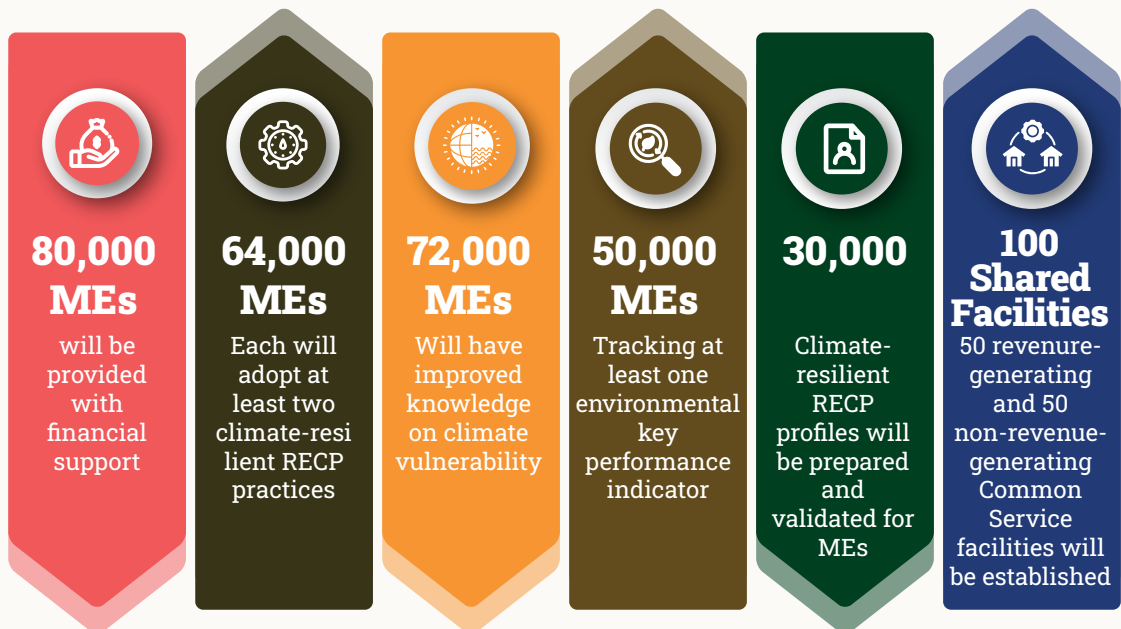
The project will operate nationwide, with a special emphasis on areas particularly vulnerable to climate change-related shocks. The interventions are structured across 3 business areas, 9 sectors, and 21 sub-sectors.



21 SUB-SECTORS

High-value Crops | Cattle and Buffalo | Poultry | Pisciculture | Leather Products | Mini Garments | Loom | High-value Handicrafts | Machinery and Equipment | Eco-friendly Construction Materials | Metal Products (imitation, metallic, steel) | Plastic Recycling | Salt Processing | Dry Fish Processing and Trade | Rice Mill | Jaggery Processing | Eco-friendly Tourism Development | New Logistics, Packaging, Transportation including courier service, IT Services | Waste Management Services | Restaurants, Street and Bakery Food | Automobile Workshop

Expected Results



Prepared and Published by

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