

Terms of Reference (ToR)

Opportunities and Challenges of Textile/Garment Recycling in SME Clusters: An Environmental and Sustainability Perspective

1. Background and Rationale

Bangladesh's Ready-Made Garment (RMG) sector, a major contributor to the national economy, generates over 400,000 tons of textile waste annually - representing approximately 15% of production loss (BGMEA, 2023). A significant portion of this waste is either incinerated or dumped in landfills, resulting in environmental degradation and the loss of economic value.

Small and medium enterprises (SMEs) and informal enterprises, particularly those operating in rural and peri-urban clusters, face limited access to affordable recycling technologies, structured waste collection systems, and supportive policy frameworks. These constraints hinder their transition toward sustainable production and circular economy practices.

In line with the SME Foundation's mandate to promote environmentally sustainable SME development and Friedrich-Ebert-Stiftung (FES) Bangladesh's commitment to a just transition and green industrialization, this study aims to explore the environmental and sustainability dimensions of textile/garment waste recycling in SME clusters supported by the SME Foundation. The study emphasizes the intersection of climate resilience, economic empowerment, and inclusive policy reforms.

2. Objectives

The overarching objective of this study is to assess the opportunities and challenges of textile/garment waste recycling in SME clusters from an environmental and sustainability perspective s.

Specific Objectives:

- I. **Assess the Current Landscape**
 - Map textile waste volume, composition, and disposal practices in SME clusters.
 - Identify structural, financial, and gender-based barriers to circular economy participation.
- II. **Promote Inclusive Circular Business Models**
 - Pilot and document low-cost recycling solutions tailored for SMEs.
 - Provide training to entrepreneurs (particularly women and youth) on upcycling, material recovery, and environmental compliance.
- III. **Strengthen Policy and Stakeholder Engagement**
 - Draft actionable policy recommendations, including fiscal incentives and green procurement mechanisms.

- Organize multi-stakeholder consultations involving policymakers, SMEs, recyclers, and environmental groups.

IV. **Maximize Environmental and Socio-Economic Impact**

- Estimate potential reductions in carbon emissions, water consumption, and landfill usage.
 - Assess job creation, income enhancement, and contribution to SDGs (particularly SDGs 8, 12, and 13).
- V. Identify types and characteristics of textile/garment waste and recycling practices in Bangladesh.
- VI. Estimate the economic size and contribution of textile waste recycling.
- VII. Identify key challenges and propose measures to overcome them.
- VIII. Review existing policy gaps and regulatory challenges.
- IX. Document relevant global experiences and best practices.
- X. Recommend a strategic way forward for textile/garment recycling in Bangladesh.

3. Scope of Work

The study will explore the current practices, gaps, and potential of textile/garment waste recycling in SME clusters across selected regions. It will:

- Review existing government policies, strategies, and institutional support related to textile waste recycling.
- Map SME clusters and assess current practices in textile waste management.
- Conduct field surveys, at least 15 KIIs, and 5 FGDs with relevant stakeholders.
- Assess barriers in infrastructure, technology, finance, and inclusion.
- Analyze the economic, social, and environmental implications of recycling.
- Compare global and regional practices to draw actionable lessons.
- Identify feasible and inclusive policy, institutional, and financing options.

Geographic Focus: Bogura, Nilphamari, Gaibandha, Pabna, Dhaka (high-density RMG SME clusters).

Target Groups: SME entrepreneurs, informal recyclers, women-led enterprises, policymakers.

Thematic Areas:

- Waste management and technological innovations.
- Inclusive circular business models.
- Environmental cost-benefit analysis.
- Green financing and policy incentives.

4. Methodology and Task Specification

- Propose a robust research methodology aligned with study objectives.
- Use both primary and secondary data sources.
- Ensure adherence to rigorous research standards.
- Submit a detailed work plan (task schedule, deliverables, person-days, etc.).

- Include a segment-wise detailed budget (including TAX)

5. Work Modalities

- The selected research team will conduct the study, draft all reports, and liaise with SME Foundation and FES Bangladesh.
- Regular feedback loops will be maintained for quality assurance and alignment with institutional goals.
- Designated officials from the SME Foundation and FES Bangladesh will oversee the fieldwork.

6. Reporting Requirements

- Reports must address all specific objectives and related tasks outlined in the ToR.
- Timely submission and responsiveness to feedback is mandatory.

7. Tentative Timeline

SL	Activity	Months			
		1	2	3	4
1.	Awarding the Task				
2.	Inception Report Submission				
3.	Review and collection of Secondary materials, reports, conducting Survey, Meetings, FGDs, KIIs etc.				
4.	Draft Report Submission				
5.	Final Report Submission				
6	Workshop				

8. Remuneration and Payment

- FES Bangladesh will finalize and disburse fees as per its norms.
- Three installments: 30% (inception report), 30% (draft report), 40% (final report).
- Income tax deducted at source. VAT will be deposited separately by FES Bangladesh.
- Workshop-related expenses will be borne by SME Foundation and FES Bangladesh.
- No reimbursement will be made for fieldwork-related costs (transport, communication, etc.).

9. Evaluation Criteria

- Lead researcher must be a senior academic/researcher (PhD preferred).
- Experience in environmental sustainability, circular economy, or SME development.
- Team must demonstrate strong research and publication record.
- Submission of short CVs for all team members is required.

10. Selection Steps

- EOI submission (technical and financial proposals).
- Evaluation of proposals.
- Interview of the shortlisted candidates.
- Awarding of assignment.

11. Expected Deliverables

- Inception Report
- Draft Report
- Final Report (hard and soft copy) including all field notes (FGD reports and KII reports)

12. Submission of Applications

- Send EOI, technical and financial proposals (including CV, TIN) to:
 - Managing Director, SME Foundation, Level 6 & 7, Parjatan Bhaban, E-5/C-1, Agargaon Administrative Area, Sher-e-Bangla Nagar, Dhaka-1207
 - Subject line for Email submission: **“Proposal for Opportunities and Challenges of Textile/Garment Recycling in SME Clusters.”**
 - Email: md@smef.gov.bd
 - CC to: dmd@smef.gov.bd; and suman.saha@smef.gov.bd;
- **Deadline: 28 July 2025 (Monday)**

13. Declarations and Representations

- Researchers certify no conflict of interest.
- Confidentiality must be strictly maintained.
- SME Foundation and FES Bangladesh may update the study scope during implementation.

14. Copyright

- SME Foundation retains the full copyright.
- No reproduction or sharing without prior written consent.

15. Termination Clause

- The contract may be terminated without notice if deliverables are not met satisfactorily.