

SMART Myanmar -

Baseline matrix on the Sustainable Consumption and Production (SCP) situation in Myanmar's export garment sector



July 2013

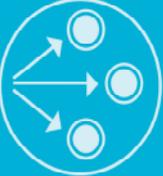
1. Current SCP situation

SMART Myanmar actively promotes and supports the sustainable consumption and production (SCP) of garments “made in Myanmar”. SCP is an approach to reconcile the increased demand for goods and services that bring a better quality of life, while minimizing the use of natural resources, toxic materials and emissions of waste and pollutants. Working closely with companies and business support organisations in Myanmar, the project aims to build capacity and increase skills and knowledge in local partner organisations. The project will make an important contribution to shaping Myanmar’s sustainable economic development.

The matrix given below provides an overview on the current situation of SCP. The target groups of the SMART Myanmar project are regarded on different SCP levels of impact. The matrix already provides entry points for project activities and serves as a point of reference for the measurement of impact.

Impact:	Levels:			
	Micro level	Meso Level	Macro Level	Micro and Meso level
	SMEs in the garment sector	UMFCCI/ MGMA/MBA	Public authorities	Banks/MBA
ECONOMIC IMPACT 	<ul style="list-style-type: none"> • Lack of knowledge in SCP/ CSR/ CoC • Lack of knowledge in international compliance issues • Lack of knowledge in marketing and export strategies • Very high energy costs • Potential to reduce waste • Very limited compliance with social and environmental standards • Limited access to international markets and lack of export opportunities • No participation in foreign trade fairs • Hardly any contact with EU buyers or investors • Very limited possibility to participate in delegations to EU • The SCP concept is new to SMEs, SCP awareness raising necessary 	<ul style="list-style-type: none"> • No training programmes or consultancy services regarding SCP e.g. OHS courses, CSR, available, provision of demand-oriented business services necessary • No know how and experts regarding resource efficiency and cleaner production (waste/water/energy) available • No CSR department and no industry wide CoC established • Intensified lobbying for garment sectors interests necessary (promotion of economic reforms, vocational training, access to finance) • The SCP concept is new to chambers and associations, SCP awareness raising necessary • No web site and electronic marketing tool including company profiles online 	<ul style="list-style-type: none"> • No governmental incentives to improve SCP • The SCP concept is new to the Myanmar Government, SCP awareness raising necessary 	<ul style="list-style-type: none"> • “Cash economy” • Limited financing options, almost no access to credits or any other finance • The SCP concept is new to Myanmar’s Bankers Association and banks, SCP awareness raising necessary

<p>ENVIRONMENTAL IMPACT</p> 	<ul style="list-style-type: none"> • Only CMP production with little environmental implications • Challenges imposed due to high energy costs • Resource-efficient, cleaner production needs to be enhanced • No environmental protection initiative by companies • No environmental managers assigned to safeguard environmental issues • Lack of green technologies 	<ul style="list-style-type: none"> • Provision of expertise on cleaner and resource-efficient production necessary (waste/water/energy) • No knowledge about the requirements of eco-labels • No know how and experts regarding resource efficiency and cleaner production (waste/water/energy) available 	<ul style="list-style-type: none"> • No specific government policy on improving SCP • No “Green Economy and Green Growth Initiative” 	<ul style="list-style-type: none"> • No green financing instruments available
<p>SOCIAL IMPACT</p> 	<ul style="list-style-type: none"> • Lack in OHS standards • Overtime (12-14 hours/ 6 days) • No minimum wages • Who safeguards the compliance with social standards internally within each factory? • Lack of a structured social dialogue with organised workers representing the employees on national level • Limited knowledge international practice in social dialogue 	<ul style="list-style-type: none"> • Lack of a structured social dialogue with UMFCCI representing the employer • Provision on OHS, CoC, social responsibility training/ materials necessary • No sector-wide CoC available • Lack of experts on Social standards • Promotion of global standards necessary (May 2013 only 14 MM companies in UN Global Compact) • Limited knowledge of UMFCCI/MGMA representatives about international practice in social dialogue • No industry wide Code of Conduct 	<ul style="list-style-type: none"> • New Labour organization law 2012 • Other laws in progress • Limited knowledge of government representatives about international practice in social dialogue 	<ul style="list-style-type: none"> • No social business financing instruments available • Opportunities of micro-finance need to be identified and filled with services

<p>ENGAGEMENT OF TARGET GROUP</p> 	<ul style="list-style-type: none"> • Workers protests in mid-2012 • First labour organization conference in April 2013 • Low level of awareness of new labour legislation • Willingness to comply with social and environmental standards if necessary to access foreign markets • SMART targets 100 companies to participate in initial audits, 25-30 will receive comprehensive audits and 10 will be build up to be export-ready showcase-companies 	<ul style="list-style-type: none"> • UMFCCI and MGMA active partners in SWITCH Myanmar project (MIA and MEWA are also forseen to participate in trainings) • No training /consulting or coaching programs offered 	<ul style="list-style-type: none"> • On-going reform process • SCP legislation/ incentive schemes not sufficient yet • Government official to be invited to participate in training programmes on OHS, business planning and others 	<ul style="list-style-type: none"> • Not sufficient yet
<p>POLICY LINKAGES</p> 	<ul style="list-style-type: none"> • No policy/incentives that encourage or require sustainable use of resources yet • No policies regarding SMEs and their energy/water consumption, waste treatment, carbon footprint • No technical assistance/financial incentives for green start-ups/ research/ development 	<ul style="list-style-type: none"> • Necessary that BMO's advocate for the garment sector's interest in SCP on political level 	<ul style="list-style-type: none"> • No green procurement policy on governmental level in place • No regulations on energy consumption/ resource-efficiency of public authorities • No concepts for development of green industries yet • No "green" contents in vocational training programmes 	<ul style="list-style-type: none"> • No policies promoting green financing yet • Not enough lobbying of MBA together with UMFCCI for financing schemes