Strengthening the Business Case for WASH

Individual impact reports template and guidance for completion of the report – *Version 2*

Table of Contents

Acronyms

BDT	Bangladeshi Taka
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
EPB	Export Promotion Bureau
ESQ	Esquire Knit
FF	Fakir Fashion
FGD	Focus Group Discussions
FHM	Food Hygiene Management
GD	Group Discussion
GoB	Government of Bangladesh
HH	Household
HDRC	Human Development Research Centre
JMP	Joint Monitoring Programme
KII	Key Informant Interviews
MHM	Menstrual Hygiene Management
NPV	Net Present Value
NXT	Next Accessories
PA	Public Address
RMG	Readymade Garments (RMG)
ROI	Return on Investment
RWH	Rainwater Harvesting
SDG	Sustainable Development Goal
TVC	Television Channel
USD	US Dollar
WASH	Water Sanitation and Hygiene
WSP	Water Safety Plan

Executive Summary

Most of RMG workers live in low-income communities that mushroomed near the industrial hubs where water, sanitation, and hygiene (WASH) facilities are very poor and limited, and the three-year project was implemented in Narayanganj, in three separate factories of Rupganj, Araishazar, and Sonargaon Upazilas to improve the WASH conditions at factory and community. The project designed the interventions based on the WASH gaps identified from on sight observations and consultations at the community and factory level.

The main objective was to assess the return on investment of WASH interventions on factory production and its associated factors of RMG business concerning three (3) designated factories. The research design adopted a mixed-method strategy. Primary data collection included cross-sectional surveys among workers (800 each at baseline and endline). The sample size was adequate to provide a reliable and statistically valid estimate for different beneficiary worker types, gender, and factory. Qualitative techniques included **Focus Group Discussions (FGD)** and **Key Informant Interviews (KII)**. S**econdary data** was collected from factories to assess the business indicators using a structured form. The research, focused on four key direct, quantifiable benefits to assess the return against the investments made by the project. The estimates are prepared separately for each benefit indicator (staff turnover, absence, quality, factory health expenditure, productivity, and RWH) for each factory. The research attempted to attribute the factory benefits for WASH improvements. The projected ROI is estimated for the 10 years following project completion, and the drop-off is accounted for following the end of the program, regardless of intervention type.

Based on the identified WASH gaps, the project adopted a holistic approach providing WASH interventions at the community and factory level. The benefits at the community level improved the accessibility of safe water, sanitation, and handwashing for selected workers. Access to safely managed water and sanitation improved from 0% to 31% and from 0% to 26% at endline, respectively. Visibility of faeces in latrines reduced to 12% compared to 32%, and the cleanliness of the latrine improved 41% compared to the baseline. Also, 77% of households have access to handwashing services at endline compared to 20% at baseline.

The interventions at the factory focused on delivering messages on appropriate WASH behaviour (mostly handwashing and menstrual hygiene management). Almost all beneficiaries (98.9%) received handwashing messages through project activities. Data indicate that the practice of handwashing at critical times have improved significantly in most instances, such as before cooking (45% from 17%), and after rinsing child's excreta (42% from 11%) and the handwashing practice after defecation went up to 99.6% (baseline: 92%), just shy of a perfect score. Furthermore, the use of sanitary napkins among females increased to 85% from 56%. Observation at the factory revealed that 82.1% of female and 52.1% of male workers wash both hands with soap and water at Endline (baseline: 0.9% and 2.3% consecutively).

The community-level impact of these accessibility and hygiene behaviour improvements is identified by decreasing disease episodes at the endline compared to baseline. 35.2% of the beneficiaries reported that at least one household member suffered from any disease, which is significantly lower (46.1%) than the baseline. The incidence of water-borne disease decreased almost 4 percentage points (down to 3.3% from 7.2%). The decrease in disease episodes decreased 27% of the average health expenditure while increasing income by 5%.

Analysis indicates that within the project period, the WASH benefits contributed to a 16% reduction in employee absenteeism, a 7% reduction in staff turnover, a 40% improvement in rejection rate, and a 12% increase in productivity. These improvements created an overall positive return of the investments.

The trends in absence and leaves have decreased; overall, there is a 2.5% decrease in paid leaves, an 4% decrease in sick leaves (associated with the decreased incidence of disease), 7% decrease in sick leaves since baseline due to project activities. The rejection rate is down to one-third compared to baseline. The cost of the health facility at the factory also shows a decreasing trend. However, the staff turnover does not show a steady decrease since baseline. But the productivity shows a great improvement.

The results from the three factories provide different perspectives and results. Within the programme period, only Fakir Fashion shows a positive ROI. However, the overall ROI within the programme period is positive indicating benefit of the WASH activities within the factories; and every 1 USD invested in the programme, the average return is USD 1.2 ranging between -5.4 and 9.0.

The overall projected ROI (estimate) after 10 years post intervention, increases five fold. In 10 years, the every 1 USD investment generates a return of USD 6.3 raging between USD -9.0 and 30.0. The cumulative business benefits in 10 years combining all factories is estimated as 529 Million BDT ($6.2 million).

The combined impact of safe water, good sanitation, and proper hygiene practices significantly changed people's health and socio-economic conditions and contributed to the business benefit of the RMGs. It is foreseen that the long-term impacts benefit the RMG sector and the overall socio-economic conditions of the workers and, in extension, the community. The activities of the RMG sector can play a pioneering effect on other sectors leading to overall social development towards improved living standards.

The overall return on investment of the project is positive, and indicates that the WASH intervention/ investments can be beneficial for the RMGs in Bangladesh. The financial analysis also indicate that the overall benefit can increase five fold in 10 years (compared to the first 2 years) preceding the programme activities. The project findings confirm that the WASH interventions can lead to business benefits for RMGs and with a very small amount of resources (maintenance and orientation cost), the benefit can be carried out for decades. The WASH interventions by the factories can be an adaptable solution to improve the living standards for the RMG workers. The activities of the RMG sector can play a pioneering effect on other sectors leading to overall social development towards improved living standards.

The WASH infrastructure development should be well planned for a period of more than 10 years and the overall activity should include consistent reminder on the hygiene behaviour and practices as like this programme adopted. At the urban level, replication of this project can lead to sustainable livelihood development among the people living in low-income settlements. This project can be expanded at a national level where the largest RMG groups can be the direct stakeholders making contributions alongside the donors while BGMEA acts as the liaison.