



FAST Report

PUBLIC

Project Number: 56027-001
November 2022

Loan

Envoy Textiles Limited

**Envoy Sustainable and Energy Efficient Textile
Manufacturing Project
(Bangladesh)**

This is a redacted version of the document, which excludes information that is subject to exceptions to disclosure set forth in ADB's Access to Information Policy.

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 27 October 2022)

Currency unit	–	taka (Tk)
	–	euro (€)
Tk1.0	=	\$0.0099 or €0.0099
\$1.00	=	Tk101.42 or €0.99
€1.00	=	Tk102.24 or \$1.01

ABBREVIATIONS

ADB	–	Asian Development Bank
CAGR	–	compounded annual growth rate
CAP	–	corrective action plan
CEO	–	chief executive officer
COVID-19	–	coronavirus disease
EBITDA	–	earnings before interest, taxes, depreciation, and amortization
EHS	–	environmental, health, and safety
ESMS	–	environment and social management system
ETL	–	Envoy Textiles Limited
FAST	–	Faster Approach to Small Nonsovereign Transactions
GDP	–	gross domestic product
LEED	–	Leadership in Energy and Environmental Design
OP	–	operational priority
RMG	–	ready-made garment

NOTES

- (i) The fiscal year (FY) of Envoy Textiles Limited ends on 30 June. “FY” before a calendar year denotes the year in which the fiscal year ends, e.g., FY2023 ends on 30 June 2023.
- (ii) In this report, “\$” refers to United States dollars.

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PROJECT AT A GLANCE

1. Basic Data		Project Number: 56027-001	
Project Name	Envoy Sustainable and Energy Efficient Textile Manufacturing Project	Department/Division	PSOD/PSIF1
Country	Bangladesh		
Borrower	Envoy Textiles Limited (ETL)		
Portfolio at a Glance	https://www.adb.org/Documents/LinkedDocs/?id=56027-001-PortAtaGlance		
2. Sector		ADB Financing (\$ million)	
✓ Industry and trade	Industry and trade sector development		10.908
		Total	10.908
3. Operational Priorities		Climate Change Information	
✓ OP1: Addressing remaining poverty and reducing inequalities		GHG reductions (tons per annum)	967
✓ OP2: Accelerating progress in gender equality		Climate Change impact on the Project	Low
✓ OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability		ADB Financing	
		Adaptation (\$ million)	0.000
		Mitigation (\$ million)	10.908
		Cofinancing	
		Adaptation (\$ million)	0.000
		Mitigation (\$ million)	0.000
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.4		Effective gender mainstreaming (EGM)	✓
SDG 5.5			
SDG 9.4		Poverty Targeting	
SDG 10.3		General Intervention on Poverty	✓
SDG 12.4			
SDG 13.a			
4. Nonsovereign Operation Risk Rating			
Obligor Name		Obligor Risk Rating	Facility Risk Rating
Envoy Textiles Limited (ETL)			
5. Safeguard Categorization Environment: B Involuntary Resettlement: C Indigenous Peoples: C			
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		10.908	
Nonsovereign Euribor Based Loan (Regular Loan): Ordinary capital resources		10.908	
Cofinancing			
None			
Others*			
Total			
Currency of ADB Financing: Euro			

* Derived by deducting ADB financing and Cofinancing from Total Project Cost.

I. INTRODUCTION

1. This is an eligible transaction under the Enhanced Faster Approach to Small Nonsovereign Transactions (FAST) framework.¹ The transaction involves a loan of up to €10,800,000 to Envoy Textiles Limited (ETL) for the Envoy Sustainable and Energy Efficient Textile Manufacturing Project in Bangladesh.

2. The loan will provide long-term financing, not readily available in Bangladesh, for ETL to purchase and install spinning machinery and associated equipment to achieve backward integration of its production process.² ETL is the leading denim fabric manufacturer in Bangladesh with an annual production capacity of 52 million yards, representing about 10% of the country's total denim fabric capacity. The primary activity of the company is the production of denim fabrics of various colors, qualities, fashions, styles, and weights. Most of ETL's sales are either direct exports or sales to domestic ready-made garment (RMG) manufacturers, who in turn export their finished products, hence those sales are considered deemed exports. ETL is the world's first certified platinum Leadership in Energy and Environmental Design denim manufacturing facility by the United States Green Building Council. The project supports the backward integration of ETL through the expansion of its yarn production capacity for manufacturing denim fabric. The project will reduce energy consumption by introducing new and efficient machinery and equipment and will qualify as climate mitigation finance.³ The project will also support gender inclusion by promoting gender equality through a gender action plan.

II. THE PROJECT

A. Project Identification and Description

3. **Project identification.** Bangladesh is among the most densely populated countries in the world with an estimated population of 165 million, and is highly vulnerable to climate change and natural hazards. Bangladesh's gross domestic product (GDP) has grown rapidly with an average annual growth rate of 7.6% during fiscal year (FY) 2016–FY2019, driven by robust growth in manufacturing and services, and the poverty ratio declined from 49.0% in FY2000 to 20.5% in FY2019.⁴ Despite the effects of coronavirus disease (COVID-19), Bangladesh has successfully maintained macroeconomic stability with GDP growth remaining positive at 3.4% in 2020 and increasing to 6.9% in 2021. Growth in 2022 is expected to rise to 7.2%, and to 6.6% in 2023.⁵ Through its Vision 2041, the Government of Bangladesh aims to end absolute poverty and gain the status of an upper middle-income country by 2031 and that of a high-income country by 2041.⁶

4. The RMG industry is a key driver of the Bangladesh economy, contributing 13% to GDP in 2020. In FY2021, the RMG industry accounted for 81% of the country's total export earnings.⁷ Denim is a staple textile in the global apparel market. The market for denim apparel, which includes the value of denim fabrics, was estimated at \$57.3 billion in 2020 and is expected to

¹ Asian Development Bank (ADB). 2022. *Enhanced Faster Approach to Small Nonsovereign Transactions*. Manila.

² The project will increase ETL's production capacity of yarn, which is an input to ETL's final product - denim fabric. By integrating this upstream process, ETL expects to partially avoid yarn imports and to reduce entire production timelines.

³ ADB. 2017. *Guidelines for estimating greenhouse gas emissions of Asian Development Bank projects: Additional guidance for clean energy projects*. Manila.

⁴ ADB. 2021. *Country Partnership Strategy. Bangladesh 2021–2025—Sustain Growth, Build Resilience, and Foster Inclusion*. Manila.

⁵ ADB. 2022. *Asian Development Outlook 2022 Update: Entrepreneurship in the Digital Age*. Manila.

⁶ Government of the People's Republic of Bangladesh. 2020. *Perspective Plan of Bangladesh 2021–2041*. Dhaka.

⁷ Export Promotion Bureau. *Pocket Export Statistics FY2020 – 2021*. Bangladesh.

grow at a compound annual growth rate of 4.8% during 2020–2026 to reach \$76.1 billion by 2026.⁸ Bangladesh is a significant producer of denim apparel. It ranks as the second largest denim exporter after the People’s Republic of China. In 2020, Bangladesh had the largest share of denim exports to the United States (20.0%) and to the European Union (28.9%).

5. ETL started its commercial operations in 2008 and its factory was certified as the world’s first Leadership in Energy and Environmental Design certified platinum denim factory in 2016 for its sustainable operations. The Asian Development Bank (ADB) identified ETL as a suitable candidate for support because of (i) its leading market position in its denim fabric business, (ii) advanced technical and managerial capability and satisfactory financial performance, and (iii) willingness to improve its sustainable practices further through adoption of ADB’s environmental and social policies.

6. **Project design.** The proceeds of the loan will be used to fund the purchase and installation of spinning machinery and associated equipment for ETL’s second spinning unit. The new unit will have an annual yarn production capacity of 3,600 tons which will be mainly used for in-house consumption. ETL has its factory in Jamirdia, which is about 71 kilometers north of Dhaka. The total land area of the factory is about 40 hectares. Currently, ETL has an existing spinning unit inside its factory compound with an annual production capacity of 24,000 tons. In FY2021, ETL produced 37 million yards of denim fabrics. The new unit will be installed within ETL’s existing factory.

7. The project aims to support sustainable backward integration of ETL through expansion of its yarn production capacity. Yarn is an input required for manufacturing denim fabric. The existing spinning unit had a 97% utilization rate in FY2022. ETL’s management decided that an expansion should be undertaken as the in-house capacity was insufficient to meet the denim fabric manufacturing requirements. ETL expects to partially avoid yarn imports after the project is completed. Moreover, ETL’s ability to produce its own yarn will reduce production timelines that will enable ETL to deliver denim fabrics to RMG manufacturers within a shorter lead time. The machinery and equipment of the project are digital and automated and are based on the latest technology, and are therefore more energy efficient. By installing the latest spinning machinery, lower power consumption and consequent greenhouse gas emission reduction will be achieved. The project will also improve manufacturing operations by reducing wastewater hazardous sludge. The construction of the new unit will create 50 new jobs during construction and 200 during operations.

8. **Gender context.** Gender inequality in employment persists in Bangladesh. While women’s labor force participation has grown from 31% in 2011 to 35% in 2021, women’s participation is limited to low-paying unskilled jobs.⁹ The textiles and garments manufacturing revolution in Bangladesh which started in the 1970s presented new opportunities for employment for women but failed to secure high skill jobs and a safe and secure workplace environment for them.¹⁰ Though women continue to be in a small minority in decision-making roles, they are slowly entering into senior management roles. In 2016, ownership of 13% of the firms included women and 5% of firms had women in top management.¹¹ In seeking to address the gender inequalities in the industry, ADB has assisted ETL in developing a gender action plan that aims to improve

⁸ ReportLinker. 2022. [Global Denim Jeans Industry](#).

⁹ World Bank. [World Development Indicators Database](#). (accessed 23 June 2022).

¹⁰ H. Kabir; M. Maple; S.R Fatema. 2018. [Vulnerabilities of Women Workers in the Readymade Garment Sector of Bangladesh: A Case Study of Rana Plaza](#). *Journal of International Women's Studies*, 19(6), pp. 224–235.

¹¹ Asian Development Bank. 2017. [Bangladesh: Gender Equality Diagnostic of Selected Sectors](#). Manila.

women's career opportunities in the company, improve their workplace environment, and advance gender equality in the supply chain.

9. **Borrower.** ETL is the leading denim fabric manufacturer in Bangladesh with an annual production capacity representing about 10% of the country's total capacity. ETL was publicly listed on the Dhaka and Chittagong stock exchanges in 2012. Focusing on quality and sustainable operations, ETL has developed long-term relationships with global apparel brands that enable it to remain in the list of accredited denim fabric suppliers to global apparel brands such as American Eagle Outfitters, GAP, H&M, Levi's, Ralph Lauren, Uniqlo, and Wrangler. ETL's revenue during FY2011–FY2021 grew at a compound annual growth rate of 10% to \$99.9 million, and the earnings before interest, taxes, depreciation, and amortization (EBITDA) grew at 8% to \$20.8 million. At the end of FY2021, ETL had 2,780 employees.

10. (Confidential information deleted.) The board is responsible for supervising the overall management of the company, including providing direction and guidance on the formulation of high-level strategies, reviewing and approving long-term and annual business plans, appointing and reviewing the performance of the management, and monitoring the governance and compliance systems. The board of directors appoints the chief executive officer (CEO), who leads the operation of ETL. The current CEO, Tushar Tripathi, has more than two decades of experience in the textile industry, having been CEO of other textile companies prior to joining ETL in 2009.

11. (Confidential information deleted.)

12. (Confidential information deleted.)

13. (Confidential information deleted.)

14. (Confidential information deleted.)

B. Development Impacts, Outcome, and Outputs

15. **Impact.** The project is aligned with the following impacts: (i) fulfillment of domestic and export demand for textile within the country provided, (ii) export and modernization of the textile industry for creation of employment opportunities increased, and (iii) international competitiveness, and sustainable development attained.¹²

16. **Outcome.** The project represents ADB's support to the important textile industry in Bangladesh—a key driver of economic growth, employment and exports. The project will have the following outcome: sustainable denim fabric manufacturing operations of the borrower improved. Once implemented, the project is expected to increase ETL's annual denim fabric production (Confidential information deleted.), reduce wastewater hazardous sludge from 16.18 grams per kilogram of fabric produced to 14.56 grams per kilogram, and reduce electricity consumption by at least 1,965 megawatt-hours per year.

17. **Outputs.** The project's outputs will be (i) energy efficient spinning production capacity of ETL expanded with gender equality enhanced, and (ii) gender equality in the local economy enhanced. On completion, the project will lead to an increase in annual yarn production capacity by 3,600 tons.

¹² Government of Bangladesh. 2018. *The Textile Act, 2018*. Dhaka (1 October).

C. Alignment with ADB Strategy and Operations

18. **Consistency with ADB strategy and country strategy.** The project is consistent with ADB's Strategy 2030,¹³ and three of its operational priorities (OPs): OP1 (addressing remaining poverty and reducing inequalities), by creating jobs; OP2 (accelerating progress in gender equality), by promoting gender equality through a gender action plan; and OP3 (enhancing environmental sustainability), by reducing power consumption and greenhouse gas emission by installing a more energy efficient spinning unit. The project is also aligned with the country partnership strategy, 2021–2025 (footnote 4) as the project aims to boost competitiveness, employment, and private sector development; and promote green growth.

19. **Consistency with sector strategy and ADB operations.** The project is also aligned with ADB's Operational Plan for Private Sector Operations, 2019–2024, which calls for tackling climate change and boosting environmental sustainability, with a focus on supporting latest technologies and scaling up best practices.¹⁴

D. Project Cost and Financing Plan

20. (Confidential information deleted.)

21. (Confidential information deleted.)

E. Implementation Arrangements

22. (Confidential information deleted.)

F. Projected Financial and Economic Performance

23. (Confidential information deleted.)

G. Unique Features

24. The project is expected to be ADB's first private sector textile project in Bangladesh since 2000 – and is expected to set a solid precedent for supporting similar investments in sustainable manufacturing in the region. The transaction is ETL's first financing with an international lender.

III. THE ADB ASSISTANCE

A. The Assistance

25. ADB's assistance will comprise a 7-year senior secured loan of up to €10,800,000 from ADB's ordinary capital resources.

B. Value Added by ADB Assistance

26. ADB assistance will add value as follows:

¹³ ADB. 2018. [Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#). Manila.

¹⁴ ADB. 2019. [Operational Plan for Private Sector Operations, 2019–2024](#). Manila.

(i) **Provide long-term financing.** ADB adds value by providing long-term euro financing, which is not easily available otherwise to private sector companies in Bangladesh. ADB support thus addresses lending constraints in an environment where commercial loans, if available, are provided with much shorter tenors. (Confidential information deleted.)

(ii) **Encourage best-practice safeguard standards.** ADB will promote best practices in environmental and social policies. ADB will promote resource efficiency and pollution prevention and safeguards practices focusing on energy efficiency, clean energy, grievance redressal and risk-impact management and compliance assurance.

(iii) **Promote gender inclusion.** ADB's support aims to promote gender equality through a gender action plan that seeks to increase career opportunities for women, increase the gender sensitivity of ETL, and promote gender-inclusive procurement.

C. Risks

27. (Confidential information deleted.)

28. (Confidential information deleted.)

29. (Confidential information deleted.)

30. (Confidential information deleted.)

31. (Confidential information deleted.)

IV. POLICY COMPLIANCE

A. Safeguards and Social Dimensions

32. ADB has categorized the investment in compliance with ADB's Safeguard Policy Statement (2009) as follows: environment category B, involuntary resettlement category C, and indigenous peoples category C.¹⁵

33. ADB has undertaken due diligence and reviewed the potential environmental and social impacts of the project and the measures to avoid, minimize, mitigate, and compensate for the adverse impacts in the safeguard reports and plans. The environmental and social measures and the institutional capacity and commitment of ETL to manage the project's social and environmental impacts are deemed adequate.

34. The primary activity of ETL is the production of denim fabrics. ETL will use ADB's funding to procure additional spinning machinery and associated equipment to increase its annual yarn production capacity, reducing the annual budget allocation for yarn imports and enabling ETL to deliver the denim fabrics to its customers faster. The additional machinery and equipment will be installed within ETL's existing factory.

35. To avail itself of the corporate loan from ADB, ETL commissioned qualified and experienced external experts to conduct a corporate audit of its current environmental and social

¹⁵ ADB. 2009. [Safeguard Categories](#). Manila.

management system and the company's past and current performance against the objectives, principles, and requirements of ADB's Safeguard Policy Statement (2009). The existing factory was also included in the audit. A corrective action plan was prepared as part of the audit to address gaps in the alignment of policies, procedures, and practices with ADB and national requirements. The environmental and social management system will be updated prior to the disbursement to address the gaps identified during the audit. The environmental and social measures, and the institutional capacity and commitment of ETL to manage the project's environmental and social impacts are deemed adequate.

36. ETL has taken several steps to prevent pollution, including air and water pollution; reduce greenhouse gas emissions and solid and hazardous waste; and enhance resource efficiency in their business operations. The steps and interventions implemented are (i) installation of dust suppression equipment in spinning units; (ii) installation of heating, ventilation, and air conditioning, dust filters, and dust bags to regulate air quality; (iii) stack emission monitoring and regular tuning of burners to reduce emission intensity; (iv) introduction of renewable energy sources such as rooftop solar power; (v) installation of heat recovery measures to increase energy efficiency; (vi) operation and maintenance of a wastewater treatment plant; (vii) compliance with Zero Discharge of Hazardous Chemicals requirements; and (viii) waste reduction through recycling and reuse of wastes. The laboratory monitoring results showed that ambient air quality and air emissions (process machinery) are within the national standards and the indoor air quality of the factory is good. Although the plant is in good running condition, the noise levels are above the national standard as the monitoring stations are near the main highway, traffic from which adds to the overall ambient noise level and is not within the borrower's control to mitigate. The water quality parameters including biochemical oxygen demand, chemical oxygen demand, dissolved oxygen, and expression of hydrogen ion concentration in water (pH) remain below the national standards except for total dissolved solids, for which ETL will provide intervention or treatment. ETL monitors environmental, health, and safety (EHS) performance and records them periodically as part of its International Organization for Standardization (ISO) 14001:2015 certification renewal process. In terms of organizational staffing and structure, the company has a well-structured environmental and social team with strong leadership comprising a management review committee and a management representative. This environmental and social team is responsible for implementing risk assessment procedures, documentation development, internal audit, and health and safety monitoring, and reports to the CEO.

37. The audit confirmed that ETL complies with applicable national and local laws and regulations and is in compliance with the conditions stipulated in its licenses, permits, and approvals. The environmental clearance certificate covering all the wet processes and the captive power plants is available. However, the environmental and social impact assessment report and the environmental management plan are not available currently for review and comment by the third-party consultant. Therefore, as part of the corrective measures, the environmental and social management plan, including the required monitoring frequency, will be prepared by ETL to the satisfaction of ADB with assistance from the third-party consultant as a condition precedent to disbursement. Also identified in the audit are certain nonconformities in relation to EHS aspects such as the lack of procedures for screening, risk identification, project categorization for any future expansion or new project, and the lack of an EHS training program for staff. A corrective action plan has been recommended to fill in the gaps and comply with ADB's Safeguard Policy Statement, and it will need to be put in place prior to disbursement.

38. The project is not anticipated to entail involuntary resettlement and indigenous peoples' impacts. ETL's manufacturing factory is located in Jamirdia, which was validated to be ETL's property. The nearest residence is 1 kilometer away from the project area's fence. The new

spinning machinery and equipment will be placed on the second floor of the current yarn manufacturing plant. Land was not acquired for the project and no additional land acquisition is envisaged. The factory is in an industrial area and impacts on indigenous peoples are not anticipated. ETL has an existing grievance mechanism and updating of the policy is recommended. No grievance or complaint from either internal or external stakeholders concerning EHS, labor, or other social issues has been monitored or raised to date. ETL will comply with national labor laws and, pursuant to ADB's Social Protection Strategy (2001), will take measures to comply with the internationally recognized core labor standards.¹⁶

39. **Effective gender mainstreaming.** Following ADB's Policy on Gender and Development (1998),¹⁷ ETL has incorporated measures to promote gender equality and/or women's empowerment in its business activities. Key features of the gender action plan are as follows: (i) increase in the proportion of corporate management jobs held by women; (ii) introduction of a gender equality module in the staff professional development training; (iii) implementation of a gender equality policy to support hiring, retention, and advancement of female staff; (iv) contracting of a gender-inclusive supplier business; and (v) increase in the proportion of paid female interns in technical or management roles. ETL will submit periodic reports on implementation of gender measures to ADB.

B. Anticorruption Policy

40. ETL was advised of ADB's policy of implementing best international practice relating to combating corruption, money laundering, and the financing of terrorism. ADB will ensure that the investment documentation includes appropriate provisions prohibiting corruption, money laundering, and the financing of terrorism; and remedies for ADB in the event of noncompliance.

C. Investment Limitations

41. (Confidential information deleted.)

D. Assurances

42. Consistent with the Agreement Establishing the Asian Development Bank (the Charter),¹⁸ ADB will proceed with the assistance upon establishing that the Government of Bangladesh has no objection to the assistance to ETL. ADB will enter into suitable finance documentation, in form and substance satisfactory to ADB.

V. THE PRESIDENT'S DECISION

43. The President, acting under the authority delegated by the Board, has approved the loan of up to €10,800,000 from the ordinary capital resources of the Asian Development Bank (ADB) to Envoy Textiles Limited for the Envoy Sustainable and Energy Efficient Textile Manufacturing Project in Bangladesh, and hereby reports this action to the Board.

¹⁶ ADB. 2003. Social Protection. Manila (adopted in 2001).

¹⁷ ADB. 2003. [ADB's Policy on Gender and Development](#). Manila (adopted in 1998).

¹⁸ ADB. 1966. *Agreement Establishing the Asian Development Bank*. Manila.

DESIGN AND MONITORING FRAMEWORK

Impacts the Project is Aligned with			
<p>(i) Fulfillment of domestic and export demand for textile within the country provided, (ii) exports and modernization of the textile industry for creation of employment opportunities increased, and (iii) international competitiveness, and sustainable development attained (The Textile Act, 2018) ^a</p>			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
<p>Outcome</p> <p>Sustainable denim fabric manufacturing operations of the borrower improved</p>	<p>By 2024</p> <p>a. Annual denim fabric production increased (Confidential information deleted.)</p> <p>b. Wastewater hazardous sludge is reduced to at least 14.56 grams per kilogram of fabric produced (2021 baseline: 16.18 grams per kilogram) (OP 3.3.2)</p> <p>c. Electricity consumption is reduced by at least 1,965 megawatt-hours per year^c (2021 baseline: 0) (OP 3.3.2)</p> <p>d. Annual amount of greenhouse gas emission reduction is at least 967 tCO₂e per year^c (2021 baseline: 0) (OP 3.1)</p>	<p>a.–d. Annual development effectiveness monitoring reports by ETL</p>	<p>R. Price variability of raw materials (e.g., yarn, cotton) because of changes in demand structure affect operations.</p> <p>A. Export and local demand of apparel manufacturers for denim fabric remain strong.</p>
<p>Outputs</p> <p>1. Energy efficient spinning production capacity of ETL expanded with gender equality enhanced</p>	<p>By 2024</p> <p>1a. Annual yarn production capacity of ETL increased to 27,600 tons per year (2021 baseline: 24,000 tons per year)</p> <p>1b. Number of jobs during construction is at least 50 by 2023 (2021 baseline: 0) (OP 1.2)</p> <p>1c. Number of jobs during operations increased to at least 2,980 (2021 baseline: 2,780) (OP 1.2)</p>	<p>1.–2. Annual development effectiveness monitoring reports by ETL</p>	<p>R. Procurement activities are delayed because of logistical disruptions caused by the ongoing pandemic.</p>

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
2. Gender equality in the local economy enhanced	<p>1d. Number of women in corporate management increased to 16 (2021 baseline: 14) (OP 2.3)</p> <p>1e. One gender equality module included in the staff professional development training^d by 2025 (2021 baseline: 0)</p> <p>1f. One gender equality policy implemented to support hiring, retention, and advancement of female staff in ETL by 2025^e (2021 baseline: 0) (O.P 2.3.2)</p> <p>2a. At least one supplier contracted by ETL is a gender inclusive business^f by 2025 (2021 baseline: 0)</p> <p>2b. Proportion of paid interns that are women increased to at least 50% (2021 baseline: 25%; 1 woman of 4 total) (OP 2.1.1)</p>		A. Loan is disbursed as scheduled.
<p>Key Activities with Milestones</p> <p>1. Energy-efficient spinning production capacity of ETL expanded with gender equality enhanced.</p> <p>1.1 Asian Development Bank executes loan agreement with the borrower by Q4 2022.</p> <p>1.2 Operation of new spinning unit commenced by Q1 2023.</p> <p>1.3 ETL initiates design of the gender equality module by Q1 2023.</p> <p>1.4 ETL commences development of a gender equality policy focused on hiring, retention and advancement of female staff by Q1 2023.</p> <p>2. Gender equality in the local economy enhanced.</p> <p>2.1 ETL identifies potential suppliers which are gender-inclusive business by Q2 2023.</p> <p>2.2 ETL enrolls women interns with the aim of achieving gender parity by Q4 2023.</p>			
<p>Inputs</p> <p>Asian Development Bank A loan: \$10.9 million (Confidential information deleted.)</p>			

A = assumption, ETL = Envoy Textiles Limited, OP = operational priority, Q = quarter, R = risk, tCO₂e = ton of carbon dioxide equivalent.

^a Government of Bangladesh. 2018. *The Textile Act, 2018*. Dhaka (1 October).

^b Refers to the actual production volume of denim fabric. (Confidential information deleted.)

^c Reduction in power consumption and greenhouse gas emission is achieved by installing a more energy efficient new spinning unit.

^d The gender module may include awareness of company's gender policies and facilitated discussions on improving gender equality in the workplace.

^e A gender equality policy is intended to create an enabling environment for gender equality in the company and support implementation of workplace practices that advance equality such as guidance to increase recruitment, retention, and promotion of female staff.

^f A gender inclusive business is at least 50% owned by women.

Contribution to Strategy 2030 Operational Priorities

Expected values and methodological details for all OP indicators to which this project will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in Appendix 2).

Source: Asian Development Bank.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/FastReport/?id=56027-001>

1. Sector Overview
2. Client Information
3. Details of Implementation Arrangements
4. Contribution to Strategy 2030 Operational Priorities
5. Financial Analysis
6. Economic Analysis
7. Country Economic Indicators
8. Summary Poverty Reduction and Social Strategy
9. Environmental and Social Management System: Audit Findings and Details of Arrangement
10. Gender Action Plan