

ACTIVATING GREEN TRADE

Case studies how small business goes green



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ABOUT



About ITC

The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations. ITC assists small and medium-sized enterprises in developing and least developed countries to become more competitive in global markets, thereby contributing to sustainable economic development.

About Trade and Environment

The ITC Trade and Environment Programme supports small businesses in developing countries to adopt low-carbon and sustainable business practices by providing knowledge about green opportunities and innovations, expertise on how to put these into practice and an extensive network.

WHERE WE ACTIVATE

GreenToCompete Hubs activate micro, small and medium sized enterprises (MSMEs) to go green by developing their capacity and knowledge to implement smart green business practices. Hubs provide webinars, e-learnings and coaching programmes that is a blend of e-learning and customized face-to-face sessions.

Currently active in the **Caribbean, Ghana, Kenya, Laos, Nepal, Peru and Viet Nam**, the Hubs are operated by local Business Support Institutions (BSOs).

In addition, the Trade and Environment programme is active in more than 20 developing and least developed countries as part of larger ITC interventions.

Explore how MSMEs that we work with go green on the following pages!





INTERLINGE, MOROCCO

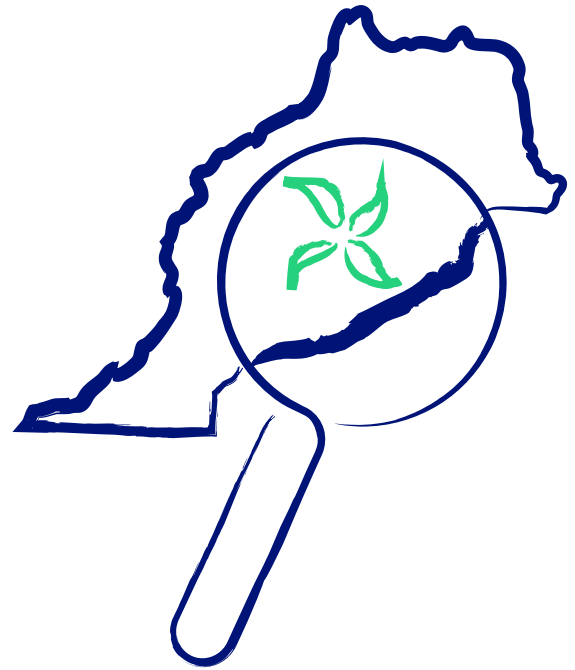
Optimising resource use to save both cost and the planet

About Interlinge

Clothing and textile is a historical sector in the Moroccan economy and one of the backbones of the national industry. This sector counts 1,628 companies employing 189,000 people, corresponding to 22% of jobs at the country level.

Interlinge is a company based in Casablanca, employs two hundred people and, for twenty years, it has specialised in manufacturing swimwear, lingerie and menstrual protection products. 90% of its production is destined to major French, Spanish, English and Slovenian brands.

Aware of the importance of sustainable development, the company established a Training Center to train specialised sewists throughout a 2-year programme. Furthermore, it is committed to the Global Recycled Standard, Control Union certified, and a member of the Business Social Compliance Initiative (BSCI).



Challenges in keeping the textile and clothing production efficient

Like the other companies in the textiles and clothing sector, Interlinge requires large quantities of electricity to produce garments to operate the engines of the manufacturing tools and sewing machines. It also uses significant amounts of water, in particular, to produce the steam necessary for the ironing operations. In addition to the production processes, these resources are also needed for the ordinary maintenance of the company's premises (i.e., lighting and cleaning).

For a country where water shortages are the most pressing issue related to climate change, saving water means pre-emptively engaging in adaptation to avoid resource inputs becoming more expensive in the future. Similarly, consuming electricity more efficiently and replacing fossil fuels with clean energy to power production processes means reducing the business's carbon footprint and realising cost savings - positively impacting company reputation and competitiveness.

Moreover, with clothing being increasingly considered disposable and the emergence of the "fast fashion" phenomenon, clothes, fabric, and fibres too soon end up as waste. Therefore, many fashion brands and producers are spearheading a new system for the textiles economy that is aligned with circular economy principles.



Steps taken and expected results

Interlinge worked with ITC experts to assess its water and electricity consumption at different production stages as well as the potential to reduce and reuse waste. After a cost-benefit analysis, the trainers suggested measures that Interlinge already started to implement successfully.

→ **Waste reduction and recovery:**

Interlinge created a dedicated waste room equipped with bins of different colours to facilitate the separation of waste by type. A register has been set up to keep a record of what was discharged. Moreover, the company embarked on actions to recover 50% of its textile waste and is selling non-recyclable waste generated. Finally, the company is also seizing new business opportunities and launched the production of zero-waste and reusable products, such as washable make-up remover wipes and washable nursing pads



→ **Electricity:**

Interlinge implemented low-cost measures, such as replacing existing lamps with LED technology and installing electrical cabinets to monitor electricity consumption. Interlinge reduced almost 20% of its annual electricity consumption with the sole replacement of old light bulbs. While small in scope, these measures yield immediate results and didn't require external investment.



→ **Water:**

The company installed ten water-saving devices that can be easily fitted to the taps. This simple measure allowed a reduction of one-third of the annual water consumption (400 m³/year).



“Based on this initial scoping, the installation of a 43 kWp photovoltaic station will provide the company with an annual production of 54,000 kWh during peak hours, representing 43% of the electricity needed by Interlinge in one year.”

Looking forward

Based on the success of the implemented measures, Interlinge is now ready to take the next step and switch to clean energy to power its processes. Based on this initial scoping, the installation of a 43 kWp photovoltaic station will provide the company with an annual production of 54,000 kWh during peak hours, representing 43% of the electricity needed by Interlinge in one year. The initial investment of 350,000 dirhams will be recuperated in six years, and Interlinge is in the process of finding the suitable partners and financiers for its realisation.

About GTEX/MENATEX

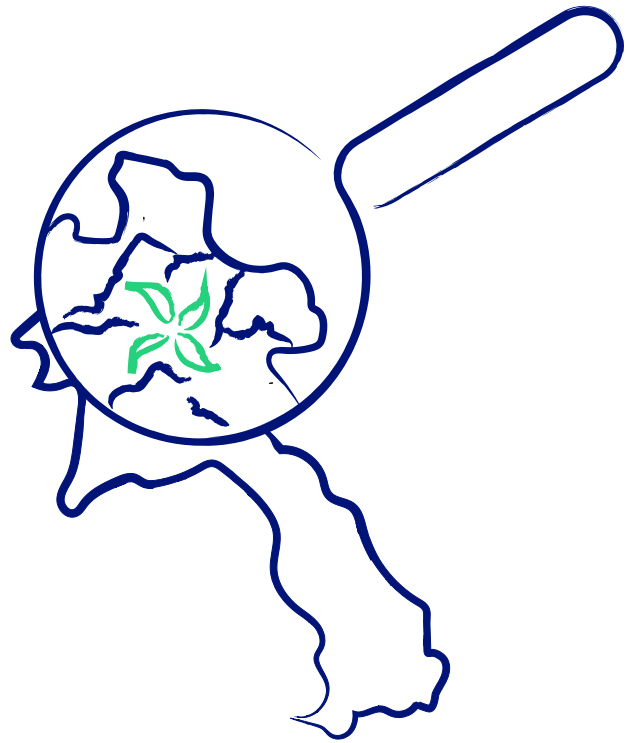
The GTEX/MENATEX program aims to encourage textile and clothing exports from developing countries to promote employment and income generation along the value chain. It is funded by the Swiss State Secretariat for Economic Affairs (SECO) and the Swedish International Development Cooperation Agency (Sida). In this context, ITC's Trade and Environment initiative supports companies to use resources more efficiently (such as water, energy, or waste) and implement circular production practices through a customised coaching by sustainability and industry experts.

COOPERATIVE OF SUSTAINABLE ECO COFFEE, LAOS

Going green for higher household income

About Cooperative of Sustainable Eco Coffee

The Cooperative of Sustainable Eco Coffee is based in Champasack Province, Lao PDR. The cooperative has 37 farmer members from Phoudamkhuan, Houywai and Nongluang villages, located in the Paksong District. With 170 hectares of coffee plantations, the farmers produce 220 tons of high-quality green beans per year.



Challenges to meet international sustainability standards

In 2018, when the cooperative started doing business with the coffee exporter Forest Plateau Lao Co.,Ltd, they were requested to obtain certifications, such as the Fair Trade certification and the EU organic certification. This was to ensure that the quality of the coffee beans could meet international sustainability standards.

Meeting this demand was a challenge for a small cooperative. “Encouraging and convincing local coffee farmers who used traditional coffee production over the last 20-30 years to adapt and change their growing method and produce high coffee beans to meet customers’ requirements was the biggest challenge we’ve been facing for the last 10 years”, stated Mr. Phouvong Chittanavanh, Manager of Cooperative of Sustainable Eco Coffee.

“Both certifications require compliance with mandatory and voluntary norms to bring value-added to the products and sell at a better price, thus increasing household income in a sustainable way”, Mr. Chittanavanh added.

Steps taken to obtain international certification

Working closely with farmers, the first step taken by the cooperative was to build the farmers' understanding of why it is important to shift the production approach and meet the standards' requirements; and how certified coffee products are key to build trust with customers and have better access to international markets, especially the EU market.

In 2019, the cooperative joined International Trade Centre (ITC)'s GreenToCompete Hubs and received support through the voluntary sustainability standards coaching programme. The programme is designed to prepare enterprises to go through a certification process of a specific voluntary sustainability standard. In the case of Cooperative of Sustainable Eco Coffee, this was the EU Organic standard. ITC supported the cooperative to first conduct a gap assessment against the criteria of the standard, and second, trained them to address the gaps, such as by improving the Internal Control System, preparing documentation, using the right materials and equipment, management of premiums as well as understanding of the EU Organic labelling requirements, among other things.

Impact of ITC support

To implement the standard, ITC connected the enterprise to BAFII programme (The Lao PDR Business Assistance Facility II). Due to this, the enterprise received the grant towards financing 50% of the EU Organic certification cost. The grant was critical for the Cooperative of Sustainable Eco Coffee to obtain the certification because the audit cost was high, and the enterprise wouldn't have been able to cover the cost otherwise.

The cooperative now exports 80% of its coffee beans to the EU market, and 20% goes to the domestic market. It got successfully certified to the EU Organic standards and is more confident in continuing its sales to the EU market as there is a high demand for organic coffee there. Going forward, the cooperative together with its board members has set its commitment to export its coffee as a specialty coffee brand to make it further stand out among competitors.



“Both certifications require compliance with mandatory and voluntary norms to bring value added to the products and sell at a better price, thus increasing household income in a sustainable way”

About the GreenToCompete Hubs

ITC's GreenToCompete Hubs are the multipliers of ITC's GreenToCompete initiative with a focus on national priorities. They activate micro, small and medium sized enterprises (MSMEs) to go green by developing their capacity and knowledge to implement smart green business practices. They also mobilise other local institutions and organisations, the private sector, and government to provide an enabling business environment and support services for small businesses.

During a 2-year period, ITC mentors the partner business support organization BSO hosting the hub to support them go green themselves and develop their offering for small businesses. In this way, each GreenToCompete Hub can further support small businesses become more competitive

MOUNTAIN HARVEST, UGANDA

Recovering waste, increasing profitability

About Mountain Harvest

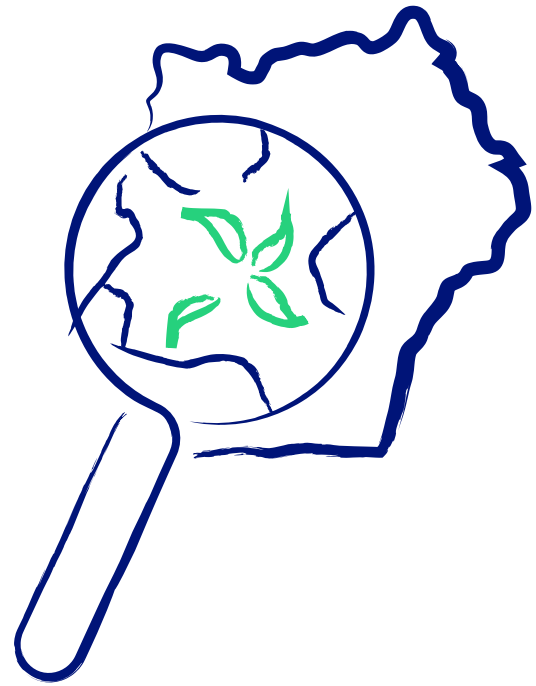
In Uganda, coffee is the leading commercial agricultural commodity and accounts for 20 per cent of all exports. Nearly 1.5 million people, primarily rural households, depend on coffee-related activities for their livelihoods.

The most fertile soils for the cultivation of Arabica coffee crops are found in the area of Mount Elgon, an extinct volcano on the border with Kenya. At the feet of this mountain and around the area of Mbale can be found Mountain Harvest's processing stations, a coffee company employing locally-contracted coffee smallholder farmers. They grow and pick the coffee beans, which, once ripe, are washed and sold to North-American and European roasting companies to deal with the product's final processing stages.

In 2019, the company processed 140 tons of rinsed coffee beans for total revenue of around 920,000 USD.

Mountain Harvest is one of the beneficiary companies of ITC's coaching programme on Resource Efficient and Circular Production (RECP) implemented within the framework of the Market Access Upgrade Programme (MARKUP) and funded by the Regional Indicative Programme for East African Community (EAC) under the 11th European Development Fund. The RECP component supports coffee wet mills in Uganda to enhance their resource management and implement circular production practices.

By doing so, companies can reduce their operational costs and improve their risk resilience while minimising their environmental footprint.



Coffee processing is a resource-intensive industry

Growing coffee from seed to harvest is a tough job for coffee farmers and processors, but it's only part of it. Once the coffee is harvested, coffee processing is a crucial step to produce high-quality coffee. Processing coffee is the act of removing the layers of skin, pulp, mucilage, and parchment that surround a coffee bean - the raw ingredient that the coffee producer will sell. "Washing" or wet-processing of the coffee is usually very energy and water-intensive and hence can leave a significant environmental footprint – both at the

Challenges and actions to optimise resources consumption

- **Fossil fuels and electricity:** ITC trainers found that the wet mills relied on petrol to power the processing machines, and electricity from the grid for office lighting and cooling. Besides the negative environmental impact, inefficient energy use resulted in Mountain Harvest paying high - and partly avoidable – energy bills. After carefully assessing Mountain Harvest's business operations, ITC expert coaches advised the business to install solar panels to power lighting and office appliances. They calculated that following a payback time of 2-3 years, the company would save the equivalent of 2,500 USD annually. Mountain Harvest's directive board decided to follow the advice and directly invested in solar panels installations in autumn 2021.

→ **Waste reduction and recovery:** ITC experts calculated that more than one third of the raw coffee beans processed annually became waste coffee pulp. If not treated and managed adequately, the waste coffee pulp poses a danger to the natural environment by polluting and releasing highly acid substances in nearby waters, threatening their living ecosystem. An easy solution to avoid these consequences is to compost the waste coffee pulp, transforming it into organic fertiliser – with the additional business opportunity to sell the fertiliser to local farmers. In My 2021, Recognising the high value of ITC consultants' coaching, Mountain Harvest financed training sessions for local farmers on composting to support them in making organic fertiliser from the coffee pulp waste and liquid fertiliser from the several shrubs and weeds growing within the coffee farm premises. While covering the technical aspects of producing fertiliser from waste coffee pulp, they also guided the workers at the processing station and farmers from the area to seize the economic opportunities arising from its commercialisation.

Looking forward

Implementing these measures will help Mountain Harvest become a more conscious company towards the environment, further grow its business, and promote a circular economy in the coffee sector. With the savings and the new earnings expected from implementing the resource efficiency and circularity related recommendations, the company is committed to expanding its farming catchment area to meet the growing international demand for new speciality coffees, mainly natural and honey coffee crops.

About MARKUP

The Market Access Upgrade Programme (MARKUP) aims to increase exports of agribusiness and horticultural products and promote regional trade integration and access to the European market. It is a regional development initiative designed by the East African Community (EAC) Secretariat in partnership with the European Union (EU) and the governments of five countries: Burundi, Kenya, Rwanda, Tanzania and Uganda – for agro-industrial crop and horticultural sectors.

Under this umbrella, ITC Trade and Environment is supporting companies in the Ugandan coffee sector to enhance the use of resources, such as energy, and to implement circular production practices.



Implementing these measures will help Mountain Harvest become a more conscious company towards the environment, further grow its business, and promote a circular economy in the coffee sector.



Trade and Environment

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