

Enhancing Transparency and Traceability for Sustainable Textile and Leather Value Chains

Frans Van Diepen & Maria Teresa Pisani

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UN / CEFAC



A global scenario

Textile Value Chains

■ GLOBAL

- Global Value Chains: Main feature in international trade
- Lengthy lead-times
- Driven by big retailers and traders

■ COMPLEX

- Multi-stakeholder
- First stage of value added manufacturing for many low income countries
- Small and scattered production facilities
- Short product lifecycles
- Minimum production quantities



THE INDUSTRY IN NUMBERS

80 bln garment pieces

More than 60 mln direct jobs

50% MSMEs

Textile Value Chains

10% of substances of concern to human **health**

25% of **chemicals** applied in textile industry

8% of **skin diseases** caused
by textile and footwear



79 mln m³/year of **water** Consumption

1, 715 mln tons/year **CO₂** emissions

92 mln tons produced **waste**

20% only **recycled**

Minimum **wage** $\frac{1}{2}$ of living wage

5.6 injured per 100 workers/year

87% non compliance with minimum

wage for **women** in certain countries

For sustainable value chains

Global and regional initiatives



Guiding Principles on
Business and Human Rights



Directorate-General for International
cooperation and Development (DG DEVCO)



BETTER WORK



Sustainable
Apparel Coalition



United Nations
Environment Programme



International
Trade
Centre



UNECE



Due Diligence Guidelines
for Multinational Enterprises



About the UN/CEFACT Project

In partnership with ITC

Why Transparency and Traceability?

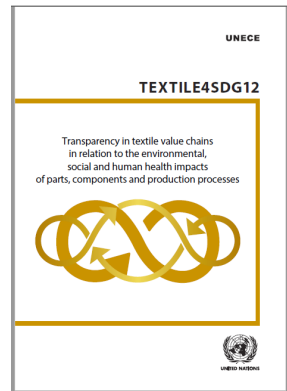


- A **priority** for the industry
- To increase its ability to manage its supply chains more **efficiently** and **sustainably**
- to give a **common understanding** of what the most critical issues across the value chain and impact areas are
- As a way of putting the **power of information** in the hands of consumers
- and as a means to guide business leaders towards **smarter choices** in the **pursuit of lasting change**.

TRACEABILITY FOR SUSTAINABLE GARMENT

- *ability to identify and trace the history, distribution, location and application of products, parts and materials,*
- *to ensure the reliability of sustainability claims, in the areas of human rights, labor (including health and safety), the environment and anti-corruption (UNGC)*

Overall Objective



Enabling policy-makers to advance the necessary policy and regulatory frameworks

Supporting brands and manufacturers in their efforts to embrace sustainability

Supporting SMEs and factories in adopting recognized international and national initiatives, standards, private codes of conduct and audit protocols

Main components

OUTPUT 1 (UNECE)

Multi-stakeholder **policy dialogue** and **policy recommendations** towards enhanced transparency and traceability for sustainable textile value chains

OUTPUT 2 (UNECE)

Transparency and traceability **standard** for sustainable textile value chains

OUTPUT 5 (UNECE)

Training and awareness raising programme based on the policy recommendations and standard schemes developed by UN/CEFACT, along with pilots for the policy and the standard

About UNECE – UN/CEFACT

- United Nations Centre for Trade Facilitation and Electronic Business is an intergovernmental body of the UNECE.
- UN/CEFACT's mission is to develop a programme of work of global relevance to achieve improved worldwide coordination and cooperation in trade facilitation recommendations and electronic business standards.



UN/CEFACT's GOALS

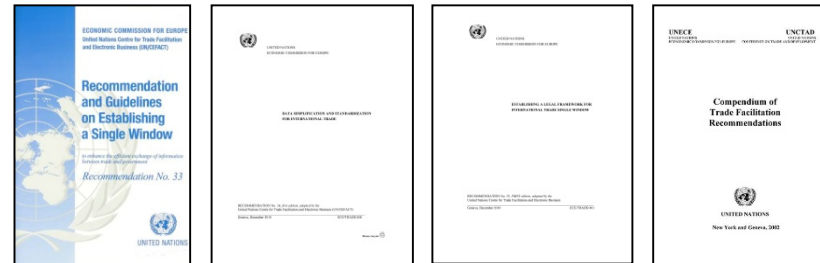
- Improve the ability of business, trade and administrative organizations to exchange products and relevant services effectively.
- Facilitate national and international transactions.
- Simplify and harmonize processes, procedures and information flows.

UNECE's Trade Facilitation Pillars

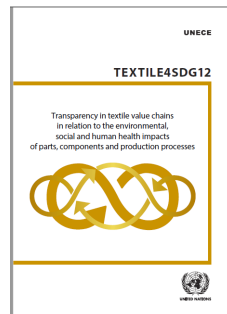
UNECE
Policy Rec.s
UN/CEFACT

UNECE
Standards
UN/CEFACT

UNECE /
UNNExT
Guidelines,
Briefs, Case
Studies

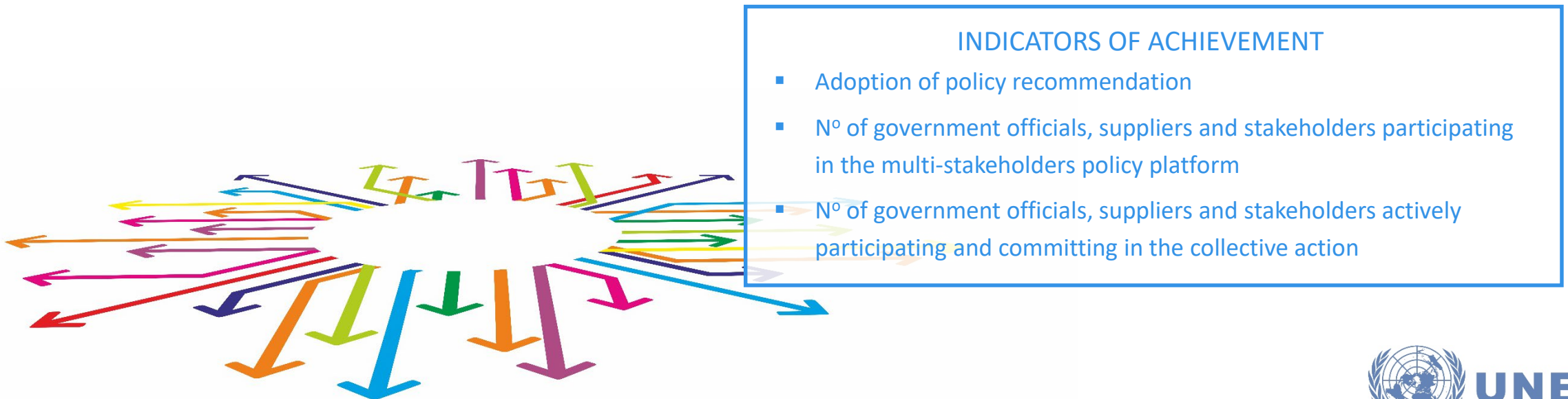


Capacity Building & Technical assistance



Component 1: Multi-stakeholder policy dialogue towards enhanced transparency and traceability for sustainable textile value chains

- **Multi-stakeholder policy dialogue platform** (2 meetings per year/3 years period)
- **Policy recommendation** and call for action to key stakeholders
- **A Call for action and a repository of commitments** along with a reporting mechanism to monitor progress and facilitate sharing of good practices (in UN/CEFACT Forums and Plenaries and other relevant fora)



Organizational set-up

INDUSTRY ASSOCIATIONS

e.g. Chambers of Fashion, EURATEX, COTANCE among others.

MULTILATERAL PARTNERS

e.g. ILO, OECD, UNFCCC, UNEP , UNGC, EU, and NGOs.

Multiple Collaborations
and Partnerships

MEMBER STATES

Ensure appropriate sharing of experience, expertise and visibility.

CIVIL SOCIETY STAKEHOLDERS

Activities to leverage their experiences and expertise as well as gain buy-in for implementation of project outputs.

Component 2: Transparency and traceability standard for sustainable textile value chains

- Mapping of **traceability requirements** and the **analysis of business processes (BPA)** for sustainable textile value chains
- Development of a **set of standards** for tracking and tracing sustainable production and retailing
- Development of **implementation guidelines**

INDICATORS OF ACHIEVEMENT

- Adoption of the set of standards
- Adoption of the guidelines
- Number of countries and suppliers in the garment sector implementing the traceability framework



Previous experiences

- Party
 - Identification
 - Information
- Product
 - Identification
 - Description
 - Process
 - Location
 - Date/time



Previous experiences

DEVELOPMENTS IN THE AGRI-FOOD DOMAIN

STANDARD MESSAGES

e-CERT phyto and veterinarian sanitary certificate	G2G
e-Daplos, e-CROP, agro product information message	B2B
Animal identification and e-Animal passport	G2G
Dispatch advice (batch number, identification)	B2B
e-LAB laboratory observations report	B2B, B2G, G2G
FLUX Fishing monitoring and reporting	G2G
Track and Trace Animals (and Plant and Product)	B2B, B2G, G2G
RASFF rapid alerts for food and feed	G2G (B2G and B2B for the next version)

CODING

Product (EPC, Codex Alimentarius)
Location and Party identification (GLN, ...)

CERTIFICATION

Authority
NGO
Private business
(GlobalGap, Organic, Sustainable, CITES, Standard Maps ITC ...)

INTEGRATION OF DOMAINS

e-Invoicing (fish, cutflowers, fresh fruits and vegetables)
Transport and location (GN codes – GS1)
CITES e-permits
WCO datamodel III and IV
Production, Trade and Retail

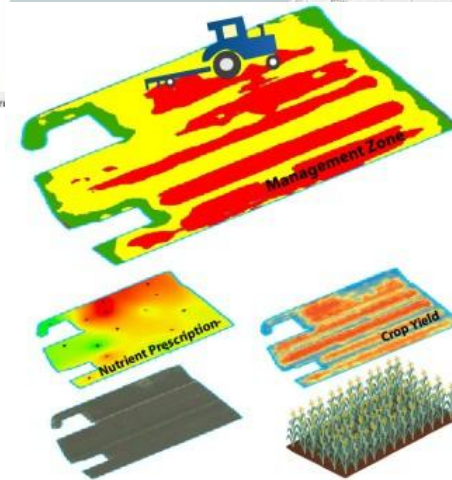
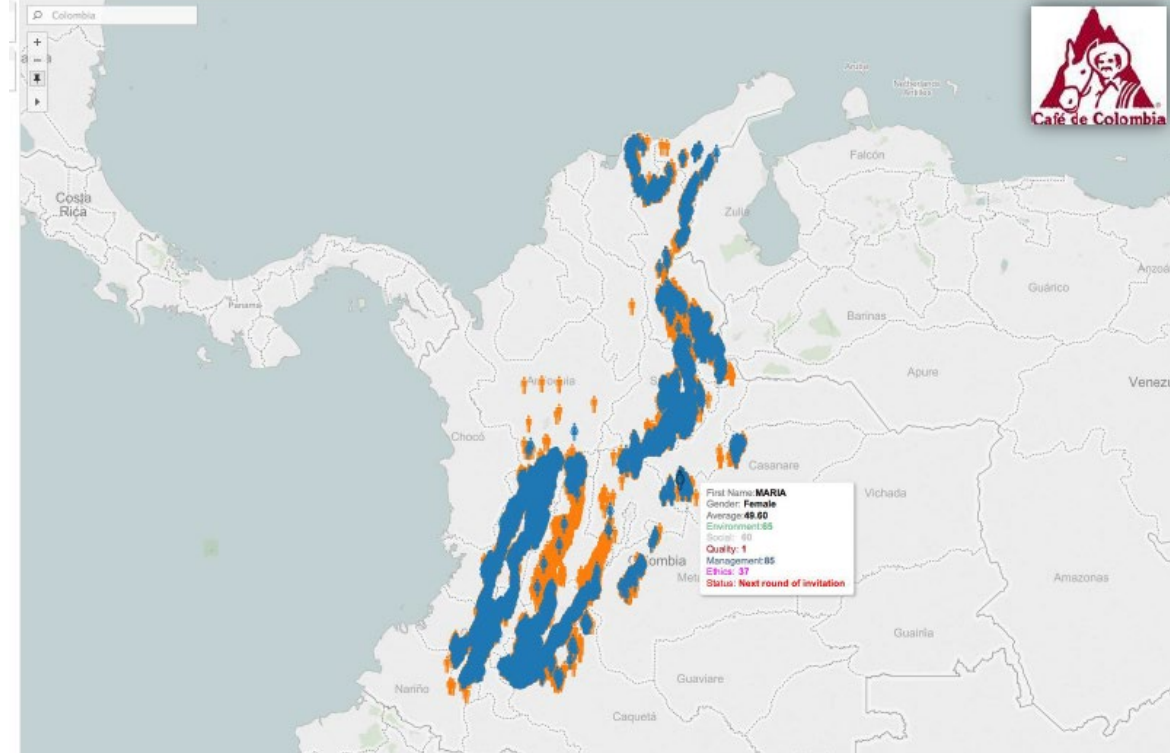


Previous experiences

AN EXAMPLE: SUSTAINABLE NETWORK AND GLN

Farm and Farmer Identification

- (Point) Identifier + coordinate
- Geographical features
farm, field, farm yard, building
- Agriculture organisation
farmer, cooperative



Component 3: All stakeholders involved in the textile and apparel value chains are enabled to implement and improve the traceability and transparency framework

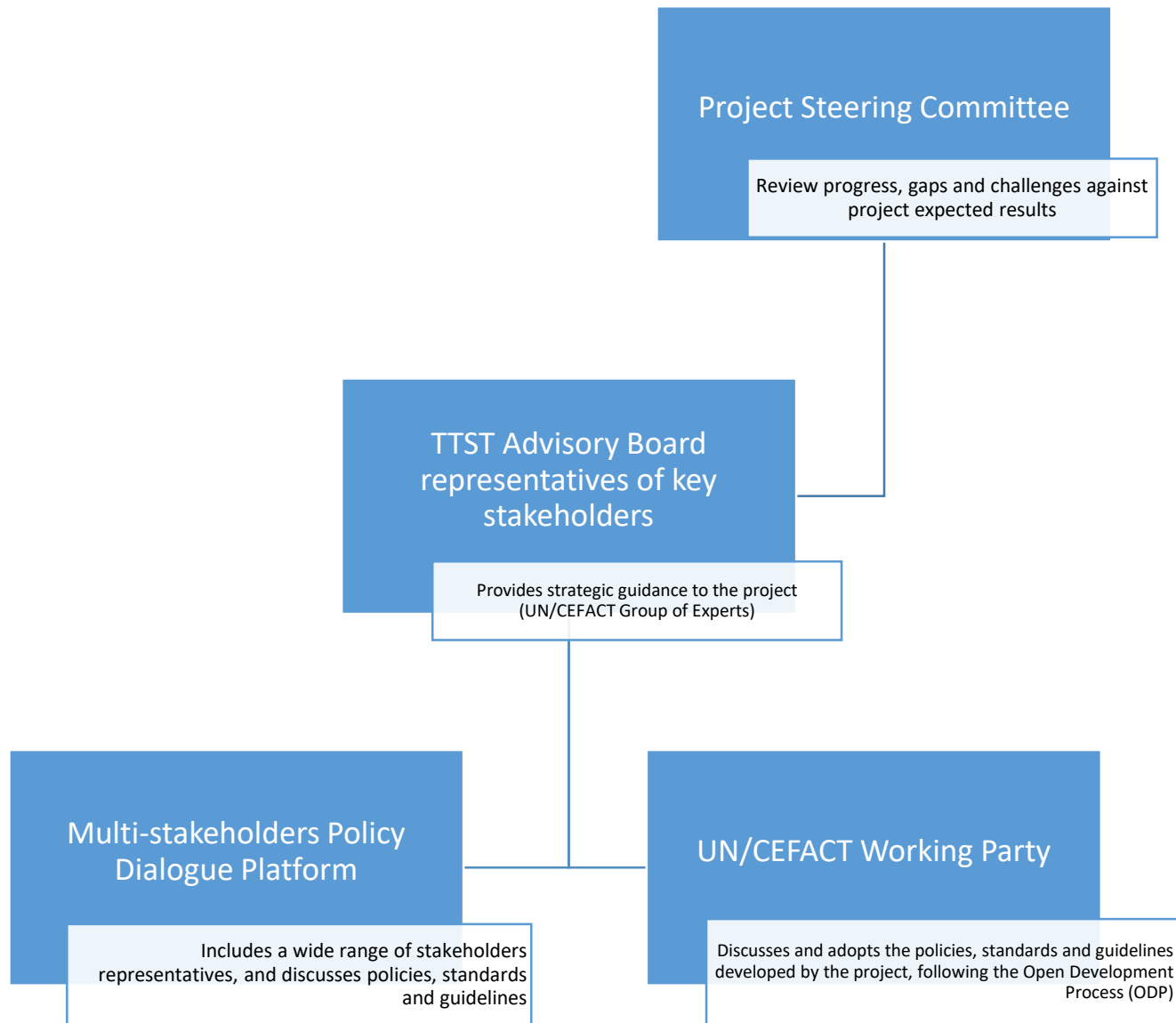
- Stakeholder **empowerment** in implementing traceability approaches
- **Piloting** the use of the framework (at least in 1 country and 4 companies)
- **Training** on traceability approaches, policy recommendations and standards for project beneficiaries (6 training sessions in total)
- **Visibility** and **communication plan** (promotional material e.g. web content, brochures, videos)

INDICATORS OF ACHIEVEMENT

- No of parties in garment sector trained on traceability approaches, standard guidelines and tools
- No of parties in garment sector implementing the transparency and traceability framework



Project Governance



Next steps

- Monthly conference calls of the [Group of Experts](#)
- *5th June 2018*: Conference at the [EUDD2018](#) in Brussels, jointly with EU DGDEVCO and ITC
- *October 2018*: Conference at the [32th UN/CEFACT Forum](#), China
- Set up of [project space](#) on the UN/CEFACT CUE
- Project timeframe: 2018-2020





Frans Van Diepen

Frans.vandiepen@rvo.nl

Ministry of Economic Affairs and
Climate Policy, The Netherlands

Maria Teresa Pisani

maria-teresa.pisani@un.org

Economic Cooperation and
Trade Division, UNECE

Contact us to join the Group of Experts

Thank you!