



**PLEASE CHECK AGAINST DELIVERY**

**Statement**

**by**

**Ms. Olga Algayerová**

**United Nations Under-Secretary-General**

**Executive Secretary**

**of the United Nations Economic Commission for Europe**

**at**

**UNECE-UNIDO International Conference**

**“Accelerating action for the sustainable garment and footwear industry of the future:  
Harnessing the potential of innovation for due diligence and reduced environmental  
impact - The way forward to UNFCCC COP27”**

**Cairo, 24 May 2022 (remote participation)**

Excellencies, Distinguished Guests, Ladies and Gentlemen,  
Colleagues,

Thank you to the United Nations Industrial Development Organization (UNIDO) for the excellent collaboration to co-organize this multi-stakeholder international conference. Today, we are convening key actors and players of the textile-cotton and leather industry for Egypt and the Middle East North Africa (MENA) region, to accelerate the transition towards a sustainable and circular industry!

UNECE welcomes this opportunity to **join forces and strengthen collaboration** for advancing responsible consumption and production, decent work, economic growth, and partnerships, in line with the UN 2030 Agenda for Sustainable Development and the Paris Agreement.

Global value chains in garment and footwear are fragmented and trade is moving fast. As per market demands, companies in the fashion industry will have to increasingly prevent and mitigate social and environmental impacts in their value chains, and especially their **carbon and water footprint**. A growing body of legislation and standards supports the transition to a responsible garment and footwear industry. Businesses increasingly recognize their duty to protect people and the planet: 70 per cent of European companies agree on the need of a harmonized legal framework (2020, [EU](#)).

And we have seen important developments in the current policy context that lay the foundation for a level playing field. The EU's legislative proposal for a **Directive on Corporate Sustainability Due Diligence** will make large European companies accountable for human right violations and environmental harm caused throughout their supply chains, including in textiles. (2022, [EU](#)). So, this will surely influence the sourcing decisions of buyers.

---

The textile-cotton and leather industry in the MENA region bears a great deal of potential. In 2020, EU's imports from Egypt amount to **0.6 billion Euros, about 10 per cent** of textiles and clothing (2022, [EU](#)). Also, the Egyptian cotton is renowned worldwide as one of the finest fibres. The textile sector is therefore of key importance for the country, being one of its biggest manufacturing sectors in terms of number of enterprises, with mostly small and medium-sized enterprises (SMEs) and in terms of job creation. Some recent studies show that the textile and manufactured exports in the MENA region will benefit from the global supply chain diversifying away from other big producers, notably due to its historical link with Europe, and its geographic proximity and preferential trade access to the European consumer market (2020, [Fitch Solutions](#)).

So there are **opportunities** to seize, especially knowing that sustainable and circular business models in the cotton-textiles-leather sectors can deliver on international commitments for a low carbon economy and a fair society. They can help to better access regional and international value chains, enhance competitiveness, exports and integrate into the global economy.

However, the complexity of value chains makes it very hard, especially for downstream actors, to have accurate information about how and where **environmental** and **social impacts** occur. To increase companies' ability to manage value chains in a more sustainable way, they need the right tools to measure impact and to increase data transparency about how clothes are made. Improving the **environmental, social and governance traceability and transparency** of value chains has thus become a priority for many industry players.

Let me flag here the UNECE initiative "*Enhancing Traceability and Transparency of Sustainable Value Chains in Garment and Footwear*", developed within the UN/Centre for Trade Facilitation and

---

Electronic Business (CEFACT), and implemented with the International Trade Centre with financial support from the EU. It has been acknowledged by the European Commission as an accompanying measure that can facilitate the implementation of due diligence. The same goes for the recently published **EU Strategy for Sustainable and Circular Textiles** (2022, [EU](#)) which acknowledged UNECE's work to support sustainable and risk-based value chain management.

We are very proud that at UNECE, member States are taking a leading role to support the transition to **sustainable consumption and production patterns** and to a **circular economy**. In April 2021, the UNECE 56 member States endorsed “**The Sustainability Pledge**” a series of policy recommendations, guidelines, standard and call to action. Together these tools provide solutions for tracking the sustainability performance of any garment or item of footwear, from raw component to point of purchase. In essence, they allow companies to **verify sustainability claims** and support **verifiable production data** in the garment and footwear sector. We will explore these tools during the conference.

However, there are key **challenges** that remain when developing these tools: **harmonization** of policies and standards across levels, **cost** of compliance, the **lack of capacity and infrastructure** for small and medium sized enterprises (**SMEs**) and vulnerable groups upstream in the value chain. International dialogue and cooperation will be critical in the coming months and years, including in the Euro-Mediterranean area, to come up with more **inclusive and resilient** value chains.

To get a systemic change and the necessary scale, we need to work together to improve the industry's sustainability. We need to **build the capacity** of SMEs and vulnerable actors. We need tailored **practical support** and the necessary **technical assistance programmes** to strengthen the ability to trace impacts along supply

---

chains. And for this, the next Conference of the Parties to the United Nations Convention on Climate Change “**COP 27**”, to be held in Egypt in November 2022, will be a milestone.

As we look towards the future, let me add that UNECE is also exploring the instrumental role of **advanced technologies**, such as blockchain and physical markers. In fact, this event expands upon our collaboration with key partners, including from Egypt, to build capacity on the role of **Blockchain** for traceability and transparency and to showcase progress on the joint pilots. We hope to extend these to other partners and countries in the MENA region.

UNECE, together with UNIDO, stands ready to offer its support for advancing the sustainable, circular and digital transition, and the compliance with **environmental, social and governance (ESG) requirements**.

Thank you for your dedication and your enthusiasm on this important topic. And I wish you a very inspiring and fruitful two days of exchange and deliberations!

---