

ECONOMIC COMMISSION FOR EUROPE

EXECUTIVE COMMITTEE

102nd meeting
Geneva, 14 December 2018

Item 9

Informal Document No. **2018/39**

Extrabudgetary projects

**Enhancing transparency and traceability for more sustainable value chains
in the garment and footwear sector**

**UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE
TECHNICAL COOPERATION PROJECT FORM**

Project title and project number: Enhancing transparency and traceability for more sustainable value chains in the garment and footwear sector						
Expected timing/ duration: February 2019 - January 2021						
<p>Objective and brief summary of the project: The objective of the project is to enhance the transparency and traceability along the garment and footwear value chain, as part of improving the due diligence process by private sector actors, to advance more responsible production and consumption patterns in line with the 2030 Agenda for Sustainable Development. This project is part of wider EU action that will be implemented in partnership with International Labour Organisation (ILO), International Trade Centre (ITC) and International Finance Corporation (IFC). The EU action aims at improving working conditions and advancing sustainable production patterns in the garment and footwear value chains. It will do so through the achievement of two specific objectives (i) to improve compliance with international labour and environmental standards in the garment and footwear value chains; (ii) to enhance transparency and traceability along the garment and footwear value chains, as part of improving the due diligence process by private sector actors. UNECE will contribute to the specific objective (ii) by implementing the following activities:</p> <p>A1.1. Establish Policy Dialogue Platform engaging government and the private sector and other key stakeholders on transparency and traceability for sustainable garment and footwear value chains, and their contribution to the SDGs;</p> <p>A1.2. Develop Principles and Policy Recommendations to guide policy makers in devising approaches to sustain and incentivize private sector efforts to tack and trace the whole value chain and make it more transparent, including on social, environmental and health performance and impacts;</p> <p>A1.3. Organize 6 multi-stakeholder policy dialogue meetings to promote transparency for sustainable garment and footwear value chains;</p> <p>A1.4. Conduct the mapping of traceability requirements and the analysis of the business processes and existing gaps for sustainable garment and footwear value chains (e.g. cotton, wool and other animal fibres, synthetic fibres, and leather);</p> <p>A1.5. Design a set of standards to track and trace sustainable garment and footwear value chains, from raw material production to retail, as well as develop guidelines for the application of the standards;</p> <p>A1.6. Develop guidelines for the application of the standard, for members within the garment and footwear value chain;</p> <p>A2.1. Pilot the use of the transparency and traceability policy framework, standard and guidelines with 1 country and 4 companies;</p> <p>A2.2. Conduct 6 training workshops and coaching to key stakeholders including factory management on the standards;</p> <p>A2.3. Design and implement a visibility and communication plan for awareness raising worldwide about responsible production and consumption in the sector (including the design of promotional materials such as a video, leaflets and brochures, media campaigns);</p> <p>A2.4. Conduct a concluding conference for peer learning and sharing of lessons learned.</p>						
<p>Expected results of the project:</p> <p>EA1. Capacity of countries and companies to take risk-informed decisions and operate along a set of internationally agreed practices that increase the traceability and transparency of value chains, vis-a-vis all actors including workers and final consumers, is strengthened;</p> <p>EA2. Connectivity and capacity to source more sustainably of retailers, brands and manufacturers along the value chain in the garment and footwear sector is enhanced.</p>						
<p>Target group and beneficiaries of the project:</p> <p>Target groups include government officials from Ministries of Trade, Economic Development, Environment and Labour, businesses in the garment and footwear industry, experts from International Organisations, NGOs and academia working on sustainable value chains in the garment and footwear industry. Beneficiary countries are the UNECE member States.</p>						
<p>Justification of project and its relationship to the programme of work:</p> <p>This project will directly contribute to the Expected accomplishment (a) "Improved response to environmental challenges by ECE constituencies" of the Subprogramme 1 "Environment" and its objective "Improved response to environmental and social challenges in the region", and the Expected accomplishment (a) "Increased consensus on and strengthened implementation of ECE recommendations, norms, standards, guidelines and tools for trade facilitation and electronic business" of the Subprogramme 6 "Trade" and its objective "Strengthened implementation of policies, norms and standards for the facilitation of trade and e-business, as an engine for sustainable development" of the UNECE Strategic Framework for 2018-2019. The project responds to the mandates set in the UN/CEFACT Programme of Work of 2017-2018 (ECE/TRADE/C/CEFACT/2017/19) adopted by the EXCOM (ECE/EX/2017/L.8), as well as in the Report of the 24th session of the UN/CEFACT Plenary (ECE/TRADE/C/CEFACT/2018/2) (Decision 18-25). Transparency and traceability of sustainable value chains, will remain another major topic for the coming period, as indicated in the Programme of Work 2019-2020 of UN/CEFACT, adopted by the UN/CEFACT Bureau for submission to the 25th Plenary (ECE/TRADE/C/CEFACT/2019/21).</p>						
<p>Estimated UN regular budget resources (work months of RB staff/level of Staff):</p> <p>1.5 month of the RB/P5 over 3 years; 1.5 month of the RB/P4 over 3 years.</p>						
<p>Estimated extra budgetary resources:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Donor</th> <th style="text-align: center;">Amount (Euro)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">European Union (EC DG DEVCO)</td> <td style="text-align: center;">2,085,120</td> </tr> </tbody> </table>			Donor	Amount (Euro)	European Union (EC DG DEVCO)	2,085,120
Donor	Amount (Euro)					
European Union (EC DG DEVCO)	2,085,120					
<p>Project Manager: Maria Teresa Pisani 23.11.2018</p>	<p>Section/Division: Trade Facilitation Section/ Economic Cooperation and Trade Division</p>					
<p>Cleared by Programme Management Unit: Catherine Haswell Chief 23.11.2018</p>	<p>Approved by EXCOM¹</p>	<p>14.12.2018</p>				

¹ See paragraph 31 (a) of Commission decision A(65).

Annex
Results-based budget for the extra-budgetary project

Expected Accomplishments	Planned activities	Estimated costs (Euros)
EA1. Capacity of countries and companies to take risk-informed decisions and operate along a set of internationally agreed practices that increase the traceability and transparency of value chains, vis a vis all actors including workers and final consumers, is strengthened	A1.1. Establish Policy Dialogue Platform engaging government and the private sector and other key stakeholders on transparency and traceability for sustainable garment and footwear value chains, and their contribution to the SDGs; P4 staff to provide overall substantive management for the setting up of the Policy Dialogue Platform x 3 months x €15,500 per month P2 staff to provide overall support and project coordination for the setting up of the Policy Dialogue Platform x 1 month x €10,500 a month 1 international consultant to establish Policy Dialogue Platform and identify key stakeholders x 2months x €10,000 a month 2 staff x 3 missions for reaching out to key partners and stakeholders to be involved in the Policy Dialogue Forum x €2,000	89,000 46,500 10,500 20,000 12,000
	A1.2. Develop Principles and Policy Recommendations to guide policy makers in devising approaches to sustain and incentivize private sector efforts to tack and trace the whole value chain and make it more transparent, including on social, environmental and health performance and impacts; P4 staff to provide overall substantive management for the development and adoption of the Policy Recommendation x 4 months x €15,500 a month 1 Consultant with expertise in traceability and sustainability of value chains for drafting of policy recommendations x 2months x €10,000 a month 1 Consultant for meetings with stakeholders involved in the drafting of the policy recommendations x4 missions x €1,500 per mission 1 staff x 2missions x €2,000 per mission	92,000 62,000 20,000 6,000 4,000
	A.1.3. Organize 6 multi-stakeholder policy dialogue meetings to promote transparency for sustainable garment and footwear value chains; P4 staff for overall management of 6 policy dialogue meetings x 9 months x € 15,500 a month P2 staff for support to the organization of the 6 policy dialogue meetings x 9 months x €10,500 a month 1 Consultant for conducting the policy dialogues and preparing the reports x 6 missions x €1,500 per mission 1 Staff for conducting the policy dialogues x6 missions x €2,000 per mission Travel of participants for meetings: 20 participants x 6 meetings x €1500 per participant Contractual services x €15,000 to support organisation of the 6 meetings Contractual services x €45,000 for communication activities (posters, banners, roll-ups, broadcasting of sessions, ensuring media coverage, etc.)	570,000 139,500 94,500 9,000 12,000 180,000 90,000 45,000
	A1.4. Conduct the mapping of traceability requirements and the analysis of the business processes and existing gaps for sustainable garment and footwear value chains (e.g. cotton, wool and other animal fibres, synthetic fibres, and leather); P4 staff for overall management of the mapping of traceability and sustainability requirements of value chains x 5 months x €15,500 a month 5 Consultants with specific expertise in the mapping of textile (for cotton, synthetic, wool and cellulosic fibers) and leather value chains x 3 month x €10,000 a month 1 staff for field visits for conducting the mapping x3missions x €2,000 per mission 1 Consultant for field visits for conducting the mapping x 3missions x €1,500 per mission	238,000 77,500 150,000 6,000 4,500
	A1.5. Design a set of standards to track and trace sustainable garment and footwear value chains, from raw material production to retail, as well as develop guidelines for the application of the standards; P4 staff for overall management of the process of standards development and adoption x 4 months x €15,500 per month P2 staff for support of the standards development x1 months x €10,500 per month 1 Consultant with technical expertise in the development of Business Requirements Specifications for the textile and leather sector and development	112,500 62,000 10,500 40,000

	of XML messages for electronic exchange of data along the value chain x 4 months x €10,000 per month	
	A1.6. Develop guidelines for the application of the standard, for members within the garment industry; P4 staff for overall management of the guidelines development x 2 months x € 15,500 per month 1 Consultant to prepare implementation guidelines for the application of the set of standards x 2 months x €10,000 per month	51,000 31,000 20,000
EA2. Connectivity and capacity to source more sustainably of retailers, brands and manufacturers along the value chain is enhanced	A2.1. Pilot the use of the transparency and traceability policy framework, standard and guidelines with 1 country and 4 companies; P4 staff for overall management of the pilots (1 country and 4 companies) x 4 months x €15,500 per month P2 staff for support to the conduct of the pilots (1 country and 4 companies) x 1 month x €10,500 per month 5 Consultant for the selection and conduct of the pilots and the preparation of the reports x 5months x €10,000 per month 5 Consultant for the conduct of the pilots x10 missions x €1,500 per mission (each consultant 2 missions) 1 staff to conduct the pilots x10 missions x € 2,000 per mission	357,500 62,000 10,500 250,000 15,000 20,000
	A2.2. Conduct training and provide coaching in selected beneficiary countries/companies to key stakeholders including factory management and workers representatives on the standards; P4 staff for overall management of training workshops and coaching activities x 1 month x € 15,500 per month P2 staff for overall management of training workshops and coaching activities x1 months x €10,500 per month 1 Consultant for conducting 6 training workshops and coaching activities to 1 country and 100 companies x 3months x €10,000per month 2 Consultants for conducting 6 training workshops and coaching activities x 6missions x €1,500 per mission 1 staff for conducting 6 training workshops and coaching activities x €2,000 per mission 10 participants x 6 training workshops x €1,500 per participant Contractual services €10,000 x workshop x 6 workshops for logistics (support organisation for the meetings including rooms rental) Contractual services x € 45,000 for communication activities (production of posters, banners, roll-ups, broadcasting of sessions, ensuring media coverage, etc.)	281,000 15,500 10,500 30,000 18,000 12,000 90,000 60,000 45,000
	A2.3. Design and implement a visibility and communication plan for awareness raising worldwide about responsible production and consumption in the sector; P4 staff for overall management of communication plan x 1 month x €15,500 per month 1 Consultant with expertise in communication for designing and implementing the project communication plan x 2 months x 12,000€ per month	39,500 15,500 24,000
	A2.4. Conduct a concluding conference for peer learning and sharing of lessons learned. P4staff for overall management of the concluding conference x 1 month x €15,500 per month P2 for support to the organisation of the concluding conference x 1 month x €10,500 per month 2 Staff x 1missions x €2,000 per mission 20 meeting participants x 1meeting x 1,500€ per participant Contractual services €20,000 x 1 concluding conference to support organisation for the meetings (including rooms rental)	80,000 15,500 10,500 4,000 30,000 20,000
Project evaluation		38,210
Budget summary		1,948,710
7% of Programme Support Costs		136,410
Total		2,085,120