

ECONOMIC COMMISSION FOR EUROPE

EXECUTIVE COMMITTEE

126th meeting
Geneva, 13 January 2023

Item 12 of the provisional agenda

Informal Document No. **2023/7**

Extrabudgetary project

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

(for approval)

**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 – Phase II		
Expected timing/ duration: January 2023 - June 2024		
<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 a wider EU action and is jointly implemented in partnership with the International Labour Organisation (ILO), the International Trade Centre (ITC) and the 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. Following the successful implementation of the first phase of the EU action (from June 2019 to December 2022), Phase II will undertake additional activities under the project, to contribute to the output: “Development of dedicated engagement strategies in priority countries for the garment and footwear industry, with the setting up of industry consortia for the uptake of the UNECE Traceability & Transparency Toolbox and the development of Key Performance Indicators (TT KPIs) to measure the level of traceability and transparency of sustainable products and materials”:</p> <p>A1.1. Establish engagement plans for public and private industry actors in 20 priority countries to advance traceability and transparency of sustainable and circular value chains in the sector, including on gender considerations;</p> <p>A1.2. Develop and adopt Key Performance Indicators (KPIs) to measure the level of traceability and transparency of products and materials for public and private industry actors in priority countries for the sector;</p> <p>A1.3. Organize 2 multi-stakeholder policy dialogue meetings for peer learning and sharing of lessons learned from the implementation of the UNECE traceability and transparency approaches and tools;</p> <p>A2.1. Conduct the integrated implementation of the UNECE and ITC traceability, transparency and audit convergence approaches and tools with industry consortia of up to 100 companies/industry actors and their supply chain partners for industry-wide scaling-up.</p>		
Expected results of the project:		
<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>		
Target group and beneficiaries of the project:		
<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, and other countries for the sector in other regions of the world.</p>		
Justification of project and its relationship to the programme of work:		
<p>This project will directly contribute to the objectives: (a) “improve environmental governance and performance for safeguarding the environment and health” of the Subprogramme 1 Environment, and (b) “strengthen trade facilitation and electronic business, regulatory cooperation and standardization policies, agricultural quality standards and trade-related economic cooperation in the ECE region and beyond” of the Subprogramme 6 Trade, of the ECE Proposed Programme Budget for 2023. The project responds to the mandates set in the UN/CEFACT Programme of Work of 2023-2024 (ECE/TRADE/C/CEFACT/2022/21/Rev.1) adopted by the EXCOM at its 125th meeting (ECE/EC/2022/6), as well as in the Report of the 28th session of the UN/CEFACT Plenary (ECE/TRADE/C/CEFACT/2022/2) (Decisions 22-18 and 19).</p>		
Estimated UN regular budget resources (work months of RB staff/level of Staff):		
0.5 month of P5; 0.5 month of P4		
Estimated extra budgetary resources:		
Donor	Amount (Euro)	
European Union (EC DG INTPA)	850,000	
Project Manager: Maria Teresa Pisani	Section/Division: Trade Facilitation Section/ Economic Cooperation and Trade Division	
08.12.2022		
Cleared by Programme Management Unit: Nicolas Dath-Baron	Approved by EXCOM¹	13.01.2022

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

08.12.2022

Annex
Results-based budget for the extrabudgetary 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 engagement plans for public and private industry actors in 20 priority countries to advance traceability and transparency of sustainable and circular value chains in the sector, including on gender considerations P3 staff to provide overall substantive management for the engagement plans x 3 months x €14,500 per month P2 staff to provide overall substantive support for the development of engagement plans x 5 months x €13,500 a month G4 staff to provide administrative support for performance of the activity x 1 month x €13,000 a month 1 international consultant to establish engagement plans and identify key stakeholders x 3months x €10,000 a month 2 staff x 4 missions for reaching out to key partners and stakeholders to be involved in engagement strategies x €12,000 1 consultant x 8 missions for reaching out to key partners and stakeholders to be involved in engagement strategies x €12,000 1 contractor for the formatting/editing of engagement plans Office equipment to support implementation of the activity	194,000 43,500 67,500 13,000 30,000 12,000 12,000 10,000 6,000
	A1.2. Develop and adopt Key Performance Indicators (KPIs) to measure the level of traceability and transparency of products and materials for public and private industry actors in priority countries for the sector P3 staff to provide overall substantive management for the development of the KPIs report x 2 months x €14,500 per month P2 staff to provide overall substantive support for the development of the KPIs report x 4 months x €13,500 a month G4 staff to provide administrative support for performance of the activity x 1 month x €13,000 a month 1 international consultant to identify KPIs and engage key stakeholders x 2months x €10,000 a month 1 contractor for the formatting/editing of the Technical Report x €10,000	126,000 29,000 54,000 13,000 20,000 10,000
	A1.3. Organize 2 multi-stakeholder policy dialogue meetings for peer learning and sharing of lessons learned from the implementation of the UNECE traceability and transparency approaches and tools P3 staff to provide overall substantive management for the organization and conduct of multi-stakeholders meetings x 3 months x €14,500 per month P2 staff to provide overall substantive support for the organization and conduct of multi-stakeholders meetings x 3 months x €13,500 a month G4 staff to provide administrative support for performance of the activity x 3 months x €13,000 a month 1 international consultant for development of meetings materials and to engage key stakeholders for the meetings x 2months x €10,000 a month 2 staff x 2 missions for multi-stakeholders' meetings x € 6,000 1 consultant x 8 missions for reaching out to key partners and stakeholders to be involved in meetings x €12,000 Travel expenses x 6 participants x 2 stakeholders' meetings x1,500€ each 1 contractor for logistic support for the organization, conduct and hosting of the meetings x €40,000 Equipment to support implementation of the activity (roll-ups/banners)	225,000 43,500 40,500 39,000 20,000 6,000 12,000 18,000 40,000 6,000
EA2. Connectivity and capacity to source more sustainably of retailers, brands and manufacturers along the value chain is enhanced	A2.1. Conduct the integrated implementation of the UNECE and ITC traceability, transparency and audit convergence approaches and tools with industry consortia of up to 100 companies/industry actors and their supply chain actors/partners (in full or in part) for industry-wide scaling-up P3 staff to provide overall substantive management for the scaling-up of the toolbox x 4 months x €14,500 per month P2 staff to provide overall substantive support for the scaling-up of the toolbox x 6 months x €13,500 a month G4 staff to provide administrative support for performance of the activity x 1 month x €13,000 a month 1 international consultant to provide support though the operation of the UNECE blockchain system x 7months x €10,000 a month 2 staff x 1 mission for reaching out to key partners and stakeholders to be involved in the consortia x €6,000 1 consultant x 2 missions for reaching out to key partners and stakeholders to be involved in the consortia x €6,000	234,000 58,000 81,000 13,000 70,000 6,000 6,000
Evaluation ¹		15,570
Budget summary		794,070
7% of Programme Support Costs		55,585
Total (rounded)		850,000

¹ EUR 38,210 were foreseen for the evaluation of E320, approved by EXCOM on 14 December 2018. As this project was extended at no-cost until 31 December 2024, it is proposed to conduct a single comprehensive evaluation of Phase I and II altogether.