



Economic and Social Council

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Economic Commission for Europe

Executive Committee

135th meeting
Geneva, 9 September 2024

Decision relating to Enhancing Transparency and Traceability for Sustainable Value Chains in Strategic Sectors for the Green and Digital Transitions in the UNECE region and beyond (Phase III)

Submitted by the Secretariat

Draft decision

The Executive Committee hereby approves the extrabudgetary project entitled “Enhancing Transparency and Traceability for Sustainable Value Chains in Strategic Sectors for the Green and Digital Transitions in the UNECE region and beyond (Phase III)” as contained in the present document ECE/EX/2024/L.10.



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

Project title: Enhancing Transparency and Traceability for Sustainable Value Chains in Strategic Sectors for the Green and Digital Transitions in the UNECE region and beyond (Phase III)		
Expected timing/ duration: September 2024 – June 2028		
<p>Objective and brief summary of the project: Traceability and transparency enable industry actors to achieve verifiable performance on human rights, decent work and environmental sustainability and can help ensure health and wellbeing for all. In fact, the implementation of traceability and transparency systems can efficiently address information asymmetry between producers, consumers and regulators, thus enhancing accountability. In such connection and by expanding on the outcomes of its Phase I (E320 in 2019-2023) and Phase II (E414 in 2023-2024), the objective of the project is to contribute to sustainable and circular consumption and production patters in targeted sectors by improving value chain traceability. The project will achieve such objective through implementing the following activities:</p> <p>A1.1. Organization of a series of multi-stakeholder policy dialogues, recommendations and country engagement missions to address traceability-related challenges in the targeted sectors and value chain segments, to inform policymaking and standards development and support compliance with existing and forthcoming legislation on supply chain due diligence and the development of digital product passports;</p> <p>A1.2. Development of Standards, implementation guidelines and company pilots on downstream traceability and circularity of garment and footwear value chains, and on upstream traceability in the beef and hides and a critical raw materials sector (copper). These are supported by the development of Business Process Analyses and Requirement Specifications;</p> <p>A2.1. Conducting sector-specific training, outreach and awareness-raising activities on i) downstream traceability and circularity for brands/retailers, manufacturers, sorters, recyclers and other relevant actors in circular garment and footwear value chains, and on ii) upstream traceability and circularity for farmers and processors in beef and hides value chains, and actors in a critical raw materials value chain (copper).</p> <p>These activities are supported by UN/CEFACT and its UNECE Team of Specialists on ESG Traceability of Sustainable Value Chains for the Circular Economy.</p>		
Link to the SDG targets: SDG 12 targets 5, 6 and 8; SDG 8 targets 4, 5 and 7; SDG 6 target 3 and 4; SDG 7 target 3; SDG 13 target 1; SDG 15 targets 1 to 9.		
<p>Expected results of the project:</p> <p>EA1. Capacity of countries and companies is strengthened to take risk-informed decisions and operate along a set of internationally agreed traceability and circularity principles and practices for the exchange of sustainability-related data along global value chains in the targeted sectors;</p> <p>EA2. Value chain visibility and connectivity is enhanced to combat greenwashing, facilitate more responsible and sustainable sourcing, and uplift export market access for producers and manufacturers, particularly in transition and developing economies.</p>		
Target group and beneficiaries of the project: Beneficiary countries are UNECE member States and beyond. Target groups include government officials from relevant government ministries, businesses, experts from International Organisations, NGOs and academia, working on sustainable value chains in the targeted sectors.		
<p>Justification of project and its relationship to the programme of work:</p> <p>This project directly contributes to the objective of the Subprogramme 6 “Trade” “to 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” and Subprogramme 1 “Environment” “to improve environmental governance and performance for safeguarding the environment and health” of the UNECE programme budget for 2024. 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 (ECE/EX/2022/L.17). Transparency and traceability of sustainable value chains will remain another major topic for the coming period, as indicated in the Programme of Work 2025-2026 of UN/CEFACT, adopted by the UN/CEFACT Bureau for submission to the 30th Plenary (ECE/TRADE/C/CEFACT/2024/7).</p>		
Estimated UN regular budget resources (work months of RB staff/level of Staff): 4 months/P5; 4 months/P2		
Estimated extra budgetary resources: Please ensure that the below amount matches the total estimated costs in the annex		
Donor	Amount (US\$)	
European Commission (DG INTPA)	2,717,000	
Project Manager: Maria Teresa Pisani 03.06.2024	Section/Division: Trade Facilitation Section / Economic Cooperation and Trade Division	
Cleared by Programme Management Unit: Nicolas Dath-Baron 03.06.2024	Approved by EXCOM¹	09.09.2024

Annex
Results-based budget for the extrabudgetary project

Expected Accomplishments	Planned activities	Estimated costs (USD)
EA1. Capacity of countries and companies is strengthened to take risk-informed decisions and operate along a set of internationally agreed traceability and circularity principles and practices for the exchange of sustainability-related data along global value chains in the targeted sectors.	<p>A1.1. A series of multi-stakeholder policy dialogues, recommendations and country engagements to address traceability-related challenges in the targeted sectors and value chain segments, to inform policymaking and standards development and support compliance with existing and forthcoming legislation on supply chain due diligence and the development of digital product passports.</p> <p>P4 staff to provide overall management of policy dialogue end engagement x 16 months x \$15,500 per month</p> <p>P2 staff to provide overall support to the policy dialogue and engagement x 22 months x \$10,500 per month</p> <p>G5 staff to provide administrative support x 8 months x \$10,500 per month</p> <p>International senior consultants to contribute to the drafting of recommendations and for legal analysis and reviews x 6 months x \$10,000 per month</p> <p>International junior consultants to facilitate policy dialogues x 4 months \$7,500 per month</p> <p>Communication consultant x 4 months x \$6,000 per month</p> <p>Travel of staff and consultants x 22 missions x \$2,500</p> <p>Travel participants x \$3,000 x 5 missions</p> <p>Contractual services for conferences and seminars (equipment, room cost and catering for policy dialogues and other events)</p>	<p>767,000</p> <p>248,000</p> <p>231,000</p> <p>84,000</p> <p>60,000</p> <p>30,000</p> <p>24,000</p> <p>55,000</p> <p>15,000</p> <p>20,000</p>
	<p>A1.2. Standards, implementation guidelines and company pilots on downstream traceability and circularity of garment and footwear value chains, and on upstream traceability in the beef and hides and a critical raw materials sector (copper). These are supported by the development of Business Process Analyses and Requirement Specifications.</p> <p>P4 staff to provide overall management of standards development process x 14 months x \$15,500 per month</p> <p>P2 staff to provide overall support implementation of company pilots x 22 months x \$10,500 per month</p> <p>G5 staff to provide administrative support x 8 months x \$10,500 per month</p> <p>International senior consultants to contribute to development of standards and guidelines, and to provide data analysis services x 8 months x \$10,000 per month</p> <p>International junior consultants to support the company pilots x 10 months x \$7,500 per month</p> <p>Communication consultant x 10 months x \$6,000 per month</p> <p>Travel of staff and consultants x \$2,500 x 14 missions</p> <p>Contractual services (software, data processing and platform services for pilots)</p>	<p>845,000</p> <p>217,000</p> <p>231,000</p> <p>84,000</p> <p>80,000</p> <p>75,000</p> <p>60,000</p> <p>35,000</p> <p>63,000</p>
EA2. Value chain visibility and connectivity is enhanced to combat greenwashing, facilitate more responsible and sustainable sourcing, and uplift export market access for producers and manufacturers,	<p>A2.1. Sector-specific training, outreach and awareness-raising activities on i) downstream traceability and circularity for brands/retailers, manufacturers, sorters, recyclers and other relevant actors in circular garment and footwear value chains, and on ii) upstream traceability and circularity for farmers and processors in beef and hides value chains, and actors in a critical raw materials value chain (copper).</p> <p>P4 staff to provide overall management of the training and outreach design and implementation x 14 months x \$15,500 per month</p> <p>P2 staff to provide overall support to training and outreach activities x 24 months x \$10,500 per month</p>	<p>885,000</p> <p>217,000</p> <p>252,000</p>

particularly in transition and developing economies.	G5 staff to provide administrative support x 8 months x \$10,500 per month	84,000
	International senior consultants for sector-specific input to training activities x 5 months x \$10,000 per month	50,000
	International junior consultants to support with training and outreach materials design and delivery x 6 months x \$7,500 per month	45,000
	Communication consultant x 10 months x \$6,000 per month	60,000
	Travel of staff and consultants x \$3,000 x 21 missions	63,000
	Contractual services for conferences and seminars (equipment, room cost and catering for trainings and outreach events)	40,000
	Contractual services (logistic support for the organization, conduct and hosting of events, production of outreach materials etc)	74,000
Project evaluation		30,000
7% Programme Support Costs		190,000
Total:		2,717,000