![UNECE logo]

UNECE-UN/CEFACT "Enhancing Transparency and Traceability for Sustainable Value Chains in Garment and Footwear"

1. Call for participation

UN/CEFACT is pleased to launch a call for participation for the project "**Transparency and Traceability for Sustainable Textile and Leather Value Chains**":
https://uncefact.unece.org/display/uncefactpublic/Sustainable+Textile+and+Leather+Traceability+and+Transparency+Project

This project is part of a wider multi-year programme jointly implemented by ITC, ILO, and UNECE, with support of the European Commission.

Improving traceability has become a priority for the garment and footwear industry, in order to increase its ability to manage its supply chains more effectively and sustainably, combat counterfeit and address reputational risks.

This project aims to bring together the main actors involved in the textile and leather sector, including key players from the world of international organisations, governments, private sector associations, NGOs and Accademia. Textile and leather in the context of this project is intended to cover all garment and footwear-related operation. It also covers all types of raw materials used in the industry, including animal byproducts (e.g. leather, wool, fur, feather) and all plant products (e.g. man made cellulosic fibers, cotton), synthetic and recycled/biodegradable fibers.

A framework to design traceability for sustainable trade has already been developed by the UNECE; this project will build upon this model and provides much needed guidance and tools to the sector on how best to apply these principles to the specific nature of its industry. Such global framework will give specific attention to tackling negative health, social and environmental impacts of garment and footwear-related operations.

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2. Terms of Reference of the Groups of Experts

A. Mandate

In the project preparatory work carried out in 2017 and 2018 by UNECE, it was recognized that UN/CEFACT's mandate and deliverables could be instrumental in supporting the harmonization and better coordination of international trade and electronic business processes and help countries draw together their initiatives and approaches to enhance traceability and transparency for sustainable garment and footwear global value chains (31st and 32nd UN/CEFACT Plenary Apr 2017 and May 2018).

In further consultations with UN/CEFACT and with industry stakeholders (50th , 51st and 52nd UN/CEFACT Forums Oct 2017, Apr and Oct 2018 and EU EDD Jun 2017 and Jun 2018), it was determined that core principles on how projects should be set up and operated to provide collaboration between the participating stakeholders under a common traceability and transparency system were largely lacking. These core principles should include a definition of vision and objectives of the transparency and traceability system, implementation phases, business process analysis of the industry value chain, distribution of costs and benefits among stakeholders, rules for collaboration, rules for data exchange and confidentiality, including on sustainability risks, data exchange standards, measurement of performance, among other elements.

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). 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).

B. Objectives and Activities

The overall objective is to strengthen sustainable consumption and production patterns in the garment and footwear sector, through the development and implementation of an International Framework Initiative. The outputs will help both government and industry partners to take risk-informed decisions and operate along a set of agreed practices at international and sectoral level, thus increasing transparency vis a vis the final consumers.

To achieve such objective, the Group of Experts will:

1. Develop a **Policy Recommendation** on Traceability and Transparency for Sustainable Value Chains in the Textile and Leather Sector (**Sub-Group 1 Policy**).
    The Policy Recommendation will include a definition of vision and objectives of the transparency and traceability system, implementation phases, a distribution model of costs and benefits among stakeholders, rules for collaboration, a framework for data exchange, including sustainability risks, rules on confidentiality, and measurement of performance, among other elements. All this based on

the business process analysis of the industry value chain as and the vision for sustainability and transparency of the value chain.

It will provide Governments and decision makers with a framework for developing a high level plan for a traceability scheme; to establish an enabling environment for all actors of the textile and leather industry to develop, share, learn, and improve practices related to transparency and traceability in value chains; to improve the access to information on best practices; to enable government to advance the necessary policy and regulatory frameworks and to support parties along the value chain (e.g. brands, retailers, agents, manufacturers, raw materials producers) in their efforts to implement improvement plans, self-assess themselves against international initiatives, standards, codes of conduct and audit protocols. It also explores the potential application of new technologies, such as blockchain and other distributed ledger technologies, IOT, artificial intelligence, use of electronic identifiers and labels.

2. Develop a **Standard** for Electronic Information Exchange **for the Textile Sector** for traceability and transparency of sustainable value chains (**Sub-Group 2 Textile Standard**), consisting of:
2.1) a **Business Requirement Specification (BRS)** which maps and describes the industry value chain, traceability processes for textile raw materials, products parts and components, during extraction, processing, assembling, transport, within a country or across borders, as well as location and responsible parties. It also maps the origin of raw materials, textile products, parts and components and how they have been made, including with respect to social, environmental and health requirements (e.g. based on the requirements of the OECD Due Diligence Guidelines for Multinational Enterprises for responsible supply chains in the garment and footwear sector).
2.2) a **Core Component Business Document Assembly (CCBDA)** that defines the basic structure of supporting Business Documents and describe the information exchanged in a Business Interaction in textile value chains, in a syntax and technology neutral way, based on UN/CEFACT Core Components.
2.3) a **XML and/or EDIFACT** message schema for the harmonized electronic exchange of data B2G and B2B that supports the business processes for sustainable value chains in the Textile sector.
2.4) **Implementation guidelines** for usage of the message and exchange mechanisms, including the specification of identifiers for product, parties and locations and other devices, and use of code lists.

3. Develop a **Standard** for Electronic Information Exchange **for the Leather Sector** for traceability and transparency of sustainable value chains (**Sub-Group 3 Leather Standard**), consisting of:
2.1) a **Business Requirement Specification (BRS)** which maps and describes the industry value chain, traceability processes for leather raw materials, products parts and components, during extraction, processing, assembling, transport, within a country or across borders, as well as location and responsible parties. It also maps the origin of raw materials, and leather products, parts and components and how they have been made, including with respect to social, environmental and health requirements (based on the requirements of the OECD Due Diligence Guidelines for Multinational Enterprises for responsible supply chains in the garment and footwear sector).
2.2) a **Core Component Business Document Assembly (CCBDA)** that defines the basic structure of supporting Business Documents and describe the information exchanged in a Business Interaction in

leather value chains, in a syntax and technology neutral way, based on UN/CEFACT Core Components.

2.3) a **XML and/or EDIFACT** message schema for the harmonized electronic exchange of data B2G and B2B that support the business processes for sustainable value chains in the Leather sector.

2.4) **Implementation guidelines** for usage of the message and exchange mechanisms, including the specification of identifiers for product, parties and locations and other devices, and use of code lists.

The use of those standards should facilitate registration, exchange and access of data, and will create efficiency through interoperability. A generic UN/CEFACT standard for tracking and tracing of products from animal or plant origin has been developed and will be further detailed for the specific needs of the garment and footwear industry. The standards will also build on existing harmonized UN/CEFACT standards such as FLUX for fisheries, eCert, eQuality Certificates and the Rapid Alert System for Feed and Food (RASFF) for the agriculture and agri-food sector.

4. Conduct Pilots, training and awareness raising on for traceability and transparency of sustainable value chains (**Sub-Group 4 Capacity Building**).
    The project will **pilot** the use of the transparency and traceability policy framework, standard and guidelines with countries and companies to be selected based on their presence in the different phases of the global value chains and interest to join the project. **Training workshops** will be conducted and coaching will be provided to key stakeholders including factory management on the standards. A "**Training and Awareness Raising**" programme will be developed, based on the policy recommendation and standard schemes developed by UN/CEFACT, and will be designed to enable implementation, sharing of experience and lessons learned, and to bring in continuous improvement in the transparency and traceability framework. The direct beneficiaries or stakeholders include government representatives and key players in the garment sector, like designers, manufacturers and retailers, along the entire value chain. The workshops will be organized and conducted during the 2nd and the 3rd year of the project;

    In order to provide visibility to the project activities and outputs, **a 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) will be developed. This project activity will be designed and implemented during the entire project duration; Finally, a concluding conference for peer learning and sharing of lessons learned on the implementation of project outputs will be organized and conducted at the end of the project.

C. Composition, its membership and participation in its meetings

The Group of Experts will be composed of specialists with the collective expertise to address the specific tasks defined for it and should be drawn from:

(a) Governmental institutions;

 (c) Civil society;

(d) Private sector associations;

(d) Consumer organizations;

(b) Business;

(e) International organizations; and
(f) Academia.

Participation in the Group of Experts will be on a voluntary basis. All members of the Group of Experts must register as experts of UN/CEFACT, in accordance with relevant procedures.

The Group of Experts shall meet virtually at least once every two months, and face-to-face at least twice per year, preferably in conjunction with an official UN/CEFACT meeting such as the Forum.

The Group of Experts can establish sub-groups of experts to prepare projects requiring specific expertise, which are expected to become a part of general activities of the Group of Experts.

The UNECE Secretariat provides necessary support to the Group of Experts and its sub-groups within available resources.

D. Reporting

The Group of Experts will report to the UN/CEFACT Plenary on an annual basis via the Bureau and will further report to the Bureau, on an inter-sessional basis, as necessary.

E. Updated Timeframe (as of Sept 2019)

Project inception	01/01/2019
Requirements gathering and signature of project agreement	01/07/2019
Group of Experts composition	31/10/2019
Draft development (Policy Recommendation and Standard)	01/06/2020
Public draft review	01/09/2020
Project exit	01/11/2020
Publication Standard	31/12/2020
Publication Policy Recommendation	31/03/2021
Capacity Building (Pilots, training and dissemination)	31/06/2022