

Introducing the policy recommendation on “Enhancing Transparency and Traceability of Sustainable Value Chains in the Garment and Footwear Sector”

Definitions, purpose, main sections, roundtables and preliminary agenda.

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Available definitions

▪ TRACEABILITY

“The ability to trace the history, application or location of an object“ in a supply chain (ISO, 2015), to ensure the reliability of sustainability claims, in the areas of human rights, labour (including health and safety), the environment and anti-corruption (Norton *et al.* – *UN Global Compact*, 2014).

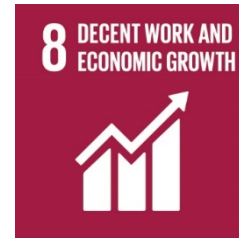
“the process by which enterprises track materials and products and the conditions in which they were produced through the supply chain” (OECD, 2017).

▪ TRANSPARENCY

For the purposes of transparency, the European Commission calls for information in supply chains to be exchanged “in a standardized way, which allows common understanding, accessibility, clarity and comparison” (European Commission, 2017)

“driving visibility of information across the extended supply chain for the purposes of improved efficiency and compliance” (California Transparency in Supply Chains Act, 2010)

Purpose



Why are Transparency and Traceability important for advancing due diligence and sustainability?

It is because they:

Enable firms to **take risk-informed decisions**, operating along a set of internationally agreed practices.



Advance due diligence in the Garment and Footwear Sector.



Strengthen sustainable consumption and production patterns (SDG 12) in the industry.



Enable firms to move toward a more **circular approach** in the sector.

Purpose



Why can policy and regulatory action be an important driver for advancing due diligence and sustainability?

Policy makers can support brands, manufacturers and/or factories in their efforts to implement improvement plans and to self-assess themselves against recognized international initiatives, standards, codes of conduct and audit protocols.

Policy makers can support developing countries, and groups at risk, including women and other local-level stakeholders, who are often affected by unfair practices in this sector.

Examples of existing policies and regulations in other sectors

What can we learn from policies and regulations in other sectors?

At the EU level, there are some relevant regulations which have already addressed traceability and transparency issues in other sectors.

For instance, **Timber Regulation (EU) 995/2010** “requires ‘due diligence’ and risk management by EU traders of timber, including obligations to keep records that facilitate traceability”.

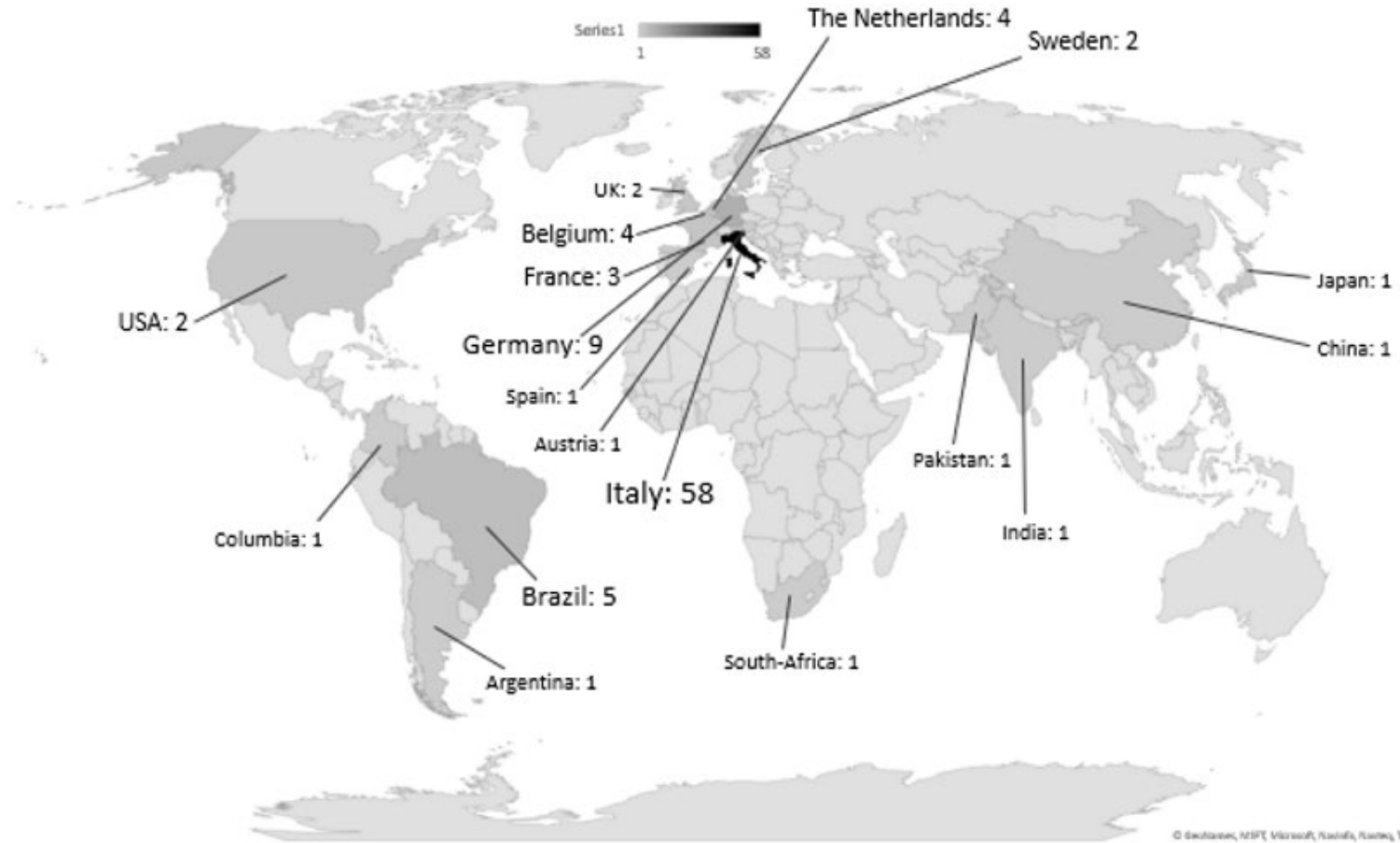
In agriculture, Regulation (EU) 178/2002 emphasizes that the ‘traceability of food, feed, food-producing animals (...) shall be established at all stages of production, processing and distribution’.

Conflict Minerals Regulation (EU) 821/2017 ensures responsible sourcing of 3TG minerals (tin, tantalum, tungsten, gold) and lays out the requirements for importers to undertake ‘chain of custody or supply chain traceability system’ and due diligence in order to identify and mitigate risks related to conflict-affected areas.

The UNECE exploratory analysis

+ 100 respondents

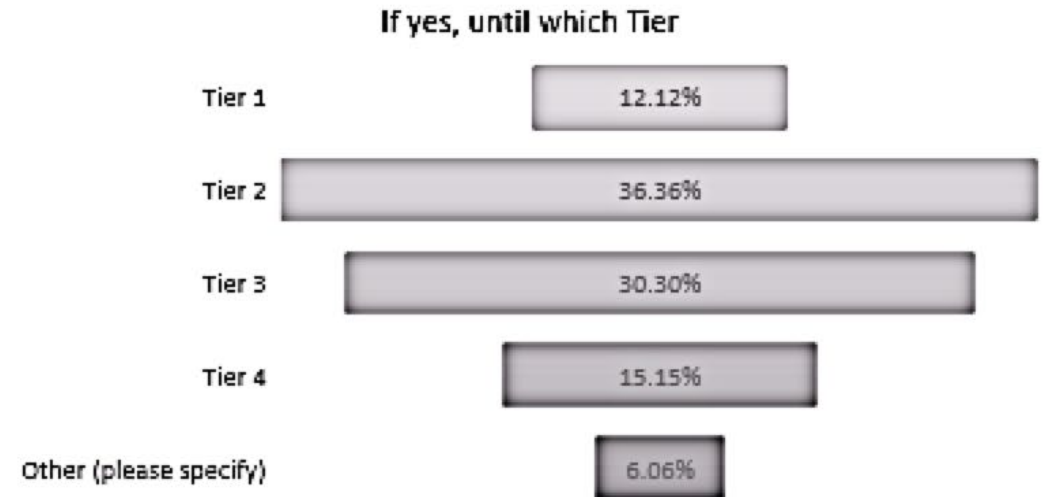
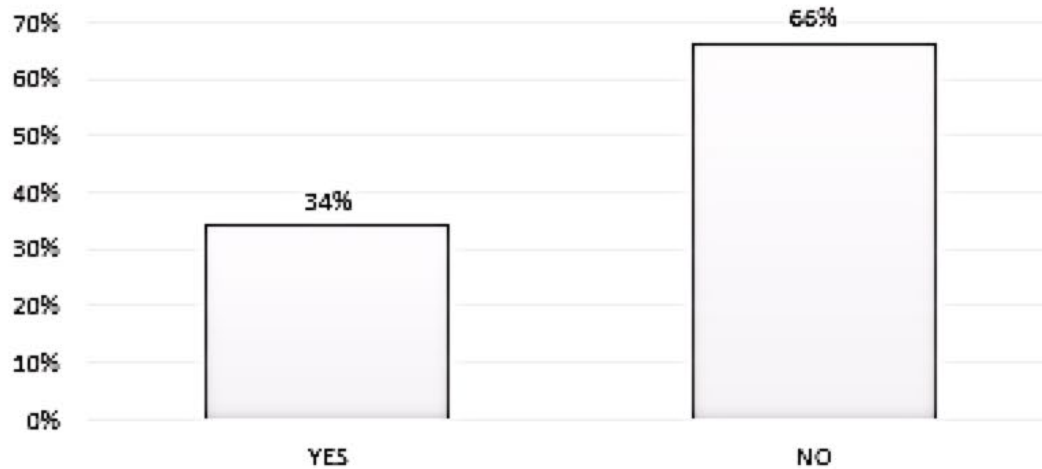
Including micro, small, medium, large firms from Garment and Footwear industry.



Source: UNECE 2018

The UNECE exploratory analysis

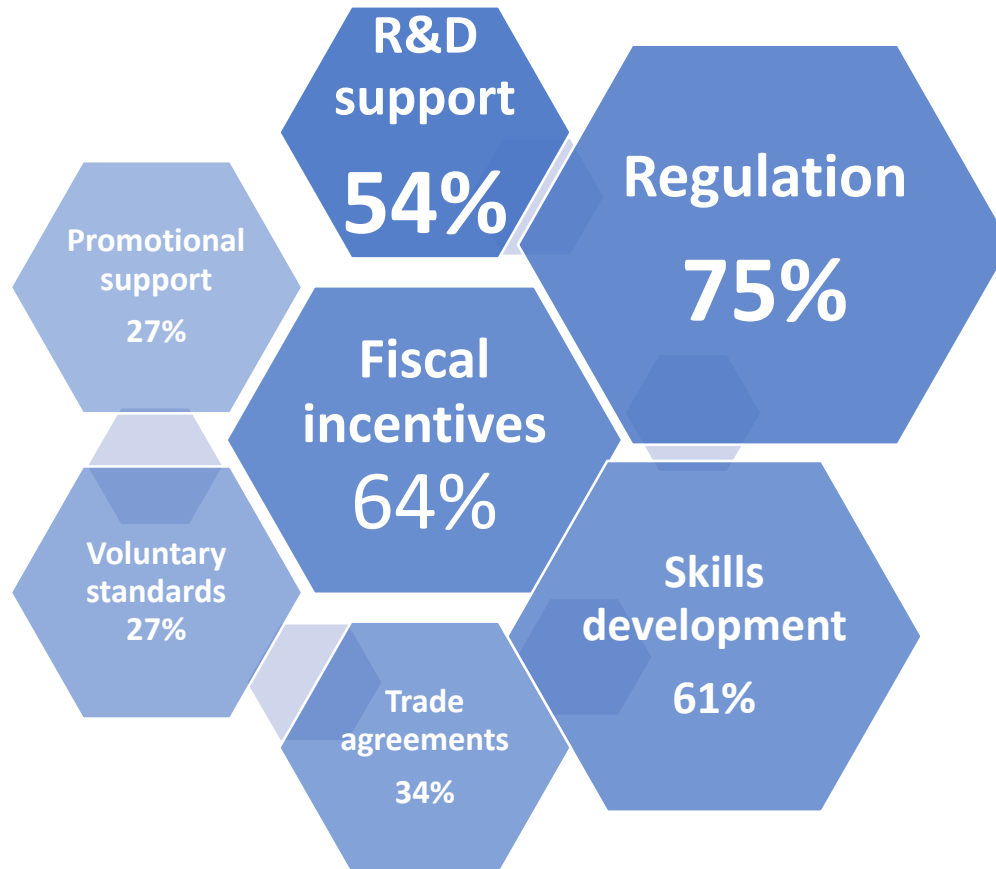
Does the industry track and trace the value chain?



- Tier 1: Final product manufacturing and assembly
- Tier 2: Material manufacturing
- Tier 3: Raw material processing
- Tier 4: Agriculture, farming and extraction

The UNECE exploratory analysis

What are possible policy approaches in Garment and Footwear?



Main sections

Which will be the main sections in this policy recommendation document? (1/2)

I. Recommendation: Enhanced transparency and traceability for sustainable Garment and Footwear value chains

- A. Introduction
- B. Purpose and benefits
- C. Scope
- D. Recommendation

Supported by questions:
Q1-Q2

Main sections

Which will be the main sections in this policy recommendation document? (2/2)

II. Guidelines for Recommendation on enhancing transparency and traceability for sustainable Garment and Footwear value chains

- A. Introduction
- B. The Organisation of a Traceability Framework
- C. The Architecture of a Traceability Framework
- D. Indicators and data collection methodologies
- E. Data analysis
- F. Policy formulation and action plans
- G. Considerations when implementing a Traceability Framework

Supported by questions:
Q3-Q10

Roundtable One

Please divide in 4 groups to answer the following questions (Q1-Q2):

Group 1 & Group 2: *Who are all the stakeholders for such policy recommendation? How can they be effectively integrated into traceability systems including those from Developing Countries and groups at risk?* → Q1

Group 3 & Group 4: *How can governments support the implementation of sustainability, traceability and transparency in supply chains?* → Q2

You have 30 minutes for discussion at the table and 30 minutes during the coffee break to sum-up the key messages on a paper giving **3 key messages** for your question.

After the **1h of discussion**, the **4 Leads** (groups' spokespersons) **will present the key messages** during the Roundtable One - Plenary Discussion (30 minutes in total, 5 minutes for each group + Q&A).

Policy recommendation on Transparency and Traceability in the Garment and Footwear Sector

Roundtable Two

Please divide in 4 groups to answer the following questions (Q3-Q10):

Group 1: *“The architecture of a traceability framework: policy claim; traceable assets”* → Q3-Q4

Group 2: *“The architecture of a traceability framework: entry and exit points; traceability conditions and rules”* → Q5-Q6

Group 3: *“Data collection methodology and indicators, data analysis and recommendations”* → Q7-Q8

Group 4: *“Implementing a traceability framework”* → Q9-Q10

You have **1h** to discuss and sum-up the key messages on a paper giving **3 key messages** for each questions (**6 key messages per group**).

After 1h of discussion, the **4 Leads** (groups’ spokespersons) **will present the key messages** during the Roundtable Two - Plenary Discussion (20 minutes in total, 5 minutes for each group).

Preliminary Agenda for the Policy recommendation group

O1. Multi-Stakeholder Policy Dialogue Platform and Development of Policy recommendation	01/04/2022
A1.1 Project Groups of Experts composition	31/10/2019
A1.2 Project stakeholders' identification and engagement	28/02/2020
A1.3 Development of Draft Policy Recommendation	01/06/2020
A1.4 Public review of Draft Policy Recommendation	01/09/2020
A1.5 Exit of Draft Policy Recommendation	01/11/2020
A1.6 Submission and adoption of Policy Recommendation by UN/CEFACT Plenary	01/04/2021
A1.7 Launch of the Call for Action	01/04/2021
A1.8 Multi-stakeholders Policy Dialogue Meetings (2 per year)	01/04/2022

Conference calls will be organized on monthly basis (i.e. every second Friday of the month at 2pm starting from December 13th). **The updated preliminary agenda will be posted soon on the CUE space.**



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Thank you!