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Global supply chains – economic & political relevance

- Approx. 453 Mill. people are involved in global supply chains worldwide
- Intermediate products make up approx. 70% of goods traded worldwide.
- Agenda 2030 – SDG 12 (responsible consumption and production): role and responsibility of industrialised countries – influence on production patterns in producing countries; also SDG 8, 10, 17, ...
- German G7-presidency 2015: putting global supply chains on top of the agenda („Action for Fair Production“)
- German G20-presidency 2017: likely continuation of the focus on sustainable supply chains and joint measures

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The roles and benefits of standards

- Sustainability along global value chains is driven by **different actors with different agendas and focus areas**
- Applying standards according to stakeholder and business priorities can provide a **common point for departure** – actors are connected through supply chain
- **Common orientation:** the chosen priorities and applied standards can help companies **realise concrete gains**; in turn, standards can determine to what extent **people and/or the environment** benefit

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Our approach to support standards // Summary

- BMZ is active at the **German, European, global and partner-country level** to promote the use of sustainability standards
- These combined efforts are designed to simultaneously **increase supply and demand** for sustainable textiles and garments
- **Multi-stakeholder initiatives** are key to the **transformation of global value chains**
- The **Partnership for Sustainable Textiles** is one example how such an approach can be implemented in practice

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Main social and environmental issues in the textile supply chain

1. Non-compliance with ILO Core Labour Standards
2. Missing occupational safety and health measures and building security
3. Environmental pollution caused by inadequate wastewater treatment and improper use of pesticides
4. Low incomes and wages

➔ Need to improve the **social and environmental conditions** in the textile and garment supply chain.

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Partnership for Sustainable Textiles

Ambition	Implementation	Impact
<ul style="list-style-type: none"> Combine market power (national & international) Cooperate with all stakeholders in implementation Set realistic and ambitious Partnership standards Considerate social, environmental and economic problems along the entire value chain <p>Goals</p>	<ul style="list-style-type: none"> Plan of action as guiding framework Focus on hotspots Support implementation on the ground Link with existing national and international initiatives Communicate transparently <p>Innovative solutions and strategies</p>	<ul style="list-style-type: none"> Verify improvements Improve framework conditions for action in Germany, EU and production countries Increase supply of and demand for sustainable clothing <p>Sector-wide improvement</p>

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Partnership for Sustainable Textiles – Internationalization



- **G7/G20 anchor:** improved coordination of framework conditions, high-level demonstration of political will
- **EU Garment Initiative:** active participation in the EU Garment Initiative together with other MS – create overarching framework and promote level-playing field for businesses
- **OECD Advisory Group:** Due diligence guidance is being developed; strong interest in role of NCPs – complaint and grievance mechanisms; go beyond EU
- **Cooperation with ILO:** regional and project-level cooperation to build capacities in the aftermath of Rana Plaza disaster

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Cooperation projects - relevance to Textile Partnership

- **ILO Regional Programme – Labour Standards/textile sector:** aimed at improving working conditions, occupational health and safety as well as social dialogue in Cambodia, Pakistan and Indonesia
- A complementary programme is being implemented through GIZ in Bangladesh, Cambodia and Pakistan; inclusion of Myanmar and China envisaged
- **National Accident Insurance Programme in Bangladesh:** Introduction of a public accident insurance scheme moderated by ILO
- **Other bilateral cooperation initiatives** aimed at eliminating child labour or promoting inclusion of marginalized groups in the textile and garment sector, but also supporting efficient use of water and energy, incl. renewable energy, etc.

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 Countries with one project/programme
 Countries with two or more projects/ programmes

301 Mio. Euro
Total volume of projects

25
Number of countries



Current programmes in the textile and garment sector

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Bilateral cooperation example: Promotion of Social and Environmental Standards in the Textile and Garment Industry in Bangladesh



Approach Capacity building regarding compliance with national labour and environmental law and international standards

- Training regarding productivity improvement, social standards and eco-efficiency, especially water and chemicals management
- Support of NGOs to strengthen workers' rights

Impact

- **Social conditions** in more than **800 factories** improved, **environment management** in **170 factories** improved;
- **300 labour inspectors** were trained in cooperation with ILO;
- More than **1,000 workers** have been trained as **advisors** for the promotion of social standards;
- **50 factories** implement measures to **integrated disabled workers**.

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Challenges and a possible role of the OSCE

- Complex development issues can best effectively addressed through well structured and coordinated **multi-stakeholder initiatives**
- Apart from the actual coordination effort, **challenges** include **avoiding duplication** or even contradictory initiatives and **building capacities** where they are most needed (but not necessarily demanded)
- **Role of the OSCE:** regional focus and competencies, concentrate on interlinkages of supply chain issues with OSCE mandate; sensitize and integrate its traditional partners and stakeholders to engage in existing initiatives

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Thank you for your attention!



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