

INFORMATIVE NOTE

SWITCH-Asia SCP Facility Open Side Session
at the 8th OECD Forum on Due Diligence in
the Garment and Footwear Sector

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Europe and Asia Partnerships to Support and Link Governments and SMEs to Adopt Sustainable Textile Consumption and Production

8th OECD Forum on Due Diligence
in the Garment and Footwear Sector



21 February 2022 • 1600-1700 (Bangkok Time, GMT+7)

CONTEXT

The textile and garments sector has contributed significantly towards the global economy as it is valued over USD 1.7 trillion and employs more than 300 million people. Despite its economic benefits, the sector is far from being sustainable. Countries are faced with the challenge on addressing the socio-economic, health, and environmental impacts across the garments sector value chain and the impacts of the COVID pandemic to the industry.

The importance of the textile and garment industry in Asia remains to be the one of the largest actors in terms of production, despite emerging challenges due to a number of factors on shifting demand and supply patterns in the world market and the impacts of COVID-19 pandemic which disrupted the textile supply-chain across the globe.

Production of garments takes place, to a large extent, in Asia – accounting for over 50% of the world's supply of fibres and fabrics - while much of consumption takes place in Europe and the US, with an increasing share of the middle class in other regions of the world. In recent years, the shares of clothing exports have been growing exponentially in countries such as Cambodia, Pakistan, Bangladesh, Vietnam, and India, while decreasing in China. This geographic distribution implies that environmental impacts typical of the initial stages of fibre productions and garments manufacturing, such as water and energy use, are largely generated in Asia.

Asia remains relevant for EU countries in addressing the challenge of making the EU's textiles industry sustainable as it is the fourth largest cause of environmental pressures after food, housing, and transport. Much of this impact is attributed to a large portion of the textiles consumed in Europe, which are produced elsewhere in the world, mostly in Asia. On the other hand, impacts related to the use and disposal of garments are largely generated in Europe, that largely controls design and branding, or exported. Overproduction and the phenomenon of fast fashion are exacerbating the environmental impacts of this sector that is responsible for about 10% of global CO₂ emissions. Europe plays an important role to support the Asia's garment industry to shift towards SCP and a more responsible and circular economy approach. To achieve sustainable consumption and production (SCP) of textile and garments along its value chain, partnerships between Asia and Europe must be strengthened.

There is a need to shift towards a circular textile and garments production and consumption system and partnerships play a key role to build a more resilient garment supply chains in Asia and Europe.

THE EU SWITCH-ASIA SCP FACILITY VIRTUAL SIDE SESSION AT THE OECD FORUM

The European Commission is preparing an EU Strategy for Sustainable Textiles¹, which is meant to be a comprehensive framework aiming to boost competitiveness, sustainability, and resilience of the textile sector.

Impacts from fibre productions and garments manufacturing in the textile industry largely generated in third countries and impacts related to consumption and disposal of garments would be important aspects to be addressed along this value chain.

Launched as part of the EU's priority to support Sustainable Consumption and Production (SCP) in its regional cooperation strategy for Asia, the EU SWITCH-Asia Programme is supporting Asian countries to implement SCP policies and practices in various sectors, including the textile and garment sector.

The SWITCH-Asia SCP Facility together with key partners will be organising a virtual open side session at the 8th OECD Forum on Due Diligence in the Garment and Footwear Sector on 21 February 2022 (16:00 GMT+7) to discuss "Europe and Asia partnerships to support and link Governments and SMEs to adopt sustainable textile consumption and production."

Objective

The side session will present the partnerships and collaborations created in between Europe and Asia for the implementation of policy options and SCP practices by supporting SMEs to transition towards a low-carbon, resource-efficient and a more circular economy. Discussions will focus on how the streamline of sustainable consumption and production (SCP) policies and practices may minimise economic, environmental, and social risks, while ensuring producers' profitability, an integral part of due diligence processes.

To sustain and scale-up SCP actions in a post Covid world, discussion will also address how to strengthen partnerships in Asia to address key priorities and driving forces to reinforce governance and policies and to shift towards stakeholders' responsible decisions, including in business-to-business relations, and actions towards textile sustainability.

Guideline for Discussion

1. How can SCP and resource efficiency initiatives contribute to advancing the textile and garment sustainability in Asia?
2. What are the main challenges and opportunities for replicating and scaling-up SCP practices focusing on textile and garments, at national and regional levels?
3. What are the critical factors that lead to uptake and innovations in the SCP area?
4. What are good practices to overcome challenges faced by the textile and garment industry including the COVID crisis, and what can various stakeholders contribute through various programmes supporting the Asian textile and garment industry?

Global trends: challenges and opportunities, possible areas for cross-learning and cooperation

- Rising interest to reduce negative environmental and social impacts along the whole value chain, introduce new policy and regulatory options, and switch towards more sustainable, circular and fair production models;
- Technological innovation and eco-design as drivers to switch to renewable or sustainable material;
- Reversing trends driving consumption and overproduction of garments;
- Need to address the impacts of the COVID-19 pandemic providing sustainable alternatives for the recovery, reducing risks connected to a GVC approach and strengthening the resilience of local MSMEs;
- Key to role of multinational companies and retailers to influence this shift to sustainability

Supporting Partners in the Session

- European Commission;
- Institute for Global Environmental Strategies (IGES);
- National Council of Sustainable Development, Ministry of Environment (MoE) Cambodia;
- SWITCH-Garment Project (Global Green Growth Institute (GGGI) Cambodia, and key partners);
- Sustainable Textile Production and Eco-Labeling in Mongolia Grant Project (SteP Ecolab) Mongolia, Agronomes et Vétérinaires sans frontières (AVSF);
- FABRIC Asia
- International Labour Organisation

1 https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12822-EU-strategy-for-sustainable-textiles_en

PROGRAMME

16:05 (GMT+7)	Welcome Remarks Ms. Alessandra Lepore, International Cooperation Officer, Green Economy, Sustainable Consumption and Production, European Commission Directorate-General for International Partnerships
16:10	EU policies in the textiles sector Ms. Maria Rincon Lievana, Policy Officer, Circular Economy, Sustainable Products, Production and Consumption, European Commission Directorate-General for Environment
16:20	Strengthening partnerships for a Green Recovery and a Just Transition of the Textile & Garment industry in Asia Ms. Cristina Martinez, Senior Specialist, Environment and Decent Work / Asia Pacific Coordinator – Green Jobs & Just Transition, International Labour Organisation
16:30 (7 mins each intervention)	Panel Presentation on sharing of experiences and insights on how sustainability initiatives in the textile and garment industry in Asia can minimise environmental, social, and economic risks in the supply chain as an integral part of due diligence processes <i>Framing Sustainable Consumption and Production in the Garment Industry in Cambodia</i> Mr Dwayne Appleby, Programme Manager on Sustainable Consumption and Production, Institute for Global Environmental Strategies (IGES) <i>SWITCH Garment: Promotion of sustainable energy practices in the garment sector in Cambodia</i> Mr. Bradley Abbott, Project Lead, Global Green Growth Institute (GGGI) Cambodia <i>STeP EcoLab: Sustainable Textile Production and Eco-Labeling in Mongolia</i> Mr. Guillaume Touati, Country Representative, Agronomes et Veterinaires Sans Frontieres, (AVSF) Mongolia <i>FABRIC Asia: Improving production conditions in the textile and garment industry in Asia</i> Mr. Marc Beckmann, Project Director, FABRIC Asia, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, Cambodia
16:55	Closing Remarks Ms. Zinaida Fadeeva, Team Leader, SWITCH-Asia SCP Facility



ANNEX:

Information on EU SWITCH-Asia Technical Assistance and grant projects focused on textile and garments:

POLICY SUPPORT	OBJECTIVES
<p>Formulation of the Sustainable Consumption and Production (SCP) National Roadmap and delivery of demonstration project focused on SCP and Circular Economy in the textile/garment sector</p> <p>Cambodia</p>	<p>To support delivery of demonstration project by providing policy support, strengthening capacity, and increasing awareness on waste re-purpose, waste handling and disposal, resource efficiency, eco-innovation and eco-design in the textile/garment sector.</p>
<p>SCP tools and Circular economy approach in textile sector</p> <p>Uzbekistan</p>	<p>To prepare guidelines on greening the textile products supply chain and enhancing the production and consumption of added value products.</p>
CURRENT GRANT PROJECTS	OBJECTIVES
<p><u>Effective waste management and sustainable development of the MSME tanning companies in the Kolkata Leather Cluster India, 2020-2023</u></p> <p>India</p>	<ol style="list-style-type: none">1. Reduction of the effluent and solid waste levels to reduce the environmental burden, waste management menace and improve workers' conditions;2. Recycling or re-use of waste into useful by-products to generate additional livelihood opportunities.
<p><u>Promotion of sustainable energy practices in the garment sector in Cambodia (Switch Garment) Cambodia, 2020-2024</u></p> <p>Cambodia</p>	<p>To increase the investment in sustainable energy practices (such as efficient technologies, switch to renewable energy and good operations management) by garment factories in Cambodia.</p>
<p><u>STeP EcoLab: Sustainable Textile Production and Eco-Labeling in Mongolia, 2018-2022</u></p> <p>Mongolia</p>	<ol style="list-style-type: none">1. Consolidating sustainable and certified raw material sourcing options meeting markets expectations;2. Developing a conducive environment for textile processing SMEs to switch to sustainable production practices;3. Raising customers' and consumers' awareness of Mongolian sustainable textile related initiatives.
<p><u>RUTSIS: Reviving Uzbekistan and Tajikistan's sustainable Ikat and Silk Tajikistan, Uzbekistan 2020-2023</u></p> <p>Tajikistan, Uzbekistan</p>	<ol style="list-style-type: none">1. Contributing to the revival and upgrade of local silk and Ikat value chains;2. Integration of sustainable production approaches in an ethically and environmentally friendly way;3. Strengthening cross-cultural dialogue between Uzbek and Tajik societies;4. Creation of new education and employment opportunities, safeguarding ancient silk and Ikat production techniques, and developing innovative sustainable design;5. Enhancing recognition of Central Asian sustainable silk and ikat products in the international market services.

The following completed SWITCH-Asia Grant Projects have also contributed to SCP in the textile and garment sector:

GRANT PROJECTS	SELECTED IMPACT ASSESSMENTS
Environmental Management Systems and eco-labelling schemes in the SMEs of the leather sector in Bangladesh (ECOLEBAN) Bangladesh	<ol style="list-style-type: none"> 1. Water use has been reduced by up to 40% in tanneries and by up to 5% in footwear SMEs through training and consultation in implementing measures to avoid wasting water; 2. Total chemical consumption was reduced by 15%; 3. Solid waste was reduced in footwear SMEs by approximately 10%.
SMART MYANMAR I Myanmar	<ol style="list-style-type: none"> 1. 300 Myanmar garment producers improved their businesses with 35% increase in productivity; 2. 15 SMEs reduced energy consumption up to 15% and waste during a production cycle up to 20% based on current consumption level during a production cycle; 3. 260,000 workers from more than 270 factories were empowered to increase their awareness and understanding of SCP.
SUSTEX India	SusTex created 1,500 new jobs and leveraged green finance to a value of EUR 3,416,800.
SCI-PAK Pakistan	Achieved more than 35% reduction of electricity in the target sectors and thereby contributed to the reduction Greenhouse Gas emissions.
SPRING Pakistan	Improved resource efficiency of the cotton ginning sector, leading to an annual reduction in GHG emissions of 2,400 tonnes CO ₂ and increased access to international markets for 500 ginning SMEs.
RE-TIE BANGLADESH Bangladesh	<ol style="list-style-type: none"> 1. Chemical and biological oxygen demand reduced by 30% 2. Water consumption reduced by 30-50% 3. Chrome content reduced by 60%
Eco-Jute Bangladesh, India	15% increase in income for 25,000 workers manufacturing jute-diversified products in Bangladesh and West Bengal.
Handwoven Eco-Textiles Indonesia	By promoting sustainable handwoven eco-textiles, an eco label for naturally dyed handwoven textiles was developed and led to a 30% increase in the artisans' income
Clean Batik Initiative Malaysia, Indonesia	10% reduction in production costs were achieved from switching to natural dyes thereby increasing workers' productivity and SME's competitiveness.
Sustainable Carpet and Pashmina Nepal	Developed a policy paper on how to integrate cleaner production into the carpet and pashmina production sectors and enabled the formation of a policy working group with ministries and producer associations.
KILOMET 109 Vietnam	Created a circular production chain in which waste is minimised and marginalised communities gain benefits with local artisans producing garments using natural materials and traditional production processes using organic fibres and traditional dyeing techniques.

