



STIC-TEXTILE PILOT INITIATIVE

PROGRAM

Executed by

eco-tex
CONSORTIUM

Koeln, Germany



European Partners for the Environment, Brussels, Belgium

STIC

STIC (Sustainable Trade & Innovation Centre) is a new venture, designed to help producers to integrate market and customer requirements (especially environmental and social issues) in their production and export strategies. The aim of STIC is to promote trade between developing countries and developed countries on sustainable basis through developing innovative skills to developing country producers. It is to support and assist buyers in developed countries in implementing sustainable purchasing strategies on buying environmentally friendly and ethically responsible products and managing their global supply chain.

The main objectives of STIC are threefold:

- i. Information exchange between North & South countries (bridging the gap of Information between N & S)
- ii. Capacity Building for innovative ideas and strengthening skills
- iii. Forging partnership and dialogue between producers from developing countries and buyers in developed countries.

In order to execute these objectives of STIC, three pilot initiatives are launched:

- STIC-Textile Pilot Initiative
- STIC-Electronics Pilot Initiative
- STIC-Agri-food Initiative

STIC-Textile Pilot Initiative

1. OBJECTIVES

The main objective of the STIC-Textile Pilot is to build capacity for strengthening skills and innovation to textile industry worldwide, so that this industry can be in a position to integrate increasing national and international requirements (legal, community, market) on a sustainable basis. The requirements include from the compliance areas of environment, social, quality and health & safety and trade regulations.

The other objective is to bring both producers and buyers together and discuss mutually the problems faced by them and create a more cooperative context for achieving commercial, environmental and social progress simultaneously in developed and developing countries.

2. METHODOLOGY

The methodology will be to build networks of Capacity Building Centres (Compliance Offices), worldwide, which will provide compliance services to local industry at local accessibility and at local cost. Cost affordable and cost saving strategies through business to

business process (B2B Process) for the industry will be adopted. These strategies have already been tested and applied empirically in this industry since many years.

The technique on compliance with international requirements is based on Begin-of-Pipe approach through an integrated sustainable management system incorporating whole supply chain (from the garment production down to the fiber production). The idea of integrated management system is to provide the textile and apparel industry, an integrated sustainable methodology which integrates all compliance areas (quality, social, environment etc) in one single system. The intention is to provide the alternative solutions to the industry from the multiple testing, multiple auditing and multiple standards, which have now become unaffordable to the industry.

3. ACTORS

- Textile and apparel producing companies from Asian, European, African and American countries. The producing companies will be provided with services on market information and sustainable methodology for the implementation of legal, market and community requirements.
- National and multi-national buying organizations (both public and private, including retails), which will be provided with full fledged services on implementing their green and ethical purchasing strategies. This will be executed through STIC-Textile Buyer's Project Group.
- Local and national consulting and auditing organizations: these will be part of Capacity Building Centers in various countries and will be continuous sources of further services to the local textile and apparel industry.
- Local, national and international textile & apparel associations: as supporting and promoting partners
- Governmental and Non Governmental Organizations: as supporting partners
- Other organizations relevant for the development of this pilot initiative

4. ACTIVITIES

4.1 STIC-Textile Pilot Initiatives for Asian Countries

Within STIC-Textile Pilot Initiative, STIC has established an action plan for Asian countries which will be replicated in later phase to other regions of the world like African, European, Mediterranean, Latin American and Caribbean countries.

For Asian countries, the planning is made to build up a network of 20 National Capacity Building Centres (National Hubs): five will be in India, five in China, and one each in other Asian countries. These capacity building centres will provide assistance, services, training, coaching to Asian textile and apparel companies, on how to comply with market requirements on quality, environment, CSR (Corporate Social Responsibility), other market

and business requirements. The idea is to provide services to textile and apparel companies in Asian countries locally and at local costs. Besides capacity building, these national hubs will be used for vivid purposes, like awareness creation centre, information exchange, compliance centre on how to comply with European as well as other national and international regulations etc. These national hubs will be constituted by incorporating many local and national level organizations like consulting organizations, auditing & certification organizations, local environmental and social governmental organizations, NGOs, manufacturing and trade associations, chambers of Commerce etc. The idea is to compose these national hubs on Multi-Stakeholder Concept, having the input from diverse societies.

4.2 STIC-Textile Pilot Initiatives in Africa

Similar to the model for Asian countries, various national capacity building centres (hubs) will be built in African countries. These centres will be established in cooperation with STIC-African Regional Consultations (in Benin and South Africa) together with African textile and apparel producing and exporting companies and trade associations.

A cooperation with textile sector of CDE-ACP (Centre for the Development of Enterprises-Afro Caribbean & Pacific Countries) has been asked to work together for STIC-Textile Program in Africa.

A workshop in Mauritius on a dialogue among the buyers and producers and a discussion on co-evolution of the existing standards is proposed to be organized.

4.3 STIC Textile Pilot Initiatives in Latin America

A similar model of building national capacity building centres in Latin and Central America is also planned to be established in cooperation with STIC-Latin American Regional Consultation (Costa Rica) together with Latin American textile organizations, industries and associations.

4.4 STIC-Textile Pilot Initiative in Europe & Mediterranean regions

Similar to Asia, a model will be built for European and Mediterranean regions in cooperation with STIC-Europe and Mediterranean Consultations, together with European and Mediterranean textile and apparel industry and trade. A cooperation with EURATEX and other national level apparel and textile manufacturer's associations in Europe will be sought to this effect.

4.5 Reciprocal Acceptance & Harmonization of Requirements

Producers and buyers can no more afford the costs of multiple standards, multiple audits, and multiple certifications, which bring them on an unacceptable financial burden. The multiple audits and multiple certifications are repetitive phenomena and bring no real results to the producers, retailers and importers.

There is growing need from both textile and apparel industry side, trade and buying sides in Europe, Asia, America, as well as from European Commission (DG Trade) to harmonize the requirements on a single platform or at least the reciprocal acceptance of different existing

standards and schemes.

and has been asked by producers and retailers from Asia, Europe, and America to build a platform for the dialogue to harmonize the requirements, so that producers and traders do not face the problems of multiple standards, multiple audit, and multiple certification, which costs the producers and buyers high financial loads.

STIC textile pilot initiative will launch a campaign on reciprocal acceptance and harmonization of the requirements by building a discussion platform on a global scale inviting various manufacturing, trade, government, standard setting organizations and NGOs.

4.6 Global Performance System

Within STIC-Textile Initiative, a Global Performance System will be built up based on the performance of the textile and apparel producers from the sourcing countries. This performance system will be helpful to the European, Asian and American buyers in selecting and choosing their suppliers based on environmentally and ethically sound products. This will also help the producers to improve their performance and come up with market showmanship in their best performance. STIC will develop a databank on this performance system for both producers and buyers.

In addition to this, a Trade Portal is planned to be set up, where both buyers and producers can interact with each others and put their relevant information on trade policy, trade requirements, environmental and social requirements, information on market trends, producer's and buyer's company presentation etc.

4.7 Sustainable Purchasing Guidelines

Under STIC-Textile Pilot framework, comprehensive guidelines are planned to be elaborated on sustainable purchasing strategies and methodologies on green and ethically sound textile and garment production and sourcing for the public and private buying organizations. These guidelines are planned to focus on environmental compliance, social compliance and quality compliance areas including criteria and requirements of these compliance areas. A proper guidance will be mentioned in the guidelines on how to implement each criteria and requirements of environment, social and quality areas based on an integrated management system covering global supply and value chains.

A special focus on Uniform and Workwear sector will be given in the guidelines, as the requirements and their implementation are slightly different from apparel sector. Uniform and Workwear sector is a special focus area under STIC-Textile Pilot Initiative.

4.8 Elaboration of Sustainable Working Tools for Producers

Sustainable working tools and guidance are planned to be elaborated for the textile and garment producers on how to design the production for the implementation of the environmental and quality requirements right in the production processes, leading these producers to environmentally sustainable production. These guidelines will focus on the implementation of social standards in an integrated way together with quality and environmental requirements.

4.9 STIC- Textile Buyer's Project Group

STIC-Buyer's Project Group involves and design schemes for private buying companies and public buying authorities to undertake sustainable trade and innovation in partnership with producing companies from the South, as a practical action towards CSR (for Companies) and Agenda 21 (for Public Authorities). The main objective of the Buyer Project Group is to assist the buying organizations in implementing green and ethical purchasing strategies for their entities and bring them together with producers and exporters on common platform to facilitate a dialogue and create a more cooperative context for achieving commercial, environmental and social progress simultaneously in developed and developing countries.

STIC Europe establishes Buyer's project Group at European level by inviting and incorporating European private buying sectors, European textile industry sector, European government policy makers and European public authorities, European Commission (DG Trade, DG Environment etc), developing country producers, exporters, traders, the governmental authorities and organizations of developing countries, including policy executives etc.

This Buyer's Project Group will be built on permanent basis on a European level, European sub regional level and National level and will be supervised and coordinated by STIC European Hub.

Buyer' Project Initiatives are related to 3 sectors (**Textile, Electronics and Agri-food**). The Buyers Projects Group has 6 priority fields of action:

1. Produce and Buy Sustainable Products

2. DESIGNING N/S JOINT VENTURE

3. Public and Private Financing and Insurance Mechanisms

4. Capacity Building

5. Marketing Sustainable Trade

6. Support Sustainable & Fair Trade Weeks and Similar Promotions.

STIC-Textile Pilot initiative will focus the textile sector of the Buyer's Project Group.

4.10 STIC- European Forum on Sustainable Trade (EFST)

EFST is a dialogue platform co-chaired by STIC and the European Commission with participation of producers from developing countries. The establishment of EFST, is taken under DG Trade program of Civil Society Dialogue.

The first inaugural meeting of EFST was held at European Office in Brussels on July 1st 2003, and was focussed on electronics sector. The producers of electronic sectors from developing countries, and the buyers from developed countries, other stakeholder organizations from worldwide, and DG Trade dignitaries (Director General DG Trade,

Director Sustainable Development DG Trade etc) attended the meeting and had face to face dialogue on problems and solutions on sustainable trade.

In a similar manner, the next meeting of EFST will focus on textile sector during the beginning of 2004. Within EFST-Textile, STIC is planning to invite some apparel and textile producers from developing countries, and some European buyers. STIC will also invite other stakeholders from European and Asian organizations. The forum meeting will provide a platform for face to face dialogue among developing country producers and the European buyers, on various issues like respect of environmental and social requirements, the practical problems faced by developing country producers on respecting the requirements, cost burden faced by them, cost squeezing by buyers, new avenues to boost up the EU-Asia Trade on sustainable basis etc.