




Good governance, global supply chains and sustainability standards
Presentation by Helmut Fischer, BMZ



Global supply chains and its 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.
- German G7-presidency 2015: putting global supply chains on top of the agenda („Action for Fair Production“)

2

Economic connectivity through good governance

- Good governance as an economic driver and a benefit to people and the environment
- Economic gains through the implementation of sustainable global value chains: improvement of quality, minimizing risks along global supply chains
- Areas of good governance: labour rights, trade union rights, collective bargaining, ILO core labour standards, climate conventions and environmental protection agreements.

3

Global Value Chains // Stages

- **Generic value chain stages**



4

The roles and benefits of standards

- Sustainability along global value chains is driven by **different actors with different agendas and focus areas**
- **Reputation, efficiency and innovation gains** are the three key mobilising factors for companies in this regard
- **Applying standards** according to stakeholder and business priorities helps companies to **realise these gains**
- The chosen priorities and applied standards in turn impact in how far **people and/or the environment** benefit

5

Standards: Drivers of sustainability in global value chains // benefits



- **Gains for people and the planet**

> Health
> Safety
> Wages

> Materials
> Energy
> Waste

> Skills
> Jobs
> Technology

Reputation

Efficiency

Innovation

6

Challenges // Hot topics



- **Non-existing or non-enforced labour and environmental laws**
- **Use of hazardous chemicals and other inputs**
- **Destruction of natural habitats and biodiversity**
- **Unsafe working conditions**
- **Forced labour, child labour**
- **Insufficient wages**
- **Corruption**

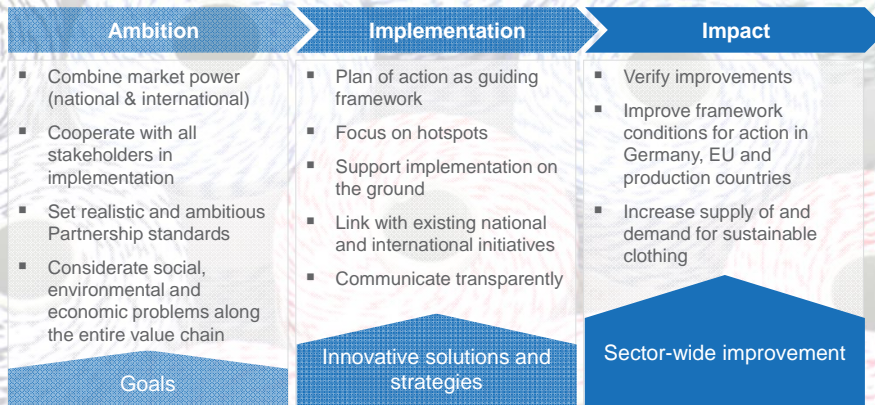
7

Our approach to support standards // Summary

- BMZ is active on a **global, European, German and partner-country level** to promote the use of standards
- These combined efforts are designed to **simultaneously increase supply and demand** for sustainable textiles
- **Multi-stakeholder initiatives** are key to the **transformation of global value chains**
- The **Partnership for Sustainable Textiles** is one example how this approach can be facilitated under one roof

8

Partnership for Sustainable Textiles



9

Thank you for your attention!



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10