

**UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE
TECHNICAL COOPERATION PROJECT FORM**

Project title: Enhancing Transparency and Traceability for Sustainable Value Chains in Strategic Sectors for the Green and Digital Transitions in the UNECE region and beyond (Phase III)						
Expected timing/ duration: July 2024 – June 2028						
<p>Objective and brief summary of the project: Traceability and transparency enable industry actors to achieve verifiable performance on human rights, decent work and environmental sustainability and can help ensure health and wellbeing for all. In fact, the implementation of traceability and transparency systems can efficiently address information asymmetry between producers, consumers and regulators, thus enhancing accountability. In such connection and by expanding on the outcomes of its Phase I (E320 in 2019-2023) and Phase II (E414 in 2023-2024), the objective of the project is to contribute to sustainable and circular consumption and production patterns in targeted sectors by improving value chain traceability. The project will achieve such objective by implementing the following activities:</p> <p>A1.1. Organization of a series of multi-stakeholder policy dialogues, recommendations and country engagement missions to address traceability-related challenges in the targeted sectors and value chain segments, to inform policymaking and standards development and support compliance with existing and forthcoming legislation on supply chain due diligence and the development of digital product passports;</p> <p>A1.2. Development of Standards, implementation guidelines and company pilots on downstream traceability and circularity of garment and footwear value chains, and on upstream traceability in the beef and hides and a critical raw materials sector (copper). These are supported by the development of Business Process Analyses and Requirement Specifications;</p> <p>A2.1. Conducting sector-specific training, outreach and awareness-raising activities on i) downstream traceability and circularity for brands/retailers, manufacturers, sorters, recyclers and other relevant actors in circular garment and footwear value chains, and on ii) upstream traceability and circularity for farmers and processors in beef and hides value chains, and actors in a critical raw materials value chain (copper).</p> <p>These activities are supported by UN/CEFACT and its UNECE Team of Specialists on ESG Traceability of Sustainable Value Chains for the Circular Economy.</p>						
<p>Link to the SDG targets:</p> <p>SDG 12 targets 5, 6 and 8; SDG 8 targets 4, 5 and 7; SDG 6 target 3 and 4; SDG 7 target 3; SDG 13 target 1; SDG 15 targets 1 to 9.</p>						
<p>Expected results of the project:</p> <p>EA1. Capacity of countries and companies is strengthened to take risk-informed decisions and operate along a set of internationally agreed traceability and circularity principles and practices for the exchange of sustainability-related data along global value chains in the targeted sectors;</p> <p>EA2. Value chain visibility and connectivity is enhanced to combat greenwashing, facilitate more responsible and sustainable sourcing, and uplift export market access for producers and manufacturers, particularly in transition and developing economies.</p>						
<p>Target group and beneficiaries of the project:</p> <p>Beneficiary countries are UNECE member States and beyond. Target groups include government officials from relevant government ministries, businesses, experts from International Organisations, NGOs and academia, working on sustainable value chains in the targeted sectors.</p>						
<p>Justification of project and its relationship to the programme of work:</p> <p>This project directly contributes to the objective of the Subprogramme 6 “Trade” “to strengthen trade facilitation and electronic business, regulatory cooperation and standardization policies, agricultural quality standards and trade-related economic cooperation in the ECE region and beyond” and Subprogramme 1 “Environment” “to improve environmental governance and performance for safeguarding the environment and health” of the UNECE programme budget for 2024. The project responds to the mandates set in the UN/CEFACT Programme of Work of 2023-2024 (ECE/TRADE/C/CEFACT/2022/21/Rev.1) adopted by the EXCOM (ECE/EX/2022/L.17). Transparency and traceability of sustainable value chains will remain another major topic for the coming period, as indicated in the Programme of Work 2025-2026 of UN/CEFACT, adopted by the UN/CEFACT Bureau for submission to the 30th Plenary (ECE/TRADE/C/CEFACT/2024/7).</p>						
<p>Estimated UN regular budget resources (work months of RB staff/level of Staff):</p> <p>4 months/P5; 4 months/P2</p>						
<p>Estimated extra budgetary resources: Please ensure that the below amount matches the total estimated costs in the annex</p> <table border="1"> <thead> <tr> <th>Donor</th> <th>Amount (US\$)</th> </tr> </thead> <tbody> <tr> <td>European Commission (DG INTPA)</td> <td>2,717,000</td> </tr> </tbody> </table>			Donor	Amount (US\$)	European Commission (DG INTPA)	2,717,000
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European Commission (DG INTPA)	2,717,000					
<p>Project Manager: Maria Teresa Pisani 03.06.2024</p>	<p>Section/Division: Trade Facilitation Section / Economic Cooperation and Trade Division</p>					
<p>Cleared by Programme Management Unit: Nicolas Dath-Baron 03.06.2024</p>	<p>Approved by EXCOM¹</p>	<p>09.09.2024</p>				

¹ See paragraph 31 (a) of Commission decision A(65).

Annex
Results-based budget for the extrabudgetary project

Expected Accomplishments	Planned activities	Estimated costs (USD)
EA1. Capacity of countries and companies is strengthened to take risk-informed decisions and operate along a set of internationally agreed traceability and circularity principles and practices for the exchange of sustainability-related data along global value chains in the targeted sectors.	A1.1. A series of multi-stakeholder policy dialogues, recommendations and country engagements to address traceability-related challenges in the targeted sectors and value chain segments, to inform policymaking and standards development and support compliance with existing and forthcoming legislation on supply chain due diligence and the development of digital product passports.	767,000
	P4 staff to provide overall management of policy dialogue end engagement x 16 months x \$15,500 per month	248,000
	P2 staff to provide overall support to the policy dialogue and engagement x 22 months x \$10,500 per month	231,000
	G5 staff to provide administrative support x 8 months x \$10,500 per month	84,000
	International senior consultants to contribute to the drafting of recommendations and for legal analysis and reviews x 6 months x \$10,000 per month	60,000
	International junior consultants to facilitate policy dialogues x 4 months \$7,500 per month	30,000
	Communication consultant x 4 months x \$6,000 per month	24,000
	Travel of staff and consultants x 22 missions x \$2,500	55,000
	Travel participants x \$3,000 x 5 missions	15,000
	Contractual services for conferences and seminars (equipment, room cost and catering for policy dialogues and other events)	20,000
	A1.2. Standards, implementation guidelines and company pilots on downstream traceability and circularity of garment and footwear value chains, and on upstream traceability in the beef and hides and a critical raw materials sector (copper). These are supported by the development of Business Process Analyses and Requirement Specifications.	845,000
	P4 staff to provide overall management of standards development process x 14 months x \$15,500 per month	217,000
	P2 staff to provide overall support implementation of company pilots x 22 months x \$10,500 per month	231,000
	G5 staff to provide administrative support x 8 months x \$10,500 per month	84,000
	International senior consultants to contribute to development of standards and guidelines, and to provide data analysis services x 8 months x \$10,000 per month	80,000
	International junior consultants to support the company pilots x 10 months x \$7,500 per month	75,000
	Communication consultant x 10 months x \$6,000 per month	60,000
	Travel of staff and consultants x \$2,500 x 14 missions	35,000
	Contractual services (software, data processing and platform services for pilots)	63,000
EA2. Value chain visibility and connectivity is enhanced to combat greenwashing, facilitate more responsible and sustainable sourcing, and uplift export market access	A2.1. Sector-specific training, outreach and awareness-raising activities on i) downstream traceability and circularity for brands/retailers, manufacturers, sorters, recyclers and other relevant actors in circular garment and footwear value chains, and on ii) upstream traceability and circularity for farmers and processors in beef and hides value chains, and actors in a critical raw materials value chain (copper).	885,000
	P4 staff to provide overall management of the training and outreach design and implementation x 14 months x \$15,500 per month	217,000

for producers and manufacturers, particularly in transition and developing economies.	P2 staff to provide overall support to training and outreach activities x 24 months x \$10,500 per month	252,000
	G5 staff to provide administrative support x 8 months x \$10,500 per month	84,000
	International senior consultants for sector-specific input to training activities x 5 months x \$10,000 per month	50,000
	International junior consultants to support with training and outreach materials design and delivery x 6 months x \$7,500 per month	45,000
	Communication consultant x 10 months x \$6,000 per month	60,000
	Travel of staff and consultants x \$3,000 x 21 missions	63,000
	Contractual services for conferences and seminars (equipment, room cost and catering for trainings and outreach events)	40,000
	Contractual services (logistic support for the organization, conduct and hosting of events, production of outreach materials etc)	74,000
Project evaluation		30,000
7% Programme Support Costs		190,000
Total:		2,717,000

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE
TECHNICAL COOPERATION PROJECT PROPOSAL FORM
PART II - (for ECE internal use)

A. Cleared by Executive Office:

Name and Signature:



9 September 2024

Alan Esser, Executive Officer

Date

B. Approved by the Executive Secretary:

Name and Signature:



13 September 2024

Tatiana Molcean, Executive Secretary

Date

C. For Executive Office use only: Establish project WBSE ID and Umoja Coding Block

Budget Period	Fund	Cost Center	WBSE	Functional Area
M99	32ECE	13827	SB-026805	20AC0006
IMIS Short ID	External Symbol/Org/Prog	Grant	Sponsored Programme	Name of Sponsored Programme
ECE-E453	ECE-E453	M1-32ECE- 000xxx	ECE-ECE-00043	Trade Facilitation

Recorded/created in UMOJA Project System by: Cristina Drumea



Note: This project is approved by EXCOM on 9 September 2024, as Phase 3 of the closing ECE-E414.

Date: 9 September 2024

EUROPEAN UNION
CONTRIBUTION AGREEMENT

700002200

(the 'Agreement')

The European Union, represented by the European Commission (the '**Contracting Authority**'), first counterparty,

and

United Nations, represented by the United Nations Economic Commission for Europe (UNECE)
International Organization
Palais des Nations
8-14 avenue de la Paix
CH-1211 Geneva 10, Switzerland

hereinafter the '**Organisation**', second counterparty, (individually a 'Party' and collectively the 'Parties') have agreed as follows:

SPECIAL CONDITIONS

Article 1 - Purpose

- 1.1 The purpose of this Agreement is to provide a financial contribution to finance the implementation of the action 'Enhancing transparency and traceability of value chains in strategic sectors for the Green and Digital Transitions in the UNECE region and beyond' as described in Annex I (the 'Action'). This Agreement establishes the rules for the implementation and for the payment of the EU Contribution, and defines the relations between the Organisation and the Contracting Authority.
- 1.2 The Action is fully financed by the EU Contribution.
- 1.3 The Organisation declares that no substantial changes, which have not already been communicated to the Commission, affect the rules and procedures which have been subject to the Ex-ante Pillar-Assessment.

In the performance of the activities, the Organisation shall:

- Apply its own rules and procedures for the award and management of Procurement Contracts which have been assessed in the Ex-ante Pillar Assessment, complemented with the ad-hoc measures laid down in Article 7, and
 - Apply its own rules and procedures for the award and management of Grants, which have been assessed in the Ex-ante Pillar Assessment, complemented with the ad-hoc measures laid down in Article 7.
- 1.4 The Action is financed under the Neighbourhood, Development and International Cooperation Instrument Global Europe.
 - 1.5 The Organisation shall provide a management declaration in accordance with Articles 3.10 of Annex II with every progress and final report.
 - 1.6 This Agreement is subject to the provisions of Financial and Administrative Framework Agreement (FAFA) between the European Union, represented by the European Commission

and the United Nations signed on 29 April 2003, and as amended on 31 December 2018 and on 29 April 2023.

Article 2 - Entry into Force and Implementation Period

Entry into Force

2.1 The Agreement shall enter into force on the date when the last Party signs.

Implementation Period

2.2 The Implementation Period of the Agreement (the 'Implementation Period') shall commence on the date when the last Party signs.

2.3 The Implementation Period of the Agreement is 48 months.

Article 3 - Financing the Action

3.1 The total cost of the Action¹ is estimated at EUR 2,500,000 as set out in Annex III. The Contracting Authority undertakes to provide a contribution up to a maximum of EUR 2,500,000 (the 'EU Contribution'). The final amount will be established in accordance with Articles 16 to 18 of Annex II.

Remuneration

3.2 The remuneration of the Organisation by the Contracting Authority for the activities to be implemented under this Agreement shall be 7% of the final amount of eligible direct costs of the Action to be reimbursed by the Contracting Authority.

Interest on pre-financing

3.3 Interest generated on pre-financing shall not be due.

Article 4 - Payment Arrangements and Reporting

4.1 The pre-financing rate is 100%.

4.2 Payments shall be made in accordance with Article 17 of Annex II. The following amounts are applicable, all subject to the provisions of Annex II:

First pre-financing instalment: EUR 1,228,360.

Further pre-financing instalment(s): EUR 1,271,640 following the end of the 2nd reporting period², corresponding to the Contracting Authority's part of the forecast budget for the subsequent 24 months.

Forecast balance of the final amount of the EU Contribution, if any (subject to the provisions of Annex II): EUR 0.

4.3 The Organisation acknowledges that the European Commission is progressively introducing an Electronic Exchange System pursuant to the EU Financial Regulation, accessible via the Single Electronic Data Interchange Area (SEDIA) portal, the 'EU Funding & Tender Opportunities' portal (the 'System'), for the electronic management of this Agreement.

The European Commission shall inform the Organisation at least three months prior to the date on which other documents and processes related to this Agreement (including electronic payment requests and communications) are to be processed via the System.

Notwithstanding the above, the Organisation:

¹ This amount is introduced only for indicative purposes. It is an estimate and its evolution does not condition the EU Contribution.

² Unless otherwise provided for in the Special Conditions, the reporting period is every twelve (12) months as from the commencement of the Implementation Period.

AE

- shall submit the information referred to in Article 3.7 b) of Annex II via the System for all reports under this Agreement.
- may submit the progress and/or final reports referred to in Article 3.1 of Annex II via the System.

Article 5 – Communication language and contacts

- 5.1 All communications to the Contracting Authority in connection with the Agreement, including reports referred to in Article 3 of Annex II, shall be in English.
- 5.2 Subject to Article 4.3, any communication relating to the Agreement shall be in writing, shall state the Contracting Authority's contract number and the title of the Action, and shall be dispatched to the addresses below.
- 5.3 Subject to Article 4.3, any communication relating to the Agreement, including payment requests and attached reports, and requests for changes to bank account arrangements shall be sent to:

For the Contracting Authority

European Commission
 Directorate-General for International Partnerships
 For the attention of INTPA R6 Finance and Contracts for Centralised Operations
 Rue de la Loi 41, 1049 Brussels
INTPA-R6-CONTRACTS-INVOICES@ec.europa.eu

Copies of the documents referred to above, and correspondence of any other nature, shall be sent to:

European Commission
 Directorate-General for International Partnerships
 For the attention of INTPA E2 Trade, Investment Climate, Entrepreneurship & Value Chains
 Rue de la Loi 41, 1049 Brussels
INTPA-E2@ec.europa.eu

For the Organisation

UNECE
 for the attention of Chief of Trade Facilitation Section
 H Building - WP-30
 Palais des Nations
 8-14, Avenue de la Paix
 CH-1211 Geneva 10
 Switzerland

- 5.4 Ordinary mail shall be deemed to have been received on the date on which it is officially registered at the address referred to above.
- 5.5 The contact point within the Organisation, which shall have the appropriate powers to cooperate directly with the European Anti-Fraud Office (OLAF) in order to facilitate the latter's operational activities shall be:

UNECE

Executive Office
 For the attention of Mr. Alan Esser, Executive Officer
 Palais des Nations
 8-14 Avenue de la Paix
 CH-1211 Geneva 10
 Switzerland

- 5.6 All exchanges concerning the Early Detection and Exclusion System shall take place between the Contracting Authority and the authorised person designated by the Organisation, which is:

UNECE

Executive Office

For the attention of Mr. Alan Esser, Executive Officer

Palais des Nations

8-14 Avenue de la Paix

CH-1211 Geneva 10

Switzerland

Article 6 - Annexes

- 6.1 The following documents are annexed to these Special Conditions and form an integral part of the Agreement:

Annex I: Description of the Action (including the Logical Framework of the Action)

Annex II: General Conditions for Contribution Agreements

Annex III: Budget for the Action

Annex IV: Financial Identification Form

Annex V: Standard Request for Payment

Annex VI: Management Declaration template

- 6.2 In the event of a conflict between these Special Conditions and any Annex thereto, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II and those of the other Annexes, the provisions of Annex II shall take precedence.

Article 7 – Additional specific conditions applying to the Action

- 7.1 The following shall supplement Annex II:

- 7.1.1 Pursuant to Article 2 of Annex II the Organisation shall apply the following ad hoc measures:

- 7.1.1.1 In order to address all the findings raised by the Ex-Ante Pillar-Assessment of the Organisation rules and procedures related to the exclusion from access to funding, the publication of information on recipients and the protection of personal data, the Organisation commits to implement the corresponding recommendations, or equivalent actions addressing such recommendations* underlying findings, including the roadmap, concerning the rules and procedures related to the exclusion from access to funding, publication of information on recipients and the protection of personal data, as reflected in the final report of the Organisation Ex-Ante Pillar Assessment of 20 October 2022.

- 7.1.1.2 The Organisation will notify the European Commission, in writing, confirming that it has taken appropriate measures to address all the recommendations and their underlying findings, including the roadmap, referred to under Article 7.1.1.1 of the Special Conditions, consistent with the UN's status under international law, its privileges and immunities and its regulatory framework. Upon receipt of such notification and further to the European Commission's consideration of the information provided by the Organisation, the European Commission and the Organisation will consult and, where appropriate, agree on discontinuing the present ad hoc measures. The Commission recognises that such ad hoc measures are without prejudice to the Organisation status under international law, its privileges and immunities and its regulatory framework, and that funds will continue to be administered in accordance with the Organisation regulatory framework.

7.1.1.3 For the implementation of Article 20 of Annex II, the Organisation will require that recipients of funds originating from contributions from the EU under this Agreement provide the Organisation with a declaration confirming that neither they, nor any person having powers of representation, decision-making or control over them, nor any member of their administrative, management or supervisory body have been in one of the exclusion situations referred to in point 2.1 a) of Annex 2a of the Terms of Reference for the Ex- Ante Pillar-Assessment, namely:

- a) bankruptcy, insolvency or winding-up procedures;
- b) breach of obligations relating to the payment of taxes or social security contributions;
- c) grave professional misconduct, including mis-representation;
- d) fraud;
- e) corruption;
- f) conduct related to a criminal organisation;
- g) money laundering or terrorist financing;
- h) terrorist offences or offences linked to terrorist activities;
- i) child labour and other trafficking in human beings;
- j) irregularity;
- k) creating a shell company;
- l) being a shell company.

This obligation shall not apply to natural persons who ultimately benefit from the assistance to be financed under this Agreement.

7.1.1.4 For the implementation of Article 2.2 of the General Conditions, on a regular basis and at least once a year, the Organisation shall publish on its website information related to Grants financed or co-financed by the EU Contribution. Such information for publication includes the title of the agreement/project, the nature and purpose of the agreement/project, the name and locality of the Grant Beneficiary and the amount of the agreement. The term "locality" shall mean the address for legal persons and the region or equivalent, for natural persons. Decisions for publication of such information will be made in full respect of the requirements of the Organisation for confidentiality, safety and security and in particular the protection of personal data. The requirement to publish information on Grants does not apply to cases where publication would threaten the rights and freedom of individuals or harm the Grant Beneficiary's commercial interests or would jeopardize the Organisation privileges and immunities.

Where the Action is a Multi Donor Action and the EU Contribution is not earmarked, the publication of information on Grants shall follow the rules of the Organisation.

7.1.1.5 The Organisation shall ensure an appropriate protection of personal data in accordance with its applicable rules and procedures. Personal data shall be:

- processed lawfully, fairly and in a transparent manner in relation to the data subject;
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;
- accurate and, where necessary, kept up to date;
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; and processed in a manner that ensures appropriate security of the personal data.

Done in Brussels and in Geneva in three originals in the English language, two for the Contracting Authority and one for the Organisation.

For the Organisation

Name Alan Esser

Position Executive Officer, UNECE

Signature

Date



For the Contracting Authority

Name Martijn Boelen

Position Acting Head of Unit INTPA E2,
Trade, Investment Climate,
Entrepreneurship, Raw Materials
& Value Chains

Signature

Date

