

ITC INDEPENDENT EVALUATION UNIT

Evaluation of the Ethical Fashion Initiative



The EVALUATION

This evaluation was commissioned to assess the Ethical Fashion Initiative's (EFI) intervention model and achievements over the last ten years. Findings are expected to guide ITC about the use of the EFI's business model in terms of future support to informal workers and vulnerable communities in developing countries.



Evaluation analytical matrix driven by 5 questions, 19 sub-questions and 90+ assessment indicators



97 documents reviewed



62 interviews with ITC, national partners, donors, private sector



14 focus groups with beneficiaries

The EFI PROGRAMME

Purpose

The Ethical Fashion Initiative (EFI) is a programme aimed at helping poor and disadvantaged workers, mostly women, in marginalized communities to benefit from globalization and thrive in the highly competitive and profitable international fashion market. It operates under ITC's Division of Sustainable and Inclusive Trade (DSIT) within the Women, Youth, and Vulnerable Communities Section (WYVC).

Background and scope

The EFI programme started in 2009 with marginalized communities of women in the informal settlements of Korogocho, 8 kilometres from the Nairobi's city centre to the East (Kenya). Beginning with 15 individual beneficiaries, EFI provided the marginalised artisans with income-generating opportunities. It soon emerged that to scale the programme, it was necessary to create the supply chain and involve international brands in it.

Since its inception in 2009, EFI has implemented 13 projects across Africa, Central Asia, Asia, and the Pacific, funded by approximately 48,500,000 USD from various donors, including the European Union, UNESCO, and the Italian, Japan, Switzerland and USA development cooperation agencies, among others.

Theory of Change

The EFI's business model centres on Social Enterprises (SEs), the management and coordination units/hubs for all production units employing and training craftspeople from the informal economy, with focus on ethical production and market access.

EFI supports the SEs in mastering and monitoring orders and operational procedures, implementing ethical standards, and accessing foreign markets. The SEs also assist workers by providing access to social welfare and healthcare networks.

By improving their production, quality and marketing capacities, EFI has supported SEs in various regions, including Artisan Fashion (transitioned to an independent commercial entity) and Tujikuze/TEFI in Kenya (newly established); CABES in Burkina Faso; IkatUz in Uzbekistan; Koyibatou in Mali; and Ozara in Tajikistan; the last three with operations ended in 2022.

EFI's market consolidation aim is to establish long-term partnerships between SEs and fashion companies, including well-established Business-to-Business (B2B) platforms based on shared Environmental and Social Governance (ESG) standards.



FINDINGS

Doing the right things? / Relevance

- EFI's actions align well with host countries' needs and ITC strategies, gaining strong government support and high satisfaction from stakeholders and beneficiaries.
- EFI's model is demand-driven and conducive; however, it includes value chains (VCs) beyond fashion, sometimes overlapping with portfolios in other ITC units.

Getting the things done? / Effectiveness

- Effective vocational training and VCs creation via capacity-building schemes, production hubs and SEs.
 - Significant results in Kenya, with 2,700 craftspeople trained, leading to a supply chain of 13,000 individuals.
 - CABES in Burkina Faso supported 2,400 artisans, achieving \$900,000 in sales between 2019-2024.
 - Benefited 5,000 individuals in Afghanistan, mostly women, in saffron, silk, and fruit VCs.
- 91 SEs formalized, with 3,721 organic cotton producers increasing productivity capacity and marketing channels in the up-scale markets for artisans in various parts of the world.

Contributing to changing lives? / Impact

- Boosted income for artisans, reducing poverty in marginalized communities. From 2019 to 2024, CABES's sales to international clients is 900,000 USD.
- Women's employment and income generation (3,500 women), with ripple effects for younger generations.
- Empowered women boosted social resilience, peace, and education in communities.

Doing the things right? / Efficiency & Coordination

- Professionalism of the EFI team and high donor support enabled timely implementation, with strong national coordination structures and ownership.
- Spending is cost-effective, with 5 USD cost per beneficiary/month in Kenya.
- Risks are well managed, yet EFI ceased operations in Afghanistan and Central Asia due to geo-political conditions.

- Although successful in fundraising and communication, EFI faces operational issues with other units and insufficient dialogue between programmes operating in the same country leading to disconnect.
- Insufficient staff for procurement, M&E, and communication. Impact assessment reports and monitoring system are disconnected, with intervention logic hindering effective reporting on achievements.

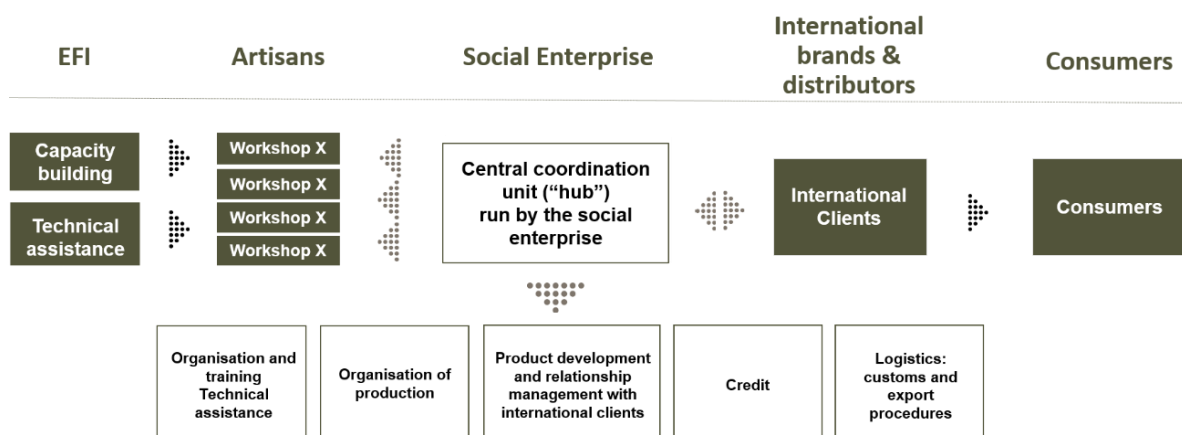
- EFI and SEs enjoy strong visibility in Kenya, with ITC's institutional image not capitalizing on EFI's outcomes.

Getting human rights, equality and environment issues in? / Cross-cutting issues

- Visible effects on gender mainstreaming and human rights (fair wages, inclusive and ethical labour practices), with lasting effects in challenging contexts.
- The ESG framework ensures due diligence across fashion supply chain, focusing on sustainability, ethical labour, and fraud prevention.

Will benefits last and grow? / Sustainability & replication

- High travel costs in Kenya necessitate relocation of staff, contingent on host-country agreement, which is supported by the UNRC, the Government of Kenya and funders (AICS).
- Partnership with Don Bosco focusing on vocational training, production capacities and hubs, and green transitioning, institutionalizes EFI's sustainability.
- Capacity-building efforts in Afghanistan led to sustainable SEs, with entities becoming independent and self-sustaining despite EFI's withdrawal.
- EFI's business model has strong replication potential in high-value cultural sectors. It highly depends on entrepreneurial commitment of skilled workforce, ITC adaptation to dynamic operational strategies and supply chains, and strong visibility.
- Despite strong sales, SEs face risks from declining fashion sector demand, and lack of cooperation between SEs hampers integrated client outreach and referrals.



RECOMENDATIONS

For EFI Management/Staff

- Maximize the EFI working model by improving collaboration and communication within ITC units, particularly TSD, to avoid overlap, and increase coordination with key projects like SheTrades and Refugees and Trade. This would also require:
 - Clarifying the SE concept and business model within ITC and with donors.
 - Involving Country Managers and operational units in programme design.
- Focus on fashion sector for sectoral coherence, referring opportunities in other sectors to ITC units with expertise.
- Strengthen partnerships with Don Bosco institutions in Africa and Asia and explore collaborations with regional actors like AfriLabs.
- Promote market diversification to ensure sustainable income flows for SE beneficiaries:
 - Encourage production for local and regional markets and explore new SE setups in Asia.
 - Facilitate inter-SEs marketing tools for holistic promotion.
- Enhance M&E systems and reporting by:

- Including staff in projects' budgets for M&E, communication and procurement. When Kenya Office is operational, functions can be cost-shared between programmes.
- Linking ESG reporting with donor and ITC corporate indicators.

- Consider resuming operations in Afghanistan, engaging donors like the EU and USAID, and leveraging the UNDP system.
- Trace product stories to connect consumers to communities, enhancing visibility and market value.

For ITC Management/Divisions

- Encourage holistic collaboration between ITC programmes and bridge silos.
- Accelerate Kenya Country Office establishment to ensure operational efficiencies and contextualized donor engagement. It is cost-efficient and maximizes funding sustainability opportunities.
- Integrate EFI's achievements with institutional communication by leveraging storytelling for visibility.
- Piloting EFI's replication by selecting suitable value chains and hubs/countries and with long-term investment strategies.

Piloting EFI's replication

Pre-conditions

- EFI's model can be replicated in high-value chains like jewellery, homeware, handicrafts, and organic food.
- Attracting entrepreneurial industry profiles with a high commitment to UN values and capacity to tap into business networks.
- Strong leadership and team's entrepreneurial vision to ensure long-term capacity-building and ITC's provision of seed money for SEs.
- Carefully assess financial sustainability, enabling policies, donor alignment, and efficient resource use.
- Once operational, leveraging the Kenya Country Office for operational support and efficient management, especially in East Africa where the CO can support regional collaboration.

Approach

- Careful selection of regions, communities, and sectors, ensuring that lessons from EFI are embedded in the new approach.
- A long-term investment strategy focused on empowering target groups with low marketing and trade skills. SEs' skilled workforce is critical for quality, market adaptability, and revenue growth.
- A demand-driven approach with dynamic inventory, agile production, and customer-focused strategies.
- Industrial networks and partnerships, such as with Don Bosco, boost vocational and operational capacities.
- Local adaptation is essential to address cultural, economic, and geopolitical factors for scalability.