

EXPORT TO CANADA NEWS

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CLIMATE CHANGE AND THE ENVIRONMENT IN INTERNATIONAL TRADE

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STEVE TIPMAN
EXECUTIVE DIRECTOR
TFO CANADA

Are Trade and Environmental Sustainability Compatible?

The theme for this edition of TFO Canada's newsletter is "Climate Change and the Environment in International Trade". This is a critical topic to address as most people around the world would agree that protecting our planet is important for our future together. Many environmentalists have been discussing this topic for decades and warning us of the impacts on how we live, but it took a Swedish teenager to capture the world's attention in September 2019. At the United Nations' Climate Action Summit, many of us will remember Greta Thunberg's speech. We also recall and some became active in "climate strikes" that she inspired in many cities across the globe.

Since these momentous events, we are seeing more plans taking shape, with countries sharing their commitments towards fighting climate change. In fact, the President of the United States hosted a two-day virtual summit last April and invited 40 world leaders to join him.

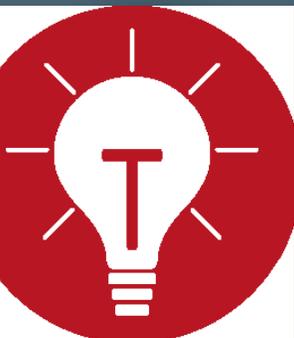
Bringing the conversation back to the theme of this newsletter, we ask the following question: Are trade and environmental sustainability compatible? A recent article from the Organization of Economic Cooperation and Development (OECD) put forward the following observations that suggest that trade and the environment are not in opposing directions. In fact, the OECD states that:

- By supporting economic growth, development and social welfare, increased trade can contribute to a greater capacity to manage the environment more effectively.
- Open markets can improve access to new technologies that make local production processes more efficient by diminishing the use of inputs such as energy, water, and other environmentally harmful substances.
- Trade and investment liberalization can provide firms with incentives to adopt more stringent environmental standards; as a country becomes more integrated within the world economy, its export sector becomes more exposed to environmental requirements imposed by the leading importers. Changes needed to meet these requirements, in turn, flow backwards along the supply chain, stimulating the use of cleaner production processes and technologies.

As your partner in development and trade, TFO Canada is here to assist both trade support institutions and small and medium enterprises by providing information, practical guidance and tools to help assess their environmental impacts, identify feasible mitigation measures, and capitalize on good environmental performance to strengthen their export and marketing strategies.

Tipman's Trade Tip

In today's world, it is very important to implement sustainable practices for your business. When evaluating your environmental impact, consider starting with product packaging. By its nature, packaging is meant to protect your product and is usually disposed of after the goods arrive at their destination. Ensure that your packaging uses materials that are recyclable or made from recycled materials. Having a sustainable packaging strategy helps to reduce your company's environmental impact.



POST-PANDEMIC ENVIRONMENTAL SUSTAINABILITY TRENDS IN INTERNATIONAL TRADE CHALLENGES AND OPPORTUNITIES FOR SMES



By: Rita Lindayati
TFO Canada Environment and Climate Change advisor.

Post-pandemic international trade trends, as many experts and observers agree, are being shaped by at least three major forces:

1. Technological advancements in automation/ artificial intelligence and digitalization;
2. An increasing shift to regional trade cooperation as the COVID-19 pandemic has exposed the vulnerability of long global supply chains; and
3. Increasing climate change threats that disrupt the production and distribution of goods and services.

Climate change is affecting trade in many different ways. Climate change-induced extreme weather events such as storms, sea surges and floods will become more intense and frequent, disrupting production processes as well as trade flows and infrastructure. Primary production such as agriculture, fisheries and forestry will also be adversely affected due to prolonged drought, increased precipitation, soil and beach erosion, invasive species and pests. Small and medium-sized enterprises (SMEs) and producers, especially in developing countries, will be particularly vulnerable. SMEs must be aware of the climate risks to their businesses and adapt accordingly.

Nations and individuals are becoming more aware that our environmental footprint from producing and consuming goods and services is causing climate change and other environmental problems such as resource degradation and scarcity, water and air pollution and more. Global calls for more environmentally responsible production and consumption are growing louder. A [2020 study by IBM](#) involving 18,980 consumers in 28 countries showed that nearly eight in 10 respondents indicated that sustainability is important to them. Nearly six in 10 consumers surveyed are willing to change their shopping habits to reduce environmental impacts. For those who said it is very important, over 70 percent would pay a 35 percent premium, on average, for brands that are environmentally responsible.

Climate change may pose challenges to SMEs, but also represent opportunities. Trade in green products and services continues to grow, creating demand for new types of environmentally-friendly products and services. Lead companies are increasingly requiring their suppliers to meet environmental standards. SMEs that embrace environmental sustainability are likely to benefit in myriad ways. According to a recent Deloitte report, global trends suggest that “purpose” driven companies perform well, even during economic downturns, and are likely to continue to do so. These are companies that include a corporate purpose and initiatives focused on making the world a better place, in addition to profit. Success is measured by profit, societal, income equality, diversity, and environmental sustainability.



NEW STAFF

Patrick Ntungwa Mico
Project Manager, Africa

Please join us in welcoming Patrick N. Mico to TFO Canada. He is responsible for the design, day-to-day implementation and monitoring of projects within Africa region.

Patrick has extensive experience in women's economic empowerment, project management, gender audit and gender mainstreaming from different countries in Africa and in Canada as well. This includes working as a Program Manager at Best Legacy Foundation. He also worked on different projects related to women's economic empowerment and rights in collaboration with different development partners such as PROMUNDO, the Rwanda Gender Monitoring Office, the Ministry of Gender and Family Promotion of Rwanda (MIGEPROF), UN Women, UNFPA, Sida, Common Market for Eastern and Southern Africa (COMESA), International Conference for the Great Lakes Region (ICGLR) and East African Community (EAC) .

Patrick speaks four languages including French and English. He has different degrees and international certificates including, but not limited to, a Masters in Social Studies, gender and development, a specialisation in gender, Statistics (Stockholm 2018) certificate of specialisation in gender auditing (ILO 2010), a Certificate of gender mainstreaming in project management (Japan 2006) and a Certificate in gender mainstreaming from the Canadian International Development Agency.

WOMEN IN TRADE FOR SUSTAINABLE GROWTH AND THE ENVIRONMENT (WIT)

The WIT project aims to create or increase awareness among Trade Support Institutions and Small and Medium Enterprises regarding environmental impacts and opportunities in specific target sectors. It also aims to provide tools to assess the impact of SMEs on the environment and develop mitigation plans as key components of SME export strategies. Using a "do no harm" approach, the project aims to ensure that the SMEs involved have taken into consideration possible impacts on the environment and their contribution to climate change and have strategies in place to mitigate them.

The awareness-raising will highlight new opportunities such as green-tech that will positively contribute to reducing climate change impacts. The project will work with TSIs to increase their capacity to support SMEs in these areas. Using the partner profile, TFO Canada has assessed whether TSIs already have environment and climate change policies or programs in place. Based on the assessment, tailored training modules will be delivered to the TSIs to address potential gaps/areas of improvement. Furthermore, Market Studies in each target country will identify, the applicable environmental risks and opportunities for each country and target sectors as well as relevant environment agencies and laws.

Environmental Management Systems



We are pleased to announce that we have updated our Market Information Paper (MIP) for Environmental Management Systems for Small Businesses. This guide includes information on how SMEs can incorporate an Environmental Management System (EMS) for better business practices while reducing their environmental impact. The full guide is available on our [website](#) in English, French and Spanish. Please ensure you are [registered](#) with us to access the full document.

Executive Summary

Internationally, companies, governments and consumers are increasingly interested in buying products and services from companies that are responsibly managing, and reducing, their negative environmental impacts. In Canada, government regulations ensure that imported products comply with regulatory requirements, some of which are directly related to environmental concerns (e.g., maximum residue limit/ MRL of pesticides level, ban on toxic substances). SMEs exporting to Canada need to be aware of how buyers and regulators are defining and evaluating the environmental performance of suppliers so that they can meet expectations in order to successfully access the Canadian market. Developing an EMS could be crucial to ensuring your services or products can reach international markets. Environmental systems involve reviewing organizational operations and products and identifying and mitigating any potential adverse impacts on the environment.

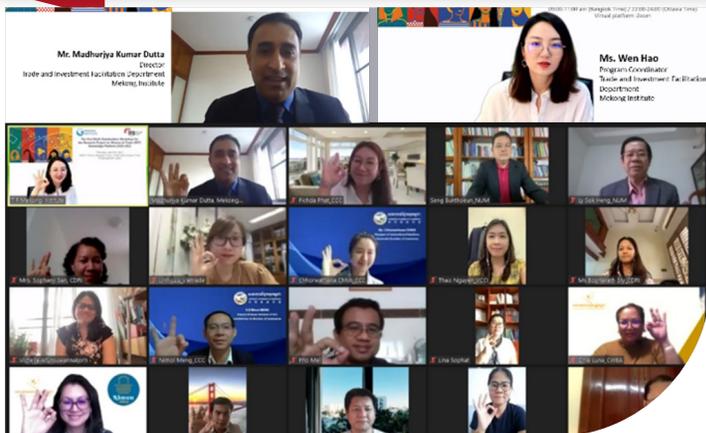
An EMS is typically accompanied by a [pollution prevention plan \(P2 Plan\)](#), especially for manufacturing businesses. Focusing on pollution prevention can improve overall environmental performance and support organizations in attaining their environmental objectives and targets set through their EMS. A P2P can be prepared using an EMS framework.

The MIP focuses on environmental management and is targeted to SMEs exporting to Canada to help them better understand:

- What an environmental management system is;
- How to implement an environmental management system in an SME to ensure a systematic approach to improving performance; and
- What tools and resources are available to help them improve, document and communicate their environmental performance.

PROGRAM UPDATES

Asia and the Middle East



Under the WIT project, the Asia team has conducted three virtual Gender Equality and Social Inclusion (GESI) workshops during March-April 2021. A total of 59 (47 women/12men) senior management staff and board members were trained from six TSIs in Jordan, seven TSIs in Indonesia and 10 TSIs in Bangladesh. In addition, three local gender-sensitive market research activities were completed/initiated/planned for in the region: one completed in Jordan (March-April 2021), one initiated in Bangladesh (April 2021) and one planned for June 2021 in Indonesia. The Asia team is also actively working with partners, local technical experts and local coordinators to implement effectively the next program activities in the region, which include ongoing development of TSI gender action plans (GAP) and capacity building for TSIs to deliver

gender-sensitive export readiness services to SMEs.

TFO Canada, in collaboration with its regional partner in Asia – the Mekong Institute (MI) - is conducting a three-year research project (2020-2022) with support from the International Development Research Centre (IDRC): [The Women in Trade knowledge platform to boost inclusive and sustainable growth](#). The first multi-stakeholder consultation workshop of this project was organized in April 2021. Workshop participants included key private and public sector actors such as business associations and chambers of commerce, export promotion agencies (especially those representing businesswomen and exporters), research institutions and policymakers. A total of 33 participants from Cambodia, Vietnam and Thailand attended the virtual workshop. The objective was to obtain their feedback on the research methodology and study plan and seek collaboration and support for gathering information and disseminating research results.

PROGRAM UPDATES

Africa & Haiti



The Africa team has been implementing the Training of Trainers Project to Promote Access to the Canadian Market for Malian Women Entrepreneurs. Funded by UN Women in Mali and implemented by TFO Canada in partnership with the Embassy of the Republic of Mali in Canada, the Mali Export Agency, and the Mali Agency for the Promotion of Investments, the project has helped strengthen the capacity of 35 selected trainers from the partner TSIs. The project successfully ended with a virtual certificate delivery ceremony on March 31, 2021. In attendance was the honourable Ambassador of Mali in Canada, the senior executives from UN Women Mali, APEX Mali, API Mali, and TFO Canada.

The months of April and May have been very productive with the completion of GESI executive seminars in Nigeria and Kenya. Following the path of other beneficiary countries, Nigeria, Ghana, Kenya and Zambia also benefited from the local market research that was conducted through the support of a local consultant. The research aims at providing more information and context that will inform the implementation of activities.

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Program Updates – Africa & Haiti Cont'd

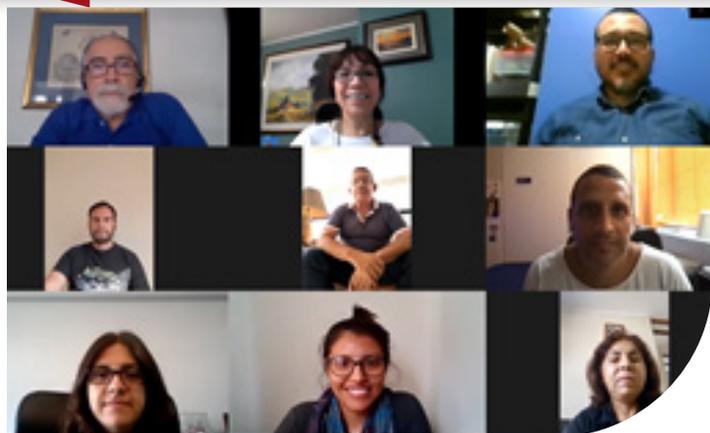
As part of the WIT project, TFO Canada has set up a grant initiative targeting the Sub-Saharan African beneficiary countries called Women Exporter Funds. For the first round, the grant was opened to applicants from Ethiopia, Madagascar and Uganda. The future rounds will see the application opened to more WIT beneficiary countries.

The Africa team signed partnership agreements with ASEPEX in Senegal, and Chambre du Commerce et d'industrie in Benin (CCIB).

Additionally, TFO Canada is currently supporting the Malian Embassy in Canada with the [Virtual Salon on Mali Products and Services SVPSM 2021](#), from July 8 –13, 2021.

PROGRAM UPDATES

Latin America & the Caribbean



Under the WIT project, TFO Canada finalized reviewed and signed partnership agreements with the implementing partners in Colombia and Peru.

Between April and June, the Latin America team supported the local gender experts to conduct Gender Equality and Social Inclusion (GESI) capacity-building programs for the lead TSIs' senior management in Guatemala, Honduras, Colombia and Peru. A total of 53 (43 women) TSI representatives were trained. Further technical assistance was provided to the TSIs for the elaboration of their Gender Action Plans.

By June, PROMPERU and Camara de Cortes had finalized their plans and progress was achieved by PROCOLOMBIA and AGEXPORT. Based on the assessment conducted on the four TSIs on their capacity to deliver export support services, between April and May, the team developed the training material for the Training of Trainers (TOT) program. In June, a local expert was hired to deliver the training to technical staff. The team also supported the design of the environment and CSR TOT program and started the hiring process of local experts who are going to deliver the training to TSIs in each country. Many SMEs and TSIs from the region were supported with information on the Canadian market. Through TFO Canada's website, the team made available on a weekly basis relevant articles and tools in Spanish for SMEs, TSIs and buyers.

SPOTLIGHT ON TFO CANADA ACTIVITIES

The Spring virtual food trade show

Susan Baka, Regional Representative Report

April 2021

The Spring virtual food trade shows we attended emphasized trends accelerated by the pandemic. Among the take-aways:

Canadian Health Food Association Connect West:

The demand for natural and organic foods is increasing, especially among younger consumers, with 77% of Canadians eating more of these than ever. Organic bananas, lemons and limes are hot market categories.

Canadian Produce Marketing Association Fresh Week:

- Consumers are seeking exotic international produce to complement local produce.
- Demand for the freshest quality products is rising since ecommerce is the fastest growing segment of the produce business.

Trend Highlighted in the Spring Webinars

Susan Baka, Regional Representative Report

May 2021

Organization of Women in International Trade (OWIT)-Ottawa 'Runway to Sustainable Fashion' webinar:

- There is a growing opportunity for developing countries to provide natural fibers as the sustainability trend grows, driven by millennials and Gen Z's.

Canadian Apparel Federation and McKinsey & Company's 'The State of Fashion in 2021, Canadian and Global Perspectives' webinar:

- The heightened concern for sustainability is also a trend highlighted in this webinar.
- Others include the rise in digital channel adoption, casual wear, on-demand manufacturing, and marketplaces.
- Marketplaces are an ideal point of entry for smaller brands.



Lessons learned from the Suez Canal blockage and other supply chain disruptions.

June 15 2021

TFO Canada and consultant Christian Sivière hosted a webinar Lessons learned from the Suez Canal blockage and other supply chain disruptions. The learning objectives of the webinar centred around the pandemic and the Suez Canal blockage, highlighting the complexity and the fragility of global supply chains; the impacts and lessons learned by exporters and importers; and how exporters and importers

can limit their exposure and better mitigate risk. The webinar was attended by 34 SME's, TSI's, and representatives from embassies. The full webinar can be found on our website [here.](#)

JEILO COLLECTION: REDUCING TEXTILE WASTE IN THE FASHION AND TEXTILE SECTOR



[Jeilo Collections](#) is a social enterprise created in 2016 in Nairobi, Kenya, by founder Grace Mbugua. Over the years, it expanded to include a profit-making subsidiary called the Jeilo Leather Company to sell the leather goods it makes. Jeilo has 22 employees - 11 men and 11 women.

The company specializes in quality leather, textiles and accessory items custom made for local and international markets. The brand and the pieces are culturally inspired by Kenyan history, tribes, and its people. All materials are sourced locally, and the products are created by skilled Kenyan workers, using Afrocentric design, and incorporating recycled bones, recycled glass and Masai beads. The pieces are designed with collaborative approach with the customers ideas in mind but, each piece incorporates Kenyan aesthetic and culture; whether in the beadwork or the craftsmanship, each piece is uniquely made and uniquely Kenyan.

Jeilo strives to be environmentally sustainable. Rather than being mass-produced, all items are made to order. Anything left over is recycled or upcycled. Their approach to being environmentally sustainable is to upcycle and recycle fabrics to reduce waste and reduce the amount of textile waste that ends up in landfills. Textile waste is often turned into home decor products, hair ties or storage bags used to maintain the products' shapes, which can also be reused and recently turning the

additional left-over textiles into personal protective equipment such as masks. Reducing textile waste is a key component of the business model.

Jeilo was introduced to TFO Canada in 2018 when it was selected by the Kenyan Promotion and Branding Agency to be part of a collaborative SheTrades project with the International Trade Centre and TFO Canada. Jeilo received training on export strategies, planning and export readiness. With the onset of the COVID-19 pandemic, a lot changed for the company in 2020 when it responded to meet new market demands.

"Overall, the pandemic's impact on my business has not been negative," says Grace. "With the onset of the pandemic, we switched to producing fabric masks. Before COVID-19, we did not have many employees but because of the demand for masks we have been able to employ 22 staff. Additionally, since people were spending more time at home, many took an interest in home décor and renovating their spaces, which meant there was a demand for home décor goods. We were able to capitalize on this and create home décor textile items. Since we all work from home, our workers were able to have a safe workspace and generate an income at a time when many people were job insecure. I think our ability to adapt our business and evolve has allowed us to continue to produce and support our community."

In 2021, Jeilo attended the Textile and Apparel virtual trade show through the support of TFO Canada where they received pre and post trade show training and buyer engagement training. During the show, Jeilo received 173 inquires from buyers.

"These few years have been a whirlwind. Our connection with TFO Canada allowed us to explore a new platform (the online trade show) that was very successful for us. Now my goal for Jeilo is to have a stable and functioning company and too be able to sustainably supply our items to other African countries as well as internationally. I want Jeilo to be found in Nairobi, or Accra or Toronto or New York. Our work now is to continue to inspire the young people in our community by providing them training in skilled craftsmanship so they too can change their lives."

Social media: @jelio_collections

TFO Canada improves lives through the creation of sustainable trade partnerships for exporters from developing countries with Canadian and foreign buyers. We facilitate access to the Canadian marketplace and share Canadian trade expertise for the benefit of smaller male and female owned/managed exporters from developing countries and for the men and women they employ.

Founded in 1980, TFO Canada is a non-governmental, non profit organization.

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