



## **C. Substantive segment – Technical dialogue and deliverables**

## TECHNICAL DIALOGUE ON GLOBAL SOLUTIONS FOR DIGITAL, SUSTAINABLE AND RESILIENT VALUE CHAINS IN SUPPORT OF THE GREEN AND DIGITAL TRANSFORMATIONS

### Documents:

- *Draft Recommendation No.49: Transparency at Scale (ECE/TRADE/C/CEFACT/2024/6)*
  - For information
- *Briefing Note on Draft Recommendation No.49, the United Nations Transparency Protocol and Digital Product Passport (ECE/TRADE/C/CEFACT/2024/INF.4)*
  - For information
- *Economic Commission for Europe and Economic Commission for Latin America and the Caribbean Study: Improving the Sustainability of Used Clothing: Global, European and Chilean Perspectives (ECE/TRADE/484)*
  - For information

UN/CEFACT



# Sustainable and Digital Trade Facilitation Week



8-12 July 2024



Palais des Nations  
Geneva

42<sup>nd</sup> FORUM



30<sup>th</sup> PLENARY



## Item 5: Technical dialogue on global solutions for digital, sustainable and resilient value chains in support of the green and digital transformations

Moderator



**Mr. Christian Hudson**

Chair, UNECE Team of Specialists on ESG Traceability for Sustainable Value chains in the Circular Economy



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**Mr. Piergiorgio Licciardello**

Director, EDI, GS1

# UN/CEFACT Plenary

## UNECE Recommendation 49

### United Nations Transparency Protocol (UNTP)

Steve Capell  
UNTP Project lead  
<https://uncefact.github.io/spec-untp>  
Date: 11-07-2024



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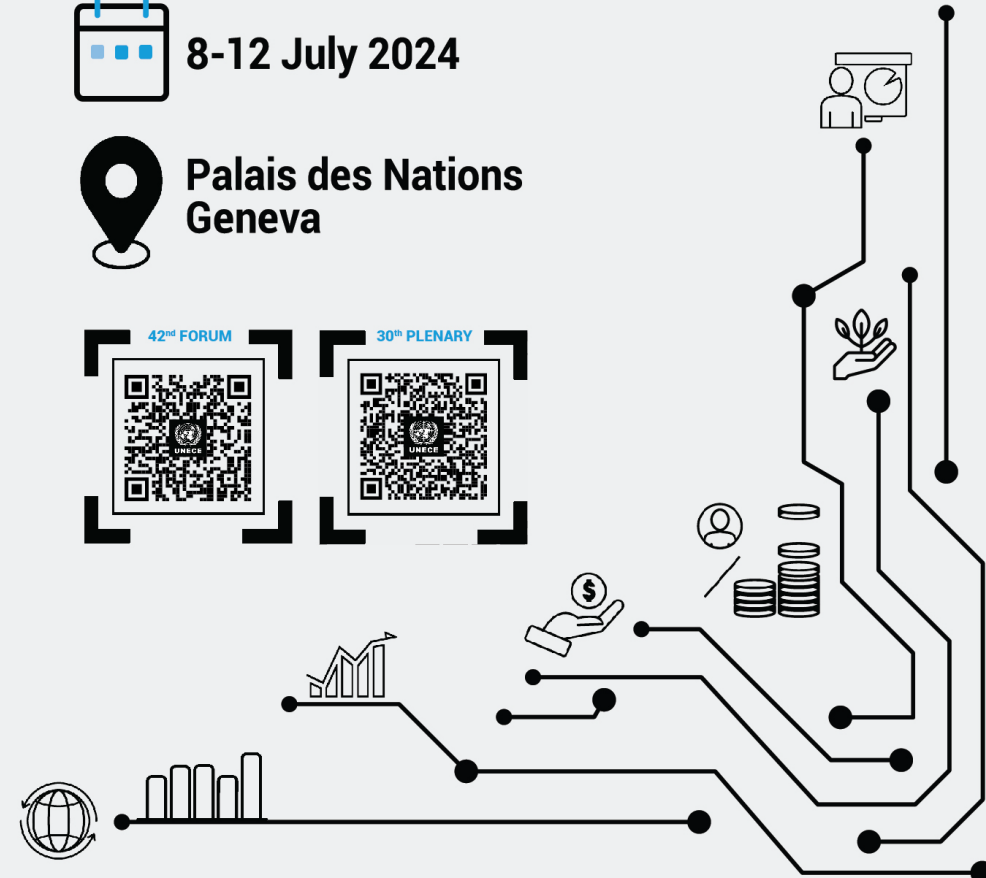


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# Greenwashing is ubiquitous



# And it devalues genuine sustainable behaviour

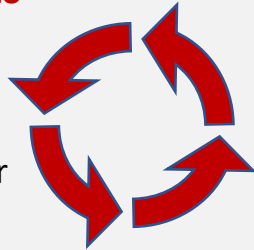
We need to address greenwashing and generate value for sustainability – so we can turn the tide and win the race to the top.

## We are in a race to the bottom

*Greenwashing is ubiquitous and undetectable*

**1. It's easy to fake claims**

2. Consumer confidence drops



4. Even genuine businesses must fake claims to survive.

3. Low confidence means no price differential

## But we need to race to the top

*Greenwashing is rare and has nowhere to hide*

**1. It's hard to fake claims**

4. Businesses compete on quality of claims

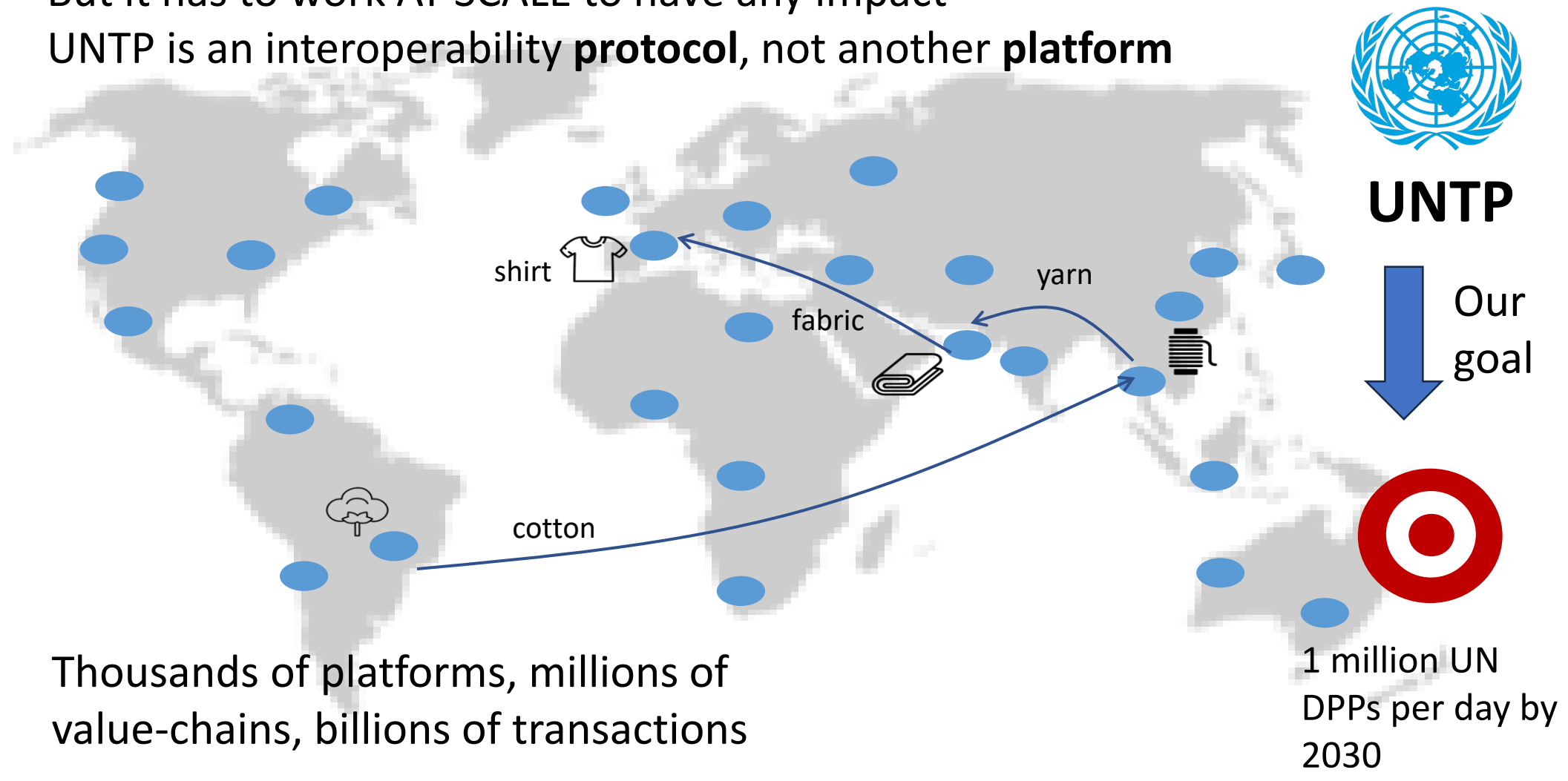


2. Consumer confidence improves

3. Higher prices are justified

# Transparency is the sunlight that exposes greenwashing

But it has to work AT SCALE to have any impact  
UNTP is an interoperability **protocol**, not another **platform**



Thousands of platforms, millions of value-chains, billions of transactions

1 million UN DPPs per day by 2030

# The UNTP achieves scale by building on open standards

**SECURE** the data

**Integrity**  
**Privacy**  
**Identity**

Guidance on use of




Verifiable Credentials (VC)

Decentralised Identifiers (DID)


**FIND** the data




From Identifiers to data (ISO 15459)

Tracing the value chain (ISO 19987)



**the DATA**

Rec 46, Circ BRS, DPCCE 

<p>Traceability</p> <div style="border: 1px solid gray; padding: 5px; background-color: #ccc;"> <p>Digital Traceability Event (DTE)</p>  </div>	<p>Transparency</p> <div style="border: 1px solid gray; padding: 5px; background-color: #ccc;"> <p>Digital Product Passport (DPP)</p>  </div>	<p>Trust</p> <div style="border: 1px solid gray; padding: 5px; background-color: #ccc;"> <p>Digital Conformity Credential (DCC)</p>  </div>
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**UNDERSTAND** the data

Semantic Libraries 

Mapping to disclosures



IFRS Sustainability Alliance



(ISO 59040)

**VALUE** the data

Business case templates



Measuring uptake and value



# Following an open and transparent governance process.

## Process & membership

- The UN/CEFACT [Open Development Process](#) (ODP) allows contributions from any registered expert and ensures that all IP remains UN owned and freely available.
- The UNTP project currently has approximately 70 contributors from around 20 countries.

## Transparency

- Weekly meetings are video recorded, full text transcribed, summarised (minutes) and published for public access. As of 11 July 2024, [23 meetings have been published](#).
- All points of discussion are recorded on a public issue log full auditable transparency of the team deliberations on each question. As of 11 July 2024, [76 issues are recorded](#) and discussed.
- Every change to the published material is recorded and is traceable to a corresponding public discussion. As of 11 July 2024, [184 changes](#) can be seen in the public change log.

**Public exposure invites expert feedback which improves the quality of the final product.**

# In collaboration with all relevant external groups.

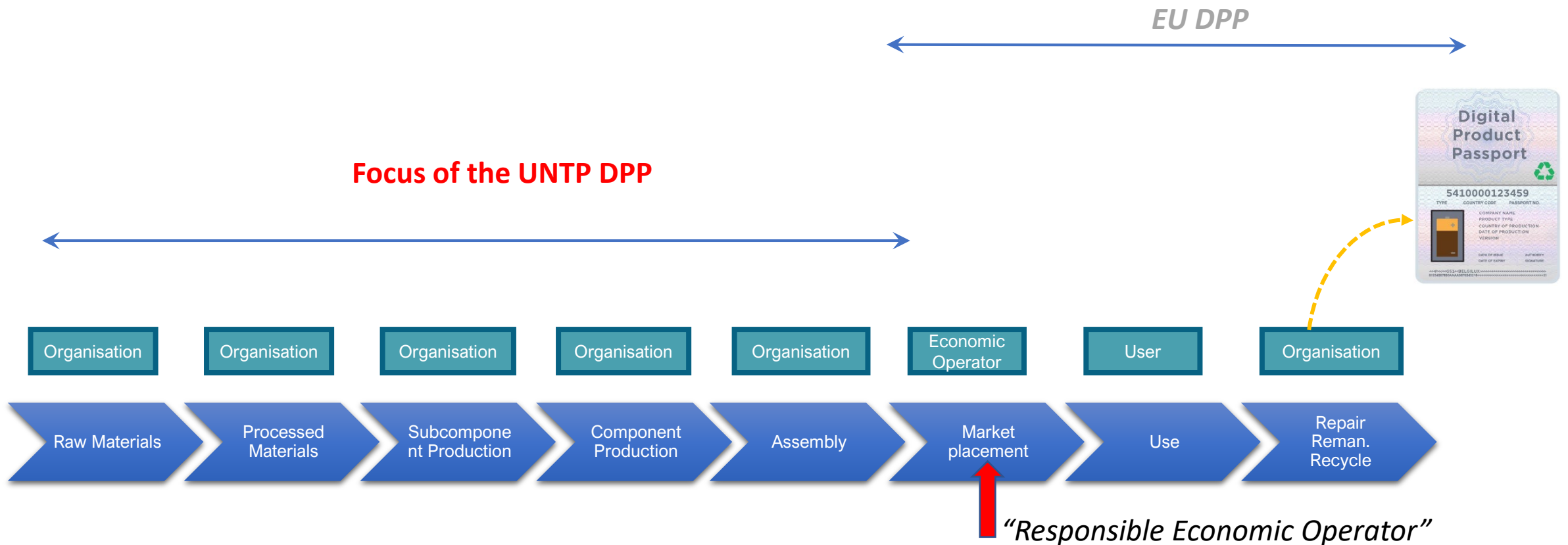
## Collaboration and alignment

- Under the existing **ebMOU with ISO/IEC/ITU** we collaborate with other SDOs to maintain alignment. For example, UNTP builds upon and aligns with ISO-59040 (Product circularity), ISO-19987 (traceability), ISO-15459 (resolvable identifiers)
- Together with DG-GROW, UN/CEFACT is part of the **DPP landscaping** of supporting standards, which includes UN/CEFACT standards in the priority list
- There is minor overlap with **CEN/CENELEC DPP** system standards (noting UNTP also includes DPP data, traceability, and conformity which is not in CEN scope). We have requested formal CENELEC liaison.
- Sector specific initiatives such as the Global Battery Alliance (**GBA**) **battery passport** are participating in UNTP project meetings so that industry product passports can leverage the UNTP common core specifications to construct digital product passports that can be interoperable across industry boundaries.
- Ubiquitous Industry standards such as GS1 vocabularies and identifiers. UNTP must ensure that our standards **do not require the use of GS1 identifiers**. But at the same time, we must also ensure that the 100,000's of organisations that have chosen to use GS1 identifiers may continue to do so.

In support of these collaborations, members of ITU, ISO, CEN, GS1, CIRPASS, UNEP, the EU Commission, Canadian and Australian Governments, were contributors to UNTP sessions at the forum this week.

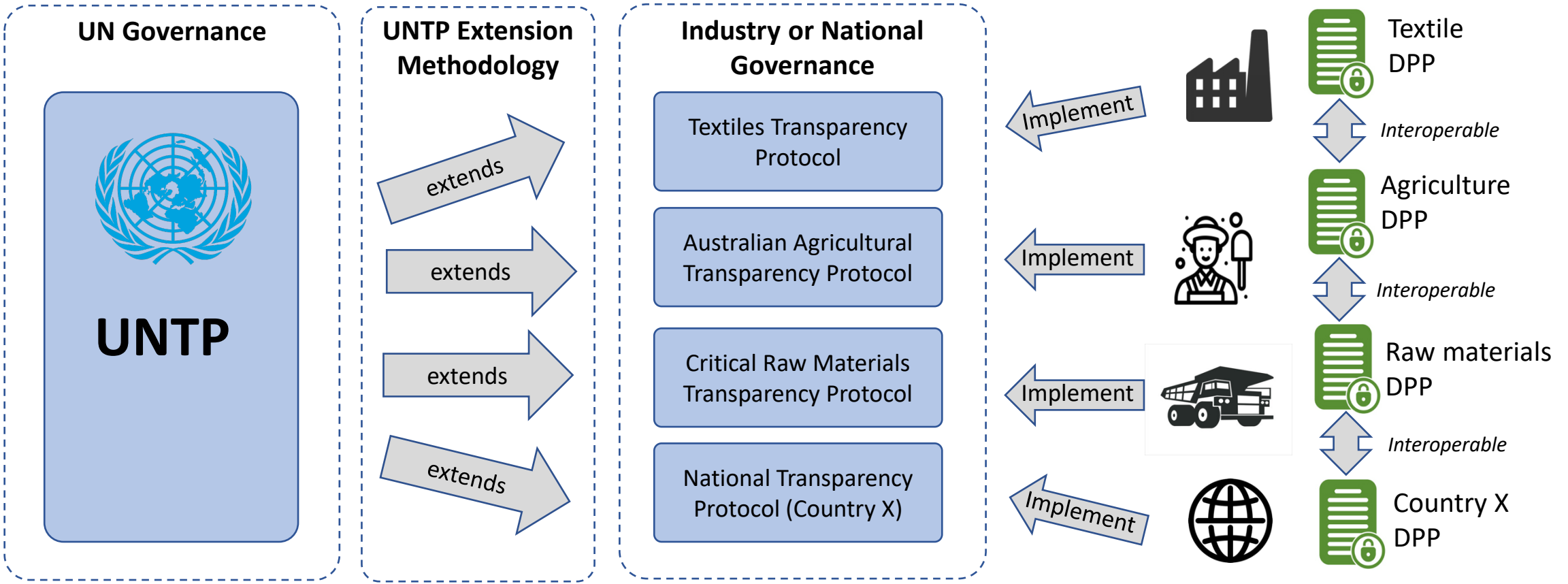
# UNTP Relationship with EU DPP

- A logical way to provide high quality supply chain data to regulatory DPPs:



# Relationship to industry specific DPPs

This is critical for transparency because even large downstream brands cannot reach back to primary production (eg Automotive leather seats to cattle farmer).



# Positive feedback from industry & regulators

During the **8 week first public review period** feedback was received from multiple industry and government parties.

## Industry (several organisations in each category)

- **Textile Industry** - UNTP unlocks any dependencies on specific commercial platforms.
- **Agriculture Industry** - UNTP opens up market access (eg EUDR compliance)
- **Software platforms**– UNTP increases value to their customers by extending their reach.
- **Product Conformity** – UNTP increases trust by making existing conformity assessments digitally verifiable

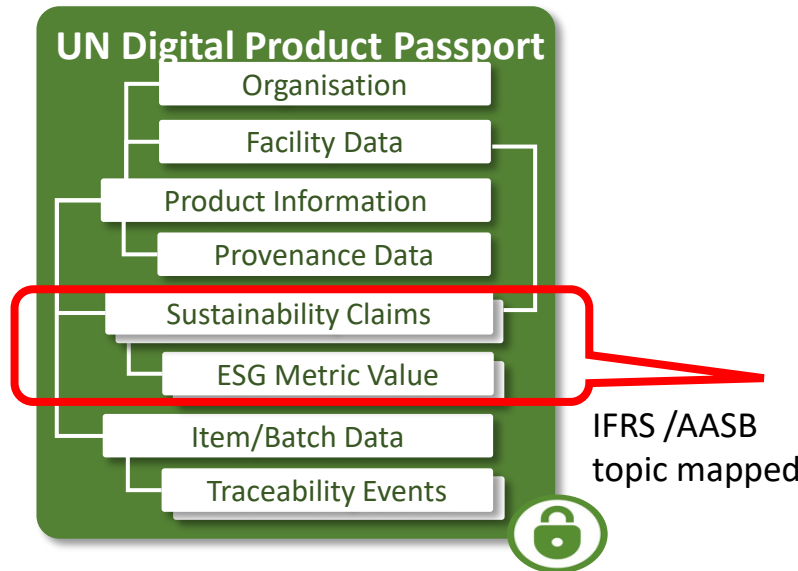
## Regulators

- **Canada (NRCAN)** – UNTP helps Canadian mineral exports prove their conformity to strong regulation.
- **EU (DG-ENV)** – UNTP helps importers lift confidence in the sustainability of upstream supplies.
- **Australia (DAFF)** – has tested UNTP as a toolkit to further enhance the AU national traceability framework.
- **US (DHS)** - Is interested to test the feasibility of UNTP as a means to improve import border risk assessment.

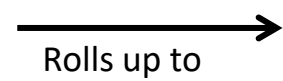
# DPPs roll up to corporate disclosures and national net zero obligations

Although only a few jurisdictions are considering product passport mandates, many have mandated corporate disclosures. But most have no data from supply chains to inform disclosures – so use averages. But this is unlikely to lead to improvements year-on-year. Which also impact national net-zero commitments.

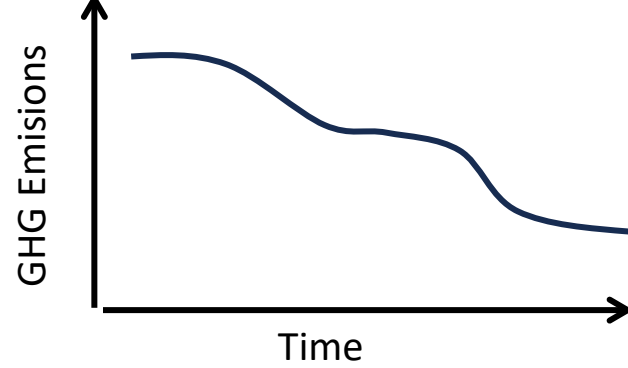
- Digital product passports provide the transactional ESG data to inform corporate disclosures
- Corporate disclosures provide the entity ESG data to inform national performance.



Product level transparency



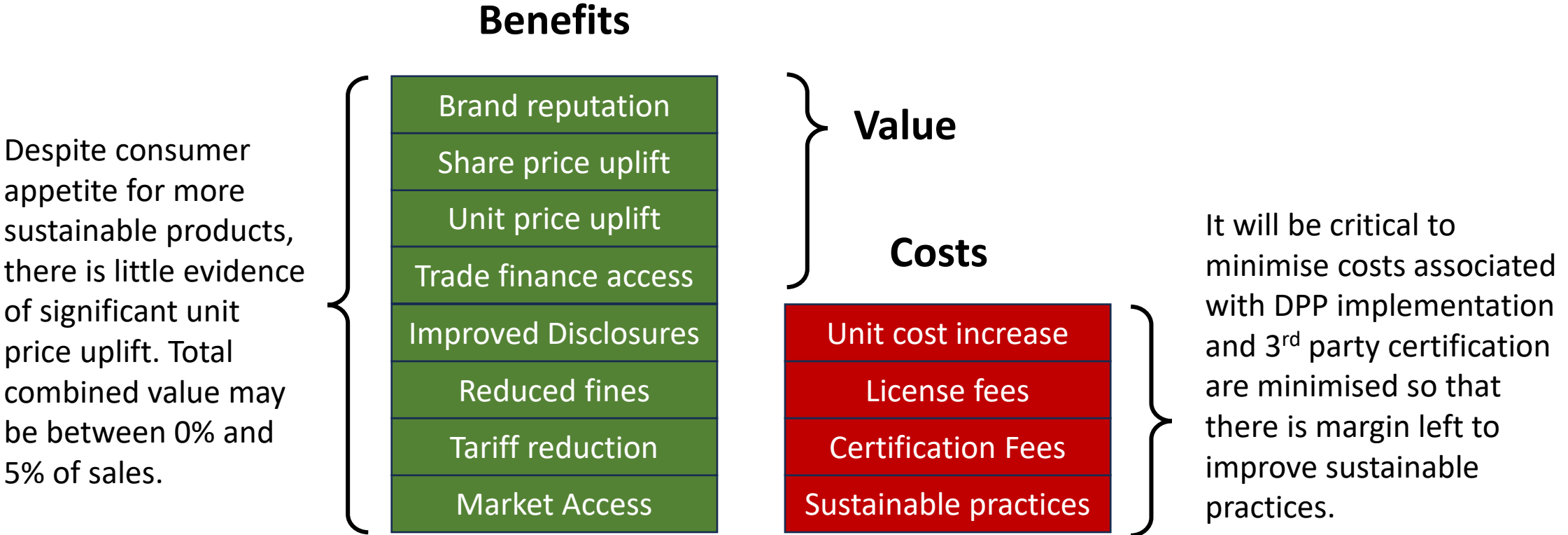
## Corporate Sustainability disclosures



Organisation level transparency

# Incentives should drive action even without regulation

Mandates aside, implementers will need a positive business case to support the investments necessary to drive implementation of traceability & transparency measures. The UNTP Business Case Template (BCT) will help implementers to quickly prepare sound cases for investment.



Standardisation reduces costs through commoditisation. ERP systems may offer UNTP support at low marginal cost.

# Governments have an important role to play

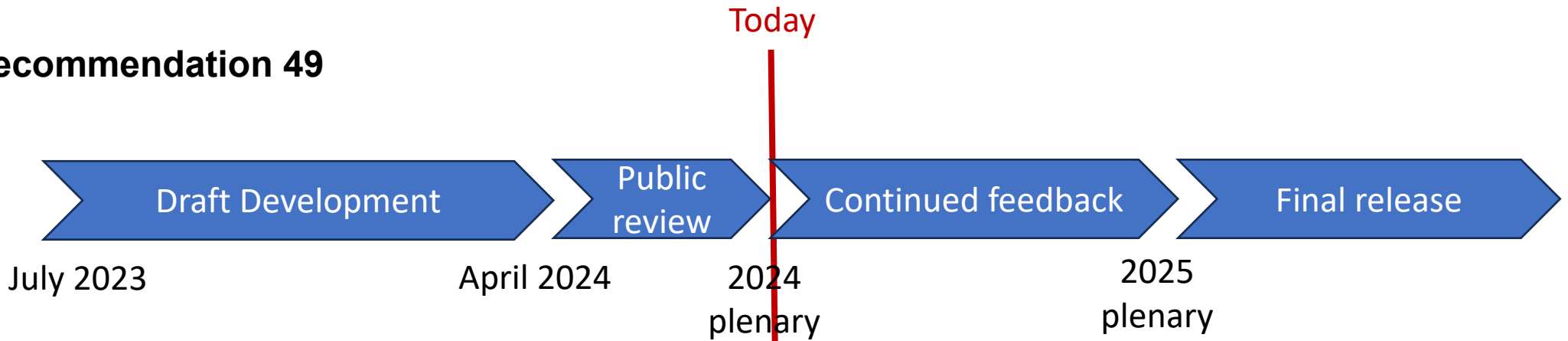
- **Implement a national traceability and transparency framework.** This will position countries to compete effectively in global markets that increasingly demand sustainable products. Recommendation 49 and UNTP provide a toolkit to help accelerate national frameworks.
- **Enhance government services to support transparency.** The key activity here is to provide trust to support national transparency by uplifting existing business registers, permit systems etc to issue digital and verifiable certificates, permits, and registrations. Recommendation 49 and UNTP provide guidance and tools to help regulators add digital evidence to their existing services.





# The roadmap for Recommendation 49 and UNTP

## Recommendation 49



## UN Transparency Protocol



# Reporting on impact and outcomes

## **Recommendation 49 and UNTP will track uptake, impact, and outcomes.**

- Number of UNTP implementers by type (software systems, supply chain actors, regulators & registry operators, certifiers).
- Volume of Digital Product passports issued.
- Uptake by country, industry sector, ESG category (emissions, water, biodiversity, etc)
- Case studies on impact on UN SDGs.

**Expect performance metrics at the 2025 and subsequent plenaries**

Thank you!

Steve Capell  
UNTP Project lead  
<https://uncefact.github.io/spec-untp>  
Date: 11-07-2024



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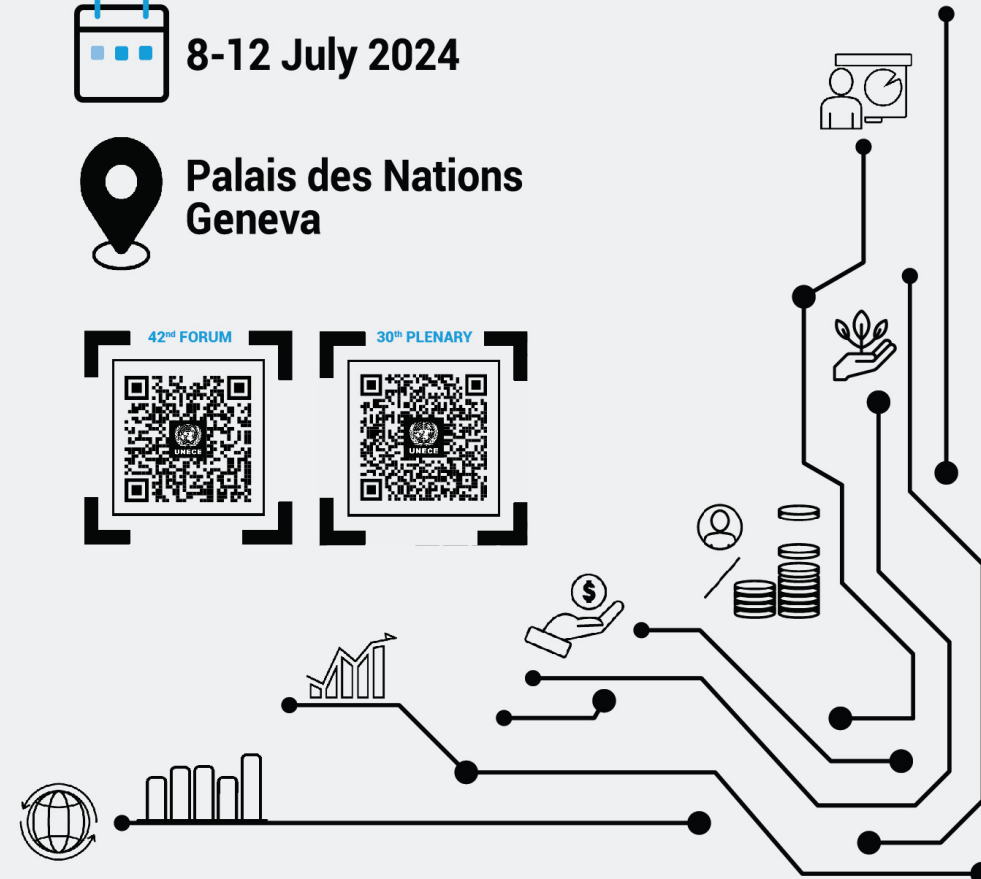


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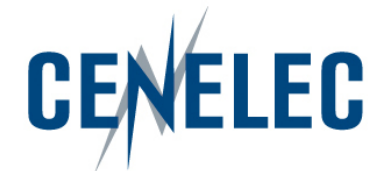
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Chair of CEN CENELEC JTC 24 DPP System and Framework, Fraunhofer IPK



**Mr. Piergiorgio Licciardello**

Director, EDI, GS1



# Feedback on Recommendation No. 49 for Technical dialogue on global solutions for digital, sustainable and resilient value chains in support of the green and digital transformations

30<sup>th</sup> UN/CEFACT Plenary, GENEVA, July 11<sup>th</sup>, 2024

Thomas Knothe and Thomas Roedding

Chair and Co-Chair of CEN CENELEC JTC 24 Digital Product Passport System and Architecture

# EU Green Deal is driving DPP standardization

## Global impact is considered from the beginning

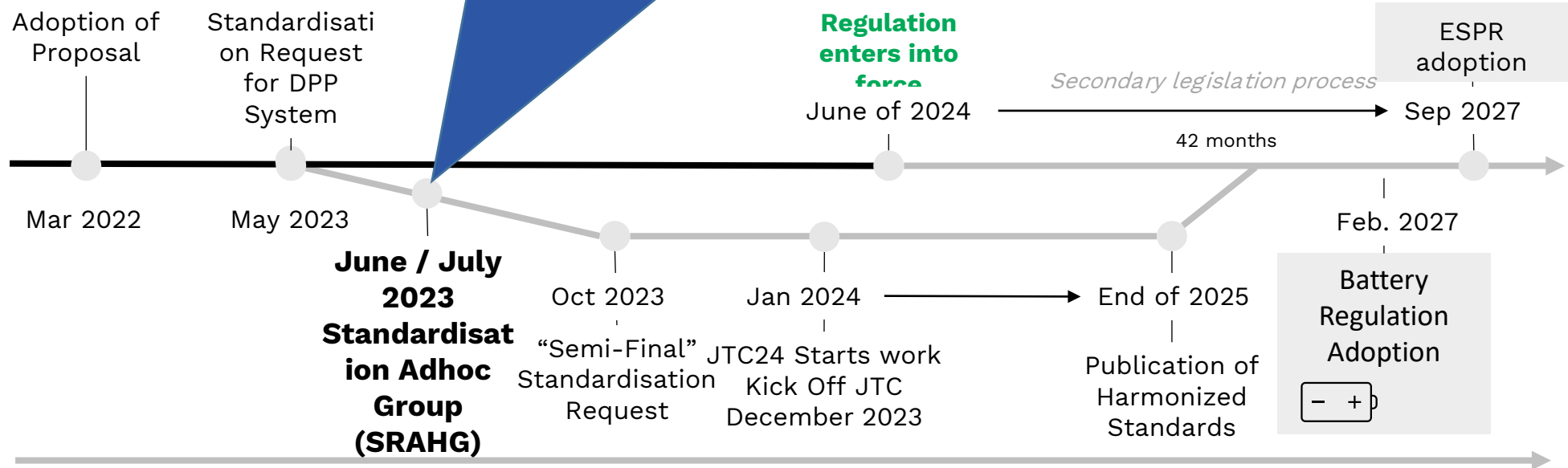
A global perspective on DPP is needed in particular for a global Quality Infrastructure

Example Feedback from SRAHG to European Commission in July 2023: “Clarify the need of infrastructure for exchanging DPP relevant data in global supply chains”

**EU Green Deal**

Eco-Design for Sustainable Products Regulation ESPR

Others Regulation

# EU DPP System Principle

## Co-existence of standards/technologies

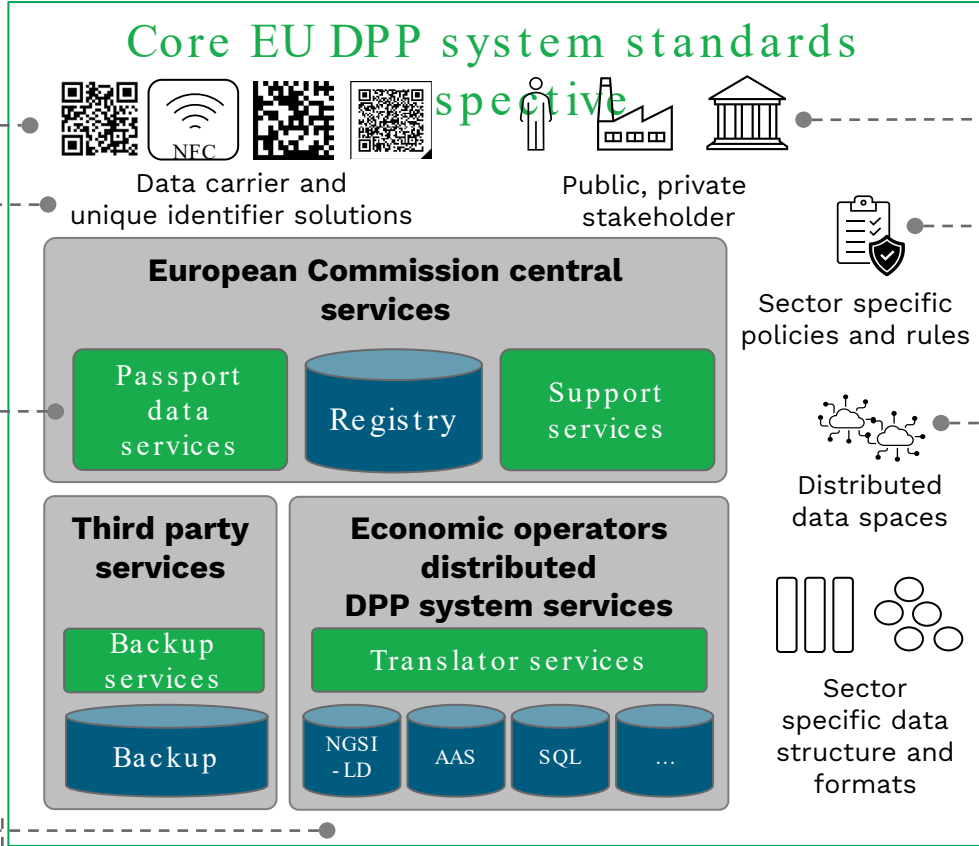
**Application of different Data Carriers**

**Allow different principles of Unique Identifiers**

**Routing to different distributed DPP Systems**

**Application of different data management technologies**

**Secure and reliable supply chain data acquisition and exchange**



**Seamless and secure provision of access to different stakeholder groups with sector specific policies and rules**

**Cross-domain interoperability across different data spaces**

**Realise connectivity to products for dynamic data acquisition in use and r-phases**

**How to align with global DPP initiatives (sector, country)**



# Advise for Draft Recommendation 49

- ▶ Role and Scope – Regionality and federated as much as possible:
  - ▶ Organizational Scope – Regionality
    - ▶ Support of ongoing standardization in ISO/IEC and regional ones (e.g. CEN CLC) instead of creating another parallel one
    - ▶ Keep regional responsibility of authorities and stakeholder about DPP system
  - ▶ Content Scope - Federation:
    - ▶ Aim: Focus on interconnectivity between different systems
    - ▶ Level of Granularity: High level framework instead of defining standards of a system
- ▶ Interoperability, technological openness, neutrality and sovereignty
  - ▶ Avoid any technology, vendor or solutions *specifics* (e.g. in Rec. 49 there is 13 times mentioned a specific solution from one organization)
  - ▶ Implement principle of co-existence of standards as much as possible
  - ▶ Foresee modularity to simplify, keeping consistency and avoid vendor lock-in: E.g. separate purposes of DPP (e.g. traceability) and data model from system architecture
  - ▶ Utilize data security as applied in data spaces for data sovereignty as key prerequisite



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## Item 5: Technical dialogue on global solutions for digital, sustainable and resilient value chains in support of the green and digital transformations

### ROUNDTABLE DISCUSSION: REFLECTIONS ON THE WAY FORWARD



**Mariam Soumaré**  
Community Engagement  
Specialist, Global Alliance for  
Trade Facilitation, World  
Economic Forum



**Elisa Tonda**  
Chief of Resources and Markets  
Branch, UNEP



**Maria Teresa Pisani**  
Chief ad interim, Trade Facilitation  
Section, UNECE

# Reversing direction in the used clothing crisis: Global, European and Chilean perspectives



A UNECE-UNECLAC publication (June 2024)

# Reversing direction in the used clothing crisis: Global, European and Chilean perspectives



## Background

- Surge in the production and sales of low-cost, disposable apparel over the past decades
- Sevenfold increase in global discarded clothing volumes over the past forty years, with an average annual growth exceeding 10%
- Export of large volumes of second-hand clothes and textiles waste from developed countries unwilling or unable to circulate them in their home markets
- Dumping and incineration in developing countries of imported waste clothes

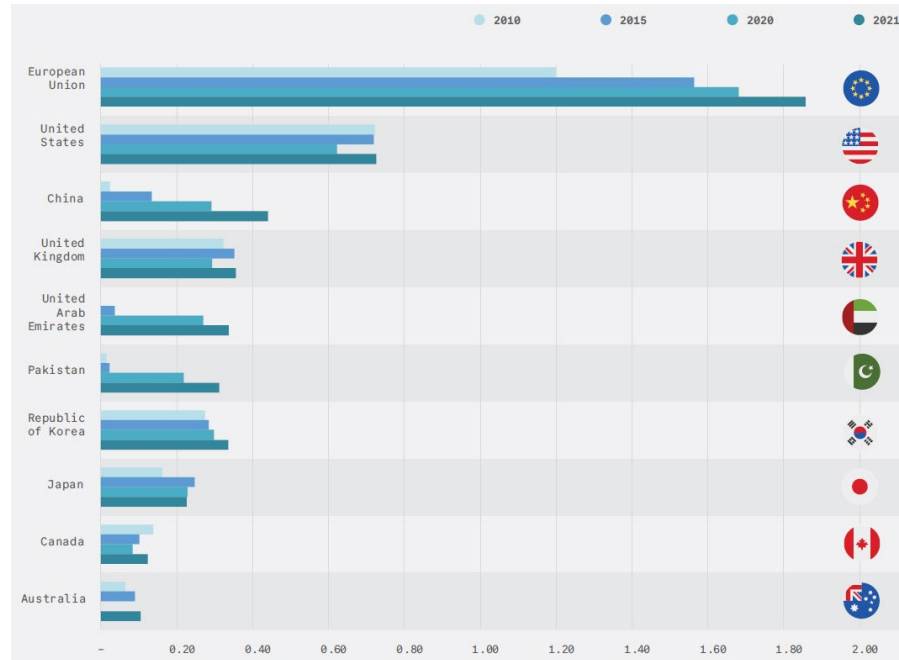


Figure 1: Global Exports of used clothing, 1992-2021, million USD

# Reversing direction in the used clothing crisis: Global, European and Chilean perspectives

## This study from ECE and ECLAC presents:

- The perspective of importing countries using the example of Chile, including field work in the Tarapacá region and a comparison to other LATAM countries
- The perspective of exporting countries using the example of the EU, including an overview of value chain actors involved
- Global trade flows of second-hand clothes and their long-term drivers
- Policy recommendations targeting trade agreements, exporting countries as well as importing countries



<https://unece.org/trade/publications/reversing-direction-used-clothing-crisis-global-european-and-chilean>

# Policy Recommendations



Adjust **international trade agreements** to improve the quality of used clothing trade (EU-Chile example)

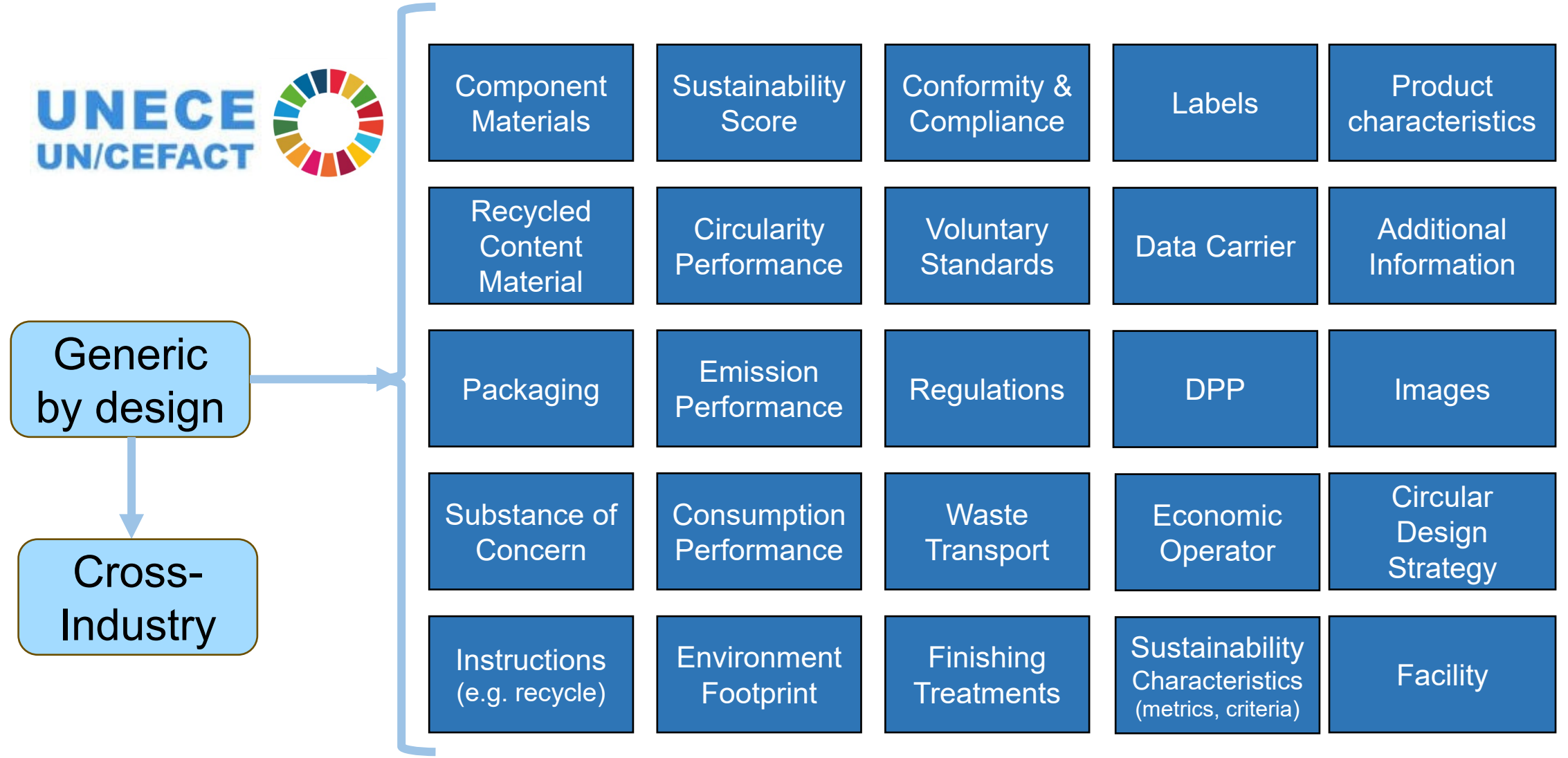


Pursue domestic policy action in **exporting countries** to minimize the export of textile waste



Pursue domestic policy action in **importing countries** to minimize waste imports and deal more effectively with those that occur

# The Product Circularity Data Model



## TECHNICAL DIALOGUE ON GLOBAL SOLUTIONS FOR DIGITAL, SUSTAINABLE AND RESILIENT VALUE CHAINS IN SUPPORT OF THE GREEN AND DIGITAL TRANSFORMATIONS

Proposed Plenary decision:

### Plenary decision 24-06 to be noted:

- As a response to the outcomes of the 70th Commission session, the Plenary welcomed the technical dialogue on digital, sustainable and resilient value chains and highlighted its relevance to inclusive and resilient value chains and sustainable development.
- The Plenary acknowledged progress on United Nations Economic Commission for Europe (ECE) Recommendation No. 49: Transparency at Scale (ECE/TRADE/C/CEFACT/2024/6), and on its accompanying global solutions including the United Nations Transparency Protocol for Digital Product Passports and requests that the project team enters into exchange with national, regional DPP standards initiatives regarding scoping and to avoid incompatibilities, wasted effort, and envisage a global framework. It also took note of the next steps towards the finalization of these and related deliverables in view of its next session in 2025.
- Furthermore, the Plenary recognized the importance of effective coordination among international initiatives in this sphere, which is directly related to the ECE strategic priorities of the digital and green transformations to advance the circular economy in the ECE region and beyond.