

**Minutes**

**Virtual conference meeting #5 – Capacity-Building & Pilots sub-group 4**

**03/06/2020, WebEx, 15:30 CET**

**Participants (60)**

Carla Albornoz, Ahmad Ansari (ZDHC), Stefano Albini (Albini), Rahul Bhajekar (GOTS), Cedric Brunner (OEKO-TEX), Ermanno Camerinelli (Berbrand), Celina Cabral, Virginia Cram-Martos (Triangularity), Ella Cullen (Minespider), Piero de Sabata (ENEA/Euratex) Simonetta di Tommaso (Italian Ministry of Economic Development), Aurélien Debeyer (AQC), Angelika Duckenfield (AQC), Sven Edgren (DNV GL), Beatriz Fatio (Hecho por Nosotros), Rui Ramos Fontoura (Burberry), Emily Franklin (Fashion for Good), Neliana Fuenmayor (A Transparent Company), Amit Gautam (Textile Genesis), Tsegabu Teka Gebreyssus (UNIDO), Pierluigi Fusco Girard (Linificio e Canapificio Nazionale), Marianne Gratia (Belgian OECD NCP), Jerome Grilleres (VeChain), Delphine Guyot (AQC), Edwina Huang (Phoenxt), Tesja Kersten (Hecho por Nosotros), Dean Kingston (BEXT360), Cathelijne Klomp (LVMH), Subham Kulshrestha (Cognizant), Cyril Liance (Belgian OECD NCP), Raffaella Mastrella (Italian Ministry of Economic Development), Jan Merckx (GS1), Judith Meyer (WEBA), Gediminas Mikutis (Haelixa), Liz Muller (liz muller & partners), Ruth Nistal (INDITEX), Enrique Nunez (Hecho por Nosotros), Hania Othman (ChainOps), Parth Patil (InfiniChains), Ella Peters (Hecho por Nosotros), Olga Pirazzi (Cittadellarte), Alix Pollet (Safilin), Stéphane Popescu (COSE361), Andrea Redaelli (Hugo Boss), Jerome Rousselot (Jita Digital), Julian Schenten (Darmstadt University) Melissa Rusinek (Diverse Recycling Solutions), Deborah Taylor (Independent expert), Georgina Taylor (Hecho por Nosotros), Marek Termanowski (Educhain), Eleni Thrasylvoulou (Burberry), Isabella Tonelli (Vivienne Westwood), Frans van Diepen (RVO, the Netherlands), Heinz Zeller (Hugo Boss), Erik Zvaigzne (Convergence Tech), Manfred

UNECE Secretariat: Maria Teresa Pisani, Olivia Chassot, Olga Kharitonova Co-leading Expert/s: Andrea Redaelli, Heinz Zeller

Agenda item	Discussion	Comments / Status	Action/Decision
<p><b>1. Update on the procurement and pilot project timeline</b>  <i>Maria Teresa Pisani,            Andrea Redaelli</i></p>	<p>The procurement action for the blockchain solution will be posted on the <u>United Nations Global Marketplace</u> in approximately two weeks' time. Meanwhile interested technology-solution providers can register on the UNGM (further information on registration <u>here</u>). The timeline of the first pilot project has been updated: the procurement will approximately last until end of July and the solution will be developed from September 2020 onwards.  <i>Reference documents (CUE space)</i>            - <i>Minutes of Virtual conference #4 meeting 25.03.2020</i>            - <i>Report of Virtual Policy Dialogue (27-28 April 2020)</i></p>	<ul style="list-style-type: none"> <li>▪ Technology providers who have expressed interest to procure the solution and the whole subgroup 4 have been notified of the registration process.</li> <li>▪ Should an organization be already registered on the UNGM, there is no need to register again.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The secretariat will inform the experts in sub-group 4 when the call for procurement is published on the <u>United Nations Global Marketplace</u>.</li> </ul>

## Enhancing Transparency and Traceability of Sustainable Value Chains in the Garment and Footwear Sector

<p><b>2. User stories' definition as part of the Business Process Analysis: milestones</b> <i>Andrea Redaelli</i></p>	<p>Andrea Redaelli presented the user stories which have been collected so far from the pilot's implementing partners in order to be registered on the blockchain solution. The purpose of the user stories for the partners is to identify what they want to achieve through traceability and due diligence using blockchain. The gathering of user stories is connected to the 12 business process analyses currently undertaken by the implementing partners for the activities included in the scope of this cotton pilot (field to distribution). From the pilot's standpoint, this is an opportunity not only for the implementing partners, but also for the whole sub-group of experts to share their user stories. The user stories constitute the basis to create the story running within the implemented blockchain solution. The 15 user stories collected are located mainly at the final product level, therefore there are still several parts of the cotton value chain which are yet to be covered according to the cotton generic use case. It is important that technology-solution provider is tasked with requirements and a robust information set from the industry, and the user stories will facilitate this process.</p> <p>Among the users' stories identified already are: "<i>As a farmer I want to provide an in-check report of my chemical inventory list so that I can proof my chemical management performance</i>"</p> <p>"<i>As a worker I want to save dyeing substances and water so that I can reduce the environmental impact</i>". The user stories are featured in the presentation available on CUE.</p>	<p><b>Why blockchain technology?</b></p> <ul style="list-style-type: none"> <li>• The use of blockchain is twofold, one is to prove to downstream participants that information from 3<sup>rd</sup> or 4<sup>th</sup> tier suppliers has not been changed. Another benefit can be quicker traceability back to the source of a product input. The latter can be accomplished with registration in a central database, but this can be more cumbersome, especially if you need to connect with legacy systems.</li> <li>• Consider that blockchain solutions are ideal in case of multiple stakeholders' scenarios to improve transparency and data integrity.</li> <li>• Consider that blockchain cannot be used as a database, but it can offer a guarantee towards the parties (and third parties like consumers) about the faithfulness of the claims (being some operations registered and immutable data certified).</li> <li>• Keep in mind blockchain benefits and challenges to understand that the project will highlight the sustainability improvement path forward for the apparel and textile industry.</li> </ul> <p><b>Avoiding duplication with existing systems</b></p> <ul style="list-style-type: none"> <li>• The purpose of the solution is to fill existing gaps. Since certificates are very fragmented, traceability and transparency are supporting tools in this pilot.</li> </ul> <p><b>User stories</b></p> <ul style="list-style-type: none"> <li>• Consider that using blockchain with an e-sim card allows for another level of digital identity verification plus extracting data in low-connectivity areas (possible user story on information management).</li> </ul>	<p><b>Actions (on going and planned)</b></p> <ul style="list-style-type: none"> <li>▪ More users' stories will be collected by the secretariat and pilot team in June-July 2020 from all experts in sub-group 4.</li> <li>▪ While sub-groups 2 and 3 are pursuing the work on the business process analysis, the secretariat and the pilot team will start having bilateral sessions with the implementing partners for in depth users' stories' collection.</li> <li>▪ The secretariat will work on gathering the user stories and their compilation in a written format.</li> </ul>
---	--	---	---

## Enhancing Transparency and Traceability of Sustainable Value Chains in the Garment and Footwear Sector

		<ul style="list-style-type: none"> <li>• Some user stories will be implemented matching the scope of the project and some will remain in the database for future implementation. Additional user stories will be added as we move forward with needs and resources popping up during the implementation (possibly extended).</li> <li>• Consider that transparency, traceability and due diligence are the key priority benefits of this pilot. Taking an agile approach, the pilot may identify other priorities depending on the resources available.</li> </ul>	
<b>3. Elements of the communication plan</b> <i>Maria Teresa Pisani</i>	<p>Some future work will be carried out in regard to communication about project outputs. These activities aim at raising awareness about progress, outcomes to reach more widely the stakeholders and the public at large. Experts are welcome to communicate and share information about project progress, mentioning the funding partner (European Commission) The secretariat remains the responsible entity for official communication. Two documents provide preliminary guidance on communication for UN/CEFACT experts: <i>UN/CEFACT Code of Conduct &amp; Draft revised mandate, terms of reference and procedures for UN/CEFACT</i></p>		<p>The secretariat is working on a communication plan (e.g. visual identify, hashtag, communication guidelines for partners willing to showcase engagement).</p>
<b>4. Follow-up to Virtual Policy Dialogue April – Experts’ feedback</b> <i>Olivia Chassot</i>	<p><i>Reference document (CUE space): Project document for a pilot on blockchain for traceability and due diligence in the cotton value chain and progress report (draft April 2020)</i></p> <p>Following UNECE virtual multi-stakeholder policy dialogue (27-28 April 2020), feedbacks from the experts were highlighted on the governance mechanism for data quality and system reliability. It is a critical element to be addressed with the technology-solution provider. On the level of legal compliance, at product or at batch level, these aspects will be covered by a legal expert. On the validation of the authenticity of a certificate, a mechanism of confirmation of the data could be set up so that other actors, not only certifiers but also consumers and brands can enter information. The smart contract will ensure the control of the validation. Lastly, it was clarified that the pilot aims at providing the industry with a scalable POC for traceability and due diligence using blockchain technology, not a software or a commercial solution.</p>		<p>The secretariat and project team are addressing all the feedbacks from experts in a compilation table.</p>
Next conference call (capacity-building and pilots’ subgroup 4)	<ul style="list-style-type: none"> <li>• Conference call #6 - Wednesday <b>01<sup>th</sup> July 2020</b> at 15:30 CET (WebEx teleconference)</li> <li>• Half-a-day Virtual Policy Dialogue after the summer break (TBC)</li> </ul>		