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

Minutes
Virtual conference meeting #3 – Capacity-Building & Pilots
26/02/2020, WebEx, 15:30 CET

Participants (33)

Tarun Kumar Agrawal (KTH Royal Institute of Technology), Stefano Albini (Albini), Emanuele Bertoli (Berbrand), Rahul Bhajekar (GOTS), Hannah Bobker, Carlo Covini (Lenzing AG), Virginia Cram-Martos (Triangularity), Piero de Sabbata (ENEA/Euratex), Neliana Fuenmayor (A Transparent Company), Amit Gautam (Textile Genesis), Valerie Geluykens (JBC nv), Tesja Kersten, Trish Langman (Hecho for Nosotros and animaná), Adriana Marina (Hecho for Nosotros and animaná), Franzisca Markschlaeger (GIZ), Thomas Mason (OCA), Frank Michel (ZDHC), Gediminas Mikutis (Haelixa), Ministero dello Sviluppo Economico (IT), Hania Othman (Impact @ Smart B), Belen Pappolla (Hecho por Nostros), Ilaria Pierozzi (ICMQ India), Andrea Redaelli (Hugo Boss), Jerome Rousselot (Jita Digital), Melissa Rusinek (Diverse Recycling Solutions), Cesare Saccani (ICMQ India), Andreas Schneider (GCS Consulting GmbH), Frans van Diepen (RVO, The Netherlands), Nathan Williams (Minespider), Erik Zvaigzne (Convergence Tech).

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

Agenda item	Discussion	Comments / Status	Action/Decision
Scoping questionnaire: Overview of key highlights from experts' input *Andrea Redaelli*	Presentation of the key findings of 15 questionnaires received by the secretariat. Experts agree on the pilot's scope from the cotton field to the distribution. The key B2B transactions to be covered are auditing and sustainability/certification. In the questionnaire, there is a good match between the supply chain phases and the key partners to engage with. Regarding the blockchain solution characteristics, experts have underscored the use of a hybrid solution, open-source technology that allows permissioned but does not exclude permissioned-less for certain interoperability issues, which enable to define clearly who can see what and what could go public afterwards. Amongst key Targets / KPIs identified by the experts, a few examples include: o Demonstrate end-to-end traceability; o Ensure the pilots' scalability; o Keep the pilot's focused;	• In regard to the use of an open-source software, some experts have raised concerns such as data confidentially and competitive-sensitive information. • Several experts highlighted that this pilot should focus on traceability only and that further layers can be added at a later stage to avoid excessive complexity. They suggested to: • Consider the granularity of traceability for this pilot, as for mixed materials-based items, traceability is mainly theoretical due to the difficulty of segregating the components. • Consider that it can be optional for a company to upload a certification to ensure the good participation for the solution to be designed, and then leave it up to the company to upload whichever data it is willing to disclose for traceability / sustainability. E.g. formal proof would be an audit, certificate, questionnaire to be registered on the blockchain. • Certification is defined as "attestation of conformity to a set of requirements" (ISO 9000). • Consider that sustainable production and sustainable processing are different levels for traceability. • Consider defining accurately the products' characteristics and terminology to ensure the integrity of the fiber traceability. E.g. a yarn / finished fabric / garment item	The secretariat will collect the experts' inputs via email and coordinate with the project's team for further scoping of the pilot. The project's team will work on the o Information concept (user stories, value and data model, mock-up and look like) o Detailed project plan to come up with a proposal for the next call scheduled on the 25/03/2020.

	- Ensure technology effectiveness and reliability; - Ensure strong communication, alignment between the piloting partners and a good general understanding of the process to be modelled; - Ensure identification of key data collection points. Most of these KPIs meet the requirements for success that were formerly identified by the project team. The experts have drawn a number of hypotheses to be tested (i.e. slide 17) which will undergo a selection for this pilot. There are different levels to which experts can contribute to in this pilot: at the strategical level (1), at the services level (certifications, legal, technical, auditing, education, training (2) and at the operational level (3) over the supply chain phases. Kindly refer to the PPT for the virtual meeting#3 26/02/2020 available on the CUE space and circulated by email by the secretariat. *Reference documents: POC Scope Questionnaire; Presentation Virtual meeting #3 (26/02/2020)*	• Consider the distinction between the traceability layer and the certification layer and the first sits on top of the second. The certification layer can only be meaningful if the traceability layer is robust. • Consider that excluding the consumption, post-consumption and disposal phases would ultimately impact the circular economy's perspective. o Consider a simulation of the consumer? o Why a circular approach? Circularity validates the composition of the garment to the consumer thereby affecting the entire recycling process (e.g. material or chemical). A robust authentication of the garment is valuable to the consumer for recycling. • Consider that the UNECE's project can address several levels of complexity over the three years implementation phase in order to create a standard for the industry to plug in. This pilot could focus on traceability for sustainability and another pilot could address the financial aspect, the consumer and the post-consumer's parts. • Consider the use of a permissioned blockchain whereby you control who enters data, but everyone can read it afterwards. With a mixed-approach blockchain environment, you control who can write and read under the blockchain. It is feasible on Ethereum. • Consider that the set of rules written on the blockchain can specify who has access through the smart contract whereby identify is verified to grant access thereby restricting who enters data in a public blockchain. • Consider that you can also specify which performance parameters are needed for each supply chain actors and let the technology solution provider design the solution. • Consider for the good scalability of this pilot that organic cotton is a small share in the global portfolio of textile fibers, therefore the solution designed shall not be too specific but also scalable, robust and flexible to mass markets. careful that don't design a solution too specific for organic cotton value chain that is not scalable for the rest of textile fibers.	
Next conference call (capacity-building and pilots' subgroup)	**Wednesday 25th March 2020 at 15:30** CET (Geneva) via WebEx.	Save the date: Project meeting during the **35th UN/CEFACT Forum** 27-28 April (Geneva)	

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