# Feedback to the European Commission on Strengthening EU Leadership in Green and Digital Trade

### **About Us**

The **DigitalTrade4.EU consortium** envisions a **seamlessly interconnected Europe** and **neighbouring regions** powered by harmonized standards for the digitalisation of trade documents and processes. By fostering the digital transformation of trade, we aim to promote economic integration, enhance cooperation, and ensure long-term trade facilitation across borders.

Our consortium is made up of experts in their field, including 107 full partners—trade associations, logistics providers, shipping lines, banks and insurances, technology innovators, etc.—from 17 European Union countries (France, Belgium, Netherlands, Austria, Estonia, Finland, Italy, Latvia, Spain, Germany, Sweden, Poland, Luxembourg, Lithuania, Slovenia, Denmark, Bulgaria) and 22 non-EU countries (United Kingdom, Switzerland, Montenegro, Japan, Singapore, Hong Kong, Australia, New Zealand, India, Nepal, Canada, United States of America, Cameroon, Morocco, Egypt, Kenya, Pakistan, Nigeria, Brazil, Uzbekistan, Turkey, Ukraine).

Our consortium is already **aligned with the fundamentals** of the **EU Competitiveness Compass**. Learn more:

How DigitalTrade4.EU Can Help Achieve the Objectives of the EU Competitiveness
 Compass (February 2025)

https://www.digitaltrade4.eu/how-digitaltrade4-eu-can-help-achieve-the-objectivesof-the-eu-competitiveness-compass/

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### **Executive Summary**

Recent developments underscore the European Union's global leadership in integrating the green and digital transitions into its trade policy. The landmark EU-Singapore Digital Trade Agreement (DTA)<sup>1</sup>, a pioneering pact setting high-standard rules for cross-border digital commerce, and the UNECE Recommendation No. 49 ("Transparency at Scale")<sup>2</sup>, a global framework for sustainable supply chains, directly reinforce the EU's strategic framework. These initiatives align with the EU's Digital Product Passports (DPPs)<sup>3</sup>, which digitally track products' environmental and social impacts throughout their lifecycle. This document outlines how the European Commission can translate these milestones into concrete action. DigitalTrade4.EU urges the Commission to intensify international coordination, deepen digital trade partnerships, particularly in Asia through frameworks like the Digital Economy Partnership Agreement (DEPA)4, and champion the global interoperability of laws and standards, such as the UNCITRAL Model Law on Electronic Transferable Records (MLETR)<sup>5</sup> and eIDAS 2.06. By strategically allocating resources in the next Multiannual Financial Framework (MFF), the EU can build secure digital corridors, support SME adoption of new technologies, and link sustainable practices directly to financial incentives, thereby securing its long-term competitiveness, resilience, and strategic autonomy.

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https://www.mti.gov.sg/Trade/Digital-Economy-Agreements/The-Digital-Economy-Partnership-Agreement

https://digital-strategy.ec.europa.eu/en/policies/discover-eidas

<sup>&</sup>lt;sup>1</sup> European Commission. EU and Singapore sign landmark digital trade agreement (May 2025) https://ec.europa.eu/commission/presscorner/detail/en/ip 25 1152

<sup>&</sup>lt;sup>2</sup> United Nations Economic and Social Council. Recommendation No. 49: Transparency at Scale – Fostering Sustainable Value Chains (March 2025)

https://unece.org/sites/default/files/2025-05/ECE-TRADE-C-CEFACT-2025-03E.pdf

<sup>&</sup>lt;sup>3</sup> European Union. EU's Digital Product Passport: Advancing transparency and sustainability (September 2024) <a href="https://data.europa.eu/en/news-events/news/eus-digital-product-passport-advancing-transparency-and-sustainability">https://data.europa.eu/en/news-events/news/eus-digital-product-passport-advancing-transparency-and-sustainability</a>

<sup>&</sup>lt;sup>4</sup> Digital Economy Partnership Agreement (DEPA)

<sup>&</sup>lt;sup>5</sup> UNCITRAL. Model Law on Electronic Transferable Records

https://uncitral.un.org/en/texts/ecommerce/modellaw/electronic transferable records

<sup>&</sup>lt;sup>6</sup> European Commission. Discover eIDAS

### Introduction

Global trade is being fundamentally reshaped by the twin green and digital transitions, presenting a critical opportunity for the European Union to solidify its role as a global standard-setter. The EU has demonstrated significant foresight through initiatives like the Global Gateway and by pursuing high-standard digital trade agreements. DigitalTrade4.EU, a consortium is committed to supporting this vision by fostering a seamlessly interconnected Europe powered by harmonized standards for the digitalisation of trade.

This feedback responds to the Commission's call for evidence, taking into account the objectives outlined in the **new Bioeconomy Strategy**, which aims to transition to a sustainable, resource-efficient economy leveraging biological resources, and the **Strategy for making the Single Market simple**, **seamless and strong (COM(2025) 500 final)**<sup>7</sup>, which seeks to eliminate regulatory fragmentation and enhance cross-border economic integration. Our recommendations, detailed in "Strengthening EU Leadership in Green-Digital Trade<sup>8</sup>" aim to provide a clear roadmap for leveraging recent diplomatic and regulatory successes to build a **more competitive**, **sustainable**, **and resilient European market**.

**Note:** In this document, the terms **Small and Medium-sized Enterprises (SMEs)** and **Micro, Small and Medium-sized Enterprises (MSMEs)** are used interchangeably and carry the same meaning and weight. This clarification is important because different sources and contexts may refer to these groups using either acronym, but both encompass the full range of smaller business categories critical for economic development.

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<sup>&</sup>lt;sup>7</sup> European Commission, Internal Market, Industry, Entrepreneurship and SMEs. The Single Market: our European home market in an uncertain world (May 2025)

https://single-market-economy.ec.europa.eu/publications/single-market-our-european-home-market-uncertain-world en

<sup>8 &</sup>lt;u>https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14589-International-Digital-Strategy/F3552794\_en</u>

# Expectations from the Commission's Side: The Objectives

DigitalTrade4.EU acknowledges and supports the strategic objectives recently outlined by the European Commission. We have identified a clear convergence between the Commission's goals and our proposed approach.

Based on the "Call for Evidence for a new Bioeconomy Strategy" and the "Strategy for making the Single Market simple, seamless and strong," we understand the Commission's primary objectives to be:

- Boosting Competitiveness and Investment Security: The Commission aims to scale up
  and commercialise innovative bio-based and digital solutions, remove unnecessary
  barriers, and unleash the full potential of the EU's industrial base.
- Increasing Resource Efficiency and Circularity: A central goal is to transform how
  biomass and other resources are used, prioritizing high-value applications and
  creating efficient demand for sustainable products, supported by tools like the Digital
  Product Passport (DPP). DPPs are digital records embedded in products that provide
  verifiable data on their environmental footprint, materials sourcing, and end-of-life
  recyclability, enabling consumers and regulators to make informed decisions.
- Simplifying the Single Market: There is a strong emphasis on reducing red tape and removing the most harmful barriers, such as fragmented rules on packaging, labelling, and professional qualifications, to make it easier to do business across the EU.
- Effective Digitalisation: The Commission seeks a paradigm shift from a document-based to a data-based Single Market, promoting interoperable and secure data-based solutions to streamline compliance and administrative processes.
- Strengthening Global Positioning: A key priority is to position the EU in the rapidly
  expanding international market for bio-based materials, biomanufacturing, and
  digital services by deepening partnerships and promoting green diplomacy.
- Ensuring Effective Implementation and Enforcement: The Commission has stressed that the well-functioning of the European market is a **joint responsibility** that requires strong political ownership, proactive prevention of new barriers, and decisive enforcement action.

### Approach and Recommendations

To achieve these shared objectives, DigitalTrade4.EU proposes a set of concrete, actionable recommendations that build on the EU's existing strengths and recent achievements. Our approach is designed to create a virtuous cycle where **digital infrastructure enables green trade**, which in turn drives competitiveness and resilience.

### Our key recommendations are:

- 1. Prioritize Digital Standards and Interoperability: The foundation of a digital single market is a common legal and technical language. The Commission should aggressively champion the global adoption of frameworks like the UNCITRAL Model Law on Electronic Transferable Records (MLETR) and ensure the swift implementation of eIDAS 2.0. This will provide legal certainty for businesses, reduce transaction costs, and make the EU's regulatory model the global benchmark.
- 2. Integrate Sustainability into Trade Policy through Digital Tools: The EU must continue to lead in making supply chains transparent and sustainable. This requires embedding tools like Digital Product Passports (DPPs) and carbon-accounting mechanisms into the fabric of trade agreements and customs procedures. This aligns perfectly with the Carbon Border Adjustment Mechanism (CBAM)<sup>9</sup> and creates a clear business case for green investments.
- 3. Strengthen EU-Asia Partnerships: Asia is a critical partner in the digital and green transition. The Commission should build on the success of the EU-Singapore DTA by expanding its engagement with the Digital Economy Partnership Agreement (DEPA). This includes pursuing agreements with key partners like Japan, South Korea, and Vietnam to create secure and interoperable green-digital trade corridors.
- 4. Link Trade Finance Directly to Environmental, Social, and Governance (ESG)
  Performance: The digitalisation of trade finance offers a powerful tool to accelerate the green transition. For instance, banks could offer lower interest rates to companies

<sup>&</sup>lt;sup>9</sup> European Commission, Taxation and Customs Union. Carbon Border Adjustment Mechanism (March 2025) https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism en

using DPPs to demonstrate compliance with carbon neutrality targets, creating a direct financial incentive for sustainable practices. The Commission should work to create a framework where companies demonstrating superior ESG performance through verifiable digital records (like DPPs) can access **preferential financing and insurance rates**. This turns sustainability from a cost centre into a **direct competitive advantage**.

- 5. Enforce Platform Interoperability to Ensure Digital Sovereignty: To avoid vendor lock-in and empower SMEs, the Commission must enforce rules requiring dominant online platforms to allow interoperability with third-party applications. This is essential for creating a vibrant and competitive TradeTech ecosystem and strengthens the EU's digital sovereignty.
- 6. Leverage the MFF for Global Digitalisation Projects: The EU should strategically use its funding instruments, including the Connecting Europe Facility (CEF) and the Digital Europe Programme, to co-fund digitalisation projects in partner countries. By embedding EU standards and technical frameworks in these projects, the EU can extend its digital infrastructure and promote its regulatory model globally.

## **Conclusion and Next Steps**

The European Union stands at a pivotal moment. The foundations for a globally competitive, sustainable, and digital trade ecosystem have been laid. Now is the time for bold and decisive action. However, challenges such as geopolitical tensions in critical supply chains, disparities in digital infrastructure among EU member states, and SMEs' limited capacity to adopt new technologies must be addressed. To mitigate these, the Commission should prioritize funding for digital literacy programs and establish risk-sharing mechanisms for SMEs transitioning to green-digital systems. The convergence of the EU-Singapore DTA, UNECE's global standards for DPPs, and the Commission's own strategic ambitions creates a unique window of opportunity.

DigitalTrade4.EU is fully committed to supporting the Commission in this endeavor. We believe that by focusing on **digital interoperability**, **data-driven sustainability**, **and strategic partnerships**, the EU can build a trade policy that is not only fit for the 21st century but also sets the global standard.

### We urge the Commission to:

- Establish a clear implementation roadmap for the actions outlined in this feedback,
   with measurable KPIs.
- Appoint a dedicated task force to accelerate the alignment of digital trade standards with key partners.
- Prioritize funding within the next MFF for projects that directly support the greendigital transition in trade.

By taking these steps, the Commission can ensure that the European market remains a powerhouse of innovation, sustainability, and prosperity for decades to come.

# EU Green-Digital Trade Leadership Roadmap (DigitalTrade4.EU, 2025)

activity	objective	indicative metrics	tools/enablers
1. EU-Singapore DTA & Expand DEPA Partnerships	Strengthen digital trade diplomacy in Asia through high-standard agreements.	- 5+ new digital trade agreements with key Asian partners (e.g., Japan, India, ASEAN) by 2030 - 15% increase in EU-Asia digital services trade by 2028	DEPA framework, EU-Singapore DTA, Global Gateway Initiative, eIDAS 2.0
2. Implement Digital Product Passports (DPPs)	Ensure traceable, sustainable supply chains aligned with EU Green Deal.	- 50% adoption of DPPs by 2030 - 20% reduction in supply-chain carbon intensity by 2030	EU Sustainable Products Initiative, CBAM incentives, UNECE Recommendation 49
3. Fund Secure Digital Corridors in Asia	Build interoperable digital infrastructure for EU-Asia trade.	- ~€2B allocated via NDICI-Global Europe - 10+ blockchain-based traceability pilots by 2027	NDICI-Global Europe, ASEAN digital customs systems, EU Customs Data Hub
4. Harmonize Digital Standards (MLETR/eIDAS 2.0)	Enable cross-border recognition of edocuments and digital identities.	- 90% mutual recognition of e-signatures by 2028 - 70% SME adoption of eIDAS wallets	MLETR framework, eIDAS 2.0, EU Transport Law updates, UN/UNECE protocols
5. Launch Green-Digital Trade Academy	Upskill SMEs and officials on DPPs and carbon accounting.	- 40% increase in SME participation by 2027 - 60% cost savings for SMEs	Erasmus+ grants, COSME programme, tiered compliance thresholds
6. Integrate ESG into Trade Finance	Link trade finance to sustainability metrics for cheaper capital access.	- €10B/year unlocked for green trade finance - 30% lower Scope 3 emissions by 2030	InvestEU guarantees, CSRD-aligned reporting, FinTech platforms
7. Enforce Platform Interoperability	Prevent vendor lock-in and empower SMEs.	- 100% compliance with CJEU rulings by 2026 - 50% reduction in platform dominance	Court of Justice of the European Union (CJEU) Case C-233/23, DEPA, eIDAS 2.0, Digital Markets Act (DMA)
8. Global Digitalisation Projects with EU Standards	Extend EU digital infrastructure and norms globally.	- 20+ co-funded projects by 2030 - 80% interoperability with EU systems	Digital Europe Programme, CEF funding, EU-Asia Digital Standards Taskforce
9. Advance UNECE Transparency Protocols	Globalize EU sustainability standards for supply chains.	- 100% alignment with UNECE Rec. 49 by 2028 - 30% reduction in greenwashing claims	UNECE CEFACT, W3C Verifiable Credentials, EU CBAM registry
10. Pilot CBAM-DPP Corridors	Link trade finance to verifiable ESG metrics for tariff incentives.	- 20% CBAM compliance cost reduction - 50% DPP adoption by 2030	IoT carbon trackers, CBAM rebate schemes, EU Customs Single Window

Table 1. The roadmap above, DigitalTrade4.EU's input to the European Commission's "International Digital Strategy" operationalises the recommendations outlined in this document. For instance, Activity 1 (EU-Singapore DTA & Expand DEPA Partnerships) directly supports the harmonisation of international digital standards, while Activity 8 (Global Digitalisation Projects with EU Standards) aligns with efforts to promote dual-use infrastructure globally. These activities collectively reinforce the EU's ability to leverage digital trade diplomacy as a tool for both economic growth and strategic security.