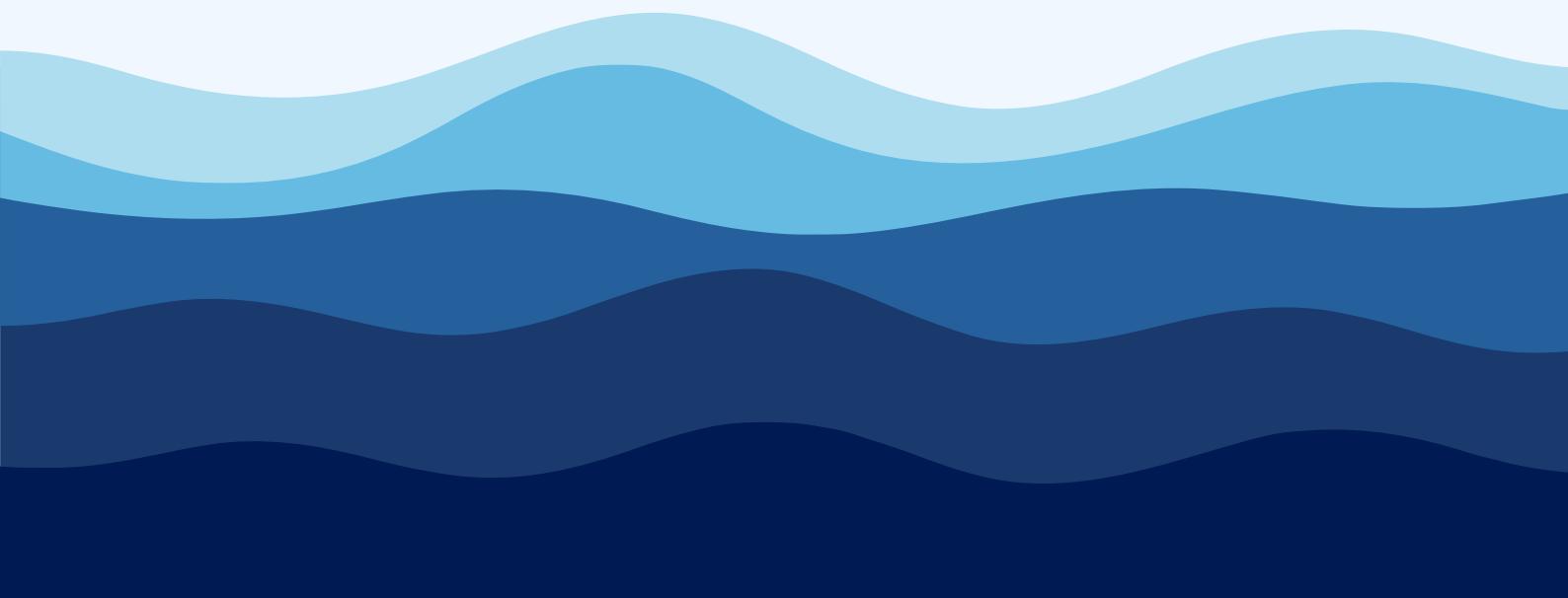


Prepared by DigitalTrade4.EU



# **Strengthening EU Leadership in Green-Digital Trade and Ecodesign for Sustainable Products Regulation (ESPR)**

July 2025

# 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:

1. 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-objectives-of-the-eu-competitiveness-compass/>

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# Executive Summary

The European Union stands at a **pivotal juncture** in global trade, demonstrating **strong leadership** in integrating green and digital agendas. This strategic alignment is critical for ensuring Europe's **long-term competitiveness and resilience** in an increasingly complex global landscape.

Recent milestones, such as the **EU-Singapore Digital Trade Agreement (DTA)**<sup>1</sup>, represent a **cornerstone of EU digital trade diplomacy** in Asia, setting high standards for cross-border data flows, e-identification, and cybersecurity. Concurrently, the **UNECE Recommendation No. 49 ('Transparency at Scale')**<sup>2</sup> codifies a global standard for **Digital Product Passports (DPPs)** and the traceability of sustainability data, aligning perfectly with the EU's forthcoming DPP rules and CBAM-linked incentives.

These developments collectively reinforce the EU's comprehensive green-digital trade framework, extending from **bilateral and plurilateral agreements like Digital Economy Partnership Agreement (DEPA)**<sup>3</sup>, **Free Trade Agreements (FTAs)** to **essential digital infrastructure and product-level transparency tools**. DigitalTrade4.EU strongly advocates for the Commission to **intensify international coordination, deepen digital trade partnerships (especially in Asia through DEPA)**, and **champion global interoperability of laws and standards** (such as MLETR and eIDAS 2.0) to consolidate this leadership position.

Our proposals are meticulously designed to ensure that environmental objectives are not only met but are achieved alongside **robust economic resilience and significant social progress**, thereby transforming compliance requirements into a **powerful catalyst for innovation, efficiency, and sustainable growth** across the Single Market and beyond.

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<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](https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1152)

<sup>2</sup> UNCITRAL. Model Law on Electronic Transferable Records [https://uncitral.un.org/en/texts/e-commerce/modellaw/electronic\\_transferable\\_records](https://uncitral.un.org/en/texts/e-commerce/modellaw/electronic_transferable_records)

<sup>3</sup> Digital Economy Partnership Agreement (DEPA) <https://www.mti.gov.sg/Trade/Digital-Economy-Agreements/The-Digital-Economy-Partnership-Agreement>

# Introduction

Global trade is undergoing a **profound and irreversible transformation**, primarily driven by the dual imperatives of the green and digital transitions. In this evolving environment, the EU has proactively assumed a **leadership role**, shaping new, resilient corridors for clean energy, critical infrastructure, and advanced digital services. Initiatives like DigitalTrade4.EU, the EU's flagship program to modernize digital trade infrastructure, alongside the Digital Economy Partnership Agreement (DEPA) in the Asia-Pacific and the Global Gateway in Central Asia, exemplify this commitment.

The recent **EU-Singapore DTA**, formally adopted by the Council on April 14, 2025, is a **landmark achievement** that provides greater clarity and legal certainty for consumers and businesses to transact online more seamlessly. This agreement is designed to remove unjustified barriers, facilitate secure cross-border data flows, and promote trustworthy AI, all while preserving the EU's stringent privacy and cybersecurity standards. Concurrently, the EU is deeply integrating environmental goals into its trade policy: tools like **Digital Product Passports (DPPs)** and comprehensive carbon accounting mechanisms are becoming embedded in the very fabric of trade.

This integration is further reinforced by the **UNECE Recommendation No. 49 ('Transparency at Scale')**, finalized in March 2025, which provides a global protocol for sharing supply-chain ESG data, aligning closely with the EU's vision of traceable, sustainable trade. This feedback document meticulously analyses these critical developments and outlines a clear path for how the EU can **consolidate its green-digital trade strategy** in close concert with its international partners, ensuring a future where trade is both efficient and environmentally responsible.

# Expectations from the Commission's Side: The Objectives

The European Commission's strategic documents, particularly the "**Single Market: our European home market in an uncertain world strategy**" (COM(2025) 500 final)<sup>4</sup>, highlight several **key objectives** that align with DigitalTrade4.EU's vision:

- **Simplification and Reduction of Barriers:** The Commission aims to make the Single Market **simple, seamless, and strong** by reducing "Terrible Ten" barriers, including overly complex EU rules, fragmented national regulations, and burdensome procedures. This involves a shift from a document-based to a **data-based Single Market**, emphasizing **digitalisation for efficiency** and simplification.
- **Boosting European Services Markets:** Recognizing that services account for 75% of EU GDP, the Commission seeks to **unleash the full potential** of the Single Market for services, including sector-specific initiatives to address fragmentation.
- **Support for SMEs:** The strategy emphasizes making it **easier for SMEs to operate across the Single Market**, reducing administrative burdens, and facilitating their scaling up, including through the introduction of a formal definition for small mid-caps (SMCs).
- **Effective Digitalisation:** A core objective is to leverage **digital tools for optimal Single Market functioning**, including the rollout of EU Digital Identity Wallets, Digital Product Passports (DPPs), and eInvoicing, to enable seamless, real-time data exchange.
- **Enforcement of Single Market Rules:** The Commission is committed to **proactive and strategic enforcement** to ensure the benefits of the Single Market are a tangible reality for businesses and citizens, preventing new barriers and accelerating legal action where needed.

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<sup>4</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](https://single-market-economy.ec.europa.eu/publications/single-market-our-european-home-market-uncertain-world_en)

- **Circular Economy Integration:** The ESPR (Regulation (EU) 2024/1781) and the broader European Green Deal aim to foster a **circular economy** by setting ecodesign requirements and preventing the destruction of unsold consumer products. Derogations to this prohibition are set out, but the overarching goal is to **minimize waste and promote sustainability**.

# Approach and Recommendations

DigitalTrade4.EU's approach is rooted in fostering a **seamlessly interconnected Europe** and neighboring regions powered by **harmonized standards for the digitalization of trade documents and processes**. Our strategic recommendations are designed to directly address the Commission's objectives and accelerate the EU's leadership in green-digital trade:

## *Digital Standards and Interoperability*

- **Prioritize MLETR Adoption:** The EU should **accelerate the widespread adoption of the UNCITRAL Model Law on Electronic Transferable Records (MLETR)**<sup>5</sup> across all Member States. This will provide enhanced legal certainty for digital trade documents, crucial for cross-border transactions and aligning with the EU's goal of a trusted digital economy.
- **Champion eIDAS 2.0 and Digital Wallets:** Ensure the **full and rapid rollout of Regulation (EU) 2024/1183 (eIDAS 2.0) and EU Digital Identity Wallets**. These are fundamental for secure, cross-border digital interactions, enabling seamless e-identification and e-signatures, which are vital for streamlining trade processes and reducing administrative burdens for businesses, especially SMEs.
- **Promote Global Interoperability:** Intensify efforts to **align EU digital trade policies with global digital standards**, leveraging agreements like the EU-Singapore DTA as a model for future partnerships. This includes advocating for mutual recognition of digital credentials and signatures in international forums.

## *Trade Finance and ESG Integration*

- **Digitalize Trade Finance for ESG:** Actively promote the **digitalization of trade finance** to support the EU's ESG (Environmental, Social, and Governance) objectives, including Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due

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

[https://uncitral.un.org/en/texts/ecommerce/modellaw/electronic\\_transferable\\_records](https://uncitral.un.org/en/texts/ecommerce/modellaw/electronic_transferable_records)

Diligence Directive (CS3D). This involves linking trade finance to sustainability metrics, enabling **cheaper capital access for companies boosting ESG performance**.

- **Simplify Reporting Obligations:** Support the **simplification of reporting obligations under the CSRD**, as proposed by the EU, to reduce administrative burden on companies and facilitate access to green finance. This will make it easier for businesses to invest in sustainable projects and contribute to the circular economy.
- **Leverage FiDA for Green Finance:** Utilize the **Financial Data Access (FiDA)**<sup>6</sup> initiative to enable real-time financial health checks for green loan approvals and automate CBAM rebate processing. This will provide additional funding at cheaper rates for companies committed to sustainable practices, **increasing EU competitiveness and resilience**.

### ***Trade Policy for Sustainability (Digital Product Passports)***

- **Mandate Digital Product Passports (DPPs):** Fully implement and expand the **Digital Product Passport (DPP)** initiative under the Ecodesign for Sustainable Products Regulation (ESPR). DPPs are crucial for providing verifiable data on product composition, origin, and environmental impact, ensuring **transparency and compliance** throughout supply chains.
- **Align with Global Protocols:** Advocate for the **global adoption of transparency protocols** like UNECE's "Transparency at Scale" (Recommendation No. 49). This will embed EU green standards across supply chains, reinforcing the **Carbon Border Adjustment Mechanism (CBAM)** and circular economy objectives by encoding carbon footprints and material data into DPPs.
- **Incentivize Sustainable Logistics:** Explore mechanisms, such as **CBAM rebate schemes**, for importers using EU-verified DPPs and low-sustainability logistics, to provide **tangible economic benefits** for embracing greener practices.

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<sup>6</sup> European Commission, Finance. Framework for financial data access  
[https://finance.ec.europa.eu/digital-finance/framework-financial-data-access\\_en](https://finance.ec.europa.eu/digital-finance/framework-financial-data-access_en)

## ***Strengthening EU-Asia Partnerships***

- **Deepen DEPA Engagement:** Continue to **deepen partnerships in the Asia-Pacific region through DEPA** and the EU-Singapore DTA. Extend these agreements to other key partners like Japan, South Korea, and Vietnam to enhance digital and green trade corridors, ensuring **EU standards on data, AI, and sustainability are integrated** into regional markets.
- **Fund Secure Digital Corridors:** Prioritize investments in **secure digital corridors and interoperable DPP platforms** with Asian partners under NDICI-Global Europe, co-financing ASEAN-wide digital customs systems and blockchain-based traceability tools.

## ***Platform Interoperability and Digital Sovereignty***

- **Enforce Interoperability:** Ensure that **dominant online platforms allow interoperability with third-party applications** to avoid vendor lock-in. This will empower SMEs and strengthen the EU's digital sovereignty, complementing initiatives like DEPA and eIDAS 2.0 that promote **open, interoperable digital infrastructures**.

## ***Global Digitalisation Projects and Funding***

- **Co-fund Digitalisation Projects:** Actively **co-fund digitalisation projects in non-European countries**, leveraging EU standards and technical frameworks (financed by CEF, Digital Europe Programme, etc.). These initiatives should aim to extend EU digital infrastructure and promote interoperability across borders, ensuring global digital transformation aligns with **EU regulatory and sustainability goals**.

# Specific Changes to the Legislation

DigitalTrade4.EU proposes the following additions and clarifications to the Draft Commission Delegated Regulation (EU) .../... supplementing Regulation (EU) 2024/1781, based on the principles of digitalization, circularity, and enhanced transparency:

## Proposed Additions:

1. **Integration of Digital Product Passports (DPPs) for Verification (Article 3):**
  - **Proposed Text:** *Amend Article 3 to explicitly state that the required documentation for verification can be provided and stored through **Digital Product Passports (DPPs)**, where such passports are established for the product category.*
  - **Justification:** This aligns with the overarching EU strategy to transition to a **data-based Single Market** and leverage DPPs as the primary digital container for product information. It will **streamline compliance** for economic operators, enhance the **efficiency of verification** by competent authorities, and ensure **long-term data integrity** for the 10-year retention period, reducing reliance on fragmented paper-based records.
2. **Digitalization of Donation Offer and Tracking (Article 2, points (i) and (j); Article 3, point (h) and (i)):**
  - **Proposed Text:** *For derogations related to the non-acceptance of products offered for donation (Article 2, point (i)) and products received as donations but for which no recipient could be found (Article 2, point (j)), introduce a requirement or strong encouragement for economic operators and social economy entities to utilize **designated digital platforms or registries** for offering, tracking, and documenting donation attempts and outcomes. These platforms should leverage **Regulation (EU) 2024/1183 (eIDAS 2.0)** for secure identification and authentication of economic operators and social economy*

*entities, and for **legally valid electronic signatures** on donation agreements or refusal confirmations.*

- **Justification:** This measure will significantly **increase the visibility and accessibility of unsold products for potential donees**, thereby reducing the instances where destruction is deemed necessary. By integrating **eIDAS 2.0**, it will ensure **high levels of trust and security** in digital interactions, provide **clear, verifiable evidence** (as required by Article 3, points (h) and (i)) of donation efforts with **legal certainty**, and further **minimize administrative burden** through streamlined, legally recognized digital processes.

### **3. Digital Assessment of Repair/Reuse Feasibility (Article 2, points (f) and (g); Article 3, point (f)):**

- **Proposed Text:** *For damaged or unfit products (Article 2, points (f) and (g)), include a provision that economic operators, as part of their quality assessment procedures (Article 3, point (f)), should leverage **digital tools or methodologies** to conduct a comprehensive assessment of the **technical feasibility, environmental impact, and cost-effectiveness of repair, refurbishment, or remanufacturing** versus destruction. This assessment should consider the full lifecycle impacts.*
- **Justification:** While the delegated act acknowledges cost-effectiveness, integrating **digital assessment tools** can provide more robust and objective data, ensuring that destruction truly remains a **measure of last resort**. This aligns with the EU's commitment to the **circular economy** and incentivizing sustainable practices by providing a clearer framework for decision-making and supporting the **green finance agenda** through verifiable sustainability metrics.

### **4. Standardized Digital Format for Verification Documentation (Article 3):**

- **Proposed Text:** *Amend Article 3 to specify that, where feasible, the required documentation should be maintained in **structured, machine-readable digital***

*formats to facilitate automated processing and secure exchange with competent authorities.*

- **Justification:** This directly supports the vision of a **digitalized Single Market** by moving beyond mere digital copies to truly interoperable data. It will **enhance the efficiency of market surveillance and enforcement**, reduce the manual effort for both businesses and authorities during audits, and **improve data quality** for better policy insights and future legislative refinements.

# Conclusion and Next Steps

The European Union has a **unique opportunity** to solidify its position as a **global leader** in green-digital trade. By translating its strategic vision into **concrete action**, focusing on **international coordination, deepening digital partnerships, and championing global interoperability**, the EU can create a **trusted, transparent, and interoperable trade ecosystem**.

DigitalTrade4.EU believes that the **Multiannual Financial Framework (MFF)** must prioritize investments in digital infrastructure, SME support, and standards harmonization to operationalize this strategy. The **EU-Singapore DTA** and the **Digital Product Passports** are exemplary initiatives that demonstrate the EU's capacity to drive this transformation.

We urge the Commission to:

- **Intensify efforts** to align EU trade policies with global digital standards, particularly MLETR and eIDAS 2.0.
- **Promote the widespread adoption and interoperability of Digital Product Passports** to ensure traceable and sustainable supply chains.
- **Leverage trade finance digitalization** to incentivize ESG performance and facilitate access to green funding.
- **Deepen strategic partnerships** in Asia, expanding the reach of EU digital and green trade standards.

By embracing these recommendations, the EU can ensure that its commitment to **ecological stewardship, social equity, and economic viability** delivers a **triple win**, fostering a future where trade digitalization benefits the planet, people, and prosperity equally. DigitalTrade4.EU stands ready to collaborate further in realizing this ambitious yet achievable vision.

# Appendix 1. EU Green-Digital Trade Leadership Roadmap (DigitalTrade4.EU, 2025)

activity	objective	indicative metrics	tools/enablers
<b>1. EU-Singapore DTA &amp; Expand DEPA Partnerships</b>	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
<b>2. Implement Digital Product Passports (DPPs)</b>	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
<b>3. Fund Secure Digital Corridors in Asia</b>	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
<b>4. Harmonize Digital Standards (MLETR/eIDAS 2.0)</b>	Enable cross-border recognition of e-documents 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
<b>5. Implement LEI and vLEI for Supply Chain Trust</b>	Harmonise and simplify legal entity identification across borders	- 90% entity coverage with LEI by 2030; 50% vLEI use in customs and eFTI transactions	ISO 17442, vLEI, eIDAS 2.0, UNECE UID
<b>6. Launch Green-Digital Trade Academy</b>	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
<b>7. Integrate ESG into Trade Finance</b>	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
<b>8. Enforce Platform Interoperability</b>	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)
<b>9. Global Digitalisation Projects with EU Standards</b>	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
<b>10. Advance UNECE Transparency Protocols</b>	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
<b>11. Pilot CBAM-DPP Corridors</b>	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.