PROJECT NAME: Advancing Supply Chain Transparency for Chemicals in Products

1. **Project duration:** 39 months (The implementation periods of the activities might differ from what is described in this document)

2. **Budget = C$270,000**

3. **Short statement of the issue(s) under this topic, need/gap identified; the project objective(s) and activities to address the issue; and expected outcomes and benefits/beneficiaries (max. 200 words):**
   A fundamental assumption in a circular economy is that materials re-introduced within value chains are safe for human health and the environment. However, a lack of composition data for, and industry awareness of, chemicals in products poses challenges to identifying risks. Increased chemical supply chain transparency (SCT) will help governments and industry to:

   - identify problematic chemicals or classes of chemicals, and suitable alternatives;
   - inform trade and procurement decisions for raw materials, product components, and final goods at various points within value chains, including product design and end of life management;
   - inform recycling and waste management systems to enable the conversion and re-introduction of materials safely into subsequent economically viable materials, goods, or processes;
   - improve the ability of industry to comply with chemical reporting and other regulations; and
   - meet growing consumer demand for product ingredient information.

   The goal of this project is to foster collaboration among North American countries to improve SCT and enhance governments' ability to identify and prevent products containing chemicals of concern, or chemical substitutes of concern (e.g., regrettable substitution), from entering or re-entering the economy. The information derived from this project will also help industry build resilient supply chains that respond to consumer demand for safer products and information on their chemical composition.

4. **Select the strategic pillar(s) from the 2021-2025 Strategic Plan that the project addresses:**
   - ☐ Clean Air, Land and Water
   - ☐ Preventing and Reducing Pollution in the Marine Environment
   - ☒ Circular Economy and Sustainable Materials Management
   - ☐ Shared Ecosystems and Species
   - ☐ Resilient Economies and Communities
   - ☐ Effective Enforcement of Environmental Laws

5. **Describe how the project uses strategic cross-cutting approaches in its implementation: Innovative and Effective Solutions and/or Diverse and Inclusive Stakeholder Engagement and Public Participation (including gender and diversity effects and opportunities, and youth) (max 100 words):**
   This project will explore existing supply chain transparency instruments, both globally and in North America, including policies, data sharing systems, and environmental standards, to identify innovative approaches and digital tools supporting the identification and disclosure of chemical contents in goods and materials. The project is intended to foster best practices for information exchanges and collaboration and to engage different industry sectors, environmental experts, and government and technical authorities.

6. **Explain how the project can achieve more impact through trinational cooperation (max 100 words):**
   Strong trade linkages exist in North America within which chemicals and products move easily. For this reason, the goal of the project is to foster collaboration on SCT among the three countries to create the conditions for exporters, within and outside the region, to disclose the chemical contents of the products they produce and trade. This project will be most feasible and impactful by sharing information within the region, including lists developed in each country of chemicals that are of common concern or regulated under national programs and/or to meet international commitments.

7. **Describe how the project complements, or avoids duplication with, other national or international work (max 100 words):**
   The project will build on the shared priorities relative to chemicals (or classes of chemicals) of common concern. Synergies with current national efforts that could be leveraged to inform and complement this project include:
   - US EPA's Safer Chemicals Ingredients List, designed to find chemical alternatives that meet the criteria of the Safer Choice Program;
   - consultations on SCT and mandatory labeling, in support of Canada's Chemicals Management Plan and the Canadian Environmental Protection Act;
   - an ECCC project that will explore building a multi-stakeholder Centre of Excellence (or network) on informed substitution and alternatives; and
   - Mexico's Sectorial Program on Environment and Natural Resources *(Programa Sectorial de Medio Ambiente y Recursos Naturales—Promarnat), 2020-2024*, aimed at promoting change and innovation in the production and consumption of goods and services, and the National Inventory of Chemical Substances *(Inventario Nacional de Sustancias Química)*.

8. **Describe how the project engages traditional ecological knowledge (TEK) experts or Tribal/First Nations/Indigenous communities, if applicable (max 100 words):**
   Stakeholder engagement activities will consider participation of experts from all relevant sectors, including Tribal/First Nations/Indigenous organizations.

9. Describe how the project engages new audiences or partners, if applicable (max 100 words):

This project will involve the participation of industry and government stakeholders during consultations to share information on best practices, identify barriers to SCT and explore opportunities for SCT implementation in North America. Project results will create opportunities for the development of pilot projects as well as future potential partnerships amongst industry sectors, government authorities, subject matter experts, and NGOs.

10. Identify the designated partner agencies or organizations committed to implementing this project, as well as other organizations that could be involved, or benefit from it, including through outreach efforts, collaborations or partnerships (e.g.: federal agencies, other levels of government, academia, NGOs, the private sector, civil society, and youth):

Lead agencies or organizations	Country
Environment and Climate Change Canada	Canada
Instituto Nacional de Ecología y Cambio Climático – INECC (Semarnat)	Mexico
Environmental Protection Agency, Office of Chemical Safety and Pollution Prevention	United States

Other organizations/individuals (if applicable)*	Country
Health Canada	Canada
Dirección General de Industria – Semarnat	Mexico
Asociación Nacional de la Industria Química – ANIQ (National Association of the Chemical Industry)	Mexico
US State Department	United States

*This effort will include participation from other organizations including NGOs, the private sector, and other stakeholders. Their engagement is in the process of confirmation.

11. In the following table, describe: the project objective(s) and the activities and subtasks planned to achieve the objective(s); the corresponding outputs, expected results, and how they will be measured (performance measures); baselines (if known), and targets by end of the project; and the timeline and budget.

OBJECTIVE 1	**Identify existing and emerging technologies and methods for product data sharing, potential barriers to industry, and possible approaches to overcome these barriers.**	
Activity 1 **Budget** C$85,000	Conduct a review and assessment of existing chemical supply chain transparency (SCT) current practices, tools, challenges, and regulations.	
Output(s)	- Interim internal assessment report - Identification of sector case study on best practices for SCT	
Expected results, performance measures	The assessment provides the project context and framework of current SCT practices and challenges, based on an exhaustive review and supported by input from subject matter experts.	
Baseline (current status), if known	While some research on SCT has been conducted to support policy work, there is a general lack of knowledge of composition data for chemicals of concern that would ensure that materials are fit, in terms of safety for human health and the environment, to be re-introduced within value chains. Information is needed relating to existing North American and global experiences on the implementation of mandatory SCT requirements and the use of technology to support and guide policy to enhance and implement SCT practices.	
Target (by project end)	Relevant agencies will have a better understanding of SCT practices and gaps in the disclosure of chemical composition data that would help overcome obstacles to enhance such practices. This activity will also help identify industry sector(s) currently using SCT best practices.	
Subtask 1.1	Conduct comprehensive research on existing supply chain data-sharing systems, emergent technologies, best practices, relevant actors, environmental performance standards, ecolabels, procurement policies, and regulations. This assessment will also help identify recurring substitution challenges and barriers facing industry (i.e., regrettable substitution) and compare the level of SCT in different industries, with the aim of identifying one or more sectors for a case study.	**When:** late 2022
Subtask 1.2	Conduct an assessment review with relevant stakeholders for the selection of sector-specific case study/studies.	**When: e**arly 2023

Activity 2 **Budget** C$85,000	**Undertake a case study of one or more industry sector, selected on the basis of Activity 1, currently using best practices for supply chain transparency and knowledge of product composition.**	
Output(s)	- One or more case studies of industry sector(s), using SCT best practices.	
Expected results, performance measures	The case study/studies will complement the information compiled in the Activity 1 interim report.	
Baseline (current status), if known	N/A	
Target (by project end)	Relevant agencies and key industry stakeholders have experience-based information to identify gaps and opportunities relative to SCT implementation.	
Subtask 2.1	Conduct one or more case study of industry sector(s). The analysis will examine the means of SCT implementation, barriers addressed, and the impacts of SCT on the sector.	**When:** mid 2023
Subtask 2.2	Compilation of the case study report and integration into Activity 1 internal, interim report.	**When:** mid 2023
Activity 3 **Budget** C$100,000	Based on results of activities 1 and 2, identify potential opportunities/pilot projects in each country to implement SCT practices and disseminate project results.	
Output(s)	Final report with recommendations for: potential approaches to enhance SCT in each country; opportunities for future work/pilot projects; and development of project outreach materials.	
Expected results, performance measures	The identification of future opportunities/potential SCT pilot projects will provide the steppingstones for future sector-based pilot projects, or country-specific capacity building plan(s) for SCT implementation.	
Baseline (current status), if known	Baseline information for this activity will be the information gathered in the interim report based on Activities 1 & 2.	
Target (by project end)	Relevant agencies, industry sectors, and other stakeholders have information and recommendations to support further work in this area.	

Subtask 3.1	Conduct workshop(s)/consultations (e.g., webinars, online workshop, surveys) with industry stakeholders and other experts aiming to disseminate project results and obtain additional recommendations for: a) potential pilot projects that could be implemented in a next phase/project, b) approaches for developing capacity-building plan(s) for improving or implementing SCT, and c) the development of outreach materials for industry.	**When:** early 2024
Subtask 3.2	Compile recommendations and documentation in a final report (that includes the information from Activities 1 and 2) and outline possible next steps for each North American country.	**When:** mid 2024

12. Describe <u>post-project</u> expected impacts:

Expected impact (by when: month, year)	SMART performance measure(s)
By late 2024, the published document will provide relevant agencies and stakeholders in North America with a common understanding of the array of tools (emerging technologies), methods, and examples to guide future SCT implementation activities.	- Stakeholder perception surveys, before and after the implementation of the project, relative to: o Existing and emerging SCT technologies, practices, and regulations o Barriers for industry o Possible approaches to overcome these barriers
By late 2024, relevant agencies and stakeholders throughout North America will have a common regional understanding and network of contacts to support work on overcoming barriers to SCT implementation.	- Interest and engagement of survey participants relative to implementing pilot projects in the region, in a second phase or project.