

Resilient Trade Ecosystems

Resilient Trade Ecosystems are critical to successful food systems. Ecosystem resilience is the dynamic ability to absorb disturbances to domestic production and local supply chains and reorganize. This involves state change to maintain critical functions and builds on the UN report: *Making trade work for the environment, prosperity and resilience*.¹ Resilient Trade Ecosystems (RTEs) help to achieve global food security.²

RTEs result when trade, built on symbiotic relationships across global value chains, link with local, and regional supply chains and connect farmers to domestic markets, and ultimately, the world. They provide essential Agricultural products. Action Tracks 1, 3 and 5 have identified the importance of trade and its resilience and as such, RTEs would address the missing gaps.

Such RTEs support diverse diets and ensure that local climactic or geo-political events, are not exacerbated by hunger. Effective responsiveness to change and robustness of this symbiotic relationship has been very evident as the world responds to the demonstrated COVID-19 pandemic. The IFPR report on Transforming Food Systems after COVID-19 cites “Resilience” as one of the “five critical attributes of ideal food systems.”³ International trade is a vital because the practicality and cost of self-sufficiency policies may result in unwarranted negative environmental impact as well as reduced capacity to provide for food security. Ensuring a trade supportive of least trade distortive measures, allows consumers global access to food and feed and supports farmers’ ability to withstand external shocks and vulnerabilities. This is a core food system principle.

RTEs are integral to food systems and support environmental sustainability. Food and feed are produced in the landscapes and environments most suitable for them to flourish, and then transported to where they are required. For example, not all environments are suitable for growing crops, but grassland and hill-top pastures, are ideal for raising livestock. Attempting to produce all food necessary for diverse diets in one area only, (through pursuing an ideal of domestic self-sufficiency) may, in fact, result in reduced nutritional security, waste and poor environmental outcomes.

¹ https://www.wto.org/english/res_e/publications_e/unereport2018_e.pdf

² Food security, as defined by the United Nations’ Committee on World Food Security, means that all people, at all times, have physical, social, and economic access to sufficient, safe, and nutritious food that meets their food preferences and dietary needs for an active and healthy life.

Over the coming decades, a changing climate, growing global population, rising food prices, and environmental stressors will have significant yet uncertain impacts on food security. Adaptation strategies and policy responses to global change, including options for handling water allocation, land use patterns, food trade, postharvest food processing, and food prices and safety will evolve. Food Systems that contribute to Food Security may be closely aligned with the UN Sustainable Development Goals (SDGs), including [SDG 1](#), [SDG 2](#), and [SDG 3](#).

³ <https://ebrary.ifpri.org/digital/collection/p15738coll2/id/134343>

How can we support and develop resilient trade ecosystems?

Place people first by educating and incentivising (including enhancements to welfare and mobility) workforce and leadership.

Promote the positive value of trade and encourage domestic policies to include and connect more domestic producers.

Ensure a competitive commercial environment prevails.

Enhance and maintain physical and cyber security.

Provide for International movement of labor and capital to support investment in necessary infrastructure.

Provide for transparency and accountability in official and commercial practice.

Promote a renewed commitment to lowering trade barriers and expanding the positive role of the rules-based international trading system so that all countries can actively participate in global markets. Rules-based international trade is a major contributor to food security and food safety. Commitment to the principles of non-discrimination, reciprocity, enforceability, transparency, and safety are vital to building a resilient global food system. A failure to follow International norms, risks locking least-developed nations out of global markets and violating long established global trade rules.

These principles were recently underlined in a joint statement by 16 members of the WTO Committee on Agriculture to Dr Agnes Kalibata Special Envoy to the UN Food Systems Summit and H.E Amina Mohammed, Deputy UN Secretary General (G/AG/GEB/186).⁴ Furthermore, the AGRF Communiqué signed in 2020 also buttressed the importance of improving the African Continent's resilience through Markets and Trade which would require jumpstarting the African Free Trade Agreement from an agricultural perspective.⁵

Take practical action to reduce barriers to cross border trade, by providing tangible support to innovation by WTO recognized safety and healthy standards (i.e., CODEX, OIE, IPPC) and related efforts to facilitate trade. For example:

- a. The International Plant Protection Convention (IPPC) is deploying the IPPC ePhyto Solution to provide for a digitized management of electronic phytosanitary certificates. The IPPC ePhyto solution needs to be afforded a sustainable funding model.
- b. Greater support and resourcing for the work of Codex Alimentarius in setting international standards on Maximum Residue Levels (MRLs) to ensure that food is safe and can be traded, in facilitation of trade. Missing MRLs or unilateral action on setting Import Tolerances, disproportionately impacts small farmers, potentially cutting them off from international markets, if the crop they are growing suddenly no longer meets the importing country's requirements.
- c. Encourage countries to recognize risk assessments that have been conducted in other countries in accordance with the Codex Plant Guidelines as a means for more timely

⁴ <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/AG/GEN166R1.pdf&Open=True>

⁵ <https://agrf.org/docs/AGRF%20VIRTUAL%20SUMMIT%202020%20-%20Communique%2028092020.pdf>

decision making on GM crop approvals. The use of Codex Guidelines also allows countries to move away from unworkable approaches to Low-Level Presence (LLP) of GM products, especially zero tolerance thresholds, and move toward more reasonable approaches.

- d. Increased alignment of regulatory approaches to new plant breeding innovation, such as gene-editing, to be risk based, apply the latest science with the view of enabling innovation and ensuring new products are available to advance nutrition, environmental sustainability and resilience.
- e. Greater acceptance of other forms of electronic documentation (e.g., bills of lading) as well as communication and trading platform, to facilitate trade. Entities such as the International Chamber of Commerce's Digital Standards Initiative are working with public and private sector actors to accelerate this work, including through enhanced adoption of the UNCITRAL Model Law on Electronic Transferable Records (MLETR) and the use of Global Legal Entity Identifiers.
- f. Provide for joint private and public sector information flow to gain greater acceptance of other forms of electronic documentation (e.g., bills of lading) as well as communication and trading platforms, to facilitate trade.
- g. Enhancing public and private frameworks to embed sustainability into the trade ecosystem. One such measure is Increasing financial support and incentives to aid SMEs in aligning their operations with the goals of the Paris Agreement to reduce scope three emissions in the supply chains of multinational entities and achieve Nationally Determined Contributions. Public-private platforms such as the SME Climate Hub can support in tracking the success of these efforts. Equally, there should be a recognition that "food miles" alone, are not a proxy for carbon footprints, and that some agricultural products produced overseas, may in fact be more sustainable, than those produced locally.
- h. Fund a promotion campaign to encourage more governments to sign up to the (UN) New York convention on the recognition and enforcement of foreign arbitral awards. There are currently 157 signatories, but many countries, particularly in Africa, are not. Businesses that trade with companies that are based in signatory countries, have greater financial security in the event of contractual disputes, which reduces the risk of trade, and incentivises trade with companies based in signatory countries.
- i. Modify laws, regulations, and official practices to increase digital connectivity. Digital information is vital (for example) to understand the weather and markets, so farmers can make informed decisions about their crops and get the best price. In many parts of the world there are uncertain or intermittent energy supplies. Provision of relatively low-cost hardware such as solar-powered smartphone chargers etc. would help improve digital connectivity, connecting an individual farmer with world markets.