



“Working Together to Make Trade Work”

NAEGA MAP Trip Report – IPPC EPhyto Hub Meetings –Arlington, VA and Washington, D.C, USA

Name of Travelers:

Katy Lee, Secretariat, International Grain Trade Coalition (IGTC)

Dates of Travel: June 26-28, 2017

Purpose of travel

Consistent with NAEGA UES objectives, Katy Lee travelled to Arlington, VA and Washington, D.C on June 26-28, 2017. Via IGTC leadership, this mission advanced efforts to promote the utilization of modern information technology to improve security, predictability and efficiency in the international movement of grains. NAEGA and IGTC President Gary Martin joined Katy at key meetings, including:

1. International Plant Protection Convention’s (IPPC) ePhyto Hub Industry Advisory Group: On June 27, NAEGA-hosted a meeting at NAEGA’s Arlington, VA headquarters of the IPPC’s EPhyto Hub Industry Advisory Group (IAG). The advisory group met at the request of IPPC Secretary Jingyuan Xia and was attended by six global trade flows and five national government representatives. Ms. Lee organized and attended as a representative of the IGTC.
2. Meeting of the ePhyto Pproject Industry Advisory Group with representatives of Embassies and Consulates in Washington, D.C.: On June 28 Ms. Lee coordinated with IPPC and the Canadian Embassy meetings on the progress of the project, the impact on GRNOS and NAEGA UES accomplishments related to trading documentation technologies.

Summary of findings and accomplishments:

These meetings have placed IGTC in an even more pivotal position when it comes to providing business and industry perspectives for the development of the ePhyto Hub. In addition, the combined NAEGA-IGTC effort means that government decision makers, international organizations and other supply chains now have a clearer picture of how the grain trade could potentially benefit from these technologies. In addition, messages were also communicated about what needs to be in place in order for the benefits of ePhytos to be effectively delivered to the supply chain at large, as well as the global population benefitting from the safe, predictable trade of grains, oilseeds, pulses and other agri-bulks.

The meetings were in direct service to the IGTC’s Working Group on electronic trading documentation and its 33 participants from around the world. The mission of the Working Group has been to ([full document here](#)):

1. Provide for information and advice related to the innovation of paperless document exchange. And;
2. Assist in the innovation of a transparent, secure, cost efficient electronic system where all the parties benefit from productivity improvements that results in better management and more sustainable, reliable, predictable and responsive logistics.

A report from the IAG meeting in Arlington, as well the presentations given in D.C. are attached to this report.



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Meeting of the ePhyto Industry Advisory Group (IAG) – June 27, Arlington, VA

This was the fourth full-day, in-person meeting of the IAG since the establishment of the Group in early 2016. Members of the IAG rotate the responsibility to provide a venue for the meetings, therefore NAEGA hosted this fourth meeting and provided significant administrative support and expertise for the establishment of the agenda, ideas of extra meetings and invitations. Twelve members and six observers of the IAG attended. The full attendee list is attached. They included three delegates from APHIS, the governments of Australia and Korea (ROK), the IPPC Secretary Mr. Xia, and representatives from industry (grains, seeds, fresh vegetables, potato seeds, wood products and cotton).

NAEGA played a key role in welcoming the group to Arlington and opened the meeting by reiterating that the grain trade is keen to see progress in the development and implementation of the hub to facilitate trade and global food security. The IPPC Secretariat provided a recap of project developments and a description of the technical components of the hub. Participants were reminded that phytosanitary certificates are government-to-government documents, but it is well recognized that traders also require certificates to support trade activities and the Secretariat acknowledged that facilitating trade requires that ePhytos serve both purposes.

After this, discussions were dedicated to responding to industry’s questions about how the ePhyto Hub could secure real benefits for the entire supply chain. IAG members reiterated concerns raised at previous meetings that value chain actors need timely notification about whether an ePhyto has been exchanged and approved/rejected/delayed. IAG members also expressed interest in the possibility of ePhytos supporting pre-arrival risk assessment and data sharing across government agencies that would facilitate countries to move towards risk-based border procedures, since less time would have to be spent on administrative checks and correction of certificates. Finally, IAG participants remain concerned about the business model of the hub and its potential impact on trading businesses. Members acknowledged that US \$ 2 million would not be sufficient to ensure the long-term sustainability of the Solution and ongoing capacity development support.

The IPPC and the ePhyto Steering Group, which is supporting the technical development of the solution, is aware of all of these concerns. During the meeting they emphasized that the hub project is a step-by-step process with the principle focus currently on establishing the exchange of certificates between National Plant Protection Organizations (NPPO). A cost recovery project will be underway from July 2017 in order to establish an acceptable funding model.

Meeting of the IAG with ag representatives at Embassies/Consulates in Washington – June 28, Washington, D.C

This meeting was hosted by the Canadian Embassy in order to provide information for global government representatives about the importance of the ePhyto Hub, as well as draw attention to the fact that donor support will be needed at future stages. Eight government representatives joined the same group of IAG members/observers from the previous day. The government representatives were from: Australia, Canada, Germany, Guatemala, Korea (ROK), Mexico, Netherlands and United States. World Bank was also present.

The agenda was structured as follows:



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1. Welcome and opening of the meeting by Embassy of Canada/IPPC
2. Overview of ePhyto by IPPC Secretariat
3. Role of the IAG and Importance of ePhyto by the IAG Chair
4. Perspectives of the industry associations
5. Perspectives of government USDA/DAF
6. Open discussion/questions
7. Close of meeting

The IPPC Secretary Mr. Xia opened the meeting by underlining the need to facilitate safe trade, as well as highlighting the importance of involving industry in the initiative as they are in effect the “end user” of the technology.

An important presentation from a governmental perspective was given by the Government of Australia. Australia’s work has extended most notably to outreach with countries such as Argentina who will soon be able to interact with the Hub, as well as capacity building activities in Sri Lanka and Samoa.

Overall, Australia is playing a leadership role in the ePhyto Hub project and hopes that NPPOs will see immediate benefits from implementing exchanges through the hub. However, the implementation process for countries will differ: some countries may only initially implement one way transfers of certificates since some national import systems are operated independently of export systems. However the final objective and engagement of countries will be to implement a two-way exchange process using the hub. Configuration of systems will also take time and countries may have differing capacities to complete re-configurations. The Chair of the ePhyto Steering Group reported that ESG members are working with developing country pilot participants to assist them in making the necessary business and technological changes required to implement the GeNS once it is ready. Australia, for example, is substantively supporting these business change efforts as a means in advancing its trade facilitation agenda, as well as its foreign aid programs.

Recommendations

To further pursue the NAEGA UES objectives advanced during this mission:

1. IGTC should communicate as soon as possible the outcomes of the meetings to the IGTC Working Group on electronic trading documentation. A telephone call as well as a written report should be provided.
2. IGTC should follow up on the tasks it was designated to action as a result of the IAG:
 - a. Outreach with ‘missing’ trade flows (cotton, planted trees, hay/forage) with a view to including them on the IAG;
 - b. Provide for an IGTC participant to ‘test’ the transmission and receipt of ePhyto data along the supply chain, if deemed useful by the IPPC/WTO PTC, and if fully in-line with relevant NPPO requirements.
3. IGTC should explore the possibility of greater involvement of IGTC participants in the promotion of the ePhyto Hub around the world. One such example would be the African Grain Trade Summit in October 2017.
4. NAEGA should mobilize the knowledge and experience of its membership to assist as much as possible in the funding modelling project for the ePhyto Hub.



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5. Government attendee list of the Canadian Embassy outreach meeting should be reviewed. IGTC members with presence in those countries should be notified of their governments’ presence.

ATTACHMENTS:

- *Report – IPPC Industry Advisory Group EPhyto Hub*
- *Agenda for both meetings – IPPC IAG Meeting*
- *Industry presentations – Embassy meetings (combined)*
- *IPPC presentation – Embassy Meetings*
- *Government of Australia presentation – Embassy Meetings*