



COMMISSION ON PHYTOSANITARY MEASURES

Twelfth Session

Incheon, Republic of Korea , 5-11 April 2017

Special Topics Session: e-Commerce

Agenda item 18

Prepared by the IPPC Secretariat

I. Background

1. According to the World Trade Organization, electronic commerce commonly known as e-commerce involves the digital transfer of goods and services across borders. Broadly speaking, e-commerce is the sale or purchase of goods or services conducted over the internet or other computer networks. An e-commerce transaction can be between enterprises, households, individuals, governments and other public or private organizations.

2. In 2009, Giltrap, Eyre & Reed published an article on e-commerce “Internet sales of plants for planting – an increasing trend and threat?¹”, highlighting that plants for planting are being traded through the internet, which escape controls and thereby presents a phytosanitary risk.

3. The topic of e-commerce of plants was discussed during the 22nd Technical Consultation among Regional Plant Protection Organizations (TC-RPPO) in 2010².

¹ The abstract of the article is available at <http://onlinelibrary.wiley.com/doi/10.1111/j.1365-2338.2009.02283.x/abstract>

² The report of the 22nd TC-RPPO is available at <https://www.ippc.int/en/2010---22nd-tc-among-rppos-/>

4. The TC considered the following ways to tackle the problem:
 - Monitor the internet
 - Contact owners of websites to seek cooperation
 - Contact internet trade groups and on-line forums
 - Raise awareness of risks, e.g. through social networking sites
 - Check packages entering the country, e.g. using X-ray
 - Put in place a fining system
 - Increase co-operation with Customs
 - Limit the points of entry to facilitate inspection.
5. Following these recommendations, in 2012, the Implementation Review and Support System (IRSS) conducted a study on “Internet Trade (e-Commerce) in Plants: Potential Phytosanitary Risks”³.

II. The Implementation Review and Support System (IRSS) study on e-commerce in plants

6. The IRSS study on e-commerce in plants identified that plants and plant products in e-commerce are marketed on many web-commerce sites in either conventional forms (e.g. packets of seeds or whole plants or plant parts), or as novelties in the form of products containing viable seeds (e.g. seed-infused greeting cards, bookmarks, apparel, etc.) and other plant parts.
7. Few NPPOs factor this pathway into their risk analyses as there is, as yet, no effective mechanism for detecting products with phytosanitary risks. They are often sold in small quantities and are being imported into and then distributed within their country.
8. Building on the 22nd TC-RPPO discussions, the IRSS study made recommendations which later was brought to the attention of the CPM.

III. CPM-7 Special topic session on internet trade (2012)

9. During CPM-7, a special topic session was organized on internet trade and included the following presentations:
 - the IPPC Secretariat delivered a presentation on the internet trade (e-Commerce) in plants, highlighting the potential phytosanitary risks, as detailed in the IRSS study.
 - Germany delivered a presentation on “Global internet trade in plants for planting”, providing results from a small-scale study in Germany.
 - The e-Phyto steering committee provided an update on the electronic certification.

³ The IRSS study Internet Trade (e-Commerce) in Plants: Potential Phytosanitary Risks is available at <https://www.ippc.int/en/irss/activities/2/>

IV. CPM-9 recommendation 014/14 (2014)

10. The topic of e-commerce was discussed during CPM-8, and after further consultation, the recommendation 014/14 on Internet Trade (E-Commerce) in Plants and other Regulated Articles was adopted at CPM-09⁴.

11. This recommendation applies to a variety of products ordered and delivered through e-commerce. It includes plants for planting, other articles such as plants for consumption, soils, growing media, and living organisms in a wide range of taxa that are known or have the potential to be plant pests and are sold to and exchanged by hobbyists, collectors, researchers etc. Many of these articles may be sold in a variety of product configurations that may incorporate or be infused with plants for planting though the product itself may not be recognized immediately to contain them (e.g. articles of clothing, footwear, packaging, greeting cards, paper products, home accessories, novelty products etc.).

12. Through this recommendation, the CPM encouraged NPPOs and RPPOs to:

- 1) **Develop** mechanisms for identifying e-commerce traders based within their countries and regions.
- 2) **Establish** mechanisms to identify products of concern that may be purchased via e-commerce, with a focus on potential high-risk pathways such as plants for planting, soils and growing media, living organisms etc. and to explore options for implementing appropriate phytosanitary regulations based on risk assessment.
- 3) **Promote** compliance by customers and traders operating through e-commerce with the phytosanitary import requirements of importing countries and provide adequate information on the risks posed by bypassing such requirements.
- 4) **Strengthen** coordination with postal and express courier services to ensure that relevant information of the phytosanitary risks and phytosanitary measures are conveyed to e-commerce traders.
- 5) **Investigate** the phytosanitary risks posed by all forms of distance selling and if necessary to include these purchasing methods in their risk management activities.

13. The CPM encouraged NPPOs, RPPOs and the IPPC Secretariat to:

- 1) **Raise awareness** of the risks of bypassing phytosanitary regulations.

V. Organizing a special topic session on e-commerce during CPM-12

14. The June 2016 session of the Bureau recommended that a special topic session be organized during CPM-12 on e-commerce under the supervision of the Implementation Facilitation Unit (IFU). The background of this special topic would draw on the CPM-9 recommendation 2014/14.

15. The objectives of this special topic session on e-commerce are to:

- make known the CPM-9 recommendation on e-commerce and its implementation so far;
- raise awareness on the phytosanitary risk associated with e-commerce;
- make known existing experiences on e-commerce to:
 - develop mechanisms for identifying e-commerce traders and products of concern;
 - promote compliance by customers and traders operating through e-commerce;
 - strengthen coordination with postal and express courier; and
 - investigate phytosanitary risks posed by all forms of distance selling.

⁴ The CPM-09 Recommendation 014/14 is available at https://www.ippc.int/sites/default/files/documents/20140127/cpm_2014_14_cpm_recommendations_2014-01-26_201401270647--202.46%20KB.pdf

- facilitate the implementation of the CPM-9 recommendation.

16. The Bureau requested that the following speakers form a panel to discuss the aforementioned aspects of e-commerce:

- CITES,
- WCO,
- e-traders,
- the Republic of Korea and NPPOs.

17. The current activities related to e-commerce of these various stakeholders are detailed below.

CITES activities on e-commerce

18. In February 2009, the Convention on International Trade in Endangered Species (CITES) organized a workshop on wildlife trade via the internet⁵. Parties agreed to cooperate on the exchange of information on implementing CITES legislation to e-commerce, on best practices and codes of conduct, on the extent of e-commerce for wildlife, on methodologies to regulate such e-commerce, etc. Parties determined that a toolkit should be developed to assist in the regulation of this trade which should include electronic permitting system, codes of conduct for trade platform, and agreed on the establishment of a working group to oversee this work.

19. This experience gives an illustration for the implementation of points 1, 2 and 3 of the CPM-9 recommendation 014/14.

WCO activities on e-commerce

20. The World Custom Organization (WCO) established a Working Group on e-commerce which met for the first time in September 2016. During this event, representatives of e-commerce platforms presented their business models, their roles and responsibilities, and the solutions they have built to offer a safe environment to sellers and buyers. Representatives from the postal and express service industry attended this event and outlined the challenges they are facing with the expansion of e-commerce, and the services they are offering to their clients in order to prepare documents or follow-up on a shipment.

21. This experience gives an illustration for the implementation of points 3 and 4 of the CPM-9 recommendation 014/14.

e-traders

22. As indicated in the IRSS study on e-commerce, the majority of the advertisements do not indicate restrictions or any special requirements for importation into specific countries. For websites providing such cautions, in most cases, the messages were written in a way that may not necessarily communicate to their customers that the purpose is to comply with phytosanitary laws or regulations of the concerned countries.

23. Knowing e-traders' existing initiatives and the difficulties they face would provide highlight to implement the point 3 of the CPM-9 recommendation 014/14.

The Republic of Korea and NPPOs

24. NPPOs activities related to e-commerce need to be communicated to the Secretariat.

⁵ The report of the 2009 CITES workshop on wildlife trade via the internet is available at <https://cites.org/sites/default/files/eng/notif/2009/E010A.pdf>

25. For instance, the Republic of Korea runs X-ray for international mails and packages (mainly by customs). Plants and plant products are then transferred to the NPPO for further inspection.
26. The United States Animal and Plant Health Inspection Service have developed the Agricultural Internet Monitoring System to automatically search for infringing websites (Giltrap et al., 2009). In Germany, a study was conducted to understand the risk that the e-commerce of plants for planting represents (Kamiski et al., 20126).
27. NPPO activities may be related to point 1, 2, 3, 4 and specifically 5 of the CPM-9 recommendation 014/14 of investigating the phytosanitary risks posed by all forms of distance selling.

VI. Further IRSS activities

28. The IRSS is currently reviewing the implementation of all CPM recommendations through the 2016 IPPC General Survey. The findings from survey responses will be used to inform future work to enhance contracting parties' implementation of recommendations.

⁶ The abstract of this article available at <http://onlinelibrary.wiley.com/doi/10.1111/epp.2553/abstract>