



COMMISSION ON PHYTOSANITARY MEASURES

Twelfth Session

Incheon, Republic of Korea , 5-11 April 2017

Report on ePhyto - ePhyto Update

Agenda item 10.6

Prepared by the IPPC Secretariat¹

1. CPM-11 (2016) supported the continued work of the IPPC Secretariat in advancing the international implementation of electronic phytosanitary certification through a Standards and Trade Development Facility (STDF) project. This project develops an ePhyto Solution consisting of a hub to facilitate the exchange of electronic phytosanitary certificates (ePhytos) and a generic ePhyto national system (GeNS). The GeNS will allow countries without national systems to produce/issue and receive ePhytos. During 2016, the IPPC Secretariat worked closely with the STDF and the IPPC ePhyto Steering Group (ESG) to finalize the details of the project document which was approved by both the STDF and the Food and Agriculture Organization (FAO) on 14 December 2016. The project document fully details the development approach including:

- Legal arrangements for the ePhyto Solution with a service provider, the United Nations International Computing Centre (UNICC);
- The process of development of the hub and the GeNS;
- The establishment of a pilot to test the hub and GeNS;
- The drafting of business and technical training tools to support countries in the implementation of the GeNS and ePhyto exchange;
- The development of a proposal for a business model that supports the ongoing operation of the ePhyto Solution;
- Detailed specifications on governance, reporting and oversight of the overall project.

¹ The document was edited and revision 01 posted (English only) on 2017-03-03

2. The Secretariat also received funding and technical support from the United States of America and Canada to commence development of the ePhyto project in advance of the STDF funding. These resources were used to establish a work agreement with the UNICC to commence the development of technical specifications for the hub and GeNS. The specifications were subsequently reviewed by the ESG in October 2016 and finalized. The development of the specifications has allowed the UNICC to begin development of the application. Technical support provided in the form of a project manager to oversee the project development was also critical in the 2016 advancement of the project.

3. 10 -15 countries were selected for the pilot of the ePhyto Solution. The majority will use existing national systems to test the effectiveness and efficiency of the hub, but 3-5 countries will use the GeNS. Commitments to participate on the pilot were obtained from all the proposed pilot countries. The IPPC Secretariat and ESG members commenced working with several of the proposed GeNS users to prepare them for implementing the system. Workshops were held in Ecuador, Ghana, Samoa and Sri Lanka which covered details on the proposed operation of the applications and discussions on how to undertake business and operational changes required to implement electronic certification. The Secretariat and ESG members continue to work closely with these countries to provide updates and to assist with country preparations for implementation.

4. Since the adoption of Appendix 1 of ISPM 12, Phytosanitary Certificates, the ESG has worked on defining and harmonizing the data elements required for electronic phytosanitary certificates. Although various codes and lists have been developed and are referenced in the Appendix, not all are fully useful for phytosanitary certification. In some cases, more information is contained in the codes or lists than is required by NPPOs. In others, additional information not contained in the listing is required to ensure that NPPOs can effectively communicate phytosanitary information. The ESG will complete the harmonization work prior to developing the GeNS. Testing the final harmonized listing will be a key element of the ePhyto Solution Pilot.

5. The IPPC Secretariat has begun discussions with experts at the United Nations Economic and Social Commission for Asia (UNESCAP), the STDF and the United Nations Environment Programme on producing capacity development tools to support country business process analyses, cost benefit analyses, change management activities, policy development, stakeholder engagement and other activities that countries need to undertake prior to transitioning from paper to electronic business operation. A preliminary assessment of capacity development tools on e-certification has been completed by the Secretariat. A number of tools have also been developed by various international organizations and the Secretariat believes that collaboration on the development of tools that could be used in SPS e-certification will reduce costs to all organizations, improve harmonization of approaches across the trade environment and provide countries with a consistent approach to implementing e-certification.

6. During 2016, the Secretariat hosted several meetings of the project governance committees to discuss the project and to obtain feedback. The meetings included a meeting of the ePhyto Project Advisory Committee which includes representatives of other international organizations who provided key advice on critical considerations arising from other e-certification initiatives such as Customs Single Window, e-CITES, etc. and two meetings of the ePhyto Industry Advisory Group which provided advice on linkages to trade initiatives in e-certification.

7. During 2016, the ESG also:

- Met twice to develop technical specifications supporting the development of the project components;
- Reviewed its terms of reference and updated it to reflect its work in supporting the development of the hub and GeNS. The terms were reviewed by the CPM Bureau.
- Developing a number of factsheets providing information on the operation of the ePhyto Solution which are available on the IPP.

I. Recommendation

8. The IPPC Secretariat had assumed that development and pilot piloting of the project would follow an ambitious timeline. Development slowed however in 2016 as a result of technical and administrative issues. These included finalizing governance structures for project oversight, resolving the mapping and coding of the paper to the electronic certificate and finalizing the elements for capacity development and business modelling in the project plan. The resulting project structure will ensure the successful implementation of the ePhyto solution. Now that STDF funding supported by funding from donor countries is in place and design specifications are complete, it is anticipated that the hub will be completed by mid-2017 and that the GeNS should be completed and ready for trial by the middle of the third quarter of 2017. Piloting therefore should commence by late 2017 with the expectation that the majority of pilot countries are exchanging electronic certificates by early 2018. Once piloting is complete, the system will be further rolled out for broader participation. It should be noted however, that the proposed timeline is dependent on a number of factors including:

- Identification and establishment of user agreements for software in the GeNS;
- Readiness of countries with existing national systems to configure those systems for operation in the hub pilot;
- Sufficient piloting to validate system operation;
- Establishment of a cost recovery model that supports ongoing operations.

9. The IPPC has received sufficient funding to build and test the ePhyto Solution. It is projected that the STDF funding and funding from donors will provide sufficient funding for completing the pilot. A significant component of the project is the development of a fair and robust business model which supports the long term operation of the Solution. The development of this model will commence immediately with the recruitment of a consultant to undertake an initial survey of models used by other international initiatives, establishment of the key measurements required during the pilot to set the recovery model and the establishment of an expert consultation on business modelling that assists in the development of a final recommendation which may be presented to CPM. Regrettably, the final establishment of the model to support operation is anticipated to occur after project funding lapses leaving a gap in the operation of the system

10. The CPM is invited to:

- 1) *note* the work of the IPPC Secretariat and the ESG in advancing the development of ePhyto;
- 2) *support* the continued work of the IPPC Secretariat and the ESG under the supervision of the CPM Bureau;
- 3) *acknowledge* the support provided by the United States, Canada and the other member countries of the ESG (Australia, the Netherlands, Argentina, the People's Republic of China and Kenya) who have provided significant contributions to advancing the ePhyto Solution through funding and technical support;
- 4) *acknowledge* the contributions of the pilot countries who are proposed to participate in the pilot as this will require resource contributions in support of the set-up, operation and evaluation of the pilot;
- 5) *support* the continued progress in implementing the ePhyto project project and in particular to urge countries to financially support the project through donations to operate the hub and generic system following the pilot;
- 6) *request* the Secretariat report back to CPM-13 on progress in implementing the ePhyto project.