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COMMISSION ON PHYTOSANITARY MEASURES

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**Special Topics Session: e-Commerce - Internet Trade (e-commerce) of
plants**

Agenda item 18

Prepared by the IPPC Secretariat

English only

CPM – 12 (2017) Special Topics Session: Internet Trade (e-commerce) of plants

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Monday 10th of April 2017, 3 PM – 5 PM, Incheon, Korea

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Programme

Welcome address by the IPPC Secretary, Mr Jingyuan Xia (Jingyuan.Xia@fao.org), 5 min

1. **The IPPC Secretariat recommendation on e-commerce**, Sarah Brunel (sarah.brunel@fao.org), IPPC Capacity Development Officer, 10 min
2. **Activities and role of the World Trade Organization with regard to e-commerce and trade in plants**, Marième Fall (marieme.fall@wto.org), Counsellor in the Agriculture and Commodities Division, 10 min
3. **World Customs Organization (WCO): Towards an inclusive risk-based approach in the cross-border e-commerce environment**, Michèle Medina (Michelle.Medina@wcoomd.org), Technical Officer and Programme Manager, 10 min
4. **Convention on Biological Diversity: Increasing risk of biological invasion posed by trade in wildlife via e-commerce and associated materials**, Junko Shimura (junko.shimura@cbd.int), Programme Officer (Invasive Alien Species, Global Taxonomy Initiative), 10 min
6. **Express Delivery Carriers' role in the cross-border transport of plants and seeds**, Carlos Grau Tanner (carlos@global-express.org), Director General Global Express Association, 10 min
7. **eBay's Plants and Seeds Policy and Enforcement**, Mike Carson (mcarson@ebay.com), eBay Regulatory Policy Group, 10 min
8. **Managing pre-border biosecurity risk (e-commerce) in Australia**, Kim Ritman (Kim.Ritman@agriculture.gov.au), Australia's Chief Plant Protection Officer, 10 min
9. **Phytosanitary measures for international postal and courier service in Republic of Korea**, Ms Hong-Sook Park (hspark101@korea.kr), Korean Animal and Plant Quarantine Agency, 5 min
10. **Questions from the floor**, 10 min
11. **Panel and plenary discussion on the way forward to implement the IPPC recommendation on e-commerce**, 20 min
12. **Decisions and conclusions of the CPM on a way forward**, 10 min

Abstracts

1. The IPPC Secretariat recommendation on e-commerce

Sarah Brunel (sarah.brunel@fao.org), IPPC Capacity Development Officer

Since 2010, the IPPC has considered e-commerce as an emerging pathway in relation to pests associated with trade of plants and plant products. Many products traded via the internet escape phytosanitary scrutiny and measures and thereby may present a phytosanitary risk. The IPPC, during CPM-9, adopted a recommendation on Internet Trade (e-Commerce) 014/14.

The objectives of the current special topic session on e-commerce are to:

- emphasize the CPM-9 recommendation on e-commerce and its implementation so far;
- raise awareness on the phytosanitary risk associated with e-commerce;
- make known experiences on e-commerce in relation to phytosanitary risk in order to:
 - develop mechanisms for collaborating with e-commerce traders to reduce phytosanitary risks;
 - promote compliance by customers and traders operating through e-commerce;
 - strengthen coordination with postal and express courier services;
 - highlight phytosanitary risks posed by the pathway; and
 - facilitate the implementation of the CPM-9 recommendation.

During this session, the latest initiatives on e-commerce by international organisations such as the World Trade Organization, the World Custom Organization and the Convention on Biological Diversity will be presented.

Key stakeholders from the private sector, namely Global Express Association (federating the main carriers such as DHL, Fedex and UPS) and eBay, one of the major e-traders, will provide, for the first time, their view and recommendations to take phytosanitary considerations into account in their activities.

The Plant Protection Organizations of Australia and of the Republic of Korea will share their experiences in terms of awareness raising and technologies to manage phytosanitary risks through e-commerce. All speakers will convene in a panel to discuss concrete activities to implement further the IPPC recommendation on e-commerce.

2. Activities and role of the World Trade Organization with regard to e-commerce and trade in plants

Marième Fall (marieme.fall@wto.org), Counsellor in the Agriculture and Commodities Division, World Trade Organization (WTO)

The WTO Secretariat presentation focuses on the provisions of the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) as well as on the work of the Standards and Trade Development Facility (STDF) in the area of electronic certification. The presentation also provides a brief overview of the WTO work program on e-Commerce (Declaration on Global E-Commerce - Geneva Ministerial Conference, 1998).

3. Towards an inclusive risk-based approach in the cross-border e-commerce environment

Michèle Medina (Michelle.Medina@wcoomd.org), Technical Officer and Programme Manager, World Customs Organization (WCO)

The WCO will deliver a presentation which provides an overview on the ongoing work related to cross-border e-commerce. It will highlight the challenges faced by Customs in this new operating environment as well as provide details on the newly established WCO working body specifically tasked with addressing the different aspects of e-Commerce. In order to manage e-commerce transactions, Customs administrations across the globe need to engage with all relevant stakeholders with a view of collectively defining the appropriate strategy to mitigate the challenges faced and ensure that effective and balanced trade facilitation and enforcement measures are in place.

4. Increasing risk of biological invasion posed by trade in wildlife via e-commerce and associated materials

Junko Shimura (junko.shimura@cbd.int), Programme Officer (Invasive Alien Species, Global Taxonomy Initiative), Secretariat of the Convention on Biological Diversity (CBD)

Recent studies in invasion biology^{1,2,3} revealed that the escapes of invasive alien species from confined conditions frequently occurred through the pathways of: pets/aquarium species trade; ornamental species trade; horticulture; and others, where broad range of stakeholders, such as hobbyists, collectors and consumers are increasingly purchasing live organisms via e-commerce.

At its 13th meeting of the Conference of Parties (COP) to the Convention on Biological Diversity (CBD), the COP requested the Secretariat of the CBD to explore the need for tools or guidance for Parties that may assist national customs authorities in facilitating the necessary control of live alien species via e-commerce⁴. The COP recognized the need to supplement the existing *Guidance on Devising and Implementing Measures to Address the Risks Associated with the Introduction of Alien Species as Pets, Aquarium and Terrarium Species, and as Live Bait and Live Food*⁵ to consider unintentional introductions of invasive alien species, through “hitchhikers” or contaminants, and materials associated with the trade in live alien species.

Taking the CPM Recommendation (CPM-9/2014/2) into account, the Secretariat of the CBD explores collaboration with interested national, regional plant protection organizations and the IPPC Secretariat in relevant areas such as: phytosanitary risk management; awareness raising on the risk of biological invasion; and if necessary, the risk of bypassing existing import regulations. An expert meeting will be convened in 2017 to discuss these issues further prior to the fourteenth meeting of the COP to be held in November 2018.

¹ Management of Biological Invasions (2017) Volume 8 Article in press

² PLoS ONE 9(6): e99786. doi:10.1371/journal.pone.0099786

³ NeoBiota 32: 1-20 (04 Jan 2017) <https://doi.org/10.3897/neobiota.32.10199>

⁴ <https://www.cbd.int/doc/decisions/cop-13/cop-13-dec-13-en.pdf>

⁵ Annex to decision XII/16 <https://www.cbd.int/doc/decisions/cop-12/cop-12-dec-16-en.pdf>

5. Express Delivery Carriers' role in the cross-border transport of plants and seeds

Carlos Grau Tanner (carlos@global-express.org), Director General Global Express Association

Express carriers operate secure world-wide logistics chains, through which a shipment can reach virtually any city on the planet from overnight to 72 hours after pick-up. They are present in 220 countries and territories and transport well over thirty million shipments daily - which typically contain high value added goods, including fresh produce.

Companies of all sizes use express delivery as a way of boosting their competitiveness. Of late, the advent of E-commerce has allowed any micro, small and medium-sized corporation (MSME) in the world to become a so-called micro-multinational, and reach potential customers around the world.

In order to assist MSMEs in their efforts to expand globally, express delivery carriers have put in place a number of tools. For instance, their websites list the documents needed to import or export plants or seeds into a specific country, in order to make potential shippers aware of the formalities they need to observe. They can help solve doubts and also act as customs brokers for them.

Express delivery carriers focus on compliance and aim to establish a relation of mutual trust with border agencies.

There are a number of things they can do in this regard, such as sending the destination country authorities detailed advance electronic information on individual shipments coming their way, tracking and tracing them (again, individually), and where necessary pulling them from their networks for further inspection. They can also close accounts held by repeat offenders.

There are, however, also legal and material limits to what they can do. For instance, the amount of information they can obtain from clients - and communicate to third parties - is limited by various laws. Most importantly, express carriers are not law enforcement agencies. They lack technical expertise and legal authority to identify and deal with specific issues. Success, therefore, rests on establishing a workable partnership with border authorities.

6. eBay's Plants and Seeds Policy and Enforcement

Mike Carson (mcarson@ebay.com), eBay Regulatory Policy Group

This presentation will provide an overview of eBay's Prohibited and Restricted Items policies, with a focus on the Plants and Seeds policy. This presentation will also discuss Ebay's education to customers, enforcement of the policy through filters and cooperation with government agencies globally on this issue.

7. Managing pre-border biosecurity risk (e-commerce) in Australia

Kim Ritman (Kim.Ritman@agriculture.gov.au), Australia's Chief Plant Protection Officer

The Department of Agriculture and Water Resources has made contact with known and potential online suppliers of high risk material to Australia and provided them with information on Australia's biosecurity import requirements. The suppliers have been identified through detections in the international mail pathway, internet searches and referrals. The department works closely with online retailers such as eBay to minimise the biosecurity risk posed by goods sold online. eBay sellers must comply with eBay's Plants and seed policy or action will be taken against them to prevent the sale of the item. eBay has taken action against all suppliers identified by the department where advice has been provided as to the non-permitted nature of the products being sold by individual suppliers, and has also agreed to place a filter, at the department's request, blocking the sale of specific products to Australian buyers from overseas suppliers.

We now see the recent roll out of the 'Facebook market place' as a part of the Facebook social media application. This creates a whole range of possible risks for us all as biosecurity regulators. Indeed these are only two of the largest cyber market places in operation. There are a wide variety of others which operate in isolated countries or internationally.

The expectation that every regulator will be able to productively engage and receive cooperative help with / from every cyber market place operator is unrealistic. It is also unrealistic that we can (as separate agencies) monitor trade in risk commodities or products on an individual basis.

IPPC needs to consider how we might pool our collective efforts and operate as a bloc to influence these market places more collectively. To this end the Department of Agriculture and Water resources plans to discuss these challenges with the Australian Digital Transformation Office to explore how we might manage these challenges more effectively. This could be through regulation, obligations around reporting or blocking or other mechanisms to control illicit (plant related) trade.

8. Phytosanitary measures for international postal and courier service in Republic of Korea

Ms Hong-Sook Park (hspark101@korea.kr), Korean Animal and Plant Quarantine Agency

In the last 5 years, cases of plant quarantine import inspection of international packages by postal and courier services dramatically increased in Korea and the volumes are expected to consistently increase in the future. This would be because of growth in demand for a variety of items including health food in line with economic development and new marketing efforts for direct purchase by individual customers from foreign sellers.

The Korean NPPO passed a regulation on postal and courier quarantine system in 2013. The regulation has been revised to facilitate trade and to implement effective quarantine measures. In summary, postal agency and courier companies are approved to operate their own X-ray units under audit of Custom service and the Quarantine agencies. They apply for quarantine inspection through UNIPASS, an electronic single window system, upon detection of regulated articles. Quarantine inspectors at the X-ray site of the international postal or courier services conduct inspection to facilitate clearance without delay.

To mitigate slip of products through border control, some Korean NPPO inspectors have judicial police authority and the UNIPASS system, which electronically connects relevant inspection agencies, that provides effective traceability.

Proposals to work collaboratively on e-commerce

Enhance collaboration among international organizations:

- Pursue Secretariat to Secretariat information exchange and contribute to discussions on e-commerce held within the structures of the WTO, WCO, CBD and others, for example IPPC to participate in the WCO WGEC
- phytosanitary risks in e-commerce
- Follow Members exchanges on e-commerce, including any possible identification of gaps in trade rules regarding e-commerce of plants and plant products
- IPPC to encourage the other standard-setting organizations (Codex, OIE) to study/identify relevant risks arising from e-commerce and to develop any necessary recommendations
- IPPC to continue monitoring the issue of phytosanitary risks related to e-commerce and the implementation of its recommendations
- Develop joint risk assessment for more effective targeting (**use as a basis the WCO efforts in this regard**)
- Develop further guidance and involve e-traders and others (**align with existing guidance example those developed within the framework of the CBD expert meeting on e-commerce in December 2017**).
- Inform SPS Committee members of IPPC work and recommendations on the issue of Further collaboration at the national level:
- Closer cooperation between NPPOs and Customs at the national level.
- Increase engagement in relevant fora to raise awareness to relevant border and courier agencies and other national stakeholders.

Identifying and reporting risks to e-traders:

- Highlight regionally or nationally the top concerns of commodities being sold on-line to the suppliers:
 - o Create a template and procedure with e-traders for CPs to report major concerns
 - o Provide information to all RPPOs and NPPOs on how to report to the suppliers
 - o Collect feedback on good practices following reporting

Express delivery companies can (DHL, Fedex, UPS, TNT):

- Provide advance electronic shipment information to enable customers/other agencies to perform risk assessment
- Track and trace packages identified by authorities as suspicious and remove them from traffic flows for further examination
- Provide customs with adequate and controlled facilities to conduct examinations efficiently
- Provide authorities with available relevant information on shippers and consignees of shipments identified as containing goods with potential phytosanitary risks (**subject to legal limits**)
- Close accounts of customers identified by authorities as repeat offenders (**subject to legal limits**).

Raising awareness of suppliers, transporters and other organizations and the general public

- Develop a video, manual, e-learning or tutorial to explain the phytosanitary risks through e-commerce.