Meeting of the EPHYTO Project industry advisory group

UNION FLEURS: Rue de Trèves, 49-51, 1040 Brussels, Belgium

10 November 2016

MEETING REPORT

# Participants

Craig Fedchock, International Plant Protection Secretariat (IPPC)

Carlos Grau Tanner, Global Express Association

Nelli Hajdu, Freshfel Europe – European fresh fruit and vegetables chain

Nico Horn, ePhyto Steering Group member (Netherlands)

Raquel Izquierdo de Santiago, Europatat

Sylvie Mamias, Union Fleurs, International Flower Trade Association

Gary Martin, International Grain Trade Coalition (IGTC)

Gerard Meijerink, International Seed Federation (ISF), Chair, ePhyto Industry Advisory Group

Peter Neimanis, Chair, ePhyto Steering Group

Christophe Rouillard, European Seed Association (ESA)

Shane Sela, IPPC

Orlando Sosa, IPPC

Cindy Squires, International Wood Products Association (IWPA)

Venkatram Venkateswaran, United Nations International Computing Centre (UNICC)

# Welcome and opening of the meeting

The Chair welcomed members and thanked the representatives of Union Fluers and Freshfel for hosting the meeting. He reviewed the purpose of ePhyto Industry Advisory Group (IAG) and the overall need to provide guidance and advice to the IPPC Secretariat in the development of project.

The members introduced themselves.

Mr. Carlos Grau Tanner was invited to participate in the meeting as an observer. Mr. Grau represents the Global Express Association (GEA) which represents several freight forwarders. Mr. Grau presents a unique perspective on the industry requirements for electronic certification given that he represents the carriers of certified commodities.

# Review and adoption of agenda

The agenda was slightly amended to include a presentation by Mr. Grau and to add the topic on the role of industry in IPPC topics generally

# Selection of rapporteur

Ms. Squires agreed to act as rapporteur.

# Progress since last meeting

The IPPC Secretariat provided an overview of the progress of the project since the last meeting in May 2016. He noted that the project plan document had been approved by STDF in October 2016 and the IPPC was working with FAO to receive the funds. He also noted that several components of the project plan were underway including establishing a service provider which is the United Nations International Computing Centre (UNICC). UNICC has begun developing detailed system requirements for the components of the Solution: the hub and the generic ePhyto national system (GeNS). The IPPC Secretariat has begun working with the pilot countries that will use the GeNS to prepare them for the pilot. 10 -15 countries have been selected for the pilot of which 3-5 will use the GeNS. Commitments to participate on the pilot have been obtained from countries.

The IPPC Secretariat also noted that some initial discussions with experts had commenced regarding developing capacity development tools for countries to support their business process analyses, cost benefit analyses, change management, etc.. An initial scoping of capacity development tools has taken place and the IPPC Secretariat will be working with other international organizations including United Nations Economic and Social Commission for Asia (UNESCAP) which has developed significant expertise in this area to develop tools that could be broadly used to facilitate SPS e-certification.

The IPPC Secretariat also noted that work was underway to determine the extent to which legal agreements would be required for the operation of the Solution. The members expressed concern regarding the development of bilateral legal arrangements for the operation of the system. They noted that if the operation requires establishing multiple arrangements, it would be a significant impediment to implementing the system, given that thousands of agreements could be required. The members proposed that the IPPC should seek to establish one universal agreement that could be used for any country participating on the system.

Mr. Venkateswaran, UNICC provided an overview of the requirements for the hub and GeNS. He detailed the specific operation of the hub in exchanging certificates and reviewed the security arrangements for the hub. He noted that phytosanitary certificates will be contained in an envelope and that the hub will only read the information required to transmit the certificate from the country of export to the country of import. The information contained in the certificate would not be read and the envelope and contents would be deleted from the hub once delivered. He noted that transactional information would be maintained and provided to NPPOs as required. The members proposed that the system should provide industry with the traceability information so that industry could be confident of certificate delivery and could follow the transaction. The UNICC agreed to review the feasibility of such an option and the Secretariat agreed to report back to members.

Mr. Venkateswaran also described the operation of the GeNS. He reported that the GeNS was likely to be a web based system that would allow for the production and exchange (sending and receipt) of ePhytos. He also noted that UNICC was scoping out the option of a stand-alone system that could be shipped and installed by countries with little technical knowledge and minimal infrastructure. He noted that the GeNS would identify roles for industry and various national plant protection organization staff. Each role would permit differing functionality on the system and contribute to the overall work flow in the production and receipt of the electronic certificate.

He noted that much of the technical requirements were complete but slight adjustments needed to be made in response to comments received from the ePhyto Project Technical Committee. He expected that the final documents should be available in early December. The IPPC Secretariat agreed to share them with the IAG for information.

**Global Express Presentation**

Mr. Grau provided an overview of the logistics chain associated with international cargo movements through courier services. He noted that data flow is a significant factor in facilitating timely movement of cargo and noted that delays associated with shipments being held at borders accounted for a substantial reduction in trade volumes. He also noted that border delays were regionally distributed and consistently occurred in some countries regardless of risk and that in some cases almost every shipment may be held. He concluded that border agencies should apply better pre-arrival processing and risk-based strategies to improve trade flows. He noted that the 100% inspection approach used by some countries is ineffective and inefficient. Customs performance has improved and the result is that inspections by other authorities (e.g. sanitary and phytosanitary) are now a more visible barrier to trade. As such, improved electronic certification and ePhyto in particular would facilitate trade by reducing these barriers.

# IAG survey

Some responses to the survey had been received by members. These have been collated by the IPPC Secretariat. However, the IAG recognized that there is great difficulty for their members to respond to the survey as they don’t have sufficient information on the operation of the system and what role the members could play in the operation of the Solution. The members agreed to continue to collect responses which would be collated by the IPPC Secretariat, but a more detailed request for information should be sought when more information on operation of the system is available.

# Questions regarding the operation of the Solution

The members noted that they had received the information provided by the Secretariat on questions posed by the IAG and that it was sufficient. The Chair emphasised that the Secretariat had provide the responses in consultation with the ePhyto Project Technical Committee and that the responses should not be considered final as many aspects to the Solution would evolve based upon consultation with the various governance committees of the project. The IIPC Secretariat noted that the role of the Secretariat is to produce the system based upon the input and feedback of the various advisory bodies and that each had important contributions to provide to the development of a system that was most practical and efficient.

The members advocated access to or transfer of data from the national systems and the GeNS to industry to allow for planning and more efficient use of information by industry document systems. The members recognized that such a transfer option could only be adopted nationally and would be subject to various considerations by NPPOs but suggested that the practice should be advocated.

With respect to planning for industry involvement in the pilot, member s agreed that the IAG itself could not play a direct role in the pilot. However, members agreed that industry in countries would be interacting with ePhyto systems during the pilot and their feedback on operation should be encouraged and gathered. Members agreed that industry could play an important role in evaluating the predicted improvement in trade efficiencies and could support validation of system operation. However, members felt that NPPOs in the pilot country were better placed to collect and report on the information. The IAG noted that they could assist by working with national counterparts to identify bottlenecks in the trade corridor and provide feedback on how to evaluate the influence of ePhyto on these bottlenecks.

Members reported that the World Bank has undertaken some detailed analyses of countries to identify trade challenges and this information should be used in evaluating the impacts of ePhyto.

The IPPC Secretariat noted that it will be meeting with the World Bank in November and will follow up on the potential use of the data gathered in their project.

# Developing a cost recovery option and bridge funding.

The IIPC Secretariat noted that it had sufficient funding to support the development and limited operation of the Solution (i.e. hub and GeNS). However, the funding provided by the STDF and by donor agencies would not be sufficient to operate the system over the long term. The Secretariat noted that further donor resources would be required to bridge the gap between where project funding expires and a full cost recovery approach is implemented.

The members agreed that it was too early to consider the potential approaches to address the operational costs without a full understanding of costs and benefits of the project. They felt that it is important to evaluate the costs and benefits (including the intangible benefits) of the Solution, to document these, then identify the most appropriate approach to funding. They suggested that the data collected by the World Bank study on Enabling Agriculture (<http://eba.worldbank.org/data/exploretopics/all-topics>) could be used to benchmark the analysis. .

**Implementing a capacity development and outreach strategy for maximizing on-boarding.**

As noted in the project progress section, the IIPC Secretariat is working with various experts to develop capacity assessment and development tools to support ePhyto implementation where appropriate. The members agreed to assist with these where possible by providing feedback to the tools and to liaise with countries to support advocacy.

The members also noted that they were keen to see implementation in Egypt as it is an important trading partner for many plant commodities.

**Benefits of the IPPC to industry**

Mr. Sosa provided an outline of a project by the IPPC Secretariat to better engage with the sectors to evaluate the benefits of the IPPC. He requested that IAG provide feedback on a paper developed by the Secretariat .

**Chair of the IAG**

The membership reviewed the position of the Chair and advocated that Mr. Meijerink remain as Chair

# Next meeting

The next meeting was proposed for June 27, 2017, Washington DC. Mr. Martin and Ms Squires agreed to co-host the meeting.