

ePhyto

The 3rd IPPC Global Symposium on ePhyto “ePhyto and Trade Facilitation”

Gerard Meijerink, Industry Advisory Group ePhyto



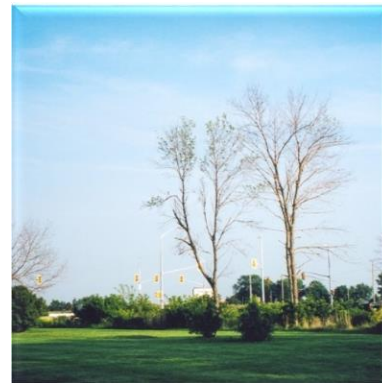
IAG members



International Cotton Advisory Committee



Preventing the movement of pests

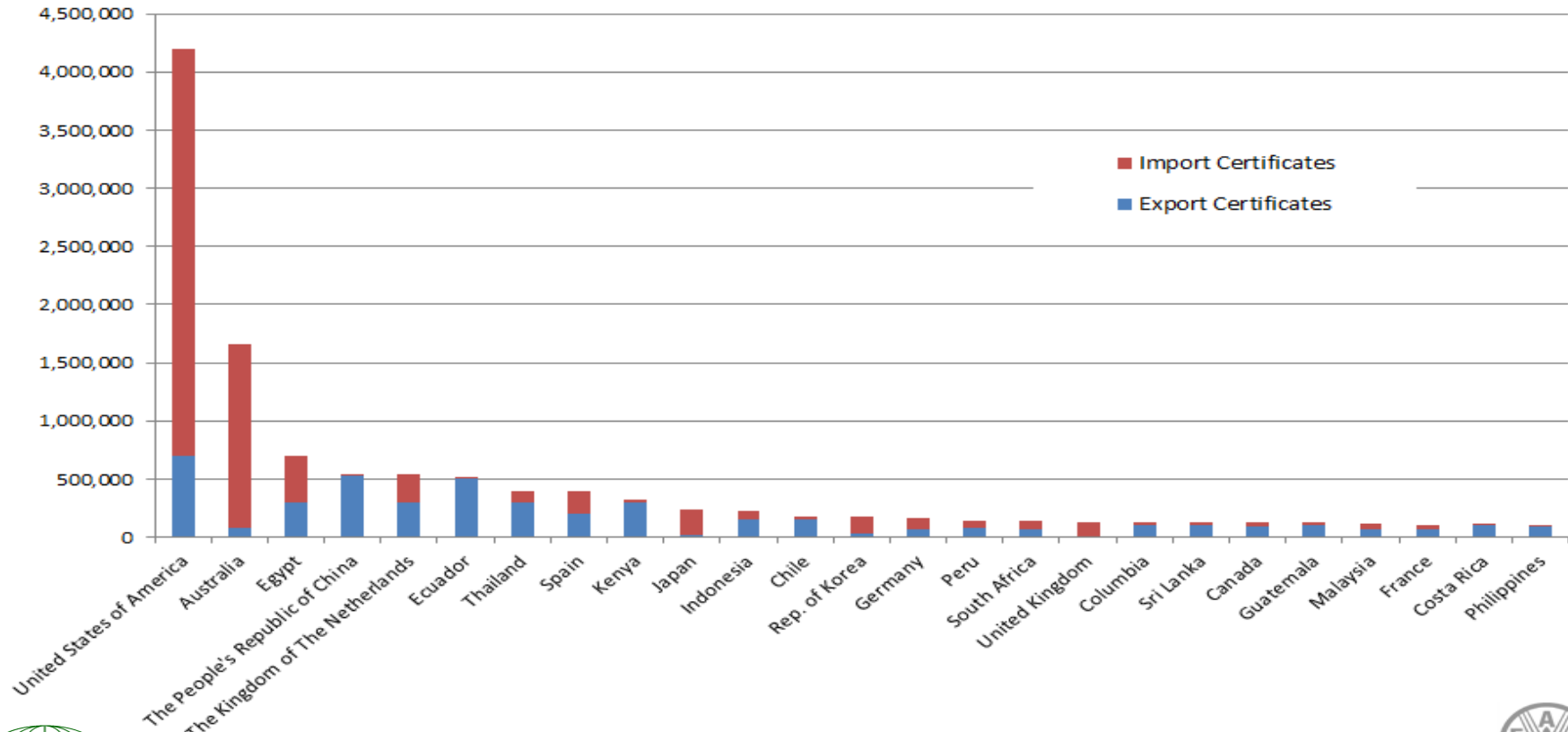


Phytosanitary certificates

- Means by which national plant protection organizations communicate that a consignment meets import requirements
- Model phytosanitary certificate (PC) and PC for re-export established in the IPPC Convention



Volumes of certificates



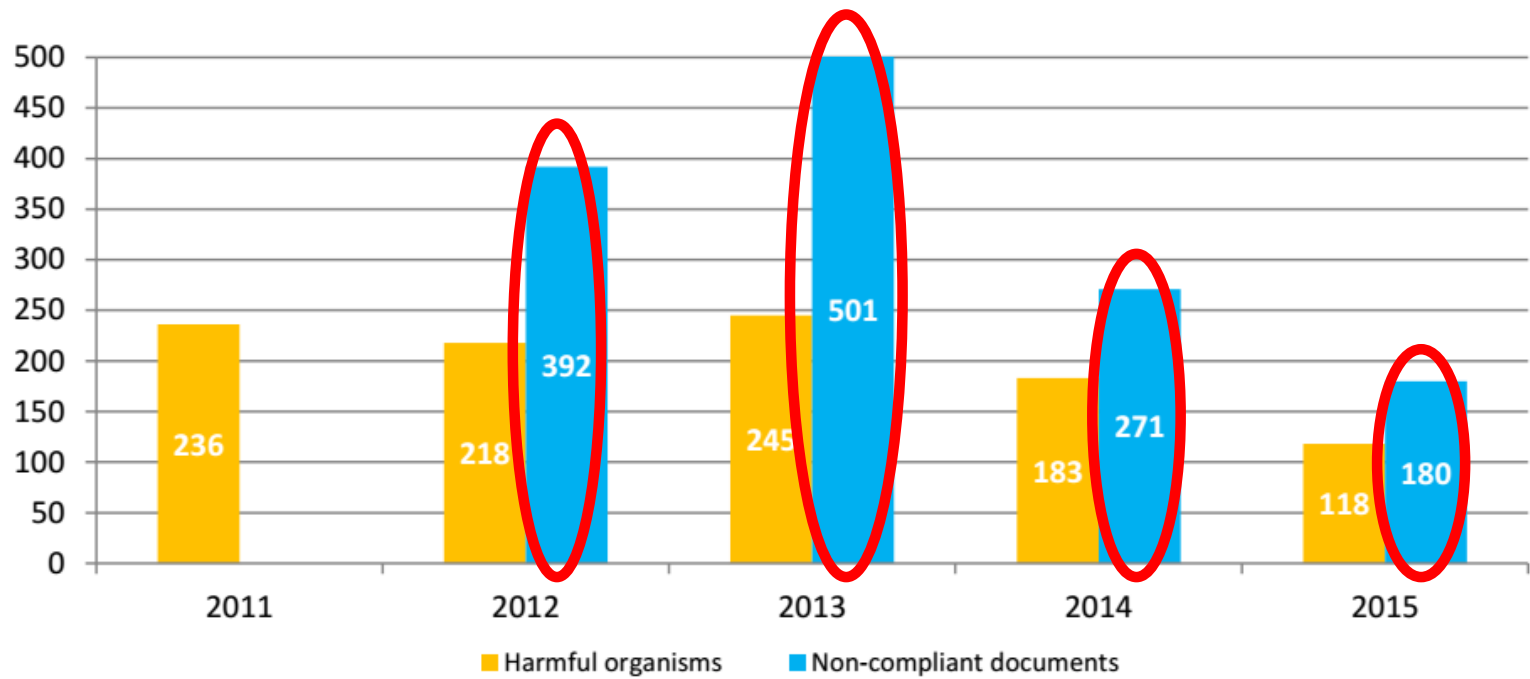
PC's: examples of industry specific issues

- Grain shiploads, high logistic costs
- Seeds re-exports and long storage
- Fruits perishable goods
- Wood variation in origins en purposes, re-export
- Potato import restrictions
- Flowers perishable goods, limited use period
- Cotton change of destination during shipment



Non-compliant documents trigger a higher number of import rejections than actual plant health issues (harmful organisms)

Overview of EUROPHYT interceptions of cut flowers and foliage notified in 2011-2015:

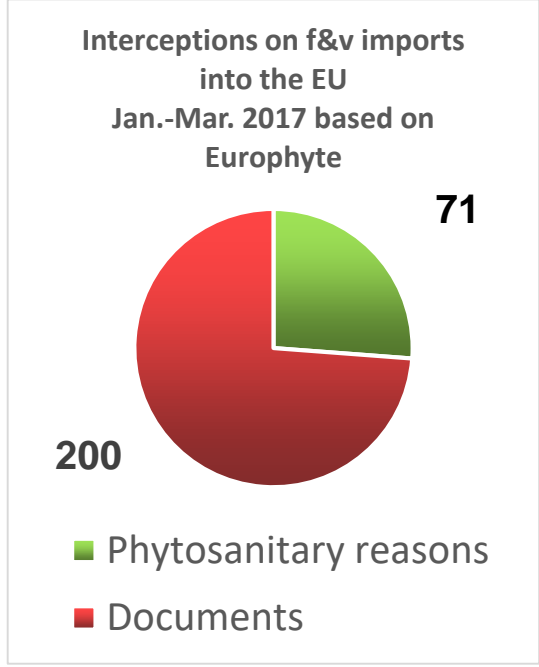


Source: EUROPHYT & Union Fleurs databases

Challenges and opportunities for global fruit trade

Challenges in global fruit trade:

- ✓ Fragmentation of the market
- ✓ Uncountable product/origin combination
- ✓ Persihability of the product
- ✓ A sector vulnerable to fraud
- ✓ Most interceptions on documents rather than on real phytosanitary matters
- ✓ Challenging trading environment with mixed consignments
- ✓ Compatibility of existing systems in place (Usage of harmonized terminology e.g. EPPO database)



Opportunities with e-Phyto:

- ✓ Safe transimission via e-Phyto hub
- ✓ Better integration of LDC trading partners
- ✓ Faster customs operations and release of consignments
- ✓ No incomplete documentation
- ✓ Overall reduction of cost for the issuance of pc's
- ✓ Better organisation of customs operation through earlier notification
- ✓ Better usage of official control resources
- ✓ Reduction of losses through interceptions

- **CUT FLOWERS ARE MAJOR USERS OF PHYTOSANITARY CERTIFICATION SYSTEMS WORLDWIDE**

- 5 countries (NL, COLOMBIA, ECUADOR, KENYA, ETHIOPIA) = 85% of all exports worldwide
- 5 countries (DE, UK, USA, NL, RUSSIA)= 60% of all imports worldwide

Heavy pressure on phytosanitary control systems at a few key exit and entry points for large volumes & number of shipments / in particular during peak seasons

- **RESPECTING PHYTOSANITARY RULES IS CRUCIAL FOR ALL OPERATORS IN THE FLOWER BUSINESS**

- Increasingly global, intertwined and cross-border supply chains
- Appropriate rules and levels of checks & controls must be enforced, in particular at import into destination markets, to ensure a safe & sustainable trade and adequate protection against pest outbreaks

No trade-offs on plant health BUT fast and efficient procedures are necessary due to the high perishability of floricultural products

Survey on phytosanitary certification

- Map timelines, costs and issues of current ‘paper’ certification process
 - 44 seed companies participated, exporting from 39 countries
 - Vegetable crops, sugar beet, maize, herbs, sunflower, wheat, oats, alfalfa, crimson, soybean, canola, sorghum, cotton, oilseed rape, flower crops, rape, clover, tree seeds
 - Commercial seeds, parent line seeds, breeding material
-

Where/how do you find requirements of importing countries?

- Import permits
- Country regulation provided by importer
- Government website
- IPPC portal
- E-mail to NPPO of importing country
- Databases: exp@don (FR), e-Cert(NL), PExD (USA)
- Internal company database

How do you provide this information to the NPPO?

- Paper form and electronic data (5)
- Email with attachment (11)
- Electronically (13)
- Paper form (10)

What are the costs charged by the NPPO per PC?

- 0,4 Euro
- 2,20 Euro
- Between 10 and 30 Euro
- 60-65 Euro
- 200 – 1200 CNY (26-156 Euro)
- 20 USD
- 17 USD
- 6,80 Euro per certificate + time based cost of inspector (av. 31,30 Euro)
- Payment per year: between 450 and 550 Euro

How much time between application and issuing of PC?

- Few minutes
- 4-5 hours
- 24-72 hours
- 3 days
- 1 day to 1 month (depending on ADs and need for testing)
- 1 day – 1 week
- 1-2 weeks

How do you forward PC to your customer?

- With the goods (12)
- Via courier / mail (8)
- Via courier/mail or with the goods, depending on country (6)
- Certified copy by email, original with the goods (12)

What % of shipments are not approved because of error in PC?

- 0
- < 0,1
- Few, but if it happens consequences are serious
- Max. 1%
- 2-5%
- More and more cases
- 5-10%
- 50% (??)

What are the main reasons for not approving a PC?

- Lab test not accepted if field inspection is missing
- Wording of AD not exactly as required
- Seeds tested upon import and not found 'free of'
- Mistake in AD or missing AD
- Validity date of PC expired (too long delay between PC issue and goods received)
- Mistake in data, e.g. truck number, unit of measure
- Country of origin/distribution not approved
- Change of regulation between issuing PC and arrival of seeds
- Original certificate lost

What percentage of PCs is lost/misplaced during transport?

- Less than 1 %, up to 50 % (??)
- Most report between 1 and 2 %

- Some report that mail services are becoming less reliable

What are time lines and costs for a certified copy for re-export?

- From less than a day to 9 days
- Mainly 1-2 days
- Some countries report that only original certificate is accepted

- Costs: from no charge, up to 60 Euro
- In some countries included in annual flat rate

Anticipated benefits of ePhyto for the international cut flower trade:

- Overall reduction of costs for the business (losses, time, processes)
- Reduction of lead times and error rates
- Safer system for the exchange of data / lesser risk of forged & fraudulent documents
- More efficient logistics & faster procedures
- Arrival and clearance of flowers could be better planned by phytosanitary authorities and business, in particular during peak seasons
- Official controls could be better targeted on actual phytosanitary risks (harmful organisms) rather than paperwork
- Impact on cold-chain management, quality and vase-life: lesser deterioration of products – and entailed losses - along the supply-chain
- **LONGER-TERM objective** : digital signature and digitalization of ALL documents accompanying shipments (origin certificate, CITES, Commercial invoice, Airway bill, Packing list etc)

In summary: Users issues with PCs

Different and sometimes lengthy procedures/country

Certificates get lost

Certificates have errors

- Inconsistencies in terminology, e.g. botanical names

- Misspellings of Additional Declarations

- Missing or wrong Additional Declarations

Resulting in delays; critical for perishable products

Resulting in returns; critical for bulky products

Resulting in high costs

ePhyto 'promises' to Users

- Simplified and harmonized administrative procedures
- Harmonized terminology
- Strong reduction of administrative errors
- Quick and predictable timelines
- No loss of certificates anymore: improved security
- Possibility to anticipate and correct errors in time
- Increased over-all efficiency: cost reduction
- Facilitation of risk-based import clearance procedures
- Possibility to integrate in single window systems



Incentives for global use of ePhyto's

- Participation of main trading countries of plants and plant related products
- Acceptance of global ePhyto rules and principles, reducing the need for bilateral agreements between countries
- Harmonized ways of working and procedures
- Demonstrated improvements in reliability, predictability and efficiencies



IAG perspective on rolling out of ePhyto

- Seamless shift from paper to electronic system
 - No hiccups and disturbances of trade
 - Prefer delay over disturbance
 - Collaborate with industry in making ePhyto happen
- A global accepted method of officializing ePhyto's
 - Should also work in all situations of re-export
- A 100% change to electronic certificates in case two countries have agreed to accept ePhyto's
 - When testing/piloting is succesful: shift 100%
 - Do not leave option to continue paper certificates to Users



Industry perspective on ePhyto support

- Operational helpdesk is needed
- Available 7 days/week, 24 hours
- For NPPOs: at global level
- For companies: at global, but also at national level (NPPO)



Cost-benefit analysis

- Better insights needed in total costs of current system: for IPPC, for NPPOs and for Industry
- Better insights needed in added value and benefits for NPPOs and for Industry
- Insights to be based on real data collected during pilot implementations
- Insights to be used in promoting ePhyto for global use
- Insights to be used to define fee structure and level



Industry perspective on ePhyto funding

- Global trust fund for initial years
- When sufficient number of countries representing significant trade in plants/plant-related products have joined and ePhyto is working satisfactorily:
 - Global single flat fee (transaction based) per ePhyto, covering operational costs and maintenance
 - Trust fund for training, capacity building, implementation support
 - Project fund for enhancements



Commitments of Industry on ePhyto

- Active participation in system development
- Participation in pilots and testing
- Participation in IPPC support for implementation
- Collaboration with NPPOs to develop efficient processes and best practices
- Collaborate with IPPC on system enhancements



Conclusions IAG

- ePhyto offers many opportunities for companies involved in import/export of plants and plant products, which are instrumental for global food security.
- ePhyto has full support of concerned industries represented in the Industry Advisory Group.
- The IAG therefor urges all countries for full collaboration in the implementation of ePhyto
- Industry will continue to work with IPPC on facilitating trade processes, information exchange and data management

Questions ?

