

ePhyto Business Model

The 3 rd IPPC Global Symposium on ePhyto

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Structure

- Background
- Overview of results and findings
- Next steps



Background

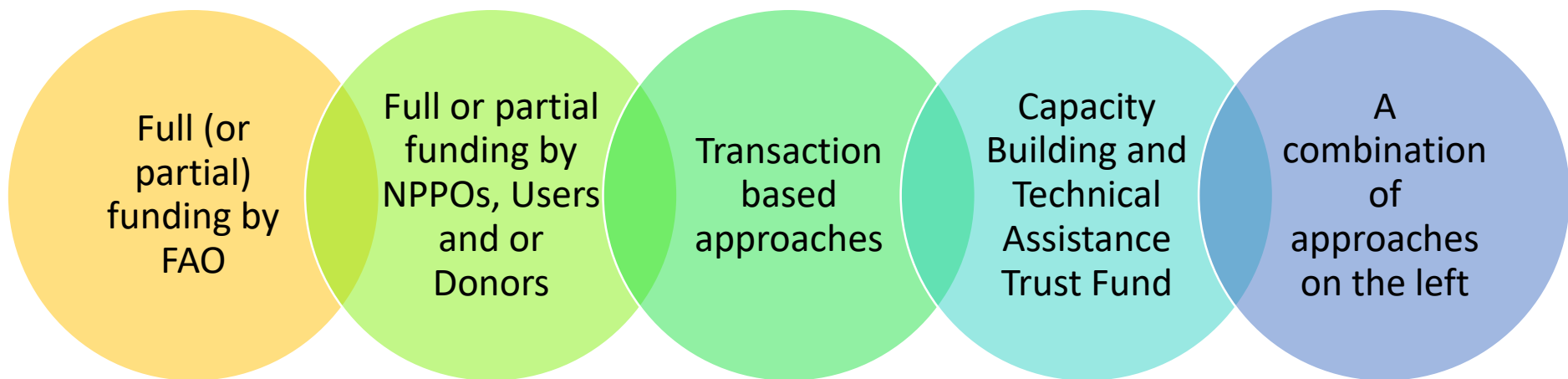
- **ePhyto Project Component:** establish a funding model to ensure long term sustainability of the ePhyto Solution
- **Action:** IPPC commissioned Trade Development and Facilitation Consulting (TDAF) to carry out a study and provide recommendations for the development of a business model



Cost Summary

| | Estimated Values |
|---|----------------------------|
| ePhyto Basis Operational Cost of hub and Gens per year | About USD 540K |
| Possible Additional ePhyto Operating Costs <i>(operational Help Desk, further ePhyto Software enhancements, contingency for additional volume charges)</i> | About USD 190K |
| Costs Related to Capacity Building and Technical Assistance for Onboarding Countries | About USD 340K |
| TOTAL | +/- One Million USD |

Potential Cost Recovery Options



Background Studies

Purpose: Gather an understanding of National Plant Protection Organizations (NPPO) and Phytosanitary Certificate user's ability and willingness to pay, preference in cost recovery model, and restrictions they may face

Response Rate:

- Survey of National Plant Protection Organizations (NPPOs) - **67 responses**
- Survey of Users of Phytosanitary Certificates from industry - **157 responses**
- Study of International Organizations (5), Single Windows (4) and Port Community Systems (3) offering and charging for eServices



General Findings

- NPPOs demonstrated a very strong interest in ePhyto
- Of the 67 NPPOs that responded to the survey, 62 (93%) indicated their interest to connect to the IPPC ePhyto Hub and 54 of these will also use the ePhyto GeNS
- Out of the 56 NPPOs that do not have an electronic Phytosanitary Certificate system, 52 (93%) intend to implement the IPPC ePhyto Solution



Potential Obstacles to Implementation

NPPOs

- Lack of budget
- Lack of technical expertise
- Lack of facilities – IT equipment

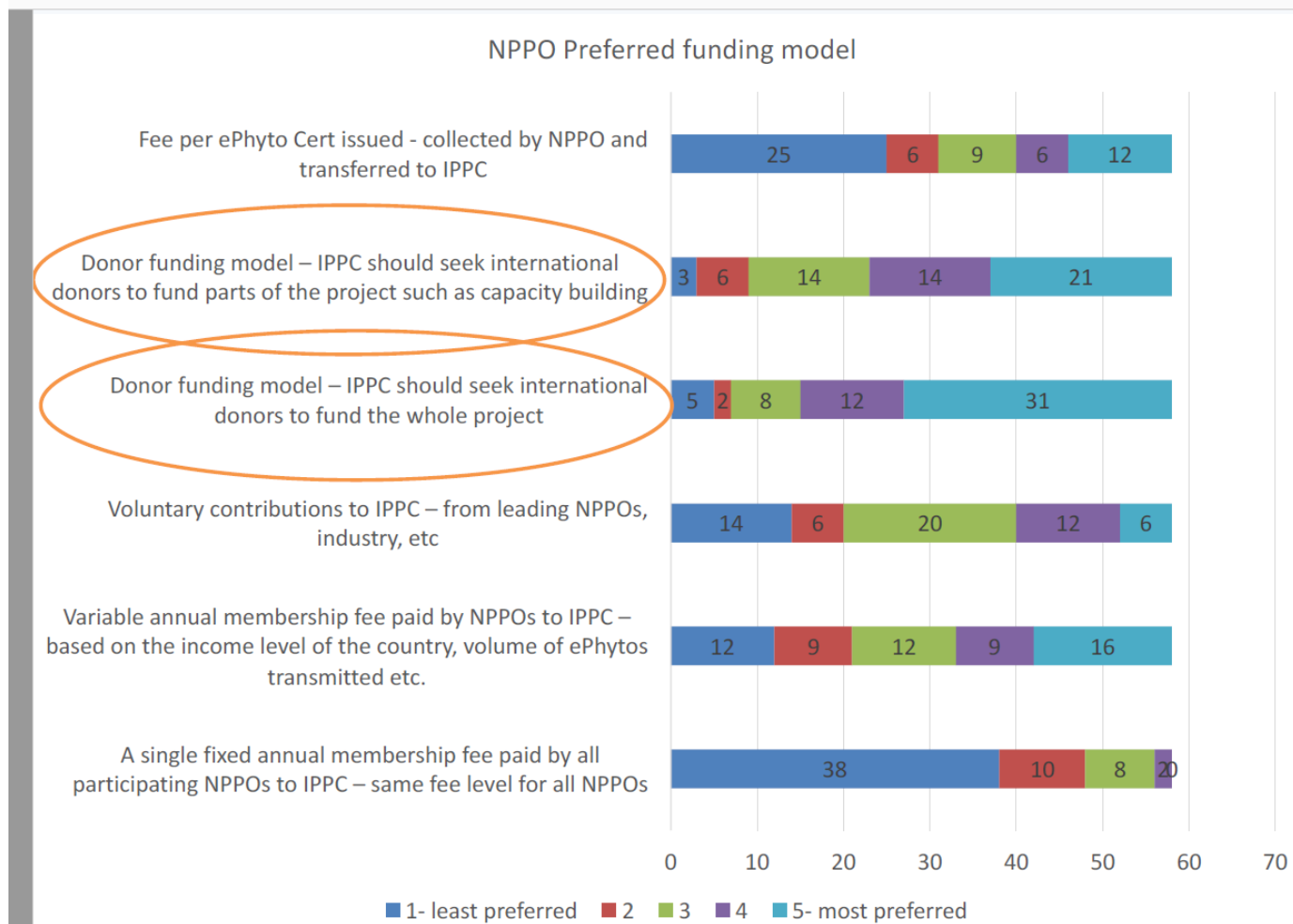
PC Users

- Government resistance to change
- Lack of collaboration between importing and exporting countries

ALL OBSTACLES CAN BE OVERCOME!

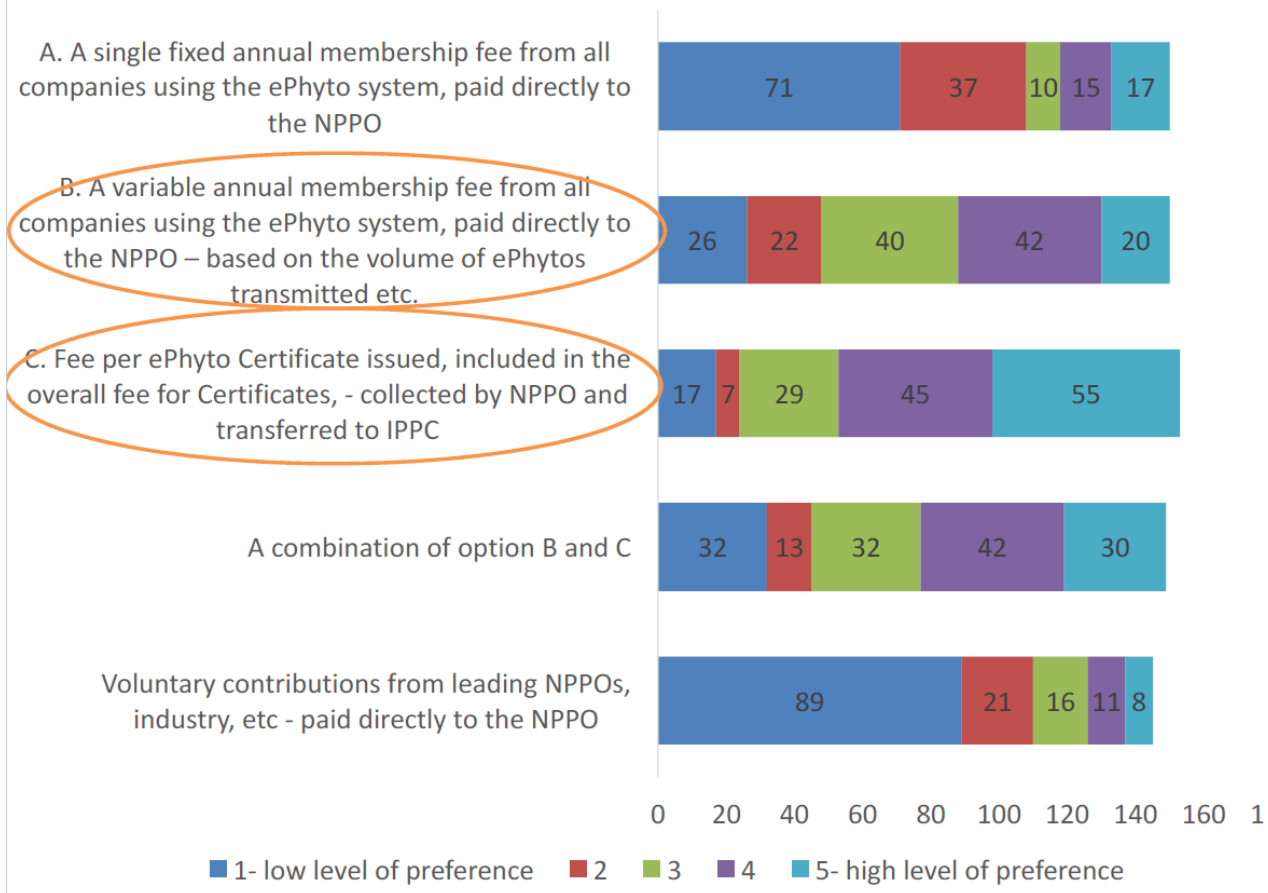


Preference in Cost Recovery Options



Preference in Cost Recovery Options

PC Users Preference on the revenue model



Preliminary Recommendations

- Focus initially (i.e. first 5 years) on a total support approach – Funding model supported by FAO and/or NPPOS and other organizations
- Then consider options for moving to a more sustainable approach that could include a form of transaction based payment



Evaluation

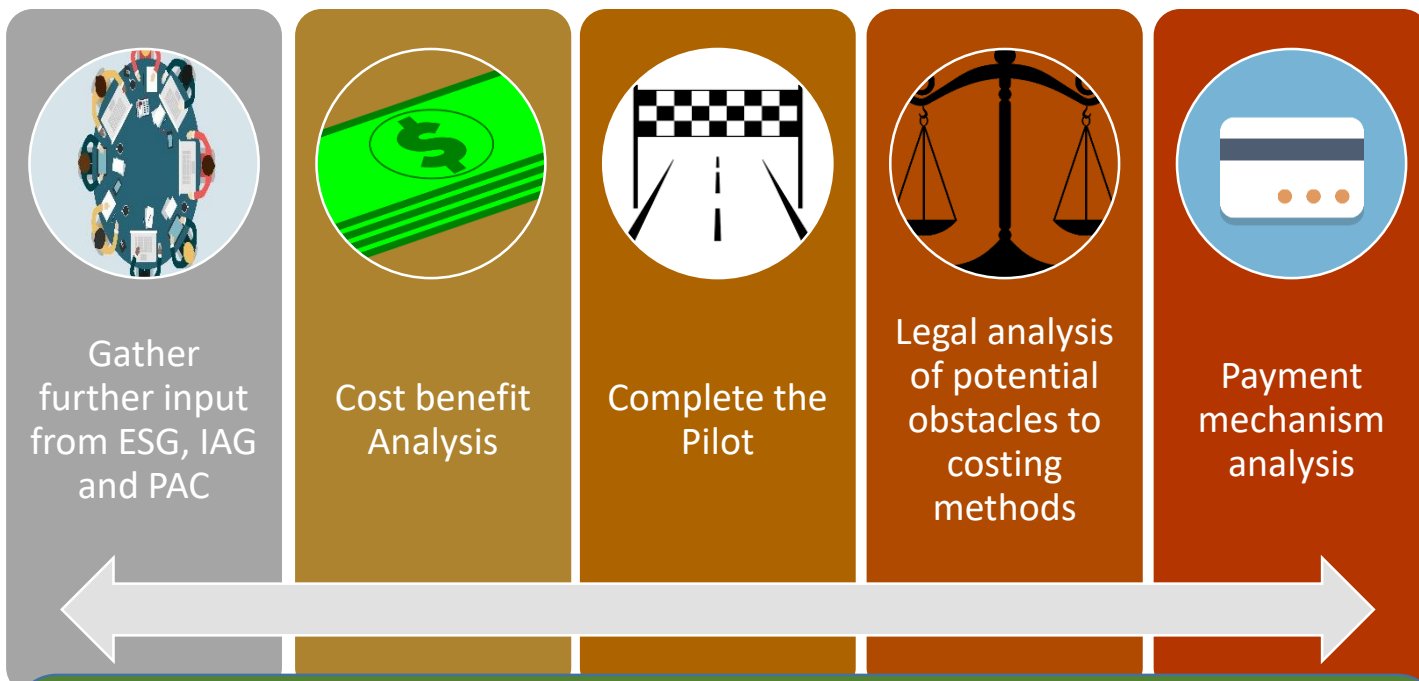
Business Model Experts
Meeting held at the World
Trade Organization in
Geneva, CH

Objective

- **Gather input and suggestions from present members to further develop the report**



Next Steps



Final Objective: Finalize Recommendation and present to the Commission on Phytosanitary Measures (CPM) in 2019 - for ratification and implementation

Thank You
Questions?

