



**Meeting with present IAG and ESG Members  
24 January 2018  
Kuala Lumpur, MY**

**Present:**

Gerard Meijerink – IAG Chair  
Gerard McMullen-IGTC  
Katy Lee- IGTC  
Dennis Johnson- ISF  
Jade Dyson –IGTC  
Peter Wakefield-ICAC  
Shane Sela- IPPC  
Craig Fedchock- World Bank/IPPC  
Christian Dellis- ESG  
Peter Neimanis-ESG  
Younes Kebbab- ESG  
Nico Horn-ESG  
Simon Padilla- STDF  
Bill Gain- World Bank  
Barbara Cooper – DAWR  
Venkat Venkatewaran-UNICC  
Gianluca Nuzzo- UNICC  
Laura Vicaria- IPPC  
Walter Alessandrini - ESG

The Industry Advisory Group (IAG) Chair opened the meeting. Highlighting two points of discussion;

- Business Model Report and survey of industry
- Impact analysis of moving to ePhyto

**Business modeling and survey of industry**

IAG stated that it provided feedback, to the consultant, on the initial draft of the Business Model Report following a conference call on 11 January 2018. A second version has been circulated and shared with the ESG. However the IAG requested further opportunity to input into the document. The Secretariat noted that the report is still in draft form and further input will be considered by both the IAG and ESG. The report will only be finalized after the pilot phase (3<sup>rd</sup> quarter of 2018) once there is a better understanding of costs of operating the Solution and any administrative costs.

The participants agreed that the recommendation from the draft report for a cost-benefit analysis (c/b) was sound. The World Bank provided feedback and recommendations on potential methodologies for carrying such a study. It was recommended that these methods could similarly be applied to the ePhyto solution and will be shared with the group for further consideration.

The IAG further reiterated the importance and urgency to apply a methodology and a set of question to clearly outline the process of the Industry Process pilot. The initial analysis should be conducted in a limited way and only after consider how to expand the approach in a manner that further identifies the c/b analysis.

With regards to the business model report, strong opinions and concerns were raised about the conclusion that there is a clear contradiction in preferences of funding models between NPPOs and industry, particularly on pages 6, 13 and 14 of the report. The IAG noted that the survey information is valuable but there is no guarantee that it constitutes a reliable representation of those involved in the plant and plant product sectors, particularly because there is still limited understanding about costs and

potential cost recovery methods. Therefore caution was urged about suggesting that industry as a whole supports any particular model at this stage. ESG members commented on the need to remove the clear-cut articulation of funding model preferences of industry from the report. Present participants acceded to the action and added that a more thorough capacity development strategy is needed.

ESG and IAG members agreed with the report recommendation that a donor model be used to fund the Solution over the first 5 years is appropriate and should be presented to the Commission as the basis of an interim structure until more analysis, particularly the results of a c/b, can be completed. Even though further work is needed to develop the report, work on obtaining donors, developing a clear (donor) strategy, and having a clear outline of benefits needs to begin as soon as possible.

**Impact analysis of moving to ePhyto**

The IAG proposed a simple impact assessment be undertaken during the pilot. To subjectively assess the impacts of transitioning from paper to electronic certificates. The concept was further clarified during the meeting. The first tests will need to take place between countries where there is already capacity at NPPO level, and an interest from the private sector in participating. One example is between USA and Argentina but it was noted that there are many industry representatives enthusiastic to test across pilot countries and trade flows (e.g. grains, seed and cotton sectors). It was agreed that such a small scale testing will allow for a case study approach without having any substantive impacts on trade. The IAG strongly requested for there to be no release of trade information by any of the entities involved and participants agreed to limit the information contained in any public materials arising from the studies. We also need a note about how do we wrap up the ‘industry pilot’ into some impact assessment or analysis

**Next meeting**

The IAG and ESG members agreed that the next IAG meeting will be taking place in early July, likely in Rome or Brussels.

Action Item	Lead	Due date
World Bank to Share cost benefit analysis methodologies with IAG and ESG	Bill Gain	30 <sup>th</sup> January
Methodology for undertaking analysis of impacts in the Industry Pilot	Shane Sela/IAG members	28 <sup>th</sup> February
Include IAG impact analysis in pilot timelines	ESG	1 June 2018
Reach out to hub countries and get a scope of their progress and interest to participate in impact assessment	Shane Sela	28 <sup>th</sup> February
Finalization of BM report	Contractor	30 <sup>th</sup> July
ToR Drafting for Cost benefit Analysis	IPPC	November 2018
Cost Benefits Analysis – initiation of process	IPPC	End of GeNS- January 2019