



TERMS OF REFERENCE EPHYTO INDUSTRY ADVISORY GROUP (IAG) EPHYTO HUB TRADE CASE STUDIES COMMERCIAL-IN-CONFIDENCE

I. Purpose of this document

This document is intended to provide guidance to national plant protection organization (NPPOs) and trade industry representatives across all agricultural and plant commodities participating in case studies of the trade impacts of exchanging electronic phytosanitary certificates via the ePhyto hub. NPPOs and industry participants should define the specific parameters and scope of studies based upon the actual work flows associated with the specific trade events between the exporting and importing country. The method and extent of reporting will vary given the differences in work flows of commodities and countries involved. The IPPC Secretariat will try to collate the reports to provide an overall understanding of the impacts.

This document may be refined as the industry case study process evolves.

II. Scope of the case studies

Following the technical pilot of the hub the Industry Advisory Group (IAG) resolved to conduct case studies to evaluate and validate the impacts of implementing the exchange of phytosanitary certificates via the ePhyto hub on the efficiency of trade. These case studies will document observations of trading companies and NPPOs in implementing ePhytos exchanged through the hub. The case studies will initially involve one or two companies with one or two commodities per country. The companies will ideally trade the articles within their own company network between two hub countries. (e.g. perhaps a grain company trading between its affiliates in two hub countries and a seed company similarly trading between its two affiliates in two other hub countries). Based upon the outcome of these initial case studies, further expansion of the case study approach can be undertaken.

III. Purpose of the case studies

1. Identify the impact of ePhytos on plant product trade logistics by examining specific commercial shipments and commercial information management systems that interact and incorporate phytosanitary certificates.
2. Identify the potential trade facilitation benefits, to industry and governments, of implementing ePhyto.
3. Describe the benefits of implementing ePhyto to the trading community.
4. Measure any bottlenecks in such a way to gain more than just anecdotal information, where possible (e.g. time taken to clear the shipment, time taken to receive the paper certificate, time to address changes to the certificate, other uses by trade of paper phytosanitary certificates that are not possible with ePhytos).
5. Report on the outcome of the case studies for the information of the ePhyto Steering Group (ESG) and IAG.



IV. Participants

1. International Plant Protection Convention (IPPC) Secretariat
2. Industry Advisory Group on ePhyto (IAG)
3. Companies
4. ePhyto Steering Group (ESG)
5. National Plant Protection Organizations (NPPOs)

V. Duration

The case studies will occur once ePhyto hub participating countries are able to issue certificates for trade shipments. The study will occur until ePhyto users and the NPPOs involved feel they have obtained sufficient information to report on impacts, preferably by no later than 31 December 2018.

VI. Activities

IAG members will:

1. Work through member associations to engage a company/companies to test ePhyto from a commercial, transactional point of view.
2. Ensure that information is gained on:
 - technical and organizational feasibility of the ePhyto process
 - time/efficiency of the ePhyto process
 - impact of the ePhyto hub on the business processes of exporters, importers and users of phytosanitary certificates
 - any unforeseen issues and benefit
 - collaboration with the NPPOs of the exporting and importing countries
3. Provide leadership/stewardship to the company/companies to conduct side by side shipments with paper and with electronic certificates. If unachievable, 'benchmark' or anecdotal information may be provided by companies with experience of paper phytosanitary certificates.
4. Provide guidance so that all 'test' transactions will be conducted on an internal company basis, i.e. a trade exchange within one company that has operations both at import and export in two hub Pilot countries, or an exporting company which is collaborating with a dedicated agent/distributor at the importing side.
5. Draft a detailed scenario describing all steps of the process and what is expected to be "measured"/recorded by exporter, NPPO of exporting country, NPPO of importing country and importer.
6. Work with companies to identify where the bottlenecks are in current paper-based trade as compared with the use of ePhytos.



7. Ensure that companies understand this is a 'test' effort undertaken on a voluntary basis and at their own expense.
8. Provide leadership/stewardship on communications processes related to the industry case studies. This includes keeping private the names of companies and advising against publicity efforts until the results of the case studies have been duly evaluated by IAG and IPPC
9. Provide a mechanism so that the relevant company/companies can report to the industry association, the IAG, and relevant ESG members in a manner that does not compromise the confidentiality of the trade information.
10. Other related functions as required.

The IPPC will:

1. Provide, as required, coordination and necessary communication pathways between the relevant NPPOs, IAG member(s), and company/companies.
2. Assist with the analysis and document the outcomes in a report.
3. Ensure that there is a mechanism for reporting.

NPPOs will:

1. Coordinate with companies and the trading partner NPPOs to
 - a. Identify the scope and parameters of the specific evaluation to be undertaken in the specific trade event.
 - b. Ensure that any risks associated with the testing are minimized;
 - c. Arrange for testing of a paperless process, where possible;
 - d. Issue (electronic as well as paper) certificates in a timely manner;

This coordination may be best achieved through a conference call of all the parties involved. It is important that one of the NPPOs concerned assumes a coordination and communication function throughout the duration of the case study with all parties concerned.

2. Describe the case study event and provide observations on the perceived/real impacts (benefits and inconveniences) for the specific trade flow.

Companies will:

1. Identify suitable consignments to be used in the case study.
2. Advise the NPPOs of the exporting as well as importing country of the specific consignments included in the case study.
3. Document the perceived impacts of the case study resulting from the transition from paper to paperless exchange of phytosanitary certificates (examples of areas of evaluation is provided in Annex and a potential reporting format is provided in Annex B).

IAG will



1. Review the reported outcomes and draw general conclusions which may form the basis of change proposals to the ePhyto solutions and/or procedures to the ESG

ESG will

1. Review the proposed case studies and provide feedback
2. Review the reported outcomes as well as the proposals made by the IAG, to determine any changes to the ePhyto Solution or the guidance material provided to NPPOs are required.

VII. Process for documenting and reporting the outcomes

1. Companies and NPPOs will document observations on the perceived/real impacts (benefits and inconveniences) for the specific case studies and present these observations to the coordinating IAG member(s);
2. The IAG member(s) will work with participating companies to draft a report of the outcomes from each case study ensuring that no confidential trade information is included in the report;
3. The individual case study reports will be provided to the IPPC Secretariat who will review the reports and compile a report of the overall impact analysis;
4. The report of the overall impact analysis will be presented to the IAG and ESG for review and comment and a final report will be compiled based upon the feedback. The final report will be circulated to participating companies and may be posted to the International Phytosanitary Portal (located at www.ippc.int/ephyto).

VIII. Proposed milestones

1. IPPC to inform NPPOs participating (these may be NPPOs of the pilot group of countries or any other NPPO who is ready to exchange electronic phytosanitary certificates via the hub) in the case study work and seek their commitment in participating;
2. IAG members to inform national associations/users of phytosanitary certificates in hub pilot countries when there is a readiness to exchange electronic phytosanitary certificates via the hub;
3. National associations, in the exporting countries, identify companies willing to participate in the case study. Initially start with 1-2 companies that have an affiliate/distributor in the importing country;
4. National association and case study companies will approach the NPPO of the exporting country to discuss the outline of the exercise and the intended country/countries of importation. Then NPPO of exporting country will approach the NPPO of the importing country and the National association (or global IAG-member) will approach National association in the importing country.
5. The NPPO of the exporting country, the NPPO of the importing country and the company/companies define the plan for the exchange, the flow of actions for the case study and where possible agree on an exchange from country A to country B and back from B to A, if possible (e.g. through conference call);



6. NPPOs or national associations inform ESG and IAG of the timing of the specific consignment events
7. Company and NPPOs execute exchange and evaluate outcomes considering the areas of evaluation described in Annex A;
8. Both NPPOs and companies report results and recommendations to the relevant IAG member;
9. The relevant IAG member will draft a report of the outcomes of the case study ensuring that the confidential trade information is not included and submit it to the IPPC Secretariat;
10. The IPPC Secretariat will summarise the outcomes of all case study information and provide the analysis to the IAG and ESG for review and consideration for further distribution or use in communication and advocacy

IX. Funding

1. Participation will be voluntary and self-funded.



ANNEX A

AREAS OF EVALUATION

The following are examples of areas that companies should evaluate with respect to paper-based processes versus electronic certificates.

1. Analysis of potential/real cost savings achieved by using electronic certificates;
2. Perceptions of changes to overall trust/confidence in the certification process;
3. Success of interactions between NPPOs, companies, customs brokers, and others involved in the execution of trade documents at destination;
4. Analysis of time or process for receiving the export certificate at destination;
5. Analysis of the efficiency of the import inspection resulting from advanced electronic information;
6. Analysis of the time or processes (NPPOs and industry involved) required to correct any errors on the certificate;
7. Analysis of clearance time and process at the port of arrival (e.g. increased coordination of logistics; improvement in predictability of the shipments release time, role of third parties such as customs brokers, etc.);
8. Analysis of any alignment of industry electronic information exchange and whether it simplifies processes;
9. Analysis of any trade procedures involving phytosanitary certificates and how this changes with paper certificates versus ePhytos.

NPPOs and companies are encouraged to also consider and report on whether these areas of evaluation are appropriate measures of the impacts to trade flows resulting from the implementation of ePhytos exchanged through the hub or if additional or alternatives areas should be considered in the future.

**ANNEX B****EXAMPLE OF A REPORT OF TRIAL OUTCOME****ePhyto hub Trade Case Studies
July 2018**

The Industry Advisory Group of the ePhyto Project is volunteering to assist in evaluating and reporting on the ePhyto solution's relationship to agricultural product logistics by examining specific commercial shipments and commercial information management systems that interact and incorporate phytosanitary certificates.

This document provides an example of a potential method of recording observations in changes to trade processes resulting from use of ePhytos.

Company name, if willing to be identified	<i>An example of filling out the template will help with adoption by users</i>	
Involved with which Industry Advisory Group (IAG) member		
Category of shipment	<u>Grains, cereals, oilseeds, other agri-bulks</u> <input type="checkbox"/> <u>Seeds</u> <input type="checkbox"/> <u>Fresh fruit or vegetables</u> <input type="checkbox"/>	<u>Wood products</u> <input type="checkbox"/> <u>Cotton</u> <input type="checkbox"/> <u>Cut flowers</u> <input type="checkbox"/> <u>Hay/straw/forage</u> <input type="checkbox"/> <u>Ornamental plant and trees sector</u> <input type="checkbox"/> <u>Other (please describe)</u> <input type="checkbox"/> <hr/>
Country/countries of implementation		
Consignment description	<i>(eg. 2 containers of barley)</i>	
Name of NPPO issuing the ePhyto		



Name of NPPO receiving the ePhyto	
Was the ePhyto transferred via the hub?	
How was the exporter informed that the ePhyto was approved and sent	
Which data of the ePhyto were provided to the exporter?	
Date that the ePhyto was sent	
How was the importing company informed that the ePhyto was received by the NPPO?	
Date that the importing company received information that the ePhyto had been received by the country of import	
What ePhyto data was provided to the importer?	
Where those data in a form that could be used for the business processes	
Were the goods covered, by the ePhyto, accepted for importation in the country of destination? And what role did the ePhyto play in this process?	
Description of related benefits	<p><i>Guiding questions: following the test transaction, do you feel more or less optimistic that ePhytos can lead to: increased efficiency, reduced time for transactions, cost savings, or other benefits?</i></p> <p><i>Are there any additional trade facilitation benefits you wish to describe?</i></p>



Description of related inconveniences	<p><i>Guiding questions: were there any inconveniences resulting from the involvement in the ePhyto exchange? These may include: delays, technology failure, or poor communication from NPPO(s).</i></p> <p><i>Are there any other inconveniences you wish to describe?</i></p>