IPPC e-Commerce project work plan and budget

*Prepared by Lois Ransom with input from the Secretariat*

1. CPM-13 noted activities undertaken by the Secretariat in relation to e-Commerce, as outlined in its report to the Commission. Some contracting parties (CPs) indicated that this topic is important, noting the increase in e-Commerce trade. It was suggested that funding be identified before initiating work and the Bureau was requested to consider a work plan as a project-based funded activity, and present this to CPM-14.
2. A draft project work plan and budget was developed in January and was provided to the Bureau in June 2018 for consideration. The format follows that used for the Sea Container Task Force.
3. No comments were received from the Bureau, but the draft plan has been updated to incorporate relevant elements of the IPPC Strategic Framework 2020-2030 and the proposed 5-year investment plan. It also references the World Customs Organization Cross-border e-Commerce Framework of Standards, which was released in June 2018.
4. The SPG is invited to:
5. *Review and discuss* the revised draft project work plan and budget with a view to finalising a draft for consideration by the Strategic Planning Group, prior to presentation to CPM-14 in 2019. The revised plan should include a request to CPs that they update the IPPC Secretariat on related e-Commerce actions in their region.

*Draft Finance and Project Plan*

*28 August 2018*

**Implementation of the CPM Recommendation on Internet Trade (e-Commerce)
in Plants and Other Regulated Articles (R-05)**

**Description:**

The topic of e-Commerce of plants, plant products and regulated articles was discussed during the 22nd Technical Consultation among Regional Plant Protection Organizations (TC-RPPO) in 2010[[1]](#footnote-1). In 2012, the Implementation Review and Support System (IRSS) conducted a study on “Internet Trade (e-Commerce) in Plants: Potential Phytosanitary Risks”[[2]](#footnote-2). During the Commission on Phytosanitary Measures (CPM-7, 2012), a special topic session was organized on internet trade. The topic of e-Commerce was discussed during CPM-8 (2013), and after further consultation, a CPM-Recommendation (R-05) on Internet Trade (e-Commerce) in Plants and other Regulated Articles[[3]](#footnote-3) was adopted at CPM-09 (2014).

At CPM-12 (2017), a special session was organized to:

* emphasize the CPM-Recommendation (R-05) on Internet Trade (e-Commerce) in Plants and other Regulated Articles and its implementation so far;
* raise awareness on the phytosanitary risk associated with e-Commerce;
* share experiences on e-Commerce in relation to phytosanitary risk in order to:
* develop mechanisms for collaborating with e-Commerce traders to reduce phytosanitary risks;
* promote compliance by customers and traders operating through e-Commerce;
* strengthen coordination with postal and express courier services;
* highlight phytosanitary risks posed by the pathway; and
* facilitate the implementation of CPM-Recommendation (R-05).

The latest initiatives on e-Commerce by international organizations such as the World Trade Organization, the World Custom Organization (WCO) and the Convention on Biological Diversity were presented, and for the first time, key stakeholders from the private sector provided their views and received recommendations to take phytosanitary considerations into account in their activities. Two National Plant Protection Organizations shared their experiences of awareness raising and technologies to manage phytosanitary risks through e-Commerce. A panel discussion identified concrete activities to further implement the CPM recommendation on e-Commerce.

CPM 12 recommended further actions to:

(i) Enhance collaboration among international organizations to raise awareness of phytosanitary risks associated with e-Commerce and facilitate collaboration with industry, government and consumers to effectively manage these risks in traded goods through:

* Ongoing monitoring by the IPPC Community of phytosanitary risks related to e-Commerce and the implementation of its recommendations
* Following Contracting Party (CP) exchanges on e-Commerce, including any possible identification of gaps in trade rules regarding e-Commerce of plants and plant products and other regulated articles.
* Pursuing Secretariat to Secretariat information exchange and contribute to discussions on e-Commerce held within the structures of the WTO, WCO, CBD and others, for example IPPC Secretariat to participate in the WCO WGEC
* Encouraging the other standard-setting organizations (Codex, OIE) to study/identify relevant risks arising from e-Commerce and to develop any necessary recommendations
* Developing joint risk assessments for more effective targeting, using the WCO efforts as a base
* Developing further guidance and involving e-traders and others, ensuring alignment (as relevant) with existing guidance such as those developed within the framework of the CBD expert meeting on e-Commerce in December 2017
* Informing SPS Committee members of IPPC Secretariat work and the CPM recommendations on the issue of e-Commerce

(ii) Collaborating further at the national level through:

* Closer cooperation between NPPOs and Customs at the national level.
* Increased engagement in relevant fora to raise awareness to relevant border and courier agencies and other national stakeholders.
* Engaging with and participating in the WCO Trade Facilitation Committee (under the trade facilitation agreement of the WTO) to ensure awareness on e-Commerce on a broad scale.

(iii) Identify and report risks to e-traders to help them manage their IT platforms and information for prospective client by:

* Highlighting to national and regional suppliers the top commodity/product concerns being sold on-line
* Creating a template and procedure with e-traders for CPs to report major concerns
* Providing information to all RPPOs and NPPOs on how to use the template
* Collecting feedback on good practices following reporting and issues an annual report involving the e-Commerce industry

(iv) Engage express delivery companies (DHL Express, Fedex, UPS, TNT, Postal) to develop trans-national mechanisms for:

* Carriers to provide advance electronic shipment information to enable customers/other agencies to perform risk assessment
* Track and trace packages identified by authorities as suspicious and remove them from traffic flows for further examination
* Provide customs and NPPOs with adequate and controlled facilities to conduct examinations efficiently
* Provide authorities with available relevant information on shippers and consignees of shipments identified as containing goods with potential phytosanitary risks (subject to legal limits)
* Close accounts of customers identified by authorities as repeat offenders (subject to legal limits).

(v) Raise awareness of suppliers, transporters and other organizations and the general public by:

* Creating a webpage on the IPP dedicated to e-Commerce and a contact point for additional information exchange
* Supporting the IPPC Secretariat, in cooperation with the industry and the relevant international organizations, to develop videos, manuals, e-learning tools or tutorials to explain the phytosanitary risks through e-Commerce.

These actions are presented in this project work plan, which should be implemented through the most flexible and appropriate way to be determined as the project is agreed upon. Governance and activities related to e-commerce will be funded and operate using extra-budgetary resources provided for this purpose.

**Strategic Context / Alignment:**

Analysis by the CPM and a number of its subsidiary bodies has determined that the increasing trade of plants, plants products and regulated articles through internet trade, or e-Commerce, poses a significant risk of spreading pests.

E-Commerce poses significant and shared challenges to border regulators, including Customs, around the communication of legal requirements to customers and industry organisations involved in e-Commerce, as well as the detection and management of phytosanitary and other risks in traded goods through traditional border regulatory operations, which are struggling to cope with the increased volume of courier and postal packages.

A CPM Recommendation (R-05), adopted in 2014, provided guidance to NPPOs on the pest risks associated with e-Commerce. CPM-12 (2017) agreed a number of actions to facilitate the implementation of the Recommendation and reduce the pest risks associated with e-Commerce.

The WTO Trade Facilitation Agreement came into force in 2017, and provides a platform for enhanced collaboration between border regulators to address the various risks posed by e-Commerce.

A number of NPPOs have a strong interest in these activities and are actively working with industry and the community as part of their normal business. These activities could be explored as potential models for addressing risks on a global scale.

The draft IPPC Strategic Framework 2020-2030 includes the management of e-Commerce and courier mail pathways in the IPPC Development Agenda and outlines a number of activities to be carried out during 2020-2030. There include:

* An international communications effort targeting companies selling through e-Commerce channels and consumers to ensure they understand the need and how to comply with importing country phytosanitary requirements
* Establishment of an inter-agency network (CiTES/WCO/IPPC) to create synergy in developing a joint policy and recommendations with regard to e-Commerce and courier/postal pathways
* Establishment of a joint inter-agency toolkit for the regulation and screening of e-Commerce and courier/postal pathways.

In June 2018, the WCO published the WCO Cross-Border E-Commerce Framework of Standards. The Framework was developed in conjunction with the multi-stakeholder *Working Group on E-Commerce* (WGEC), and articulates for Customs and other relevant border agencies a set of fundamental standards along with key principles for their implementation. It will support a holistic and harmonised approach in which governments and e-Commerce stakeholders continue to work collaboratively to develop pragmatic, fair and innovative solutions that contribute to the global economy while ensuring safety and security of people and the economy. [<http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/activities-and-programmes/ecommerce/wco-framework-of-standards-on-crossborder-ecommerce_en.pdf?la=en> ]

**Outcomes:**

The incidence of pests and other phytosanitary risks on and in goods traded through e-Commerce is demonstrably reduced by the implementation of the project work plan and through collaborative partnerships between NPPOs, the IPPC Secretariat and WCO Secretariats and commercial operators involved in e-Commerce. In particular:

* The phytosanitary risks associated with e-Commerce are identified and defined
* NPPOs and relevant stakeholders are informed of these risks
* Measures that NPPOs can take to raise awareness in the public and e-Commerce participants of risks from on-line trading and the responsibilities that these stakeholders have to comply with laws to protect crop/food production, natural environment and trade, are identified and described
* IPPC activities link with and ultimately support a multidisciplinary and integrated approach across NPPOs, Customs and other relevant government agencies to facilitate safe trade via e-Commerce transactions.

**Strategic Framework 2020-2030 desired outcome**

A coordinated international effort has largely addressed the spread of pests and pest host material sold through e-Commerce and distributed through mail and courier pathways. Volumes of high risk plant material purchased online in small quantities and shipped via courier pathways is sourced from high health programs, and compliance is tracked and enforced in collaboration with other border agencies, the international postal services and courier services.

Activities by relevant stakeholders to implement the project work plan are coordinated and outcomes are shared to facilitate harmonisation of regulatory, communication and non-compliance actions. A summary of each of the implementation elements, with reference to the Strategic Framework, IPPC and WCO activities/actions and the CPM outcomes is in Appendix 2.

**Benefits:**

The project work plan will provide CPs with options to identify and respond to plant health risks on goods moving around the world through e-Commerce. This will facilitate the safe international trade of goods and the management of phytosanitary risks associated with this trading pathway. The joint development of management systems by governments and industry will ensure that they are practical and integrate best industry practice, and harmonised through application of a global platform to minimise the regulatory burden to internet traders, couriers, postal services, NPPOs and other relevant government agencies including Customs.

**Approach:**

The work plan will be implemented through the most flexible and appropriate way to be determined in due time. The membership and modalities of work and reporting are to be defined. A five year action plan shall be developed and regularly report progress to CPM through a mechanism to be defined.

|  |  |  |  |
| --- | --- | --- | --- |
| \* | **Product** | **Resources** | **Due (Year 1)** |
|   | Draft project plan and budget agreed by CPM-14  |  CPM |  2 April  |
|   | Governance of activities on e-commerce to be determined | IPPC Secretariat | 30 April  |
|   | Commitment of both cash and in-kind resources secured |  Contracting parties |  31 May |
|   | e-Commerce Coordinator engaged | IPPC Secretariat |  15 September |
|   | Verbal report to Bureau | IPPC Secretariat | Mid-December  |

NB \* in the first column indicates that the delivery of the product constitutes a project milestone

**Dependencies:**

Governance of the e-Commerce activities is dependent on the provision of extra-budgetary resources as outlined in the budget. A Coordinator (In kind contribution) is required to support and drive the activities and must be recruited for this role. The coordinator would preferably be based within the IPPC Secretariat. A draft role description is attached (Appendix 1). IPPC Secretariat costs, including staffing resources, are also expected to be funded from extra-budgetary resources.

|  |
| --- |
| **Risks:** |
| **Description** | **Treatment** |
| Project fails to secure extra-budgetary resources to  | Clarity of action and expenditure through the project plan and budget  |
| Failure to recruit an effective Coordinator | Canvass widely for an appropriately skilled person, against a clear role description |

**Budget:**

|  |  |
| --- | --- |
|  | **Proposed Expenditure (USD)** |
| **Item** | **Year** |
|  | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| e-Commerce Coordinator | 70,000 | 70,000 | 50,000 | 50,000 | 30,000 |
| Member participation | Own cost | Own cost | Own cost | Own cost | Own cost |
| Meeting – venue, catering, logistics support\* | 20,000 | 25,000 | 12,000 | 12,000 | 12,000 |
| Travel assistance# | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Publications – design, editing and publishing resource materials | 25,000 | 20,000 | 3,000 | 3,000 | 3,000 |
| Secretariat resources: convene governance meetings; WCO etc. liaison; website; training and awareness | 30,000 | 30,000 | 10,000 | 10,000 | 20,000@ |
| **Total** | **150,000** | **150,000** | **80,000** | **80,000** | **70,000** |
| **FTE (estimate)** | **1.3**(0.3 Secretariat staff) | **1.3**(0.3 Secretariat staff) | **0.7**(0.1 Secretariat staff) | **0.7**(0.1 Secretariat staff) | **0.5**(0.2 Secretariat staff) |

# Subject to IPPC Criteria and to be used only to support eligible Task Force members

\* Governance meetings may be convened virtually in lieu of face to face

@ IPPC staff and costs to assess impact and identify post-implementation issues

Note: In line with IPPC Secretariat budget practice, in-kind costs have been attributed a dollar value. This is indicative only and intended to quantify revenue and expenditure in cash terms. Actual costs may be lower.

IPPC Secretariat costs and actions are in Appendix 3.

**Revenue:**

|  |  |
| --- | --- |
|  | **Proposed Expenditure (USD)** |
|  | **Year** |
|  |  **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| **Total required** | **150,000** | **150,000** | **80,000** | **80,000** | **70,000** |

**Governance:**

Project Sponsor: CPM

Project Champion: Bureau

Project Manager: Implementation and Capacity Development Committee

Secretariat Contact: Director, IFU

Appendix 1

**Role Description – e-Commerce Coordinator**

The Coordinator for the e-Commerce activities is required to support and drive the activities related to e-Commerce to achieve the outcomes defined by the project plan and any agreed action plan, and to act as liaison with the relevant other governing bodies.

The Coordinator will carry out the functions of the Secretariat including:

* Maintain the membership list and contact details of the governing body to be defined
* Coordinate arrangements for any governance meetings, either face to face or virtual, in consultation with the IPPC Secretariat
* Facilitate actions to progress the e-Commerce action plan
* Facilitate communication and engagement with and between e-Commerce ngoverning body members, CPs, RPPOs, industry, technical experts, WCO and other international organisations to progress activities and outcomes on e-Commerce
* Prepare and deliver reports to the IP¨PC governing bodies on the activities and achievements on e-Commerce with reference to the agreed work plan
* Liaise with the IPPC Secretariat to monitor expenditure against the agreed budget and available resource
* Coordinate the publication of resource materials with the IPPC Secretariat

The coordinator would preferably be based within the IPPC Secretariat.

**Appendix 2**

**Summary implementation elements, with reference to the Strategic Framework, IPPC and WCO activities/actions and the CPM outcomes**

|  |  |  |
| --- | --- | --- |
| **Project Outcomes** | **IPPC Strategic Framework 2020-2030** | **Actions identified by CPM** |
| The phytosanitary risks associated with e-Commerce are identified and defined | An international communications effort targeting companies selling through e-Commerce channels and consumers to ensure they understand the need and how to comply with importing country phytosanitary requirements | Joint risk assessments – common risks, pathway standard |
| NPPOs and relevant stakeholders are informed on these risks | Top concernsExamples of good practiceFeedback to e-traders – template and procedures, processes, non-complianceAnnual reporting |
| Measures that NPPOs can take to raise awareness in the public and e-Commerce companies of risks from on-line purchases and the responsibilities that these stakeholders have to comply with laws to protect crop/food production, natural environment and trade, are identified and described | Monitor risksGuidance (ref. CBD expert meeting December 2017)Engagement with other organisations, forumsIPP information, contact pointMaterials including videos, manuals, e-learning and tutorials |
| IPPC activities link with and ultimately support a multidisciplinary and integrated approach across NPPOs, Customs and other relevant government agencies to facilitate safe trade via e-Commerce transactions. | Establishment of an inter-agency network (CiTES/WCO/IPPC) to create synergy in developing a joint policy and requirement catalogue with regard to e-Commerce and courier/postal pathways | Gaps in trade rulesInformation exchangeNetwork, including OIE, Codex, SPSAdvance e-data for risk assessmentIdentifying consignment to apply risk profile to screeningShared border facilitiesEnforcement optionsCollaboration between Customs and NPPO in country |
|  | Establishment of a joint inter-agency toolkit for the regulation and screening of e-Commerce and courier/postal pathways. |
|  | WCO Standards Framework - Harmonising legal and implementation elements1. E-data
2. Risk profiling – expediting clearance of low risk
3. Third party, authorised entities
4. Cost recovery
5. Collaboration – government, industry
6. Non-compliance
7. Partnerships
8. Awareness
9. Emerging risks
10. Measurement
11. Innovation
 |

Appendix 3

**Details of IPPC Secretariat costings and actions**

Some of these costs and actions are annual, others are one-off. They have been integrated into the proposed budget.

|  |  |  |  |
| --- | --- | --- | --- |
| **Activities** | **Break down** | **Units with estimates in USD** | **Estimated cost in USD**  |
| Convene an informal virtual working group with relevant stakeholders to identify lack of technical resources and plan for the coordinated development of resources (factsheet, publication, video, etc.) targeting different audiences. | IPPC Secretariat:* Organize virtual meetings with WCO, Amazon, Alibaba, UPA, the World Bank, ASYCUDA, NPPOs, etc. to agree terms of reference and outcomes (this group could be formalized at a later stage).
* Technical preparation of the meeting (document preparation, report, etc.)
 | IPPC Secretariat:* 2 days of G staff within the Secretariat for logistical organization (644 USD)
* 7 days of P staff within the Secretariat (5677 USD)

IC champion to coordinate (7 days in-kind) (5677 USD) | **6,500** |
| Develop cooperation with institutions and stakeholders (attending relevant meetings) and FAO Food Safety Units. | IPPC Secretariat:* Attend the WCO Expert Group on e-Commerce
* Present activities on e-Commerce to the SPS committee
* CBD could be engaged at a later stage. They shall benefit from our activities for the time being.

The IC champion should be involved. | IPPC Secretariat:* 1 trip to Brussels and 3 days DSA (4 days total) (2000 USD)
* 1 trip to Geneva and 5 days of DSA (one staff only) (6 days total) (2500 USD)
* 9 days of a P staff within the Secretariat (7299 USD)

IC champion to provide support (3 days in kind) (2433 USD) | **12,000** |
| Prepare a model guidance on e-Commerce addressed to NPPOs with a contact list of stakeholders/websites involved (in cooperation with APHIS) to outline risks and management options that can be applied by NPPOs in collaboration with other border agencies, e-Commerce websites. | IPPC Secretariat:* Professional work for the drafting and review of the factsheet following consultation

Service providers:* Graphic design of the factsheet
* Printing if necessary
* Translation in 5 other languages
 | * 4 days of work of P staff in the Secretariat to draft the factsheet in cooperation with stakeholders (3244 USD)
* 2 days of graphic designer (600 USD)
* 15 days of translators (3 days per language) (4500 USD)
 | **8,500** |
| Draft standardized information for those stakeholders with a list of key commonly regulated goods and advice to contact relevant NPPO | IPPC Secretariat:* Liaise with stakeholders to define their need, draft relevant information.

Stakeholders:* Contribute time to provide relevant information.

Service providers:* Graphic design of the factsheet
* Printing if necessary
 | * 15 days of work of P staff in the Secretariat (12165 USD)
 | **12,000** |
| Prepare a joint publicationwith WCO (WCO is in agreement) providing general information on e-Commerce  | IPPC Secretariat:* Define the content
* Identify a consultant

WCO:* Define the content with the IPPC Secretariat, contribute time.
 | * 5 days of coordination and review of a P staff in the IPPC Secretariat (4055 USD)
* In-kind contribution from all stakeholders to contribute to the drafting of the publication (considered 5 days each) in consultation with the virtual working group.
 | **4,000** |
| Develop a webpage on the IPP on e-Commerce, and possibly on the phytosanitary.info website.Include key stakeholders in the relevant organizations. | IPPC Secretariat:* Draft the material to be posted

Service providers:* Restructure the phytosanitary.info webpage
 | * 3 days of P staff within the Secretariat (2433 USD)
* 1 day of IT staff within the Secretariat (350 USD)
 | **3,000** |
| Develop a video or tutorials on e-Commerce to raise awareness utilising information and key messages from the fact sheet | IPPC Secretariat:* Define the content of the video

Service providers:* Contract video professionals
 | * A 3 minutes video cost is around 3000 USD
* 2 days of P staff within the Secretariat (1622 USD)
* In-kind contributions from the working group and from interested NPPOs.
 | **5,000** |
| Consider collaborating with the two sisters on the basis of the WCO risk assessment. The system whereby some products can be flagged warranting closer inspection and risk assessment should be targeted. | To be implemented at a later stage, according to the WCO expert group guidanceIPPC Secretariat:* Meeting with representatives from the governing bodies of the WCO, OIE, Codex and IPPC for discussion (possibly at the margin of the SPS committee)

Stakeholders (WCO, OIE, Codex):* Contribute time to provide relevant information.
 | / | **N/A** |
| **Total** | **51,000** |

1. The report of the 22nd TC-RPPO is available at <https://www.ippc.int/en/2010---22nd-tc-among-rppos-/> [↑](#footnote-ref-1)
2. The IRSS study Internet Trade (e-Commerce) in Plants: Potential Phytosanitary Risks is available at <https://www.ippc.int/en/irss/activities/2/> [↑](#footnote-ref-2)
3. R-05: https://www.ippc.int/en/publications/84232/ [↑](#footnote-ref-3)