

The ePhyto Industry Advisory Group 4th Meeting - July 19th 2018 Food and Agriculture Organization of the United Nations (FAO) Rome, Italy

Participants

Chair: Gerard Meijerink, International Seed Federation (ISF)

Jingyuan Xia, International Plant Protection Convention (IPPC) Laura Vicaria, International Plant Protection Convention (IPPC) Kai Hughes, International Cotton Advisory Committee (ICAC) Peter Neimanis, Chair of the ePhyto Steering Group (ESG)

Alejandra Danielson Castillo, International Grain Trade Coalition (IGTC)/US Grains Council Chelsea Russell, National Alfalfa & Forage Alliance (NAFA)

Sylvie Mamias, Union Fleurs

Katy Lee, International Grain Trade Coalition (IGTC)

Shane Sela, International Plant Protection Convention (IPPC)

Craig Fedchock, International Plant Protection Convention (IPPC)

Dennis Johnson, International Seed Federation (ISF)

Christophe Rouillard, European Seed Association (ESA)

Gary C. Martin, International Grain Trade Coalition (IGTC)

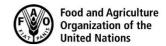
Cindy Squires (by telephone), International Wood Products Association (IWPA)

Brent Larson, International Plant Protection Convention (IPPC)

Opening of the Meeting

The meeting was opened by International Plant Protection Convention (IPPC) Secretary Jingyuan Xia and ePhyto Industry Advisory Group (IAG) Chair Gerard Meijerink who welcomed participants to Rome. Secretary Xia commented on the exciting progress of the project, after two years of hard work there is now real progress on the deliverables of the project. As the project goes forward, three key areas of leadership maintain its momentum: the ePhyto Steering Group (ESG), the Project Advisory Committee (PAC) and the Industry Advisory Group (IAG). In the vision of the IPPC Secretary, the IAG, through its knowledge and experience from the industry perspective, will be able to provide input that will improve the system for the end user. The future of the IPPC will be an additional element for all to consider e.g. the potential for a trade facilitation unit, a new structure which will facilitate further cooperation. The IPPC wished all attendees a fruitful meeting. The Chair thanked Mr. Xia for his opening remarks and agreed with his view of the IAG.





Adoption of the Agenda

The participants reviewed the agenda. There was consensus to add the selection of a new chair as an agenda item. Thereafter the agenda was adopted.

Selection of rapporteur

Katy Lee was selected as rapporteur.

ePhyto Progress

The Secretariat provided a presentation on the results of the 2018 CPM and an overview of the ongoing progress of the ePhyto Solution Project. Key points were the message structure being resolved, the structure of the ePhyto solution and noting that the GeNS is in development. Also discussed were the results of the Hub pilot and the intent of the pilot, what the systems looks like, and some sample information presentations, i.e, the look and feel of the system. It was further explained that while there were 10 countries piloting the Hub, only two (Argentina and the US) are currently in production. The IAG suggested, for the purpose of clarity and distinction of countries using the system and in production status, for the IPPC to provide an update list of all registered countries making a clear distinction between the two conditions previously explained. This is particularly important as new countries begin to on board and as the IAG case studies go forward. It was recommended for this communication to take place once a month. In terms of country readiness or production status, indicators may include:

- 1. Registration
- 2. Connection
- 3. UAT
- 4. Validation
- 5. Production

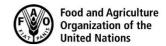
With regard to the industry case studies, a discussion took place about improving the Terms of Reference, provision of improved instructions for industry case study participants, and the importance of disciplined communications processed e.g. regarding specific consignments. This was further discussed later in the meeting under "ePhyto Hub Trade Case Studies".

The Generic ePhyto National System (GeNS):

The GeNS was presented, noting that it is intended to be an accessible, centralized web-based system to allow countries without their own systems – for example developing countries - to produce, send and receive ePhytos in the XML format through the Hub. However, any country may use it should it wish to do so. The pilot project and work flows for GeNS were discussed, noting timelines; the list of pilot countries; the business process; engineering developments; and latest events. The Secretariat also briefly presented a live demo of the GeNS to provide the IAG with a look and feel of the system.

Specifically regarding the timeline for the GeNS, a forecast was presented and discussed with the note that full implementation is anticipated from 2nd quarter 2019. Other countries may join earlier depending on their readiness, regardless of their development status. The timeline includes the presentation to CPM of the overall strategic plan as well as the further development of the Hub & the





GeNS and implementation guidance. The IAG suggested that the ePhyto Hub Trade Case Studies be included in future timelines of the ePhyto solution to emphasize the importance of these studies and provide better visibility to the Contracting Parties.

The strategic plan of the GeNS will provide a framework for the implementation of the project as it transitions to an on-going program. This plan will include components such as governance, finances, capacity development, communications, partnerships and advocacy strategy. As the Secretariat develops the strategic plan, there is also the need for the IAG to make a recommendation as to the role of the IAG as the program goes forward. It was also agreed that a key objective should be included is the aim of moving into paperless.

Business Model Report

The Secretariat presented a report on the recent outcomes of the consultancy project on the ePhyto Business Model. The establishment of a funding model that will recover the costs to the IPPC and ensure the long term sustainability of the project is a key project component. The Secretariat explained that the process undertaken to meet this objective, highlighting that the final report recommendation was to take on a Donor Model Structure for the first 5 years (followed by additional recommendations for the period thereafter). The IPPC along with PAC and input of the IAG, will produce a white paper which will outline a final recommendation based on the report which will be provided to the Bureau and thereafter to CPM in 2019.

Advocacy and Communications strategy

The advocacy and communications strategy was presented, with a strong focus on the benefits of the ePhyto System; the value of going truly "paperless"; the impact that the system has on the trade environment; and future funding of operations and capacity development as separate activities. It was clarified that advocacy and communications would be a components of the 5 year strategic plan.. An essential part of the advocacy strategy will be identifying partnerships, therefore the role of the IAG will be important and may need be further defined in this context. The IAG commented on the value of the IPPC's already existing fact sheets as well as the quick availability of meeting reports.

Action items included:

- Integration with "electronic certification community" to foster cooperation
- Distribution lists (e.g. invitees for global symposia; comms list) to include attendees from regional workshops
- New page on the IPPC website where stakeholders can register to receive information or ask questions
- Development of fact sheets to continue (e.g. on benefits/cost analysis), including renumbering in a more logical order
- Communications and advocacy to more clearly encompass the objective of going paperless

Outreach and Advocacy (regional workshops)

A number of regional workshops are being planned by IPPC and relevant NPPOs, aim at improving the understanding of the ePhyto solution and incentivize countries joining the system across all regions. There was discussion with regards to the role of the IAG in these regional workshops. It was agreed that it could be helpful for industry representatives to present their experiences with electronic

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trading documentation at these events. However, some urged caution on account of the fact that that the aim of the workshops is to provide a 'starting point' understanding of the project for NPPOs and the attending countries may need to gain more understanding of ePhyto before they can engage in a meaningful way with industry. In addition, the IAG agreed that preferential advantage should not be given to any individual companies or electronic documentation service providers at these meetings, given the competitive market environment.

It was recommended that the PowerPoint presented at previous meetings by IAG member Union Fleurs, focusing on the flower case study, would be a relevant resource for the Africa workshop. The IGTC clarified that its members have has already been asked to speak at the Latin America workshop taking place in Buenos Aires in September 2018.

ePhyto Hub Trade Case Studies

An introduction was provided about the case studies and IAG members were given the opportunity to identify any issues. A way forward was presented, including the importance of the Terms of Reference document on case studies.

The objectives of the industry case studies are outlined in the Terms of Reference document, i.e. to evaluate and validate the impacts of implementing exchange of phytosanitary certificates via the ePhyto Hub on the efficiency of trade; identify bottlenecks as well as the benefits document observations of traders and NPPOs in implementing ePhytos exchanged through the Hub; and ensure interoperability with all trade flows.

Following this brief introduction different members explained their own experience in attempting to apply the case study.

In the experience of the International Grain Trade Coalition (IGTC), the multiple players across the supply chain have been identified, as well as their role in the process. There is a need to gather information to more fully assess the areas of efficiencies such as time and costs, as well any regulatory issues and general interoperability with the trade. Furthermore, the case study needs to consider processes such as the payment approach and who or what entity will hold "possession" per se of the ePhyto in release at destination, and to some degree the implications for the future use in letters of credit. It was further highlighted that industry can play a role in engaging NPPOs in the region to participate, and to do so in a more efficient pace.

The International Seed Federation (ISF) has not yet completed its first case study, yet anticipates doing so by the end of September. The importance for industry to have further visibility between country connection to the HUB and the ability of the country to send electronic certification data through the HUB would also be beneficial to the organization of further case studies. the efforts to carry out a case study between the Netherlands and Chile. However due to some technical difficulties with the ISPM mapping and clarity on whether Chile was exchanging electronic data through the HUB or just connected to the HUB, the case study was not yet possible. This study is now scheduled for October-November. Although the initial case studies will involve a movement of seed from one country to another, ISF emphasized the importance and need for the case studies to later involve the re-export of seed.

The International Cotton Advisory Committee (ICAC) is currently evaluating participation of its sector in the case study process. As for other IAG members, a significant obstacle is the availability

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of countries that have signed up to the system and harmonized their xml. ICAC hopes as more countries join and reach production status a case study can take place.

Union Fleurs noted that it requires the engagement of Netherlands and Kenya to carry out an effective case study. However, this will not be possible until both countries have signed onto the ePhyto Hub and harmonized their xml language — a step that is being complicated by the fact that both countries have their own electronic exchange systems. It was thus recommended that Union Fleurs carry out a case study between USA and the Netherlands or USA and Kenya, with Ecuador another potential candidate.

The IAG agreed upon and welcomed the suggestion that conducting a case study on perishable products (e.g. flowers) is a priority, given that the potential benefits of securing faster, more efficient trade would be particularly high.

Based on the case study discussion the following was decided:

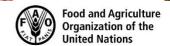
- The Terms of Reference document for the case studies should be updated, finalised and circulated. It is a living document that may be amended in future. It will provide guidance on many issues including:
 - Clear identification and allocation of responsibility at the initiation of the case study, both by the NPPO and the industry lead
 - Process of reviewing of data outcomes of each case study by the IAG and then submitted to the IPPC with a set of recommendations
- It was understood, that by the end of 2018, there should be a sufficient amount of case studies ready for discussion so long as countries go live within the Hub
- Industry will share standardised process maps with IPPC to ensure survey questions are aligned to roles with export/import pathways
- The case studies will be conducted with the understanding that the ultimate aim is to "go paperless"
- The sequencing document developed by the U.S. Grains Council will be shared with the IAG to assist with a step by step process for the case studies. However noting that these may differ for each commodity/ organization.
- The case studies will need to include re-exports

Other Business

Upon the completion of his two-year term, Mr. Gerard Meijerink, representative of the International Seed Federation (ISF), announced he would step down from his role as Chair of the IAG. IAG members and the Secretariat thanked him for his hard work, dedication and significant contribution to the IAG and the advancement of the ePhyto Solution.

The IAG selected Alejandra Danielson Castillo, representative of the International Grain Trade Coalition (IGTC) as the new Chair of the IAG, effective at the conclusion of the 4th Meeting. Ms. Castillo will confirm her availability to Chair post discussions with her employer.





Date and Venue of new meeting

The next meeting is scheduled to take place in the week of 7th January 2018, with the location (Europe based) yet to be determined.

Closing of the meeting

The meeting concluded with general agreement on the following key points:

- The IAG strongly supports an effective, fully operational ePhyto solution that allows phytosanitary certification to be truly paperless.
- Industry case studies are important and relevant to define the benefits and possible bottlenecks of the system, as well as interoperability with trade flows, commercial practice and harmonisation of requirements (notably with re-export)
- . The results of the case studies will help the project advance into the next stages of development.
- Industry case studies on perishable goods would be particularly useful in demonstrating the value of faster, more efficient issuance of phytosanitary certificates.
- Information flow from IPPC is extremely important to clarify the readiness of hub countries (once they are in production) and help with encouraging them to become involved in industry case studies.
- The success of the ePhyto Solution will depend to a large extent on its comprehensive adoption among countries and therefore access for all trade flows/commodities.
- IAG members welcome the IPPC's commitment to continue to engage with industry on suitable/viable trade flows with next group of countries.
- Advocacy (addressing concerns and benefits) will continue to occur, with industry partners supporting this as they feel relevant and appropriate.
- Integrity and security of ePhyto exchange remain top priority and pivotal to on boarding, as well as industry support.
- The concept of "interoperability" extends to connection with multiple electronic documentation systems, as well as commercial requirements and Single Window.
- IPPC agreed to enhance guidance for NPPOs
- Harmonisation of requirements is important (notably with re-export)

Meeting ended

Action Items:

Action Item	Owner	Due Date	Status
IPPC to provide the IAG a list of all countries registered onto the hub, clearly highlighting those in production phase (on going)	IPPC	Once a month	In progress, UNICC developing Hub Progress report that will include this information
IAG members to continue to mobilize respective	IPPC		

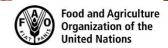




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constituencies for			
engagement in			
industry case studies			
Africa Workshop:	Sylvie Mamias		
Union Fleurs to			
1			
regional industry,			
develop a presentation			
on industry benefits			
(flower, Kenya, and on			
the ground case study			
approach)			
Renumber fact sheets	IPPC		Progress. Fact sheets have been edited and re-numbered. Currently in process of re-design.
IPPC to finalize the			
case study TOR			
Individual IAG	IAG		
members to provide			
advice on the 5 year			
strategic plan,			
including what the			
role of the IAG should			
be with clear			
identification of the			
paperless objective.			
paperiess objective.			
IAC to be given the			
IAG to be given the			
opportunity to provide			
a common			
"recommendation" on			
the 5-year plan.			
IPPC to send out a	Sela		Complete
letter to hub countries			
informing them and			
encouraging to be			
involved in the case			
study			
IPPC to deliver case	Sela/IPPC		
study TORs to hub			
countries that reach			
production level			
Modification of time	Vicaria		Complete
	v icarra		Complete
line to explicitly			
outline the industry			
case study	NT ·		C 1.
ESG Chair to connect	Neimanis		Complete
Union Fleurs in			

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contact with Walter		
and ecuador		
individuals for the case		
studies.		
IPPC to consider the	IPPC	
future enhancements		
which were previously		
recommended by the		
IAG as the strategic		
plan is developed and		
the project goes		
forward		
IPPC to include an	Vicaria	Progress, request has
option on the ePhyto		been sent to IT team
website for interested		
partners to sign up to		
news and the latest		
ePhyto materials		