



## IPPC Webinar: New Zealand Case Study

### Managing Conflicts of Interest in New Zealand's Phytosanitary Export System

*(Prepared by the Ministry for Primary Industries, New Zealand in 2020 to be presented at the CPM Side session)*

The Ministry for Primary Industries (MPI), the National Plant Protection Organisation (NPPO) for New Zealand, operates an effective phytosanitary certification management system for plants and plant products to ensure importing country phytosanitary requirements are appropriately met. The certification system operates through delegation of authority to Independent Verification Agencies (IVAs), and through approval of organisations (MPI-approved organisations) who carry out phytosanitary services on behalf of MPI. MPI is responsible for the issuance of phytosanitary certificates that comply with ISPM 12: *Phytosanitary certificates* and the broader system complies with Article V.2 (a) of the International Plant Protection Convention (FAO 2011).

Inspection and other related activities leading to issuance of phytosanitary certificates shall be carried out only by or under the authority of the official national plant protection organization. The issuance of phytosanitary certificates shall be carried out by public officers who are technically qualified and duly authorized by the official national plant protection organization to act on its behalf and under its control with such knowledge and information available to those officers that the authorities of importing contracting parties may accept the phytosanitary certificates with confidence as dependable documents.

MPI's authorization system operates to the same rules of decision-making and behaviour that legally apply to all public sector employees as described in the State Services Code of Conduct (States Services Commission, 2007). The Code requires that conflicts of interest be avoided wherever possible, and that any conflicts be declared and managed. Authorized entities are required to carry out duties professionally, transparently, impartially, honestly and in the best interests of MPI. In addition, all IVAs must be accredited to either AS/NZS ISO/IEC 17020 or ISO/IEC 17065 and they must document and implement a system that addresses the requirements of the impartiality (i.e. freedom from conflicts of interest) criteria for Type A inspection bodies.

MPI recognises that, in daily practice, it is difficult to achieve no conflicts of interest, especially where conflicts are perceived or, there is potential for a conflict of interest to occur rather than an actual conflict occurring. Therefore, identifying, managing, and verifying that conflicts of interest are managed is crucial to the good-governance and integrity of MPI's authorization system and decisions related to phytosanitary certification (*as per ISPM 7: Phytosanitary certification system*).

The importance of identifying and managing conflicts of interest is reflected in the MPI Certification Standard: Organisation Requirements (MPI 2016). These requirements must be met for an entity to become contractually authorized to perform phytosanitary activities on behalf of MPI. The MPI standard requires staff to be competent in phytosanitary decision making and impartial when making these decisions. The standard is outcome focused and does not specify how conflicts are identified and managed but provides guidance on how this can be recorded and achieved.

The contractual agreement for approval or authorization of an organisation to conduct phytosanitary activities specifically refers to conflicts of interest and an organisation's reporting responsibilities. An example of a contract for approval of an organisation is shown in Appendix 2 of the MPI Certification Standard: Organisation Requirements (MPI 2016).

As with all MPI standards, adherence to the requirements is auditable and penalties are in place for non-compliance (MPI 2015b). Breaches of requirements relating to conflicts of interest may be categorised as critical non-compliances and may result in the suspension or termination of an entity's MPI authorization. Authorized entities are incentivised to comply with MPI standards as enforcement of penalties by MPI for non-compliance is a risk to business and outweighs any benefits they may gain from the conflict of interest.

MPI is accountable for the system of authorization and therefore has the responsibility for establishing effective frameworks to control conflicts of interest, identifying and resolving problem situations that may arise and enforcing compliance with relevant standards and contracts. To ensure that the authorization system remains fit-for-purpose it requires regular audit and review by all participants.

The following table summarises the responsibilities of MPI and authorized entities with respect to conflicts of interests.

| Activity   | Responsibility  |
|--|-----------------|
| 1. Comply with the States Services Code of Conduct   | MPI             |
| 2. Set requirements and penalties for non-compliance   | MPI             |
| 3. Provide guidance on best practices for identifying, categorising, managing and verifying conflicts of interest have been managed  | MPI, IVAs       |
| 4. Identify conflicts of interest<br>a. Actual (where there is influence by a conflicting interest)<br>b. Perceived (where there could be an influence by a conflicting interest)<br>c. Potential (where there could appear to be influence by a conflicting interest) | All             |
| 5. Document and report conflicts of interest and how they will be managed  | IVAs, MAOs      |
| 6. Audit to verify conflicts of interests are identified and managed   | MPI, IVAs       |
| 7. Impose penalties for breaches of conflict of interest   | MPI             |
| 8. System review to identify areas for improvement   | MPI, IVAs, MAOs |

## References

- AS/NZS ISO/IEC 17020. Conformity Assessment – Requirements for the Operation of Various Types of Bodies Performing Inspection.
- AS/NZS ISO/IEC 17065. Conformity Assessment – Requirements for Bodies Certifying Products, Processes and Services.
- FAO (2011) International Plant Protection Convention 1997. Rome, IPPC, FAO
- ISPM 7 (2011) Phytosanitary certification system. Rome, IPPC, FAO.
- ISPM 12 (2017) Phytosanitary certificates. Rome, IPPC, FAO.
- MPI (2015b) [Plant Export Requirement: MPI Technical Standard: Audit.](#)
- MPI (2016) [MPI Certification standard: Organisation requirements.](#)

States Services Commission (2007) [Code of Conduct for the State Services](#).