



# EPHYTO SUSTAINABLE FUNDING MODEL

Update from the CPM  
Focus Group

# WHAT IS EPHYTO AND IT'S IMPORTANCE

The IPPC ePhyto Solution enables electronic exchange of phytosanitary certificate information between countries making trade trade safer, faster and cheaper.

## Two components of the system

- Hub: A system to facilitate the exchange of ePhytos between National Plant Protection Organizations (NPPOs)
- GeNS: A centralized web-based system that allows countries without their own system to produce, send and receive ePhytos through the HUB

## Benefits include:

- Improved security and reduced potential for fraudulent certificates
- Efficiencies in arrival and clearance of plants and plant products at the point of entry
- Reduced delays in receiving replacement phytosanitary certificates when required
- Avoids bilateral agreements required for direct NPPO to NPPO transfer of electronic certificates

# CPM DECISION AND TASK TO FG

CPM-15 (2021) decided to established a Focus Group to:

- Determine how much funding is required to sustain and operate the IPCC ePhyto solution
- Determine goals and principles to support a long-term funding solution
- Explore options for a long term funding mechanism
- Provide recommendations to CPM

The Focus Group was formed in April 2022 and reported back to CPM-17 (2023).

# CPM-17 DISCUSSIONS

At CPM-17 (2023) the Focus Group proposed two main options to funding the ePhyto Solution:

1. Allocating costs to user countries based on development status, OR
2. Allocating costs to user countries based on the volume of transactions

Consensus was not achieved and the Focus Group was asked to develop a final detailed proposal for CPM-18 (2024)

In parallel, contracting parties were requested:

1. Continue to explore the possibility of additional FAO regular programme funding for ePhyto.
2. provide additional information and proposals to the focus group with urgency.

# URGENCY — CURRENT FUNDING IS RUNNING OUT

Current funding for the ePhyto Solution is expected to run out in 2024.

Without funding to pay operational costs the ePhyto Solution cannot continue to operate.

CPM urgently needs to agree a funding mechanism at CPM-18 (2024) or the continued operation of the ePhyto Solution will be at risk.

# EMERGING ELEMENTS OF FG PROPOSAL FOR CPM

A hybrid concept is emerging in the Focus Group that calculates a country's contribution based on both:

- Development status (using world bank status) and
- Usage (the number of transactions)

Countries with higher development status and higher usage would pay more than countries with lower development status and lower usage.

UN Least Developed Countries would not pay to use ePhyto.

The proposal to CPM will align with the wishes of CPM members for accessibility, transparency, simplicity, predictability, fairness, and user pays.

# NEXT STEPS

The Focus Group will finalise a draft proposal before mid September

The Focus Group will test its proposal with the CPM Bureau and with the Strategic Planning Group.

The Focus Group will then draft the following for CPM-18 (2024):

- A ePhyto funding mechanism
- An ePhyto funding procedure
- An estimate of the likely contribution needed from each country for the 2025 and 2026 years.

# WHAT WE NEED FROM YOU

Country delegates should come to CPM mandated to adopt a mechanism and a procedure for long-term funding of the ePhyto Solution.

Before CPM you will need to:

- Ensure you understand what is being proposed
- Help decision-makers understand the current and/or future value of the ePhyto Solution for your country
- Meet with your budget decision-makers to get a mandate to agree a funding mechanism.



# DISCUSSION

What questions do you have for the Focus Group?

Do you have any suggestions or preferences you would like the Focus Group to consider?