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COMMISSION ON PHYTOSANITARY MEASURES

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IPPC e-Commerce proposed project work plan and budget
Agenda item 8.7
Prepared by Lois Ransom with the input from the IPPC Secretariat

1.   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]. In 2012, the Implementation Review and Support System (IRSS) conducted a study on "Internet Trade (e-Commerce) in Plants: Potential Phytosanitary Risks"[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] was adopted at CPM-09 (2014). At CPM-12 (2017), a special session was organized to raise awareness on the phytosanitary risk associated with e-Commerce and facilitate the implementation of CPM-Recommendation (R-05)[4]. CPM-12 (2016) recommended further actions[5].

2.   CPM-13 (2018) 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,

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[1] The report of the 22nd TC-RPPO is available at https://www.ippc.int/en/2010---22nd-tc-among-rppos-/

[2] The IRSS study Internet Trade (e-Commerce) in Plants: Potential Phytosanitary Risks is available at https://www.ippc.int/en/irss/activities/2/

[3] R-05: https://www.ippc.int/en/publications/84232/

[4] 2017 e-Commerce (Internet trade) of plant https://www.ippc.int/en/core-activities/governance/cpm/scientific-sessions-during-commission-phytosanitary-measures/2017-e-commerce-internet-trade-of-plants/

[5] IPPC e-Commerce Project Work Plan and Budget presented to the 2018 Strategic Planning Group: https://www.ippc.int/en/publications/86475/

and present this to CPM-14 (2019). The project work plan presented integrates the actions recommended by CPM-12 (2016), which should be implemented through the most flexible and appropriate way to be determined as the project is agreed upon. It was made clear during CPM-13 (2018) Governance and activities related to e-commerce will be funded and operate using extra-budgetary resources provided for this purpose.

3.   A draft project work plan and budget was developed in January 2018 and was provided to the Bureau in June 2018 for consideration. The format follows the one used for the Sea Container Task Force. 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.

4.   Two submissions relevant to e-Commerce were received in response to the 2018 Call for Topics. These were Topics 2018-014: Guidelines for Phytosanitary (Risk Management) of International Mail Items[6], and 2018-021[7]: Requirement for phytosanitary certificate on cross-border online-shopping plants, plant products and other regulated articles. The Task Force on Topics considered that both these topics could be considered in the context of the e-Commerce work plan and budget.

5.   It also references the World Customs Organization (WCO) Cross-border e-Commerce Framework of Standards, which was released in June 2018[8].

6.   The resources implications to the budget of the IPPC Secretariat are summarized in CPM 2019/INF/01.

7.   CPM-14 is invited to:

   1) *Review* and discuss the draft project work plan and budget, including the possible inclusion of the two related topics submitted in the 2018 Call for Topics into the e-Commerce activities.
   2) *Note* that activities to identify and address risks associated with e-Commerce are continuing through the WCO and in a number of countries with minimal involvement of the IPPC community and this is preventing the development of global solutions for managing phytosanitary risks.
   3) *Endorse* the work plan and budget.
   4) *Commit* to provide extra-budgetary resources to implement the draft project work plan.
   5) *Note* that the IPPC Secretariat will not continue work on e-Commerce until it is fully resourced.
   6) *Provide* the IPPC Secretariat updates on related e-Commerce actions in their region.

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6 2018-014 Guidelines for Phytosanitary of International Mail Items https://www.ippc.int/en/publications/86328/

7 2018-021 Requirement for phytosanitary certificate on cross-border online shopping plants, plant products and other regulated articles https://www.ippc.int/en/publications/86303/

8 WCO Cross-Border E-Commerce Framework of Standards available at .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

Project proposal for the Implementation of the CPM Recommendation on Internet Trade (e-Commerce) in Plants and Other Regulated Articles (R-05)
-
Draft Project Plan and budget

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.

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[1].

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.

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[1] WCO   Cross-Border   E-Commerce   Framework   of   Standards   available   at   .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 of the project

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 <u>attachment 1</u>.

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.

* **Products which are project milestones**	**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

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 (<u>attachment 2</u>). 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	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**
Personal (estimated Full Time Equivalent (FTE)	**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)
Cumulative total	**150,000**	**300,000**	**380,000**	**460,000**	**530,000**

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.

Details on IPPC Secretariat costs and actions are in <u>attachment 3</u>.

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: IFU Head

Attachment 1 - 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 concerns Examples of good practice Feedback to e-traders – template and procedures, processes, non-compliance Annual 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 risks Guidance (ref. CBD expert meeting December 2017) Engagement with other organisations, forums IPP information, contact point Materials 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 rules Information exchange Network, including OIE, Codex, SPS Advance e-data for risk assessment Identifying consignment to apply risk profile to screening Shared border facilities Enforcement options Collaboration 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 elements 1. 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	

Attachment 2 - 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 governing 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 IPPC 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.

Attachment 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.	- 15 days of work of P staff in the Secretariat (12165 USD)	**12,000**

	Service providers: - Graphic design of the factsheet - Printing if necessary		
Prepare a joint publication with 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 guidance IPPC 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**