PAGE 3: B. ABOUT YOU

Q1: Respondent details

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Q2: Country or Customs territory	SWITZERLAND
Q3: Organization	Other (please specify) World Trade Organization

PAGE 4: C. ABOUT YOUR CASE STORY

Q4: Title of case story

Electronic Sanitary and Phytosanitary certification for faster and safer trade

Q5: Case story focus	Trade Facilitation.

Q6: Case story abstract

Paperless trade is an important means to reduce trade cost and facilitate safe trade. It is system where trade information is exchanged through electronic documents in a structured format, based on open and agreed standards. Electronic Certificates are part of the regulatory documents exchanged in an international trade transaction. Electronic SPS certificates (SPS e-cert) are increasingly important for improved control and efficiency in agriculture trade. Implementation e-cert and of paperless trade in general has progressed dramatically over the past years. Yet, developing countries still face critical hurdles that prevent them from reaping the benefits offered by electronic technologies in trade procedures. In June 2016, the STDF organized an international Seminar that reviewed the state of play of implementation of SPS e-cert in developing countries and recommended priorities for capacity building. Furthermore a global STDF project is ongoing to develop an ePhyto Solution and facilitate the uptake of ePhyto by developing countries.

Q7: Who provided funding?	Multilateral organization
Q8: Project/Programme type	Multi-country

Q9: Your text case story

The Standards and Trade Development Facility (STDF) carried out field research in Southern Africa and Southeast Asia, on the implementation of SPS control, inspection and approval procedures. While this work focused on implementation issues from the perspective of the Annex C of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures "SPS Agreement", in the broader context of trade facilitation. This work identified a number of good practices in developing countries to reduce SPS-related trade cost, while maintaining and reinforcing health

protection. Automating border procedures including those related to SPS measures is one way to reduce trade costs. SPS e-Cert increases trade efficiency by enhancing reliability and reducing the time associated with paper processing and transmission of SPS data on products, in addition to expediting communication on specific certificates between exporting and importing SPS authorities. The introduction of electronic certificates is an opportunity to automate and improve the complete set of business processes related to issuance and processing of SPS requirements, including request for certificates, scheduling of inspections, payment of fees and integration into Customs inspection processes. The trade facilitation and security gains are likely to come from the overall improvements which are enabled through the dematerialization of the paper SPS . In addition, e-Cert enables SPS authorities to store and access data electronically without manual data entry. It reduces costs associated with printing and shipping paper certificates as well as costs associated with sorting, distributing, retrieving and archiving paper documents. e-Cert decreases fraudulent certificates and increases transparency related to issuing, re-issuing and receipt of certificates by relevant authorities. Information from electronic SPS can also be used for improved control of the agriculture trade process, for example to implement automated risk management methods to focus inspections on identified risks and to implement authorized economic operator programmes were compliant traders are rewarded with facilitated procedures.
For developing countries, adopting electronic trading may be difficult. Not only are these countries separated from the developed world by the "digital divide", but they may also have limited resources for introducing the necessary infrastructure requirements. They can benefit, nonetheless, through the greater efficiency that will be achieved in the private sector and government agencies, and the resulting lower logistics costs .

Implementation of electronic certification and of paperless trade in general has progressed dramatically over the past years. Yet, developing countries still face critical hurdles that need to be overcome to be able to reap the benefits offered by electronic technologies in trade procedures. A survey carried out in 2015 by the United Nations Regional Commissions (UNRCs) reported that nearly 40% of the Asia-Pacific economies are now implementing advanced national paperless trade systems such as electronic Single Windows. However, cross-border paperless trade systems implementation remains mostly at the pilot stage, including in ASEAN .

In June 2016, the STDF organized an international seminar that gathered over 80 participants and raised awareness of the opportunities and the challenges related to the implementation of electronic SPS certification systems, mainly in developing countries. The seminar identified good practice and considered avenues for future action to support the smooth transition of developing countries from paper based to automated SPS cross-border trade procedures.

The seminar considered electronic certification in the broader context of agricultural trade. Taking account of import-export business processes and trade logistics, the seminar clarified the concept of electronic certification and highlighted its positive contribution to trade facilitation. In doing so the seminar examined electronic trade documentation processes, including those related to: (i) trade finance (such as electronic Letters of Credit, electronic invoices and electronic bills of lading), (ii) G2G processes (other than SPS) such as eCITES, (iii) transport procedures for trade (such as the electronic airway bill and the electronic TIR Carnet) and (iv) customs operations, such as electronic Manifests, electronic Declarations and electronic Certificates of Origin). The seminar recognized the role played by these initiatives, as well as others such as single window initiatives, in driving forward the implementation of electronic SPS certification. The STDF seminar considered the state of play of standard-setting in the area of electronic certification, looking at various sets of standards. International "SPS" standards provide guidance to competent authorities on SPS certification requirements while e-business standards and frameworks, including United Nations Centre for Trade Facilitation and electronic Business (UN/CEFACT) and the World Customs Organization (WCO) Data Model, provide standardized data elements to transcribe the content of paper certificates into electronically exchangeable data.

UN/CEFACT also develops standards for related business processes and exchange protocols.

While the standards of the International Plant Protection Convention (IPPC) provide sufficient guidance to contracting parties on the implementation of electronic phytosanitary certification (ePhyto), Codex members have recently initiated discussions on the type of guidance that may be required over and above existing guidance provided by the Codex Committee on Food Import and Export Inspection and Certification Systems (CCFICS). Members of the World Organization for Animal Health (OIE) are currently at an early stage of considering gaps in standards with regard to electronic certification. The Seminar reviewed countries' experiences in implementing SPS electronic certification. Some developing countries are managing the transition to electronic SPS certificates at various stages of implementation. Kenya's implementation of ePhyto was a key driver to streamline inspection and certification processes and strengthen the dialogue between the Kenya Plant Health Inspectorate Service and the private sector. In the Philippines, import processes, from import permit to quarantine inspection and clearance, for various products, mainly animal products, is automated and led to a significant reduction in transaction time. For instance, the time required for import procedures fell from 5-10 days to 0.5 to 1 day. While the exchange of SPS certificates in fully paperless format is still limited, the experience of the experience of the Netherlands and China for the trade of dairy products demonstrated that the goal remains achievable in the medium-term.

During the Seminar, several regional and global initiatives aiming to build capacity of developing countries to implement paperless trade were highlighted during the seminar and avenues for future expansion were discussed. These include : (i) UNESCAP work in the area of paperless trade, mainly that of the United Nations Network of Experts for Paperless Trade and Transport in Asia and the Pacific (UNNExT), including guidance on implementation of single window and business process analysis; (ii) UNCTAD's ASYCUDA system that provides developing countries with a solution for customs automation, as well as its spin off ASYCER that allow processing of ePhyto, (iii) the ASEAN Regional Single

Window and (iv) the Pacific Alliance interoperability platform supported by the Inter- American Development Bank. The STDF is also contributing funding to an important global initiative "the ePhyto project" led by the IPPC that aims to make electronic phytosanitary certification accessible to developing countries. Many developing countries perceive that electronic phytosanitary certification is unattainable given: (i) the absence or minimal levels of national technical and financial capacity to develop a system for the automation of issuance and transfer of phytosanitary certificates and (ii) the complex bilateral requirements necessary in establishing point to point systems. The project will establish an ePhyto Solution which consists of: (i) a National Generic System for the production, sending and receipt of electronic phytosanitary certificates for countries which do not have such a system, and (ii) a hub which facilitates the transfer of electronic certificates between competent authorities and is easily accessible and free of costly bilateral agreements required for point to point systems. The ePhyto Solution will make electronic phytosanitary certification feasible for many developing countries.

STDF's work in the area of electronic certification has spurred global efforts to coordinate capacity building initiatives and pool resources. The ePhyto project is steered by an Advisory Committee that gathers various stakeholders at the international standard setting level, along with donor agencies involved in capacity building who are involved in transitioning from paper to paperless trade systems beyond ePhyto. This committee aims to ensure that the project aligns with advances and builds upon efforts being undertaken in other international e-certification initiatives. It also provides a meeting ground where advances made in the development of ePhyto can be used by other international agencies to facilitate a cohesive approach for e-certification in general.

Q10: Lessons learnt

- Electronic SPS certification can contribute significantly to facilitating safe trade through reducing transaction costs, improving compliance with regulations and policies, reducing errors and fraud, supporting risk management, and enhancing trust among trading partners. In addition to these direct benefits, electronic certification contributes indirectly to higher order objectives such as improving food security and achieving Sustainable Development Goals.

- Implementation of electronic SPS certification can act as a driver for reform, including by streamlining import-export business process, and by promoting regulatory reform and inter-institutional collaboration.

- The existence of internationally recognized standards facilitates exchange of electronic SPS certificates by achieving greater harmonization of requirements and exchange frameworks, hence reducing the resources required for bilateral arrangements amongst trading partners. This is particularly crucial in view of the limited resources available in developing countries.

- Prior to engaging in the automation of certification systems, developing countries should carry out a comprehensive analysis of their export/import business processes to identify the challenges and outstanding capacity building needs. Any decision to invest in an electronic certification system should be made after due consideration of the costs and benefits of such an endeavour. Elements such as trade volumes and business's willingness to pay for an improved service should be taken into account in decision making.

- The primary pre-requisite for electronic certification is to have an optimal paper-based certification system in place, including a proper knowledge of principles and provisions of the WTO's Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and the relevant provisions under the Trade Facilitation Agreement that set out additional SPS procedural requirements. Once that is in place, other pre-requisites for e-Cert include: (i) political will; (ii) a mature export/import sector that allows for adequate cost recovery systems and for proper involvement of the private sector; and (iii) adequate IT infrastructure and capabilities within the SPS authorities.

- Guidance and support is required to enable developing countries carry out their business process analysis, map out their business process reengineering needs and undertake the necessary cost benefit analysis to inform their investment decision.

- Streamlining both government and business operations and ensuring their compatibility would benefit consumers and the economy as a whole. As governments and business transit to paperless documentation, greater co-operation between these two core groups is fundamental to ensure that data flows between B2G, G2G and B2B are harmonized and implemented in a coordinated manner.

These are only some highlights of our discussion, I trust you will join me to say that the Seminar has reached its objectives of raising awareness on electronic SPS certification and discuss country experience and good practice.