STDF SEMINAR ON ELECTRONIC SANITARY AND PHYTOSANITARY (SPS) CERTIFICATION

(GENEVA, WTO, 28 JUNE 2016)

CONCEPT NOTE

1 INTRODUCTION

1.1. This note presents the background and the objectives of the seminar on electronic SPS certification that will be organised by the Standards and Trade Development Facility (STDF) on 28 June 2016 at the WTO in Geneva. The seminar will review the state of play of electronic SPS certification and consider opportunities and challenges to expand the uptake of this technology in developing countries.

1.2. The seminar complements recent research work by the STDF on the implementation of SPS control, inspection and approval procedures (Annex C of the SPS Agreement) in the broader context of trade facilitation. This work, which focused on Southern Africa and Southeast Asia, identified a number of good practices in developing countries to reduce SPS-related trade cost, while maintaining and reinforcing health protection. Paperless trade is an important means to reduce trade cost and facilitate safe trade. It is defined as a trade system where trade information is exchanged through electronic documents with information provided in a structured format, based on open and agreed standards[1]. Electronic Certificates are part of the regulatory documents exchanged in an international trade transaction. Electronic SPS certificates are becoming increasingly important for improved control and efficiency in agriculture trade. The international standard for electronic SPS certificates is the e-Cert standard[2], developed by the United Nations Centre for Trade Facilitation and electronic Business (UN/CEFACT).

1.3. e-Cert increases trade efficiency by enhancing reliability and reducing the time associated with paper processing and transmitting of sanitary and phytosanitary 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[3]. 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.

1.4. 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,

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[1] www.gfptt.org/node/46
[2] www1.unece.org/cefact/platform/pages/viewpage.action?pageId=5964708
[3] UNECE Publication: "Implementing UN/CEFACT e-Business standards in agricultural trade: A handbook for policy makers and project managers" describes the scope and design of an eSPS project (https://www.unece.org/fileadmin/DAM/cefact/publica/UNNExT_e-BusinessStandardsHandbook.pdf)

nonetheless, through the greater efficiency that will be achieved in the private sector and government agencies, and the resulting lower logistics costs[4].

1.5. 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[5].

1.6. Prior to engaging in the automation of their certification systems, developing countries require a comprehensive analysis of their export/import business process to identify their outstanding needs and should carry out a cost-benefit analysis to inform their decision for investment. Pre-requisites for e-Cert include: (i) political will; (ii) update of legislative frameworks to authorise electronic certification, electronic signatures and cost recovery systems nationally; (iii) enhancement of IT infrastructure and capabilities within the SPS authorities; (iv) compilation of import/export requirements to integrate into the electronic system; and (v) business process reengineering (flow of information among the various entities along the certification line as well as a clear identification of responsibilities for various parts of the system.

2 OBJECTIVE OF THE STDF SEMINAR

2.1. The overall objective of the STDF seminar is to raise awareness of the opportunities and the challenges related to the implementation of electronic SPS certification systems, mainly in developing countries. It aims to identify good practice and consider avenues for future action to support the smooth transition of developing countries from paper based to automated SPS cross-border trade procedures. To achieve this, the seminar will:

  (i) review existing international SPS and electronic data exchange standards and consider outstanding standard-setting gaps;

  (ii) review relevant initiatives aiming to streamline the automation of trade procedures and facilitate implementation of paperless trade to identify synergies and good practice; and

  (iii) present countries' experiences in the area of exchange of electronic SPS certificates, share lessons learned, discuss challenges faced and consider capacity building needs for developing countries.

3 OUTPUTS

3.1. The following outputs are expected from this seminar. These will be made available on the STDF website and be further disseminated through STDF's network:

  • a series of presentations;

  • an overview document summarizing existing relevant paperless trade tools and systems; this paper will be prepared by a consultant commissioned by the STDF Secretariat; and

  • an STDF Briefing Note introducing electronic SPS certification, highlighting lessons learned from countries' experiences in implementing it and identifying future opportunities.

4 PARTICIPANTS

4.1. The seminar will be open to WTO delegates involved in the work of relevant Committees (including inter alia SPS/Trade Facilitation/Trade and Development), as well as external participants who work, for instance, in the area of certification. The Secretariat will set up an

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[4] www.unece.org/fileadmin/DAM/cefact/publica/ece_trd_371e.pdf
[5] unnext.unescap.org/UNTFSurvey2015.asp

electronic registration system on the STDF website to enable those who are interested to register within the limit of available seats.

5 VENUE AND DATE

5.1. This one-day seminar will take place on 28 June 2016, back-to-back with the SPS Committee meeting.