

# Electronic SPS certification for trade facilitation

11 November 2015

Bangkok, Thailand

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# What is UNNExT?

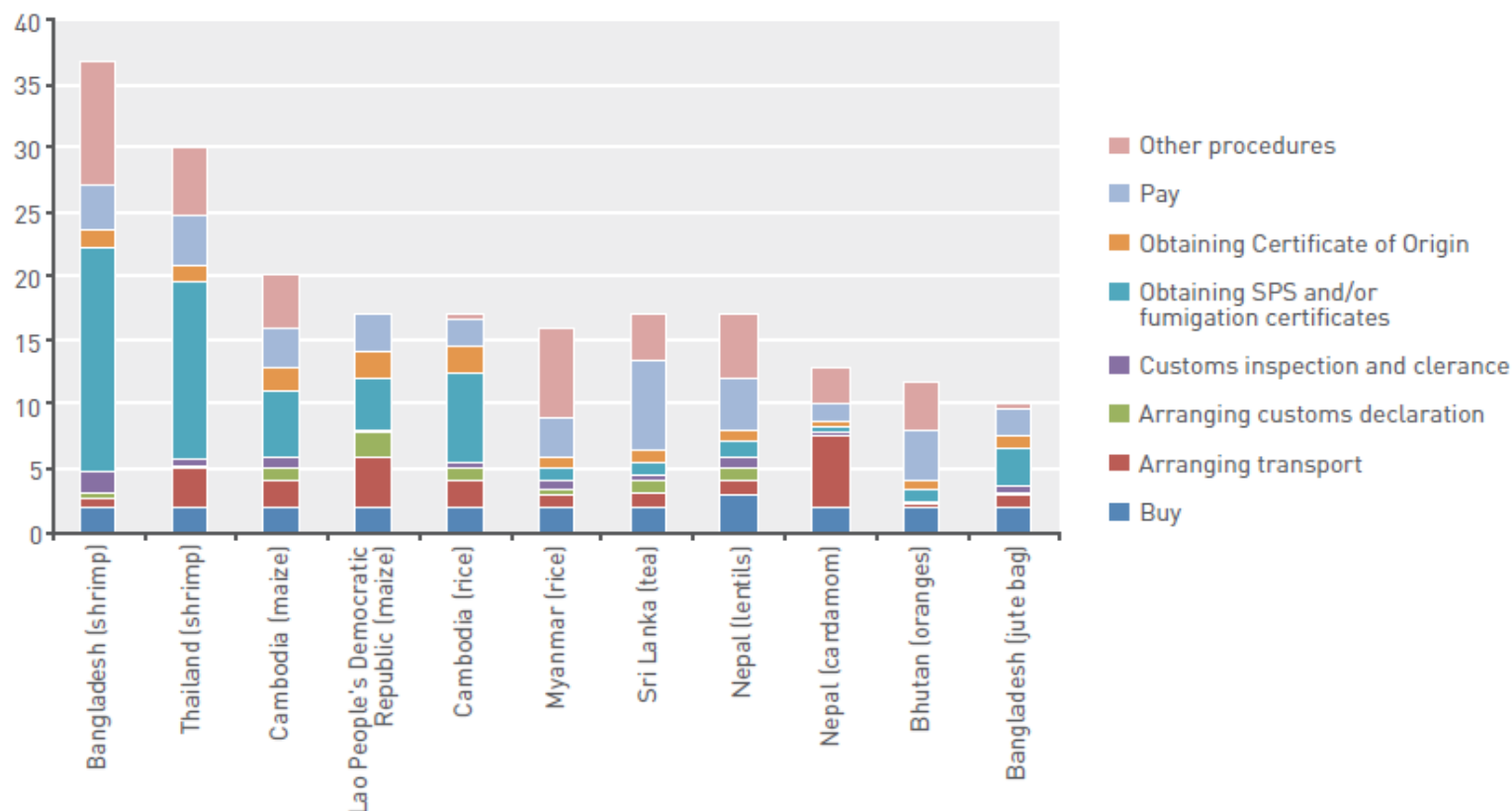


- “***community of knowledge and practice to facilitate the implementation of single window and paperless trade in the region***”
  - Tools and guides development activities
  - Advocacy and Technical Training Workshops
  - Knowledge sharing and peer-to-peer support
- Secretariat provided by ESCAP, in collaboration with UNECE
- Link: [unnex.unescap.org](http://unnex.unescap.org)



# Business process analysis of trade procedures in South and South-East Asia

**Figure: Days required for export of agricultural products**



Source: Derived from SATNET studies ([www.satnetasia.org/theme2.html](http://www.satnetasia.org/theme2.html)), SASEC Phase I BPA Study (forthcoming), and other studies available from [unnex.unescap.org/tools/business\\_process.asp](http://unnex.unescap.org/tools/business_process.asp).

Note: While the studies were conducted on the basis of the UNNExT BPA Guide, the scope and context of each study differ. Accordingly, results may not be used for cross-country benchmarking purposes.

## Agricultural Trade Facilitation

**can be defined as:** *“the simplification and harmonization of procedures (activities, practices and formalities) involved in the import and export of agricultural and food products, including but not limited to collecting and processing data and documents required for the cross-border movement of these products”*

# Interventions for trade facilitation related to SPS certification

## Export Trade Regulatory Organizations

- Compliance to SPS Certification and Import Regulatory Requirements
- Electronic SPS Certificates accessible to Import Quarantine Agency

## Import Trade Regulatory Organizations

- Advanced verification and acceptance of certifications
- Risk management to reduce quarantine and physical inspections
- Compliance to customs requirements

# Challenges of traditional paper-based processes

- Large volumes of data to submitted and processed
- Manual intervention in the review, processing and approval
- Efficiency: Data re-entry required to generate reports
- Transparency
  - Retrieval
  - Limited data analysis and aggregation capabilities
- Security
  - Higher risk of forgery and manipulation
  - Higher risk of import control failures

# Why e-SPS certificates?

## **Key benefits include:**

### ***For private sector:***

- Speed up border clearance
- Reduce transaction costs
- Reduce administrative burden

### ***For government:***

- Increased efficiency in processing SPS certificates
  - Real time verification and cross-checking of certificates
  - Pre-arrival validation and processing of certificates
  - Reduced requirements for data re-entry – reusable data
- Contributes to risk based inspection
- Contributes to food security
- Reduces the opportunities for fraud

# e-SPS certification

## **Definition:**

A secure exchange of SPS/ e-Cert Messages from Issuing Authority (Export) to Quarantine Authority/ National Plant Protection Organization - NPPO (Import)

e-SPS certificates/ e-Cert refers to an electronic certification system using Extensible Markup Language (XML) to transmit data of agricultural products.

## **Objectives:**

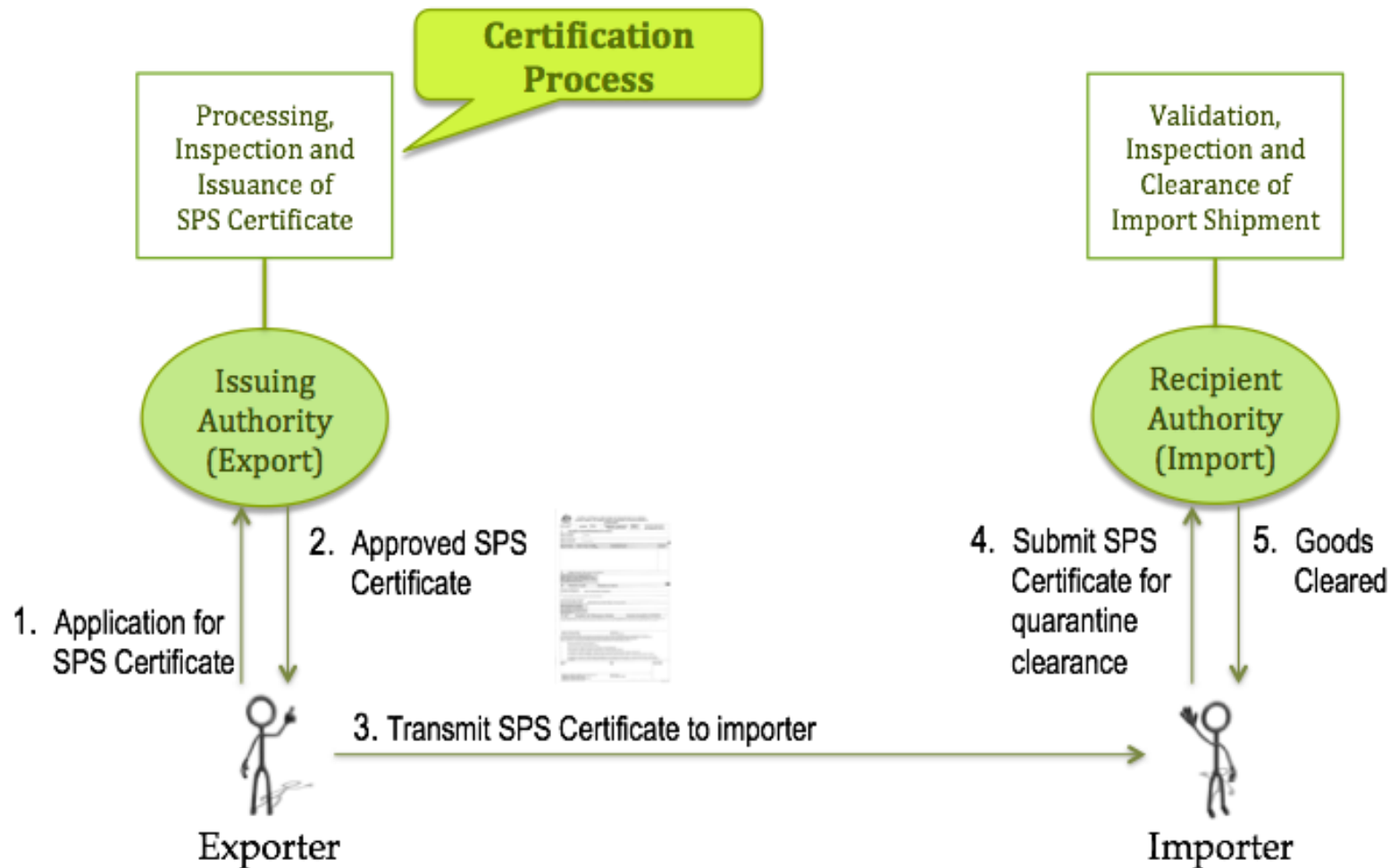
- Ensure compliance to health, sanitary requirements of exporting and importing country
- Facilitate quarantine compliance and control fraud
- Trade facilitation, cross border efficiencies with advanced information, reusable data



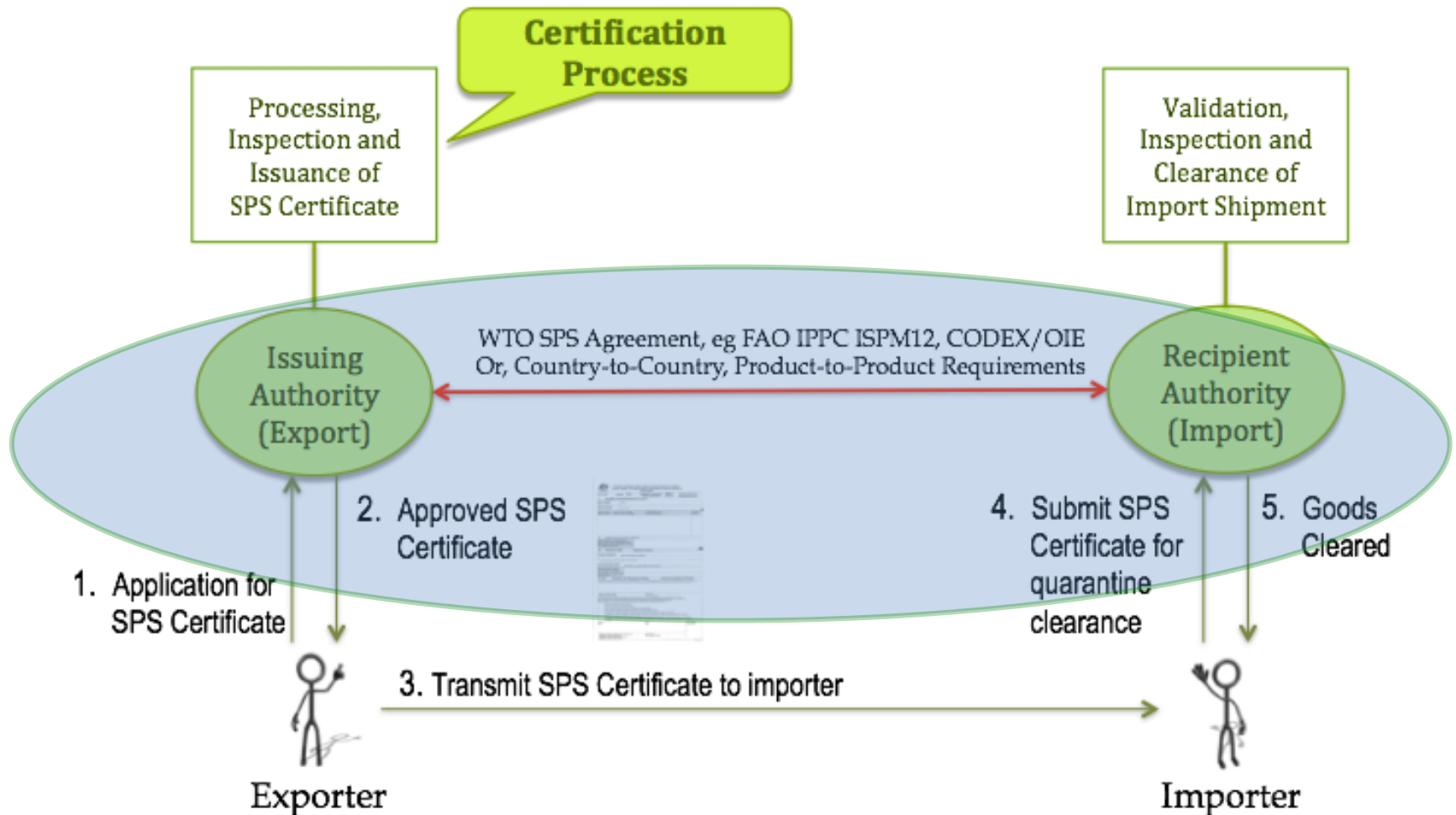
# Key features of e-SPS

- G2G exchange
- Equivalent to paper SPS certificate
- Prior notice – available in advance, before arrival of goods
- Allows for pre-clearance processes, including risk management
- Verification of paper SPS certificate
- Reusable data

# SPS Certification workflow



# e-SPS Certification Workflow



## e-SPS State of Play

- UN/CEFACT provided a standardized XML Schema for eCert
- OIE guidance
- Codex Alimentarius guidance
- IPPC – ePhyto
- Countries engaged in e-SPS exchange (some at partial implementation/pilot stage) in Asia-Pacific: Australia, New Zealand, Japan, Republic of Korea, China, Malaysia, Indonesia, the Philippines

# Workshop on electronic exchange of SPS certificates for Better Trade Control and Facilitation, 21-22 October, Wuhan, China

## Objective of the electronic SPS workshop

- To raise awareness amongst policymakers in Asia-Pacific regarding the benefits of exchanging e-SPS certificates;
- To provide an overview of the key regional and global initiatives supporting e-SPS exchange;
- To exchange information and present relevant case studies from countries, which have implemented or in the process of implementing e-SPS certificates;
- To provide guidance and relevant tools to policymakers and practitioners looking to implement in their national contexts.

**Website:** <http://www.unescap.org/events/workshop-electronic-exchange-sps-certificates-better-trade-control-and-facilitation>

# e-SPS implementation in Asia-Pacific

- China

- Cooperative agreements with New Zealand, Australia, the Netherlands
- Singapore, Chile, Iran, Egypt, Belgium, France, Chinese Taiwan, Republic of Korea

- Malaysia

- Recently developed system (MyPhyto) for the online application, processing and issuance of phytosanitary certificates
- Bilateral negotiations for exchange with: Australia, Netherlands, Indonesia, Singapore
- Planning exchanges with: Philippines, China, Rep. of Korea and New Zealand

- Philippines

- Automation of import process – can receive electronic SPS certificates
- Trial ongoing with Australia - in negotiations with other countries.

# Challenges in Electronic SPS certificates

- Connectivity, IT infrastructure and technical capacity
- Legal and policy framework for the use and the exchange of electronic messages
- Funding for development and operation of e-SPS certification systems
- Buy-in of senior level government officials
- Coordination between relevant agencies and stakeholders
- Standards still emerging – UN/CEFACT e-CERT, IPPC e-Phyto

# Way Forward and Forthcoming Work

## **Capacity Building:**

- Training and capacity building on electronic SPS implementation; risk-management and risk based controls
- Sensitization of senior level stakeholders and policymakers

## **Forthcoming Work**

- Briefs on Streamlining and Automating Agrifood Procedures and the Case Study of the Philippines
- UNNExT Handbook on Implementing UN/CEFACT eBusiness Standards for Agricultural Trade

## **Proposed Work**

- Roadmap on implementing electronic SPS certificates
- Guidance on risk-management and risk-based import controls for agrifood trade





Thank you.

More information about UNNEExT available here:

<http://unnex.t.unescap.org/>