Harmonization of electronic data exchange

ePhyto - Focus, Funding, and Governance

*Prepared by New Zealand*

1. Introduction

1. New Zealand has been a strong and long-standing supporter of the IPPC ePhyto work programme. We commend the ePhyto Steering Group (ESG) and the Secretariat for the progress made so far in establishing the ePhyto Hub, piloting its use, developing the web-based Generic ePhyto National System (GeNS), and supporting implementation in developing countries. New Zealand is successfully exchanging certificates via the Hub on an operational basis with countries that are ready and able to send and receive electronic data through the hub.

2. Focus

1. COVID-19 impacts have severely hindered contracting parties and importers’ ability to provide original paper certificates to an importing country NPPO. We expect to experience this impact of COVID-19 for at least the next 12 – 24 months. Many countries including New Zealand have temporarily agreed to accept copies of certificates, but this is not an ideal solution. The COVID-19 situation has strongly underlined the value of electronic data exchange.
2. The CPM has a lot of discretion on how IPPC regular fund resources are deployed, and donor countries are also able to direct funds towards specific priorities. We anticipate significant savings have accrued in IPPC accounts and trust funds as a result of cancelling this years’ CPM meeting and the cancellation of other travel and face-to-face meetings. CPM-15 (2021) is also likely to be held remotely providing further savings. An opportunity exists to redirect IPPC funds and, with agreement, donor funds to support a much greater focus on ePhyto implementation in developing countries.
3. Funds could be used to:

* develop enhanced implementation support information,
* fund in-country consultants to support NPPO implementation efforts,
* purchase hardware and/or pay operational in-country costs to get ePhyto solutions implemented,
* accelerate development and deployment of enhancements to the ePhyto solution.

1. There are likely to be many other opportunities to accelerate implementation. Other Development Agenda programmes from the IPPC Strategic Framework 2020-2030 that are not significantly advanced could be slowed or put on hold to enable Secretariat staff to temporarily shift their efforts to this new focus. The opportunity to focus in this way does not come often. Focusing could have a significant and tangible benefit to many countries and advance implementing the ePhyto solution in a way we could never have anticipated. Some barriers may be faced, but with effort most barriers can be overcome.
2. **New Zealand invites SPG** to discuss the opportunity to accelerate implementation of the ePhyto solution by redirecting and focusing IPPC funding, donor funding, and staff resources into this ePhyto implementation. If agreed, SPG could make appropriate recommendation to CPM.

3. Funding

1. At CPM-14 New Zealand expressed concern over the funding arrangements for the ePhyto solution. As countries transition to ePhyto, it becomes a critical part of their infrastructure for imports and exports. New Zealand is concerned that the *Five-Year Strategic Plan for ePhyto: Transitioning from project to business as usual operation[[1]](#footnote-1)* relies on substantial donor funding of $US1 million per year for the next five years. Reliance on donor funds for such a long period places the ePhyto solution at risk. We are also concerned that a sustainable funding solution is not scheduled for presentation to CPM until 2023. We expect donor funding will become scarcer as the economic impacts of government actions to control COVID-19 are felt.
2. Some work has been done to examine options but, in our view, this is not progressing fast enough**. New Zealand invites SPG** to discuss this issue and proposes the ePhyto Steering Group and the Finance Committee of the Bureau work together to propose a sustainable cost recovery model for adoption at CPM-15 (2021) and engage a consultant to assist if necessary. Implementation of the funding model by countries using the ePhyto Hub could then begin in at the start of 2022. This timeline will significantly decrease the risk to the ePhyto solution.

4. Governance

1. **For several years the ePhyto Steering Group has successfully guided CPM to explore, adopt and now commence implementation of ePhyto. New Zealand is grateful for their guidance and commitment and the oversight provided from the Bureau and IC. As ePhyto moves from development to piloting and now implementation, contracting parties need strong confidence that financial, operational and assurance controls are in place, and that change decisions are carefully approved and implemented. As contracting parties go paperless, they are becoming heavily reliant on the ePhyto system and need confidence that appropriate governance mechanisms exist that are fit for a global data exchange system. While we have confidence in the** UNICC[[2]](#footnote-2) for **day-to-day operational hosting, management and delivery of the ePhyto solution, this does not provide the robust governance contracting parties will expect. The ePhyto steering group, Bureau and Secretariat will still play an important tactical role identifying and prioritising future needs of the system and continuing to support global implementation.**
2. **New Zealand suggests it is time to establish a robust governance and a clear business model for ePhyto. The governance role is not technical. The role of governance would be to ensure:**

* continued appropriate and sustainable funding
* appropriate financial and expenditure controls
* appropriate integrity, assurance and quality systems
* appropriate change management approval and control systems
* clear strategic direction is established and communicated
* proactive identification and management of strategic risks and issues.

1. **New Zealand suggests such governance is beyond the capacity of the Bureau or other IPPC subsidiary bodies. Five or six directors could be appointed with appropriate skills and expertise including:**

* Experience in global IT system governance
* Assurance and auditing
* Finance
* **Legal**
* **One or two very senior staff from contracting parties using the system.**
* **A Bureau member**
* **The Secretary of the IPPC.**

1. **The governance boar would report to the CPM on an annual basis. When in place, good governance will increase trust, confidence and the long-term sustainability of the system.**
2. **New Zealand invites SPG to discuss the need for high level governance of the ePhyto solution and make appropriate recommendations to CPM-15 (2021).**

1. CPM2019/35 [↑](#footnote-ref-1)
2. United Nations International Computing Centre [↑](#footnote-ref-2)