

INTRODUCING ELECTRONIC PHYTOSANITARY
CERTIFICATES (ePHYTOS)

ECUADOR



Timeframe: **April 2021- October 2022**

Donor Spend: **US\$ 334,000**

Private sector contribution: **US\$ 461,000**

Projected annual savings: **US\$ 6.2 million**

Estimated Return on Investment: **1,750%**

THE EPHYTO SOLUTION

Ecuador, the world's biggest banana exporter and a major producer of other crops such as cut flowers and cocoa, is constantly seeking ways of maintaining and growing international market share.

Adopting the International Plant Protection Convention (IPPC) ePhyto Solution by integrating into the IPPC ePhyto Hub has enabled the country to replace a complex, paper-based phytosanitary certification system with a seamless electronic process, allowing quick, accurate, low-cost, exchange.

ADDRESSING THE WORLD TRADE ORGANIZATION'S TRADE FACILITATION AGREEMENT

Article 7.4
Risk Management

Article 7.1
Pre-arrival processing

Article 7.9
Perishable goods

Article 10.1
Formalities and documentation requirements

THE CHALLENGE

A phytosanitary certificate is a legal document issued by a country's National Plant Protection Organisation (NPPO) for exports of plants and plant-based goods certifying that they are free of specific pests and diseases. In 2021, Ecuador's NPPO, Agrocalidad, issued around 370,000 hard copy certificates.

The time and cost involved in exporting is especially discouraging for micro, small and medium-sized enterprises (MSMEs), lacking the resources to work through the application process before risking the uncertainty created by unexpected delays.

Previously, it took almost eight hours over the course of five working days to obtain a phytosanitary certificate. An initial email application from an exporter would trigger an on-site inspection. After approval, an exporter would then have to travel to a district Agrocalidad office to present the inspection report, make payment and receive the documentation for presentation at the

relevant Agrocalidad control post at point of departure. And all the while, the clock was ticking – exporters have just 72 hours to ship the consignment after inspection or start the process all over again.

The next steps create more uncertainty. The exporter would courier, post or send the certificate with the shipment to an importer for customs clearance on arrival. Along the way, it would pass through many hands, making it prone to loss, damage, and fraud.

Finally, if the paperwork is rejected at the port of entry, the original documents have to be returned for amendments, leading to additional storage costs, deterioration and spoilage of fresh produce, and frustrated customers. Ultimately, this undermines food security while compromising the government's ambitions to position the country as a premium agri-food producer.

WHAT WE DID

In line with its public private partnership approach to successful project implementation, the Alliance worked with Agrocalidad, the Ministry of Agriculture and Livestock, the Ministry of Commerce, the Association of Banana Exporters of Ecuador (AEBE), the Association of Cocoa Exporters, the Association of Flower Exporters, logistics agencies and local businesses, in integrating into the IPPC ePhyto Hub.

Technical Expertise

Supporting Agrocalidad in upgrading its system to enable integration into the IPPC ePhyto Hub involved numerous technical inputs, including introducing:

- a new monitoring system to detect errors and correct them instantly
- eSignature - a mandatory bolt-on to electronic phytosanitary certificates in many jurisdictions, including the European Union.
- an upgrade of Agrocalidad systems
- technical assistance for system process review and improvements.

The enhancements allow seamless exchange with a growing number of IPPC ePhyto Hub members, including key trading partners, the United States of America and the European Union.

Testing the System

Recognising the importance of making the system as user-friendly as possible to encourage accessibility and adoption, the private sector played a vital role in rigorous testing. Many companies, including AEBE and other major exporters of agri-food, piloted the integration, ironing out glitches and providing invaluable feedback. Local MSMEs also figured prominently during implementation, representing over 90% of companies engaged in various project activities.

Public Private Dialogue

Adopting a comprehensive approach to digitalisation, the Alliance catalysed and sustained buy-in among key public and private sector stakeholders through a series of public private dialogues and workshops tailored to Agrocalidad officials and exporters. More than 600 people from the private sector and 200 people from the public sector in nine different provinces participated in the dialogues and training sessions.



THE IMPACTS

The transition to ePhytos supports trade facilitation and the Ecuadorian economy is already benefiting. The system is projected to save exporters approximately 1.9 million hours and over US \$6 million annually. Beyond those quantitative benefits, electronic phytosanitary certificates:

- allow quick, accurate, low-cost exchange of phytosanitary certificates, alleviating administrative time and costs on border agencies as well as traders
- reduce the risk of errors, loss, and fraud, strengthening consumer safety
- enhance competitiveness by introducing a seamless, transparent system that generates greater confidence in quality and origin
- increase food security through quicker border clearance, lessening food spoilage and waste
- help in levelling the playing field for MSMEs by supporting their integration into global supply chains
- provide greater transparency, making it more attractive for importers to do business with Ecuadorian exporters. This may generate increased demand for products which, in turn, will entice more farmers to transition from subsistence to trade, creating surplus value that will generate growth.



PROJECTED TIME AND COST REDUCTIONS

67% REDUCTION IN PROCESSING TIME



Public private partnership

- ✓ Improving food security
- ✓ Alleviating administrative burden
- ✓ Levelling the playing field for MSMEs
- ✓ Strengthening consumer safety
- ✓ Increasing transparency



“In Ecuador, around 370,000 phytosanitary export certificates are issued annually, 75% of which are for bananas and flowers... The implementation of ePhyto in Ecuador is an example of joint work between international cooperation, the public and private sectors.”

Patricio Almeida
Executive Director of Agrocalidad.

“[Speaking] on behalf of Fedexpor, I believe we are marking a milestone step in the institutionalisation of the country towards digitalisation. We are at an important starting point – count on the private sector to implement initiatives like this in future.”

Xavier Rosero
Executive Vice-President of the Ecuadoran Exporters Federation (Fedexpor)



REFORM THROUGH PUBLIC-PRIVATE PARTNERSHIP

An end-survey comprising 320 public and private sector respondents found high levels of satisfaction regarding the cooperation between both sectors during implementation, with broad agreement that public private partnership was crucial to delivery and that working together towards a successful conclusion had generated trust.

83%
respondents agreed public private cooperation was essential for implementing the project.

88%
respondents agreed the project has helped make trade processes and requirements more transparent

83%
respondents agreed that the collaboration between public and private sectors on trade facilitation reform intensified because of the project

HOST ORGANISATIONS



IN COOPERATION WITH



SUPPORTED BY



To get involved or for more information, please contact us at info@tradefacilitation.org or www.tradefacilitation.org

@GATFnews

[global-alliance-for-trade-facilitation](https://www.linkedin.com/company/global-alliance-for-trade-facilitation)