

PURPOSE & OBJECTIVES OF OFFICIAL EXPORT CERTIFICATION

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As is the New Zealand way.....



- I want to challenge a few dogmas
- Start with the principles
- Lob the occasional grenade, &
- Propose some solutions



Purpose of Official Certificates



- So why is there a sudden swell in the number of countries asking for Official Certification for a wider number of commodities.
- Why are the number and type of attestations being requested becoming more and more complex
- What purpose does an Official Certificate really serve,
- When should we require one, and
- What's the future, can we collectively do things smarter



What is an Official Certificate



A government to government assurance that an identified consignment has been **produced within a system of additional controls.**

One Official Certificate can cover multiple assurances e.g. **food safety and animal or plant health, origin, organic status, quota.....**



Purpose of Official Certificates



- To better manage those risks to human, animal or plant health that can not be managed via normal importer / exporter relationships and due diligence coupled with a level of border verification
- To positively identify those consignments that have been produced under the additional production and or processing controls that have been determined to be essential for the consignment to meet the level of human, animal or plant health risk achieved by the importing government (ALOP)
- The purpose is to protect **population outcome parameters**, rather than just being a tool to facilitate consignment compliance and or conformance checks.



Justification prerequisites:



- It assumes the exporting country has a substantively inferior animal or plant health status, or achieves a lower level of human health protection for its foods under its domestic standards than the importing country
- It also assumes that the type, volume and end use of the commodity traded confers a realistic pathway for the associated differing levels of hazards to manifest as actual measurable increases in risk to the populations as a whole



Justification prerequisites:



- For SPS issues, the justification for Official Certification is reserved for critical health risk issues where the level of “differential control” must occur during product or processing and hence requires an exporting government assured verification.
- Note, however, can also be used to identify relevant production (TBT) claims such as organic status, halal status, grade



Additional Caveats



- Importing countries must have evidence as to what level of protection their domestic standards achieve
- Importing countries can not require outcomes, standards or levels of assurance in excess of those they are requiring of their own domestic industries (National treatment).



Considerations:



- The potential for normal commercial to commercial assurance systems should be considered first
- Can the required level of assurance be achieved via the imposition of an appropriate level of “fit for purpose” due diligence on importers
- The number and type of attestations for a single outcome e.g. food safety should be kept to a minimum
- Where official assurances are required for multiple issues – consideration should be given as to whether they can be combined e.g. food safety + plant health + organic + quota + halal?



It needs to be recognised



- The vast majority of trade occurs quite successfully without Official Certificates.
- Domestically there are very few situations where we as government physically inspect each consignment before it is released
- Requirements must meet the “National Treatment” test



Simplification of Attestations:



With an appropriate relationship the relevant assurance could be:

“The product has been produced within a system which assures it meets the agreed outcomes”

- Arguably any other more detailed assurances are just redundant detail
- So why do so many countries try and paraphrase the required conditions of trade as attestations?



Simplification of Attestations:



Onward Certification:

- Where the product is being imported for further processing before further export to another country requiring certification of the eligibility of the ingredients:

“At the time of export, the product was also determined to be eligible for export from [exporting country] to [list of other countries].”



Justification for additional attestations:



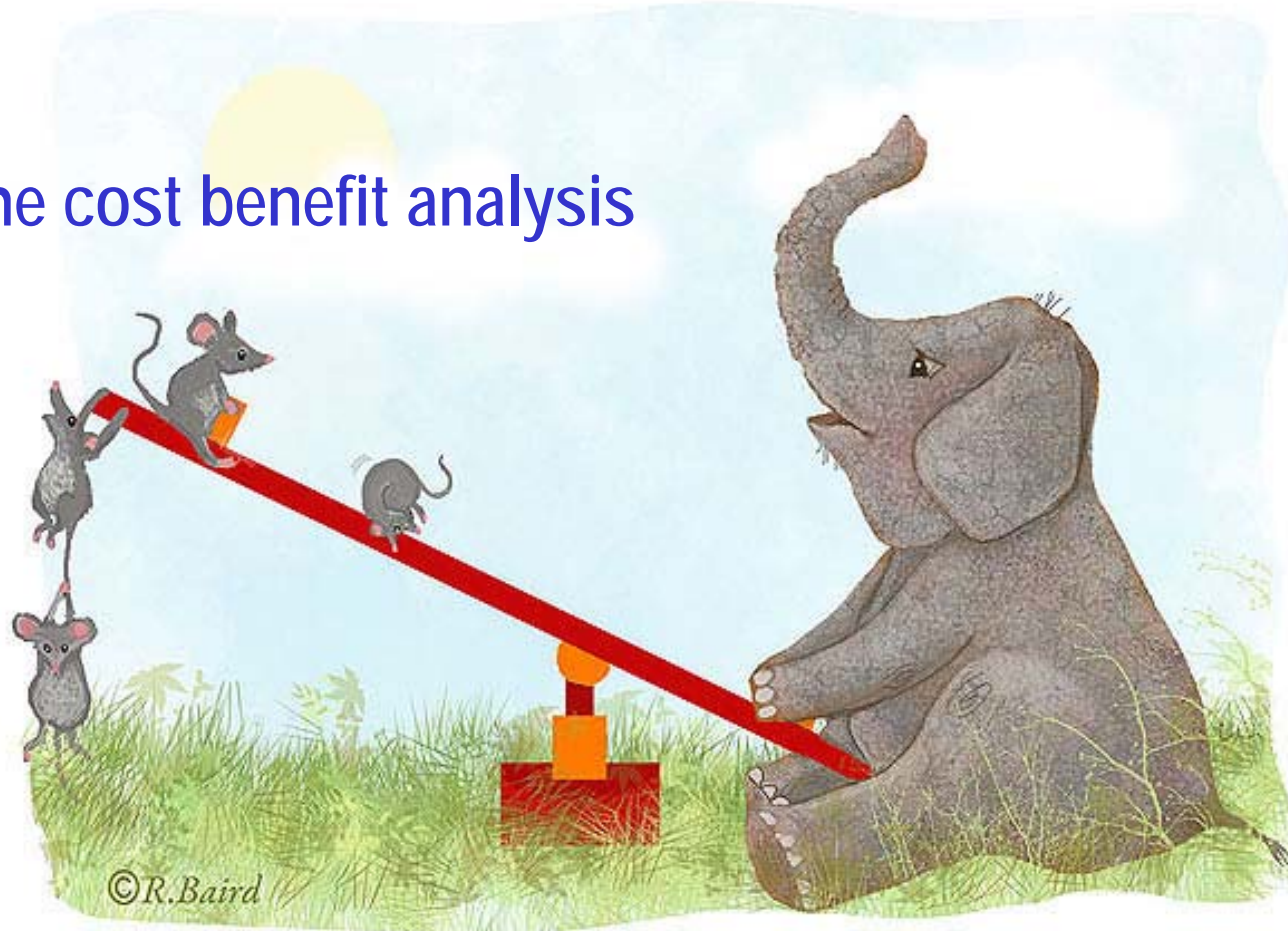
- Where the inclusion of additional attestations reduces the need for additional Official certificates
- Regardless of which part of the government gives the assurance it is still a government to government assurance
- Why not have one Official Certificate for the consignment which covers all of the assurance issues and systems
- Will pave the way for electronic certification and greater use of the Trade Single Window concept



Official Assurances come at a cost



What is the cost benefit analysis



What is the cost benefit analysis



- Certification process / system costs
- Additional verification process / system costs
- Shipment delay costs
- Additional courier / authentication costs



Benefits?



- Are Official Certificates really necessary / justified, will they substantially mitigate the risks
- How do we insure the level of assurance provided by an Official Certificate is appropriately recognised, facilitates & expedites border clearance and reduces the need for parallel assurances
- How do we best prepare for the future which will be dominated by electronic information transfer and Trade Single Window environments



Use of Certificate Information:



The information contained on an official certificate performs three functions:

1. Allows positive & exclusive identification of the consignment presented for clearance to the set of assurances provided by the exporting government.



Use of Certificate Information:



2. Facilitates potential re-inspection risk profiling decisions to be made by the importing country based on verified information

3. Allows confirmation that the products have been sourced from and produced in a system which assures conformance with **agreed** requirements

Added observations:



- If the consignment can not be **uniquely identified** and or its **security & integrity ensured** then an official certificate is of limited use.
- The amount of **specificity** required in assurances should **reflect** the **level of relationship** that exists between the competent authorities.
- **Good relationships** (based on appropriate level of knowledge, confidence & experience) should allow the use of **simple more generic outcome focussed assurances**



Added observations:



- Information (**data elements**) should be required to be presented in an internationally standardised way - UNCEFACT
- Should be **consistent** with other border clearance documentation – UNCEFACT / WCO 3
- Should facilitate standardised digital conveyance or transcription e.g. **UNCEFACT consistent data elements**



In Summary:



How do you get more
out of the same resources?



Summary:



Official Certificates can (if we let them):

- Help **assure authenticity** (especially E-certs)
- Simplify & **expedite border clearance**
- Facilitate **onward certification**
- Potentially **cover multiple types** of unrelated assurances



Summary:



Official certificates should not:

- **Be required** unless justified
- **Duplicate** other processes or assurance mechanisms
- **Slow clearance** or result in more inspection
- **Unduly focus on process detail** rather than the outcome sought



Possible Meeting Endorsements?:



- Just some thoughts for further consideration as the meeting unfolds



Official Certificates Threshold:



1. Propose the meeting could endorse that:

- Official certificates should only be required when a material difference in public, animal or plant health exists between the parties as relevant to the trade in the specific commodities - and trade without a government to government assurances is likely to result in the introduction a measurable risk to human, animal or plant health



Simplification of attestations:



2. Propose to the meeting could endorse that:

- Official Certificates (where they are justified) should where possible state that the consignment has conformed with the protocol agreed between the two governments rather than attempting to replicate specific aspects of it.



Onward certification:



3. Propose the meeting could endorse that:

- Where the product may ultimately be destined for other markets after further processing, then a generic assurance that the product has been produced in accordance with the requirements agreed between the originating country and the third country, or list of countries, should be sufficient for the second country to certify the parts of the Official Certificate relating to source material.



Multiple assurances:



4. Propose the meeting could endorse that:

- To further streamline border clearance processes and facilitate the concept of Trade Single Window, consideration should be given to allowing multiple types of assurances to be included on one Official Certificate.



Some things you can't Control



Which Country is this Picture from?

