

The Interagency Working Group on Trade Facilitation and Logistics in Ukraine (IWG) as the basis for a national trade facilitation committee

Ukraine demonstrates a “bottom–up” approach to establishing a National Trade Facilitation Committee. The country has experience with facilitating trade and interagency cooperation since the 1990s, and in 2011 stakeholders from Odessa launched a port community system project, receiving advisory services from UNECE. The project necessitated a national working group to enable interaction with national regulatory agencies. Consequently, the establishment of an Interagency Working Group (IWG), needed to support concrete projects, fostered public-private and interagency cooperation for trade facilitation in Ukraine. Through this Group formerly uncoordinated activities on the facilitation of Customs, trade and transport procedures in Ukraine for the first time came under the same roof.

The IWG is preparing the ground for the establishment of a National Trade Facilitation Committee in Ukraine, in compliance with article 23, paragraph 2, of the WTO Trade Facilitation Agreement and UNECE Recommendation 4.

Establishment of the Interagency Working Group (IWG)

Pursuant to the orders of the Cabinet of Ministers of Ukraine no. 36695/1/1-11 from 27.07.2011 and no. 36695/4/1-11 from 09.09.2011, on the initiative of the UNECE Regional Adviser and the Ukrainian National Committee of the International Chamber of Commerce (ICC Ukraine letters no. 504 from 22.07.2011 and no. 657 from 07.09.2011 to the Prime Minister of Ukraine), with support from the Ministry of Economic Development and Trade and State Customs Service of Ukraine (letter to the UNECE Executive Secretary no. 11.1/2.1-12.1/12826 from 14.09.2011), a meeting of stakeholder agencies and the business community, held on 18 October 2011 in Kiev, established a working group to support the Port Community System and other trade facilitation projects. Initially called “Interagency Working Group (IWG) on the Implementation of Single Window - local solution in the zone of activity of Southern Customs and the ports of

Odessa region”, it was later renamed to Interagency Working Group on Trade Facilitation and Logistics of Ukraine, with a view to become a national trade facilitation committee.

Organizational Structure and Composition of the IWG:

- > Chairman;
- > Two Vice-Chairs,
- > IWG members who meet regularly (at least four times a year), and include one representative with voting rights from each organization listed below;
- > Expert Group supporting the IWG
- > Task forces (each led by a coordinator) on:
 - streamlining legislation;
 - research processes;
 - data harmonisation;
 - investment
- > IWG Secretariat.

Representatives of ministries, departments and organisations in the IWG¹:

- > Ministry of revenue and duties of Ukraine (State Fiscal Service of Ukraine);
- > Ministry of agrarian policy of Ukraine;
- > Ministry of health of Ukraine;
- > Ministry of ecology and natural resources of Ukraine;
- > Ministry of Infrastructure of Ukraine (transport);
- > Ministry of Finance of Ukraine;
- > Ministry of Economic Development and Trade of Ukraine;
- > Ministry of Foreign Affairs of Ukraine;
- > Ministry of Internal Affairs of Ukraine;
- > Security service of Ukraine;
- > Administration of the State border guard service of Ukraine;
- > State administration of railway transport of Ukraine (Ukrzaliznytsya);

¹ A list of persons participating in the IWG can be obtained at <http://www.singlewindow.org/members/?type=2>



- State Enterprise “Odessa commercial sea port” (State Enterprise “Ukrainian ports Association”);
- Ukrainian National Committee of the International Chamber of Commerce (ICC Ukraine);
- Association of freight forwarders and logistics organizations of Ukraine “UKRVNESHTRANS”;
- National Institute of Strategic Studies;
- Association of international road carriers of Ukraine;
- Association of customs brokers of Ukraine;
- Ukrainian Union of road transport and logistics;
- Association of international freight forwarders of Ukraine.

An expert group was also established, which includes representatives of the supporting international organizations (e.g. UNECE and EUBAM) and from various areas in the transport sector.

IWG Secretariat

The IWG secretariat supports the IWG meetings and other activities, and is supervised by the management of the IWG (Chair and Vice Chairs), who provide the vision, approve the work plan, and review the performance of the IWG. The functions of a Secretariat of the Interagency Working Group were entrusted to ICC Ukraine. The Secretariat prepares materials for the meetings of the IWG, organizes these meetings, and is responsible for communications between the members of the IWG between meetings, for dissemination of information on the results of the activities of the IWG; for updates of the membership of the IWG and its expert sub-groups, and other tasks. It also prepares analytical materials, summarizes information received from IWG members; organizes training events and supports the international activities of the Group; drafts reports on its work.

Main Objectives of the IWG

- Develop, ensure endorsement, and implement a national trade facilitation strategy;
- Prepare recommendations for solving issues to facilitating trade and logistics; obtain technical and financial assistance;
- Facilitate discussion of draft legislation concerning the facilitation of international trade and logistics;
- Ensure coordination and improved efficiency of trade facilitation activities in central and local branches of regulatory bodies, institutions, companies, and organizations, promot-

- ing practical trade facilitation instruments;
- Assist the implementation of Single Window mechanisms, e.g. at maritime, river, air, rail, and road border-crossing points, and other transportation hubs in Ukraine;
- Help establish an enabling environment for a national Single Window;
- Promote international cooperation between regulatory authorities of Ukraine and other countries, and international organizations active in trade facilitation;
- Engage regulatory authorities and the business community in an efficient forum for discussion for the establishment of a transparent and effective system of control of goods and means of transport moved across borders.

The main format of work of IWG are meetings convened at the initiative of the Chair, the Vice Chairs or IWG members, when needed, but at least once in a quarter.

Financing

The financing of IWG activities is assured in the following ways:

- ICC Ukraine finances the activities of the Secretariat of the IWG;
- The “Ukrvneshtans” Association and Plaske JSC support the organization of meetings and events;
- The UNECE provides: the services of the Regional Adviser on trade facilitation; support of international experts; organization of seminars; drafting studies e.g. on: implementing a Port Community System; Ukraine’s readiness to implement the WTO Trade Facilitation Agreement (together with UNC-TAD); and developing projects.
- The Commercial Law Development Program of the United States Department of Justice (CLDP) co-sponsored the organization of two international seminars on the WTO TFA.

With a view to provide detailed information to all stakeholders, a project website (www.singlewindow.org) has been created, which publishes information from the IWG meetings.

Impact of the IWG on trade facilitation and logistics in Ukraine:

- Establishment of a Port Community System (PCS) - local Single Window mechanism, in compliance with UNECE Recommendations 33, 34, and 35. The PCS services the commercial sea ports of Odessa, Ilyichevsk, and Yuzhny and, since October 2015, all ports of Ukraine (order no. 73 of the



State Enterprise “Administration of Sea Ports of Ukraine” from 28.09.2015);

- Under the PCS electronic document exchange between regulatory agencies launched; related e-signature legislation amended;
- Time-release study for flows of goods through the port of Odessa carried out, with plans for Business Process Analyses;
- National strategy for trade facilitation and logistics under development;
- Five international seminars on trade facilitation organized with support from UNECE, the Ministry of Economic Development and Trade, and ICC Ukraine;
- Two training workshops on the UNECE Trade Facilitation Implementation Guide (TFIG); experts and policy makers from the key regulatory agencies trained;
- Three workshops on the assessment of Ukraine's readiness to implement the WTO Trade Facilitation Agreement (TFA) organized;
- TFA assessment readiness report developed in collaboration with UNECE and UNCTAD – to be used by the Government to notify its category B and C measures (as defined by the TFA), and develop implementation plans with budgets and demand for international technical assistance;
- IWG website developed and maintained, providing key information on the IWG projects and trade facilitation issues in Ukraine.

Lessons learned

The success and sustainability of the work of the IWG depends primarily on the political will and commitment at the highest level. The IWG has been established and maintained through local resources, local ownership and commitment, focusing on tangible trade facilitation projects. On this basis, the IWG has become the platform in Ukraine for the dissemination and implementation of the United Nations and other international recommendations and standards for trade facilitation, supply chain management, e-business, etc.

Coordination of activities of governmental regulatory agencies remains very complex in Ukraine. The IWG has studied international experience, the UNECE recommendations on national trade facilitation bodies (Recommendations 4 and 40). These analyses and the ratification by Ukraine of the TFA demonstrated that the best interaction among public authorities and the private sector is a national trade facilitation committee, similar to those existing in other countries, yet taking into account Ukraine's specificity and experience.

Due consideration should be given to the financing of the activities of this Committee, again taking into account the experience of the IWG.

Taking into account the TFA commitments of Ukraine; its ambitious objectives to be set out in a national trade facilitation programme; the need to create a National Trade Facilitation Committee; the IWG decision from 12.12.2014 and the order of the Cabinet of Ministers N° 36048/4/1-14 from 02.02.2015, the Inter-agency Working Group was renamed into an Interagency Working Group on Trade Facilitation and Logistics of Ukraine in 2015.

References

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