

EXPLANATORY NOTE

to Draft Resolution of the Cabinet of Ministers of Ukraine
"On Establishment of the Interagency Working Group for International Trade
Facilitation and Logistics"

1. Rationale for the Adoption of the Act

On 27.05.2014 within the annual Transport Week in Odessa the Fourth International Seminar on International Trade Facilitation "Creating an Enabling Environment for Trade Facilitation by Implementing the Principles of the 'Single Window' in Ukraine" was organized by the Economic Commission for Europe of the United Nations (UNECE) supported by the Government of Ukraine.

According to the Order of A. P. Yatseniuk, the Prime Minister of Ukraine, dated 20.05.2014 # 16400/1/1-14 the Seminar was attended by the representatives of a number of ministries and departments of Ukraine, and the activists of Ukrainian and foreign business circles.

At the invitation of the co-organizers, the Ukrainian National Committee of the International Chamber of Commerce (ICC Ukraine), Association of Freight Forwarding and Logistics Organizations "UKRZOVNISHTRANS" and JSC "PLASKE" the following international organizations also contributed to the work of the Seminar: UNECE, the Black Sea Economic Cooperation Organisation (BSEC), Mission of the European Union for Border Assistance to Moldova and Ukraine (EUBAM), Federation of the International Freight Forwarders Associations (FIATA), Regional Project of the European Neighbourhood and Partnership Instrument ENPI - East "Logistics Processes and Highways of the Sea II".

Among others, well represented were SE "Administration of Sea Ports of Ukraine", "UKRZALIZNYTSIA", the Association of Freight Forwarding and Logistics Organizations "UKRZOVNISHTRANS" Association of International Freight Forwarders of Ukraine, Ukrainian Union of Road Transport and Logistics, Association of International Road Carriers of Ukraine (AsIRC). In general, 68 persons from four countries of the world took part in the Seminar.

During the Seminar opening session the participants were addressed with the welcoming words of support by R.V.Koshulynskiy, Deputy Chairman of the Supreme Rada of Ukraine and V. T. Piatnytskyi, Government Commissioner for European Integration of the Ministry of Economic Development and Trade of Ukraine.

As a result of discussions the participants produced **concrete recommendations as to determining the areas of strategic development of Ukraine in the field of international trade facilitation and logistics** including the following:

confirm the need for a coordinated strategic approach to implementing the measures aimed at the international trade facilitation and logistics in Ukraine;
determine the current and desired state of a number of tools for the facilitation of the international trade and logistics (unification and standardization of trade, commercial and transport documents and data turnover; creating conditions for the implementation of the "single window" principles; integrated border management and joint border crossings; risk profiling and management; authorized economic operators, etc. with the

use of the standards and recommendations of the UNECE and the World Customs Organization;

seek the further advance of the project of the National Strategy for International Trade and Logistics Facilitation in Ukraine developed by UNECE and the Interagency Working Group for Implementation of the "Single Window - Local Solution" Technology designed to support the simplification of the procedures in the Odessa Region; and

continue the efforts to create a national authority for the international trade facilitation and logistics as an interagency state - private forum in accordance with Recommendation # 4 of UNECE and Article 13 of the WTO Agreement on Trade Facilitation.

Both the speakers and participants of the discussion repeatedly emphasized that the course for implementing the principles of UNECE Recommendations # 33, # 34 and # 35 and the best practices in such ultra-sensitive area as international trade chosen by the Government of Ukraine is consistent with today's challenges and the aspirations of the citizens for Ukraine becoming a powerful state with high levels of economic freedom and competitiveness in the global market.

In order to **ensure coordination** of central executive bodies, enterprises, institutions, organizations, business and professional associations aimed at achievement of positive results in the international trade and logistics spheres, the question of the **formation by the Cabinet of Ministers of Ukraine of an appropriate supporting body** in the form of the interagency working group was addressed.

2. Purpose and how to Achieve it

Three years of successful experience of the Interagency Working Group for Implementation of the "Single Window – Local Solution" Technology in the Operations Area of the Pivdenna Customs and Ports of Odessa region (hereinafter – IWG) have shown that the achievement of the efficient results in the implementation of the issues of national importance require **precise coordination of actions and efforts of all the stakeholders concerned**. It acquires the particular importance during the implementation of the projects based on state-private partnership.

Given the experts' high assessment of the relevance of the recommendations of the UNECE Fourth International Seminar on Trade Facilitation held on 27.05.2014 in Odessa, the question of creating a coordination centre that will **enable the achievement of the determined goal** arose.

As an optimal way, the least costly in terms of the financial, human and organizational resources, proposed is the reformatting of the existing IWG work for the purpose of forming an appropriate platform for achieving the aim set out by the Government of Ukraine, which is ensuring a strong position of this state in the world markets for goods and services.

3. Legal Aspects

The issues of the consultative, advisory and other auxiliary bodies established by the Cabinet of Ministers of Ukraine shall be regulated by the Resolution of the Cabinet of Ministers of Ukraine dated 17.06.2009 # 599 (as amended).

4. Financial and Economic Assessment

The formation of the Interagency Working Group for Trade Facilitation and Logistics will not require funding from the State Budget of Ukraine.

5. Position of Interested Bodies

The Draft Resolution of the Cabinet of Ministers of Ukraine requires approval from the Ministry of Finance of Ukraine, the Ministry of Infrastructure of Ukraine and the Ministry of Justice of Ukraine.

6. Regional Aspect

The Draft Resolution of the Cabinet of Ministers of Ukraine does not apply to the development of the administrative-territorial units.

6¹. Prevention of Discrimination

The Draft Resolution of the Cabinet of Ministers of Ukraine contains no provisions with the elements of discrimination.

7. Prevention of Corruption

The norms of the Draft Resolution of the Cabinet of Ministers of Ukraine do not provide for the rules and procedures that may pose a risk of corruption offenses.

8. Public Discussion

The Draft Resolution of the Cabinet of Ministers of Ukraine will be available for discussion at the official website of the Ministry of Economic Development and Trade of Ukraine.

9. Position of Social Partners

The Draft Resolution of the Cabinet of Ministers of Ukraine does not require consultations with the social partners.

10. Regulatory Impact Assessment

The project aims to create conditions enabling the implementation of the Cabinet of Ministers of Ukraine powers.

11. Forecast of Results

The adoption of the project will provide the conditions for the proper exercising of authority by the Cabinet of Ministers of Ukraine and precise coordination of the actions and efforts of all concerned actors of international trade and logistics in Ukraine.

P. Sheremeta,

Minister of Economic Development and Trade of Ukraine

_____ 2014



CABINET OF MINISTERS OF UKRAINE

RESOLUTION

_____ 2014 p.

Kyiv

On establishment of the Interagency Working Group for Trade Facilitation and Logistics

In support of the initiative of the Ukrainian National Committee of the International Chamber of Commerce, for the purpose of trade and logistics facilitation and to ensure the development and implementation of the National Strategy for International Trade and Logistics Facilitation,

The Cabinet of Ministers of Ukraine resolves as follows:

1. Establish an Interagency Working Group for the Trade and Logistics Facilitation (hereinafter – the Interagency Working Group), whose composition is shown in the appropriate Annex.

Entitle the Head of the Interagency Working Group to make changes in its composition, if necessary.

2. Approve the Regulations on the Interagency Working Group for the Trade and Logistics Facilitation (see Annex).

3. Appoint the National Fiscal Service, Ministry of Economic Development and Trade and Ministry of Infrastructure the bodies responsible for the international trade and logistics facilitation and providing the development and implementation of the National Strategy for International Trade and Logistics Facilitation.

4. The State Fiscal Service, Ministry of Economic Development and Trade, Ministry of Finance, Ministry of Infrastructure, Ministry of Foreign Affairs, Ministry of Health, Ministry of Agriculture and Food, Ministry of Environment and Natural Resources, Ministry of Internal Affairs, Security Service, and Administration of the State Border Service shall furnish the Interagency Working Group with the draft normative-legal and administrative acts relating to the implementation of the international trade, logistics, control and clearance on the state border of goods and transport vehicles crossing the state border of Ukraine, for review and approval.

5. This Resolution shall enter into force on the date of publication.

A. YATSENYUK,
Prime Minister of Ukraine

APPROVED

by Resolution of the Cabinet of Ministers of Ukraine

dated _____ 2014 # _____

OFFICIALS COMPOSITION

Of the Interagency Working Group for the International Trade and Logistics Facilitation

Vice-Prime Minister of Ukraine, Head of the Interagency Working Group

Deputy Minister of Economic Development and Trade of Ukraine, First Deputy Head of the Interagency Working Group

Deputy Head of the State Fiscal Service of Ukraine, Deputy Head of the Interagency Working Group

Head of the Ukrainian National Committee of the International Chamber of Commerce (by consent), Deputy Head of the Interagency Working Group

Head of the Association of Freight Forwarding and Logistics Organizations of Ukraine "UKRZOVNISHTRANS" (by consent), Deputy Head, Head of the Interagency Working Group Secretariat

Representative of the United Nations Economic Commission for Europe the (by consent)

Deputy Minister of Finance of Ukraine

Deputy Minister of Infrastructure of Ukraine

Deputy Foreign Minister of Ukraine

Deputy Minister of Health of Ukraine

Deputy Minister of Agrarian Policy and Food of Ukraine

Deputy Minister of Ecology and Natural Resources of Ukraine

Deputy Minister of Internal Affairs of Ukraine

Deputy Head of Administration of the State Border Service of Ukraine

Deputy Head of the Security Service of Ukraine (by consent)

Deputy Prosecutor General of Ukraine (by consent)

Head of the State Administration of Railway Transport of Ukraine "UKRZALIZNYTSIA"

Head of the State Enterprise "Administration of Sea Ports of Ukraine"

Head of the Association of International Road Carriers of Ukraine (by consent)

Head of the Association of Customs Brokers of Ukraine (by consent)

Head of the Association of International Freight Forwarders of Ukraine (by consent)

Head of the Ukrainian Union of Road Transport and Logistics (by consent)

REGULATIONS
on the Interagency Working Group for the International Trade and Logistics
Facilitation

1. The Working Group for the Trade and Logistics Facilitation (hereinafter – the Interagency Working Group) shall be the permanent coordinating and advisory subsidiary organ of the Cabinet of Ministers of Ukraine.

2. The activity of the Interagency Working Group shall be guided by the Constitution and laws of Ukraine, decrees of the President of Ukraine, resolutions of the Verkhovna Rada of Ukraine and acts of the Cabinet of Ministers of Ukraine adopted in accordance with the Constitution, laws of Ukraine and these Regulations.

3. The main objectives of the Interagency Working Group are as follows:

Ensuring preparation and implementation of the National Strategy for International Trade and Logistics Facilitation;

Preparation of recommendations on the ways, means and methods of solving the problematic issues in the international trade and logistics fields including the same concerning the involvement of technical and financial assistance;

Development and consideration of draft laws and other normative-legal acts aimed at the trade and logistics facilitation;

Ensuring the coordination and increasing the efficiency of the activities of the central and local authorities, institutions, enterprises and organisations for implementing the mechanisms of the international trade and logistics facilitation;

Implementation of the "single window" mechanism at checkpoints on the state border of Ukraine for the sea, river, air, rail and road traffic located in the ports, airports, railway stations and other transportation hubs Ukraine;

Promoting the international cooperation between the state authorities of Ukraine and other countries and international organisations in the sphere of facilitation of goods control procedures on the borders;

Involvement of the central and local executive bodies to creation of a transparent and efficient control system for the goods and transport vehicles crossing the state border of Ukraine.

4. The Interagency Working Group in accordance with its tasks shall:

1) take part in

Preparation and implementation of the National Strategy for International Trade and Logistics Facilitation;

Preparing recommendations on the ways, means and methods of solving the problematic issues in the international trade and logistics field including the same regarding the involvement of the technical and financial assistance; and

Developing and assessing, pursuant to orders of the Cabinet of Ministers of Ukraine, the draft legal acts aimed at the trade and logistics facilitation;

2) Submit proposals to the Cabinet of Ministers of Ukraine concerning the following:

Ensuring coordination and efficiency of the central and local executive authorities, institutions, enterprises and organisations of all forms of ownership and management including the implementation of the trade and logistics facilitation mechanisms;

Implementing the "single window" mechanism at checkpoints on the state border of Ukraine for the sea, river, air, rail and road traffic located in the ports, airports, railway stations and other transportation hubs Ukraine;

Developing of international cooperation between the central and local executive power bodies of Ukraine and other countries, international organisations, etc., in the international trade and logistics facilitation field; and

Involving the central and local executive authorities, institutions, enterprises and organisations of all forms of ownership and management to the creation of a transparent and efficient control system for the movement of goods and vehicles crossing the state border of Ukraine.

3) Report to the Cabinet of Ministers of Ukraine on carrying out the tasks entrusted to it.

5. In pursuance of the assigned tasks the Working Group shall be entitled to:

Receive in accordance with the established procedure the information it requires to perform the assigned tasks from the central bodies of executive power, other public authorities, bodies of local self-government, enterprises, institutions and organisations;

Attract in the prescribed manner independent experts, the representatives of the state authorities, bodies of local self-government, enterprises, institutions and organizations (in consultation with their heads) to performance of the Interagency Working Group tasks;

Organise permanent or temporary working and expert groups;

Provide for free the professional pieces of advice and make recommendations concerning the main issues of its activity to the central and local executive bodies, agencies, enterprises and organisations of all forms of ownership and management; and

Organise conferences, seminars, meetings and other events.

6. The Interagency Working Group shall be composed of the Head, First Deputy Head, three Vice-Heads, members of the Interagency Working Group and the Secretariat.

The official composition of the Interagency Working Group shall be approved by the Cabinet of Ministers of Ukraine.

The personal composition of the Interagency Working Group shall be approved by its Head.

As a part of the Interagency Working Group the Secretariat providing organisational, expert analytical, legal, information and logistical support to the Interagency Working Group shall be formed.

7. Vice-Prime Minister of Ukraine shall be Head of the Interagency Working Group.

The Head of the Interagency Working Group shall:

Manage the activities of the Interagency Working Group and be responsible for the performance of its tasks;

Approve the plans of the Interagency Working Group work and agenda of its meetings;

Report to the Cabinet of Ministers of Ukraine on the results of the Interagency Working Group activity;

Approve the personal composition of the Interagency Working Group and that of permanent or temporary working and expert groups established, if necessary;

Approve amendments to the official and the personal composition of the Interagency Working Group, as well as changes in the personal composition of the permanent or temporary working and expert groups on the proposal of central authorities, institutions, enterprises, organisations, professional and trade associations represented in the Inter-Agency Working Group; and

Represent the Interagency Working Group in its relations with the state and local self-government authorities, institutions and organisations.

8. The basic form of the Interagency Working Group work shall be the meetings convened on the initiative of the Head, its deputies or members of the Interagency Working Group when necessary, but not less than once per quarter.

The meeting of the Interagency Working Group shall be held by its Head, and in his absence – by one of the Deputy Heads on behalf of the Head.

The meeting of the Interagency Working Group shall be deemed legally competent, if it is attended by more than half of its members.

The Head, Deputy Heads and members of the Interagency Working Group shall have deciding vote at the meeting.

The members of the permanent or temporary working and expert groups, other persons invited to the meeting by the Head of the Interagency Working Group or its Deputies shall have consultative vote at the meetings.

At its meetings the Interagency Working Group shall make decisions on the matters within its competence, and may also discuss other issues related to its tasks.

9. In order to provide for the professional working at the issues assigned to the Interagency Working Group each of its members shall determine its subordinate industrial specialists (of up to three persons) as experts and provide for their participation in the work and meetings of the Interagency Working Group. In the first place, the permanent or temporary working and expert groups shall be formed of such experts.

10. Decision, suggestions and recommendations of the Interagency Working Group shall be accepted by means of free vote by simple majority of votes of its members present at the meeting. In the case of a tie vote the deciding vote shall be that of the Chairman of the meeting.

The decisions, suggestions and recommendations of the Interagency Working Group shall be issued in the form of the meeting minutes to be signed by the Chairperson and sent to all members of the Interagency Working Group and, if necessary, to the central and local executive bodies, enterprises, institutions, organisations and other interested parties.

The member of the Interagency Working Group that does not support the adopted decisions, proposals or recommendations may state its dissenting opinion in writing, which shall be attached to the minutes of the relevant meeting without fail.

11. The proposals and recommendations of the Interagency Working Group shall be realised by the Cabinet of Ministers of Ukraine adopting respective a normative legal act whose draft shall be introduced in accordance with the established procedure by the central executive authority in accordance with its powers.

12. The Secretariat of the Interagency Working Group shall prepare the materials for consideration by the meetings of the Interagency Working Group, organise the IWG meetings and communication between the members during the intervals between the meetings, disseminate the information on performance, update the personal composition of the Interagency Working Group and the established working and expert groups, etc.

The Secretariat of the Interagency Working Group shall also be responsible for the preparation of analytical materials; keeping the minutes of the Interagency Working Group meetings; collecting and summarising the information received from the Interagency Working Group members; preparation of a written report on the Interagency Working Group performance to be submitted to the Head of the Interagency Working Group and referred to the Cabinet of Ministers of Ukraine.

The functions of the Interagency Working Group Secretariat shall be performed by the Ukrainian National Committee of the International Chamber of Commerce.

13. The Interagency Working Group shall use the letterhead with its name.