



RECOMMENDATIONS

OF THE FIFTH INTERNATIONAL SEMINAR ON TRADE FACILITATION

***FROM LOCAL SOLUTIONS TO A NATIONAL
STRATEGY***

02 June 2015
Odessa, Ukraine

The Fifth International Seminar on Trade Facilitation organized by the United Nations Economic Commission for Europe (UNECE) in cooperation with the Government of Ukraine with support of the Ukrainian National Committee of the International Chamber of Commerce (ICC Ukraine), the Association of the Transport-Forwarding and Logistic Organizations of Ukraine UKRZOVNISHTRANS and PLASKE JSC was held on 2 June 2015, in Odessa, Ukraine.

The Seminar was attended by representatives of the UNECE, the Mission of the European Union Border Assistance Mission to Moldova and Ukraine (EUBAM), the Black Sea Economic Cooperation (BSEC), International Federation of Freight Forwarders Associations (FIATA), the International Trade Centre (ITC), the ministries and departments of Ukraine, professional associations and businesses, as well as experts specially invited by UNECE.

In the framework of the Seminar, the participants explored the newest technology of the Odessa Sea Commercial Port, based on the port community system concept (ISPS), and key ISPS operator's positions (working places). It allowed to focus on issues related to the further development of the Single Window in both national and international environments. Moreover, the Seminar also provided the platform for discussion of trade facilitation and public-private partnership concept.

The Seminar Agenda envisaged the following sessions:

1. Welcome address.

The Seminar was opened with the welcome addresses by:

Aivaras Abromavičius, Minister of Economic Development and Trade of Ukraine;

Vladimir Shchelkunov, Deputy Chairman of the Interagency Working Group on International Trade Facilitation and Logistics, Adviser to the Prime-Minister of Ukraine, Chairman of the ICC Ukraine;

Oksana Reyter, Deputy Minister of Infrastructure of Ukraine on European integration;

Anthony Mort, Specialist on Good Governance and Anti-Corruption, EUBAM Mission;

Mario Apostolov, Regional Adviser, UNECE.

2. Review of the Functionality of the Port Community System.

Operational experience of the Port Community System (ISPS).

Possibilities for further development of the PCS project, expanding to other ports, other modes of transport and a national strategy for international trade.

3. Strategic Approach to International Trade and Logistics Facilitation in Ukraine.

Building of the national “single window”. Implementation of the Directive EU 2010/65. Experience of the AnNa project.

4. National Strategy for International Trade and Logistics Facilitation. Implementation of the WTO Trade Facilitation Agreement. Findings of the Time Release Study in the Port of Odessa.

Elements of a Trade Facilitation Strategy. Interagency and regional cooperation;

5. Principles of Public-Private Partnership in Single Window and Trade Facilitation implementation;

Principles of Public-Private Partnership for building infrastructure in ports;

UNECE's work on Public-Private Partnerships;

The law of Ukraine on Public-Private Partnerships: challenges and prospects of application;

Public-Private Partnerships for developing ports infrastructure in Ukraine: current situation and possibilities.

At the closing session, the participants adopted the following Recommendations:

General

1.1. To take into consideration the information on the successful operation of the ISPS project in the ports of Odessa Region.

1.2. To recognize the relevance of the recommendations adopted at the previous Trade Facilitation Seminars conducted by UNECE and the Government of Ukraine in 2011, 2012, 2013 and 2014.

1.3. To inform the Prime Minister of Ukraine on the results of the Fifth International Seminar on Trade Facilitation in Ukraine; to suggest the Government of Ukraine to establish a program to implement the Recommendations of the Seminar.

1.4. To extend thanks to the UNECE Secretariat for their support in conducting studies of Ukraine's readiness for the introduction of the measures envisaged by the WTO Trade Facilitation Agreement as well as their support to the work of the Interagency Working Group on International Trade Facilitation and Logistics in Ukraine in establishing the national body and national strategy for trade facilitation.

1.5. To suggest to hold the Sixth International Seminar on Trade Facilitation "Trade Facilitation in Ukraine", organized by the UNECE and the Government of Ukraine, on June 1, 2016, in Odessa, Ukraine.

1. Regarding the Port Community System (Single Window – Local Solution)

Defining the key project goal as meeting the needs of end-users of the system and issues related to improving management and control over the process of registration documents:

2.1. To continue further development of Port Community System in the following directions:

2.1.2. Complete coverage of the process involving movement of goods exported and imported through the ports of Odessa region, including customs clearance.

2.1.3. Enhance the system options, such as the application for berthing, and simplify the planning process for arrival and departure of ships in order to make it more functional for the benefit of stakeholders.

2.1.4. Full involvement of all stakeholders: the private sector, represented by exporters, importers, the government regulatory bodies, in particular, border, customs, veterinary, phytosanitary, sanitary-epidemiological and ecological services.

2.1.5. Regulatory management for processes of goods transport by rail in combined transport from the port checkpoints to release checkpoints;

2.1.6. Standardization of data (creation of the Single Classifiers) for the electronic exchange of information and documents between the government and control authorities and the private sector, providing trade procedures and logistics operations.

2.1.7. Harmonization of data and information exchange process modeling, using international standards such as the Data Model of the World Customs Organization, UNECE codes and others. Providing a neutral approach in application of the technology to avoid dependence on a single technology (EDIFACT, XML, etc.).

2.2. Integration of the status of shipment function (Track & Trace) to provide the authorized users with access to centralized tracking of goods and vehicles within the entire process chain to visualize processes of loading / services for the rapid response, better production processes and logistics, providing a secure supply chain, in accordance with UNECE Recommendation No 24, "Trade and Transport Status Codes".

2.3. To complete and publish a study on the time of release of goods, which will serve as an indicator of progress in trade facilitation and the instrument for continuous improvement of the process for all stakeholders.

2.4. In the framework of ISPS to implement a unified reporting system for public authorities.

2.5. To regulate and unify information exchange system between the subjects of port activities (primarily between SE "USPA" and port operators).

2.6. Expand the positive experience of the ISPS project within the ports of Odessa region, including the internal customs checkpoints.

2.7. To study the possibility of eliminating the duplication of risk management processes (in the port and internal customs checkpoints).

2.8. To eliminate the subjectivity of customs control, carrying it out solely on the basis of risk analysis and automatic regular modification of risk profiles.

2.9. To study the possibility of applying ISPS for international freight by air, including the multimodal transport involving air mode, and to extend the pilot project "Single Window - Local Solution" to the International Airport "Odessa".

2.10. To recommend the Ministry of Transport of Ukraine, State Fiscal Service, the State Aviation Service of Ukraine to update "Typical technological scheme of customs control" and "Typical technological release scheme for persons, vehicles and goods at air border crossing points", approved by the Resolution of Cabinet of Ministers of Ukraine No 451 as of 21.05.2012, as well as regulatory acts of the Ministry of Finance, Ministry of Infrastructure, SFS, the State Aviation Service for the electronic processing of goods transported by air.

3. Regarding the development of National Strategy for International Trade Facilitation and Logistics, assessment of Ukraine's readiness to implement the WTO Trade Facilitation Agreement and the national body for trade facilitation in accordance with the UNECE Recommendation No 4:

3.1. To conclude the preliminary report of the first phase of the study on the readiness of Ukraine to implement the WTO Trade Facilitation Agreement by the middle of June 2015. No later than July 2015, to submit it to the Ministry of Economic Development and Trade and to the Trade Representative of Ukraine. To suggest holding a relevant seminar in autumn

(on 30 September - 2 October 2015) jointly with the Ministry of Economic Development and Trade, for the validation of the final report.

3.2. To include into the preliminary report the definitions of the key elements of the WTO Agreement that are the most relevant and effective for Ukraine, and to identify those that can be implemented in the first instance with minimal effort and cost.

3.3. To suggest the Ministry of Economic Development and Trade to include the results of study in the strategic plan for the implementation of trade facilitation measures in Ukraine.

3.4. For the further development of the strategic plan it is proposed to use: (a) a draft of the national strategy on trade facilitation; (b) UNECE Guidelines for drafting a national strategy / roadmap on trade facilitation; and (c) the results of a study on the readiness of Ukraine to implement the WTO Trade Facilitation Agreement. To draft a list of events and their implementation terms, to include it in the implementation plan of the national strategy. Also, to take into consideration the criteria and approaches to the requirements to specific points of the strategic plan, discussed at the Seminar: for example, using the political and legal basis; institutional framework; procedures; sources of funding and expenditures; communication / information technology; human resources / training; equipment and infrastructure.

3.5. Among the measures that require special attention in the drafting of a strategic plan, to determine:

3.5.1. The availability of all the published laws, regulations, rules, forms for all public agencies and regulatory bodies governing international trade, as well as publication on the Internet;

3.5.2. Development of a joint action plan to reduce the number of documents submitted by participants of foreign economic activity to the state bodies during the movement of goods and vehicles through the ports and the use of a unified administrative document (WCO- GOVCBR).

3.5.3. Pre-registration, e-payment, removal of dependence of release for free circulation of goods on customs valuation and customs payments;

3.5.4. Customs post-audit;

3.5.5. Regular timing measurements showing the time required to complete the registration procedures and the time required for each logistics process, with performance analysis;

3.5.6. Removing the obstacles to the execution of the legislative acts (in particular, those concerning the simplification of procedures for authorized economic operators, coordination between regulatory authorities, the accelerated release of perishable goods);

3.5.7. Implementation of international standards,

3.5.8. The introduction of National single window in the implementation of EU directives and requirements of the IMO, using further development of the port community system, the use of international standards and AnNa project experience, as well as Multi-year strategic plan for the introduction of e-customs, including its section on customs-trade Single window.

3.6. Continue efforts to create a national body for trade facilitation in accordance with Article 23.2 of the WTO Trade Facilitation Agreement and the newest edition of the UNECE Recommendations No 4, to be set up before the entry into force of the Agreement. Consider

the addition to functions of that body the functions of the National Trade Facilitation Committee, which is recommended to be created by the FAL Convention 1965.

3.7. For the efficient implementation of reforms on trade facilitation to take measures to limit the negative impact of frequent staff changes in regulatory agencies; to carefully consider the reform of incentives system to overcome the problems of motivation and corruption.

4. Regarding Public-Private Partnership (PPP) in Ports

4.1. To harmonize the legal and institutional framework of *Public-Private Partnerships (PPP)* in Ukraine in accordance with international standards.

4.2. Within the framework of the UNECE for the development of international standard and best practices for PPPs in the transport sector, Ukraine, in particular the State Enterprise "Ukrainian Sea Ports Authority" and the administration of the port of Odessa, is invited to take part in the development of international standard and best practices for PPPs in ports with a view of their further use for the development of PPPs in ports of Ukraine.

4.3. To initiate the preparation of a manual on best practices and international standards for PPPs in ports, including the best practice models, used worldwide, for the development and implementation of PPPs in ports.

4.4. The Ukrainian party invites the The UNECE PPP Business Advisory Board to provide support to Ukraine on these issues.

4.5. To initiate the selection of three certain pilot PPP projects in the transport sector (ports, airports, railways, roads), that would identify and demonstrate the obstacles to achieve results that are consistent with the needs of Ukraine.