***Building an enabling environment for TRADE FACILITATION IN UKRAINE by implementing a SINGLE WINDOW – fourth UNECE Trade Facilitation seminar in odessa, ukraine, 27 May 2014***

For a fourth consecutive year, the United Nations Economic Commission for Europe (UNECE) organizes, in collaboration with the Government of Ukraine, a **seminar on trade facilitation and the Single Window in Ukraine**. It will take place in Odessa on 27 May 2014, during the annual Transport Week, and will be supported by the Ukrainian National Committee of the International Chamber of Commerce (ICC Ukraine) and the Association of freight-forwarding and logistics organizations of Ukraine “Ukrzovnishtrans”.

The Port Community System in Odessa – a key product of the cooperation project between UNECE and Ukrainian public and private partners - moved from pilot tests to full operation last year. The first tests took place in October 2012, when 21 containers were cleared using the new Electronic Information System (EIS) in the Port of Odessa, to reach a monthly maximum of 13,472 containers in July 2013, and 11,206 in February 2014. A total of 130,556 containers have been cleared using the system and its *e-naryad* electronic document by the end of February 2014.[[1]](#footnote-1)

Table 1: Number of containers cleared per month since the launch of the Odessa Port Community System

The objectives of the seminar include exploring possibilities to expand the use of the system and cover export procedures (in addition to the current concentration on imports); various types of cargo beyond containers; all processes, types of transport and types of goods. It is necessary to automate, for example, the certificates for exports of cereals. Ukraine is third largest global exporter of corn and sixth of wheat yet, reportedly, trade flows are choked by bureaucratic obstacles: export certificates not available, payments required by various persons. Inclusion in the system may eliminate subjective involvement of control officers and allow for more transparent and efficient trade proccesses. The objectives of the seminar match up the OECD trade facilitation indicators assessment for Ukraine, which suggests that Ukraine’s performance in **automation**, **internal border agency co-operation** and **governance and impartiality** is below the averages of non-OECD Europe and Central Asia and lower middle income countries, and needs measures for improvement.[[2]](#footnote-2)

The programme of the seminar includes a study visit to the port system on the eve of the seminar on 26 May 2014. International experts will then make a peer review, and issue recommendations on what is still missing or should be corrected in the implementation of the project.

The three years of work in support of trade facilitation and the Single Window in Ukraine have focused on a step-by-step approach – from a Port Community System in Odessa to a maritime, transport Single Window, to a future national, trade and Customs Single Window. The project has gradually involved a broad spectrum of stakeholders from regulatory agencies and the business community. A Data Processing Centre operates the system. The next stage – a maritime Single Window servicing all ports in the country - will be launched soon. Two options are being considered: Ukraine develops such a system either on its own or through a twinning project with a European country, for example with Finland – the first country in Europe, which has already implemented a maritime sector Single Window (the PortNet system under the Ministry of Transport of Finland). The European Commission envisages a network of such national transport Single Window systems, following Directive 2010/65/EU on reporting formalities for ships.[[3]](#footnote-3) Putting in place such a project would ensure, on the one hand, the transfer of most innovative techniques used in Europe. On the other hand, using the experience of one of the most advanced European countries will help introduce more transparency in the project.

A key issue is the need to define clear principles of public-private partnership for the establishment and functioning of the Port Community System and, on a later stage, the Single Window. It is important to define from the outset clear rules, relationships and obligations of the public and private sectors, so that misunderstandings do not derail the process of implementation or the regulatory functions of the State. The system should be built as a public good that must become an instrument for improved governance, transparency and efficiency, involving all stakeholders and curbing monopolist tendencies.

A local, sectorial or national Single Window can function effectively only if linked to the development of efficient trade and transport corridors and regional cooperation. This can provide a measure of predictability, reliability and access to markets crucial to trade and supply chain logistics. One of the sessions at the seminar, organized in cooperation with the Black Sea Economic Cooperation (BSEC), is dedicated to the idea of promoting Port Community and Single Window systems in the Black Sea region, and creating a network of information exchange among them - a regional network of systems.

A first draft of a National Trade Facilitation Strategy for Ukraine has been developed and undergoes now a stakeholder review. It is expected that by the time of the seminar, the Strategy will develop further, and will be presented to the Government of Ukraine for adoption, further development and implementation. The logic of this strategy is to define the current procedural impediments to trade, measure them (e.g. time and cost for the clearance of a container) and suggest measures and indicators for improvement in a year, five years, ten years, etc. The document will include definitions of the key terms and the vision of the strategy, a governance structure for its implementation, an action and budget plan.

**Expected outcomes:**

* Brief peer review of the implementation of the Port Community System in Odessa;
* Outline of the next steps in the implementation of the Single Window concept in Ukraine: maritime transport Single Window and a national trade/Customs Single Window;
* Proposals for further data harmonization and alignment with international standards;
* Proposals for interorganizational systems of trade and multimodal transport information exchange in the Black Sea region and establishing a network of such systems;
* Assessment of the draft national trade facilitation strategy for Ukraine with cleared indicators for improvement;
* Key principles for Public-Private Partnership for trade facilitation and Single Window mechanisms in the region.

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1. See http://www.singlewindow.org/upload/statistika/ [↑](#footnote-ref-1)
2. http://www.oecd.org/tad/facilitation/Ukraine\_OECD-Trade-Facilitation-Indicators.pdf [↑](#footnote-ref-2)
3. http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:283:0001:0010:EN:PDF [↑](#footnote-ref-3)