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**Working Party on the
Accession of Ukraine**

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ACCESSION OF UKRAINE

Check-list of Issues

Addendum

Sanitary and Phytosanitary Measures (SPS) Completion Report

With reference to the information in Item 136 of document WT/ACC/110/Add.2, the Governmental Commission on Ukraine's Accession to the WTO has submitted the following SPS Completion Report with the request that it be circulated to members of the Working Party.

European Expertise Service

Completion Report

Cover page

Project Title:	Sanitary and Phytosanitary Measures in Ukraine
Project Number:	UK04
Country:	Ukraine
Start Date:	6 September 2001
Duration:	5 Months
	Counterpart
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Date of report : 31 January 2002

Period covered : 17 September 2001 – 10 January 2002

Project Synopsis

Project Title: Sanitary and Phytosanitary Measures in Ukraine

- Target Groups and Counterparts

Ministry of Economy, Ministry of Health, Ministry of Agrarian Policy, Veterinary Service, Sanitary-Epidemiological Department, State Service for Plant Quarantine, the State Customs Service, the Ministry of the Environment and the Medved Institute of Ecological Hygiene and Toxicology.

- Wider Objective/s

- To establish a comprehensive and credible SPS regulatory system in Ukraine, improving the prospects for increased trade in food-related products and leading to further progress in the path towards compliance with WTO and European Union standards.

- Specific Objectives

- To support Ukraine in the measures necessary to ensure compliance with the sanitary and phytosanitary requirements of the WTO;
- To assist in the development and implementation of the Ukrainian "strategic plan of measures" for the resolution of problematic SPS questions;
- To provide policy advice on the implementation of the strategic plan; and
- To identify a mechanism for approximation to European Union requirements, and to identify priority areas and/or sectors that can be addressed.

- Project Activities

- Development of a strategic plan;
- Advice on the implementation of a strategic plan; and
- Identification of a pilot sector.

- Results

- An analysis of the effectiveness and compatibility of SPS measures in Ukraine with the conditions and recommendations of international organisations;
- A comparative analysis with analogous systems in the European Union; and
- A strategic plan, agreed with the counterpart, the European Commission, and the WTO (if appropriate) for the implementation of SPS measures, including a costing and timescale for implementation.

- Verifiable Indicators of Achievement

- A clear and unambiguous strategic plan of measures designed in full conformity with both European Union and WTO practises along with a fully costed and developed outline of recommendations for future funding.

- Conclusions

- Full compliance with the Agreement on the Application of Sanitary and Phytosanitary Measures, related to food production and the food chain.

- Background and history

Ukraine has had an application outstanding for membership in the WTO since 1994. One of the obstacles to accession is compliance with the Agreement on the Application of Sanitary and Phytosanitary Measures, related to food production and the food chain.

Sanitary and phytosanitary measures are defined by the WTO¹ as any measures applied to protect:

- human or animal life from; risks arising from additives, contaminants, toxins, or disease-causing organisms in their food;
- from human life; plant- or animal carried diseases;
- from animal or plant life; pests, diseases, or disease-causing organisms; and
- from a country; damage caused by the entry establishment or spread of pests.

The need for a comprehensive set of SPS regulations comes at a time of growth in the international trade in food products, and sales of processed food, particularly in supermarkets. The need for regulation and enforcement of regulation of sanitary standards extends from the farm gate to the end-consumer. Food safety concerns in Western Europe, in the light of recent outbreaks of BSE and Foot and Mouth Disease (FMD) heighten the need for a comprehensive SPS framework.

The Ukrainian authorities have begun a programme of reform, which aims to bring Ukrainian regulation of sanitary and phytosanitary measures in line with WTO, in the first instance, and eventually also with European Union standards. This includes the following regulatory measures:

- Amendments to the Law of Ukraine "On ensuring the sanitary and epidemiological safety of the population"(the fundamental law for SPS);
- Amendments to the Law of Ukraine "On quality and safety of food products and raw agricultural materials"; and
- Amendments to the Law of Ukraine "On amendments to various laws of Ukraine on questions of Veterinary Medicine".

In addition, the Cabinet of Ministers is preparing the following resolutions:

- Resolution "On confirming the Statue of the State Sanitary-Epidemiological Service of Ukraine";
- Resolution "On confirming the Statute of the State Sanitary-Epidemiological Inspectorate of Ukraine"; and
- Resolution "On the procedure for confirming the list of food additives allowed for use in Ukraine".

Further to this, the Ministry of Health has confirmed, through its Order No. 247 of October 2000, a new procedure for carrying out sanitary controls. This is now being supplemented with additional procedural documents, which will include important elements such as a definition of exactly which products are subject to sanitary controls.

European Union operators in Ukraine have expressed some concerns over the application of SPS measures, with notable examples being a restrictive approach to permitted food additives, and broad application of sanitary controls (as per the Order No. 190 of the Ministry of Health from October 1995). This increases the need for better information exchange and awareness between the responsible Ukrainian authorities and those of the European Union.

¹ Agreement on the Application of Sanitary and Phytosanitary Measures, Annex A, Paragraph 1; WTO 1994

- Intervention Rationale: SPS and Ukraine

Assurance of given levels of SPS regulation in the production of food is crucial to Ukraine's progression to WTO accession and, eventually to full European Union membership. It is also critical in the development of both domestic and international trade in food products, a potential area of growth for Ukraine.

This project was based on a request from the Ministry of Health and Ministry of Agrarian policy who are in the process of implementing a range of measures, including legislation aimed at the introduction of standards in food processing. Technical assistance provided at this time to establish a comprehensive and credible SPS regulatory system, will improve the prospects for increased trade in food-related products and will lead to further progress on the path towards compliance with WTO and European Union standards.

The policy advice provided focused primarily on providing the Ukrainian authorities with specific guidance with meeting the requirements for WTO accession, and on the development of a regulatory framework consistent with the longer-term possibility of full European Union membership.

- Short description of activities and deliverables

As detailed in the project inception report, it became apparent that the team of international experts that were originally proposed to undertake the project did not have the broad expertise necessary to effectively cover all of the specialised areas required to complete the project. We therefore replaced proposed inputs by three specialist consultants: Dr Patrizia Parodi (sanitary issues and implementation of the WTO SPS Agreement), Evans Dexter (a veterinary specialist) and Edmund Kingcott (a food safety specialist). This team ensured that the full range of disciplines required was covered.

The international experts each undertook brief missions to Ukraine in December 2001. They were supported by a team of local experts.

- Commentary on the strategic plan of measures for SPS

The consultants reviewed the "plan of measures regarding solving the problematic issues on sanitary and phytosanitary control in Ukraine, in particular at the State Border" which had previously been prepared in draft form by the Ministry of Economy and European Integration. The revision was undertaken together with representatives of the Ministry of Economy and European Integration of Ukraine (see Annex A).

- Analysis of the extent to which existing legislation and administrative capacity is compatible with WTO requirements

- Legislation

The consultants undertook an extensive review of current and proposed legislation relevant to SPS in Ukraine. There is a huge amount of fragmented legislation concerning SPS measures, product by product, in each of the Ministries involved, this constitutes a complex and fragmented legislative system. A summary of legislation is provided in Annex B. Within the framework of the project it was not possible to examine every individual law.

Order No. 247 of 9 October 2000 of the Ministry of Health concerns the procedure for issuing medical hygiene certificates. This order covers both national and imported products and is published, in compliance with article 7 and annex B of SPS Agreement.

Several other Ministry of Health orders which are either product specific or issued on a general basis (e.g. mandatory minimal list of analytical tests, a manual for taking samples, technical requirements etc) are applied in a non-discriminatory manner to both national and imported items, in compliance with SPS requirements (art. 2, point 3).).

The Ministry of Economy and European Integration is currently seeking to compile a full list of relevant legislation to enable a full analysis to be undertaken.

- Administrative Capacity

During the missions all relevant Administrations were visited and their organisation and competencies assessed in respect of SPS agreement. Descriptions of the organisations and competencies are attached as Annex C.

In terms of WTO requirements the need to set up an SPS Enquiry Point is very well understood, but still there is no clear agreement on its location, organisation and work. It is currently proposed to establish an Enquiry Point in each Ministry and to prepare an integrated database. The National Notification Authority will be taken into account only after accession to WTO, and at present is not considered a matter of priority.

- Recommendations for further reform of the SPS regime

It was recommended that the following actions should be implemented in short term:

- There is an urgent need to increase knowledge and understanding of WTO and European Union rules regarding the SPS regime. There is only a basic level of knowledge of SPS issues, with several points to be clarified. In some cases the European Union experience could be used as a model. Further training and information dissemination on the following topics will be extremely relevant:
 - definition of what constitutes an SPS measure;
 - transparency;
 - international procedures for control, inspection and approval;
 - activities implemented at the Border Inspection Points according to European Union rules;
 - risk assessment;
 - harmonisation; and
 - food safety, including HACCP system, alert system, surveillance and official control, tracing back, etc..

There is a need for a detailed review of the core competencies of the different administrations on products covered by SPS agreement, and preparation of a proposal to avoid overlapping. As an example, an imported food of animal origin is subject to certification issued by Ministry of Health, authorisation by the State Committee on Standardisation, check of the certificate at the Health Border Point, check of the product with collection of a sample at the Veterinary Border Point, and surveillance in the market by the Epidemiological Unit, the Veterinary Service and the Association of Consumers' Rights (a Non Governmental Organisation).

The Border Inspection Points system (authorisation, facilities and equipment, checks to be performed, etc.) needs to be reviewed. At present all BIPs are authorised for all products and laboratory tests are performed on all consignments of imported food of animal origin, with part of the costs covered by the owner of goods. The list of parameters to be checked is very comprehensive, for instance meat and poultry meat are tested for toxic elements (lead, cadmium, arsenic, copper, zinc, mercury), ten different pesticides, micotoxine, microbiological parameters and radionuclides, with a

cost of around US\$120 for each consignment. The cost will increase in the future as the State will no longer support this activity.

- Advice on legislative measures and reforms necessary to ensure compatibility with WTO requirements

In addition to general advice in all areas, specific assistance was given on the implementation of European Union directives relating to animals and products subject to animal health and veterinary public health control on entering the European Union from third countries, along with detailed information on the types and forms of control applicable (Annex D).

In the Decree of the President of Ukraine No. 104/2002 of 5 February 2002 On the Program of Measures on Completion of Ukraine's Accession to the World Trade Organisation (attached as Annex E), the President specifically mentions the need to pass the law on amending the Law of Ukraine "On Quality and Safety of Foodstuffs and Food Raw Materials" as bringing national legislation into conformity with international requirements and standards, and with the European Union directives in the area of regulation of quality and safety of foodstuffs and food raw materials.

He also instructs that the following draft laws be introduced into the Verkhovna Rada according to the established procedure on amending the laws of Ukraine, so as to bring them into conformity with international standards in sanitary and phytosanitary areas:

- "On Ensuring Sanitary and Epidemic Safety of Population";
- "On Quality and Safety of Foodstuffs and Food Raw Materials";
- "On Safeguard Against Infectious Diseases";
- "On Pesticides and Agrochemicals";
- "On Bee-Farming";
- "On Quarantine of Plants";
- "On Flora"; and
- "On Seeds".

- Training on various aspects of the SPS regime

Each member of the team presented a number of specialised training courses covering the WTO SPS regime, food safety procedures, the European Union veterinary regime and the European Union response to BSE and Scrapie.

- Analysis of information requirements of counterpart institutions and provision of relevant documentation and databases

There is a widespread lack of knowledge on all aspects of the WTO SPS regime and on relevant European Union legislation. In addition to providing copies of translations of the various WTO texts the project translated more than twenty Ukrainian laws into English and provided information on how to obtain copies of relevant European Union directives from EURO-LEX, (www.europa.eu.int/eur-lex/en/index.html).

- Identification of a pilot sector for harmonisation with European Union legislation and elaboration of an approach for implementation

After extensive discussion the dairy sector was identified and agreed as a potential pilot sector for harmonisation with European Union legislation.

Dairy standards are fragmented within three different rules of the Ministry of Health (available in Ukrainian) and others are thought to exist in the other normative bodies. This appears to

be the same for most products covered by SPS measures. In order to start the process of simplification and harmonisation with International Standards and EC rules, there is a need to:

- collect and collate all legislation relating to this sector;
- proceed with analysis, review, and systematisation of legislation; and
- draft laws and amendments.

After finishing with the process stated above a database including all relevant laws, orders and regulations needs to be designed and implemented for consultation of national and international traders and other interested parties. To facilitate consultation, a web site should be designed and opened, as suggested during SPS Committees. During this process, collaboration with the private sector (e.g. Food Processors League) would help to ensure the content of the web site is relevant to all parties.

It was agreed that once this has been implemented for the Dairy sector the methodology would be replicated in additional problematic sectors.

- Provision of ad-hoc policy advice by international experts

Each of the experts met with a wide range of Ukrainian officials and representatives of the private sector. Advice was given on all aspects of implementing the SPS Agreement both pre and post WTO accession, along with detailed advice relating to specific issues within the areas of the individual consultant's expertise.

Identification of medium term measures that could be considered for further technical assistance and, specifically the elaboration of a draft project description for possible financing from the Tacis 2001 Ukraine Action Plan.

A draft project description is attached as Annex F.

Specific measures for further financing that should be considered under the programme are attached as Annex G.

- The counterpart's actions and reactions, implementation and dissemination

The two main working counterparts identified for this project, which are the main authorities responsible for sanitary and phytosanitary (SPS) regulation in Ukraine, are:

- the Ministry of Health, which is responsible for sanitary controls in the food processing industry; and
- the Ministry of Agrarian Policy, which is responsible for phytosanitary and veterinary issues.

The project also involved and liaised closely with other executive agencies subordinate to these government authorities. These included the Chief State Veterinary Inspector, the Chief State Sanitary Inspector, the State Service for Plant Quarantine, The State Customs Service and also a number of expert institutes (such as the Medved Institute of Ecological Hygiene and Toxicology), which provide advice, expertise and analytical capacity.

The main overall counterpart, with responsibility for co-ordination of activities on the Ukrainian side, was the Ministry of Economy, and specifically the department for Euro-Atlantic Integration.

An informal consultative expert group on SPS was created and acted as a steering committee for the project. The group comprised officials from the Ministry of Economy, Ministry of Health, Ministry of Agrarian Policy, Veterinary Service, Sanitary-Epidemiological Department, State Service for Plant Quarantine, State Customs Committee, and key Research Institutes. Liaison between the project and the counterparts was primarily through this consultative expert group.

It is understood that all counterparts appreciated the advice and assistance that they received from the project, although there was an initial lack of understanding as to what could be achieved from a small project with limited financial and human resources available.

- The wider reaction to the deliverables

Given the highly complex and technical nature of the subject matter and the limited time available in Kiev, there was little discussion of the project outside the counterparts mentioned above and other members of the donor community in Kiev. It is understood that both the Commercial Law Development Programme funded by the United States Department of Commerce, and the Ukraine Trade Policy Capacity Building Project funded by British Government's DFID, will continue assistance to the Government of Ukraine regarding SPS issues until a European Commission funded project is contracted.

Achievement of short term objectives

The specific short term objectives of the project were:

- To support Ukraine in the measures necessary to ensure compliance with the sanitary and phytosanitary requirements of the WTO;
- To assist in the development and implementation of the Ukrainian strategic plan of measures for the resolution of problematic SPS questions;
- To provide policy advice on the implementation of the strategic plan; and
- To identify a mechanism for approximation to European Union requirements, and to identify priority areas and/or sectors that can be addressed (see Section 2g for details).

All of the above have been achieved, although it should be stressed that there is still an enormous amount of work to be carried out by the Ukrainian Government to gain the agreement of both their negotiating partners at the World Trade Organisation and the European Union to specific plans.

- The contribution of project activities and deliverables to achieving the long term objectives

The establishment of a comprehensive and credible SPS regulatory system in Ukraine is a huge and difficult task requiring strong leadership and coordination across government. It will only be achievable with a strong political will, within the Presidential administration, the relevant ministries and the Verkhovna Rada. The project has contributed towards this process by assisting with the identification of further necessary reforms of the SPS regime (as identified in the proposed Plan), advising on legislative measures and reforms that are compatible with WTO requirements, and in the identification of medium term measures where further technical assistance could be of benefit.

- The key lessons learned

- Technical lessons

Given the complexity of the legislative system in Ukraine, It was extremely difficult to identify and obtain the latest relevant legislation, draft legislation, amendments, orders and decrees relevant to the regulation of SPS measures. It was almost impossible to obtain anything other than

Ukrainian language versions of laws and most other documents. This necessitated a much greater translation effort than was originally envisaged. Given the low prevalence of English language ability all meetings had to be conducted using interpreters and all documents issued for the counterparts translated into Ukrainian.

- Management lessons

Sanitary and phytosanitary standards cover a multitude of separate disciplines and specialisms. International experts tend to specialise in certain areas such as for example human health, veterinary issues, food safety and plant health and it was not therefore possible to propose an expert who could cover all areas adequately. Coordination between a number of different experts and the various government ministries and other beneficiary institutions was therefore extremely important, though at times difficult and time consuming.

- Political lessons

Projects of this nature require strong central coordination from both the contractor and the main counterparts. However, it is also important to ensure that all beneficiaries feel involved and taken account of, both in terms of project design and implementation. It is only with the assistance of the Ministry of Economy and European Integration that the project was able to be successfully implemented.

- Factors affecting the sustainability of the project's results

There will need to be continued coordination both between the counterparts to the project and with other donors to ensure that the SPS reform process proceeds in line with Ukraine's accession negotiations to the WTO. There appears to be the political will to ensure that this happens, but it is essential that follow up projects should be appropriately targeted and commence without undue delay.

This implies close co-ordination, firstly between the different Ukrainian authorities affected by SPS controls, and between Ukrainian authorities and donor agencies at the design or programming stage. When it comes to implementing the actual projects, close co-operation between the selected contractors and Ukrainian authorities will be vital to ensure success.

The Ukrainian authorities must be committed to allocating sufficient resources on the part of the administration to the projects, and to recognise the time required to ensure all laws are passed efficiently through the legislative bodies, including the parliament.

European Expertise Service

Form 1: Logframe Matrix

Long Term Objectives	Outputs (Description and target dates for delivery)	Objective Verifiable Indicators of delivery	Constraints and Assumptions
To establish a comprehensive and credible SPS regulatory system in Ukraine	Recommendations for further reform of the SPS regime. End of project	Monitoring of legislative change	Verkhovna Rada passes appropriate legislation. Necessary resources are available for implementation
	Advice on legislative measures and reforms necessary to ensure compatibility with WTO requirements. End of project	Ukraine's progress with WTO Accession Comments from Ukraine's WTO Accession Working Party Members	Continued political will to accede to the WTO
	Identification of medium term measures that could be considered for further technical assistance and specifically elaboration of a draft project description for possible financing from the Tacis 2001 Ukraine Action Plan. End of project	Project is approved for financing, tendered and contracted.	Necessary funding will be available
Short Term Objectives	Outputs (Description and target dates for delivery)	Objective Verifiable Indicators of delivery	Constraints and Assumptions
To support Ukraine in the measures necessary to ensure compliance with the sanitary and phytosanitary requirements of the WTO	Analysis of the extent to which existing legislation and administrative capacity is compatible with WTO requirements. End of project	Analytical report by International experts	Recommendations will be taken account of and implemented
To assist in the development and implementation of the Ukrainian 'strategic plan of measures' for the resolution of problematic SPS questions	Commentary on the strategic plan of measures for SPS. December 2001	International experts' reports	Recommendations will be taken account of and implemented
	Training on various aspects of the SPS regime (in Ukraine). December 2001 & January 2002	Feedback from trainees	Relevant personnel are available for training events
	Analysis of information requirements of counterpart institutions and provision of relevant documentation and databases. End of project	Information needs analysis. Purchase, collation and dissemination of information.	Constraint that the project only has limited resources for purchase and translation of information into Ukrainian.
To provide policy advice on the implementation of the strategic plan	Provision of ad-hoc policy advice by International experts. December 2001 and January 2002	Final report	Recommendations will be taken account of and implemented
To identify a mechanism for approximation to EU requirements, and to identify priority areas and / or sectors that can be addressed	Identification of a pilot sector for harmonisation with EU legislation and elaboration of an approach for implementation. End of project	Pilot sector identified and approach implemented by Ukrainian authorities	Resources will be available to implement approach

ANNEX A

Commentary on the strategic plan of measures for SPS

In particular the following points were underlined:

- generally speaking the plan can still be considered valid, and only some changes in the time-scale should be discussed and introduced at the beginning of the new year;
- a stricter collaboration with the European Commission is of the utmost importance, mostly for the supply of European Union legislation and information on European Union procedures and implementing bodies;
- some measures envisaged by the plan need financial support, originally not taken into consideration; and
- a working group with representatives of all the Ministries involved was designed and its approval is expected in the near future (Annex 1: draft of the list of members). The group is under the leadership of the State Committee of Standards and of the Chief Sanitary Doctor of the Ministry of Health. Up to now the Cabinet of Ministers has constantly been informed on the progress achieved even if the first official meeting with the working group will be held in the near future.

Up to now the following steps have been implemented (see below - Annex A1: revised tables of measures for 2001):

- reduction of the list of imported goods subject to licensing; and
- preparation of the Memo regarding co-operation between Ukraine and EC in the field of sanitary and phytosanitary measures (available in Ukrainian).

Joining the International Convention on adjusting conditions for Cargo Control at the border collection of laws and resolutions of the Cabinet of Ministries to be included into the data base (Annex B: provisional list of collected legislation). The implementation of the database has been judged as one of the major problems. In fact the legislation collected does not include the huge number of standards specific for single product, issued by competent Ministries and of the utmost importance to comply with Ukraine import and internal market rules.

ANNEX A1

Review of the Plan of measures for 2001 regarding solving the problematic issues on sanitary and phytosanitary control in Ukraine, in particular at the State Border agreed in accordance with the Cabinet of Ministries of Ukraine order of 31 August 2001 no. 129-ck/10

Name of the measure	Content of the measure	Implementation /Comments
1. Reduction of the list of imported goods subject to licensing	<p>Excluding from the list of goods, which are subject to import licensing the following goods:</p> <ul style="list-style-type: none"> - the registered veterinary medicine - insect killers - cosmetics and hygiene items except in aerosol cans 	<p>The Cabinet of Ministries annually approves the list.</p> <p>At present, the list for 2002 is under approval. It excludes the registered veterinary medicine and insecticides.</p> <p>In respect of cosmetics and hygiene items, the Ministry of Health would ask for derogation, as they deem of the utmost importance to maintain these items subject to licensing</p>
2. Preparation and submitting for review by the EC of the Memo regarding co-operation between Ukraine and EC in the field of sanitary and phytosanitary measures	<p>Establishment of the legal basis for attracting international technical assistance to resolve the problem issues in sanitary and phytosanitary control in Ukraine, in particular at the State Border</p>	<p>The Memo has been drafted and sent for approval to all Ministries.</p> <p>At present all Ministries have approved it, except Ministry of Foreign Affairs.</p> <p>Discussion and negotiation with the Ministry of Foreign Affairs are going on.</p>
3. Drafting and approval of the list of products subject to sanitary and epidemiological testing (with references to the codes of goods), and introduction of the corresponding changes and amendments into the legislation and regulations specifying the procedures for state sanitary and epidemiological testing and sanitary & epidemiological monitoring	<p>Translation and analysis of the list of products subject to sanitary and epidemiological testing in the EC.</p> <p>Approval of the list of products subject to the sanitary and epidemiological forensic testing in Ukraine, with the reference to the codes of goods in accordance with the Register of Codes.</p> <p>Introducing changes and amendments to the existing legislation and regulations, in particular to the Law of Ukraine On sanitary and epidemiological support of the population</p>	<p>It was impossible to finalise the work, as the EC, even though requested several times, has failed to supply documentation</p> <p>At present the list is under preparation. EC documentation needed</p> <p>Not yet implemented</p>
4. Joining the International Convention on adjusting conditions for Cargo Control at the border	<p>Adoption by Ukraine of the obligation with respect to simplifying the International cargo Transportation, including the following:</p> <ul style="list-style-type: none"> - reduction of requirements for complying with formalities - reduction of the types and time period of controls as a way of co-ordinating the national and international control procedures and methods of application 	<p>Fully implemented, according to information received</p>

Name of the measure	Content of the measure	Implementation /Comments
<p>5. Drafting and approval of the list of products (with reference to the codes of goods) subject to the sanitary and phytosanitary control in Ukraine (at the border, during Customs processing, at the domestic market) with the specific definition and cancellation of the same types of control</p>	<p>Analysis of the international economic balance and statistics of the domestic industrial production in Ukraine in accordance with the list of products subject to sanitary and phytosanitary forensic testing in EC</p> <p>Creation of the data base of the legislation of Ukraine on sanitary and phytosanitary control, in particular at the State Border Control points</p> <p>Drafting a list of products subject to sanitary and phytosanitary control in Ukraine (with reference to the codes of goods in accordance with the register of codes and types of the control), introducing corresponding changes and amendments to the Order of the Ministry of Health protection, Ministry of Ecological resources, Ministry of Agrarian Policy for control at the State Border, including the following:</p> <ul style="list-style-type: none"> - cancellation by the specialised agencies of the requirements to have forensic testing conclusions (sanitary, epidemiological, veterinary, ecological and so on) for the products subject to registration ID control; - introducing corresponding changes and amendments to the existing legislation and regulations 	<p>Not yet implemented. Assistance requested</p> <p>The Ministry of Economy has sent to the other Ministries an official request for collecting legislation relevant to SPS issues.</p> <p>At present about 30 laws and resolutions have been collected. Information received has not yet been analysed. Data base has not yet been implemented. Assistance requested</p> <p>EC documentation needed</p>

ANNEX B

Provisional List of Legislation Relevant to SPS Issues Collected by Different Ministries

Ministry of Ecological Resources			
Name of legal act	Type of legal act	No. and year	Last amendment
1. Comprehensive programme of development of the State Border of Ukraine	President's edict	No. 596 of 16 December 1993	--
2. Programme of organisation of the ecological control at the State border	Programme	2 March 1994	--
3. On ecological control at the border points	Cabinet of the Ministries decree	No. 198 of 20 March 1995	--
4. Rules on production, storage, transportation, use rendering of poisonous wastes, inclusive of toxic industrial waste	CM decree	No. 440 of 20 June 1995	--
5. Amendment to decree no. 198/95	CM decree	No. 704 of 28 June 1997	--
6. On approval of the rules of ecological control of export of waste of iron and colour metals by ecological inspection of the Ministry of Environment	CM decree	No. 999 of 2 July 1998	--
7. On fees at the border points	CM decree	No. 1034 of 15.06.99	--
8. Instruction on co-ordination & delineation of functions of control at the state border	Instruction	11 June 1994	--
9. On fees and control of the big lots of coal	CM order	No. 686 of 16 July 1999	--
10. On ecological control at border points & in regional customs	Provision	No. 204 of 8 September 1999, No. 787/4080 of 15 October 1999	--
11. Rules on taking out from Ukraine or eradication of perished goods of human aid	CM decree	No. 728 of 28 April 2000	--
12. On carrying out radiological control of means of transportation & cargoes at border points	Instruction	No. 27 of 15 May 2000	--
13. Rules on control over trans-border transportation of hazardous waste and their rendering, eradication and yellow and green list of waste	CM decree	No. 1120 of 13 July 2000	--

Ministry of Ecological Resources - Phytosanitary Control Quarantine Service			
Name of legal act	Type of legal act	No. and year	Last amendment
1. On Quarantine of the plants	Law	No. 3348 of 30 June 1993	No. 367 of 18 June 1997 No. 783 of 30 June 1999
2. On amendments to the other laws in connection to the adoption of the law of Quarantine	Law	No. 4044-XII of 25 February 1994	No. 2341 of 5 April 2001
3. On measures concerning prevention of the spread of the sunflower fomopsis	CM decree	No. 124 of 1 March 1994	No. 451 of 5 July 1994
4. On measures to prevent entry in Ukraine of the corn pests	CM decree	No. 745 of 18 September 1995	--
5. On accession of Ukraine to the Convention on Establishing of the European & Mediterranean Plant Protection Organisation	CM decree	No. 38 of 27 January 1994	--
6. On prices for inspection of panel paid materials subject to quarantine services	CM decree	No. 953 of 24 November 1993	No. 441 of 2 March 2000
7. On Statute of the State Quarantine Service of Ukraine	CM decree	No. 892 of 28 October 1993	--
8. On approval of the rules on phytosanitary control at the State Border of Ukraine	Order of Chief State Inspection on Plant Quarantine	No. 72 of 25 September 1996 No. 754/1779 of 27 December 1996	--
9. On approval of rules concerning fees and penalties on citizens & public officers who violated rules of combat with quarantine pests and diseases of plants and weeds and transportation of materials. Which have not been treated or checked at quarantine	Order of Chief State Inspection on Plant Quarantine	No. 36 of 15 May 1996 No. 249/1274 of 25 May 1996	--

Ministry of Ecological Resources - Phytosanitary Control Quarantine Service			
Name of legal act	Type of legal act	No. and year	Last amendment
10. Instructions on finding localisation and eradication of the quarantine weeds	Order of Chief State Inspection on Plant Quarantine	No. 56 of 29 September 1997 No. 474/2278 of 14 October 1997	--
11. On amendments to the Law of Ukraine on plant quarantine	Law	No. 704 of 25 June 2001	

The Phytosanitary Control Quarantine Service also provided:

- a list of the Subdivisions and Units of the Executive Power which co-ordinate or exercise phytosanitary control at the border points (in Ukrainian); and
- a list of territorial and regional enterprises and organisations which do phytosanitary control at the State border within the area of customs operation and within free circulation in the internal market (in Ukrainian)

Ministry of Health			
Name of legal act	Type of legal act	No. and year	Last amendment
1. Law on sanitary and epidemic safety of the population	Law	No. 4004 of 24 February 1994	No. 1288 of 14 December 1999
2. On quality and safety of foodstuffs	Law	No. 771 of 23 December 1997	--
3. Protection of population from infectious diseases	Law	No. 1645 of 6 April 2000	--
4. On unified fees at the entry points	Law	No. 2659-III of 12 July 2001	--
5. Rules for sanitary protection of the territory of Ukraine	CM decree	No. 696 of 24 April 1999	No. 5 of 12 January 2001
6. Rules on border points	CM decree	No. 1203 of 3 August 2000	--
7. Rules on state sanitary epidemiological surveillance	CM decree	No. 1109 of 22 June 1999	--
8. Rules on state tests, state registrations, list of pesticides and agricultural chemicals permitted for use in Ukraine	CM decree	No. 295 of 4 March 1996	No. 1794 of 7 December 2000
9. Rules on special sanitary quarantine division	Order M.H.	No. 31 of 23 February 2000	--
10. Rules of State Sanitary Epidemiological Service	Order M.H.	No. 78 of 18 April 2000	--
11. Rules on expertise	Order M.H.	No. 247 of 9 October 2000	--
12. Rules on medical sanitary inspection of cargoes in border inspection points	Order M.H.	Draft	

The Ministry of Health also provided:

- a list of the Subdivisions and Units of the Executive Power which co-ordinate or exercise sanitary control at the border points (in Ukrainian); and
- a list of territorial and regional enterprises and organisations which do sanitary control at the State border within the area of customs operation & within free circulation in the internal market (in Ukrainian).

Ministry of Agrarian Policy – Department of Veterinary Medicine			
Name of legal act	Type of legal act	No. and year	Last amendment
1. Law on Veterinary Medicine	Law	No. 2498-XII of 25 June 1992	21 December 2000
2. On responsibility of enterprises for violation on the law on veterinary medicine	Law	No. 568/96 of 5 December 1996	--
3. Some issue of the State Department of Veterinary Medicine	CM decree	No. 641 of 8 June 2001	--

Ministry of Agrarian Policy – Department of Veterinary Medicine			
Name of legal act	Type of legal act	No. and year	Last amendment
4. Rules on Regional Services of veterinary control at the State border and transportation subordinated to the Department of Veterinary Medicine	CM decree	No. 264 of 2 March 1998	--
5. Rules on the veterinary points at the state border	Order of the State Dept of Veterinary Medicine	No. 18 of 19 July 1999 No. 520/3813 of 3 August 1999	--
6. On approval of veterinary requirements concerning import in Ukraine of cargoes subject to veterinary control	?	No. 39 of 20 October 1999 No. 777/4070 of 11 November 1999	24 January 2001
7. Rules on entry of cargoes subject to veterinary control at the border	?	No. 49 of 27 December 1999 No. 9/4230 of 10 January 2000	--
8. Rules on issuing veterinary documents to cargoes subject to mandatory veterinary control	?	No. 27 of 7 August 1997 No. 326/2130 of 20 August 1997	19 October 1999
9. Mandatory minimal list of parameters of raw materials for products of animal origin e non animal origin feeds, visits, etc. to issue certificates	Order of the State Department of Veterinary Medicine	No. 16 of 3 November 1998 No. 761/3201 of 30 November 1998	--
10. Rules of entry points at the State border	CM decree	No. 1203 of 3 August 2000	--
11. On urgent measures concerning ensuring stable epizootic situation in Ukraine	?	No. 192/2001 of 22 March 2001	--
12. On urgent measures to prevent and eradicate the incidence of BSE and other prionic diseases in bovines	?	No. 23 of 12 March 2001 No. 356/5547 of 18 March 2001	5 September 2001
13. Typical technological scheme of crossing of the border by humans, means of transportation, etc.	Order	No. 152/165/130 of 5 March 2001 No. 248/5439 of 19 March 2001	--
14. Co-ordination of activity at the border, of executive power bodies and bodies of the local self governments	CM decree	No. 48 of 18 January 1999	--
15. On quality and safety of foodstuffs	Law	No. 771/97 of 23 December 1997	13 September 2000

The Ministry of Agricultural Policy also provided:

- a list of the Subdivisions and Units of the Executive Power which co-ordinate or exercise veterinary control at the border points (in Ukrainian); and
- a list of territorial and regional enterprises and organisations which do veterinary control at the State border within the area of customs operation & within free circulation in the internal market (in Ukrainian)

The State Custom Service and the State Standard Committee provided further information, available in Ukrainian.

ANNEX C

Institute of Ecological Hygiene and Toxicology: founded in 1963 it is responsible for sanitary-epidemiological investigation for all the country, elaboration of laboratory methods (not always the same as suggested by International Organisations, especially for infant food, pesticides and additives), elaboration of standard for production and import of foods, issuing of expertise at national level.

To issue an expertise for imported food, the Ministry of Health does not require any documents from the Official Administration of the exporting county, just submission of documentation from the producer or the trader. In case the producer asks for expertise, an inspection in loco could be arranged, for a large amount of product to be imported for a long time. Expertises are issued by specialised Sanitary Epidemiological Commissions, 25 at regional level plus 15 in national Institutes of research. Different commissions can cover the same product (overlapping of competencies). The Commission can approve or ask for additional expertise, then takes the final decision. A register with all the results issued by the Commission is available at national level. The average time to complete an expertise is about 30 days (20 for the Commission's work plus six for the approval process). The product to be imported has to be accompanied by a copy of the results of the expertise, which has a validity of up to five years maximum. At the border, only documents are checked by Ministry of Health personnel. At retail level the product is checked at random.

The Standards seem to be the same for national and imported products, and cover: raw materials, hygiene, finished product, quality/safety, transportation, storage, medical control of workers, animal welfare, and premises.

To start importation, before asking for expertise a contract shall be signed identifying where goods will be available in Ukraine.

Medical Quarantine Station and Veterinary Border Points: in both of these staff are present 24h/24. The first one is responsible for document checks, only in the case where documents are not available, samples are taken and the costs are covered by the owner of goods.

All Veterinary Border Points are authorised to check all kinds of goods, there is no specialisation.

OIE documentation available. In case of outbreaks of animal disease in other countries, veterinary measures are reported to be taken in conformity with OIE rules and information. These measures are notified at the Embassy of the exporting country both when they are introduced and when they are removed.

Reference legislation:

- Veterinary requirements concerning import into Ukraine of the shipment subject to veterinary control (1999);
- Mandatory minimum list of the analysis of raw materials, product of animal and non animal origin, feed, raw feed, vitamins which are subject for analysis in the State Laboratories of Veterinary Services and according to which results the veterinary certificates have to be issued (1998); and
- Law on Veterinary Service (for the list of products to be checked at border points).

Checks:

- Certificate checks (100 per cent);
- Identity checks (10 per cent); and

- Laboratory tests (100 per cent).

Veterinary Service and Central Veterinary Laboratory: in December 2001 the new Law on Veterinary Services was signed. The pyramidal structure includes laboratories at regional and local level, all accredited according to Ukrainian rules. A veterinary officer is present full or part time as necessary in all factories processing foods of animal origin. In the markets the veterinary service is present full time, while sanitary service makes only surveillance. Here the veterinary service checks documents (form 2) and makes particular laboratory analysis (trichinellosis, biochemical tests, radionuclides).

The Central Veterinary Laboratory has the following tasks: development of new methodologies, evaluation of new equipment, analysis of revision, training, data collection and elaboration, dissemination of information. The Central Veterinary Laboratory is accredited according to former Soviet standards, while ISO accreditation is expected in the near future. Translation into Ukrainian of ISO methods is considered a priority, as well as training of personnel on western methods.

Sanitary Stations: responsible for sanitary surveillance according to the Law on human safety and welfare of population. Surveillance is articulated into three areas: preventive control, on-going control, plan of action for epidemic. Ad hoc surveillance is envisaged for at-risk products.

One of the problems they have to face is street-trade of food.

Preventive control: for national producers, is as follows:

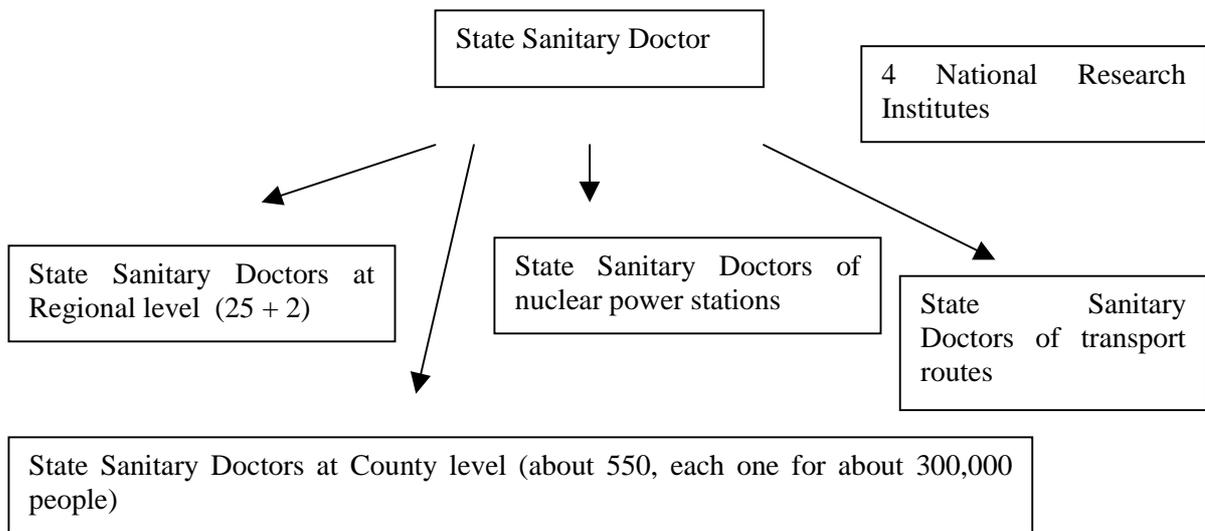
- information on technologies
- inspection
- detailed commercial plan;
- expertise;
- spot check on the construction of plant;
- approval of beginning of production; and
- inspection and laboratory samples (not compulsory).

On going control (overlapping with Veterinary Service):

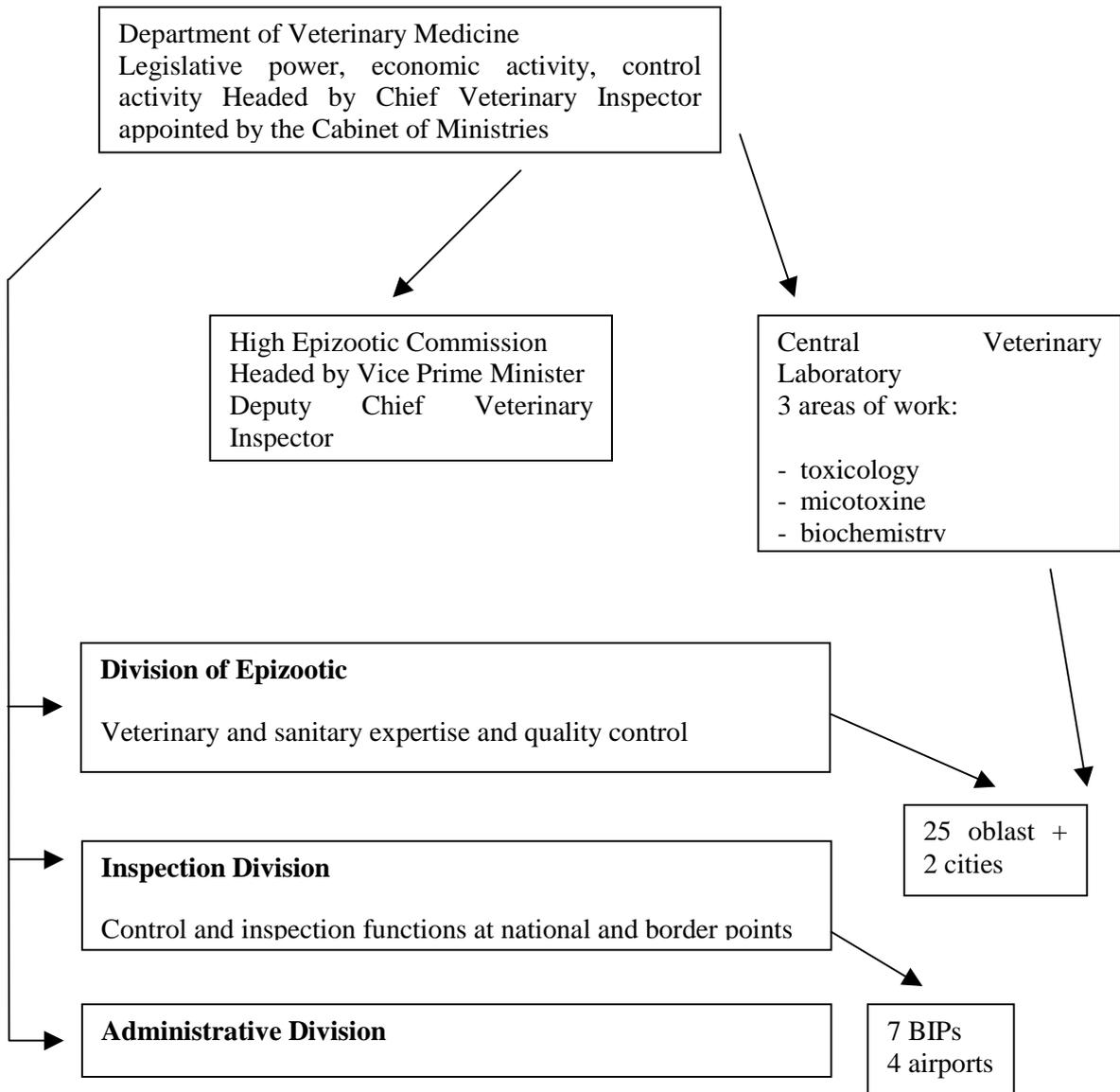
- list of people working in the plant and medical personal book;
- list of products; and
- list of raw materials used.

MINISTRY OF HEALTH
Sanitary Epidemiological Service

Tasks	Surveillance Infection diseases Occupational health Food safety Child and young people health Environmental health
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VETERINARY SERVICE



INSTITUTE OF ECOLOGICAL HYGIENE AND TOXICOLOGY

Founded 1963	
Tasks	Sanitary epidemiological investigation at national level Issue of expertise Elaboration of standards Elaboration of laboratory methods Co-ordination of laboratories (ring tests) Registration of pesticides Plastic and toxic waste Toxicology and food additives Preparation surveillance programme Confirmation of analysis Training of personnel
Organisation	Department of toxicology Department of pesticides and hygiene Department of food toxicology and hygiene Department of plastic and toxic waste Department of clinic for diseases of chemical aetiology
Staff	About 500 workers (250 researchers)

FOOD PROCESSORS LEAGUE

Founded 1999	
Tasks	Bring products safely and efficiently to market Influence food laws Prevent legislative problems and public misconception Resolve processing, packaging and other technical dilemmas Handle claims, manage litigation and avoid crises Ensure regulatory compliance Accurately interpret food and packaging regulations Understand and take advantage of changing food technology Save research money and time
Members	32 in almost all oblasts of Ukraine (producers of dairy products, confectionery, different type of beverages, canned food)
Address	3, pereulok Babushkina 03190, Kiyv Ukraine Tel. /fax 449-0354, 422-0225 e-mail: gennadiy@nac.kiev.ua

ANNEX D

List of Animals and Products Subject to Animal Health and Veterinary Public Health Control on Entering European Union From Third Countries

Directive 72/462/EU as amended:

- Bovine, ovine, caprine and porcine animals;
- Fresh (chilled and frozen) meat of these species; and
- Meat products manufactured from above meat.

Directive 90/426/EU as amended:

- Live equidae including registered horses for competition, those for breeding and production and those for slaughter in European Union.

Directive 90/539/EU as amended:

- Live poultry and hatching eggs including day old chicks.

Directive 92/118/EU as amended:

- Products of animal origin not dealt with in special European Union rules on animal health and public health;
- Including for animal health reasons;
- Liquid milk, dried milk and dried milk products not for human consumption;
- Hides and skins of ungulates (un-tanned);
- Pet foods (containing low risk materials);
- Bones and bone products, horns and horn products and hooves and hoof products;
- Processed animal protein (subject to any BSE restrictions in force);
- Blood and blood products of ungulates and poultry;
- Serum from equidae;
- Lard and rendered fats;
- Raw material for manufacture of animal feedstuffs and pharmaceutical or technical products;
- Rabbit meat and farmed game meat;
- Apiculture products;
- Game trophies of ungulates and birds;
- Manure; and
- Unprocessed wool, hair, bristles, feathers and parts of feathers.

For public Health Reasons:

- Meat products obtained from poultry meat, farmed game meat, wild game meat and rabbit meat; and
- Gelatine, honey, frogs' legs and snails.

Directive 94/187/EU:

- Animal casings.

Directive 94/435/EU:

- Pig bristles.

Directive 89/556 as amended:

- Bovine Embryos.

Directive 88/407 as amended:

- Bovine semen

Directive 90/429:

- Porcine Semen

Directive 71/118/EU:

- Public Health aspects of poultry meat.

Directive 91/494/EU:

- Animal health aspects of poultry meat.

Directive 91/493/EU:

- Fish and fishery products.

Directive 91/492/EU:

- Live Bivalve molluscs.

Directive 92/46/EU:

- Raw milk, heat treated milk and milk based products.

Directive 77/99/EU:

- Detection of *Trichinella Spiralis* in fresh meat at import. (Inspection and Certification or freezing option available).

Types and Forms of Control Applicable to the Above List
of Animals and Products

- Live Animals

The principles governing the organisation of Veterinary checks on Animals entering the European Union from Third Countries are laid down in directive 91/496/EU as amended while Commission Decision 97/794/EU lays down detailed rules.

The objective is, at European Union level, to have a common organisation of checks at external frontiers.

For the purpose of this section of the Legislation the following definitions apply:

- "Documentary Check" means verification of the Veterinary Certificates or documents accompanying an animal;

- "Identity Check" means verification by visual inspection only for consistency between the certificates or documents and the animals and for the presence and conformity of the marks which appear on the animal;
- "Physical Checks" means a check of the animal itself, possibly including sampling and laboratory testing and where appropriate additional checks during quarantine;
- "Importer" means any natural or legal person who presents animals for importation into European Union;
- "Consignment" means a quantity of animals of the same species, covered by the same Veterinary Certificate or Document conveyed by the same means of transport and coming from the same Third country or part thereof; and
- "Border Inspection Post" means any inspection post located in the immediate vicinity of an external border of one of the Member States and designated and approved by Community Procedures.

The main elements of rather detailed procedures are:

- Importers must give one day's notice of intention to present to the Veterinary Staff at the border inspection post (BIP) specific numbers, type and estimated time of arrival of the animals;
 - The animals under official supervision, should be conveyed directly to the BIP or to a quarantine centre; and
 - The animals cannot leave without Veterinary Checks (and payment for same) being made and a Veterinary Certificate issued. The original incoming Certificate may be endorsed, stamped and returned to the Importer.
- Documentary, Identity and Physical checks will be carried out on each consignment of live animals

Documentary checks concern the validity and authenticity of the accompanying Certificate and the Transporters written undertaking concerning the route plan to the final destination in respect of animal welfare considerations.

Identity checks are carried out on each animal but derogations are possible where a large number of animals are involved.

Physical checks include unloading of Biungulates and Equidae for inspection. Clinical examination shall determine fitness to travel and general well being. Sampling is undertaken with a view to checking on compliance with the health requirements as laid down in the accompanying Veterinary Certificate. Other samples may be taken by the official veterinarian if he deems it necessary. In addition the means of transport must be checked for compliance with Animal Welfare rules. Certain animals are exempt from Individual Clinical Examination.

In the cases of animal not satisfying the Community rules and not being admitted, many options are available to the competent authority.

- Quarantine/Isolation;
 - Shelter, feed, water/treatment;
 - Re-dispatch where animal health and animal welfare considerations allow;
 - Slaughter for human consumption;
 - Slaughter for non-human consumption or for destruction; and
 - Certificates relating to rejected consignments are stamped as "rejected" in red.
- Animal Products

The principles governing the organisation of Veterinary checks on Animal Products entering the European Union from Third Countries are laid down in Directives 93/13/EU and 97/78/EU. In addition there are rules concerning transit across the EU (2000/208/EU) and methods of checks for products destined for Free Zones, Free Warehouses, Customs Warehouses and certain operators (2000/751/EU).

For the purpose of this section of legislation the following definitions apply:

- "Products" are the animal products and animal by-products covered in European Union law;
- "Documentary Check" means an examination of the Veterinary Certificate or Document accompanying the consignment;
- "Identity Check" means a visual examination to ensure that documents tally with the product itself;
- "Physical Check" means a check on the product itself and may including checks on the packaging and temperature and also sampling and laboratory testing; and
- "Person responsible for the Load" is the importer while "Border Inspection Post", "Consignment" and "Import Conditions" are similar in intent to those in the live animal section.

The main elements of very Detailed Decisions and Directives are:

- Border Inspection Posts must be approved for Veterinary Checks and must be constructed, equipped, maintained and operated according to Community Provisions;
- Importers must give advance notice of arrival of products using an official Documentary to provide all details to the Veterinary Staff;
- Documentary and identity checks must be carried out on each consignment to ensure credibility of the documents and a matching of the documents and the products. Official health marks or stamps identifying the country and establishment of origin must be examined and verified;
- Detailed rules for physical checks on products are laid down including temperature requirements as appropriate, conditions of transport and an absence of abnormalities;
- Organoleptic examinations mainly visual must be carried out in principal on 1 per cent of the items or packages;
- Additional physical and laboratory examinations, as deemed necessary, particularly after unloading may be carried out;
- Confirmation of a satisfactory outcome to the series of checks shall be a resealing and placing of an official stamp on packages handled and resealing of containers opened together with endorsement of the documents;
- Detailed rules are also laid down in respect of laboratory testing of products in particular to detect residues, pathogenic organisms or other substances dangerous to humans, animals or the environment;
- Plant products such as hay and straw are restricted for import to a certain list of countries or parts thereof;
- More latterly import checks and controls are assisted by a computerised data base known as shift which allows the veterinary staff to source information on the Third Country of source of the products and the identity of the establishment of origin;
- When the consignment complies with the import conditions trade can be commenced in the products after the original documents suitably endorsed are returned to the person concerned and a Certificate is issues by the official Veterinarian, without prejudice to any general customs regulations in place and a guarantee of payment of fees for the inspections;
- Communication to places of final destination are maintained by the computerised data base system known as Animo which operates within the community;

- Derogations involving less frequent or intense physical checks are possible in the light of the results of previous checks;
- Redispatching or Destruction of the consignment or its use for other purposes may be ordered when the product does not meet the import conditions or where irregularities occur; and
- Safeguard provisions can be applied in the case of notification of serious animal diseases including Zoonoses which occur in the Third Country of origin of the product. These can be temporary or permanent prohibitions depending on the disease situation, its significance and its evolution.

ANNEX E

Decree of the President of Ukraine No.104/2002 of 5 February 2002 "On the Program of Measures on Completion of Ukraine's Accession to the World Trade Organization"

With a view to facilitate Ukraine's accession to the World Trade Organization, coordination of activity of the executive bodies in this area I decree:

- To Approve the Program of Measures on Completion of Ukraine's Accession to the World Trade Organization (attached); and
- To empower the Cabinet of Ministers of Ukraine with controlling the implementation of the noted program.

The President of Ukraine
L. Kuchma

APPROVED BY

Decree of the President of Ukraine No.104/2002 of 5 February 2002

Program of Measures on Completion of Ukraine's Accession to the World Trade Organization

The World Trade Organization sets forth the rules for multilateral trading system in the world. Its norms and principles regulate more than 92 per cent of world trade. The WTO comprises 142 member-states and a number of observer states including both applying countries and international financial institutions and groups.

The multilateral trade system is a reliable safeguard for the protection of exporters' interests in the markets of WTO member-states. The existence of such system is in the interest of governments of both developed and developing countries pursuing sustainable market-oriented policies by opening their markets.

Ukraine launched the process of accession to GATT/WTO in 1994.

As of the end of 2001, eight meetings of the Working Party on the Consideration of Ukraine's Application for WTO Accession (further on - Working Party) have taken place, the last of which was held on June 13-14 of 2001.

Ukraine is in the process of bilateral negotiations on access to goods and services markets, one of the key components of acquiring WTO membership, with 24 countries members of the Working Party.

Bilateral protocols have been signed with Mexico, New Zealand and Uruguay. Understandings in principle on access to goods and services markets has been reached with a number of the Working Party members.

The key stages of accomplishing the WTO accession process are:

- signing of protocols on goods and services market access with member states of the Working Party;
- undertaking by Ukraine of the obligations on transformation of the state support to agriculture in line with WTO requirements; and
- harmonization of the national legislation with norms and requirements of WTO.

This program sets forth the ways for effective fulfillment of tasks on accelerating the acquisition by Ukraine of WTO membership. Implementation of measures provided for in its sections will allow Ukraine to:

- finish the bilateral negotiations in the scope of Working Party on Ukrainian goods and services markets access and to sign bilateral protocols;
- ensure the harmonization of national legislation with norms and requirements of WTO agreements, determine the scope of obligations, that will be incorporated into a Draft Protocol of Ukraine's Accession to WTO; and
- prepare and submit to the member states of the Working Party a Draft Protocol on Ukraine's Accession WTO.

1. Economic Forces of Ukraine's Accession to WTO

As proved by the pace of economic development of countries, including the recently acceded to WTO states of Central and Eastern Europe, WTO membership will result in the following economic benefits for Ukraine:

- improvement of conditions for access of Ukrainian producers and exporters to the main international markets;
- liberalization of trade regime between Ukraine and the European Union, initiation of negotiations on concluding a Free Trade Agreement between Ukraine and the European Union;
- reduction of tariff and non-tariff restrictions on exports to the European Union of Ukrainian goods - metal, textiles and clothes;
- obtaining an opportunity to protect national producers in antidumping, special investigations within the WTO trade disputes settlement procedure;
- prevention of trade and economic isolation of Ukraine from the states of Central and Western Europe, as well as from the states of Eastern Europe and the Baltic states; and
- development of effective protection system of national producers against unfair competition from imports.

2. Goal and Tasks of the Program

The Program aims to create and implement the conditions for completing corresponding negotiations towards Ukraine's accession to the World Trade Organization.

To achieve the set goal, the Program provides for completing the following tasks:

- ensuring coordination of measures of ministries and other central bodies of executive power, related to completion of the process of acquiring the WTO membership by Ukraine, which presupposes, first of all, achieving a common coordinated position as to the tariff policy, liberalization of access of foreign businesses to Ukraine's services market, gradual transformation of state support of agriculture in compliance to the WTO requirements;
- conducting a complex analysis of legislation and draft laws on conformity with norms and requirements of the WTO, and harmonization of legislation with requirements of the system of WTO agreements; and
- forecasting possible consequences of accession of Ukraine to the WTO, development and implementation of measures to increase the competitiveness of industries that may be negatively influenced following Ukraine's accession to the WTO.

3. Legislative Support of Ukraine's Accession to WTO

One of the main components of the process of Ukraine's accession to the WTO is harmonization of national legislation with norms and requirements of WTO agreements.

Legislative support of this process provides for immediate adoption of Laws of Ukraine aimed at bringing national trade legislation into conformity with norms and requirements of WTO agreements, and meeting obligations, assumed by the Ukrainian side before member-states of the Working Party, particularly:

- the Tax Code of Ukraine;
- the law on amending the Law of Ukraine "On Television and Radio Broadcasting" on increasing the size of foreign investments, allowable in the statutory funds of TV and radio organizations of Ukraine;

- the law on amending the Law of Ukraine "On State Regulation of Import of Agricultural Products" as to elimination of quantitative restrictions of import of cattle breeding products; and
- the law on amending the Law of Ukraine "On Quality and Safety of Foodstuffs and Food Raw Materials" as to bringing national legislation into conformity with international requirements and standards, and with the European Union directives in the area of regulation of quality and safety of foodstuffs and food raw materials.

Drafts of these laws were developed in the light of principal requirements of the Uruguay Round agreements of multilateral negotiations – General Agreement on Tariffs and Trade of 1994, TRIPS Agreement, TRIMS Agreement, Agreement on application of Article VII of the GATT, Agreement on Sanitary and Phytosanitary Measures, Agreement on Agriculture, General Agreement on Trade in Services. The Cabinet of Ministers of Ukraine, ministries, and other central bodies of executive power shall take measures to accelerate the adoption of these laws.

The Cabinet of Ministers shall ensure the elimination of non-compliance of other legislative acts with norms and requirements of WTO agreements, for the purpose of which it shall:

- resolve the issue on elimination of the requirement for a six-month break after expiry of a four-year period of a permanent foreigners' stay in Ukraine to renew their professional activity.
- Deadline – first quarter of 2002
 - develop and introduce the following draft laws into the Verkhovna Rada according to the established procedure:
 - on amending the laws of Ukraine on introduction of the conformity assessment procedure with respect to products, imported into Ukraine pursuant to the requirements of Agreement on Technical Barriers to Trade; and
 - on amending the laws of Ukraine "On Ensuring Sanitary and Epidemic Safety of Population", "On Quality and Safety of Foodstuffs and Food Raw Materials", "On Safeguard Against Infectious Diseases", "On Pesticides and Agrochemicals", "On Bee-Farming", "On Quarantine of Plants", "On Flora", "On Seeds" so as to bring them into conformity with international standards in sanitary and phytosanitary areas.
- Deadline – first quarter of 2002
 - on amending the Law of Ukraine "On Information Agencies" as to cancellation of restrictions for foreign citizens and legal entities of foreign states to establish information agencies, restrictions as to the size of foreign investments in authorized funds of such agencies;
 - on amending the Law of Ukraine "On Banks and Banking Activity" as to granting foreign banks the right to establish branches on the territory of Ukraine; and
 - on amending the Law of Ukraine "On Stimulation of Agriculture Development for the Period of 2001-2004" as to cancellation of the requirement of obligatory use by tobacco products manufacturers of tobacco raw materials grown and fermented in Ukraine.
- Deadline – second quarter of 2002
 - on amending the Law of Ukraine "On Power Engineering" as to cancellation of priority of local producers while conducting tenders on equipping power engineering enterprises;
 - on amending the Law of Ukraine "On Advocacy" as to cancellation of the requirement to be a citizen of Ukraine to be able to practice lawyer's activity; and

- on amending the Law of Ukraine "On Foreign Economic Activity" as to identification of the import licensing procedure, taking into consideration application of mechanisms of automatic and non-automatic licensing, deadlines for consideration of applications to obtain licenses, the mechanism of informing foreign states on the licensing procedure.
- Deadline – third quarter of 2002
- ensure the promotion of the draft laws indicated above during their consideration in the Parliament.
- Permanently, until adoption of corresponding laws
- ensure the promotion accompanying during consideration in the Parliament of the draft law on amending the Law of Ukraine "On Auditing Activity" as to cancellation of the requirement to be a citizen of Ukraine to be able to practice auditing activity.
- Permanently, until adoption of corresponding laws
- Ministries and other central bodies of executive power shall conduct a complex analysis of legislation in the areas, regulated by WTO agreements, prepare tables of conformity of Ukrainian legislation to WTO norms and requirements:

In the area of protection of intellectual property – by the Ministry of Education and Science of Ukraine, the Ministry of Justice of Ukraine:

- Deadline – first quarter of 2002
- in customs area – by the State Customs Service of Ukraine, the Ministry of Economy and European Integration of Ukraine, the State Committee of Standardization, Metrology and Certification of Ukraine;
- in the area of non-tariff regulation – by the Ministry of Economy and European Integration of Ukraine, the Ministry of Agrarian Policy of Ukraine, the Ministry of Health Protection of Ukraine, the Ministry of Industrial Policy of Ukraine, the Ministry of Finance of Ukraine, the State Customs Service of Ukraine, the Ministry of Justice of Ukraine, the State Committee of Ukraine for Regulatory Policy and Entrepreneurship, the Ministry of Foreign Affairs of Ukraine with participation of the National Bank of Ukraine;
- in the area of investment – by the Ministry of Industrial Policy of Ukraine, the Ministry of Justice of Ukraine, the Ministry of Economy and European Integration of Ukraine, the Antimonopoly Committee of Ukraine, the Ministry of Fuel and Energy of Ukraine, the Ministry of Transport of Ukraine, the Ministry of Agrarian Policy of Ukraine; and
- in the area of agriculture – by the Ministry of Agrarian Policy of Ukraine, the Ministry of Health Protection of Ukraine, the Ministry of Economy and European Integration of Ukraine, the State Committee of Standardization, Metrology and Certification of Ukraine.
- Deadline – second quarter of 2002
- in the area of taxation – by the Ministry of Finance of Ukraine, the State Tax Administration of Ukraine;
- in the area of sanitary and phytosanitary measures – by the Ministry of Agrarian Policy of Ukraine, the Ministry of Health Protection of Ukraine, the State Committee of Standardization, Metrology and Certification of Ukraine;
- in the area of services – by the Ministry of Finance of Ukraine, the State Committee of Informational Policy, Television and Radio Broadcasting, the Ministry of Transport of

Ukraine, the State Committee of Communication and Informatization of Ukraine, the Ministry of Health Protection of Ukraine with participation of the National Bank of Ukraine; and

- in the area of technical barriers to trade – by the State Committee of Standardization, Metrology and Certification of Ukraine, the Ministry of Agrarian Policy of Ukraine, the Ministry of Health Protection of Ukraine, the Ministry of Industrial Policy of Ukraine, the Ministry of Transport of Ukraine.
- Deadline – third quarter of 2002
- On the basis of the prepared comparative tables of conformity of Ukrainian legislation to norms and requirements of WTO agreements the Cabinet of Ministers shall ensure the development of drafts and adoption according to the established procedure of corresponding legislative acts, submit according to the established procedure for consideration by the Verkhovna Rada draft laws on ultimate elimination of non-conformity of laws of Ukraine with WTO requirements:

In the area of protection of intellectual property rights:

- Deadline – second quarter of 2002
 - in customs area;
 - in the area of non-tariff regulation;
 - in the area of investment; and
 - in the area of agriculture.
- Deadline – third quarter of 2002
 - in the area of taxation;
 - in the area of sanitary and phytosanitary measures;
 - in the area of services; and
 - in the area of technical barriers to trade.
- Deadline – fourth quarter of 2002
 - Another direction of activity towards harmonization of legislation with WTO norms and requirements is the carrying out of a number of measures aimed at improving the mechanism of implementation of corresponding legislative acts. The Cabinet of Ministers of Ukraine shall ensure the carrying out of the following measures in this respect:

In the area of technical regulation of trade:

- on including in the draft Plan of state standardization for 2002 of tasks on development of drafts of at least 500 standards, harmonized with international and European standards.
- Deadline – first quarter 2002
 - on approving the technical regulations on conformity assessment on the basis of the European Union New Approach directives:
 - "On Electromagnetic Compatibility";
 - "On Safety of the Low Voltage Equipment";
 - "On Safety of Toys";

- "On Modules of the Conformity Assessment Used in Technical Directives on Harmonization and Procedures for Marking and Utilization of the CE Compatibility";
 - "On Safety of Plain Utensils with High Voltage";
 - "On Safety of Elevators";
 - "On Non-Automatic Weighting Devices";
 - "On Gas Equipment Safety";
 - "On Safety of Water Heating Furnaces";
 - "On Safety of Refrigerants"; and
 - "On Safety of Equipment Operating under Pressure".
- Deadline – first half of 2002
 - on development of five technical regulations on conformity assessment.
- Deadline – first half of 2002
 - on approving five technical regulations on conformity assessment and development of six technical regulation on conformity assessment.
- Deadline – second half of 2002

In the area of protection of intellectual property:

- on establishing minimal rates of author reward to stage managers for public performance of works of art, created specially for stage performance, producers for public demonstration of an audiovisual work, and reward to producers and performers of phonograms and videograms for the use of objects of related rights.
- Deadline – February 2002

In the area of sanitary and phytosanitary measures:

- on amendment of the list of food additives allowed for use in food products, approved by the Resolution of the Cabinet of Ministers of Ukraine No.12 of 4 January 1999, with a view of harmonizing it with the International requirements and standards, the European Union directives in the area of regulation of quality and safety of food products and food raw materials.
- Deadline - May 2002
 - A scope of obligations, implementation of which will be provided for by the draft Protocol on accession to the WTO, and which will be an integral part of the Protocol shall be approved in the Working Party within the fourth quarter of 2002.

In order to track discrepancies of Ukrainian legislation with norms and requirements of WTO agreements, and to prevent new discrepancies, it is appropriate to conduct permanent analysis of legislation to be adopted. Such permanent monitoring of conformity of Ukrainian legislation with WTO norms and requirements should be also carried out after Ukraine's accession to the WTO.

4. Ensuring Balanced Access to Goods Markets

The principal issue for completion of negotiations on access to market of goods is the coordination of tariff concessions with member-states of the Working Party. Out of 42 member-states of the Working Party, 24 provided their requests concerning tariff concessions for over 5,000

commodities. At present, agreement in the course of negotiations was achieved on 80 per cent of the total number of commodities.

In June 2001 Ukraine submitted to the members of the Working Party the information on the results of negotiations as of 1 June 2001. As a next step, Ukraine is planning to submit to the WTO members a revised consolidated Tariff Offer, which will be based on the initial offer and on the results of negotiations up to the moment of submitting the Offer.

Tariff concessions for products, in which WTO member states are interested, shall be provided in accordance with the Concept Paper on the Transformation of the Customs Tariff of Ukraine for 1996-2005 in compliance with the GATT/WTO system, approved by the Order of the President of Ukraine No. 255 dated 6 April 1996. Presently, about 80 per cent of import duty rates do not exceed the margin levels, established by the Concept Paper, about 64 per cent of those are lower than the margin levels, and about 15.5 per cent correspond to them.

Seeking to speed up negotiations on access of imported goods to the Ukrainian national market, Ukraine has expressed its commitment to join 16 of the total of 19 sectoral agreements and initiatives proposed by the US, Canada, the EU and Japan with respect to industrial goods.

Ukraine is planning to join the following sectoral agreements and initiatives:

- chemical harmonization, steel, toys, wood, textile and clothes, non-ferrous metals, pharmaceuticals, information technologies in 2004;
- paper, agricultural machinery, furniture in 2005;
- scientific equipment, construction equipment, medical equipment in 2006; and
- civil aircraft in 2010.

Ukraine is also planning to join the sectoral agreement on distilled spirits (three years after accession to the WTO), beer, oil crop seeds, and fish.

To complete bilateral negotiations on access of goods to the Ukrainian market with member-states of the Working Party, the Cabinet of Ministers of Ukraine has to ensure:

- approval within 2002 of the plan of measures on conducting the next round of negotiations by the results of each round of bilateral negotiations on access to goods and services markets of Ukraine with member states of the Working Party; and
- submission of the draft law on amending the Law of Ukraine "On the Customs Tariff of Ukraine" and ensuring the promotion of the draft during its consideration in the Parliament in accordance with the results of bilateral negotiations with member-states of the Working Party on the access to goods market.

Implementation of commitments envisaged by this section of the Program will make it possible to complete bilateral negotiations and sign bilateral protocols on the access to goods market with member-states of the Working Party.

5. Ensuring of Balanced Access to Service Market

Negotiations on a guaranteed access to Ukraine's service market by WTO member-states are held according to the schedule of obligations on liberalization in the sector of services and the list of exemptions from the most-favored nation treatment. A draft of such schedule contains commitments in 139 service subsectors (of the total of possible 155).

By now commitments are agreed in such sectors of the service market as legal, IT, research, rent and leasing, construction, distribution, education, environment protection, tourism and recreation,

culture and sport. Legislative regulation of activity in these service sectors secures an inflow of investments and the provision of services by foreign suppliers within the territory of Ukraine.

The following sectors require further discussion with WTO members: insurance, banking, telecommunications, postal, transportation and health care.

In the course of bilateral negotiations with member-states of the Working Party on access to services market it is necessary to agree upon conditions of liberalization of access of foreign service providers to national market, particularly to financial service market, communication and telecommunication services, relocation services for physical persons.

To this end the Cabinet of Ministers of Ukraine shall ensure:

- development of final edition of Ukraine's commitments on access to its national services market;
- gradual liberalization of access to services market with consideration of commitments of Ukraine related to accession to the WTO.

Conducting measures, envisaged by this section of the Program will make it possible to sign bilateral protocols on access to services market with member-states of the Working Party; ensuring a substantiated approach to liberalization of access to services market will create conditions for an increase in the volume of foreign investments by 2.5-3 times.

6. Transformation of State Support to Agriculture

According to the Agreement on Agriculture, internal support, provided to agricultural producers should be regulated by WTO rules.

In accordance with WTO requirements transformation of the state support to agriculture is to ensure its step-by-step downsizing through assuming commitment as to reducing the domestic support, which effects negatively trade or production, especially as the result of providing price supports to producers.

Throughout the period of accession to the WTO Ukraine has significantly reduced the use of state budget funds for the purposes of price supports of agricultural producers, and since early 2000 the practice of providing agricultural producers with material and technical resources was discontinued.

The new round of WTO negotiations, launched by the conference of WTO ministries in Doha, Qatar (9-13 November 2001), envisages that negotiations on trading agricultural products should be aimed at liberalization of access to markets, reduction – with the purpose of gradual elimination - of all forms of export subsidies, and significant reduction of state support.

The completion of the process of Ukraine's accession to WTO depends greatly on the final agreement as to the level of the state support to agriculture, shaping up the definitive position with respect to commitments in reduction of domestic support to agriculture, as well as in adhering to a principle, according to which the general level of support measures that will be subject to commitment as to their reduction, cannot be increased. Performance of assumed obligations must be supported through creation of a market-oriented system of agricultural trading.

For Ukraine as a traditional exporter of agricultural products negotiations on discontinuing export subsidizing issues and the state support in the agricultural sector will be of particular importance.

According to WTO, requirements providing for state support should not adversely influence competition in trade.

The Ministry of Agricultural Policy must finally agree upon the level of the general measure of the domestic support to agriculture and shape up a commitment with respect to its downsizing.

The Cabinet of Ministers must ensure performing within the second quarter of 2002 of the analysis of conformity of the agriculture support system to WTO requirements and, if necessary, development and implementation of corresponding proposals as to harmonization of such system.

Implementation of assignments of this section of the Program will make it possible to complete bilateral negotiations with member-states of the Working Party as to transformation of the state support of agriculture.

7. Mobilizing and Implementing International Technical Assistance to Ukraine's Accession to the WTO

The process of Ukraine's accession to WTO requires the involvement of Ukrainian and foreign experts in the preparation of economically grounded positions for the negotiations, review and development of proposals pertaining to the harmonization of national laws.

In order to avoid involvement and implementation of the international technical assistance projects in trade which are inconsistent with Ukraine's needs and fail to achieve concrete results or duplicate other projects, the Cabinet of Ministers of Ukraine shall put into practice the improvement of a mechanism for coordinating the international technical assistance rendered to Ukraine in order to facilitate the process of WTO accession. In 2002 such assistance should be directed at:

- providing for expert-analytical support of the Ukraine's WTO accession process;
- informational support of Ukraine's accession to the WTO;
- organizational support of Ukraine's accession to the WTO; and
- training of specialists on the issues of accession to and functioning of the WTO.

8. Program Funding

The Program is financed with state funds allocated for supporting the operation of respective ministries and other central bodies of executive power.

The expert, analytical and organizational support to the process of Ukraine's accession to WTO is also funded through the involvement of international technical assistance.

Head of the Administration of the President of Ukraine
V. Lytvyn
