

GIDE

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Reform of the plant quarantine regime in Ukraine

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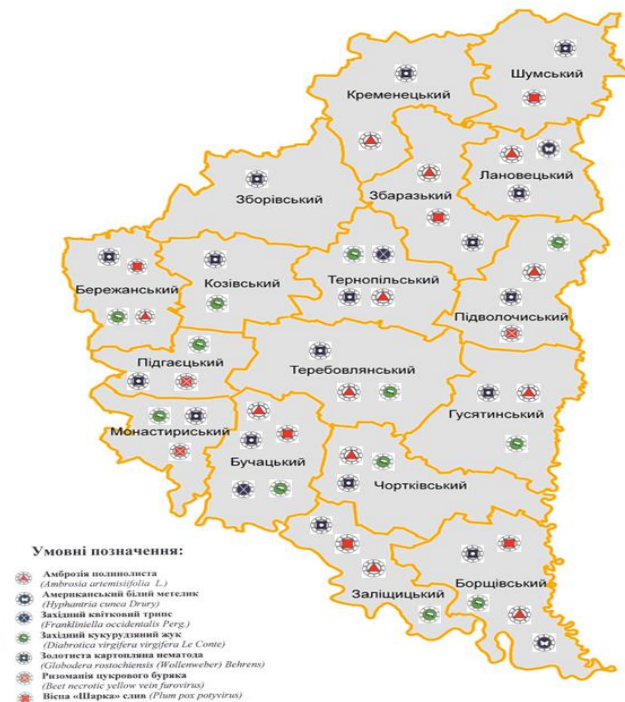
Reforms justification

- Need to strike a balance between protection of plants health and trade
 - plants and plant products > ½ of gross agricultural output and agricultural exports
 - In 2012: 75% = 19.5% of total exports
- High cost and relative ineffectiveness of the current quarantine regime
- Approximation with EU law (Directive 2000/29/EC) under Ukraine - EU Association Agreement :
 - *“Ukraine shall approximate its sanitary and phytosanitary and animal welfare legislation to that of the EU as set out in Annex V to this Agreement” (Art. 64)*

Overview of regulated movement of plants and plant products within Ukraine

- 30 quarantine organisms – 3 % of all pests
- regulated objects (RO) > 1/3 of Ukraine's agri-food trade (include final and processed products)
- special quarantine zones (QZs) - hundreds throughout Ukraine
- Quarantine certificate (QC) – for movement of every consignment of ROs out and in the QZ (5 days issuance terms)
- Registration requirements

Ex: Ternopil oblast quarantine status :



Source: <http://www.karantin.te.ua/inspekciya/fitosanitarnyj-stan/oblast/>

Import and export requirements

IMPORT AND TRANSIT

- quarantine permit (QP) - every consignment of ROs (additionally to documentary, identity and physical plant health checks)
- quarantine certificate

EXPORT

- Phytosanitary certificate (PC)
 - every consignment of ROs (irrespective of importing country requirements)

High cost to market players

- Costs to private sector - 0.45% of the total crop output in 2011
 - 8 times more than in the EU
- Official costs in Ukraine = about 0.09%, still remains 50% higher than in the EU
- Estimated total private sector costs (official and unofficial) = \$98.3 m:
 - about \$ **81.1 m of unofficial costs** and US\$17.2 m of official
 - exportables (grains, oil crops, flour) pay the largest bill
 - grains: \$ 9.5 m official, while unofficial ones pile up to about US \$ 44 m
- Including administrative costs:
 - the overall burden of the plant health regime increases to 0.6% of the total crop output in Ukraine in 2011 = **6 times** more than that in the EU (0.1% of the total crop output)

(source: IFC draft policy paper, 2014)

Relative effectiveness

OVER 4 YEARS

- Infected area (ha) increased by 24 %
3.38 M ha (406 districts/6275 villages)



- Infected area increased by 84 %
62 districts/ 649 villages



- *Ambrosia artemisiifolia* L. (Common Ragweed)

- Western corn rootworm

- from 0.2% to 38 times (depending on a pest)

Specificity of EU system

- Reduced list of ROs subject to control in intra-EU trade
 - mainly concern some seeds, plants for planting, some types of wood and a limited number of end products for consumption
- Registration requirements for producers and traders
 - Regular inspections at the place of production
- Free intra-EU trade
 - Specific protected zones (requirement of a special PZ plant passport)
- Plant passport based on the principle of prevention at source
 - Traceability of consignments
- EU does not employ import quarantine permits

First signs of reforms / quick wins

POSTANOVA OF CABINET OF MINISTERS OF UKRAINE DATED 28 JANUARY 2015 N 42

On deregulation of economic activity:

- 24-hours' time limit for issuing all phytosanitary documents (QCs and PCs);
- separate lists of items falling under phytosanitary controls for import/export operations and domestic shipments;
- reduced list of ROs subject to control in case of domestic shipments: (excluded 17 out of 96 groups of products, such as grains, flour, coffee etc.)

DRAFT LAW # 1875

On Amendments to the Law of Ukraine On Plant Quarantine (Draft) registered in the Ukrainian Parliament:

- QC required only for leaving a QZ
- government agency must publish all information, which is in the public domain, on its webpage;
- declarative principle of registration for legal entities and individuals involved in production and circulation of objects falling under the quarantine controls.

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