Reform of the plant quarantine regime in Ukraine

27 March 2015
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/inspekiya/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

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

- Ambrosia artemisiifolia L. (Common Ragweed)

- Western corn rootworm
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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