

UKRAINE: A STORY OF CHANGE



Implementing CUFTA to the Fullest

The Canada–Ukraine Free Trade Agreement (CUFTA) is like a handbook for CUTIS. Its provisions were carefully and attentively scrutinized long before the agreement entered into force. Like any legal document, CUFTA is complex and often overwhelming, so it was important to help the Government of Ukraine interpret its provisions and to explain those provisions to the Ukrainian business community in plain language.

On the governmental side, the CUTIS project provided expert assistance in a number of areas. They arranged and financed an economic impact assessment for the Ukrainian economy that MEDTA required for the ratification process.

Before CUFTA entered into force, CUTIS provided MEDTA with an article-by-article overview of the agreement in a summary report that also provided an overview of Ukraine’s commitments under CUFTA. The report was used by the government

of Ukraine to help them develop their action plan for the implementation of CUFTA and to prepare them for the first Joint Committee meeting between the two governments as part of the CUFTA administration process. CUTIS experts also helped interpret specific CUFTA rules-of-origin provisions for businesses that contacted MEDTA and produced a guide titled *I CAN Export: Guidelines to the Rules of Origin under the CUFTA*.



Clinton Martin, then-Senior Trade Commissioner at the Embassy of Canada to Ukraine, holds the CUFTA documents.

“Elements of the CUFTA implementation plan produced by CUTIS were used to organize the internal work of the bodies and agencies involved in the implementation of CUFTA.”

—Olzhana Rukas, MEDTA

On the business side, CUTIS actively promoted CUFTA and explained its provisions and implications. The CUFTA signing and ratification coincided with the provisional application of the free trade agreement between Ukraine and the European Union, so provisions of both agreements were often confused and misinterpreted.

Free trade agreements are frequently underused because the private sector does not properly understand them. Numerous publications and events in Canada and Ukraine (e.g., Open for Business, Smart Exports, Export



Mykhailo Dubinskiy of Logistic Center explains transportation methods for exporting to Canada at a *Smart Exports* workshop in Kyiv, April 2017.

Forums, and the CUFTA in Action roadshow held in Ukraine in partnership with regional chambers of commerce and industry) promoted awareness of CUFTA and helped private parties work with the text of the agreement. This helped MEDTA prepare for the first meeting of the Canada-Ukraine Joint Committee on CUFTA. CUTIS also adopted a special focus on helping women-led businesses export through programs such as SHE Exports, She Champions, and SHEforSHE mentorships.

CUTIS also brought in experts from industries that help SMEs export, including Mykhailo Dubinskiy from Logistic Center, a company that arranges global transportation of goods.

“There are now Ukrainian exporters who have discovered the Canadian market and companies that, through CUTIS training and educational activities, have recognized Canada’s potential for Ukrainian exports and are motivated to expand their export activities.”

—Mykhailo Dubinskiy, Logistic Center

In addition, CUTIS experts undertook nearly 100 individual consultations with Ukrainian entrepreneurs to help them apply CUFTA provisions to their particular product. Of note, CUTIS helped one exporter obtain the first-ever advance ruling on rules of origin under CUFTA. Based on this ruling, the company has legal confidence that their goods will be considered of Ukrainian origin and can be shipped directly to Canada from Ukraine, allowing them to optimize business processes and avoid unnecessary expenditures.