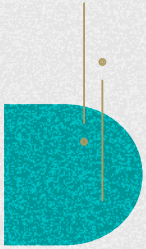


eec

EURASIAN ECONOMIC
COMMISSION



2020



EURASIAN
ECONOMIC
UNION



FACTS AND FIGURES



INTERNAL MARKETS,
INFORMATIZATION AND ICT





DIGITAL AGENDA

ABOUT DIGITALIZATION



In 2017, the Supreme Eurasian Economic Council approved the main areas for implementation the Eurasian Economic Union's digital agenda until 2025.

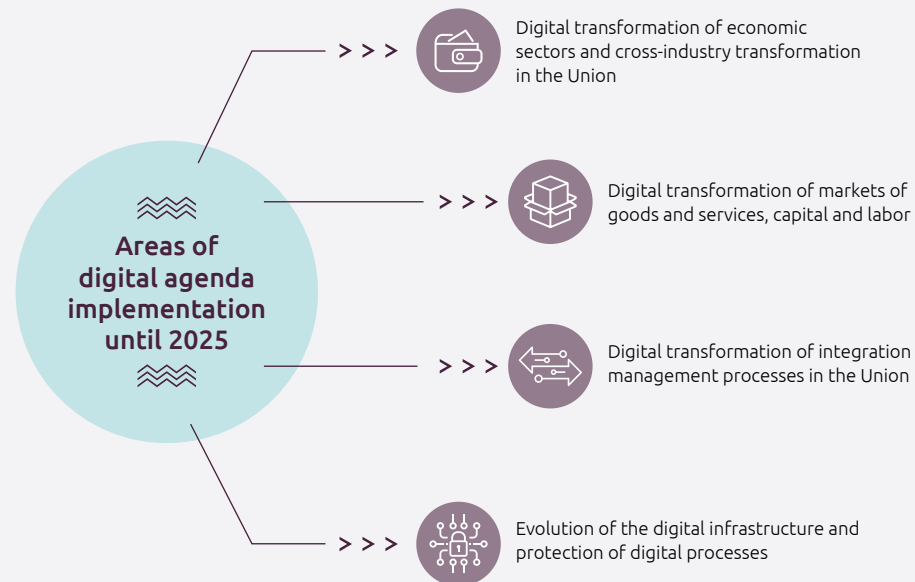
The document defines the goals, principles, objectives, areas and mechanisms of cooperation between the Member States of the Union in the digital sphere.

The digital agenda focuses on keeping up to date the established mechanisms of integration cooperation within the Union taking into account the global challenges of digital transformation, ensuring qualitative and sustainable economic growth in the Member States, particularly for an accelerated transition of economies to a new technological paradigm and developing new industries, markets and labor resources.

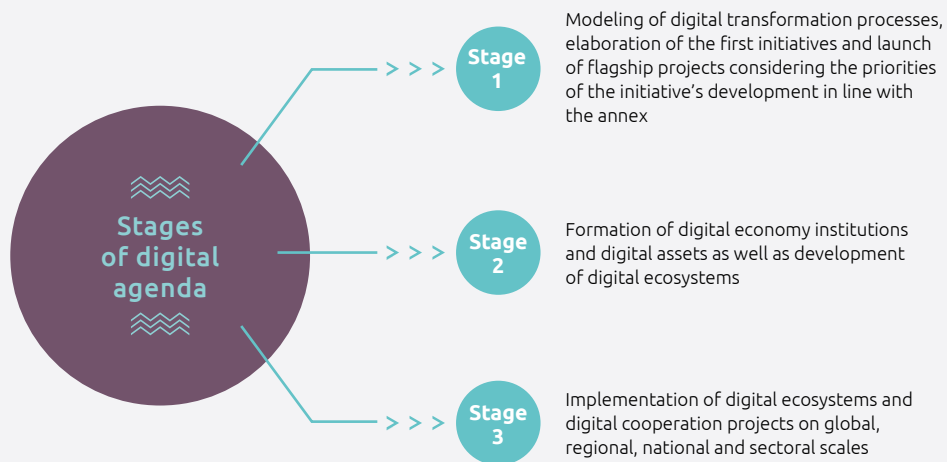
It will allow synchronizing the digital transformations and creating conditions for the evolution of the industries in the Member States. Not only will information communication technologies (ICT) be applied to the implementation of the digital agenda, but also new business processes, digital models and digital assets will be created.



MAIN AREAS FOR IMPLEMENTING THE EAEU DIGITAL AGENDA UNTIL 2025



THREE PILLARS OF THE DIGITAL AGENDA IMPLEMENTATION



THE UNION'S DIGITALIZATION PROJECTS

Integrated Information System (IIS)

The **integrated information system** is a geographically distributed information system that ensures communication for the purposes of implementing common processes, interstate exchange of data and electronic documents as well as the activities of the Union's governing bodies.

The idea of the project was born back in 2009. According to the Decision of the Customs Union Commission dated October 21, 2009, the system was named "Integrated Information System of External and Mutual Trade of the Customs Union (IISEMT)". In 2014, the Treaty on the Union stipulated the establishment, operation and development of the Union's integrated information system as part of enhancing



Over a 6-year period,

19
common processes have been automated over six years



the IISEM's functionality, and more than 80 common processes between the authorized bodies of the Union's Member States were to be automated. Over the course of six years, 19 common processes have been automated.

On September 18, 2020, the Council of the Eurasian Economic Commission (EEC) issued a disposition to perform a comprehensive technical expert examination of the integrated information system (IIS) with a view to developing recommendations on the modernization and improvement of the system as well as analyze the possibility of using the existing tools and services in project implementation in line with the Eurasian Economic Union's (EAEU) digital agenda until 2025. The initiative is aimed at elaborating new possible approaches to the development and modernization of the integrated information system.



"While carrying out a comprehensive technical expert examination, certain measures need to be taken: an expert examination of technical support and legal documents, elaboration of new approaches to project management for such a complex and large-scale intergovernmental project as well as a review of the Union's strategic areas assessing the IIS progress," noted Gegham Vardanyan, the EEC Minister in charge of Internal Markets, Informatization, Information and Communication Technologies.

In line with the decision adopted, the EEC is looking to organize a competition and select a contractor for the comprehensive technical expert examination of the IIS. Organizations from all participating states of the Union will be invited to take part.

According to the disposition of the Commission's Council, all findings (including the recommendations on the modernization and improvement of the system) of the IIS comprehensive technical expert examination shall be submitted to the Board by the end of Q1 2021. Then a report on performance shall be provided to the EEC Council.

"Unified Search System "Work Without Borders"

The launch of the "Unified Search System "Work Without Borders" project was approved by **Decision No. 89 of the Eurasian Economic Commission's Council dated September 9, 2019.**

The project mainly aims to create a search engine which will provide access to the information on current vacancies and jobseekers stored in relevant information systems of the Member States.


The project utilizes the existing national systems of the Eurasian "five" countries. As a result, the users (job seekers and employers) will be able to look for a job or recruit people in one or several Member States, create any search request in the national information systems, have access to job descriptions and CVs as well as communicate with each other.


All features with regard to job search and employee recruitment will be free for the users of the system (citizens of the Member States as well as companies based there).

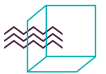
The project funds are allocated from the Union's budget and amount to RUB 58.5 million, including:

- » RUB 33.5 million — creation and implementation of standard software and methods;
- » RUB 25 million — integration with the national information systems (RUB 5 million per Union Member State).

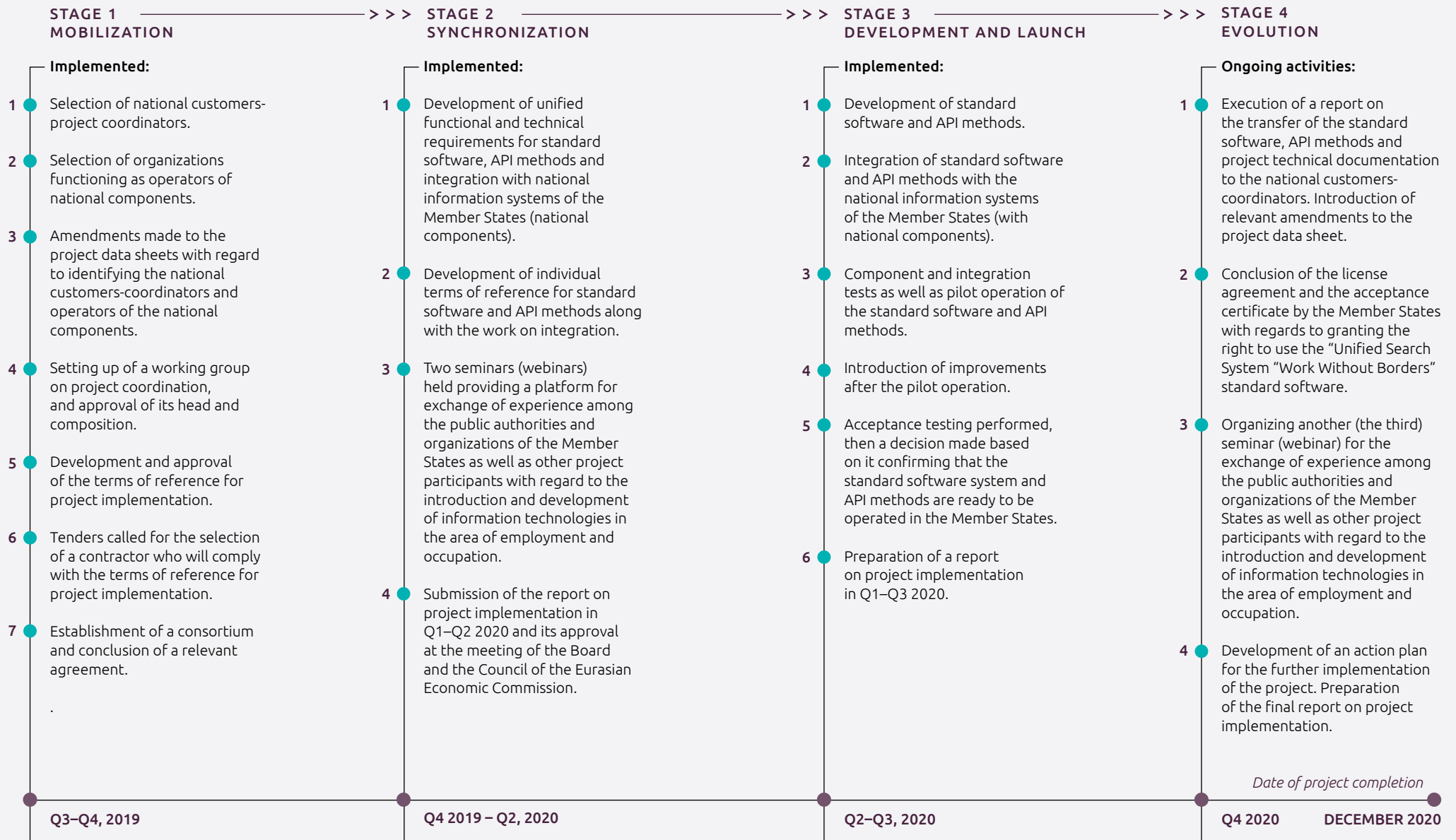
Project participants:

 **national customers-coordinators** (State Employment Agency of the Ministry of Labor and Social Affairs of the Republic of Armenia; Ministry of Labor and Social Protection of the Republic of Belarus; Ministry of Labor and Social Protection of the Population of the Republic of Kazakhstan; State Migration Service under the Government of the Kyrgyz Republic and the Ministry of Labor and Social Development of the Kyrgyz Republic; Federal Service for Labor and Employment of the Russian Federation);

 **consortium** — operators of national components ("NORK" Social Services Technology And Awareness Center Foundation of Armenia; Republican Unitary Enterprise "Centre for Information Technologies of the Ministry of Labor and Social Protection of the Republic of Belarus"; JSC Center for Development of Labor Resources of the Republic of Kazakhstan; Information and Consultation Center of the State Migration Service under the Government of the Kyrgyz Republic; LLC Budget and Financial Technologies of the Russian Federation).



PROJECT STAGES AND IMPLEMENTATION PERIOD



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"It should be noted that the project implementation is moving forward at a rapid pace and in high quality. During the preliminary standalone and integrated testing of the system, together with the Member States of the Union we have considered all the suggestions and comments made in this regard," said Gegham Vardanyan, the EEC Minister in charge of Internal Markets, Informatization, Information and Communication Technologies.



Ecosystem of Digital Transport Corridors in the EAEU

The ecosystem of digital transport corridors is an open digital environment for sharing information about logistics. It comprises various digital platforms and information systems owned and operated by businesses and (or) public authorities. The ecosystem includes information about vehicles, crews, cargoes, permits and accompanying documents at all stages of transportation or technological activities.

The project addresses the following issues:

- » elimination of transportation and logistics paperwork and shift to data sharing;
- » establishment of common standards for transport and logistics services;
- » shift to a transparent integrated surveillance system based on data analysis that spares transport operators the administrative burden.

Following the research, the Commission developed approaches to the creation of the ecosystem of digital transport corridors in the Union and an action plan (a road map).

The key concepts and approaches to the ecosystem creation were presented and approved by the Advisory Subcommittee of Transport and Infrastructure Department at the meeting, by experts at panel session "Unified Eurasian transport and logistics system as a foundation of transit potential" within the International Forum "Transit potential of the Eurasian continent", held on September 30 – October 1, 2019 in Yerevan (Republic of Armenia).



The action plan for the creation of an ecosystem of digital transport corridors was approved by Disposition No. 4 of the Eurasian Intergovernmental Council dated January 31, 2020.

As part of the project, the following has already been done:

1. Selection of authorized bodies (organizations) responsible for different aspects of the plan implementation.

Republic of Armenia  Ministry of Territorial Administration and Infrastructure of the Republic of Armenia

Republic of Belarus  Ministry of Communications and Informatization of the Republic of Belarus

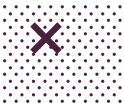
Republic of Kazakhstan  Ministry of Industry and Infrastructural Development of the Republic of Kazakhstan

Kyrgyz Republic  Ministry of Transport and Roads of the Kyrgyz Republic

Russian Federation  Ministry of Transport of the Russian Federation

2. As a result of the meetings of expert panels and authorized bodies held on August 20 (Minutes No. 26-TsP/12 dated August 20, 2020) and August 24, 2020 (Minutes No. 26-TsP/13 dated August 24, 2020), it was decided to early approve the draft disposition of the Council prepared by the Commission "On the list of services and digital infrastructure implemented for the creation of an ecosystem of digital transport corridors of the Eurasian Economic Union" and to request the Commission to include it in the agenda of the next meeting of the Commission's Board for approval.

3. The proposals of the Republic of Belarus and the Russian Federation in respect of its implementation are being reviewed, including ways (methods, forms) for introducing the ecosystem's priority services and digital infrastructure.



In 2019, the Concept of Transboundary Information Interaction was approved by Decision No. 7 of the Eurasian Intergovernmental Council dated August 9, 2019 aimed at ensuring transboundary interaction in B2B and B2G segments

Transboundary Space of Trust

Transboundary space of trust is a set of legal, organizational, and technical conditions approved by the Member States to build trust in the interstate exchange of data and e-documents between the Union's authorized bodies.

In the Eurasian Economic Union, transboundary space of trust is established in the Protocol on Information and Communication Technologies and Information Interaction within the Eurasian Economic Union, constituting Annex No. 3 to the Treaty on the Eurasian Economic Union.

The Protocol establishes the key concepts of transboundary space of trust: electronic documents, trusted third parties, general infrastructure for documenting the information in an electronic form and subjects of electronic interaction. Furthermore, Clause 19 determines the general principle of interaction in the transboundary space of trust: "exchange of information on electronic documents between the subjects of electronic interaction that have different mechanisms of electronic documents protection shall be ensured through the use of services provided by the operators of the general infrastructure for documenting information in an electronic form, including the services of a trusted third party." Clause 20 introduces "the operators of services of a trusted third party", that is the Eurasian Economic Commission and authorized bodies of the Member States or organizations selected (accredited) by them.

In 2019, the Concept of Transboundary Information Interaction was approved by Decision No. 7 of the Eurasian Intergovernmental Council dated August 9, 2019 aimed at ensuring transboundary interaction in B2B and B2G segments, which defined the transboundary space of trust as the key driver for implementing information interaction within the EAEU.

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Furthermore, the provisions of this Concept with regard to the information interaction between the legal entities of the Member States are non-binding.

The Member States and the Commission are engaged in developing the transboundary space of trust in accordance with the Concept of Services and Legally Binding Electronic Documents Used in Interstate Information Interaction, approved by Decision No. 73 of the Eurasian Economic Commission's Council dated September 18, 2014, and the Strategy for Developing the Transboundary Space of Trust approved by Decision No. 105 of the Eurasian Economic Commission's Board dated September 27, 2016.

The Concept of Services and Legally Binding Electronic Documents Used in Interstate Information Interaction defines the principles of interstate exchange of legally binding electronic documents through the EAEU's integrated information system using the services provided by trusted third parties. The Strategy for Developing the Transboundary Space of Trust which relies upon the principles of this Concept, sets goals and objectives, as well as defines the stages of developing the transboundary space of trust in order to ensure the use of services and legally binding electronic documents by both legal entities and individuals.

The Strategy for Developing the Transboundary Space of Trust Sets the Following TST Development Goals:



building productive and trustworthy relationships for international information interaction that provides for the use of legally binding electronic documents by the subjects of such interaction;



speeding the process of electronic communication within the EAEU;



improving the efficiency of the EAEU's integrated information system;



reducing the costs of interaction between the Member States' public authorities, legal entities and individuals.

The Strategy for Developing the Transboundary Space of Trust, which relies upon the principles of this Concept, sets goals and objectives, as well as defines the stages of developing the transboundary space of trust in order to ensure the use of services and legally binding electronic documents by both legal entities and individuals



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STRATEGY STAGES AND IMPLEMENTATION PERIOD

STAGE 1**Effective interstate electronic interaction****What has been done:**

- 1 ● development and operation of an integration platform and integration gateways of the Member States and the Commission ensuring an exchange of information during the implementation of the common processes within the EAEU (electronic digital signatures are not required so far);
- 2 ● setting up of the Member States' trusted third parties on the basis of their own decisions or a standard decision made by the Commission's trusted third party;
- 3 ● interstate testing of the certifying center of the trusted third party, a subsystem of the Commission's trusted third party, and the Commission's certifying center.

STAGE 2

Electronic transboundary interaction between legal entities and individuals, as well as with public authorities (provided that the Member States agreed on joint approaches to legal, organizational and technical support of the transboundary space of trust and phased implementation of the requirements for the encryption of the transboundary space of trust by the Member States).

In order to complete Stage 2 as planned by the Commission, documents are to be drafted by September 2021, targeting the implementation of the Concept of Transboundary Interaction under the Action Plan for Stage 2 of the Strategy for Developing Transboundary Space of Trust (approved by Disposition No. 153 of the Eurasian Economic Commission's Board dated October 2, 2018 (as amended on December 24, 2019).

What has been done:

- approval of the pilot operation program developed by the certifying center of the third trusted party in the Eurasian Economic Union's integrated information system.

STAGE 3

Establishment of an electronic notarial institution on the basis of the trusted third party's office and other interstate electronic services, including labor migration, which will involve individuals in the process of transboundary electronic interaction (provided that the Member States agreed on joint approaches to legal, organizational and technical support of the transboundary space of trust and phased implementation of the requirements for the encryption of the transboundary space of trust by the Member States).



DEVELOPING THE EAEU
INTERNAL MARKETS

One of the key areas of work carried out by Heads of the Union Member States and the EEC is removing internal market obstacles. Upon the case study, the reason for these obstacles was brought to light: poor harmonization between the EAEU countries' legislation

The Department of Internal Markets Functioning was founded by the Eurasian Economic Commission in 2016. It supervises the activities of internal markets without barriers, exceptions and restrictions to ensure the free movement of goods, services, capital and labor across the Eurasian Economic Union.

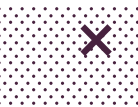
One of the major issues that the Heads of the Union Member States and the EEC have to tackle is the elimination of the internal market obstacles. The case study helped shed light on the main reason for these obstacles: poor harmonization of the EAEU countries' legislations.

Currently, there are a lot of obstacles to the free movement of goods, services, capital and labor in the EAEU's single market. Once removed, this will not only create a favorable environment for trade and business, but also accelerate integration across the Union.

The Report of the Eurasian Economic Commission "Barriers, Exceptions and Restrictions in the EAEU" (the so-called White Paper) identifies the obstacles in the Eurasian Economic Union's internal market and puts forth certain actions for eliminating them. The document describes the methods for eliminating those obstacles. As per these proposals, a road map was drawn up for 2018–2019 to eliminate the exceptions and restrictions in the EAEU's internal market. **Following the instructions given by the Eurasian Intergovernmental Council, the Commission will form a list of exceptions and restrictions to be eliminated in 2021–2022.**

The document will include the obstacles that are most relevant and significant to the countries. The Heads of Governments of the Eurasian "five" countries actively engage the Commission's Council in the preparation of an action plan aimed at removing these obstacles.

The methodology adopted by the EEC Board groups the obstacles existing in the internal market of the Eurasian Economic Union into three main categories: barriers, exceptions and restrictions, taking into account the specific nature of the Eurasian economic integration. Barriers mean obstacles to free movement of goods, services, capital and labor in the context of functioning of the Union's internal market, non-compliant with the Union's law. **Exceptions** mean exceptions (deviations) stipulated by the Union's law and providing for non-application of the general rules of the Union's internal market functioning by a Member State. **Restrictions** are obstacles to the free movement of goods, services, capital and labor emerging as part of functioning of the Union's internal market due to the lack of legal regulation of economic relations, the development of which is stipulated by Union's law.



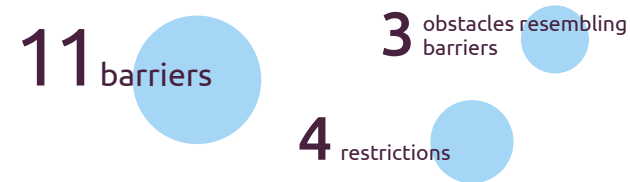
Despite the fact that exceptions and restrictions are permissible obstacles to the Union's internal market functioning, the road map puts forth measures required to eliminate 17 in due time.

The road map specifies 35 measures to eliminate the said obstacles. As of September 1, 2020, 6 obstacles included in the road map have been eliminated and 22 out of 35 measures have been implemented. Approaches to the road map for 2021–2022 have been agreed upon.

Yet, the idea that there will not be even a single obstacle in the Union sounds rather idealistic. The experience of the European Union can be taken as an example. In the EU, the work on obstacles elimination was started in 1990 and continues to date. It is worth mentioning that the EU has not yet approached to the comprehensively functional single internal market without obstacles which are still being eliminated in the European Union.

The Commission's cooperation with the Member States in this area enabled businessmen and citizens of the Union States to avoid extra financial and transaction costs. According to preliminary estimates, the effect of eliminated particular obstacles in the Union's internal market amounted to approximately USD 100 million. The cumulative positive effect varies from 1.5 to 2% of mutual trade that totaled USD 54.2 billion in 2017 (from USD 810 million to USD 1 billion).

ELIMINATED SINCE EARLY 2020



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"Since the beginning of 2020, the countries have eliminated 11 barriers, 3 obstacles which tended to turn into barriers and 4 restrictions in the Union's internal market. This testifies that we work relentlessly to ensure the functioning of the EAEU's internal market based on four freedoms: movement of goods, capital, services, and labor," noted Gegham Vardanyan, the EEC Minister in charge of Internal Markets, Informatization, Information and Communication Technologies.

The road map provides for

35
action items

22 <<<
action items
accomplished

6 <<<
obstacles
eliminated

The effect of removal of specific obstacles in the Union's internal market amounted to

100
USD million

The cumulative positive effect of obstacles eliminated varies

up to **2%**



As for the systematization and transparent implementation of the Register of Obstacles, the EAEU has launched an information portal and a system of information interaction with stakeholders, aimed at identifying and eliminating obstacles within the Union: "Internal Markets Functioning within the Eurasian Economic Union" (<https://barriers.eaeunion.org>). It provides the general public with online access to the Register of Obstacles, running within the Union's general integrated information system. There the citizens and legal entities of the Union can find detailed reports on the activities carried out to identify and eliminate the barriers, exceptions and restrictions as well as submit information on obstacles and track their status.



"The provision of the fundamental principles for the operation of the internal market is one of the top priorities of the Eurasian Economic Commission. Each obstacle in the internal market is subject to a thorough analysis and individual consideration at the Board meetings," said Gegham Vardanyan, the EEC Minister in charge of Internal Markets, Informatization, Information and Communication Technologies.



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