

Joint Committee Meeting

Sarajevo, 20 November 2013

REPORT BY THE CHAIR
THE SUBCOMMITTEE ON AGRICULTURE AND SPS

November 2013

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The purpose of this document is to report on the activities of the CEFTA Subcommittee on Agriculture and SPS in the period of 1 January to 20 November 2013.

In the reporting period, the Subcommittee on Agriculture and SPS held its sixth meeting on 17 April 2013 in Sarajevo.

With the view to support the implementation of the SPS related activities from the Subcommittee Work Program, two TAIEX assisted Workshops were held in 2013. The first Workshop on the “Quarantine of Harmful Organisms in Forestry” was organized on 18 April in Sarajevo under the auspices of the Ministry of Foreign Trade and Economic Relations of BiH and the CEFTA Secretariat. The second workshop on the “CEFTA Intraregional cooperation amongst the SPS inspections at the border” took place on 18-19 September 2013.

During the sixth official Subcommittee meeting, the several items were discussed and the agreements reached.

I THE WORK PROGRAMME OF THE SUBCOMMITTEE

The Chair presented the one year Work Programme of the Subcommittee, its objectives, priorities, technical assistance needs, the main results and timetable of meetings envisaged for this year.

The Parties adopted the Work Programme.

II TRADE IN AGRICULTURAL PRODUCTS

The Parties informed on latest developments in their agricultural policies, trade of agricultural products, utilization of quotas, subsidies and any safeguard measures in use. The more detailed inputs have been gathered in written after the meeting and the Secretariat distribute it along with other follow up documents.

Majority of Parties reported a constant increase of trade volumes in agriculture products last year when comparing to 2011. The major partners remain the EU member states and the CEFTA economies. The Parties that undertook the liberalization of trade in 2011 reported increased trade volumes in agricultural products and positive effects to their economies.

- ***Further liberalization of trade of agricultural products***

The Chair informed Parties that they had invited Albania for further liberalization in their mutual trade of agricultural products. The official invitation was sent to Albania in December 2012, followed by the additional letter of the Minister on 15 January 2013. By the time of the Subcommittee meeting, the official response was not received. The positive response was sent by the Albanian Minister of Economy, Trade and Energy on 7 May 2013.

Followed the confirmation of both Parties to remove all the existing tariffs, the Secretariat prepared the draft text of the Additional Protocol 3 and sent it to the interested Parties for further internal procedures. It is expected that the Additional Protocol is signed prior to 1 January 2014. This Additional Protocol is subject to ratification in accordance with the requirements foreseen by domestic legislation and the instruments of ratification shall be deposited with the Depository. Additional Protocol 3 shall enter into force on the thirtieth day upon depositing of the last instrument of ratification. Moldova informed the Secretariat by email prior to the meeting that they would be ready to consider removing one remaining quota with Macedonia. Macedonia informed that they had no official answer to this invitation, but that they hoped to have it ready by the Deputy Ministers meeting held on 18 June 2013 in Sarajevo. No definite answer was provided by Macedonia at the Deputy Ministers meeting.

III KEY ISSUES IN TRADE OF AGRICULTURAL PRODUCTS

At the meeting, the Chair presented in short the overview of the Market Access cases and its structure by problem category, sector and applying Parties. The database analysis shows that the percentage of newly emerging issues is 10%, while solved issues represent 64% of total. Furthermore, almost one third is coming from the SPS area (26%), followed by issues connected to the pre-shipment inspection (19%) and charges and taxes (15%). By the sectors, the most frequent barriers are presented in beverages and tobacco – 28 cases, live animals 18 and vegetables 11 cases.

The Parties reported on the new issues and provided updated information on the pending issues that were considered as potential non-tariff barriers to trade in agricultural products among CEFTA Parties.

The Chair concluded that the number of cases is diminishing and invited Parties to nominate the responsible persons for updating the database as soon as possible. He also advised that the solved cases should be removed from the report.

IV SANITARY AND PHYTOSANITARY ISSUES

The SPS representatives reported on new regulation in three respective fields and on the process of harmonization of legislative with those of EU. The Parties agreed to send detailed reports on developments in three areas: sanitary, phytosanitary and veterinary in a written format. The Secretariat circulated this information with the follow up documents.

Croatia explained the new regime of export and transit between two border crossings Nova Sela and the port of Ploce once they enter the EU. Following the trilateral negotiations, the EU has adopted a new regulation, which will be shortly published in the Official Journal. Namely, the transit of live animals is forbidden while the products of animal origin can enter Croatia but the shipment is checked before it is sent to third countries. The shipment has to be sealed. This refers to both the harmonized and non-harmonized products. The transit is allowed from third countries of harmonized products only. The shipment is also sealed, the stops are forbidden as well as any transshipment or selling.

Regarding the Aflatoxin case that was well presented throughout the region and its subsequent negative effects, the Chair informed Parties on the regional meeting that was held on 5 April which gathered some 50 experts who worked in technical groups. This case impeded not only the trade (export and import) but also the market of dairy products, the producers and distributors. This case highlighted the weak links in the systems of early warnings. The Chair used the opportunity to invite Parties to organize themselves better internally but also to consider improving the mutual cooperation in implementing the risk assessment and risk management procedures to be able to avoid similar situations in future. He announced that the next meeting would be held in May in Croatia in organization of their Ministry of Agriculture.

The Parties reported on bilateral mutual agreements in place. The Chair noted that there was a firm trend of signing the agreement between the same type of institutions, veterinary with veterinary, or phytosanitary with phytosanitary. He invited Parties to consider concluding the agreements that would involve more agencies and recognition of certificates. The Parties were invited to consider having one multilateral agreement instead of having many bilateral ones.

○ *Technical Assistance Related to the SPS Matters*

In the reporting period, two workshops supported by TAIEX had been held to secure the implementation of priorities of the Subcommittee Work Program related to the SPS matters.

The first Workshop on the "Quarantine of Harmful Organisms in Forestry" was organized on 18 April in Sarajevo under the auspices of the Ministry of Foreign Trade and Economic Relations of BiH and the CEFTA Secretariat. The Workshop aimed to increase the level of knowledge in the phytosanitary field and to enable phytosanitary services create and implement the plant health protection policy in line with *Acquis* harmonized legislation and international obligations and standards in this area. Special focus

was given to the practical implementation of the Directive 2000/29/EC, specifying the detailed conditions for phytosanitary inspection procedure at import and survey measures for control of harmful organisms to plants or plant products.

The second workshop on the “CEFTA Intraregional cooperation amongst the SPS inspections at the border” took place on 18-19 September in Sarajevo. The special focus was given to the practical implementation of the Directive 2000/29/EC, specifying the detailed conditions for phytosanitary inspection procedure at import and to the control means of transport and practical examples of veterinary border controls non-harmonized products (Regulation No 853/2004 and Regulation No 2074/2005). Furthermore, the Workshop dealt with the issues such as risk management approaches at the borders and the importance of exchange of information through the systems like TRACES and the CEFTA SPS Database.

V COOPERATION OF ACTIVITIES WITH THE CEFTA STRUCTURES

- ***Multilateral Monitoring Framework on Elimination of NTBs – Action Plan for 2013***

At the sixth meeting, the Chair on SC on NTBs and TBT presented the Work program of the Subcommittee on NTBs and TBT and informed on planned activities on elimination of distortive SPS measures.

- ***Presentation of the results and regional recommendations in SPS – the OECD***

The OECD presented the assessment results of the second cycle of SPS as NTBs under the Multilateral Monitoring Framework as well as the preliminary regional recommendations. The conclusions of the meeting held in Paris on 15 April that gathered the experts from the WTO, the FAO, the OECD to discuss the concrete actions how to address the specific SPS NTBs were also presented.

The Parties then commented on the individual assessment results by providing the rectifications and further explanations where needed. All the corrections should be sent in written to the OECD in order to finalize the documents. Based on the inputs, the OECD will prepare the draft recommendations, which will be presented at the SC on NTBs and TBT meeting to be held in Skopje on 21 May.

VI SPS DATABASE PROJECT

At the sixth meeting, the CEFTA Secretariat updated Parties on the progress of the project on the establishment of the CEFTA SPS Database. The Parties were invited to send missing information as soon as possible to the outsourced experts in order to complete the Database. The Chair proposed that the

information on agricultural policy support system of the CEFTA Parties, namely the subsidies distribution and its structure, could be added in the database and offered to prepare the proposal of such information. This information would be then presented in the upgraded version of the database which is envisaged to happen in the course of 2014.

The pilot database presentation for the CEFTA Deputy Ministers was held at their meeting on 18 June in Sarajevo. During the summer, the key features of the database were further elaborated and the missing information uploaded.

At the Workshop on “CEFTA Intraregional cooperation amongst the SPS inspections at the border” on 19 September 2013, the CEFTA Secretariat organised a presentation of the CEFTA SPS Database together with the experts who compiled the data and provided IT electronic solution. The presentation was followed by the training of the participants on how to use data and custom reporting. The feedback from the Parties and the international organisations during the simulation was positive. They praised the usefulness of legislative part and additional information such as lists of accredited laboratories or border crossing information as well as availability of data in English apart from local languages. The Parties were asked to provide necessary updates on key legislation in the following three weeks in order to allow the Secretariat to finalise the database and make it available through its website.

VII COOPERATION WITH THE PRIVATE SECTOR

The Chair of the Subcommittee invited the representatives from the Foreign Trade Chamber of BiH to report on the activities of the Chamber and their cooperation with the CEFTA Structures. They informed participants on the conclusions from the last meeting of their working group as well as conveyed their positions regarding the key areas of interest: further liberalization of trade in agriculture, the elimination of NTBs especially in SPS matters etc.

VIII SEE STRATEGY 2020

At the sixth meeting, the Secretariat presented the objectives, structure and main activities and instruments of the SEE 2020 Strategy based on the first draft text of the Pillar I Integrated Growth.

The Parties agreed to send their comments on the document and in particular, to the section that deals with the priorities on elimination of tariffs and quotas and addressing of SPS as distortive measures to trade at latest by 15 May. The comments are to be integrated into the draft version, which was presented at the Deputy Ministers meeting on 18 June in Sarajevo.