

ADDRESSING AND ELIMINATING THE MOST TRADE DISTORTIVE NON TARIFF BARRIERS IN CEFTA

BACKGROUND

The project is aimed at supporting CEFTA structures to further eliminate non-tariff barriers to trade in CEFTA. It takes a sector-specific approach, focused on selected products and supply chains that are of particular economic relevance for the region. The involvement of the private sector is a key element of the project's approach and it will serve as a stepping stone for deeper regional integration, facilitating movement of goods across the region and along the selected supply chains. The project is jointly implemented by GIZ, the International Trade Center (ITC) and UNCTAD..

OVERALL OBJECTIVE

The objective of this project is to improve capacities of CEFTA structures to remove the most harmful barriers to trade that hamper intra-CEFTA trade in two selected sectors.

ACTIONS AND ACTIVITIES

ITC's role in the project was to mobilize the private sector to provide information on the most burdensome non-tariff barriers to trade in the region and develop a common position at the regional level on the perceived reasons for the barriers and how they can be eliminated. ITC carried out the following activities:

The activities of the project include:

- **Mapping of Regional supply chains:** Based on desk research as well as a survey among 200 top exporters from the region, regional supply chain linkages were mapped. The mapping formed the basis for the Project Steering Committee to select two sectors, Beverages and Autoparts, as focus sectors.
- **Identification of market access barriers by the private sector:** Based on a bottom-up approach, the project involved the private sector to identify market access barriers in the two sectors. It was ITC's role in the project to mobilize the private sector to provide information on the most burdensome non-tariff barriers to trade in the region and develop a common position at the regional level on the perceived reasons for the barriers and how they can be eliminated. ITC carried out the following activities:
 - **Conducting national orientation meetings:** ITC conducted workshops in each participating CEFTA Party to understand the most problematic trade barriers faced by businesses when importing and exporting goods across borders and within the CEFTA region.
 - **Conducting PSAG workshops:** Regional Private Sector Advisory Groups were formed for both value chains containing most relevant private sector representatives from each CEFTA Party. The PSAG workshops were held for each value chain where findings of the national meetings were presented. The objective was to form a common position on the issues, understand the perceived reasons and genesis of the issues to determine the way forward within the legal frameworks (including bilateral, regional and multilateral trade agreements).
 - **Analysis of laws and procedures:** It is UNCTAD's role in the project to analyse the root causes of the trade barriers identified by the private sector. UNCTAD experts, in consultation with relevant national authorities, review laws, regulatory requirements and trade facilitation procedures.
 - **Elaboration of policy recommendations:** Based on the analysis results, UNCTAD will elaborate policy recommendations and options

to eliminate the trade barriers. After validation of results on national level, regionally consolidated recommendations will be presented and discussed with CEFTA Parties.

IMPACT ON CEFTA

This project is expected to have a substantial impact on trade facilitation within CEFTA.

- As a result of this project, the trade facilitation procedures in each CEFTA party are expected to improve and it shall become easier to trade goods between CEFTA Parties.
- Tackling regional issues, such as mutual recognition of certificates and discriminatory excise duties, is expected to benefit the whole CEFTA region where businesses can compete for markets more openly and fairly.
- The greater transparency and predictability in trade procedures will allow more private sector companies to enter regional and international markets and be competitive.
- Finally, improved dialogue between public and private sectors will give rise to an environment where both sides can work together to achieve common goals and address most problematic trade barriers.

SUMMARY PROJECT INFORMATION

Dates:	October 2014 - March 2016
Budget:	€ 500.000
Partners:	GIZ, ITC, UNCTAD and CEFTA
Financiers:	German Federal Ministry for Economic Cooperation and Development
Beneficiaries:	Ministries responsible for trade and private sector

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