

MONITORING THE ELIMINATION OF NTBs IN THE CEFTA PARTIES

BACKGROUND

As CEFTA eliminates most tariffs, the monitoring and elimination of non-tariff barriers (NTBs) is a critically important element of the Agreement. The action built on previous rounds on work to guide and recommend how CEFTA Parties can continue the NTB reduction process, under the Multilateral Monitoring Framework (MMF).

OVERALL OBJECTIVE

The chief objective was to develop an assessment, containing structured qualitative and quantitative data, with detailed policy and practitioner-oriented guidance on how to continue the NTBs reduction process under the MMF. Additionally, the work was to stress findings on how to extend the MMF coverage to a new set of traded goods.

ACTIONS AND ACTIVITIES

The OECD produced a final report, titled the “Elimination of NTBs in CEFTA” which concluded that progress towards the reduction of NTBs has been uneven across the CEFTA Parties. CEFTA Parties have made better progress in dimensions related to reducing “technical barriers to trade” and “administrative barriers to trade”. Scores, based on the MMF methodology in the dimension related to “sanitary and phytosanitary measures” are comparatively lower.

The significant and increasing discrepancies between CEFTA Parties on the different indicators of the framework are key reasons for the persistent creation and presence of additional NTBs in CEFTA. This is especially the case in the TBT and SPS areas, where the uneven level of harmonisation in

aligning with International and EU best practises is leading to the non-acceptance of conformity assessment certificates and hinders intra-CEFTA trade.

The report stressed that in order for NTBs to be reduced, CEFTA Parties should address at the regional level the implementation problems of the Parties that are lagging behind by creating a peer pressure mechanism. This could be reached by securing the commitment of all CEFTA Parties to reach, by a certain date, an agreed minimum targeted score that reflects an improved level of harmonisation.

The OECD recommended that that the CEFTA Parties should consider prioritising their efforts on NTBs elimination in the short to medium term in the following policy areas:

- Improvement of transparency and notification mechanisms in all three policy areas (i.e. TBT, SPS measures and administrative barriers to trade). Namely, regional trade agreements (RTAs) with deeper mechanisms for enhancing transparency appear to be more strongly trade-promoting than those with shallower commitments on transparency
- Synchronised harmonisation with EU/International requirements and conclusion of mutual recognition agreements
- Identification of, and mutual agreement on, the applicability of EU/international regulations and standards. Given the difference of opinion among CEFTA Parties on which EU legislation applies for the different priority product groups, CEFTA Parties should create a forum to agree which EU legislation is applicable and thus ensure CEFTA-wide agreement
- Implementation of an effective risk management system: (i) creation and maintenance of risk profiles and full implementation of elec-

tronic risk management within all agencies involved in the clearance of goods (Customs Authorities, Phytosanitary and Veterinary inspections at the border), (ii) Implementation of risk management in the SPS area and (iii) capacity building and training on risk based approach for all stakeholders in the food chain (responsible for inspection, sampling, testing, certification)

Specifically the utilisation of the “MMF for NTBs elimination in CEFTA” methodology helped the Parties pinpoint the priority policy areas that would help reduce NTBs. For each of the NTB categories identified, the MMF assessment would break down the category into three policy dimensions.

- Technical barriers to trade (TBTs)
- Sanitary and phytosanitary measures (SPS)
- Administrative barriers to trade.

IMPACT ON CEFTA

The assignment supported CEFTA’s trade facilitation efforts. It provided valuable input to the CEFTA Sub-Committee on TBTs and NTBs for the preparation of its annual report to the Joint Committee.

The development and implementation of the MMF has enhanced the transparency of the process of eliminating NTBs and helped to develop the capacity of relevant officials in the CEFTA Parties.

SUMMARY PROJECT INFORMATION

Dates:	September 2012 - September 2013
Budget:	<i>n.a.</i>
Partners:	OECD, CEFTA, EC, Forum of Chambers of Commerce of CEFTA, IFC, GIZ, the IPA Quality Infrastructure Project
Financiers:	EU (IPA)
Beneficiaries:	Ministries responsible for trade and technical agencies

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