



Republic of Serbia

*Ministry of Agriculture,
Forestry and Water
Management*

CEFTA Work Programme of the Subcommittee on Agriculture and SPS

JANUARY - DECEMBER 2010

Belgrade, January 2010

Table of Contents

1. INTRODUCTION	3
<i>1.1.Mandate and scope of the Subcommittee</i>	3
<i>1.2.Coordination with other CEFTA Structures</i>	3
2. OBJECTIVES OF THE CHAIRMANSHIP	4
<i>2.1. Liberalisation of Agricultural Trade</i>	4
<i>2.2. Exploring the possibilities of harmonization/mutual recognition of SPS.....</i>	4
<i>2.3. Identification of non-tariff barriers in trade with agricultural products.....</i>	5
<i>2.4. Experience sharing and transparency.....</i>	5
3. TECHNICAL ASSISTANCE AND RELATED REGIONAL PROJECTS.....	6
<i>3.1. Identification of common areas that require technical assistance.....</i>	6
4. EXPECTED RESULTS.....	7

1. INTRODUCTION

1.1. Mandate and scope of the Subcommittee

The CEFTA Subcommittee on Agriculture including Sanitary and Phytosanitary Issues was established by the Decision No. 3/2007 of the Joint Committee at its meeting held on 28 September 2007. It comprises the **representatives** of the CEFTA Parties at the level of senior civil servants from ministries responsible for agriculture and sanitary and phytosanitary issues. It holds regular annual **meetings** but it can meet on an *ad hoc* basis whenever there is need.

Its main **mandate** is to facilitate the trade of agricultural products and ensure protection of plant health, animal health and food safety and other measures applied in agricultural trade do not unjustifiably restrict trade. Moreover, the Subcommittee has a **mandate** to deal with the complaints by a Party concerning the possible application of discriminatory measures, recommend steps and solutions to remedy the problems, and eventually to bring the unresolved issues to the attention of the Joint Committee.

The scope of the Subcommittee is threefold. It:

- Encourages negotiations among the CEFTA Parties to further liberalise trade
- Encourages negotiations to conclude, where appropriate, **agreements** on coordinated harmonisation or **mutual recognition of sanitary and phytosanitary measures**
- reviews internal legislation in force or in the process of being introduced to ensure that it is fully consistent with provisions of the CEFTA Agreement

1.2. Coordination with other CEFTA Structures

The Chairmanship of the Subcommittee is taken on a rotational basis with the tenure of office of one calendar year. According to the Decision No 2/2007 of the Joint Committee at its meeting held on 28 September 2007 the Party that chairs CEFTA will also chair the Subcommittee on Agriculture including Sanitary and Phytosanitary Issues in a given year. In line with these rules, Serbia took over the Chairmanship of the Subcommittee on Agriculture and SPS from Montenegro on 1 January 2010. The Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia is in charge of chairing the Subcommittee for this year and will coordinate its activities with the work programme of the CEFTA Chairmanship and responsible Ministry of Economy and Regional Development.

The Subcommittee will communicate regularly with two other Subcommittees established under CEFTA: on Customs and Rules of Origin and on TBT and NTBs in order to avoid duplication of efforts in many overlapping areas of activities.

In particular, the permanent exchange of information and opinions with the Subcommittee on TBT and NTBs proves to be beneficial when discussing and finding solutions in the area of non-tariff barriers. Serbia welcomes regular consultations with the Chair of the Subcommittee on TBT and NTBs and looking forward to the joint work in resolving potential issues in the field of sanitary and phytosanitary measures that might impede the mutual trade among the Parties.

2. OBJECTIVES OF THE CHAIRMANSHIP

Ministry of Agriculture, Forestry and Water Management as the 2010 Chair of the Subcommittee will continue **to work on the activities** and projects initialised by Montenegro in 2009 towards their completion.

2.1. Liberalisation of the agricultural trade

Significant results have been achieved in the liberalisation of the agricultural trade. The majority of the Parties agreed on full liberalisation while the limited number of tariffs and quotas is still in place between several Parties. It is expected that the Parties would finalise the negotiations in a very short time.

Ministry of Agriculture in coordination with the Chair in Office and the Secretariat is ready to facilitate the initialling and signing of the Additional Protocol with the new Annex 3 with the aim to start implementing the new concessions no later than 1 July 2010.

2.2. Exploring the possibilities of harmonization or mutual recognition of SPS

In compliance with the Article 12 of the Agreement the rights and obligations of the Parties relating to the application of SPS measures shall be governed by the WTO Agreement on the application of SPS. In addition the Parties shall enter, where appropriate, into negotiations to conclude agreements on harmonization or mutual recognition in sanitary and phytosanitary matters.

At the last Sub-committee meeting which was held in Podgorica on April 8 and 9 2009 it was noted that in addition to the active approach of all members in **alignment with the EU legislation** in the area of food safety, veterinary, sanitary and phytosanitary standards, the pace and the current status are not balanced, although all members adopted or are in the process of finalization of adoption of the primary legislation. It provides framework for adoption and implementation of secondary legislation in this field.

Uneven pace of adoption of European legislation is creating significant obstacles in the trade within CEFTA area.

Ministry of Agriculture in coordination with the Chair in Office and the Secretariat is ready to:

- support the Parties that are lagging behind in the adoption of the SPS measures to close the gap with the most advanced Parties
- facilitate the conclusion of mutual recognitions agreements on SPS

2.3. Identification and elimination of non-tariff barriers in trade in agricultural products

The article 12 of the Agreement requires that “the Parties shall co-operate in the fields of sanitary and phytosanitary measures, including veterinary matters, with the aim of applying relevant regulations in a non discriminatory manner”.

Non-tariff barriers are becoming increasingly important in the agricultural trade of the CEFTA Parties. This is indicated by more and more frequent stringent policy measures adopted and applied through newly imposed sanitary and phytosanitary regulations and quality and safety standards. Non compliance with the required SPS standards can have serious negative consequences on export of the particular Party and could potentially lead to the counter measures. On the medium and long term the costs could be higher, leading to the more protectionist policies and eventually to the diminishing of the region’s competitiveness.

With an aim to reduce the negative consequences of the existing NTBs, Serbia as a Chair of the Subcommittee on Agriculture and SPS encourages all the Parties to address the issue within the scope of this Subcommittee and in cooperation with other two CEFTA Subcommittees, in particular Subcommittee on NTBs to engage efforts to find suitable solutions to eliminate the barriers which have adverse effects to the agricultural trade.

The existing **Matrix on Raised Issues** can be used as a tool to address the most burning cases of non-tariff barriers to the regional trade. The content of the Matrix should be updated quarterly by sending the necessary information to the Secretariat. It is also important to have the regular aligning of the Matrix with the business community views on the raised issues.

Introduction of a unified system of quota allocation - by all Parties is encouraged.

2.4. Experience sharing and transparency

Article 12 obliges the Parties to provide information on SPS measures upon request of another Party.

Serbia recognizes the importance of permanent communication among the CEFTA Parties within the scope of this Subcommittee. It sees this body as a forum for discussion, exchange of views and best practices in the area of agricultural trade and SPS.

Serbia encourages Parties to regularly inform each other not only on trends in agricultural trade among themselves but also on agricultural policies applied, particularly those introduced as part of their harmonisation with the Common Agricultural Policy of the EU, including harmonisation of sanitary and phytosanitary measures with the EU Acquis.

By timely and accurately up-dating of the CEFTA Trade Portal (see below as a part of Technical Assistance), the CEFTA Parties will, to the great extent, contribute to the transparency of the necessary agriculture and SPS legislation and regulations in the area of intra-regional trade.

Within the Subcommittee the Parties are invited to bring out any encountered problems and by the means of productive discussion and constructive dialogue to find best possible solutions. The Parties are welcomed to recommend any priorities they deem appropriate and beneficial for deepening regional cooperation in this area.

3. TECHNICAL ASSISTANCE AND RELATED REGIONAL PROJECTS

For implementing the Work Programme for 2010, the tailor made and targeted technical assistance provided by the various international partners and organisations is welcomed.

3.1. Identification of common areas that require technical assistance

In the area of SPS Serbia will submit the project proposal to the European Commission for conducting an analytical study on: "*Sampling in the export/import procedure and risk analysis*". Conclusions and recommendations of this study will be presented during Subcommittee meeting on Agriculture including Sanitary and Phytosanitary Issues.

In the area of identifying and eliminating the non-tariff barriers to trade two regional projects are expected to further support the activities of the CEFTA Parties. The GTZ *CEFTA 2006, Improving Opportunities for Trade* Project and OECD funded *Aid for Trade* Project will in particular assist in treating the problem of NTBs in the agricultural trade domain.

Under its project framework, the GTZ will provide the CEFTA Secretariat with the ***CEFTA Trade Portal*** designed with the main aim to have at one place all the information on legislation and documentation necessary for the conduct of the intraregional trade without obstacles. The Web Portal will serve as a gateway in eliminating NTBs in the region and is expected to become operational in April 2010.

6. EXPECTED RESULTS

The results of our Chairmanship are expected to lead to the immediate and to the intermediate and final outcomes.

Immediate outcomes

- Initialling, signing and ratification of Additional Protocol and new Annex 3
- Identification of different types of NTBs on agricultural trade among the CEFTA Parties based on reported cases in the Matrix of Raised Issues and in collaboration with the Subcommittee on NTBs and TBT
- Identification of NTBs on a product specific basis for all major agricultural commodities traded between Parties based on reported cases in the Matrix of Raised Issues

Intermediate and final outcomes

- Entering into the force the Additional Protocol with new Annex 3
- Identification of the impacts of NTBs on agricultural trade among the CEFTA Parties
- Recommendations to the Joint Committee measures to eliminate those NTBs that unnecessarily impede the agricultural trade
- Launch of the CEFTA Trade Portal