

# **WORK PROGRAMME**

## **CEFTA Subcommittee on Agriculture Including Sanitary and Phytosanitary Issues**

**2015**

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## INTRODUCTION

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CEFTA Structures have identified **trade facilitation and liberalisation of trade in services** as **two main priorities** for the period of 2014-2020. Such bi-prioritisation of the upcoming period in the implementation of CEFTA has also been reflected in the actions underlined by the South East Europe 2020 Strategy.

In this framework, the CEFTA Parties have also agreed that CEFTA Subcommittees on Customs and Rules of Origin, Agriculture and SPS, and NTBs and Technical Barriers to Trade are to work under the objective of trade facilitation, and extend the scope of cooperation with each other while dealing with the different aspects of trade facilitation in relation to the areas under their mandates.

Furthermore, CEFTA Parties have agreed **to establish Committee of Trade Facilitation** which the three Subcommittees will report to.

In addition, CEFTA Parties have agreed **to launch negotiations** for a framework agreement with the following scope:

- a. **Simplification of inspections** related to all clearance procedures, and reducing formalities to the possible maximum extent,
- b. Determining the means and obligations of exchange of data between customs authorities to the extent that each national legislation allows.
- c. **Recognising mutually national Authorised Economic Operators Programmes** in each CEFTA Party provided that both legislation and implementation of each national programme is fully in line with the relevant EU acquis.
- d. Recognising EU Authorised Economic Operators by each CEFTA Party

According to the work plan agreed in 2014, the negotiations of framework agreement are expected to start in January 2015 and to finish by the end of 2015.

Furthermore, there are **two upcoming Technical Assistance Projects** of which the CEFTA Structures are to be directly beneficiaries in the area of trade facilitation.

The first project is to be **financed by the GIZ**, and will be about **“Addressing Market Access Barriers in Selected Supply Chains in CEFTA”**. The project is to be **implemented by UNCTAD and ITC**. The main objectives of the project are **to identify** the main trade distorting market access **barriers in all stages** (i.e. before the border, at the border and behind the border measures) **and to provide recommendations for their eventual elimination**. In the implementation of the project, the **participation of private sector** representatives is to be strongly encouraged, particularly in the stage of identification of market access barriers. Implementation of the Project is expected to start early 2015 and to last until mid 2016.

The second project is to be **financed by the EU** in the framework of IPA II Multi-beneficiary programmes. The EU-financed Trade Facilitation Project in CEFTA is to have **three different components**. The first component is to be about **addressing and eliminating** main trade

distortive **NTBs in CEFTA Trade, with a particular focus on the behind-the-border measures in EU non-regulated areas.** The second component is to provide **technical assistance** to CEFTA Parties **in the implementation of Framework Agreement**, if it is signed with the scope written above. In this regard, it is expected that the EU TF Project will provide technical assistance **for strengthening the implementation of AEO Programmes, risk management systems of border agencies, and electronic exchange of data.** The last component is to be about preparing documentary requirements maps to identify redundant and overlapping data submission requirements in CEFTA Parties.

Thus, **it is of crucial importance that the three CEFTA Subcommittees to work in close interaction** with each other while taking actions under the areas of their mandate with an aim to contribute reaching the expected results of CEFTA-SEE 2020 Trade Facilitation related priorities.

Therefore, in 2015 the Working Programmes of three Subcommittees have a joint introduction, and synchronised overall objectives in order to ensure a strong basis for coordinated actions by Chairmanships of three Subcommittees throughout 2015.

## **1. THE SUBCOMMITTEE AS A PART OF CEFTA STRUCTURES**

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### ***1.1. Mandate and scope***

**The CEFTA Subcommittee on Agriculture** including Sanitary and Phytosanitary Issues established by the Joint Committee Decision No. 3/2007, has for the task facilitation of trade in agricultural products and improvement of cooperation in the area of sanitary and phytosanitary matters under the framework of the CEFTA Agreement.

Its main mandate is to:

- Encourage negotiations among the CEFTA Parties **to further liberalise trade**
- Encourage **negotiations to conclude**, where appropriate, **agreements on coordinated harmonisation or mutual recognition of sanitary and phytosanitary measures**
- Review **internal legislation** in force or in the process of being introduced to ensure that it is **fully consistent with provisions of the CEFTA Agreement**
- Deal with complaints by a Party concerning the **possible discriminatory application** by other Parties of measures contrary to the CEFTA Agreement
- Recommend steps and solutions **to remedy the problems**
- **Bring the unresolved issues to the attention of the Joint Committee.**

### ***1.2. CEFTA Ministerial Conclusions of 2014 in relation to trade facilitation and Subcommittee on Agriculture and SPS***

In its latest meeting of November 2014, the CEFTA Ministers declared that CEFTA Parties agree to launch negotiations with an aim to conclude a framework agreement between Customs Administrations of CEFTA Parties for simplification of inspections, exchange of data, and cooperation of trade partnership programmes by the end of 2015. Though, the framework agreement is stated to be signed between Customs Administrations of CEFTA Parties, the scope of negotiations, in particular the one **related to simplification of inspections related to all clearance procedures, will require the participation of agencies involved in clearance stages.**

To conclude the negotiations of framework agreement by the end of 2015 is an important milestone in the trade facilitation related priorities of CEFTA/SEE 2020. Given the overall weight of agricultural trade in the intra-CEFTA Trade, and the importance of ensuring effective SPS related inspections at the borders, the active involvement of SPS Agencies of CEFTA Parties through Subcommittee on Agriculture and SPS in the negotiation process of framework agreement will be crucial to reach the expected results of trade facilitation.

The Ministers reiterated that the positive role which trade facilitation is to play in promoting regional trade by decreasing cost and time to trade in the Region. They have emphasised that trade facilitation requires a high level of policy coordination between different Ministries in the national level and thus it requires Ministries for Trade to lead such policy coordination process with an aim to facilitating trade while Customs Authorities are better placed to deal with technicalities thereof.

In the context of trade facilitation, CEFTA Ministers have confirmed that risk management is to be at the centre of trade facilitation efforts in CEFTA, and all trade facilitating and simplification measures including exchange of data.

Such conclusions have basically drawn the main framework of trade facilitation related priorities and actions of the Moldovan Chairmanship of Subcommittee on Agriculture and SPS in 2015.

## **2. OBJECTIVES OF THE CHAIRMANSHIP**

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The Republic of Moldova has identified the objectives of its Chairmanship of CEFTA Subcommittee on Agriculture and SPS as follows:

- 1) To participate in the negotiations of Framework Agreement on simplifications of clearance procedures and electronic exchange of data, and to contribute to elaborating methodologies of developing business process mappings of documentary requirements in agricultural trade under trade facilitation objective.
- 2) To promote trade in processed agricultural products through identifying the regional instruments for better preferential access of products originated from CEFTA.

### **3. PRIORITIES OF THE CHAIRMANSHIP**

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The Chairmanship of Moldova has identified two priorities in relation to trade facilitation, and one priority under the objective of trade promotion.

Main Priorities:

#### Trade Facilitation

Priority 1: Ensuring the participation of SPS Authorities of CEFTA Parties in negotiations of the framework agreement through the Subcommittee to reach a jointly agreed text of Framework Agreement in the following:

- Scope, and legal conditions and administrative formalities for simplifications which operators may benefit in pre-clearance stages for SPS related inspections.
- Scope, and legal conditions and administrative formalities which (pre-arrival) data are to be exchanged electronically at the national level between SPS Authorities and customs authorities which can then be partially or fully be exchanged bi-laterally with a view to ensuring simplifications in clearance, and strengthening deterrence of security and safety controls done of border agencies
- Scope and content of regional electronic databases which can be part of the Framework Agreement and which SPS authorities may benefit
- Scope and content of a list of inspections which SPS authorities undertake in line with their mandate which can be recognized by the Customs Authorities in validation of AEOs at the national level.

Priority 2: Addressing the main trade distortive non-tariff measures and Enhancing Transparency

In this regard, the Chairmanship of Moldova considers the GIZ financed project “Addressing Market Access Barriers in Selected Supply Chains” very timely and thus, sees the Subcommittee’s contribution important to the implementation of the Project. The Subcommittee will therefore provide a discussion platform for identifying and analyzing most trade distortive market access barriers in relation to SPS in CEFTA trade. In this framework, CEFTA Subcommittee on Agriculture and SPS will be the main hub for the actions to develop business process mapping in documentary requirements. Such action is to be part of GIZ and EU TF Projects. This priority will include listing the existing documentary requirements in the trade of agricultural products in a manner to disaggregate individual data and to compare those data with the international standards, and to discuss the necessity of requiring operators to submit such data to the SPS authorities.

### Promotion of Trade in Agriculture

#### Priority 3: Advocating the Pan-Europe Mediterranean Convention and its opportunities for diagonal cumulation as a tool for promotion of trade in agricultural sectors

The Chairmanship of Moldova considers the PEM Convention and the integration of CEFTA diagonal cumulation zone with the EU, Turkey and EFTA States under the PEM Cumulation Zone as an important opportunity of the agricultural trade. In this regard, the introduction of the PEM Convention and diagonal cumulation from trade promotion point of view is an important step not only to increase awareness of the economic operators in the Region with regard to the PEM Convention but also will increase the chance of elaborating “policy positions” in the relevant sectors for the Region in the ongoing negotiations for the revision of the PEM Convention.

## **4. ACTIVITIES OF THE CHAIRMANSHIP**

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### **Objective 1: Trade Facilitation:**

#### Priority 1: Participation of SPS Authorities of CEFTA Parties in negotiations of the framework agreement

#### Activity 1: Advocating Coordination between SPS Agencies and Customs Authorities at the national level in each CEFTA Party for negotiations of the Framework Agreement

The Chairmanship of Moldova considers the coordination between customs authorities and SPS Agencies decisive for the success of negotiation process. In particular, the SPS Agencies in each CEFTA Party should be able to produce their national negotiation positions for scope, and legal conditions and administrative formalities for simplifications which operators may benefit in pre-clearance stages for SPS related inspections. Furthermore, SPS Agencies should establish its national negotiation positions regarding scope, and legal conditions and administrative formalities which (pre-arrival) data are to be exchanged electronically at the national level between SPS Authorities and customs authorities which can then be partially or fully be exchanged bi-laterally with a view to ensuring simplifications in clearance, and strengthening deterrence of security and safety controls done of border agencies. Thirdly, SPS Agencies are expected to agree on the scope and content of regional electronic databases which can be part of the Framework Agreement and which SPS authorities may benefit.

And lastly, scope and content of a list of inspections which SPS authorities undertake in line with their mandate which can be recognized by the Customs Authorities in validation of AEOs at the national level is expected to be developed collectively by the SPS Agencies and Customs Authorities during the implementation of the Framework Agreement provided that its negotiations are concluded successfully and the Agreement is signed.

In order to give a start the negotiations in January 2015, the Chairmanship will send a letter to each CEFTA Party and invite them to organize their national coordination meetings with the Customs Authorities for the negotiations.

The letter of Chairmanship will include a list of concrete actions which need to be taken by each CEFTA Party with specific deadlines for feedback which is to be reported to the Subcommittee.

The Chairmanship of Moldova is committed to undertake an active follow-up of the letter to be sent, and will be ready to contact the high management of SPS agencies in each CEFTA Party to facilitate the process, if necessary.

*Activity 2: Technical Assistance on electronic exchange of data to support CEFTA Parties in their negotiation process of signing a Framework Agreement*

Technical assistance regarding IT specific issues on electronic exchange of data, and regional databases is to be provided to the CEFTA Parties Customs authorities and technical agencies including SPS and TBT in order to support their national preparations for the negotiations. In this regard, there will be a kick-off meeting in Podgorica on 3 February 2015. Although, this meeting is to be summoned by the CEFTA Subcommittee on Customs and Rules of Origin, a representative from SPS Agencies of each CEFTA Party is to be invited to give a start to the preparations of scope, types and formalities of data exchange and electronic databases. The Subcommittee on Agriculture and SPS will give a full support to the kick-off and facilitate the participation of SPS agencies to the kick-off meeting.

*Activity 3: Negotiations of Framework Agreement in relation to SPS related to procedures*

The Chairmanship of Moldova considers Subcommittee meetings as the main platform to hold negotiations between SPS Agencies regarding simplifications, data exchange, and regional databases.

The Chairmanship will pay utmost attention that each CEFTA Party is to elaborate its national negotiation position before the Subcommittee meetings which are planned to be held in May and October 2015. It is planned that Subcommittee on Agriculture and SPS will have



two meetings prior to the joint session of three Subcommittees in May and October 2015, which will serve as the negotiation rounds.

*Priority 2: Addressing the main trade distortive non-tariff measures in selected supply chains and Enhancing Transparency*

*Activity 4: Contributing to the Implementation of GIZ financed project on “Addressing main trade distortive non-tariff measures in selected supply chains*

The Subcommittee on Agriculture and SPS will give its full support to the implementation of the project “Addressing Market Access Barriers in Selected Supply Chains”. The Subcommittee will therefore provide a discussion platform for identifying and analysing most trade distortive market access barriers in relation to SPS in CEFTA trade. The Subcommittee will organise joint meetings with UNCTAD and ITC, the international organisations which will implement the Project, regarding their findings on the basis of inputs provided by the private sector advisory groups which are to be established by the Project. Furthermore, the Subcommittee will request GIZ to periodically report about the progress in the implementation of the project. Lastly, the Chairmanship of Moldova will represent the Subcommittee in the Steering Committee of the Project.

The Subcommittee on Agriculture and SPS will be the main CEFTA body to initiate the discussions on the preparation of documentary mapping for eliminating redundant and overlapping documentary requirements. In this regard, the Chairmanship of Moldova will raise the necessity of elaborating standardised methodologies for documentary mapping in CEFTA, in particular for SPS related procedures, in the GIZ financed project and other relevant projects.

*Activity 5: Enhancing Transparency*

As regards to the transparency, the Chairmanship of Moldova is fully aware of the fact that keeping the CEFTA Transparency Pack updated is a crucial part of enhancing transparency. For this purpose, the Chairmanship of Moldova will invite all CEFTA Parties to pay their utmost attention for keeping those databases updated.

**Objective 2: Promotion of Trade**

*Priority 3: Advocating the Pan-Europe Mediterranean Convention and its opportunities for diagonal cumulation as a tool for promotion of trade in agricultural sectors*

*Activity 6: Organising CEFTA Conference on Promoting Trade through PEM Convention in Processed Agricultural Products:*

The Chairmanship of Moldova will organize a CEFTA Conference to introduce all the opportunities offered by the PEM Convention and diagonal cumulation thereunder for the purpose of promote trade in processed agricultural products. The Conference is also

expected to provide a discussion platform between Ministries for Trade, Agriculture, Customs, and the relevant private sector with regard to the revision process of PEM Convention and its list rules.

## **5. EXPECTED RESULTS**

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The results of the Moldovan Chairmanship are expected to lead to the following outcomes corresponding to the two objectives mentioned above:

### 1) Trade Facilitation

- Text of Framework Agreement is agreed by the CEFTA Parties which provides provisions for simplification of SPS related clearance procedures, and electronic exchange of data on SPS
- Exploratory Discussions initiated to prepare a list of SPS related inspections which would be part of the AEO verification inspections by Customs Authorities
- Main Trade Distortive Market Access Barriers in SPS related areas are indentified
- CEFTA Transparency Pact is kept updated

### 2) Promotion of Trade:

- Economic operators in Process Agricultural Products of CEFTA Parties become fully aware of the PEM Convention, and opportunities which the PEM Convention may offer in trade
- CEFTA Parties have a better opportunity to substantiate regional positions on PAPs in the negotiations of the revision of PEM Convention

## **6. RISKS AND ASSUMPTIONS**

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The Chair foresees that the following issues are out of its control but assumes that any negative development thereon which may endanger the smooth functioning of the Agreement will be prevented by the joint effort of each CEFTA Party.

- Each CEFTA Party remains committed to the CEFTA process and its provisions.
- Coordination meetings between Customs Authorities and Technical Agencies including SPS and other technical authorities at the pre-clearance stages are held on time in each CEFTA Party
- Governmental agencies whose contribution is necessary to the work of the Subcommittee will have the sufficient level of resources (human resources and time) available for the Subcommittee.
- International donors remain committed to support financially the CEFTA.

## **7. CALENDAR OF EVENTS**

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The tentative calendar for the year 2015 is as follows:

<b>MEETING/EVENT</b>	<b>DATE</b>	<b>PLACE</b>
Kick-off meeting of Technical Assistance to CEFTA Structures on Negotiations of Framework Agreement in Customs	3 February 2015	Podgorica
Meetings of Subcommittees on Customs and Rules of Origin, Agriculture and SPS, and TBT and NTBs	26 May 2015	Podgorica
1 <sup>st</sup> Round of Negotiations of Framework Agreement	27 May 2015	Podgorica
Promotion of Trade Conferences on PAPs	3 <sup>rd</sup> Week September	Belgrade
Meetings of Subcommittees on Customs and Rules of Origin, Agriculture and SPS, and TBT and NTBs	22 or 29 October 2014	Podgorica
2nd Round of Negotiations of Framework Agreement	23 or 30 October	Podgorica
CEFTA-GIZ meetings on “Addressing Main Trade Distortive Market Access Barriers in Selected Supply Chains”	To be determined later	CEFTA Parties



### ANNEX 1: Logical Framework Matrix

LOG FRAME PLANNING MATRIX FOR PRIORITIES OF THE SUBCOMMITTEE ON Agriculture and SPS		Period: 2015	
Overall objective	Indicators of Achievement	Sources of verification	
<p>To participate in the negotiations of Framework Agreement on simplifications of clearance procedures and electronic exchange of data, and to contribute to elaborating methodologies of developing business process mappings of documentary requirements in agricultural trade under trade facilitation objective.</p> <p>To promote trade in processed agricultural products through identifying the regional instruments for better preferential access of products originated from CEFTA.</p>	<p>Border procedures are simplified on SPS related procedures,</p> <p>Data on SPS started to be exchanged electronically</p> <p>SPS related regional databases are established.</p> <p>Main Trade Distortive Market Access Barriers in SPS are eliminated.</p> <p>The PAs manufacturers in CEFTA increased the volume of trade by benefiting more from diagonal cumulation opportunities under the PEM Convention</p>	<p>CEFTA Ministerial Conclusions</p> <p>CEFTA Statistics</p> <p>Report of CEFTA Subcommittee on Agriculture and SPS,</p> <p>WB Doing Business</p> <p>EU Regular Reports</p> <p>CEFTA Trade Statistics</p>	
Priorities	Indicators of Achievement	Sources of Verification	Assumptions

<p>Priority 1: Participation of SPS Authorities of CEFTA Parties in negotiations of the framework agreement</p> <p>Priority 2: Addressing the main trade distortive non-tariff measures in selected supply chains and Enhancing Transparency</p> <p>Priority 3: Advocating the Pan-Europe Mediterranean Convention and its opportunities for diagonal cumulation as a tool for promotion of trade in agricultural sectors</p>	<p>Text of Framework Agreement is agreed by the CEFTA Parties which provides provisions for simplification of SPS related clearance procedures, and electronic exchange of data on SPS</p> <p>Exploratory Discussions initiated to prepare a list of SPS related inspections which would be part of the AEO verification inspections by Customs Authorities</p> <p>Main Trade Distortive Market Access Barriers in SPS related areas are indentified</p> <p>CEFTA Transparency Pact is kept updated</p> <p>Economic operators in Process Agricultural Products of CEFTA Parties become fully aware of the PEM Convention, and opportunities which the PEM Convention may offer in trade</p> <p>CEFTA Parties have a better opportunity to substantiate regional positions on PAPs in the negotiations of the revision of PEM Convention</p>	<p>CEFTA Ministerial Conclusions</p> <p>CEFTA Statistics</p> <p>Report of CEFTA Subcommittee on Agriculture and SPS,</p>	<p>Each CEFTA Party remains committed to the CEFTA process and its provisions.</p> <p>Coordination meetings between Customs Authorities and Technical Agencies including SPS and other technical authorities at the pre-clearance stages are held on time in each CEFTA Party</p> <p>Governmental agencies whose contribution is necessary to the work of the Subcommittee will have the sufficient level of resources (human resources and time) available for the Subcommittee.</p> <p>International donors remain committed to support financially the CEFTA</p>
<b>Activities</b>	<b>Results</b>	<b>Means</b>	<b>Assumptions</b>
<p><i>Activity 1: Advocating Coordination between SPS Agencies and Customs Authorities at the national level in each CEFTA Party for negotiations of the Framework Agreement</i></p> <p><i>Activity 2: Technical Assistance on electronic exchange of data to support CEFTA Parties in their negotiation process of signing a Framework Agreement</i></p> <p>Activity 3: Negotiations of Framework</p>	<p>A letter by the Chairmanship of Moldova is sent to SPS Agencies of each CEFTA Party to initiate national coordination</p> <p>Kick-off meeting of TA on electronic exchange of data with the participation of SPS agencies</p> <p>National coordination meetings are held between Customs and SPS agencies, with the participation of consultants hired by CEFTA Structures, if necessary</p> <p>Relevant national negotiation positions are elaborated on time</p>	<ul style="list-style-type: none"> <li>- CEFTA Project Facility</li> <li>- GIZ financed project on Addressing Market Access Barriers</li> <li>- Consultants hired by the CEFTA Secretariat</li> <li>- Experts appointed by UNCTAD and ITC</li> </ul>	<p>Each CEFTA Party remains committed to the CEFTA process and its provisions.</p> <p>Coordination meetings between Customs Authorities and Technical Agencies including SPS and other technical authorities at the pre-clearance stages are held on time in each CEFTA Party</p> <p>Governmental agencies whose contribution is necessary to the work of the Subcommittee will</p>

<p>Agreement in relation to SPS related to procedures</p> <p><i>Activity 4: Contributing to the Implementation of GIZ financed project on "Addressing main trade distortive non-tariff measures in selected supply chains</i></p> <p>Activity 5: Enhancing Transparency</p> <p><i>Activity 6: Organising CEFTA Conference on Promoting Trade through PEM Convention in Processed Agricultural Products:</i></p>	<p>GIZ Project meetings are held on time</p> <p>Participation to the Project Steering Committee meetings and Representing CEFTA Subcommittee therein</p> <p>All CEFTA Databases are kept updated</p> <p>CEFTA Conference on PAPs are held with the participation of private sector</p>	<ul style="list-style-type: none"> <li>- TAIEX Seminars and Workshops</li> <li>- EU and other donors financial assistance</li> </ul>	<p>have the sufficient level of resources (human resources and time) available for the Subcommittee.</p> <p>International donors remain committed to support financially the CEFTA</p>
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