



CEFTA
Work Programme of the
Subcommittee on Agriculture
and SPS

JANUARY - DECEMBER 2011

January 2011

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1. INTRODUCTION

1.1. Mandate and scope of the Subcommittee

The CEFTA Subcommittee on Agriculture including Sanitary and Phytosanitary Issues established by the Joint Committee Decision No. 3/2007, has the task of 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. The senior civil servants responsible for agriculture and sanitary and phytosanitary issues from the CEFTA Parties hold one meeting per year, but can meet on an *ad hoc* basis if needed.

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. Coordination with other CEFTA Structures

The chairmanship of the Subcommittee is taken on a rotational basis with the tenure of office for one calendar year. According to the Joint Committee Decision No 2/2007 the Party that chairs CEFTA also chairs the Subcommittee on Agriculture including Sanitary and Phytosanitary Issues in a given year. In line with these rules, the Chair in Office for 2011 has assumed the Chairmanship of the Subcommittee since 1 January 2011.

According to its mandate, the Subcommittee communicates regularly with the 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.

The Chair in Office as the overall Chair of CEFTA and of the Subcommittee is committed to employ efforts in enhancing the cooperation among the CEFTA structures, with the main goal to have better coordination when dealing with the reduction and elimination of non-tariff barriers. This will be particularly important in 2011, when it is expected that the monitoring instrument on NTBs, developed and approved by the Parties in 2010, is to be implemented.

2. OBJECTIVES OF THE CHAIRMANSHIP

The Chair of the Subcommittee will follow on the activities from the previous years in the area of agriculture and sanitary and phytosanitary measures:

2.1. Liberalisation of agricultural trade

Six of eight Parties significantly liberalised their mutual trade and managed to initial the Additional Protocol and Annex 10 last year. Following the signing of these documents (expected end January 2011) and in accordance with the ministerial conclusions of the Joint Committee (12 November 2010), the implementation of agreed concessions is expected in the first quarter of 2011.

Recognising the positive effects of liberalisation to the whole region, the Chair of the Subcommittee encourages Parties to speed up the process of ratification of documents and enjoy its benefits as soon as possible. The Parties are expected to report to the Joint Committee on the implications of implemented concessions on their mutual agricultural trade.

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

In compliance with the Article 12 para 3 of the Agreement (“...the Parties shall enter, where appropriate, into negotiations to conclude agreements on harmonisation or mutual recognition in sanitary and phytosanitary matters...”) the Chair will dedicate due attention to the work of finding ways to approach this goal.

At the last Subcommittee meeting held on 31 May and 1 June 2010 it was noted that the main benefits from the concluded mutual recognition agreements would include enhancement of regional trade, joint intra-regional production and harmonised regulations and control procedures related to trade. This will also contribute to better preparedness for EU accession while the origin of commodities from the CEFTA area could be recognised as domestic origin and commodities produced in integrated production within the CEFTA area to be marked as “MADE IN SEE”.

The Chair welcomes the efforts of the Parties to find the most appropriate solutions for the conclusion of mutual recognition agreements on SPS and advised them to use the exchange of experiences and best practices of developed countries outside the region in reaching this goal.

The Chair recognises the negative effects of different levels of implemented standards in the SPS area and encourages Parties to use the means of consultations and mutual

assistance to reduce the barriers in intra-regional trade.

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

Being aware that frequent introduction of various non-tariff barriers often has negative implications on intra-regional trade, the Chair commits to putting this horizontal issue high on the agenda during its chairmanship.

As the Matrix on Raised Issues shows, more than 50% of the reported non-tariff barriers that have hampered trade in the last year came from the SPS area. Although many of them have been solved satisfactorily by the involved Parties, it is still a low percentage of issues resolution (35%) which leaves room for improvement.

In order to address the issue properly, it is necessary that the activities of the Subcommittee are closely linked with the other two CEFTA structures, in particular the Subcommittee on NTBs and TBT and the Subcommittee on Customs and Rules of Origin. This implies that a series of actions are performed, such as:

- frequent exchange of information on NTBs among the Subcommittees
- the participation of the representative of the Subcommittee on Agriculture and SPS at the regular meetings of the Subcommittee on NTBs and TBT and reporting on developments
- active involvement of all the members of the Subcommittee in the process of monitoring the elimination of SPS related NTBs

The Chair therefore underlines the necessity of having the Monitoring Instrument for NTBs elimination implemented where SPS matters play a significant role. Closer coordination of all actors involved, including the business community (which is often the major source of complaints), is necessary and highly recommended.

2.4. Experience sharing and transparency

In accordance with Article 12 para 2 the Chair will give due attention to the system of permanent exchange of information in the area of sanitary and phytosanitary measures as well as in the area of agricultural trade policy.

This includes, but is not limited to: the latest developments in domestic agricultural trade policies, the level of harmonisation of SPS standards with the EU Acquis, concluded free trade and other agreements relevant to SPS matters and their implication on the CEFTA region, best practices in bilateral agreements with countries outside the CEFTA region, etc.

To add to enhanced transparency in the area of SPS, the Chair reiterates the need to pay due attention to the updating of the CEFTA Trade Portal (section on SPS) which was launched officially in November 2010 in Belgrade. So far the use of the Portal by the business community and government officials throughout the region was high and regular updating on new regulations, legislation or document samples can only be in best interest of all Parties involved.

As the main purpose of the Subcommittee is to serve as a forum for discussions, the Parties are encouraged to share their views and opinions on various matters of mutual interest related to agricultural and sanitary and phytosanitary matters.

The Chair is aware of the different levels of development among the Parties in the SPS area, and therefore sincerely welcomes any action of more advanced CEFTA Parties to assist those who are in the early phase of the standards harmonisation process with those of the EU. In that sense, the Chair would be particularly happy to support events such as workshops, seminars or roundtables, especially in the area of veterinary or phyto regulation, that are hosted by the Parties who show interest in it.

3. TECHNICAL ASSISTANCE AND RELATED REGIONAL PROJECTS

The implementation of the Work Programme for 2011 will require the active participation of all the CEFTA Parties, and will be supported adequately by tailor-made technical assistance.

3.1. Identification of common areas that require technical assistance

Technical support to the Chair of the Subcommittee on Agriculture and SPS in the implementation of the Work Programme is needed. The Programme has foreseen two activities which will be assisted by an outsourced expert: Meeting of the Subcommittee on Agriculture and SPS, and the Meeting of the SPS experts. On the spot technical assistance will be provided by the European Commission.

In the area of identifying and eliminating non-tariff barriers to trade, the regional project *Monitoring the Elimination of NTBs in the CEFTA Parties* run by the OECD team will support the activities of the CEFTA Parties. The project will address the sanitary and phytosanitary issues that could and do hamper mutual trade. The objective is to ensure the independent monitoring of the elimination of NTBs, to effectively communicate and promote the findings of the monitoring to the relevant CEFTA structures and other stakeholders and to secure the existence of a permanent and stable process of eliminating NTBs. The project will start in early 2011 with a total duration of two years.

The GIZ (*CEFTA 2006, Improving Opportunities for Trade*) will continue to support the maintenance and updating of the CEFTA Trade Portal over the following two years. This will significantly add to enhanced transparency of SPS regulation and legislation in the eight Parties to CEFTA.

4. EXPECTED RESULTS

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

Immediate outcomes

- Ratification of the Additional Protocol and Annex 10
- Identification of priority sectors in collaboration with the Subcommittee on NTBs and TBT
- Self-assessment as a Monitoring Instrument
- Agreed options for potential conclusion of mutual recognition agreements

Intermediate and final outcomes

- Entering into force of the Additional Protocol and Annex 10 and follow up on the implications of the liberalisation of mutual trade
- Identification of ways to reduce and eliminate NTBs in chosen priority sectors
- Recommendations to the Joint Committee of measures to eliminate those NTBs that unnecessarily impede agricultural trade
- Potential conclusion of MRA
- Regular update of the CEFTA Trade Portal

5. CALENDAR OF EVENTS

The tentative calendar for the year 2011 is as follows:

MEETING/EVENT	DATE
Fourth meeting of the Subcommittee on Agriculture and SPS	May 2011
Meeting of the SPS experts	TBD
Participation at the meeting of the Subcommittee on NTBs and TBT	June 2011