

STUDY ON MUTUAL RECOGNITION AGREEMENTS IN PROFESSIONAL SERVICES AND CEFTA INTEGRATION

BACKGROUND

In preparation for the negotiations on liberalisation of trade in services under CEFTA, further study on the issues surrounding integration of trade in professional services was deemed important as there is a high degree of restrictiveness in this area. One specific area identified as especially challenging was the recognition of educational degrees and professional credentials, which is a prerequisite for trade in professional services. Mutual Recognition Agreements (MRAs) are likely to be an important component of the negotiations as they have been a cornerstone of many regional agreements designed to improve market access in professional services.

OVERALL OBJECTIVE

The overall objective was to support preparations for the negotiations on trade in services by considering how MRAs in professional services may be designed to advance regional integration and convergence on European Union norms.

Specifically, the study had the following aims:

1. To provide an assessment of European Union Mutual Recognition Agreements (MRAs), and other pertinent international examples of such agreements, that are intended to promote the freer movement of professional services
2. To draw lessons and recommendations from these MRAs that CEFTA Parties could consider in their integration process
3. To propose prioritised actions that could be taken by CEFTA as a whole, by the CEFTA Secretariat and by the individual CEFTA Parties, as well as to suggest technical assistance that could be offered in order to improve the likely success of MRAs in professional services.

ACTIONS AND ACTIVITIES

The following activities were carried out:

1. A detailed analysis and benchmarking of regulations such as qualification and licensing requirements, standards etc.
2. Identification of the key components of a Mutual Recognition Agreement (MRA) and the likely barriers or challenges that EU countries faced in implementing the MRAs
3. Development of an outline action plan at regional and national level to implement the recommendations, reduce any gaps in implementing capacity, and facilitate the implementation of possible MRAs
4. Review of the experience of other regions in the world that have implemented MRA agreements
5. Provision of specific recommendations on the approach to be used by CEFTA countries to deepen, and enhance the implementation of MRAs

Based on the above activities, the World Bank prepared a report on Mutual Recognition Agreements in Professional Services and CEFTA Integration. The report and its recommendations were disseminated to all CEFTA Parties and discussed with CEFTA Parties and other stakeholders at a specially convened workshop on regional mobility in Brussels in April 2014.

IMPACT ON CEFTA

The study has provided the CEFTA Parties with valuable research and analysis that can support their negotiations as well as identifying potential actions to facilitate trade in this area. Key issues highlighted by the study include:

- The need to take both a regional and an individual approach since it is important that CEFTA Parties do not only focus on their individual relationships with the EU but also pursue regional cooperation
- The need for administrative support to overcome gaps in legislation, a lack of technical expertise and limited resources for the development of the sort of infrastructure required to successfully implement an MRA
- The need to simplify and rationalise where possible as differences in titles, regulatory status and educational requirements add to the complexity of mutual recognition.
- The importance of international standards and moving towards a different concept of cross-border working and mobility, which should be factored into CEFTA MRAs and discussions on professional services integration.

SUMMARY PROJECT INFORMATION

Dates:	September 2013-June 2014
Budget:	<i>n.a.</i>
Partners:	World Bank Group, CEFTA
Financiers:	World Bank Trade Trust Fund
Beneficiaries:	Ministries responsible for trade

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