



CEFTA Mechanism for Agriculture Trade Facilitation

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Trade Facilitation and the importance of agriculture in CEFTA trade

- Trade facilitation **to allow for the speedy movement of traded goods** may be more important for agricultural, especially perishable, products than for other goods because of their time sensitivity.
- **The share of trade in agriculture** products in CEFTA **Exports/Imports** is 32% and 24% respectively.
- **The number of NTBs cases** according to the MADB in agriculture is 139 cases where 43 are not solved

ELIMINATION OF NTBs

- Most NTBs in CEFTA originate from the fact that we are on different levels in integration processes – to the WTO (60%) and especially to the EU

Possible tools to eliminate NTBs:

- Harmonization of domestic legislation with international/EU requirements/rules, or by accession to the conventions /agreements (WTO, UNECE, ISO, CEN), or by concluding MRAs
- Regular usage of transparency
- International rules/conventions
(procedures, principles, conditions for the implementation of NTMs)

CEFTA Agreement is based on:

WTO agreements, rules and procedures and
EU directives/regulations

CEFTA Agreement Objectives

- **Liberalization** of trade in goods and service – elimination of customs duties, quantitative restrictions and export subsidies,
- Expand trade in goods and services and foster investment by **implementing of upcoming AP 5 and AP 6**
- **Elimination of barriers** and distortions to the trade and **facilitate the movement of goods,**
- Provide **effective procedures for the implementation** and application of this Agreement – including DS mechanism

CEFTA Agreement Articles on Agriculture

- Application of sanitary and phytosanitary measures, shall be
 - governed by the **WTO Agreement on the Application of Sanitary and Phytosanitary Measures**
 - in a **non-discriminatory and**
 - **transparent manner** - Each Party, upon request of another Party, shall provide information on sanitary and phytosanitary measures.
- The Parties shall enter, where appropriate, into negotiations to conclude **agreements on harmonization or mutual recognition** in these matters in accordance with the relevant provisions of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures and other relevant international agreements.

CEFTA Dispute Settlement Mechanism

DISPUTE RESOLUTION SYSTEM

- ❖ **Bilateral consultations**
- ❖ **JC meeting consultations**
- ❖ **Mediation**
- ❖ **Arbitration**
- ❖ **Advance Notification of Legislation**
- ❖ **WTO DSM**

CEFTA Market Access Barriers Data Base

is an on-line tool for identification of **cases which hamper intraregional trade** (based on UNCTAD classification) **with the aim of NTBs elimination**

CEFTA PROVISIONS DO NOT STIPULATE ANY COURT

CEFTA Agreement Article 42

- Article 42

- **Fulfilment of Obligations and Consultations**

- *The Parties shall take all necessary measures required to fulfil their obligations under this Agreement. They shall see to it that the objectives set out in the Agreement are attained. Should any divergence with respect to the interpretation and application of this Agreement arise, the Parties concerned shall make every attempt through co-operation and consultations, if necessary in the Joint Committee, to arrive at a mutually satisfactory resolution.*
- *Any Party may request in writing to the Joint Committee that consultations with any other Party regarding any actual or proposed measure or any other matter that it considers might affect the operation of this Agreement take place within the Joint Committee.*
- *The Party requesting consultations shall at the same time notify the other Parties in writing thereof and supply all relevant information.*
- *The Joint Committee may recommend appropriate measures.*
- *These consultations may take place, should the Parties concerned so agree, in the presence of a mediator. If the Parties concerned do not agree on a mediator, the Chairman of the Joint Committee or, if he is a national or resident of one of the Parties concerned, then the first of his predecessors who is not, shall appoint the mediator within 20 calendar days of receipt of the initial written request for mediation in accordance with the rules set out in Annex 8. The mediator shall 30 present a final report to the Joint Committee at the latest 60 calendar days after his/her appointment. If no solution can be found on the basis of the mediator's report, the Joint Committee will deal with the issue with a view to finding a commonly acceptable solution. Should this fail, the Joint Committee shall recommend appropriate measures.*
- *If a Party considers that an other Party has failed to fulfil an obligation under this Agreement, and bilateral consultations, mediation or the Joint Committee have failed to arrive at a commonly acceptable solution within 90 calendar days from the receipt of the notification referred to in paragraph 2, the Party concerned may take provisional rebalancing measures under the conditions and in accordance with the procedures laid down in Article 24. The measures taken shall be notified immediately to the Parties and to the Joint Committee, which shall hold regular consultations with a view to their abolition. The measures shall be abolished when conditions no longer justify their maintenance in the view of the Joint Committee, or, if the dispute is submitted to arbitration, when an arbitral award has been rendered and complied with as decided by the Joint Committee.*

CEFTA Agreement Article 43

- Article 43
- *Arbitration*
- *Disputes between the Parties, arising after this Agreement enters into force between the Parties concerned and relating to the interpretation or application of rights and obligations under it, which have not been settled through direct consultations in the Joint Committee within 90 calendar days from the date of the receipt of the request for consultations, may be referred to arbitration by any Party to the dispute by means of a written notification addressed to the other Party to the dispute. A copy of this notification shall be communicated to all Parties of this Agreement. Where more than one Party requests the submission to an arbitral tribunal of a dispute with the same Party relating to the same question a single arbitral tribunal should be established to consider such disputes whenever feasible.*

The Arbitral Tribunal shall settle the dispute in accordance with the provisions of this Agreement and any other applicable rules of international law. The Tribunal will consider amicus curiae briefs from a Party not involved in the dispute.
- *The constitution and functioning of the Arbitral Tribunal shall be governed by Annex 9. The award of the Arbitral Tribunal shall be final and binding upon the Parties to the dispute.*
- *Disputes under consultation or arbitration under this Agreement shall not be submitted to the WTO for dispute settlement. Nor shall an issue or a dispute before the WTO Dispute settlement procedure be submitted for arbitration under this Article.*

Trade Facilitation AP 5

- ❑ Negotiations for AP5 to CEFTA 2006 started during 2015 in order to conduct mutual trade relations in accordance with the WTO provisions
- ❑ The Additional Protocol 5 on Trade Facilitation have been concluded successfully

CEFTA AP 5 – basic facts

Composition of AP 5:

- Main text (WTO TFA articles and TFA+ articles)
- Annex 1 on Electronic Exchange Data
- Annex 2 Matrix of Memorandum of Understanding signed between Customs Authorities and Competent Authorities regarding Electronic Exchange Data
- Annex 3 on AEO
- **Expectations:**
 - - Entering into force is expected in 2018

Objectives of CEFTA AP 5

Objectives:

- Expanding and deepening regional cooperation
- Strengthening trade-economic relations in region
- Improving security in the trade in goods

Simplification and facilitation of trade in CEFTA through

- acknowledgment and implementation of most WTO TFA articles
- emphasising importance EU alignment process

Objectives of CEFTA AP 5

- Facilitation of the agricultural trade and improvement of cooperation in sanitary and phytosanitary domain
- Implementing provisions for the mutual recognition of border documents in the context of AP 5
 - -What to be recognised:
 - Recognise the legislation and procedures related to the inspections carried out
 - Recognise the documents drawn up by the competent authorities of CEFTA Parties certifying the compliance of goods in question with the legal requirements of the country of import (import certificate) or equivalent requirements in the country of export (export certificate)
 - The recognition will be conditional upon:
 - Legislation and procedures, and their implementation are in compliance with the relevant EU acquis
 - The status of EU harmonisation is validated in accordance with the relevant procedures to be created by the CEFTA Joint Committee

Objectives of CEFTA AP 5

- To simplify inspections related to all clearance procedures and reduce formalities to the possible maximum extent
- Exchange data between customs authorities
- Agreement implies introducing of Risk management
- CEFTA parties committed itself to exchange data by means of electronic instruments
- Concertation on high-risk consignments and expedition on the release of low-risk consignments

Objectives of CEFTA AP 5

- Publication of fees and charges in connection with importation and exportation
- Publications of all fees and charges shall be made available both - in the national language and English
- No new or amended fees and charges shall be applied before an adequate time period has lapsed since their publication, except in urgent circumstances
- Periodical review with a view to reducing their number and diversity where practicable

Objectives of CEFTA AP 5

- Memorandum on Understanding to secure mutual acceptance of paper or electronic copies of documents between competent authorities
- Common Border Procedures and Uniform Documentation Requirements
- Data shall be changed on national and international level by customs-to customs data exchange infrastructure in order to begin processing prior to the arrival of goods with a view to expediting the release of goods upon arrival
- Recognition of legislation and procedures related to inspections if aligned with the EU acquis



THANK YOU.

