

Open Regional Fund for South-East Europe – Foreign Trade

The challenge

The stated goal of the partner countries of the Open Regional Fund for Foreign Trade is EU membership. An important requirement in the process of EU accession is the implementation of the Central European Free Trade Agreement (CEFTA), which the partner countries of the Open Regional Fund for Foreign Trade and the Republic of Moldova signed in 2006. The objective of the agreement is to eliminate tariff and non-tariff trade barriers between the countries and to facilitate trade. While there has been visible progress in CEFTA implementation over the past years, a number of measures are lagging behind the targets in the agreements. At the same time, in several countries progress is very slow on the harmonisation of laws and regulations relevant to trade with EU standards and regulations. As a result, legal and administrative barriers are still hindering trade. Demand-oriented services for companies constitute another important factor in determining the trading environment for companies. The currently offered range of services for the promotion of trading activities lags behind the voiced needs of export-oriented companies. The legal and institutional environment for trade is therefore not sufficiently encouraging for regional and international trade, and in many areas does not yet meet the requirements of the EU convergence process.

Our Goal

The Project aims at improving framework conditions for trade in Southeast Europe in line with the requirements of the EU approximation process.

	Foreign Trade
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Countries	EU Accession countries in South-East Europe
Lead executing agency	Regional Cooperation Council (RCC)
Duration	2006 – 2020
Project value	18.67 million Euros (incl. 3 Mio Euro EU co-funding)

Our approach

The Open Regional Fund for Foreign Trade supports regional initiatives which aim at improving the conditions for free trade. Under the Open Regional Fund for Foreign Trade, individual projects are implemented which involve partners from at least three countries and are planned and implemented jointly with the partners. The projects aim at improving the national implementation of regionally agreed trade facilitation and promotion reforms and improved access of trade-oriented companies to information and know-how on trade facilitating instruments. At the same time, they enhance public-private dialogue on addressing barriers to trade which have been selected and prioritised by the private sector and promote the use of regional platforms to jointly develop or disseminate good practice solutions for addressing trade barriers. The main project partners are the structures of CEFTA (CEFTA Secretariat and the national CEFTA Contact Points), line ministries, state authorities relevant for trade (e.g. customs), and private sector organisations.

Results

Name	Open Regional Fund for South-East –
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The Open Regional Fund for Foreign Trade has contributed to several aspects in removing barriers to trade in the CEFTA region and strengthening the capacities of relevant actors: Particularly notable is the increased transparency of existing trade barriers as a result of establishing a comprehensive CEFTA information and reporting system on requirements and barriers relevant to trade (<http://transparency.cefta.int/>). In addition, the technical trade policy capacity was strengthened in terms of strategic positioning of the countries in trade diplomacy; this led to more advantageous rules for determining the country of origin of goods, ultimately enabling companies to benefit from EU trade preferences. The project also contributed to strengthening regional networks relevant to trade. These include networks and cooperation arrangements between company associations (IT sector, organic farming) and improved cooperation between market surveillance institutions in Southeast Europe. Through its intensive work with Chambers of Commerce, the Open Regional Fund for Foreign Trade also improved regional services for export-oriented companies, e.g. through the introduction of an export management course in three countries of the region.

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