

WORK PROGRAMME

CEFTA Subcommittee on Trade in Services¹

2015

*Proposed under the Moldovan Chairing
of the Subcommittee in 2015*

January 2015

¹ At the Joint Committee meeting on 21 November 2014, the Ministerial Decision on Establishment of the SC on Trade in Services was adopted by all CEFTA Parties except Bosnia and Herzegovina, which made a reservation regarding (completion of) its internal procedure. This Work Programme is prepared under the assumption that BiH will complete internal procedures with regard to the adoption of the Decision No.3/2014 before 31 January 2015 when this document is to be published.

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INTRODUCTION

The Work Programme of the Working Group on Trade in Services covers the period of 1 January to 31 December 2015.

The paper summarizes the mandate and scope of the Working Group, underlines its active collaboration with other CEFTA Structures and spells out the major activities planned for the one-year period.

In line with CEFTA Agreement and SEE Strategy 2020 goals, in its capacity of the Chair, Moldova is fully committed to carry on with the work of its predecessors in the area of trade in services, with the following priorities of the Chairmanship in specific:

- i. Monitor the progress on negotiating the schedule for specific commitments and give directives as necessary in order to finalise the process
- ii. Identify, review and propose measures for elimination of barriers in trade in services among Parties
- iii. Increase transparency of the CEFTA Parties' policies, laws and regulations and administrative practices effecting trade in services
- iv. Identify priorities for further developing statistics for commonly agreed sectors to meet the needs of negotiations on trade in services within the CEFTA framework;

In the year 2015, at least four meetings of the Working Group dedicated to the negotiations and one to statistics are envisaged, which does not *a priori* exclude holding of other *ad hoc* meetings, workshops and roundtables that could be convened to discuss any item based on the expressed interest.

1. THE SUBCOMMITTEE AS A PART OF CEFTA STRUCTURES

1.1. Mandate and scope

The CEFTA Subcommittee on Trade in Services² established by the Ministerial Decision of the CEFTA Joint Committee No. 3/2014 from 21 November 2014, has for the objective to ensure the smooth implementation of the commitments undertaken in Chapter VI A and with the goal of enhancing the intraregional trade in services. It comprises the representatives of the CEFTA Parties at the level of senior civil servants from ministries responsible for trade in services. It holds regular annual meetings but it can meet on an ad hoc basis whenever there is need.

The task of the Sub-Committee is to strengthen and deepen the intra-regional cooperation in the field of trade in services by facilitating the implementation of the commitments spelled out in Articles 26–29 of the CEFTA 2006.

The scope of the Subcommittee is to:

- Coordinate, oversee and streamline the work of bodies established under this Sub-Committee;
- Monitor the progress on liberalisation of trade in services, including but not limited to negotiating the schedule of specific commitments and give directions or guidelines as necessary in order to finalise the process;
- Facilitate and supervise the implementation and application of Additional Protocol on Trade in Services;
- Exchange information on regulatory reform in services sectors; Promote intra-regional cooperation between regulatory bodies, governmental agencies and professional associations in charge of services;
- Identify, review and propose measures for elimination of barriers in trade in services among Parties;
- Coordinate the efforts of CEFTA Parties to increase transparency of their policies, laws and regulations and administrative practices affecting trade in services i.e. by encouraging CEFTA Parties to establish single point of information/enquiry;

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- Act as a forum for exchange of experiences on adoption of the EU *Acquis* in the context of relevant EU integration process;
- Commission studies and analyses in order to fulfil the tasks of these terms of reference;
- Cooperate with other relevant regional and international structures with a view to deepen the regional cooperation in investment and trade in services.

1.2. Organisation of Work

The members of the Subcommittee are appointed senior civil servants responsible for trade in services issues from the CEFTA Parties. Under the Republic of Moldova's Chairmanship with CEFTA the senior civil servants responsible for trade in services issues from the CEFTA Parties will hold regular official meeting of the Subcommittee members in the period of June in Chisinau. It will be held according to the rules and procedures of CEFTA Agreement by the responsible government institution Ministry of Economy of the Republic of Moldova.

The members can also meet on an ad hoc basis if and whenever needed. Moreover, the number of workshops, roundtables or consultations can be organised on the request of interested Parties. The Chair will accommodate any need from the Parties to organize additional events to support the fulfilment of its objectives.

In addition, four meetings of the Negotiating Group dedicated to the negotiations and one to statistics are envisaged to be held in 2015.

2. PRIORITIES OF THE CHAIRMANSHIP

The Chair of the Subcommittee is committed to work on the activities started in previous years and will introduce some new ones in order to secure the fulfilment of a set of objectives:

2.1. Coordination with other CEFTA Structures

The Chairmanship of the Subcommittee is taken on a rotational basis with the tenure of office of one calendar year. According to the Joint Committee Decision No. 3/2014 from 21 November 2014 the Party that chairs CEFTA also chairs the Subcommittee on Trade in Services in a given year. In line with these rules, Moldova has assumed the Chairmanship of the Subcommittee starting from 1 January 2015.

2.1.1. Coordination with other CEFTA Structures:

- Coordination of activities in implementation of the recommendations in the area of trade facilitation
- Coordination of activities in implementation of the recommendations of the Working Group on Investment Policy and Promotion

2.1.2. Reporting to the CEFTA Structures

- Reporting on results achieved to the Deputy Ministers (June 2015)
- Reporting on results achieved to the Joint Committee (November 2015)

2.1.3. Promotional activities

- Promotion to the business community through events such as CEFTA Secretariat's website, Trade Portal, CEFTA Week, etc.
- Exchange of information with the members of the CEFTA Forum Chambers of Commerce

2.2. Liberalisation of trade in services by reducing restrictive policies and measures

2.2.1. Mandate and scope of the Negotiating Group on Trade in Services

The mandate of this group is to ensure progressive liberalisation and mutual opening of the services markets of CEFTA Parties. The main objectives of the group:

- Work on progressive liberalisation of trade in services amongst the CEFTA Parties
- Achieve same level of openness across the services sectors thus contributing to the greater attraction of investment in the region as a whole
- Work on removing restrictive measures and policies to intraregional trade in services
- Negotiate the Schedule of Commitments on Trade in Services
- Finalise text of the Additional Protocol on Trade in Services

2.2.2. Activities of the Negotiating Group in 2015

Bearing in mind the mandate of the Negotiating Group, Moldova as a Chair will give special attention to the following priorities in the course of 2015:

- Negotiate the Schedule of Commitments on Trade in Services
- Finalise text of the Additional Protocol on Trade in Services
- Identify and work on removing restrictive measures and policies to intraregional trade in services

The objective is to launch negotiations in at least five sectors according to the previously agreed schedule during Macedonian Chairmanship as well as finalise the text of the Additional Protocol by the end of 2015.

With regard to the activity on identification of restrictive measures and policies, in coordination with the OECD, a detailed assessment of existing *de facto* restrictions in place at the level of professional organisations (focusing on the construction services and the four sub-sectors of professional services) is to be conducted.

Furthermore, the level of restrictiveness for transport and logistics/ distribution sectors is to be calculated based on the Services Trade Restrictiveness Index methodology elaborated by the OECD. The index will contribute to identifying the key elements of restrictiveness and will allow for intra-regional and international comparison, setting a platform for trade in services negotiation.

2.2.3. Meetings scheduled in 2015

It is envisaged that the Negotiating Group holds four negotiating sessions during 2015. The sessions are to be held quarterly: February, June, September and November 2015.

A number of workshops, seminars and conferences are planned to be organised in cooperation with the international (the OECD, UNCTAD, etc) and regional partners to support the implementation of these priorities.

2.3. Improving quality and uniformity of trade in services statistics

2.3.1. Mandate and scope of the Working Group on Trade in Services Statistics

The mandate of this group is to enhance better quality and uniformity of trade in services statistics across the CEFTA Region. The main objectives of the Group are:

- Review the quality and coverage of available trade in services statistics in the region and propose appropriate solutions for improvements;
- Work on harmonising the principles of recording and measuring data related to trade in services according to the EU
- Identify priorities for further developing statistics for commonly agreed sectors;
- Identify needs of users of statistics for purposes of analysis and communicate it to the relevant compilers authorities;
- Set up a regular forum for exchange of experiences and needs between compilers of data and users of statistics;
- Identify needs in terms of further targeted technical assistance and undertake the regional trainings and exchange of best practices in order to improve the quality and uniformity of trade in statistics across the region;

2.3.2. Activities of the Working Group in 2015:

Taking into account the importance of good quality statistics for the policy and decision makers by providing them with a good analytical basis for trade in services negotiations as well as for a conduct of the impact analysis of achieved liberalisation, Moldova in its capacity as a Chair focuses on following priorities in the course of 2015:

- Review the quality and coverage of available trade in services statistics in the region and propose appropriate solutions for improvements
- Identify priorities for further developing statistics for commonly agreed sectors
- Set up the system for reporting on trade in services data on annual basis

It is expected that the Parties by the end of 2015 set up a sustainable system on reporting on trade in services data on annual basis. The work will be focused on finding the means how to achieve the comparability of data in services sectors of specific interest in a way that they can be more effectively used in the process of negotiations.

The Chair will proactively work on addressing the most pronounced challenges in this context:

- (i) overcome gaps in existing data by setting up minimum requirement of data and using appropriate estimation techniques
- (ii) deal with confidentiality of data, trust and sharing of information amongst stakeholder institutions
- (iii) ensure effective tripartite collaboration amongst users (ministries of trade/economy, statistical offices and central banks)
- (iv) identify capacity building needs in the context of research and analysis for the purposes of trade and investment negotiations

The assistance will be provided through the CEFTA Secretariat, outsourced experts and training such as seminars and workshops organized in collaboration with the WTO, EUROSTAT, UNCTAD, OECD, etc.

2.3.3. Meetings scheduled in 2015

It is envisaged that the Working Group on Trade in Services Statistics holds one meeting tentatively scheduled for September 2015.

A number of workshops and trainings will be organized in collaboration with international and regional partners to address the challenges faced by the Parties.

2.4. Ensuring free movement of skilled labour and professionals

In accordance with the priorities stipulated by the SEE 2020 Strategy and commitments embedded in Articles 26-29 of the CEFTA Agreement, Moldova in its capacity of the Chair will work towards achieving a goal of reducing the restrictiveness of free trade in services and facilitating the free movement of experts, professionals and skilled labour. The non-recognized qualifications in a number of professions are seen as impediments to the free temporary movement of natural persons within the context of GATS on which rules CEFTA relies, thus having negative impact on boosting the trade amongst CEFTA Parties.

With the aim of proactively addressing this challenge, the Chair will employ efforts together with the RCC on establishing the Working Group on Recognition of Professional Qualifications.

It is envisaged that this joint body will be reporting to the RCC Structures and to the CEFTA Subcommittee on Trade in Services. Apart from responsible persons in ministries of labour and education, it will also include the representatives from ministries of trade/economy in charge of trade in services. The Chair and the CEFTA Secretariat will maintain close contacts with the RCC and inform Parties regularly on developments.

2.5. Experience Sharing and Transparency

Transparency is identified as one of important premises for functioning the global trading system. In the region, transparency of key legislation in trade in services is considered a valuable contributor to the elimination of barriers in common trade.

The establishment of the transparency mechanisms for trade in services is seen as an important action towards the better information visibility in this area, and the Chair will take further steps in its launching. The easily accessible information will significantly contribute to the reduction of trade in services related barriers to regional trade.

A set of activities with a number of necessary steps are developed in order to achieve the mentioned goals in the course of 2015:

- Launching of the transparency mechanism on services information
- Promotion of achievements in trade in services (agencies cooperation, removal of barriers, etc) in the CEFTA Week, international conferences, forums, etc.

3. TECHNICAL ASSISTANCE AND RELATED REGIONAL PROJECTS

The implementation of the Work Programme for 2015 will require active participation of all CEFTA Parties, and will be supported adequately by the technical tailor-made assistance.

3.1. Coordination with other CEFTA Structures

3.1.1. Coordination with other CEFTA Structures

- These activities do not require outsourced technical assistance.

3.1.2. Reporting to the CEFTA Structures

- These activities do not require outsourced technical assistance.

3.1.3. Promotional activities

- These activities do not require outsourced technical assistance but would comprise a support from different stakeholders such as international and regional partners.

3.2. Liberalisation of trade in services by reducing restrictive policies and measures

3.2.1. Identifying and removing restrictive measures and policies to intraregional trade in services

- Technical expertise will be required in organization of regional trainings. The partners would include the OECD and other international and regional partners.

3.2.2. Negotiate the Schedule of Commitments on Trade in Services

- Technical expertise is needed and is secured through the CEFTA Secretariat.

3.2.3. Finalise text of the Additional Protocol on Trade in Services

- Technical expertise is needed and is secured through the CEFTA Secretariat.

3.2.4. Meetings scheduled in 2015

- Technical assistance not required.

3.3. Improving quality and uniformity of trade in services statistics

3.3.1. Review the quality and coverage of available trade in services statistics in the region and propose appropriate solutions for improvements

3.3.2. Identify priorities for further developing statistics for commonly agreed sectors

3.3.3. Set up the system for reporting on trade in services on annual basis

- For all three activities, technical expertise will be required in organization of regional trainings. The partners include the WTO, EUROSTAT, OECD, UNCTAD, etc. The assistance will be channelled through the CEFTA Secretariat

3.3.4. Meetings scheduled in 2015

- Technical assistance not required.

3.4. Ensuring free movement of skilled labour and professionals

- Technical assistance is required. The partners include international and regional organisations.

3.5. Experience Sharing and Transparency

3.5.1. Launching of the transparency mechanism on services

- Technical assistance required. It will be secured through the CEFTA Secretariat.

3.5.2. Presentation of achievements in trade in services

- No additional technical assistance is envisaged but the engagement of international partners is planned.

4. EXPECTED RESULTS

4.1. Coordination with other CEFTA Structures

4.1.1. Coordination with other CEFTA Structures

- The regular coordination is achieved through consultation process at the meetings and coordination of the work programmes

4.1.2. Reporting to the CEFTA Structures

- Report to the Deputy Ministers and the Joint Committee

4.1.3. Promotional activities

- The transparency mechanism on services is promoted to the wider audience

4.2. Liberalisation of trade in services by reducing restrictive policies and measures

4.2.1. Activities of the Negotiating Group in 2015

- Commitments on Trade in Services in the Schedule are negotiated in at least five sectors
- The text of the Additional Protocol on Trade in Services is finalised
- The identified restrictive measures and policies to intraregional trade in services are properly addressed

4.2.2. Meetings scheduled in 2015

- Four negotiating sessions of the Negotiating Group are successfully held.

4.3. Improving quality and uniformity of trade in services statistics

4.3.1. Activities of the Working Group in 2015

- Review of quality and availability of trade in services statistics is conducted
- Priorities for further development of statistics in sectors of common interest are identified
- System for reporting on trade in services is established

4.3.2. Meetings scheduled in 2015

- At least one meeting of the Working Group is held.

4.4. Ensuring free movement of skilled labor and professionals

- The RCC-CEFTA Working Group on Recognition of Professional Qualifications is established and operational
- At least one meeting of the Joint WG is held in the course of 2015

4.5. Experience Sharing and Transparency

- Transparency mechanism on services information is launched.
- The achievements in trade in services are widely promoted at the conferences, forums, workshops.

5. CALENDAR OF EVENTS

The tentative calendar for the year 2015 is as follows:

MEETING/EVENT	DATE and PLACE
Third session of the Negotiating Group on Trade in Services	February Brussels
Fourth session of the Negotiating Group on Trade in Services	June Chisinau
CEFTA-TAIEX Workshop on Recognition of Professional Qualifications	June Chisinau
First meeting of the Subcommittee on Trade in Services	June Chisinau
Fifth session of the Negotiating Group on Trade in Services	September Chisinau
First meeting of the Working Group on Trade in Services Statistics	September Chisinau
CEFTA-UNCTAD Workshop on FDI Statistics	September Chisinau/Sarajevo
Sixth session of the Negotiating Group on Trade in Services	November Chisinau

ANNEX 1: Logical Framework Matrix

LOG FRAME PLANNING MATRIX FOR PRIORITIES OF THE SUBCOMMITTEE ON Agriculture and SPS		Period: 2012 -2014	
Overall objective	Indicators of Achievement	Sources of verification	
To develop further actions, particularly in the following priority areas, with the objective to fully implement the Chapter A Articles 26-29 on Services and with the goal of enhancing the intraregional trade in services	All meetings of the Subcommittee and its subordinate bodies are held with the active participation of CEFTA Parties	Report of the Subcommittee	
Priorities	Indicators of Achievement	Sources of Verification	Assumptions
1) Coordination with other CEFTA Structures 2) Liberalisation of trade in services by reducing restrictive policies and measures 3) Improving quality and uniformity of trade in services statistics 4) Ensuring free movement of skilled labour and professionals 5) Experience sharing and transparency	1) Full synergies among the CEFTA Structures achieved with no overlapping of activities and efforts 2) Same level of openness of the services markets across the region 3) Comparability of data achieved and efficient use of data for the services negotiations 4) Number of barriers on free movement of skilled labour and professionals in the region have decreasing tendency 5) The CEFTA Parties are timely informed about the new regulations with a potential hindering impact on trade	Report of the Subcommittee Report of the Negotiating Group Report of the Working Group on Trade in Services Statistics	1) Each CEFTA Party remains committed to the CEFTA process and its provisions. 2) Bilateral problems between the CEFTA Parties, which do not have any direct relevance to the implementation of the Agreement do not affect the smooth functioning of the Agreement. 3) International donors keep committed to support financially the CEFTA.

Activities	Results	Means	Assumptions
<p><u>Priority 1 :</u></p> <ol style="list-style-type: none"> 1) Coordination of activities in implementation of the recommendations in the area of trade facilitation 2) Coordination of activities in implementation of the recommendations of the Working Group on Investment Policy and Promotion <p><u>Priority 2:</u></p> <ol style="list-style-type: none"> 1) Negotiate the Schedule of Commitments on Trade in Services 2) Finalise text of the Additional Protocol on Trade in Services 3) Identify and work on removing restrictive measures and policies to intraregional trade in services <p><u>Priority 3 :</u></p> <ol style="list-style-type: none"> 1) Review the quality and coverage of available trade in services statistics in the region and propose appropriate solutions for improvements 2) Identify priorities for further developing statistics for commonly agreed sectors 3) Set up the system for reporting on trade in services data on annual basis 	<p><u>Priority 1 :</u></p> <ol style="list-style-type: none"> 1) Annual and semi-annual reports of the SC on Trade in Services, Negotiating Group and Working Group on Trade in Services Statistics submitted to the Joint Committee 2) Parties are regularly participating at the official CEFTA meetings <p><u>Priority 2:</u></p> <ol style="list-style-type: none"> 1) Commitments on Trade in Services in the Schedule are negotiated in at least five sectors 2) The text of the Additional Protocol on Trade in Services is finalised 3) The identified restrictive measures and policies to intraregional trade in services are removed <p><u>Priority 3 :</u></p> <ol style="list-style-type: none"> 1) Review of quality and availability of trade in services statistics is conducted 2) Priorities for further development of statistics in sectors of common interest are identified 3) System for reporting on trade in services is established 	<p>Annual and bi-annual Report of the SC on Trade in Services</p> <p>Annual and quarterly report of the Negotiating Group on Trade in Services</p> <p>Additional Protocol on Trade in Services</p> <p>OECD STRI index</p> <p>Annual report of the WG on Trade in Services Statistics</p> <p>Trainings and workshops</p>	<p>1)Each CEFTA Party remains committed to the CEFTA process and its provisions.</p> <p>1) Bilateral problems between the CEFTA Parties, which do not have any direct relevance to the implementation of the Agreement do not affect the smooth functioning of the Agreement.</p> <p>2) International donors keep committed to support financially the CEFTA.</p>

<p><u>Priority 4:</u></p> <p>1) Ensuring free movement of skilled labour and professionals</p> <p><u>Priority 5:</u></p> <p>1) Launching of the transparency mechanism on services information</p> <p>2) Promotion of achievements in trade in services</p>	<p><u>Priority 4:</u></p> <p>1) The RCC-CEFTA Working Group on Recognition of Professional Qualifications is established and operational</p> <p><u>Priority 5:</u></p> <p>1) Transparency mechanism on services is launched</p> <p>2) Achievements in trade in services widely promoted</p>	<p>Report of the Joint RCC-CEFTA WG on Recognition of Professional Qualifications</p> <p>CEFTA Website, Trade Portal, CEFTA Week</p>	
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