



CEFTA SECRETARIAT

WORK PROGRAMME 2015

January 2015

Table of Contents

1. PURPOSE AND CONTENTS OF REPORT.....	3
2. BACKGROUND	3
3. OBJECTIVES OF THE WORK PROGRAMME	4
3.1. <i>Overall Objective</i>	4
3.2. <i>Specific Objectives</i>	4
3.2.1. Technical Advice and Guidance	4
3.2.2. Management and Administration	4
3.2.3. Promotional Activities.....	5
4. ACTIVITIES	5
4.1. <i>Technical Advice and Guidance</i>	5
4.1.1. Support to the Chair-in-Office.....	5
4.1.2. Support to the Subcommittees and the Working Groups.....	6
4.1.3. Identification of Technical Assistance Needs.....	8
4.2. <i>Management and Administration</i>	12
4.2.1. Staffing.....	12
4.2.2. Meeting Logistics.....	12
4.2.3. Progress and Financial Reports.....	13
4.3. <i>Promotional Activities</i>	13
4.3.1. Relations with Key Interlocutors.....	13
4.3.2. CEFTA Secretariat Website and Newsletter.....	14
4.3.3. Other Promotional Activities.....	14
4.4. <i>Calendar of Events.....</i>	15
5. KEY ISSUES ARISING	16
6. SUMMARY BUDGET INFORMATION	16

1. PURPOSE OF REPORT

This report is done in compliance with the Outline Work Programme adopted at the Joint Committee meeting in Chisinau on 8 October 2008. It sets out the detailed work programme of the Secretariat for 2015. It has been prepared on the basis of the CEFTA Secretariat's mandate (Decision No.7/2007 supplemented by the Decision No 1/2013), work carried out to date and the work programme of the Chair in Office for 2015.

The report provides a brief background on the status of the CEFTA Secretariat before outlining the objectives of the work programme. It then sets out a description of the various activities to be undertaken and the timelines envisaged for key activities/events. Finally, it highlights some of the key issues arising that may influence the work of the Secretariat.

2. BACKGROUND

The CEFTA Secretariat is in its seventh year of operation. The activities performed by the Secretariat in 2014 have been introduced in an annual report submitted to the Joint Committee members in November 2014. The Joint Committee expressed their full satisfaction with the support of the Secretariat.

The Secretariat was established following the finalisation of the Headquarters Agreement between the Kingdom of Belgium and the CEFTA Parties. All CEFTA Parties ratified the Agreement while the ratification procedure has been completed by Belgium on 25th July 2014.

The budget and the number of staff of the Secretariat remain unchanged since the establishment of the Secretariat. In the seventh year of the Secretariat's operation, the biggest share in the financing comes from the contributions of the Parties.

In September 2011 the Secretariat has concluded a Contribution Agreement for three years of operation with the European Commission (EC), covering the period from September 2011 to September 2014. In an addendum to this Contribution Agreement signed with the European Commission the implementation period of the agreement has been extended until 30 November 2014. In November 2014 a Contribution Agreement has been signed with the European Commission in order to bridge the period from 1 December 2014 until 31 March 2015 (implementation period of 4 months).

In April 2012 a contribution agreement has been signed between the European Commission and the CEFTA Secretariat for the implementation of the CEFTA Project Facility (CPF I) during a period of 30 months. In December 2013 a second contribution agreement has been signed with the European Commission for the implementation of CEFTA Project Facility II (CPF II) for a period of 24 months. Like CPF I, CPF II provides CEFTA Secretariat with a financial opportunity to arrange short term technical assistance contracts according to the priorities set by CEFTA Parties. The overall budget of the CPF II is 440,000 EUR.

3. OBJECTIVES OF THE WORK PROGRAMME

3.1. Overall Objective

The overall objective of the Secretariat's work programme is to support the Chair in Office (CiO) and the CEFTA Parties in the implementation of the CEFTA Agreement and those activities highlighted in the CiO Work Programme for 2015.

According to its mandate the Secretariat's activities can be divided into three main areas; technical advice and guidance, management and administration and promotional activities. Specific objectives in each of these areas are set out below:

3.2. Specific Objective

3.2.1 Technical Advice and Guidance

- Provide the necessary day-to-day support to the Chair in Office, the three subcommittees and three working groups.
- Provide ad-hoc support on issues that may arise including, if necessary, issues surrounding dispute settlement.
- Prepare an annual report for the Joint Committee assessing the implementation of CEFTA to date and outlining key issues arising.
- Prepare and follow-up all meetings of the Joint Committee, subcommittees and working groups.
- Identify requirements for technical assistance and determine the availability of such assistance, including the elaboration, where necessary, of formal requests for financing and monitoring of any subsequent projects.

- Support the CEFTA Parties in implementation of trade related components of the SEE 2020 Strategy
- Liaise with the European Commission and other relevant partners to secure and manage technical and financial assistance on behalf of the CEFTA Parties

3.2.2 Management and Administration

- Ensure that the Secretariat is fully staffed and has sufficient human and financial resources available to it to carry out its role.
- Prepare all necessary progress reports in line with financing agreements.
- Facilitate the annual independent audit and submit the relevant financial reports to all Parties and donors.
- Provide the necessary support to the Steering Committee of the CEFTA Secretariat.

3.2.3 Promotional Activities

- Identify key interlocutors in the public and private sector of the CEFTA Parties and the main international markets and ensure that CEFTA is widely promoted and understood.
- Maintain and regularly up-date the CEFTA Secretariat website.
- Liaise with other international and regional actors to ensure that trade related activities are coordinated and in line with CEFTA's requirements.
- Organise and/or participate in several workshops/seminars on topics relevant to CEFTA implementation.
- Produce a CEFTA Secretariat biannual newsletter.

4. ACTIVITIES

In the year 2015, the Secretariat commits to undertake a range of technical, management, administrative and promotional activities in order to fulfil the above objectives.

4.1. Technical Advice and Guidance

4.1.1. Support to the Chair-in-Office

In line with its mandate, the Secretariat continues with providing the necessary technical and administrative support to the Chair-in-Office for 2015. This includes permanent support and

guidance in implementing **the Chairmanship Programme** presented by the CIO (the Republic of Moldova) in the beginning of 2015.

The Secretariat supports the Chair in Office in chairing **the seventh CEFTA Secretariat Steering Committee meeting** held in Brussels on 25 February 2015. The meeting gathers representatives of the CEFTA Parties, EC and current and potential bilateral donors to discuss relevant topics related to the functioning of the CEFTA Secretariat. If required by the Chair, Strategic Meetings at the level of Deputy Ministers will be organised in the course of 2015 to discuss the main strategic issues to be addressed during the Moldovan Chairmanship.

The annual **Deputy Ministers meeting** is expected to be organised in June 2015 in Chisinau (Moldova). This meeting has a main objective of taking stock of the six-month period of implementation of the Chairmanship priorities and preparing for the Joint Committee meeting.

The ninth Joint Committee Meeting will gather the CEFTA ministers responsible for external trade and their authorised representatives to discuss the current economic trends in the region address open issues and adopt necessary decisions on CEFTA related topics. The Meeting is expected to be held in October/November 2015.

4.1.2. Support to the Subcommittees and the Working Groups

In accordance with the dynamics of the previous years, the first sessions of the Subcommittees are expected to take place in the first half of 2015. Some of the Subcommittees will hold additional sessions in the second half of the year in order to keep up with the commitments undertaken. **The Subcommittee on Agriculture Including Sanitary and Phytosanitary Issues (SPS)** and **the Subcommittee on Trade in Services** are chaired by the Republic of Moldova, **the Subcommittee on Customs and Rules of Origin** by the Montenegro, and **the Subcommittee on Technical Barriers to Trade (TBT) and Non-Tariff Barriers to Trade (NTBs)** by the Republic of Serbia. Besides organisational and logistical support, the assistance of the Secretariat includes the preparation of necessary background notes, non-papers and relevant analytical work related to the topics of each of the Subcommittees. In addition, the Secretariat will keep the Transparency Pack comprising the CEFTA Market Access Barriers Database, CEFTA SPS Database, CEFTA TBT Platform and the CEFTA Trade Portal fully operational and updated.

In line with its mandate, the Secretariat assists the working groups established to support the implementation of the Agreement: **the Working Group on TBT, the Working Group on Trade in Services Statistics, the Working Group on Customs Risk Management, Working Group on Electronic Exchange of Information, the Negotiating Group on Trade in Services and CEFTA-RCC Joint Working Group on Investment Policy and Promotion.**

CEFTA Structures have identified trade facilitation and liberalisation of trade in services as two main priorities for the period of 2014-2020. Such bi-prioritisation of the upcoming period in the implementation of CEFTA has also been reflected in the actions underlined by the South East Europe 2020 Strategy (SEE 2020).

In this framework, the CEFTA Parties have also agreed that CEFTA Subcommittees on Customs and Rules of Origin, Agriculture and SPS, and Technical Barriers to Trade and NTBs are to work under the objective of trade facilitation, and extend the scope of cooperation with each other while dealing with the different aspects of trade facilitation in relation to the areas under their mandates.

Furthermore, CEFTA Parties have agreed to establish a **Committee of Trade Facilitation** which the three Subcommittees are to inform about their trade facilitation related activities to. Creating the reporting procedures between Subcommittees and Committee of Trade Facilitation is one of the Chairmanship priorities of Moldova.

In **customs**, the Subcommittee on Customs and Rules of Origin will focus on the objectives to i) conclude negotiations of the framework agreement with full participation of customs authorities of all CEFTA Parties but also of all the relevant technical agencies involved in clearance at the border, and ii) to have the text of Framework Agreement ready for signing by the CEFTA Parties by the end of 2015.

In the area of **elimination of NTBs and TBT** the responsible Subcommittee will focus on the objectives to i) participate in the negotiations of Framework Agreement on simplifications of clearance procedures and electronic exchange of data, and to steer all the actions for enhancing transparency in CEFTA under the objective of trade facilitation and ii) to promote trade through identifying the regional instruments for better preferential access of products originated from CEFTA.

In the area of **agriculture and SPS**, the responsible Subcommittee will focus on objectives: (i) to participate in the negotiations of Framework Agreement on simplifications of clearance procedures and electronic exchange of data, and to contribute to elaborating methodologies of developing business process mappings of documentary requirements in agricultural trade under trade facilitation objective and (ii) to promote trade in processed agricultural products through identifying the regional instruments for better preferential access of products originated from CEFTA.

In the **area of services**, the Secretariat will support the functioning of the Subcommittee on

Trade in Services and its subordinate bodies i.e. Negotiating Group on Trade in Services and Working Group on Trade in Services Statistics. The focus in 2015 will work on the activities started in previous years and will introduce new ones in order to secure the fulfilment of a set of objectives. With regards to the further liberalisation of trade in services, the Secretariat will facilitate the organisation of four negotiating sessions of the Negotiating Group (envisaged for February, June, September, November), as well as the work on completion of the text of the Additional Protocol on Trade in Services. In cooperation with the international partners, the Secretariat will work on identifying the most frequent barriers that hamper the increase of intraregional trade in services. A detailed assessment of existing de facto restrictions in place at the level of professional organisations is to be conducted while the level of restrictiveness for transport and distribution sectors is to be calculated based on the Services Trade Restrictiveness Index methodology. Moreover, the Secretariat will assist the member of the Working Group on Trade in Services Statistics on identifying the major challenges in improving the uniformity and comparability of data of importance for the analytical needs of trade in services negotiators. A special attention will be given to finding ways to: (i) overcome gaps in existing data and ensuring effective collaboration amongst users and compilers: (ii) achieve the comparability of data in services sectors of specific interest in a way that they can be more effectively used by policy and decision makers and (iii) will work on setting up the sustainable system for regular reporting on trade in services. In the course of 2015, the focus will be placed on the improvement of transparency in the services area.

In the **area of investment**, together with the main regional partner RCC and international partners UNCTAD AND IFC/WB, the Secretariat will work on removing the identified investment barriers, encourage the policies and actions that lead towards increase of FDIs as well as promote intra-regional investment. The major focus will be given to the better coordination of investment policies across the region in order to ensure the higher protection of investments. This would include specific actions such as comparative analysis of investment policies and regulatory issues in order to identify regional standards for specific policies, agreed procedures to achieve the same level of investment protection and improvement of transparency to avoid a 'race to the bottom' approach.

In the **area of free movement of experts, professionals and skilled labour** the Secretariat will work together with the RCC on establishing the Joint CEFTA- RCC Working Group on Recognition of Professional Qualifications. 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. Other areas of interventions would be adoption of more transparent certification procedures, facilitating the entry of high skilled labour by

streamlining the work permit processes and convergence on EU legal measures and standards in this field.

An important part of the Secretariat's efforts is dedicated to the preparation of project proposals for identified technical assistance and the organisation of workshops and roundtables that would adequately address the issues highlighted on the agendas of the subcommittees and the working groups. As the discussions within the CEFTA bodies are becoming increasingly technical and complex, this component of the Secretariat's work is expected to further gain in importance.

4.1.3. Identification of Technical Assistance Needs

In the area of Technical Assistance (TA), the needs have been identified as early as mid 2014 following the presentation of the **Priorities of the Republic of Moldova Chairmanship of CEFTA in 2015** at the Deputy Ministers meeting held in Skopje on 9 July 2014. Together with the Chair, the Secretariat prepared a number of project proposals and contacted donors and international partners with the main aim to have technical assistance delivered successfully in the year 2015 and beyond.

Once a project starts, the Secretariat actively follows the progress of the project and coordinates the communication between the project and the relevant CEFTA bodies. As a rule, the results are presented to the CEFTA structures at all important milestones of the projects.

To date TA needs have been identified in the areas of liberalisation of trade in services, sanitary and phytosanitary measures, facilitation of trade logistics, elimination of non-tariff barriers, customs administration cooperation and rules of origin, etc.

In the area of **non-tariff barriers to trade, (SPS) sanitary and phytosanitary issues and customs and rules of origin** the Parties will benefit from two projects. **The first project** is to be financed by the GIZ, and will be about "Addressing Market Access Barriers in Selected Supply Chains in CEFTA". The project is to be implemented by UNCTAD and ITC. The main objectives of the project are to identify the main trade distorting market access barriers in all stages (i.e. before the border, at the border and behind the border measures) and to provide recommendations for their eventual elimination. In the implementation of the project, the participation of private sector representatives is to be strongly encouraged, particularly in the stage of identification of market access barriers. Implementation of the Project is expected to start early 2015 and to last until mid-2016. **The second project** is to be financed by the EU in the framework of IPA II Multi-beneficiary programmes. The EU-financed Trade Facilitation Project in CEFTA is to have three different components. The first component is to be about addressing and eliminating main trade distortive TBT and NTBs in CEFTA trade, with a particular

focus on the behind-the-border measures in the EU non-regulated areas (e.g. distribution, advertisement or labelling requirements, or the requirements of warranty period). The second component is to provide technical assistance to CEFTA Parties in the implementation of Framework Agreement, if it is signed with the scope written above. In this regard, it is expected that the EU TF Project will provide technical assistance for strengthening the implementation of AEO Programmes, risk management systems of border agencies, and electronic exchange of data. The last component is to be about preparing documentary requirements maps to identify redundant and overlapping data submission requirements in CEFTA Parties.

Technical assistance regarding IT specific issues on electronic exchange of data, and regional databases is to be provided to the CEFTA Parties Customs authorities and technical agencies including **SPS** and **TBT** in order to support their national preparations for the negotiations.

In the area of customs the CEFTA Secretariat will provide full support to the Chairmanship of Montenegro to the preparation of CEFTA Conferences on PEM Convention in PAPs and Textile and Clothing Sectors to advocate the Convention and diagonal cumulation for trade promotion purposes. As well the CEFTA Secretariat will provide full support in the organisation of two Regional Conferences to present the global conventions on simplified procedures, data exchange, and AEOs such as SAFE, and the revised Kyoto Protocol which the majority of CEFTA Parties are signatories. In the framework of negotiations, there will be a number of consultants to be contracted by the CEFTA Secretariat to provide technical assistance to CEFTA Parties during the negotiation process. In particular, the EU financed SEED Project Team is contracted to assist the CEFTA Parties in elaborating their positions on electronic exchange of data.

In the area of TBT, with regard to the previous activities undertaken on quality infrastructure, the Working Group on TBT will continue to be a platform for network between Technical Agencies. In this framework, the continuation of “Quality Infrastructure Project in Western Balkans and Turkey” is to be financed by SIDA.

In the **area of services**, technical assistance will be mobilised in order to support the implementation of the commitments undertaken by the Agreement. With regard to the negotiations on liberalisation, the Secretariat secured the support of the external facilitator to assist managing the process independently. In the field of identification of barriers to trade in services the key partner is the OECD. A detailed assessment of existing de facto restrictions in place at the level of professional organisations is to be conducted while the level of restrictiveness for transport and distribution sectors is to be calculated based on the Services Trade Restrictiveness Index methodology. This analysis 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. In the area of services statistics, the

Secretariat will continue a good collaboration with main partners such as WTO Secretariat, EUROSTAT, OECD, and UNCTAD. In addition, a number of workshops and seminars, dialogues and trainings will be conducted in cooperation with TAIEX, UNCTAD and WTO.

In the **area of investment**, the Secretariat together with the RCC secured a technical assistance through UNCTAD and IFC/World Bank. In the course of 2015, the UNCTAD will conduct a study dedicated to the benchmarking of national investment policies against a regional standard as envisioned in Pillar 1 of the SEE 2020 Strategy. The regional standard will be defined as an open investment policy that is: non-discriminatory, transparent, predictable and conducive to greater FDI flows. Harmonizing national investment policies to this regional standard should maximize the probability of achieving the target of increasing FDI flows into the region by 160 per cent by or in 2020. The expertise of UNCTAD and IFC as well managed coordination amongst regional IPAs and other SEE 2020 Dimension Coordinators will contribute substantially to the implementation of the priorities in 2015.

In the **area of free movement of experts, professionals and skilled labour** the Secretariat will work together with the RCC and ERI SEE Secretariats on identifying the adequate technical assistance with the purpose of setting the ground for establishment of joint working group and designing of its key objectives. The potential partners will include TAIEX and other international partners.

In the **area of capacity building** the ITC project on “Trade Policy Capacity Building in CEFTA” is to assist the CEFTA Parties in reviewing the current level of their administrative capacities and processes in trade policy formulation, coordination and implementation in responding to multilateral, regional and bilateral obligations stemming from the WTO, EU and CEFTA at present and in the future

The Secretariat will continue making the CEFTA Project Facility (CPF) functioning to support the realisation of priorities identified by the CEFTA Structures for successful implementation of the Agreement, for which specific technical knowledge and experience are considered critical. The CPF III is to be launched in 2015 to cover projects falling under SEE2020 areas like trade facilitation, market access, agriculture, non tariff barriers and free flow of skilled labour.

On 9 February 2015, the Secretariat organised a donor coordination meeting on Trade Facilitation. Tentatively, a similar meeting could be organised for services related technical assistance in September 2015. Pro-active donor coordination is to remain a permanent activity of the Secretariat.

4.2. Management and Administration

In 2013, the Joint Committee adopted the Decision No.1/2013 in adding to the original mandate of the CEFTA Secretariat the function to support the CEFTA Parties in implementation of trade related components of the SEE 2020 Strategy and to liaise with the European Commission and other relevant partners to secure and manage technical and financial assistance on behalf of the CEFTA Parties. The Secretariat has been nominated Dimension Coordinator for Pillar 1 Integrated Growth by the SEE 2020 Coordinator i.e. Regional Cooperation Council (RCC).

In 2014 with the Ministerial Decision No. 2/2014 the employment contracts of the existing staff expiring in September 2014 were extended to the end of 2017. The employment contract of Director was extended by the end of 2015. With the Decision No.1/2014 the Parties adopted the budget and agreed on their contributions for the period 2015 – 2017.

4.2.1. Staffing

The staffing of the Secretariat office consists of the Director, two technical experts, an executive assistant and a part-time financial administrator.

Similar to the mandate, the resources of the Secretariat will have to be adjusted to the needs of implementation of the 2020 Strategy in 2015. For this purpose the necessary ministerial decision was adopted on 28 January 2015, introducing the so called National Experts Programme Under this initiative four experts will be seconded from the Parties' administrations to the Secretariat every year. Selection of the secondees is linked to the respective chairmanships.

Taking into account both priorities of CEFTA in the period 2014 – 2020 and implementation of secondment, the Secretariat will have to reorganise in order to meet new requirements successfully. The CEFTA bodies discussed and agreed with the reorganisation proposed by the Director when adopting relevant decisions on modalities and financing of the secondment scheme.

4.2.2. Meeting Logistics

The Secretariat will work closely with the Chair in Office and the respective chairs of the Sub-Committees on the organisation and logistics of all meetings and will be responsible for ensuring the preparation and timely circulation of agendas and background papers.

The Secretariat will coordinate activities with the Regional Cooperation Council (RCC) for implementation of the Integrated Growth Pillar as well as of the overall SEE 2020 Strategy.

4.2.3. Progress and Financial Reports

In accordance with the financing agreements that have been concluded, the Secretariat will provide the necessary support for organising meetings of the Steering Committee.

It will produce biannual progress reports on its activities and an annual financial report to complement the independent audit that it is commissioning every year.

4.3. Promotional Activities

4.3.1. Relations with key interlocutors/international trade partners

CEFTA Parties

The Secretariat will continue with the practice of holding informal but very efficient and productive meetings with the Article 44 CEFTA Contact Points in the margins of the official CEFTA meetings and events. This way of communicating has proved so far to be very beneficial for all the Parties when questions of a technical or procedural nature have to be discussed and agreed.

During 2015 the CEFTA Secretariat envisage meetings and visits to the CEFTA Parties whenever there is a need for reviewing the goals achieved, highlighting any issues arising or developing further opportunities in specific fields of interest.

International Partners

The Secretariat will continue to maintain good relations with all the other identified international partners whose scope of activities is complementary to the CEFTA goals. Having in mind the Chairmanship Programme for 2015, this includes especially the EC, UNCTAD, ITC, OECD, GIZ, WTO etc.

Efforts will be dedicated to the facilitation of regular exchange of views and ideas with the private sector through the network of the CEFTA Forum of Chambers of Commerce in the region. The Secretariat will continue to actively participate in the Chambers' meetings and coordinate with the CEFTA structures. The CEFTA Secretariat developed working relations with the German Chamber of Commerce (DIHK), which is financing a CEFTA related project for the Chambers; the Secretariat plans to participate in those areas and activities, which are of relevance to the implementation of the CEFTA Agreement and the SEE 2020 in 2015. The

Secretariat will further maintain regular exchange of information with the Business Advisory Council (BAC).

As already mentioned the Secretariat will closely cooperate with the Regional Cooperation Council (RCC) and other regional initiatives (e.g. SEETO) in the implementation of the SEE 2020 Strategy.

4.3.2. CEFTA Secretariat Website and the Newsletter

The Secretariat is operating on the domain cefta.int - a non-commercial domain reserved for international organisations. The website was redesigned and taken over by a new IT provider from the region in 2013. During 2015 the web site will be continuously updated with relevant CEFTA information.

The Secretariat will continue to circulate a bi-annual newsletter. The main objective of the bi-annual newsletter is to brief interested parties on recent developments and highlights of CEFTA. The eighth and the ninth editions of the Newsletter are expected to be published respectively in March and October 2015.

4.3.3. Other Promotional Activities

Particular efforts will be made to develop links with various trade related organisations and projects in addition to those identified as directly relevant to CEFTA implementation.

Based on the good experience from the last five years, the Secretariat will provide all the necessary support to the Chair in preparing "CEFTA Week". The preliminary activities will start as early as mid-2015. This would include the identification of key topics, stakeholders, speakers and audience as well as facilitation of the organisational and logistical support to the Chair, who is the main organiser of the event. CEFTA Week is scheduled as a back-to-back event with the regular annual meeting of the Joint Committee to be held in October/November 2015. Its main objective is the promotion of CEFTA achievements and exploring the potential for further cooperation in the region.

In 2015, the Secretariat will put emphasis on increasing the visibility of CEFTA and of the Secretariat. The Secretariat will continue with issuing the CEFTA Trade Statistics Brochure in its new format that includes the SITC and SNA classifications following the agreement reached by the Parties. The brochure will be issued twice a year and becomes available during the Deputy Ministers meeting, and its update in the Joint Committee meeting.

4.4. Calendar of Events

EVENT/ACTIVITY	INDICATIVE TIMING
TECHNICAL ADVICE AND GUIDANCE	
Preparation & finalisation of the Chairmanship Programme	Dec 2014- Jan 2015
Identification of Technical Assistance needs	Mid 2014– Jan 2015
Preparation of the Subcommittees Work Programmes	June 2014 - Jan 2015
Technical preparation of the Secretariat Steering Committee	Jan/Feb 2015
Submission and Facilitation of Technical Assistance Projects	Nov 2014 – March 2015
Technical preparation of the Negotiating Group on Trade in Services	January 2015
Technical preparation for the SC on Customs and ROO, SC on Agriculture and SPS; SC on NTBs and TBT	January 2015
Technical Support to the Negotiating Group on Trade in Services	February 2015
Technical preparation for the Joint Working Group on Investment Policy and Promotion	April 2015
Technical Support to the SC on Customs and ROO, SC on Agriculture and SPS; SC on NTBs and TBT	May 2015
Technical Support to the Negotiating Group on Trade in Services	June 2015
Technical Support to the SC on Trade in Services	June 2015
Technical Support to to the Committee of Trade Facilitation	June 2015
Technical support of the Deputy Ministers meeting	June 2015
Technical support for the WG on Trade in Services Statistics	Sept 2015
Technical Support to the Negotiating Group on Trade in Services	Sept 2015
Technical preparation for the Joint Working Group on Investment Policy and Promotion	September 2015
Technical Support to the SC on Customs and ROO, SC on Agriculture and SPS; SC on NTBs and TBT	Oct 2015
Technical Support to the Negotiating Group on Trade in Services	Nov 2015
Support and preparation of CEFTA Week 2015	Sept-Nov 2015
Technical Support to to the Committee of Trade Facilitation	Nov 2015
Technical support of the Joint Committee meeting	Nov 2015
MANAGEMENT AND ADMINISTRATION	
Annual Audit for year 5	February 2015
Finalisation of the Secretariat Work Programme	January 2015
Progress Reports	February 2015
Steering Committee	25 February 2015
Donor relations	On going
Organisational preparation for all CEFTA meetings	Feb-Nov 2015
PROMOTIONAL ACTIVITIES	
Relations with the key interlocutors	On going
Website Update	Ongoing
Preparation of CEFTA Week 2015	June-November 2015
Preparation of bi-annual newsletters	March/October 2015
Other promotional events	Ongoing

5. KEY ISSUES ARISING

First short term challenge for the Secretariat is to ensure smooth functioning of an increased number of the CEFTA bodies with existing limited human resources before the staff could enjoy some assistance provided through secondment. Moreover, the Secretariat will have to cope with additional workload related to the implementation of secondment (relevant agreements with the Parties, necessary procedures in Belgium, moving to new premises etc.) and on the other hand with completing selection of the Director.

A precondition for the above to be overcome successfully is a timely signing of a financing agreement with the EU i.e. in March 2015.

6. SUMMARY BUDGETARY INFORMATION

The annual operating budget of the CEFTA Secretariat is 650.000,00 EUR and remained unchanged for six years in a row. If only the officially recognised inflation in Belgium is taken into consideration, this actually means that the annual overall budget of the Secretariat has been constantly reduced in real terms over the past years of operation. With efficiency and careful financial management the Secretariat has been able to compensate the loss of the budget so far. In an addendum to the Contribution Agreement signed with the European Commission the implementation period of year six has been extended until 30 November 2014, without having an impact on the initial budget. In November 2014 a Contribution Agreement has been signed with the European Commission in order to bridge the period from 1 December 2014 until 31 March 2015 (implementation period of 4 months). The total budget for this bridging period of 4 months is 216.227,00 EUR. The contribution of the European Commission represents around 28% of the expenditure, whereas the contributions of the CEFTA Parties represent around 72%.

Following this exceptional bridging period of 4 months, year seven starts on 1 April 2015 with a budget for the functioning of the CEFTA Secretariat in the amount of 636.300,00 EUR, less than in the previous six years. In budget year seven the support of the European Union represents roughly 45% of the eligible expenditure, whereas the contributions to be paid by the CEFTA Parties represent 55%. No major problems are expected in financing the Secretariat in year seven of its operation, provided that the Parties pay their contribution on time. As at the date of 30 January 2015 five out of seven CEFTA Parties have paid their contributions for year seven. Furthermore, one of the two Parties in question still needs to pay also the contribution for the past year six, due for 31 October 2013.

Apart from the functioning of the CEFTA Secretariat, three other blocks of activities are foreseen in a tentative budget for year seven, namely the National Experts Programme (secondment), Building MIS Capacity and CEFTA Project Facility III. The budget comprising the four activities would amount to 1.376.500, 00 EUR.

While the 45% participation of the Parties' to the functioning of the Secretariat has been secured by the Ministerial Decision No.1/2014, the budget of the other three activities is subject to the up-coming financing agreement with the EU.