

PROPOSAL FOR PROJECT TO STRENGTHEN SEED - SEED +

BACKGROUND

The CEFTA Parties are currently negotiating an agreement on trade facilitation in the form of an additional protocol to the CEFTA Agreement. The protocol should provide for:

- Simplification of inspections related to all clearance procedures, and reducing formalities to the possible maximum extent
- Identification of the means and obligations relating to the exchange of data between customs authorities to the extent that each national legislation allows
- Recognition of mutually national Authorised Economic Operators Programmes in each CEFTA Party provided that both legislation and implementation of each national programme is fully in line with the relevant EU *acquis*

It is expected that the CEFTA Parties will sign this Protocol in 2016 and its implementation will make a substantial contribution to trade facilitation both among the CEFTA Parties themselves and with other trading partners, particularly the EU.

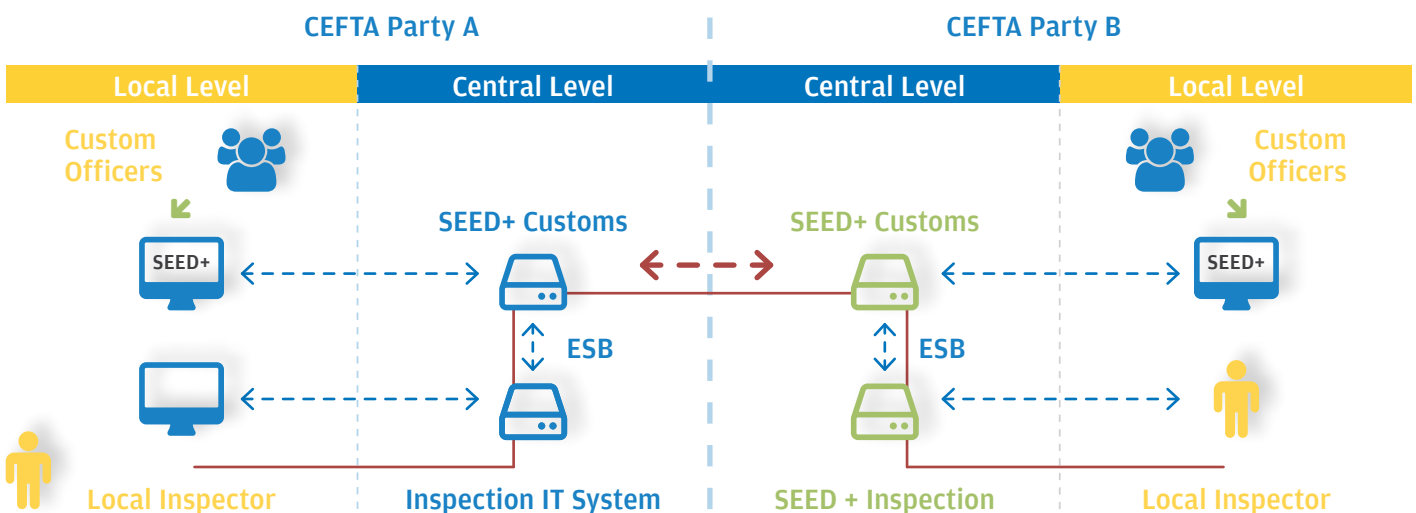
A Systematic Electronic Exchange of Data (SEED) system has been put in place in the Western Balkans with technical and financial assistance from the EC's IPA. Further development and expansion of SEED will provide critical

support to the CEFTA Parties as they implement the Protocol. Thus, CEFTA wishes to propose a project to extend the current SEED in terms of both content and geographic scope. Negotiations with the EU are underway regarding their interest and capacity to finance this important project.

OVERALL OBJECTIVE

The overall objective of the project, as envisaged at this stage, is to support the implementation of the Protocol on Trade Facilitation. Specifically the project would provide for:

- Enhancement of the current cross-border data exchange between the Customs Administrations, by improvement of the existing SEED platform in areas defined by the Parties
- Geographical enlargement of SEED to include Moldova
- Improvement (or, in some cases establishment) of electronic data exchange between the Customs Administration and other governmental authorities involved in the clearance of goods at the national level subject to the fulfilment of several pre-conditions
- Establishment of common regional databases and central services for the whole CEFTA Region



ACTIONS AND ACTIVITIES

Customised IT tools and interfaces

SEED software shall be improved to enable data exchange between the Customs Administration and other relevant authorities (primarily technical agencies involved in the goods clearance process).

The project will differentiate between those cases where the technical authorities (e.g. inspectorates) have their own IT systems and where they do not have access to centralised databases.

A unique IT tool will be developed for the entire CEFTA region but this will be tailored /customised for the specific circumstances in each Party. Thus investments made to date in IT systems for the customs and technical inspection will be built upon rather than made redundant.

Extension of data exchange

SEED+ will extend the scale and scope of data exchanged between the CEFTA customs authorities particularly in respect of:

- Results of risk analysis and controls of the consignment (reasons for execution of the control, risk indicator, result of the control)
- VAT refunds at the borders
- Scanner (x-ray) images of the controlled trucks/containers

Development and Commissioning of Regional Databases and Centralised Services

It is envisaged that a number of common regional databases and centralised services will be delivered to the individual CEFTA Parties. Databases could include (i) a database of mutually recognised CEFTA AEOs and (ii) a database of unsafe/non compliant products detected on the CEFTA market. Centralised services could include a regional database of issued licenses.

IMPACT ON CEFTA

If realised, this project is expected to make a substantial contribution to trade facilitation in the CEFTA region and to improving transparency.

SUMMARY PROJECT INFORMATION

Dates:	2016 - 2019
Budget:	€ 5,000,000
Partners:	EU Member States and CEFTA
Financiers:	EU (IPA) and other possible donors
Beneficiaries:	Ministries responsible for trade, customs administrations and technical agencies, private sector

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