

PRIORITIES FOR THE CEFTA CHAIRMANSHIP 2015

November 2014

I INTRODUCTION

As set out in the CEFTA 2006 Decision No.1/2007 Rules of Procedure (Article 3), Moldova will take over the Chairmanship of the CEFTA 2006 from Macedonia in January 2015. The Chairmanship is taken on rotational basis with the tenure of office of one calendar year.

The implementation of the South East Europe 2020 Strategy (SEE 2020) will be in the second year of its implementation,

As done earlier Chairmanship Work Programmes, the Moldovan Chairmanship will devote utmost attention that the implementation of the CEFTA Agreement and its chairmanship priorities will be coherent and complementary with the objectives set by the Integrated Growth pillar.

Therefore, the Moldovan Chairmanship will continue during its Chairmanship focusing on promoting the regional trade and investment linkages and policies that are non-discriminatory, transparent, predictable and that enhance flow of goods, investment, services and people within the CEFTA Region. The Chairmanship of Moldova will make its best efforts to contribute to further integration of the Region into the European and global economy through participation in the international supply chains, grounded on improved international competitiveness of national economies and backed by deepened regional trade and new investment. These objectives will be the follow-up of the actions taken by the previous CEFTA Chairmanships and be fully in consistent with the EU Enlargement process of which the majority of CEFTA Parties undergo.

II PRIORITIES OF THE CHAIRMANSHIP FOR 2015

Having regard to the above mentioned overall objective, Moldova has determined the following as the priorities of its Chairmanship in 2015 in the corresponding dimensions of the Integrated Growth Pillar.

Free Trade Area:

- i) Further liberalisation of trade in agricultural goods and particularly trade in services,
- ii) Addressing the main trade distortive non-tariff measures
- iii) Facilitation of trade through employing transparency tools,
- iv) Simplification of trade related procedures by creating mutually recognised CEFTA AEO Programme
- v) Facilitation of free flow of investment through coordination of investment policies and better protection of investment and investors

Competitive Economic Environment:

vi) Promoting the regional cooperation in competition policy, IPR and Public Procurement,

Integration into Global Economy

vii) Improve market access through completing a single diagonal cumulation zone under the Pan-European Mediterranean Convention (PEM) which is to include all CEFTA Parties

viii) Initiate establishing an investment concept to enhance participation in regional supply chains and global supply networks

As a horizontal priority,

ix) Sustaining synergy between implementation of CEFTA and the SEE 2020

Free Trade Area:

l) Further liberalisation of trade in agricultural goods and trade in services

1. *Liberalisation of intraregional trade in services by reducing restrictive measures and policies*

Moldova is fully committed to build on efforts made by its predecessor, Macedonia in reaching the progressive liberalisation of trade in services amongst the CEFTA Parties. The end goal is to accomplish the same level of openness across the services sectors thus contributing to the greater attraction of investment in the region as a whole. Special attention will be given to the reduction and elimination of barriers to temporary mobility of professionals such as quotas, economic needs tests, etc. Possibilities to conclude the mutual recognition agreements on qualifications will be explored and supported with adequate technical assistance. Joining efforts with international and regional partners, Moldova will work on improving the quality and uniformity of trade in services statistics.

2. *Liberalisation of trade in agricultural products by eliminating remaining tariffs and quotas*

The priority of the Chairmanship in 2015 is to ensure the proper implementation of ratified Additional Protocols in 2011 and 2014 that enabled the 'zero tariffs' regime in the region. The technical assistance will be secured to help Parties closely monitor the effects and impacts of the liberalisation on further trade in region as well as global impact on their economies.

II) Addressing the main trade distortive non-tariff measures

Although the elimination of tariffs in the intra-CEFTA trade has been succeeded by completing liberalising trade in agricultural goods, intra-CEFTA trade is not free from non-tariff measures. Addressing those non-tariff barriers, particularly the ones which are mainly distorting intra-CEFTA trade by impact, and analysing their legislative conformity with the EU acquis and other international agreements and rules, is considered necessary to give a firm start to the trade facilitation related priorities of CEFTA.

Steering the efforts to address those most trade distortive non-tariff barriers and their analyses is undertaken by CEFTA Committee of Trade Facilitation, which is to be created by Joint Committee Decision to be adopted in November 2014. While overall coordination and steering to be made in the Committee of Trade Facilitation, technical discussions are to be made in the relevant CEFTA Subcommittees.

It is expected that technical assistance is to be received from a number of bi-lateral donors like GIZ which is planning to commence a regional project on addressing non-tariff measures upon the consultations with the CEFTA Secretariat. Furthermore, the CEFTA Project Facility would also be an additional tool to facilitate the work on addressing non-tariff measures in CEFTA.

The contribution of private sector to the efforts related to addressing non-tariff measures is to be secured through extended dialogue with the private sector representative organisations.

The Subcommittee on Agriculture and SPS and the Subcommittee on NTBs and TBT will continue with closely monitoring of the most distortive measures that impede or have potential to impede free trade in the region and react promptly in order to avoid major disturbances. With the purpose of eliminating the non-tariff barriers, a special attention will be given to the harmonisation of food safety standards and improvement of risk based inspection at border crossings, signing of multilateral agreements in SPS area with accent on the mutual recognition of laboratory testing. Moldova is willing to give an impetus to the efforts of Parties to sign the agreement on conformity assessment procedures that would ease access of products across the region and will support the agreements on cooperation amongst the national accreditation and standardisation bodies. As a horizontal issue, the transparency will have an important part of the overall efforts on eliminating distortive barriers to trade. Further updating and upgrading of CEFTA Transparency (MADB, SPS Database, TBT Platform and Trade Portal) will be in focus of Moldova Chairmanship.

III) Facilitation of trade through strengthening electronic exchange of information and simplification of trade related procedures

1. *Initiating discussions on electronic exchange of data regarding all trade related areas*

Following the establishment of CEFTA Working Group on Electronic Exchange of Data by CEFTA Joint Committee decision to be adopted in November 2014, the Moldovan Chairmanship will encourage the CEFTA Parties to enter into dialogue to create an overall legal framework for ensuring electronic exchange of data in trade through using the existing IT tools between CEFTA Parties such as SEED.

In this effort, a particular attention is to be given to get SPS and other border authorities included into the discussion on data exchange along with the Customs Authorities.

Steering the efforts to harmonise data submission requirements is to be carried out by CEFTA Committee of Trade Facilitation, which is to be created by Joint Committee Decision to be adopted in November 2014. While overall coordination and steering to be made in the Committee of Trade Facilitation, technical discussions are to be undertaken in the relevant CEFTA Subcommittees.

2. Harmonisation Data Submission Requirements in the regional trade

The Moldovan Chairmanship will continue the efforts of establishing methodology for mapping documentary requirements and subsequent harmonisation of data submission requirements in trade, which has been initiated in 2014.

In this endeavour, the final objective is to establish a regionally harmonised documentary requirements which do not require any redundant and overlapping data, and which are fully in line with the EU and other international requirements. In this effort, fees and charges connected to such documentary requirements are duly taken into account.

Steering the efforts to harmonise data submission requirements is to be carried out by CEFTA Committee of Trade Facilitation, which is to be created by Joint Committee Decision to be adopted in November 2014. While overall coordination and steering to be made in the Committee of Trade Facilitation, technical discussions are to be undertaken in the relevant CEFTA Subcommittees.

The contribution of private sector to the efforts related to documentary mapping and harmonisation of data submission requirements is to be secured through extended dialogue with the private sector representative organisations.

3. Initiating Negotiations on an EU Compliant CEFTA Authorised Economic Operator Programme

Under the Moldovan Chairmanship of CEFTA Subcommittee on Customs and Rules of Origin the CEFTA Parties took substantial progress in creating a CEFTA AEO Programme. Upon the expected adoption of CEFTA AEO Strategy by the Joint Committee which is to take place in November 2014, the Moldovan Chairmanship is planning to initiate negotiations among CEFTA Parties to conclude a Mutual Recognition Agreement on AEOs in CEFTA. By taking into account

the willingness of the majority of CEFTA Parties to initiate such MRA on AEOs, the target date to have MRA negotiations concluded will be December 2015.

(v) Facilitation of free flow of investment through coordination of investment policies and better protection of investment and investors

The Chair will support the CEFTA RCC Joint Working Group on Investment Policy and Promotion in its efforts on removing the identified investment barriers, encourage the policies and actions that lead towards increase of FDIs as well as promote intra-regional investment. From the CEFTA perspective, 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.

Facilitation of free movement of experts, professionals and skilled labour

In its capacity of the Chair of CEFTA in 2015, Moldova will join efforts with major international (World Bank, WTO, IOM) and regional partners such as RCC, ERISSE, to tackle the most frequent barriers to the mobility of professionals and skilled labour across the region. The key areas of interventions will be focused on progressing in the process of recognition of qualifications and 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.

Competitive Economic Environment

IV) Promoting the regional cooperation in competition policy, IPR and Public Procurement

1. Organising first meetings of regional networks of Competition Policy, IPR, and Public Procurement

Creating the regional networks between Competition Authorities, IPR and Public Procurement Authorities is of substantial importance to support CEFTA trade facilitation, and particularly to contribute its efforts for liberalisation of trade in services. To serve this aim, a number of regional network meetings are to be organised among such authorities in order to discuss what would be the possible actions that can be taken at the regional level in those areas.

Integration into Global Economy

V) Improve market access through completing a single diagonal cumulation zone under the PEM Convention

1. *Analysing the Implementation of Diagonal Cumulation in CEFTA and increasing the capacity of public and private sector to utilise diagonal cumulation in the framework of PEM Convention*

Upon the completion of the Project “Measuring Diagonal Cumulation in CEFTA”, the attention is to be given to undertake the actions to strengthen the capacities of public and private sector to utilise the PEM Convention and diagonal cumulation opportunities thereof to the maximum extent.

Therefore, a number of regional trainings are to be organised to contribute the capacity building of the CEFTA Parties both at the policy and implementation levels.

VI) Initiate establishing an investment concept to enhance participation in regional supply chains and global supply networks

III COOPERATION WITH INTERNATIONAL INSTITUTIONS AND REGIONAL INITIATIVES

To be added later

IV CONSTRAINTS

Moldova is committed to ensure the functioning of CEFTA activities on the technical level in the best conditions. On this purpose will do its best in order to ensure financial support for fulfilling the work plan, including by continuing cooperation with other relevant organisations.