

WORK PROGRAMME

CEFTA Committee of Trade Facilitation

The Republic of Serbia

January 2017

Table of Contents

INTRODUCTION

1. THE COMMITTEE AS A PART OF CEFTA STRUCTURES

2. OBJECTIVES OF THE CHAIRMANSHIP

3. PRIORITIES OF THE CHAIRMANSHIP

4. ACTIVITIES OF THE CHAIRMANSHIP

5. EXPECTED RESULTS

6. RISKS AND ASSUMPTIONS

7. CALENDAR OF EVENTS

INTRODUCTION

The Ministerial Conclusions adopted by the tenth Joint Committee meeting in December 2016 once more reiterated that the priorities of actions in CEFTA will remain as trade facilitation, including elimination of barriers to and distortions of trade, liberalisation of trade in services, improvement of conditions to promote investment, including foreign direct investment by providing fair conditions of competition affecting foreign trade and investment, and enhancing transparency.

In accordance with Ministerial Decision 1/2015 Decision, Serbia will be Chair of CEFTA Committee on Trade Facilitation in 2017.

The Chairmanship will do a follow-up on the Parliamentary ratification processes of Additional Protocol 5 in each CEFTA Party once the adoption of AP 5 is made by March 2017.

2017 will be the year when the CEFTA Parties will undertake all the necessary preparations for a strong implementation of the AP 5. In this regard, the Committee of Trade Facilitation will be the main CEFTA body which will lead the preparatory actions to be taken at the regional level and will monitor preparations at the national level.

At the regional level, the highest priority is to be given to the timely preparations of the implementing provisions of mutual recognition of border documents and authorised economic operators programmes. Second priority at the regional level will be to have a clear and exhaustive list of actions that might be undertaken in the course of 2017 by the CEFTA Parties for the implementation of the AP 5. That second priority will be carried to give a support to the national level preparations in each CEFTA Party and to assist them in planning donor support.

At the national level, the conclusions of signing Memoranda of Understanding between Customs Authorities and Other Governmental Authorities will be the main topic which the Committee of Trade Facilitation will do substantive follow-up.

The Committee will do its best endeavours to strengthen its interactions with the National Committees of Trade Facilitation in CEFTA Parties. Furthermore, the Committee will pay utmost attention to enhance dissemination of information to the private sector and seeking appropriate means of dialogue with the private sector.

The Committee will undertake most of its actions through Subcommittees of NTMs, Agriculture and SPS, and Customs and Rules of Origin. That's why the coordination between those structures with the Committee of Trade Facilitation is of utmost importance during the Chairmanship of Serbia.

1. THE COMMITTEE AS PART OF CEFTA STRUCTURES

Mandate of the CEFTA Committee of Trade Facilitation as determined by the Decision of the Joint Committee 1/2015

The following areas have been determined as the main mandate of the CEFTA Committee of Trade Facilitation which was established by the Joint Committee Decision No. 1/2015:

- i. Cooperation in the field of trade facilitation:

- To exchange information on the existing or any amendment adopted in the national legislation, regulations and rules affecting all kinds of clearance procedures and movement of goods in the CEFTA region;
 - To share best practices in facilitating trade, particularly with regard to the alignment with the EU acquis, and implementation of WTO Trade Facilitation Agreement;
 - To discuss the implementation of regional projects in the field of trade facilitation, with an aim to develop common understandings to address the functioning and sustainability related issues to increase the relevance, efficiency, effectiveness, and impact of the projects concerned.
- ii. Explore possibilities for creating regional legislative instruments in the framework of CEFTA with an aim to simplify and standardise the implementation of the rules and procedures applied in trade:
- To discuss legal, and procedural possibilities in the framework of CEFTA Agreement in order to address all types of barriers to trade in all stages of clearance (pre-clearance, clearance, and post clearance, and undermining facilitation of legitimate trade without hampering the deterrence of risk based security and safety controls;
 - To coordinate the priorities of CEFTA Subcommittees which are related to addressing all types of barriers to trade, and issues undermining facilitation of the regional trade;
 - To propose the CEFTA Joint Committee the most appropriate legal instruments at the regional level in CEFTA to eliminate those barriers to trade and to facilitate trade in consideration of actions undertaken by the relevant CEFTA Subcommittees.

Members of the Committee of Trade Facilitation are high level officials from ministries responsible for trade, who are in charge of CEFTA Agreement, and Chairs of CEFTA Subcommittees on Agriculture and SPS, Non-Tariff Measures, Customs and Rules of Origin.

1.1. CEFTA Ministerial Conclusions of 2016 in relation to trade facilitation and Committee of Trade Facilitation

CEFTA Ministers, among others, declared the negotiations on the Additional Protocol 5 on Trade Facilitation have been concluded successfully as committed by our Prime Ministers in the Western Balkans Summits and they commit to adopt the Additional Protocol 5 on Trade Facilitation by February 2017.

They considered that one of the key challenges in front of CEFTA Parties is to implement the Additional Protocol on trade facilitation, once it enters into force.

In related to this, CEFTA Ministers recognised the need to elaborate the implementing provisions of the two mutual recognition programs as foreseen by the CEFTA Additional Protocol on trade facilitation and instructed the relevant CEFTA structures to conclude the preparation of implementing provisions for the mutual recognition of border documents and Authorised Economic Operators, and to make the implementing provisions ready for the adoption of the Joint Committee by the end of 2017.

CEFTA Ministers stressed the importance of undertaking timely preparatory actions at the national level in each CEFTA Party to fulfil the obligations of the Additional Protocol on Trade Facilitation without any delay after the start of its implementation and encouraged all CEFTA Parties particularly to conclude signing the Memoranda of Understandings between the customs authorities of CEFTA Parties and other competent authorities involved in the clearance of goods.

In order to ensure the efforts of CEFTA Parties to initiate the discussion on consolidate the agendas of Trade Facilitation, Liberalisation of Trade in Services, and Free Movement of Experts in our Region under the higher objectives of promotion of investment and trade to contribute to the economic growth of CEFTA Parties, Ministers instruct the CEFTA Secretariat to propose the draft consolidated agenda with an action plan to facilitate the efforts of CEFTA structures under the CEFTA chairmanship of Serbia in 2017 to deepen the regional economic integration as emphasized by the conclusions of the latest Western Balkans Summit in Paris. In this endeavor, the assistance of international organizations to the CEFTA Structures in accordance with their areas of expertise, in particular the technical and financial assistance of the World Bank Group as underlined by the Paris Summit will be of crucial importance.

2. OBJECTIVES OF THE CHAIRMANSHIP

Serbia has identified the objectives of its Chairmanship of CEFTA Committee of Trade Facilitation as follows:

Objective 1: Ensuring Smooth Implementation of the Additional Protocol 5

The negotiations on the Additional Protocol 5 on Trade Facilitation were concluded successfully in 2016. The adoption of it is expected by March 2017.

One of the key challenges in front of CEFTA Parties is to implement the Additional Protocol on trade facilitation, once it enters into force. In order to fulfil the obligations stemming from the Additional Protocol on Trade Facilitation without any delay after the start of its implementation, the Chairmanship of Serbia will call upon CEFTA Parties to undertake timely preparatory actions at the national level.

Chair will encourage all CEFTA Parties particularly to conclude signing the Memoranda of Understandings between the customs authorities of CEFTA Parties and other competent authorities involved in the clearance of goods.

In related to the implementing provisions of the two mutual recognition programs as foreseen by the CEFTA Additional Protocol on trade facilitation, Serbia as a Chair will coordinate the actions of the relevant CEFTA structures to conclude the preparation of implementing provisions for the mutual recognition of border documents and Authorised Economic Operators, and to make the implementing provisions ready for the adoption of the Joint Committee by the end of 2017. The Chairmanship will also utilise the contributions of the working groups under CEFTA Subcommittee on NTMs, and ensure the joint work of the Subcommittees of Agriculture and SPS, and Customs and Rules of Origin.

Furthermore, there would be a list of actions to provide the information on the provisions of AP 5 and what actions could be taken before the AP 5 enters into force. This list of actions will be prepared by the CEFTA Secretariat and will be submitted to the attention of the Committee.

The EU project on Trade Facilitation will be steered by the CEFTA Committee of Trade Facilitation. The Project will directly be related to the implementation of AP 5 and CEFTA Trade Facilitation Agenda. Therefore, the Committee of Trade Facilitation will act as the steering committee of the EU project to be implemented by the GIZ and ITC.

Objective 2: Monitoring the Elimination of Non-Tariff Barriers

The Chairmanship of Serbia will continue to monitor the progress on the elimination of NTBs identified by CEFTA Parties, on the basis of inputs received from CEFTA Subcommittee on NTMs and report to the Joint Committee. The Committee of Trade Facilitation to monitor the progress made in the identified NTBs by the earlier project financed by the GIZ. The NTBs identified and validated by the UNCTAD have been taken over by the Committee of Trade Facilitation. The Committee will request each CEFTA Party to take necessary corrective measure to eliminate such NTBs.

Furthermore, the EU project on Trade Facilitation will be used to identify new NTBs through consultation with the private sector.

Objective 3: Enhancing Transparency

Serbia as the Chair will open the discussion on all possible and very much needed ways of coordination and communication between CEFTA Committee of Trade Facilitation as the regional one and National Trade Facilitation Committees. This being relevant for the implementation of the AP5 which proper and timely implementation requires coordinated and synchronized actions at national and regional level.

The involvement of the private sector in all relevant bodies in charge of trade facilitation being at national or regional level is important.

The EU project on TF will give an additional impetus to increase the involvement of private sector in the implementation of CEFTA Trade Facilitation Agenda.

3. PRIORITIES OF THE CHAIRMANSHIP

Main Priorities:

Objective 1: Trade Facilitation

Priority 1: Signing the Memoranda of Understanding

The Chair will do its best efforts to encourage and steer the each CEFTA Parties particularly to conclude signing the Memoranda of Understanding between the customs authorities of CEFTA Parties and other competent authorities involved in the clearance of goods.

Priority 2: Timely preparatory actions for the implementation of Additional Protocol 5

The Committee will process the list of actions to be prepared by the CEFTA Secretariat as instructed by the CEFTA Joint Committee to show all actions needed to be undertaken by CEFTA Parties in the

context of the Additional Protocol 5 before it enters into force and to submit this list to the approval of CEFTA Parties.

Priority 3: Coordinating the actions of the relevant CEFTA structures to conclude the preparation of implementing provisions for the mutual recognition of border documents and Authorised Economic Operators

The content of the actions needed to be agreed in the framework of the Committee. Committee will ensure that CEFTA Parties will elaborate the implementing provisions of the two mutual recognition programs as foreseen by the CEFTA Additional Protocol on trade facilitation before the Additional Protocol enters into force for the sake of predictability and transparency. Committee will conclude the preparation of implementing provisions for the mutual recognition of border documents and Authorised Economic Operators, and to make the implementing provisions ready for the adoption of the Joint Committee by the end of 2017.

Priority 4: Donors Coordination Meeting

The Committee will ensure that implementation of technical assistance by different donors is coordinated in order to cover and address all aspects of Additional Protocol 5 both at regional and national level.

The CEFTA Parties shall be prepared for this event and consult prior to the event on the trade related agendas with NIPACs and/or the Ministry of Finance on all on-going and planned projects.

Priority 5: Steering of EU financed Trade Facilitation Project and SEED Projects

The Committee will avail itself of acting as steering committee of EU financed trade facilitation project. In this regard, the utmost attention is to be given that the project performs the expected technical assistance in line with the AP 5.

The Committee will also coordinate with the relevant Working Groups of Subcommittee on NTMs to get prepared to act as the steering committee of SEED + Project which is under preparation. Furthermore, the Committee will avail itself of getting the information about the current state of play regarding the implementation of SEED Maintenance and Development Project.

Objective 2: Monitoring the Elimination of Non-Tariff Barriers

Priority 6: Monitoring on Progress Report of the Elimination of Non-Tariff Barriers

The Report on Trade Facilitation and Non-Tariff Measures in Beverages and Auto-parts Supply Chains compiles the recommendations of the national reports and provides a regional framework to address market access barriers from the non-tariff measures (NTM) and trade facilitation (TF) point of view in the CEFTA region.

On the basis of the feedback to be received from the Subcommittee on NTMs, the Chair of Committee on Trade Facilitation will prepare a monitoring report on NTBs in order to follow up the progress in their elimination process by CEFTA Parties.

This monitoring report will be submitted to the Joint Committee, along with the proposal for the most appropriate legal instruments at the regional level in CEFTA to eliminate those barriers to trade

and to facilitate trade in consideration of actions undertaken by the relevant CEFTA Subcommittees.

In case of any necessity, the Chair will propose adoption of Ministerial Decisions to give a regional response in order to facilitate the elimination of non-tariff barriers.

Objective 3: Enhancing Transparency

Priority 7: Developing Communication between the Committee of Trade Facilitation and National Committees of Trade Facilitation

The Chair will continue to devote its utmost attention the progress in creating national committees of trade facilitation in CEFTA Parties. In this regard, such progress is to be followed-up and reported regularly.

Furthermore, the Chair will suggest the tools of communication between the Committee of Trade Facilitation and National Committees of Trade Facilitation, and have exploratory talks with the CEFTA Parties how the agendas of these two Committees shall be synchronised.

Priority 8: Enhancing Dialogue with the Private Sector for Trade Facilitation

The Chair will explore the ways to include the private sector into the work and discussion on trade facilitation in the Committee of Trade Facilitation.

In this regard, the Chair may consider to organise pre-consultation meetings with the private sector representatives before their official meetings of the Committee of Trade Facilitation, if needed.

4. ACTIVITIES OF THE CHAIRMANSHIP

Objective 1: Trade Facilitation

Priority 1: Signing the Memoranda of Understanding

Activity 1: Monitoring the progress in signing MoU

These issues are mainly related to the monitoring and coordinating, if needed, of the process of signing the Memoranda of Understanding between CEFTA Parties national authorities for exchange of information, as negotiated by Additional Protocol 5.

Priority 2: Timely preparatory actions for the implementation of Additional Protocol 5

Activity 1: Preparation of the list of the actions

CEFTA Secretariat will prepare a list of preparatory actions needed to be undertaken by CEFTA Parties in the context of the Additional Protocol 5 before it enters into force and submit this list to the approval of CEFTA Parties.

Priority 3: Coordinating the actions of the relevant CEFTA structures to conclude the preparation of implementing provisions for the mutual recognition of border documents and Authorised Economic Operators

Activity 1: Coordination in the preparation of the draft and the final version of the Decision on the validation procedure with regard to the mutual recognition of the AEO Programmes

The Chair will coordinate with SCs on Customs and rules of Origin and on NTMs and its respective Working Group, if needed in preparation of draft and final version of the Decision on validation of national AEO Programmes in line with the Annex 3 of the AP 5 for the CEFTA Parties consideration and discussion. The final draft of Decision has to reach wide consensus of all CEFTA Parties.

Activity 2: Coordination in the preparation of draft and final Decision on the validation procedure with regard to the mutual recognition of Border Documents and Procedures

The Chair will coordinate SCs on NTMs and its working groups and Subcommittee on SPS and Agriculture in preparation of draft and final version of the Decision on validation of mutual recognition of Border Documents and Procedures for the CEFTA Parties consideration and discussion. The final draft of Decision has to reach wide consensus of all CEFTA Parties.

Priority 4: Donors Coordination Meeting

Activity 1: Coordination on organisation of Donors Coordination Meeting

The Committee in coordination with Committee of CEFTA Contact Points will instruct CEFTA Secretariat to organise 4 days Donors Coordination Meeting with the aim to discuss needed TA for actions on regional and national levels. CEFTA Secretariat will invite all available donors and prepare draft document identifying areas eligible for regional and national TA. The event is to be organised in the first quarter of 2017. The scenario of the event will cover two days dedicated for the definition of needs at the regional and national level and two days for the donors.

Priority 5: Steering of EU financed Trade Facilitation Project

Activity 1: Steering the management of EU financed Trade Facilitation Project

From the very beginning of the EU financed Trade Facilitation Project, the direct communication will be established between the Committee and the project team through CEFTA Secretariat. Then, the Committee of Trade Facilitation will avail itself to act as a steering committee of the project. If necessary, the calendar and agendas of the Committee will be adjusted to steer the implementation of the project.

Activity 2: Follow-up of the Implementation of SEED Maintenance and Development and Preparing to steer SEED + Projects

The Committee through the Subcommittee on NTMs and its relevant working groups monitors the implementation of the SEED Maintenance and Development Project according to the needs of AP 5.

Furthermore, the Serbian Chairmanship will undertake all the necessary preparations for the upcoming SEED + Project together with the Subcommittee of NTMs. If necessary, the CEFTA Secretariat will also get prepared to be the implementation body of the SEED +.

Objective 2: Monitoring the Elimination of Non-Tariff Barriers

Priority 6: Monitoring on Progress Report of the elimination of Non-Tariff Barriers (UNCTAD Report)

Activity 1: Reporting the Progress in Elimination of Non-Tariff Barriers

Actions taken to the elimination of Non-tariff Barriers need to be submitted to the Committee of Trade Facilitation for monitoring.

On the basis of the feedback to be received from the Subcommittee on NTMs, the Chair will prepare a monitoring report on NTBs in order to follow up on the progress in their elimination process by the respective CEFTA Parties.

This monitoring report will be submitted to the Joint Committee. In case the agreement is reached by the CEFTA Parties, the monitoring report will also be available publicly.

In the preparation of the report, the Committee of Trade Facilitation will go through all the NTBs identified, and measures for their elimination, suggested by the Subcommittee on NTMs will ask the respective CEFTA Parties to implement the suggested steps that need to be taken to eliminate those NTBs. These steps are to be identified by the Parties themselves within the framework of the Subcommittee on NTMs and in open consultation with the Committee. In those consultations, the Committee may require the presence of the relevant experts in each area and if necessary, the experts from the relevant international organisations could be invited.

Activity 2: Identification of new NTBs in consultation with private sector

The EU financed project on trade facilitation will be used as a good opportunity to use the private sector as an advisory body to identify trade distortive NTMs in new supply chains which would be selected by the project in consultation with the Committee. The Committee will take over NTBs identified by the Project and validated by the CEFTA Parties.

Furthermore, the consultation with the private sector will be used to report back the progress achieved in the elimination of NTBs identified in the earlier stage.

Objective 3: Enhancing Transparency

Priority 7: Developing Communication between the Committee of Trade Facilitation and National Committees of Trade Facilitation

Activity 1: Establishing direct communication between the Committee of Trade Facilitation and National Committees of Trade Facilitation

The Chair will coordinate discussion on possible procedures to establish direct communication between the Committee of Trade Facilitation and National Committees on Trade Facilitation with an objective to synchronise their agendas/priorities and to exchange of views.

In this regard, it is considered useful to have the Chair of each National Committee in the meetings of Committee of Trade Facilitation.

In this context, the procedures, and work programmes of national trade facilitation committees will be exchanged through Committee of Trade Facilitation.

Activity 2: Inviting the Chairs of National Committees of Trade Facilitation

The Chair will invite chair persons of each national committee of trade facilitation in CEFTA Parties to the meetings of the Committee of Trade Facilitation. In case they are not appointed yet, the invitation will be sent to the person who is in charge of leading the creation of national committees on trade facilitation.

Priority 8: Enhancing Dialogue with the Private Sector for Trade Facilitation

Activity 1: Organising pre-consultation meetings with the private sector

The Chair may organise a pre-consultation meeting with the representatives of the private sector to each meeting of the Committee of Trade Facilitation, if necessary. Initially, the representatives of the Chambers will be invited and representatives of the specific sectors or business associations would also be invited, in case of any further needs.

5. EXPECTED RESULTS

The results of the Serbian Chairmanship are expected to lead to the following which are corresponding to the objectives mentioned above:

Objective 1: Trade Facilitation

- The final version of the Decision on the validation procedure with regard to the mutual recognition of the AEO Programmes is submitted to the Joint Committee
- The final Decision on the validation procedure with regard to the mutual recognition of Border Documents and Procedures is submitted to the Joint Committee

Objective 2: Monitoring the Elimination of Non-Tariff Barriers

- The elimination of non-tariff barriers is in progress.
- The maximum level of transparency on non-tariff barriers is ensured.

Objective 3: Enhancing Transparency

- Communication channels are opened between the Committee of Trade Facilitation and the National Committees of Trade Facilitation.
- Representatives of the private sector are better involved in the work of the Committee of Trade Facilitation.

6. RISKS AND ASSUMPTIONS

The Chair foresees that the following issues are out of its control but assumes that any negative development thereon which may endanger the smooth functioning of the Agreement will be prevented by the joint effort of each CEFTA Party.

- Each CEFTA Party remains committed to the CEFTA process and its provisions;
- High level coordination between Ministries involved in trade facilitation remain unchanged,
- International donors remain committed to support financially the CEFTA.

7. CALENDAR OF EVENTS

The tentative calendar for the year 2017 is as follows:

MEETING/EVENT	DATE	PLACE
4 th Meeting of Committee of Trade Facilitation	May	Belgrade
Donors Coordination Meeting	May	Belgrade
5 th Meeting of Committee of Trade Facilitation	November	Belgrade