

# **WORK PROGRAMME CEFTA Subcommittee on Trade in Services**

*Proposed under the Montenegrin Chairing  
of the Subcommittee in 2016*

**January 2016**

# Table of Contents

<b>INTRODUCTION .....</b>	
<b>1. THE SUBCOMMITTEE AS A PART OF CEFTA STRUCTURES .....</b>	
<i>1.1. Mandate and Scope .....</i>	
<i>1.2. Organisation of Work .....</i>	
<b>2. PRIORITIES OF THE CHAIRMANSHIP .....</b>	
<i>2.1. Coordination with other CEFTA Structures .....</i>	
<i>2.2. Finalize the process of liberalization of trade in services amongst CEFTA Parties .....</i>	
<i>2.3. Improve the quality and uniformity of trade in services and FDI statistics .....</i>	
<i>2.4. Ensuring free movement of skilled labour professionals.....</i>	
<i>2.5 Enhance transparency in the region .....</i>	
<b>3. TECHNICAL ASSISTANCE .....</b>	
<b>4. EXPECTED RESULTS.....</b>	
<b>5. CALENDAR OF EVENTS.....</b>	

## **INTRODUCTION**

---

The Work Programme of the Subcommittee on Trade in Services covers the period of one year from 1 January to 31 December 2016.

In its capacity of the Chair, Montenegro 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. Working on finalizing the process of negotiations on trade in services amongst CEFTA Parties;
- ii. Improve the quality and uniformity of trade in services, FATS and FDI statistics based on the needs and compilers;
- iii. Working on enhancing free movement of professionals and experts by facilitating recognition of professional qualifications in CEFTA Parties in the priority sectors
- iv. Cooperate with regional organizations and draw on the best practice in international community to address the barriers which threaten to hamper trade in services among CEFTA Parties in a most efficient way;
- v. Promote intra-regional cooperation between regulatory bodies, governmental agencies and professional associations in charge of services
- vi. Increase transparency of the CEFTA Parties policies, laws and regulations and administrative practices affecting trade in services;

## 1. THE SUBCOMMITTEE AS A PART OF CEFTA STRUCTURES

---

### *1.1. Mandate and scope*

The CEFTA Subcommittee on Trade in Services established by the Ministerial Decision of the CEFTA Joint Committee No. 5/2014 from 21 November 2014 has for the objective to ensure the smooth implementation of the commitments undertaken in Chapter VI A of the CEFTA 2006 and with the goal of enhancing the intraregional trade in services. It comprises 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 a need.

The task of the Subcommittee 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 Subcommittee;
- 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;
- 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.

The following working bodies are set up in the Subcommittee on Trade in Services:

**Negotiating Group on Trade in Services** with the objective to ensure progressive liberalisation and mutual opening of the services markets of CEFTA Parties.

**Working Group on Trade in Services Statistics, FATS and FDI Statistics** with the objective to improve the quality of international trade in services statistics across the CEFTA Region and harmonise the statistics with those of the European Union.

**Joint CEFTA-RCC-ERISEE Working Group on Recognition of Professional Qualifications** with the objective to enhance the intraregional trade in services by facilitating recognition of professional qualifications.

### ***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 Montenegrin Chairmanship the senior civil servants responsible for trade in services issues from the CEFTA Parties will hold regular annual meeting of the Subcommittee members in November 2016. The meeting will be held according to the rules and procedures of CEFTA Agreement by the responsible government institution of Montenegro.

The members can also meet on an *ad hoc* basis if and whenever needed.

The Negotiating Group on Trade in Services will hold up to four sessions if needed, the WG on Trade in Services Statistics, FATS and FDI Statistics one regular annual meeting and the Joint WG on Recognition of Professional Qualifications two meetings in 2016.

In the first half of 2016, a regional round table will be organized and dedicated to the effects of liberalization in health services in support to the development of economic corridors and its contribution to the increase of overall trade in the region in compliance with the headline targets of the SEE2020 Strategy. Furthermore, the scope of the event will include the discussion of policy measures that could be proposed to relax the social security deficits in the context of development of the economic corridors in the health services sector, while liberalisation of trade in services in health services and financial services, free movement of professionals, and elimination of market access barriers together with trade and transport facilitation, would serve as viable regional instruments to reach this goal. The involvement of private sector is foreseen in a larger scale and may include not only health service providers but also insurance and other financial institutions, as well as international partners, such as IMF and World Bank, etc.

## **2. PRIORITIES OF THE CHAIRMANSHIP**

---

The Chair of the Subcommittee is committed to work on the activities started in previous years and will introduce 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. The Party that chairs CEFTA also chairs the Subcommittee on Trade in Services in a given year. In line with these rules, Montenegro has assumed the Chairmanship of the Subcommittee starting from 1 January 2016.

#### **2.1.1. Coordination with other CEFTA Structures:**

- Coordination of activities in implementation of the recommendations in the area of trade facilitation, communicating to the Subcommittee on NTMs on services related issues, etc.
- 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 2016)
- Reporting on results achieved to the Joint Committee (November 2016)

#### **2.1.3. Promotional activities**

- Promotion to the business community through the CEFTA Secretariat's website, Trade Portal, CEFTA Week and by organizing the outreach meeting on the 10<sup>th</sup> Anniversary of CEFTA in cooperation with the private sector in each CEFTA Party
- Exchange of information with the members of the CEFTA Forum of Chambers of Commerce
- Creating social media tools, such as LinkedIn, Twitter and Facebook

### ***2.2. Work on finalization the process of liberalization of trade in services amongst CEFTA Parties***

#### **2.2.1. The Negotiating Group on Trade in Services Liberalisation will focus its efforts to:**

- Ensure substantial liberalisation of trade in services amongst the CEFTA Parties
- Achieve same level of openness, where it is possible, across the services sectors thus contributing to the greater attraction of investment in the region as a whole
- Work on finalisation of the text of the Additional Protocol on Trade in Services and its annexes: Annex I on Temporary Entry and Stay of Natural Persons for Business Purposes, and Annex II on Horizontal Commitments and Sector Specific Commitments.

The objective is to achieve progressive liberalisation across the services sectors and mutual opening of the services market of CEFTA Parties, where it is possible, thus contributing to the greater attraction of investment.

#### *2.2.2. Meetings scheduled in 2016*

It is envisaged that the Negotiation Group holds up to four negotiation sessions if needed during 2016. The sessions are to be held March, June, September and November tentatively.

### ***2.3 Improve the quality and uniformity of trade in services and FDI statistics***

2.3.1. The Working Group on Trade in Services Statistics, FATS and FDI Statistics will work on:

- Reviewing the quality and coverage of available trade in services statistics, FATS and FDI statistics in the region and propose appropriate solutions for improvements;
- Providing necessary data in order to set up an operational reporting system to the Secretariat;
- Assisting the Secretariat in creating sustainable platform for dissemination of statistical data on trade in services, FATS and FDI statistics;
- Identifying 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.

Working group will promote work on the development of sustainable Reporting System for Trade in Services Statistics, FATS and FDI Statistics. This assignment will be divided in two phases. In the first phase review of the currently available trade in services and investment data will be done, including detecting any gaps and alert the Parties where the quality of data to be used for analytical and reporting purposes is less than satisfactory. In the second phase, set of potential indicators will be developed to be used by ministries of trade and investment to monitor implementation of CEFTA commitments and SEE2020 Strategy priorities. The Reporting system will become a part of the CEFTA Managements Information system which apart from trade in services and investment data will include other relevant data such as trade in goods, NTMs, SPS, etc. and makes this easily available to users.

Working group will work on preparing CEFTA Investment report in coordination with UNCTAD and other international partners. The main objective of the Report is to present the CEFTA stakeholders, investment partners and wider business audiences with relevant information on current and projected regional investment trends and to promote the region as an attractive destination for foreign direct investments. The compilation of statistical data, analysis of investment trends and selected topics related to FDI will be performed by the CEFTA Parties' institutions (central banks, statistical offices, and responsible ministries), the CEFTA Secretariat and independent experts. The purpose of this first report is to outline the regional investment trends, FDI stocks and flows, show a breakdown of FDI by geography, sectors and industries, calculate various indices to measure the attractiveness for FDI and implications of FDI and greenfield investments to both the host and home economies.

### *2.3.2. Meetings scheduled in 2016*

It is envisaged that the Working Group on Trade in Services Statistics, FATS and FDI Statistics hold one meeting tentatively scheduled for October 2016.

## ***2.4 Work on ensuring free movement of skilled labour and professionals***

2.4.1 The Joint Working Group on Mutual Recognition of Professional Qualifications will work on:

- Identifying sectors and professions of mutual interest where potential agreements on mutual recognition might be concluded
- Reviewing existing legislative and institutional framework on the recognition of professional qualifications and identifying of roles and responsibilities of relevant authorities, bodies and actors for recognition of professional qualifications per economy in the sectors of mutual interest
- Preparing relevant roadmap for potential negotiations on MRAs

In 2016, this Group will focus its activities on conducting mapping and assessment study regarding the potential sectors where mutual recognition agreements may be concluded. The study will map the existing data on mobility of professionals in the South East Europe. This mapping, which will include identification of the roles and responsibilities of specific bodies in the sectors of interest and will assess the potential impact of MRAs on the SEE economies. These studies should allow the JWGMRPQ to prepare and agree on a roadmap for the negotiation of specific MRAs.

The data and analysis gathered on sectors and professions of mutual interest under the two studies will contribute to CEFTA's negotiations on liberalisation of trade in services. They will also benefit transparency objectives as they will provide much needed information on mobility of professionals in the region.

### *2.4.2 Meetings scheduled in 2016*

According to the adopted Work Plan for 2015-2016, the Joint Working Group on Mutual Recognition of Professional Qualifications will hold two regular meetings as follows:

1. 3<sup>rd</sup> meeting of the JWGRPQ - 28 March 2016
2. 4<sup>th</sup> meeting of the JWGRPQ – October 2016

## ***2.5. Promote intra-regional cooperation between regulatory bodies, governmental agencies and professional associations in charge of services***

Having in mind that the large potential for further growth in services trade in the region is hampered by regulatory restrictions, the Chair in Office commits to work on developing concrete suggestions on how to improve the cooperation among regulatory bodies in the region. In the initial phase, the screening of any existing bilateral regulatory dialogues will be performed, followed by exploring the potentials for opening door to the plurilateral and



multilateral forms of cooperation which could lead to removing of barriers and boosting regional trade. The analytical study will also target the identification of potential services sectors where the cooperation can be developed (e.g. professional services providers, such as architects, engineers, accountants, etc), and will be performed in cooperation with international partners and private sector. Recommendations from this study will be presented before the members of the Subcommittee and will provide a good basis for further developments in this area.

## ***2.6. Experience Sharing and Transparency***

Transparency is identified as one of important premises of functioning of 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.

A set of activities with a number of necessary steps are developed in order to achieve the mentioned goals in the course of 2016:

- Set up of the operational reporting system to the CEFTA Secretariat
- Work on creating a sustainable dissemination platform of statistical data on trade in services statistics, FATS and FDI statistics
- Promote achievements of liberalization to the wider audience at conferences, workshops, etc.

## **3. TECHNICAL ASSISTANCE**

---

The implementation of the Work Programme for 2016 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. Work on completing the process of liberalization of trade in services amongst CEFTA Parties***

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

#### ***3.2.1 Meetings and activities scheduled for 2016.***

- No technical assistance is required.

### ***3.3. Improve the quality and uniformity of trade in services and FDI statistics***

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

#### ***3.3.1. Meetings and activities scheduled in 2016***

- No technical assistance is required.

### ***3.4. Work on ensuring free movement of skilled labor professionals***

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

#### ***3.4.1 Meetings and activities scheduled in 2016***

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

### ***3.5. Promote intra-regional cooperation between regulatory bodies, governmental agencies and professional associations in charge of services***

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

### ***3.6. Enhance Transparency in the region***

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

## **4. EXPECTED RESULTS**

---

### ***4.1. Coordination with other CEFTA Structures***

- The regular coordination is achieved through consultation process at the meetings and coordination of the work programmes. Any trade in services related issues are reported to the Subcommittee on Non-tariff measures.

### ***4.2. Progress in finalization the process of liberalization of trade in services amongst CEFTA Parties***

#### ***4.2.1 Activities of the Negotiating Group in 2016***

- Commitments on Trade in Services in the Schedule of Specific Commitments are negotiated.
- The drafting of the text of the Additional Protocol on Trade in Services and Annex 1 is finalised.

#### ***4.2.2. Meetings scheduled in 2016***

- Sessions of the Negotiating Group are successfully held, as envisaged.

### ***4.3. Improving the quality and uniformity of trade in services and FDI statistics***

#### ***4.3.1 Activities of the Working Group in 2016***

- Further review of quality and availability of trade in services statistics is conducted
- Further harmonisation of statistics according to the EU standards;
- Define priorities for further development of statistics in sectors of common interest
- System for reporting on trade in services is integrated in the CEFTA Management Information System.
- Needs in terms of further targeted technical assistance and undertake the regional trainings and exchange of best practices are identified.

#### ***4.3.2 Meetings scheduled in 2016***

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

### ***4.4 Progress in ensuring free movement of skilled labor professionals***

- Mapping and assessment study aimed at identifying sectors and professions of mutual interest where potential agreements on mutual recognition might be concluded. Regional impact analysis.
- Mapping of existing legislative and institutional framework on the recognition of professional qualifications and identifying of roles and responsibilities of relevant authorities , bodies and actors for recognition of professional qualifications per economy in the sectors of mutual interest
- Roadmap as preparation document for negotiations

Two meetings of the JWGRPQ are held in the course of 2016.

### ***4.5. Promote intra-regional cooperation between regulatory bodies, governmental agencies and professional associations in charge of services***

- Study on the potentials for opening door to the plurilateral and multilateral forms of cooperation which could lead to removing of barriers and boosting regional trade, is conducted.
- Recommendations are presented to the Subcommittee on Trade in Services.

### ***4.6. Enhance Transparency in the region***

- Transparency mechanism on services information is agreed (e.g. CEFTA MIS, CEFTA Secretariat website, Twitter, LinkedIn).
- The achievements in trade in services are widely promoted at the conferences, forums, workshops (10<sup>th</sup> Anniversary of CEFTA, Prime Ministers Summit, etc.)

## 5 CALENDAR OF EVENTS

---

The tentative calendar for the year 2016 is as follows:

<b>MEETING/EVENT</b>	<b>DATE and PLACE</b>
Seventh Session of the Negotiating Group on Trade in Services	March, Podgorica
Third meeting of the Joint Working Group on Recognition of Professional Qualifications	March, TBD
Regional Round Table on liberalization in health services	June, Podgorica
Eight Session of the Negotiating Group on Trade in Services	June, Podgorica
Ninth Session of the Negotiating Group on Trade in Services	September, Podgorica
Second meeting of the Working Group on Trade in Services Statistics, FATS and FDI statistics	October, Podgorica
Fourth meeting of the Joint Working Group on Recognition of Professional Qualifications	October, TBD
Tenth Session of the Negotiating Group on Trade in Services	November, Podgorica
Second meeting of the Subcommittee on Trade in Services	November, Podgorica

## ANNEX 1: Logical Framework Matrix

<b>LOG FRAME PLANNING MATRIX FOR PRIORITIES OF THE SUBCOMMITTEE ON TRADE IN SERVICES</b>		Period: 1 January – 31 December 2016	
<b>Overall objective</b>	<b>Indicators of Achievement</b>	<b>Sources of verification</b>	
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	
<b>Priorities</b>	<b>Indicators of Achievement</b>	<b>Sources of Verification</b>	<b>Assumptions</b>
1) Coordination with other CEFTA Structures  2) Work on finalization the process of liberalization of trade in services amongst CEFTA Parties  3) Improving quality and uniformity of trade in services statistics  4) Work on ensuring free movement of skilled labour and professionals  5) Promote intra-regional cooperation between regulatory bodies,	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, where it is possible  3) Comparability of data achieved and efficient use of data for the services negotiations  4) Roadmap as preparation document for MRA negotiations  5) Study on the potentials for opening door to the plurilateral and multilateral forms of cooperation which could lead to removing of barriers and boosting regional trade.	Report of the Subcommittee on Trade in Services  Report of the Negotiating Group  Report of the Working Group on Trade in Services Statistics  Report of the Joint Working Group on Mutual Recognition of Professional Qualifications	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.

<p>governmental agencies and professional associations in charge of services</p> <p>6) Experience sharing and transparency</p>	<p>6) The CEFTA Parties are timely informed about the new regulations with a potential hindering impact on trade</p>		
<b>Activities</b>	<b>Results</b>	<b>Means</b>	<b>Assumptions</b>
<p><u>Priority 1 :</u></p> <p>1) Coordination of activities in implementation of the recommendations in the area of trade facilitation</p> <p>2) Coordination of activities in implementation of the recommendations of the Working Group on Investment Policy and Promotion</p> <p><u>Priority 2:</u></p> <p>1) Negotiate the Schedule of Commitments on Trade in Services</p> <p>2) Finalise drafting of the text of the Additional Protocol on Trade in Services and Annex 1</p> <p><u>Priority 3 :</u></p> <p>1) Further review of quality and availability of trade in services statistics is conducted</p>	<p><u>Priority 1 :</u></p> <p>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</p> <p>2) Parties are regularly participating at the official CEFTA meetings</p> <p><u>Priority 2:</u></p> <p>1) Commitments on Trade in Services in the Schedule are negotiated.</p> <p>2) The drafting of the text of the Additional Protocol on Trade in Services and Annex 1 is finalised</p> <p><u>Priority 3 :</u></p> <p>1) Review of quality and availability of trade in services statistics is conducted</p>	<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>Annual report of the WG on Trade in</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>2) Further harmonisation of statistics according to the EU standards;</p> <p>3) Define priorities for further development of statistics in sectors of common interest</p> <p>4) System for reporting on trade in services is integrated in the CEFTA Management Information System.</p> <p>5) Needs in terms of further targeted technical assistance and undertake the regional trainings and exchange of best practices are identified.</p> <p><u>Priority 4:</u></p> <p>1) Work on ensuring free movement of skilled labour and professionals</p> <p><u>Priority 5:</u></p> <p>1) Promote intra-regional cooperation between regulatory bodies, governmental agencies and professional associations in charge of services</p> <p><u>Priority 6:</u></p> <p>1) Setting up of the transparency mechanism on services information</p> <p>2) Promotion of achievements in trade in services</p>	<p>2) Harmonisation of statistics according to the EU standards is continuous</p> <p>3) Priorities for further development of statistics in sectors of common interest are defined</p> <p>4) System for reporting on trade in services is integrated in the CEFTA Management Information System</p> <p>5) Needs in terms of further targeted technical assistance and undertake the regional trainings and exchange of best practices are identified.</p> <p><u>Priority 4:</u></p> <p>1) Mapping and assessment study aimed at identifying sectors and professions of mutual interest where potential agreements on mutual recognition are concluded.</p> <p><u>Priority 5:</u></p> <p>1) Study on the potentials for opening door to the plurilateral and multilateral forms of cooperation which could lead to removing of barriers and boosting regional trade is conducted.</p> <p><u>Priority 6:</u></p> <p>1) Transparency mechanism on services is agreed and set up</p> <p>2) Achievements in trade in services widely promoted</p>	<p>Services Statistics</p> <p>Trainings and workshops</p> <p>Report of the Joint RCC-CEFTA WG on Recognition of Professional Qualifications</p> <p>CEFTA Website, Trade Portal, CEFTA Week</p>	
---	--	--	--

--	--	--	--