

**CEFTA SECRETARIAT**

**WORK PROGRAMME 2009**

**February 2009**

## **1. PURPOSE AND CONTENTS OF THIS REPORT**

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Further to the outline work programme adopted at the Joint Committee meeting in Chisinau, this report sets out the detailed work programme for the CEFTA Secretariat for 2009. It has been prepared on the basis of the CEFTA Secretariat's mandate (Decision 7/2007), work carried out to date and the work programme of the Montenegrin Chair in Office.

The report provides a brief background on the current 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 impact on the work of the Secretariat.

## **2. BACKGROUND**

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The CEFTA Secretariat commenced operations in September 2008 following the finalisation of the Headquarters Agreement between the Kingdom of Belgium and the CEFTA Parties.

Since then the Director and staff have worked to put in place the various legal, administrative and financial procedures necessary to ensure the smooth running of the office. A lease agreement with the EFTA authorities has been signed, the various registration procedures for the office and staff have been completed and most of the necessary office equipment has been installed.

The Secretariat has also finalised financing agreements with the European Commission, Ireland and Sweden and hopes to shortly complete the necessary procedures with the Swiss and Norwegian authorities. Payment requests have been sent to all CEFTA Parties in accordance with Decision 7/2007 supplemented by Decision 2/2008 and all Parties have transferred their financial contributions.

The Director and staff have also commenced their technical and advisory roles in close co-operation with the 2008 Moldovan chairmanship and the 2009 Montenegrin one. Relationships have been established with key interlocutors in each CEFTA Party and the international community. In addition to meetings in the margins of the Joint Committee and an expert meeting in Brussels, the Director has visited each Party and met with a range of CEFTA related actors to discuss their views on the implementation of the agreement. The Secretariat in co-operation with the EC has also begun the task of mobilising some of the technical assistance required for individual sub-committees.

While the Secretariat commenced operations on 1 September, it is still not operating at full capacity. The second technical expert position has still not been filled, but it is hoped that an agreed candidate will take up this much needed position in the first quarter of 2009.

### **3. OBJECTIVES OF THE WORK PROGRAMME**

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#### **3.1 Overall Objective**

The overall objective of the Secretariat's work programme is to support the Chair in Office and the CEFTA Parties in the implementation of the CEFTA Agreement and in particular to facilitate the achievement of those activities highlighted by the Chair as critical for 2009.

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 Objectives**

##### 3.2.1 Technical Advice and Guidance

- Provide the necessary day-to-day support to the Montenegrin Chair in Office and the three sub-committees.
- 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 and sub-committees.
- Identify requirements for technical assistance and determine the availability of such assistance, including the elaboration, where necessary, of formal requests and monitoring of any subsequent projects.

##### 3.2.2 Management and Administration

- Finalise any remaining issues relating to the establishment of the CEFTA Secretariat office.
- 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 main international markets and ensure that CEFTA is widely promoted and understood.
- Establish a CEFTA Secretariat website in close co-ordination with that of the current Chair in Office.

- Liaise with other international and regional actors to ensure that trade related activities are co-ordinated and in line with CEFTA's requirements.
- Organise and/or participate in several workshops/seminars on topics relevant to CEFTA implementation.
- Produce a biannual newsletter on behalf of the CEFTA Parties.

## **4. ACTIVITIES**

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The Secretariat will carry-out a range of technical, management, administrative and promotional activities in order to fulfil the above objectives.

### **4.1 Technical Advice and Guidance**

The Secretariat will provide technical advice and guidance to the Chair in Office, the Joint Committee and to the individual Sub-Committees established to date.

#### *Chair in Office and CEFTA Parties*

The Director in particular will work closely with the Chair in Office to ensure that the Chair's work programme is implemented. Apart from day-to-day contacts, this will involve the preparation of draft reports, memos and statements as well as the preparation of official communications with other CEFTA Parties and partners if required. The Director and staff will meet with their Montenegrin counterparts on a regular basis to review progress on implementation, to prepare next steps and to address any issues arising.

The Secretariat will devote particular attention to the preparation of background papers/status reports as requested by the Chair for key meetings of the CEFTA Parties.

Regular communication will also be maintained with all other CEFTA Parties, particularly with the nominated CEFTA interlocutors. It is expected that such communications will be intensive in the run-up to the key meetings such as the Deputy Ministers, the Joint Committee and the possible Summit of Prime Ministers.

The Secretariat will also be available to respond to ad hoc requests for assistance from individual CEFTA Parties should the need arise.

#### *Sub-Committees*

With respect to the Sub-Committees, in addition to day-to-day support, the Secretariat will work closely with the chairs of the respective committees to ensure that their objectives for 2009 are achieved. A number of studies are envisaged for the first half of 2009, the results of which will influence and support the work of the Sub-Committees and the Secretariat during the latter part of the year.

### *Sub-Committee on Agriculture*

The Secretariat will provide on-going support to the discussions on the potential for further liberalisation in agriculture and will work with the Chair to ensure that the Parties can meet the obligation in the Agreement to determine by 1 May 2009, what further concessions in agriculture can be offered between the Parties.

The Secretariat will also continue its close co-operation with the EC to ensure that a technical assistance project to determine options for concluding agreements on harmonisation or mutual recognition of sanitary and phytosanitary measures is launched and completes its work in due time. The Secretariat will facilitate the contacts between the consultants and the relevant interlocutors in each CEFTA Party.

### *Sub-Committee on NTBs*

In the field of Non-Tariff Barriers, the Secretariat will support the Sub-Committee in its efforts to up-date the matrices of non-tariff barriers and including the identification of potential solutions. The Secretariat will also work closely with the EC and the members of the Sub-Committee on Non-Tariff Barriers to launch and conclude a study on the possibilities to conclude plurilateral agreements on harmonisation of technical regulations and standards among the Parties.

The Secretariat will also seek to ensure that the Sub-Committee is made aware of any current and planned technical assistance programmes in the field of NTBs (e.g. the GTZ programme and the planned OECD programme) and these programmes are co-ordinated as far as possible.

### *Sub-Committee on Customs*

Support to the Customs Sub-Committee will include identification of activities required to ensure better understanding and subsequently implementation of the provisions relating to diagonal cumulation of origin among the Parties.

The Secretariat will follow-up on the seminar on the movement of goods held in Istanbul in December 2008 and will also encourage closer co-operation and communication among the customs authorities of the Parties.

### *Identification and Co-ordination of Technical Assistance*

As part of its responsibilities in providing technical advice and guidance to the CEFTA Parties and structures, the Secretariat will carry out a brief assessment of CEFTA related technical assistance currently or shortly available in the region. This assessment will then provide the basis for the development of additional requests for assistance as well as facilitating better co-ordination and co-operation among such projects. Once CEFTA Parties have agreed on key technical assistance requirements, the Secretariat will work closely with the relevant donors to determine if funding is available and to develop the necessary project documentation. This will require that the Secretariat develops expertise in the different programming cycles and requirements of the various donors.

In addition to the specific assistance required by the three Sub-Committees, particular attention will be paid to the topic of statistics to determine what guidance and assistance may be available to the Parties to improve the situation in the region.

It is envisaged that a donor meeting will be organised as part of the CEFTA week that will take place around the Joint Committee meeting in October 2009 and the Secretariat will play a key role in preparing for and organising such a meeting.

## **4.2 Management and Administration**

The Secretariat will ensure that remaining issues regarding the establishment of the Secretariat Office in Brussels are resolved. This includes following-up with the Belgian authorities regarding the ratification procedure for the Headquarters Agreement and facilitating communications between the Belgian authorities and the CEFTA Parties.

### *Staffing*

A key issue for the first quarter of 2009 is the appointment of the second technical expert who will have, in addition to his general duties, particular responsibility for the Customs Sub-Committee. It is hoped that a suitable candidate from the first round of recruitment can be appointed by the Selection Committee in early 2009.

### *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.

### *Progress and Financial Reports*

In accordance with the various financing agreements that have been concluded, the Secretariat will support the establishment of the Steering Committee for the Secretariat and provide the necessary support for the organisation of the meetings of this Committee. It will produce biannual progress reports on its activities and an annual financial report to complement the independent audit that it will commission.

## **4.3 Promotional Activities**

The Secretariat has already built a good relationship with the key interlocutors in each CEFTA Party and will develop this further in 2009 particularly through the organisation of meetings in the margins of other CEFTA or CEFTA related events. Such meetings will provide the possibility for informal reviews of progress, highlighting any issues arising as well as opportunities to develop skills or acquire information that can assist the officials in undertaking their duties.

### *Trade Related Projects and Programmes*

Developing relations with other trade-related programmes and projects in the region will be a key aim of the Secretariat in 2009. In addition to those projects already known (e.g. the EC/OECD project monitoring the investment clauses of CEFTA, the World Bank study to assess the impact of CEFTA on trade flows, the GTZ project tackling NTBs etc.), the identification of other technical assistance projects referred to in Section 4.1 will facilitate efforts to gain a better understanding of related activities and to co-operate as appropriate with different projects.

### *International Trade Related Organisations*

The Secretariat will also make special efforts to instigate regular communication with international trade related organisations such as the WTO, the World Customs Organisation, UNCTAD etc. that can provide advice and guidance on many of the issues confronting the CEFTA Parties. Particular attention will be paid to ensuring good communication with the Regional Cooperation Council and the various initiatives that operate under its umbrella e.g. the Investment Compact for South Eastern Europe and the Business Advisory Council. The Secretariat will also seek to build up contacts with the business community both regional and international e.g. through the Chambers of Commerce CEFTA Forum and Eurochambres.

The building of such networks will facilitate the promotion and dissemination of information on CEFTA itself and on a range of trade related issues. This communication should be complemented where possible by workshops and seminars and the Secretariat will encourage and support as far as possible the organisation of such events with various partners.

### *CEFTA Secretariat Website*

The development of a website will contribute to both the promotion of CEFTA and the dissemination of information. While the exact scale and scope of the website will depend on the resources that can be made available, it should provide a range of information on CEFTA for both the public and private sector. The Secretariat will ensure that it draws on existing information from publicly available sources e.g. the old Stability Pact website and supplement this with additional information as it becomes available during the implementation of CEFTA. The Secretariat website will be developed in close co-ordination with the Chair in Office to ensure that the websites are complementary. Information on the website will be supplemented by ad-hoc publications (possibly a newsletter) and information that will be prepared by the Secretariat and circulated as appropriate. In particular, the Secretariat will seek opportunities to submit articles by the Chair or Secretariat to various relevant publications in the region and internationally.

### Key Promotional Events

While the Secretariat will seek to promote CEFTA throughout the year in a variety of different ways, the key event will be the so-called "CEFTA week" which will take place in conjunction with the Joint Committee. The activities that take place during this event should be aimed at both public sector officials and the business community. Hence it should for example combine the presentation of studies on the implementation of CEFTA with business promotion events that allow all those involved with CEFTA to gain a better understanding of relevant issues and to identify further opportunities to benefit from this Agreement. It will also provide an excellent opportunity to demonstrate to donors the progress that is being made and to highlight those areas where additional assistance is required.

The Secretariat will work closely with the Chair in Office to organise this event and to ensure that it is well co-ordinated with the different actors involved.

#### 4.4 Key activities/events

Event/Activity	Indicative Timing
<p><b>Technical Advice and Guidance</b></p> <p>Finalisation of CiO Programme            Consultations/negotiations on Agricultural Concessions            Study on SPS            Study on harmonisation of technical regulations            Updating of NTB matrices            Identification of Available TA            Submission of TA requests            Technical Preparation for all CEFTA related meetings (PMs, JC, dep mins &amp; sub-comms)</p>	<p>Jan 2009            Jan - May 2009            Jan - Apr 2009            Jan - Apr 2009            Jan - Mar 2009            As required            Feb - Nov 2009</p>
<p><b>Management and Administration</b></p> <p>Finalisation of establishment issues            Finalisation of staffing            Progress Reports            Annual audit            Steering Committee Meeting            Donor relations            Organisational Preparation for all CEFTA related meetings (PMs, JC, dep mins &amp; sub-comms)</p>	<p>Jan-Mar 2009            Jan-Mar 2009            Feb &amp; Sep 2009            Sept 2009            Mar 2009            On-going            Feb - Nov 2009</p>
<p><b>Promotional Activities</b></p> <p>Networking            Website Development            Preparation of CEFTA Week            Preparation of articles            Bi-annual newsletter            Promotional Workshops/events</p>	<p>On-going            Apr - Oct 2009            May - Oct 2009            As required            Apr &amp; Oct 2009            On-going</p>



## **5. KEY ISSUES ARISING**

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In preparing this work programme for 2009, the Secretariat had made a number of assumptions regarding its ability to reach the objectives it has set out. These include:

While recognising the complex political challenges that surround the issue of Kosovo, a modus operandi will have to be found that allows all CEFTA Parties to participate in the different events and activities and for Joint Committee decisions to be adopted and subsequently implemented by all.

The staffing of the Secretariat should be complete by the end of the first quarter of 2009 at the latest. Given the small number of staff any staffing gaps mean substantial additional workload for the other staff members and in some cases insufficient capacity to address particular issues.

The financial contributions from both CEFTA Parties and donors must be made on time and in compliance with the relevant decisions and/or financing agreements. The Secretariat's budget is adequate if all contributions are made, however any significant financing gap would be difficult to sustain.

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In conclusion, based on its mandate and available resources, the Secretariat has a dynamic and ambitious work programme for 2009 and looks forward to working closely with all its interlocutors to implement this and thereby support the overall implementation of CEFTA.