



**CEFTA**

Central European Free Trade Agreement  
**SECRETARIAT**

**CEFTA SECRETARIAT**

# **WORK PROGRAMME 2012**

**January 2012**

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## **1. PURPOSE OF REPORT**

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This report is done in compliance with the Outline Work Programme adopted at the Joint Committee meeting in Chisinau on 8 October 2008. It sets out the detailed work programme of the Secretariat for 2012. It has been prepared on the basis of the CEFTA Secretariat's mandate (Decision No.7/2007), work carried out to date and the work programme of the Chair in Office for 2012.

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

## **2. BACKGROUND**

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The CEFTA Secretariat is in its fourth year of operation. The activities performed by the Secretariat in 2011 have been introduced in an annual report submitted to the Joint Committee members in November 2011. The Joint Committee expressed their full satisfaction with the support of the Secretariat.

The Secretariat was established following the finalisation of the Headquarters Agreement between the Kingdom of Belgium and the CEFTA Parties. While all Parties ratified the Agreement, the ratification procedure has not yet been completed in Belgium; the Secretariat continues to be subject to the payment of VAT.

The budget and the number of staff of the Secretariat remain unchanged since the establishment of the Secretariat. In the fourth year of the Secretariat's operation, the biggest share in the financing comes from the contributions of the Parties; to date six Parties have transferred their financial contributions.

In September 2011, the Secretariat has concluded a financing agreement for the next three years of operation with the European Commission (EC); there are no new financing agreements with bilateral donors.

### **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 (CiO) and the CEFTA Parties in the implementation of the CEFTA Agreement and those activities highlighted in the CiO Work Programme for 2012.

According to its mandate 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 Objective*

##### 3.2.1 Technical Advice and Guidance

- Provide the necessary day-to-day support to the Chair in Office, the three subcommittees and two working groups.
- 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, subcommittees and working groups.
- 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

- 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 the main international markets and ensure that CEFTA is widely promoted and understood.
- Maintain and regularly up-date the CEFTA Secretariat website.
- Liaise with other international and regional actors to ensure that trade related activities are coordinated and in line with CEFTA's requirements.
- Organise and/or participate in several workshops/seminars on topics relevant to CEFTA implementation.
- Produce a CEFTA Secretariat biannual newsletter.

## **4. ACTIVITIES**

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In the year 2012, the Secretariat commits to undertake a range of technical, management, administrative and promotional activities in order to fulfil the above objectives.

### *4.1. Technical Advice and Guidance*

#### 4.1.1. Support to the Chair-in-Office

In line with its mandate, the Secretariat continues with providing the necessary technical and administrative support to the Chair-in-Office for 2012. This includes permanent support and guidance in implementing **the Chairmanship Programme** presented by the CiO (Albania) in January 2012.

The Secretariat supports the Chair in Office in chairing **the fourth CEFTA Secretariat Steering Committee meeting** held in Brussels on 23 February 2012. The meeting gathers representatives of the CEFTA Parties, EC and current and potential bilateral donors to discuss relevant topics related to the functioning of the CEFTA Secretariat. On the same date, a Strategic Meeting at the level of Deputy Ministers is organised to discuss the main strategic issues to be addressed during the Albanian Chairmanship. More Strategic Meetings could be convened by the CiO during the year, if needed.

The annual **Deputy Ministers meeting** is expected to be organised in May/June 2012. This meeting has a main objective of taking stock of the six-month period of implementation of the Chairmanship priorities and preparing for the Joint Committee meeting.

**The sixth Joint Committee Meeting** will gather the CEFTA ministers responsible for external trade and their authorised representatives to discuss the current economic trends in the region address open issues and adopt necessary decisions on CEFTA related topics. The Meeting is expected to be held in October/November 2012.

#### 4.1.2. Support to the Subcommittees and the Working Groups

In accordance with the dynamics of the previous years, all Subcommittees are expected to be scheduled in the first half of 2012. Some of the Subcommittees will hold additional sessions in the second half of the year in order to keep up with the commitments undertaken. **The Subcommittee on Agriculture and SPS** is chaired by Albania, **the Subcommittee on Customs and Rules of Origin** by Bosnia and Herzegovina, and **the Subcommittee on TBT and NTBs** by Croatia. Besides organisational and logistical support, the assistance of the Secretariat includes the preparation of necessary background notes, non-papers and relevant analytical work related to the topics of each of the Subcommittees. In addition, the Secretariat will keep the CEFTA Market Access Barriers Database updated.

In line with the Ministerial Decisions of the fourth Joint Committee, the Secretariat assists the two working groups established to support the implementation of the Agreement. The **Working Group on TBT** held its fourth meeting on 1 February in Malmo while **the Working Group on Trade in Services** is expected to organize the regular annual meeting on 30 March in Tirana (Albania).

The Secretariat is a member and supports the work of an ad hoc Task Force for the CEFTA Portal. In 2012, this group will have to ensure the smooth transfer of the maintenance, updating and upgrading of the Portal from the GIZ to the Parties.

An important part of the Secretariat's efforts is dedicated to the preparation of project proposals for identified technical assistance and the organisation of workshops and roundtables that would adequately address the issues highlighted on the agendas of the subcommittees and two working groups. As the discussions within the CEFTA bodies are becoming increasingly technical and complex, this component of the Secretariat's work is expected to further gain in importance.

#### 4.1.3. Identification of Technical Assistance Needs

In the area of Technical Assistance (TA), the needs have been identified as early as mid 2011 following the presentation of the *Priorities of the Albanian Chairmanship of CEFTA in 2012* at the Deputy Ministers meeting held in Pristina on 30 June 2011. Together with the Chair, the Secretariat prepared a number of project proposals and contacted donors and international partners with the main aim to have technical assistance delivered successfully in the year 2012 and beyond.

Once a project starts, the Secretariat actively follows the progress of the project and coordinates the communication between the project and the relevant CEFTA bodies. As a rule, the results are presented to the CEFTA structures at all important milestones of the projects.

To date TA needs have been identified in the areas of liberalisation of trade in services, investment, facilitation of trade logistics, elimination of non-tariff barriers, customs administration cooperation and rules of origin, etc.

The OECD project “**Supporting the implementation of CEFTA 2006**” will start in February 2012 with a total duration of three years. The project is financially supported by the EC. It will focus on the reduction and elimination of NTBs, the potential for liberalisation of trade in services and the identification of policy measures leading to optimising the benefits of liberalisation in regional trade and investment in the framework of the EU accession process.

The **GIZ** will continue supporting the maintenance and updating of the CEFTA Trade Portal in 2012. The active involvement of CEFTA Parties is expected throughout the year, in order to allow for a smooth handover of the Portal to the Parties by the end of 2012.

In the area of **non-tariff barriers to trade**, the Parties will continue implementing the OECD developed *Multilateral Monitoring Framework on the Elimination of NTBs in the CEFTA Parties*. The specific objectives of this project are to ensure the independent monitoring of the elimination of NTBs, to effectively communicate and promote the findings of the monitoring to the relevant CEFTA structures and other stakeholders and to secure the existence of a permanent and stable process of eliminating NTBs. The project extends for another three years.

**The World Bank** will continue with its research on key topics under the framework of the CEFTA Agreement. The project on *Knowledge Platform in the Professional Services* in the CEFTA region is expected to start in the first quarter of 2012. The Secretariat welcomes the project and offers support where needed.

**In the area of TBT**, the CEFTA Parties continue to benefit from collaboration with the IPA funded **Project on Regional Quality Infrastructure**, especially in the areas of harmonisation of the legislative framework in the field of free movement of goods. The project is extended for the next two years.

The World Bank **IFC** continues with **the Project on Regional Trade Logistics in SEE**, which started in December 2011. Once completed, the project will offer potential solutions to the CEFTA Parties on how to achieve simplification and harmonisation of procedures and documentation, integration of the risk management systems into border inspection and implementation of the Single Window systems.

The Regional Training Centre accredited by the World Customs Organisation in Macedonia advised on its tentative planning to initiate a training programme on AEOs for the private sector in the CEFTA Region. In the area of training on customs, the Regional School of Public Administration (RESPA) in Montenegro was contacted to explore possible regional training programmes on customs to which it can support.

At the request of Albania, a project outline for technical assistance on capacity building in the formulation, coordination and implementation of trade policy was prepared. This will be one of the Chairmanship priority areas of Albania next year.

A project facility is to be established with the EU Financial Assistance. The specific objective of the project facility, to be called "CEFTA Project Facility- CPF" is to support the realisation of priorities identified by the CEFTA Structures for successful implementation of the Agreement, for which specific technical knowledge and experience are considered critical.

#### *4.2. Management and Administration*

With the Ministerial Decisions No.1/2010 and No.2/2010 the Joint Committee extended the mandate of the existing Secretariat staff for an additional period of three years, adopted the budget and agreed on the financing for the period from September 2011 to September 2014.



#### 4.2.1. Staffing

The staffing of the Secretariat is completed with the employment of the second technical expert in March 2011.

#### 4.2.2. 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.

#### *4.2.3. Progress and Financial Reports*

In accordance with the various financing agreements that have been concluded, the Secretariat will provide the necessary support for organising meetings of the Steering Committee.

It will produce biannual progress reports on its activities and an annual financial report to complement the independent audit that it is commissioning every year.

### *4.3. Promotional Activities*

#### 4.3.1. Relations with key interlocutors/international trade partners

##### CEFTA Parties

The Secretariat will continue with the practice of holding informal but very efficient and productive meetings with the Article 44 CEFTA Contact Points in the margins of the official CEFTA meetings and events. This way of communicating has proved so far to be very beneficial for all the Parties when questions of a technical or procedural nature have to be discussed and agreed.

During 2012 the Director and the experts envisage meetings and visits to the CEFTA Parties whenever there is a need for reviewing the goals achieved, highlighting any issues arising or developing further opportunities in specific fields of interest.

## International Partners

The Secretariat will continue to maintain good relations with all the other identified international partners whose scope of activities is complementary to the CEFTA goals. Having in mind the Chairmanship Programme for 2012, this includes especially the EC (DG Trade, DG Enlargement), World Bank, IFC, OECD, GIZ, WTO etc.

The Secretariat will further develop its good relations with bilateral donors, their support being vital to the successful implementation of the Agreement also in the next programming period i.e. 2011 -2014.

Efforts will be dedicated to the facilitation of regular exchange of views and ideas with the private sector through the network of the CEFTA Forum of Chambers of Commerce in the region. The Secretariat will continue to actively participate in the Chambers' meetings and coordinate with the CEFTA structures. The CEFTA Secretariat developed working relations with the German Chamber of Commerce (DIHK), which is financing a CEFTA related project for the Chambers; the Secretariat plans to participate in those areas and activities, which are of relevance to the implementation of the CEFTA Agreement in 2012. The Secretariat will further maintain regular exchange of information with the Business Advisory Council (BAC).

In 2012, the Secretariat will further deepen its cooperation with the Regional Cooperation Council (RCC) and its initiatives in particular the Investment Compact for South East Europe.

### 4.3.2. CEFTA Secretariat Website and the Newsletter

The Secretariat is operating on the domain cefta.int - a non-commercial domain reserved for international organisations. The website will be regularly updated in 2012 with relevant CEFTA information.

The Secretariat will continue to circulate a bi-annual newsletter. The main objective of the bi-annual newsletter is to brief interested parties on recent developments and highlights of CEFTA. The fourth and the fifth editions of the Newsletter are expected to be published respectively in March and October 2012.

### 4.3.3. Other Promotional Activities

Particular efforts will be made to develop links with various trade related organisations and projects in addition to those identified as directly relevant to CEFTA implementation.

The Secretariat will continue with its practice of publishing the bi-annual newsletter addressed to all interested and potential partners and which serves as a tool in promoting the Agreement beyond the region.

Based on the good experience from the last three years, the Secretariat will provide all the necessary support to the Chair in preparing “CEFTA Week”. The preliminary activities will start as early as mid 2012. This would include the identification of key topics, stakeholders, speakers and audience as well as facilitation of the organisational and logistical support to the Chair, who is the main organiser of the event. CEFTA Week is scheduled as a back-to-back event with the regular annual meeting of the Joint Committee to be held in October/November 2012. Its main objective is the promotion of CEFTA achievements and exploring the potential for further cooperation in the region.

In 2012, the Secretariat will put emphasis on increasing the visibility of CEFTA and of the Secretariat. The Secretariat is considering capitalising on the positive experience of issuing an ad hoc brochure on CEFTA trade statistics in 2011; publishing of trade data in a brochure may become a regular Secretariat activity. More attention will also be given to the preparation of presentations and to systematic use of various CEFTA related logos.

#### 4.4. Calendar of Events

<b>EVENT/ACTIVITY</b>	<b>INDICATIVE TIMING</b>
<b><i>TECHNICAL ADVICE AND GUIDANCE</i></b>	
Preparation & finalisation of the Chairmanship Programme	Dec 2011- Jan 2012
Identification of Technical Assistance needs	Mid 2011– Jan 2012
Preparation of the Subcommittees Work Programmes	June 2011 - Jan 2012
Technical preparation of the Secretariat Steering Committee	Jan/Feb 2012
Technical preparation of the Strategic Meeting	Jan/Feb 2012
Submission and Facilitation of Technical Assistance Projects	Nov 2011 – March 2012
Technical preparation of the WG on TBT meeting	Jan 2012
Preparation of the CEFTA Trade Portal Task Force meeting	Feb 2012
Technical preparation of the WG on Trade in Services	Feb/March 2012
Technical preparation for the SC on NTBs and TBT	April 2012
Technical preparation for the SC on Customs and ROO	May 2012
Technical preparation for the SC on Agriculture and SPS	May 2012
Technical support of the Deputy Ministers meeting	May-June 2012
Technical preparation for the SC on Customs and ROO	September 2012
Technical support for the WG on Trade in Services meeting	Sept/Oct 2012
Technical support to the SC on NTBs and TBT	Oct/Nov 2012
Technical support to the WG on TBT	Sept/Oct 2012
Support and preparation of CEFTA Week 2012	October/November 2012
Technical support of the Joint Committee meeting	October/November 2012
<b><i>MANAGEMENT AND ADMINISTRATION</i></b>	
Annual Audit for year 1	March 2012
Finalisation of the Secretariat Work Programme	January 2012
Progress Reports	Jan & Sept 2012
Steering Committee	Feb 2012
Donor relations	On going
Organisational preparation for all CEFTA meetings	Feb-Nov 2012
<b><i>PROMOTIONAL ACTIVITIES</i></b>	
Relations with the key interlocutors	On going
Website Update	Ongoing
Preparation of CEFTA Week	June-November 2012
Preparation of bi-annual newsletters	March/October 2012
Other promotional events	Ongoing

## **5. KEY ISSUES ARISING**

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In 2012, some mid-term issues will have to be addressed e.g. organisational, administrative and financial consequences of the accession of Croatia to the EU (tentatively expected in mid 2013), as well as procedures involving selection and appointment of the staff of the Secretariat after the contracts of the current staff expire in 2014.

## **6. SUMMARY BUDGETARY INFORMATION**

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The annual operating budget of the Secretariat is 650,000 Euro and is to remain unchanged also in the fourth year of operation.

In year four (September 2011 to September 2012), it is planned that the CEFTA Parties contribute 65 per cent of the total costs in accordance with the individual percentage contributions agreed in Decision 7/2007. The EC will cover 30 percent of the total cost of the Secretariat while the bilateral donors are expected to contribute 5 percent.