

WORK PROGRAMME

CEFTA Committee of Trade Facilitation

Montenegro

2016

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INTRODUCTION

During the past two years trade facilitation has become one of the main priorities of CEFTA. CEFTA Trade Facilitation Agenda with its comprehensive scope is the main strategic document which shapes the actions in CEFTA related to trade facilitation. In this regard, the CEFTA Trade Facilitation Agenda has three points of intervention logic. The first is that all actions in CEFTA trade facilitation are built upon the EU acquis while targeting beyond what the EU acquis requires. In this regard, such intervention logic is summarised as *acquis +*. The second point of intervention is that all actions in trade facilitation are oriented to private sector. The private sector has been put at the centre of “problem defining” in trade facilitation. It therefore refers to the actions which may potentially create better and short-term results for the private sector are taken priority in CEFTA. Furthermore, the trade facilitation related actions in CEFTA attach higher importance for the public-private sector dialogue. The third intervention logic in CEFTA Trade Facilitation Agenda is to target result-oriented actions. Thus, CEFTA aims to produce measurable and tangible results out all their actions in the area of trade facilitation.

Trade facilitation in CEFTA has been receiving very strong international and regional support. Internationally, the WTO, UNCTAD, ITC, WCO, and World Bank have become the key implementation partners of CEFTA in trade facilitation. Trade facilitation in CEFTA has received substantial political support lately reiterated by the conclusions of the Vienna Summit of the Berlin Process in August 2015. Furthermore, trade facilitation has become one of the top areas which the actions in CEFTA attract financial support from the EU, GIZ, SIDA, and USAID.

Having taken into account all these progress, CEFTA Joint Committee has adjusted the CEFTA Structures. In this regard, Committee of Trade Facilitation has become the exclusive focal point in steering all trade facilitation related efforts of CEFTA. Thus, the Committee of Trade Facilitation has renewed its mandate and all the relevant CEFTA Structures, in particular, the Subcommittee on NTMs and its working Groups become CEFTA bodies which are directly reporting to the results of their activities to.

In addition, the Committee of Trade Facilitation is the CEFTA Structure which will be responsible for steering the negotiations on Additional Protocol 5 which are expected to be concluded by mid-2016.

1. THE COMMITTEE AS PART OF CEFTA STRUCTURES

1.1. 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 responsible 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.

1.2. CEFTA Ministerial Conclusions of 2015 in relation to trade facilitation and Committee of Trade Facilitation

In the meeting of 26th of November 2015, CEFTA Ministers decided to adjust the CEFTA structures with the aim of responding to the CEFTA priorities and to strengthen the monitoring capacity of CEFTA structures of the implementation of the CEFTA 2006 Agreement, as well as their reporting of implementation results to the CEFTA Joint Committee.

CEFTA Ministers of Trade underlined priorities for the period of 2015-2020 as trade facilitation, including elimination of barriers to and distortions of trade, liberalisation of trade in services, improve conditions to promote investment, including foreign direct investment by providing fair conditions of competition affecting foreign trade and investment, and enhancing transparency in all the relevant rules and procedures for trade in the implementation of the Agreement. They highlighted the main aim to achieve concrete results in the implementation of CEFTA under each of these priorities to contribute collectively to the economic growth agenda of our Region as consolidated in the South East Europe Strategy 2020.

They welcomed the conclusions of the Western Balkans Summit in Vienna of 27 August 2015 recognising the role and importance of CEFTA in the actions related to trade facilitation, mobility, and growth in particular, and the contributions of CEFTA to the transport and energy Connectivity Agenda.

Furthermore, during the JC Meeting, it was declared that success recorded this year in priority areas of CEFTA including the negotiations on trade facilitation and liberalisation of trade in services, and in activities undertaken to enhance transparency. Thus, Ministers directed all CEFTA Structures to conclude the respective negotiations in 2016. This is to reach our mutual goal to facilitate trade and eliminate barriers to trade, and to reach the same level of openness of our services markets which will bring us enhanced economic performance and better integration into the world economy.

2. OBJECTIVES OF THE CHAIRMANSHIP

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

Objective 1: Trade Facilitation

The Chairmanship of Montenegro has the objective to steer the negotiations on Additional Protocol 5 with an aim to conclude them successful by mid-2016. In this regard, the Chairmanship will utilise the contributions of the working groups under CEFTA Subcommittee on NTMs, if necessary. In addition, the Montenegrin Chairmanship will aim to ensure the adoption of an action plan to identify the areas relevant to the implementation of Additional Protocol the implementation of which may start earlier or immediately after the Additional Protocol 5. Lastly, the Chair will do its best efforts to synchronise the scope of IT systems to be funded by the EU (Maintenance + and SEED+) with the scope of Additional Protocol 5 and the Action Plan.

Furthermore, the Committee will be acting as the steering committee of the EU financed Trade Facilitation Project in the framework of IPA 2015 and the GIZ financed project on the Market Access Barriers.

Objective 2: Monitoring the Elimination of Non-Tariff Barriers

The Chairmanship of Montenegro aims to create monitoring structure on the basis of inputs received from CEFTA Subcommittee on NTMs to report to the Joint Committee on the progress of the elimination of NTBs identified by CEFTA Parties. In this regard, the Committee will avail itself to discussion how to make the dispute settlement mechanism of CEFTA more efficient.

Objective 3: Enhancing Transparency

The Chair has the objective to contribute facilitating trade by strengthening the communication between the CEFTA Committee of Trade Facilitation and National Committees of Trade Facilitation and Dialogue with the Private Sector in CEFTA.

3. PRIORITIES OF THE CHAIRMANSHIP

Main Priorities:

Objective 1: Trade Facilitation

Priority 1: Conclusion of negotiations of Additional Protocol 5 on trade facilitation

The Chair will do its best efforts to steer the negotiation rounds in a way to conclude the negotiations on Additional Protocol 5 successfully by mid-2016. In this regard, the Chairmanship of Montenegro will chair the negotiation rounds, sign and send all the official communications in writing to CEFTA Parties and to ensure that all CEFTA Parties respect the modus operandi as agreed in the first round of negotiations.

Priority 2: Ensure Adoption of the Action in the context of Negotiations of Additional Protocol 5

The Chair will lead the discussion among CEFTA Parties to elaborate and adopt an action plan which will identify the list of activities that are directly related to the implementation of Additional Protocol 5. Such action plan will be discussed in the margins of the negotiation rounds, and will include the activities that could be carried out before or immediately after the conclusion of negotiations on Additional Protocol 5. This action plan will be the main document that would be submitted to the Summit in France to be held in the framework of the Berlin Process, if finalised by then.

Priority 3: Synchronisation of the Action with the IT project to be financed by the EU

The content of the action plan to be agreed in the framework of negotiations should be supported by the IT systems. Otherwise, the implementation of some activities to be included in the Action Plan might be in danger. Thus, the Chair will take all the necessary steps to synchronise the scope of IT projects to be financed by the EU (Maintenance + and SEED+) with the scopes of Action Plan and Additional Protocol 5.

Priority 4: Acting as Steering Committee of Donor financed Trade Facilitation Related Projects

The Chair will endeavour to have the Committee of Trade Facilitation functioned as Steering Committee of the EU financed IPA 2015 Project on Trade Facilitation in CEFTA, and GIZ financed project on Market Access Barriers. In this regard, the outputs of those projects are to be reported to the attention of the Committee and they may require the endorsement of the Committee.

Objective 2: Monitoring the Elimination of Non-Tariff Barriers

Priority 5: Establishing Tools to Monitor the Elimination of Non-Tariff Barriers

The Chair will propose a monitoring tool to the Committee of Trade Facilitation through which the elimination of non-tariff barriers at the national level could be reported. The identification of non-tariff barriers the elimination of which is to be monitored will be based on the reports of CEFTA Subcommittee on NTMs.

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.

The task of making CEFTA Dispute Settlement Mechanism more efficient as instructed by the CEFTA Joint Committee will be part of this priority.

Objective 3: Enhancing Transparency

Priority 6: Developing Communication between the Committee of Trade Facilitation and National Committees of Trade Facilitation

The Chair will 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 7: 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 of the Committee on Trade Facilitation on trade facilitation.

In this regard, the Chair considers organising two meetings with the private sector back-to-back to the Committee of Trade Facilitation and to make them part of the work of trade facilitation to the maximum extent.

4. ACTIVITIES OF THE CHAIRMANSHIP

Objective 1: Trade Facilitation

Priority 1: Conclusion of negotiations of Additional Protocol 5 on trade facilitation

Activity 1: Chairing Each Negotiation Round

On behalf of the Committee of Trade Facilitation, the Montenegro will chair each negotiation round and steer the negotiations with an object to conclude the negotiations by mid-2016.

In this regard, the Chair will coordinate with the Secretariat any technical assistance which may the CEFTA Parties need to conclude the negotiations on time.

Activity 2: Organisation of Training in WTO for Chief and Deputy Chief Negotiators

As it was agreed in the latest meeting of the Committee of Trade Facilitation in Chisinau, the Chair will communicate the WTO Secretariat to organise a 5 days training on WTO Trade Facilitation Agreement and its interaction between other WTO Agreements in Geneva. The agreement to

organise that training has already been reached between the CEFTA Secretariat and WTO Secretariat during the meeting in Chisinau.

Furthermore, the USAID and World Bank agree to co-finance the cost of organisation of training.

The Chair will also ensure together with the support of the CEFTA Secretariat the involvement of UNECE, ITC and UNCTAD in the training to contribute to its sessions.

Priority 2: Ensure the Adoption of the Action Plan in the margins of Negotiations of Additional Protocol 5

Activity 3: Finalisation of Discussion on the Action Plan

The Chair will steer the discussion on the content of the Action Plan which needs to be endorsed in the margins of the negotiations. Having fully taken into account the importance of endorsing an Action Plan to identify short-term actions for the implementation of Additional Protocol 5, the Chair will do its best efforts to finalise the discussions on the content of the Action in the first quarter of 2016.

This action plan will be the main document that would be submitted to the Summit in France to be held in the framework of the Berlin Process, if finalised by then.

Priority 3: Synchronisation of the Action with the IT projects to be financed by the EU

Activity 4: Establishing a Task Force to Discuss and Endorse the Scope of IT Projects to be Financed by the EU

In January 2016 the Chair will invite all CEFTA Parties to nominate their experts on IT from Customs Authorities and other Technical Agencies (TBT and SPS) to form up a task force with a special mandate to discuss with the European Commission the scope of Maintenance + and SEED +, and endorse their scopes. In this effort, the task force should pay a maximum attention

The content of the action plan to be agreed in the framework of negotiations should be supported by the IT systems. Otherwise, the implementation of some activities to be included in the Action Plan might be in danger. Thus, the Chair will take all the necessary steps to synchronise the scope of IT projects to be financed by the EU (Maintenance + and SEED+) with the scopes of Action Plan and Additional Protocol 5.

Priority 4: Acting as Steering Committee of Donor financed Trade Facilitation Related Projects

Activity 5: Steering and Monitoring the Projects on Trade Facilitation financed by EC and other Donors

The Chair will be ready to call the Committee of Trade Facilitation for ad hoc meetings and organise back to back to the scheduled meetings of the Committee, if it is necessary to steer the implementation of the projects in the area of trade facilitation, financed by the EU, GIZ or other

donors.

The Chair will do its best efforts, with the support of the CEFTA Secretariat, to facilitate the information flow between the project teams and the Committee of Trade Facilitation.

The Chair will also attempt to produce the joint positions among CEFTA Parties to extract the best outputs out of those projects for the interest of the Region. In this regard, the outputs of those projects are to be reported to the attention of the Committee as they may require the endorsement of the Committee.

Objective 2: Monitoring the Elimination of Non-Tariff Barriers

Priority 5: Establishing Tools to Monitor the Elimination of Non-Tariff Barriers

Activity 6: Reporting the Progress in Elimination of Non-Tariff Barriers

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 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, but in open consultation with the Committee. In those consultations, the Committee may require the presence of the relevant experts on each area and if necessary, the experts from the relevant international organisations could be invited.

The Chair will instruct the Secretariat to propose a reporting structure for monitoring the elimination of NTBs in line with this action.

Objective 3: Enhancing Transparency

Priority 6: Developing Communication between the Committee of Trade Facilitation and National Committees of Trade Facilitation

Activity 7: Preparation of Progress Report in the Creation of National Committees of Trade Facilitation

The Chair will instruct the Secretariat to propose a progress report template through which CEFTA Parties will report the process of the creation of National Committees of Trade Facilitation.

The consolidated progress report will be available for each meeting of the Committee of Trade Facilitation.

Activity 8: 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 of trade facilitation.

Activity 9: Exploratory Talks to Establish Direct Communication between the Committee of Trade Facilitation and National Committees of Trade Facilitation in the Future

The Chair will propose to the Committee of Trade Facilitation to initiate the discussion on possible procedures to establish direct communication between the Committee of Trade Facilitation and National Committees of 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.

Priority 7: Enhancing Dialogue with the Private Sector for Trade Facilitation

Activity 10: Organising Back-to-back meetings with the private sector

The Chair will organise a back-to-back meeting with the representatives of the private sector to each meeting of the Committee of Trade Facilitation. Initially, the representatives of the Chambers will be invited. In case of any further needs, representatives of the specific sectors or business associations would also be invited.

The cost of back-to-back meetings with the private sector will be financed by the CEFTA Project Facility.

5. EXPECTED RESULTS

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

Objective 1: Trade Facilitation

- Negotiations of Additional Protocol 5 on trade facilitation are concluded.
- The Action Plan of Additional Protocol 5 is adopted.
- The scopes of Maintenance + and SEED + are synchronized with the Additional Protocol 5 and the Action Plan.

- The implementation of Projects on Trade Facilitation is in the process of producing results to serve to the interests of CEFTA.

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 2016 is as follows:

MEETING/EVENT	DATE	PLACE
2 nd Round of Negotiations on Additional Protocol 5	January 20-21	Brussels
Training of Chief/Deputy Chief Negotiators of Additional Protocol 5	March	Geneva
3 rd Round of Negotiations on Additional Protocol 5	March/April	Brussels
4 th Round of Negotiations on Addition Protocol 5	May/June	Brussels
3 rd Meeting of Committee of Trade Facilitation	Last week September /first week October	Podgorica