

**DECISION OF THE JOINT COMMITTEE OF THE CENTRAL EUROPEAN FREE  
TRADE AGREEMENT**

**No. 1/2018**

**Functioning of the Secretariat**

**Adopted on 27 April 2018**

**Preamble**

The Joint Committee,

Having regard to Article 40.2 of Annex 1 to the Agreement on Amendment of and Accession to the Central European Free Trade Agreement (hereinafter called the "Agreement"), done in Bucharest on 19 December 2006, and the Decisions of the Joint Committee No 7/2007, adopted on 28 September 2007, No 1/2010, adopted on 12 November 2010, No 1/2013, adopted on 20 November 2013, and No 1/2014, adopted on 8 July 2014;

With the objective to ensure the continuous and efficient functioning of the Secretariat as well as the full implementation of the Agreement and the Additional Protocols to the Agreement;

Recalling that the Joint Committee's Ministerial Conclusions from 20 November 2013 acknowledge the involvement of CEFTA Structures in developing the Integrated Growth Pillar of the SEE Strategy 2020;

Recalling that the Joint Committee's Ministerial Conclusions from 9 December 2016 acknowledge the importance of the uninterrupted functioning of the Secretariat by securing sufficient human resources capacity to allow the segregation of duties;

Recalling the Consolidated Multi-Annual Action Plan for a Regional Economic Area from 12 July 2017 and the task provided to the Secretariat in securing the human and financial resources needed for the implementation of the Multi-Annual Action Plan

Has decided to replace the Decisions of the Joint Committee No 7/2007, adopted on 28 September 2007, No 1/2010, adopted on 12 November 2010, and No 1/2013, adopted on 20 November 2013, as follows:

## **Article 1**

### **Mandate of the Secretariat**

1. The overall function of the Secretariat is to provide support to the Joint Committee in performing its functions as per Article 40 of Annex 1 to the Agreement and to any CEFTA Body established by the Joint Committee. This function also includes providing support to the CEFTA Bodies, which have received delegated authority from the Joint Committee to perform its functions of supervising and administrating the implementation of the Agreement, in accordance with the specific mandates of each CEFTA Body.
2. Specifically, the Secretariat shall provide support to the Joint Committee to perform its main functions in accordance with Article 40 of Annex 1 to the Agreement through the following measures:
  - a. Support the supervision of the implementation of the Agreement by:
    - i. Developing and employing quantitative and qualitative mechanisms for monitoring the implementation of the Agreement, including its Additional Protocols and Annexes, in each CEFTA Party;
    - ii. Commissioning the development of any specific monitoring mechanisms that cannot be undertaken internally;
    - iii. Analysing, and reporting to the Joint Committee, the results obtained through supporting monitoring mechanisms;
    - iv. Proposing recommendations to the Joint Committee to enhance the effectiveness of implementation and remedy any drawbacks identified in the implementation of the Agreement, including its Additional Protocols and Annexes, at the regional level.
  - b. Facilitate the administration of the implementation of the Agreement by:
    - i. Providing administrative and technical support to the Joint Committee and to any CEFTA Body established by the Joint Committee;
    - ii. Preparing the initial drafts of all documents in relation to the functioning of the Joint Committee and all CEFTA Bodies, of the Chairmanship Priorities of the CEFTA Chair in Office and other CEFTA Bodies for approval by the Chair in Office and the Chairs of other CEFTA Bodies;
    - iii. Proposing the initial drafts of Annual Work Programmes of the CEFTA Chair in Office and of other CEFTA Bodies;
    - iv. Proposing the initial draft of Ministerial Conclusions to be adopted by the Joint Committee meetings, including those for Special Joint Committee meetings;

- v. Proposing the initial drafts of Ministerial Decisions and Recommendations for adoption by the Joint Committee;
- vi. Proposing the initial drafts of the Additional Protocols and Annexes to the existing Additional Protocols to be negotiated based on a decision by the Joint Committee;
- vii. Supporting the Chair in Office of CEFTA in the organisation and follow-up of all meetings of the Joint Committee and of other CEFTA Bodies. This includes, but is not limited to, work involving the preparation of agendas, and all administrative measures necessary for the preparation and organisation of such meetings, such as:
  - 1. Preparing draft minutes of all meetings for approval by the Chair and subsequently by the Joint Committee or respective CEFTA Bodies;
  - 2. Collating and circulating information to all CEFTA Parties in accordance with the requirements of the articles of the Agreement;
- viii. Preparing and presenting technical opinions of the Secretariat to the corresponding agenda items of the meetings of the Joint Committee and other CEFTA Bodies in relation to the supervision and administration of the implementation of the Agreement, Additional Protocols and Annexes;
- ix. Preparing and presenting technical opinions of the Secretariat in relation to the supervision and administration of the implementation of the Agreement in the meetings organized by CEFTA Parties, other Regional or International Organisations;
- x. Negotiating, co-ordinating, and finalising the contracting of donor-funded assistance for regional trade related activities, including the development of requests for technical and financial assistance with the prior approval of CEFTA Parties communicated through the Chair in Office, and reporting on progress;
- xi. Proposing the programming priorities and areas of technical assistance, based on donor-funded assistance granted to the CEFTA Secretariat, for approval by the Joint Committee and any other CEFTA Body having delegated authority from the Joint Committee;
- xii. Acting as contracting authority by implementing procurement rules in tendering procedures and contracting the assistance financed by budget lines of the Secretariat and donors;
- xiii. Reporting on the implementation of assistance tendered and contracted by the Secretariat to the Joint Committee or any other CEFTA Body having delegated authority from the Joint Committee and to donors, as required by the specific contracts with donors;

- xiv. Presenting the results of the assistance implemented by the Secretariat in meetings organized by the CEFTA Parties, Regional or International Organisations;
  - xv. Maintaining the official archive of the Agreement in liaison with the Depositary/Acting Depositary. The Depositary/Acting Depositary shall be responsible for holding original copies of all legal documents, in particular decisions and recommendations of the Joint Committee and minutes of meetings of the Joint Committee and any CEFTA Body set up by the Joint Committee. The Secretariat shall hold copies of all background documents and reports discussed by the Joint Committee and any CEFTA Body set up by the Joint Committee as well as routine correspondence;
  - xvi. Supporting the implementation of the trade related components of the SEE 2020 strategy and the Consolidated Multi-Annual Action Plan for the creation of a Regional Economic Area, and all other regional actions in the context of any other economic initiatives or in trade related international organisations related to CEFTA;
  - xvii. Liaising with the European Commission and other relevant partners and donors to secure and manage technical and financial assistance on behalf of the CEFTA Parties in the implementation of any regional strategy or plan which involves CEFTA Bodies and informing regularly the Joint Committee thereof.
3. The Joint Committee may assign additional functions to the Secretariat that it deems necessary.

## **Article 2**

### **Structure of the Secretariat**

1. The core team of the Secretariat shall comprise the following staff:
  - A Director;
  - Four (4) Technical Experts full time,
  - Three (3) Administrative staff full time and one (1) staff half time
2. In case additional needs arise, the Secretariat shall be entitled to seek to recruit more staff in accordance with a proposal of the Director subject to prior approval by the CEFTA Parties, and within the framework of the Secretariat's budget mandate.

3. The Secretariat shall be entitled, in case of the project implementation, to recruit staff necessary for the implementation of the concrete Project, with the employment contract matching the implementation of the Project.
4. In case of the absence of the Director (e.g. leave, illness or where the Director has stepped down from his position), one of the senior experts-staff member of the Secretariat referred to in Article 18 of the Agreement of the privileges and immunities of the Secretariat signed between the CEFTA Parties and the Kingdom of Belgium, shall be appointed as Acting Director until the Director resumes his/her duties or until a new Director is appointed in accordance with the established procedure.

### **Article 2 bis**

#### **Legal Status**

1. The legal status of the Secretariat and its staff in the host country, including the privileges and immunities enjoyed by the Secretariat and its staff, shall be governed by the "headquarters agreement" concluded with the host country.
2. In order to enable its staff to enjoy the customary exemptions granted by the host country to staff members of international governmental organisations, the Secretariat shall adopt the appropriate internal provisions (e.g. statute of personnel, social security scheme).
3. The Secretariat, represented by its Director, shall enjoy the right to conclude and implement financing agreements with donors, to open the necessary bank accounts and to conclude employment contracts with staff members.

### **Article 3**

#### **Budget of the Secretariat in the period 2019-2025**

1. The annual Budget of the Secretariat amounts to EUR 1,198,000.00 in the period 1 January 2019 – 31 December 2025. The CEFTA Parties' contribution to the overall annual Budget of the Secretariat is up to 55,55% of the Secretariat's respective annual Budget. The remaining part of the Secretariat's respective annual Budget shall be secured from the donors.
2. The contributions by CEFTA Parties as listed in the CEFTA 2006 Agreement to the annual Budget of the Secretariat in the period 1 January 2019 – 31 December 2025 shall replace the previous contributions by CEFTA Parties to the annual Budget of the Secretariat, as follows:

- 2.1. The contribution of the CEFTA Party as mentioned in the CEFTA 2006 Agreement in the amount of EUR 71,560.53 which represents a share of 10.67% of the annual Budget of the Secretariat paid by the CEFTA Parties shall replace the previous contribution in the amount of EUR 36,400;
  - 2.2. The contribution of the CEFTA Party as mentioned in the CEFTA 2006 Agreement in the amount of EUR 111,813.33 which represents a share of 16.67% of the annual Budget of the Secretariat paid by the CEFTA Parties shall replace the previous contribution in the amount of EUR 56,875;
  - 2.3. The contribution of the CEFTA Party as mentioned in the CEFTA 2006 Agreement in the amount of EUR 98,395.73 which represents a share of 14.67% of the annual Budget of the Secretariat paid by the CEFTA Parties shall replace the previous contribution in the amount of EUR 50,050;
  - 2.4. The contribution of the CEFTA Party as mentioned in the CEFTA 2006 Agreement in the amount of EUR 49,197.87 which represents a share of 7.33% of the annual Budget of the Secretariat paid by the CEFTA Parties shall replace the previous contribution in the amount of EUR 25,025. The increase shall be incremental as follows:

For 2019 the contribution shall be EUR 25,025, for 2020 the contribution shall be EUR 25,025, for 2021 the contribution shall be EUR 38,025,025, for 2022 the contribution shall be EUR 42.025; and as of 2023 the contribution shall be EUR 49,197.87;
  - 2.5. The contribution of the CEFTA Party as mentioned in the CEFTA 2006 Agreement in the amount of EUR 58,142.93 which represents a share of 8.67% of the annual Budget of the Secretariat paid by the CEFTA Parties shall replace the previous contribution in the amount of EUR 29,575;
  - 2.6. The contribution of the CEFTA Party as mentioned in the CEFTA 2006 Agreement in the amount of EUR 223,626.67 which represents a share of 33.33% of the annual Budget of the Secretariat paid by the CEFTA Parties shall replace the previous contribution in the amount of EUR 113,750;
  - 2.7. The contribution of the CEFTA Party as mentioned in the CEFTA 2006 Agreement in the amount of EUR 58,142.93 which represents a share of 8.67% of the annual Budget of the Secretariat shall replace the previous contribution in the amount of EUR 29,575.
3. The structure of the annual Budget of the Secretariat shall be proposed by the Director and approved by the Joint Committee each year.

4. Year is defined as the period from 1 January to 31 December. CEFTA Parties shall pay their contributions not later than 31 October of the preceding year. The contribution for the year 2019 shall be paid not later than 30 April 2019.
5. In case of a withdrawal by a CEFTA Party from the Agreement, in accordance with Article 51 of Annex 1 to the Agreement, its contribution for the year in which the withdrawal occurs shall be calculated for the months during which it has still been a Party to the Agreement.
6. In case of an accession by a Party to the Agreement, in accordance with Article 49 of Annex 1 to the Agreement, the contributions of CEFTA Parties to the annual Budget of the Secretariat shall be revised.
7. An independent audit shall be carried out each year in accordance with international standards. The Director shall submit the results of the audit as well as a summary financial report to the Joint Committee as part of his Annual Report.

#### **Article 4**

##### **Entry into Force**

1. Decisions of the Joint Committee No 7/2007, adopted on 28 September 2007, No 1/2010, adopted on 12 November 2010, and No 1/2013, adopted on 20 November 2013, shall cease to have effect as of the date of adoption of this Decision.
2. This Decision was adopted by all CEFTA Parties in the presence of their representatives, except by Bosnia and Herzegovina which made a reservation regarding the fulfilment of its domestic legal requirements.
3. This Decision shall enter into force on the first day following the date of receipt of the written notice with which Bosnia and Herzegovina confirms to the Acting Depositary, that its domestic legal requirements for the adoption of this Decision have been fulfilled.

Adopted in Pristina on 27 April 2018 in the presence of representatives of all CEFTA Parties