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OPEN REGIONAL FUND FOR SOUTH EAST EUROPE - FOREIGN TRADE
Support to regional economic integration

INFO

No. 3, November 2022



• IN THE FOCUS •

CONFERENCE OF THE REGIONAL AEO ASSOCIATION -

REINFORCEMENT OF COOPERATION FOR FURTHER REGIONAL ECONOMIC INTEGRATION



• EVENTS • DECISIONS • COOPERATION
• SUPPORT • WESTERN BALKANS • CEFTA

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SUPPORT TO REGIONAL ECONOMIC INTEGRATION

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Editorial:

This has been a busy time for the project, with a lot of achievements despite certain challenges we were confronted with. Numerous events in different thematic areas were conducted and encouraging initiatives towards new and inventive cooperation measures have started.

We would like to look back and share with you some highlights of the last six months, from June to November 2022. Throughout all activities, stakeholder engagement is at the centre of our work, and we would like to say THANK YOU to

all the partners and stakeholders who collaborated with us for their invaluable support, engagement, and contribution to the project results.

Please do not hesitate to contact us for further information regarding the project or visit our [website](#).

We hope you will enjoy reading!

ORF FT Team

• IN THE FOCUS •

Conference of the Regional AEO Association - reinforcement of cooperation for further regional economic integration

Regional economic integration of CEFTA Parties is essential for building prosperous economies that will encourage trade, competitiveness and investment and prepare businesses and citizens of the region for membership in the European Union (EU). The establishment and mutual recognition of the Authorized Economic Operators (AEO) Programme, as the first programme based on trust and mutual recognition of achievement of EU standards, has great strategic value for CEFTA economies. This encourages both regional and EU integration. These were main messages of the Regional AEO Association Conference, held in Belgrade, November 3 – 4. The Conference gathered more than 150 participants from customs administrations, business community, governments, and multilateral policymakers to discuss the successes and challenges in implementing AEO programmes and their impact on the prosperity of the economies of the Western Balkans and CEFTA. Furthermore, during the two-day conference, participants had the opportunity to hear the experiences and insights from the most prominent experts and customs delegations from global customs community (EU, USA, Brazil, Peru).



• TRADE FACILITATION •

Companies in the region recognise the worth of trade facilitation programmes

The continuous promotion of the Authorised Economic Operators (AEO) Programme to companies operating in CEFTA markets resulted in many of them showing a great interest in applying for and obtaining AEO status. As a specific “tool” designed to ensure that goods are cleared faster within the CEFTA economies, the AEO Programme attracts companies already trading with certain CEFTA economies, as well as those planning to expand to reach all CEFTA markets.



Currently we are recording a sharp increase in the number of registered Authorised Economic Operators (AEOs) - from 13 in 2016, to 198 in 2022. Furthermore, continuous growth is noticeable in all seven CEFTA economies.

In this context, companies seek for support to start this process, so we created numerous opportunities for discussions with all relevant stakeholders, by organizing national and regional meetings and training sessions, led by renowned international experts. During this period, we also supported regional AEO Association to have regular dialogue with the representatives of institutions responsible for inter-party trade. These dialogues aim to create a common approach for enabling AEO programmes within the region to be viable in both sectors, and to encourage the AEO community in the



Western Balkans to build a strong collective voice.

To highlight the cooperation between the businesses and public institutions within the project, we supported the regional AEO Association to organize a Customs to Business (C2B) consultation session, on the strengths and challenges of the AEO programmes across the region. The meeting was organised within the programme of the regional AEO Association Conference, held in Belgrade. The consultation session enabled the customs administrations to present the status of their AEO programmes and envisaged AEO action points and also to exchange the priorities for the improvements and growth of the AEO Programmes in the region with the AEO Association members.

Albania is the 4th CEFTA Party to successfully validate its national AEO programme

The AEO validation mission, which multilaterally recognizes the national Authorised Economic Operators (AEO) programme in CEFTA markets, was successfully implemented in Albania. This makes Albania the fourth CEFTA Party to validate its domestic programme. The significance of such validation is reflected in the assurance that secured trade and preferential customs treatment are granted to companies that have obtained AEO status.

Being aware that cooperation is precious for the genuine transformation of economies, the project will continue to support the inter-party institutions in all their steps in the process of implementation of efficient controls and enabling faster and more efficient trade between economies in the region.



Pilot Joint Customs and Phytosanitary Control on Wood Packaging Materials in CEFTA Parties successfully completed



CEFTA Parties decided to harmonise their legislation with the new EU plant health regime. This requires a regional approach for joint risk management and the mutual recognition of certificates for fruit and vegetables issued by each CEFTA Party. To support them on this path, we focused on efficient implementation of the CEFTA requirements in the field of harmonising procedures for border crossing of fruit and vegetables at the regional level, and implementation of mutual recognition programmes.

Multilateral cooperation in this area resulted in the first Pilot Joint Customs and Phytosanitary Action for Control of Wood Packaging Materials (WPM) in CEFTA Parties, which clearly showed that in all its phases, the customs and phytosanitary authorities of the CEFTA Parties can implement common risk profiles.



The Pilot Joint Customs and Phytosanitary Control on Wood Packaging Materials was organized in June, with regards to the implementation of the International Standard for Phytosanitary Measures on Regulation of Wood Packaging Material in International Trade in CEFTA Parties. The action was implemented by using the Common Risk Profile Module of the SEED (Systematic Electronic Exchange of Data) System, i.e., a common risk profile on wood packaging material. The implementation of this standard will reduce the risk of introduction and spread of quarantine pests associated with the movement in trade of WPM made from raw wood.



The Draft Decision on the Establishment of an Electronic System to Facilitate Customs Risk-Management agreed on a technical level between CEFTA Parties

Customs risk management is of great importance for systematic risk identification and implementation of the measures needed to facilitate legitimate trade, limit exposure to risk and improve and streamline controls. Customs administrations from CEFTA economies agreed on a technical level the *Draft Decision on the Establishment of an Electronic System to Facilitate Joint Risk-Management for Trade in Goods* among them. They gathered in Budva, Montenegro, to ensure a common understanding of technical aspects of data sharing for benefits of custom risk management in the region.



The implementation of the Decision will help defining and applying a regional approach for a common risk management. Such improved risk management systems will improve targeting of high risks and accelerate customs clearance while improving the quality of customs control. The improved risk management requires strengthening of the cooperation with other border agencies to speed up border formalities for the benefit of businesses. **Establishment of an electronic system to facilitate risk-management for trade in goods among CEFTA customs administrations is a great step forward for the reduction of threats deriving from unsecured trade..**



• THE LIBERALISATION OF TRADE IN SERVICES •

Progressive liberalisation of the services market will contribute to economic development and growth in the region

CEFTA Parties have committed to gradually achieve a progressive liberalisation of their services markets, through agreement on Additional Protocol 6 to CEFTA. They recognised that the liberalization of both goods and services in the framework of CEFTA 2006 shall act as an avenue for achieving the objectives of economic development and growth in the region by expanding intra-regional investment and production opportunities.

To support the CEFTA Parties in achieving their commitments regarding the AP6, we held a series of bilateral events during June – November period. We focused on directing attention on AP6 of all relevant policymakers across all relevant ministries and local business associations. In addition, within our efforts to coordinate the activities that will contribute to more efficient implementation of AP6, the project participated in the Subcommittee meeting for trade in services in Brussels. We have presented the first draft of the Guidelines for Transparency and Notification and state of play for two important decisions: facilitating trade in services provided by travel agencies and tour operators and enhancing cooperation on trade-relat-

ed statistics. The project organized a workshop in Skopje on October 18 and 19, 2022, discussing intra-CEFTA asymmetries in trade in services with members of the Working Group on trade in services statistics, FATS and FDI statistics. In the forthcoming period, project will focus on bilateral meetings with several CEFTA Parties in order to complete the planned activities for 2022 in the area of trade in services.



• STRENGTHENING OF THE QUALITY INFRASTRUCTURE SYSTEMS •

Launching of the new project - Support to regional economic integration in the fields of quality infrastructure and electronic commerce

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has launched a new project EU4 Business: Support to Regional Economic Integration to support regional economic integration in the fields of quality infrastructure and electronic commerce. The aim is to strengthen regional economic integration amongst CEFTA Parties by supporting the implementation of a Common Regional Market Action Plan in both aforementioned areas. This complements the already ongoing activities with the CEFTA Parties in the implementation of trade reforms in the region, in line with the requirements of the EU alignment process. The project will provide the opportunity to advance in these fields thus ensuring access to 20 million customers for business operators in CEFTA.

The project was launched in June, in Skopje, North Macedonia, by representatives of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), the German Embassy, the Delegation of the European Union to Skopje, the Ministry of Economy of North Macedonia and the CEFTA Secretariat.

A functioning quality infrastructure system is a precondition for the quality of the products in the region

Having in mind that quality infrastructure provides a solid basis for sustainable development of an economy and directly affects intra-regional and international trade of goods, regional cooperation in this field is seen as imperative. The existence of well-established quality infrastructure institutions that will underpin the assessment of conformity of industrial products and ensure consumers' protection, is an unquestionable precondition for an increase in the exchange (import and export) of goods within the CEFTA markets. A common understanding on the importance of efficient QI institutions that protect consumers from unsafe products and businesses from disproportionate costs and unfair competition, was emphasized at the regional meeting on quality infrastructure, held in Budva, Montenegro. The meeting gathered representatives of CEFTA economies intending to open the discussion on developing a common approach for the specific actions to facilitate trade in industrial products based on recognition of results of conformity assessment procedures.

The project will further focus on enhancing the capacities of the quality infrastructure institutions to offer a wide range of QI services, that should ensure fair competition and consumer protection through an improved market surveillance system.



• IMPROVING MARKET ACCESS
FOR E-COMMERCE PROVIDERS •

Digital trade - an accelerator of economic growth in CEFTA economies

E-commerce is one of the fastest-growing business sectors in CEFTA economies, generating more than 1 billion euros with fast-paced growth. On average already 10% of goods and services are purchased online today. The project is focused on supporting this growth through the specifically oriented activities for the public and private sectors.

Within the part of the project that supports public institutions, we organized the workshop for the Customs e-commerce expert group on the Electronic Advanced Data (EAD) exchange between Postal Operators and Customs, to decide on preferred solution model for cooperation. As a result of the workshop, zero-draft recommendation document on partial or full transposition of the EU VAT e-commerce package was jointly developed and presented at the CEFTA Sub-committee on Customs and Rules of Origin, held in November.

Our focus in this field remains on strengthening the capacities of national e-commerce associations in further support to the private sector, improving consumer trust, networking, and rising awareness for e-commerce, as well as support of the e-commerce associations to actively collaborate with the

public sector through public-private dialogue, aiming to create productive environment for e-commerce on a local and regional level. Within our efforts to spread the word about the latest achievements in overcoming obstacles in regional e-commerce, we organised the panel discussion for representatives of the private and public sectors: *“The road towards a regional eCommerce market – achievements and the way forward”* as part of the [Western Balkans Digital Summit](#) programme in Pristina. Furthermore we supported the [E-commerce Association in Bosnia and Herzegovina](#) to create a programme specially dedicated to e-commerce and to address it within the [Marketing Summit Sarajevo](#). Additionally, e-commerce associations from CEFTA alongside relevant stakeholders supporting e-commerce businesses participated in the [5th E-commerce Conference](#) organised by the [Macedonian E-commerce Association](#). This was an opportunity for our partners to access networking and know-how on benefits from structured public-private dialogue on inter-party challenges and opportunities in digital trade.



• IMPROVING MARKET ACCESS FOR START-UPS •

Growth of innovative businesses in the Western Balkans through capacity transfer

Taping into international markets for the startups from the Western Balkans requires additional technical and networking capacities and tutoring by experts from highly professional ecosystems. In this context, we specially designed tools to support this highly innovative group of professionals in the regional and international expansion of their businesses.

As part of these activities, about 60 start-ups, participated in the **3rd and 4th Growth and Traction Camps** for Western Balkans startups, held in Tirana and Skopje. In those rounds, participants were able to exchange ideas for growth of their

businesses and to create new cooperation opportunities. Those who achieved high results were awarded with the opportunity to develop further, where each of them is assisted individually to achieve their targets.

This proved to be an excellent way to accelerate the growth of innovative businesses in the Western Balkans since one of the participants of our Camps, **Senita Slipac, co-founder of startup [Orea Bazar](#) from Mostar, successfully presented her startup at the Podim Conference and received an investment worth 100.000 EUR.**



In order to create the supportive environment for the start-ups in the region, and their networking skills, the project supported the establishment of the Western Balkans Start-up Alliance which eagers to connect the region and use the joint knowledge and experience of the start-ups as the cohesive force for creating new solutions for the common challenges. More info on WBSA available at: [WB StartUp Alliance | WB](#)



HIGHLIGHTS



Published by

Deutsche Gesellschaft für Internationale
Zusammenarbeit (GIZ) GmbH

Registered offices

Bonn and Eschborn, Germany

Project

Open Regional Fund - Foreign Trade
Giz Office Sarajevo
Zmaja od Bosne 7- 7a
Importanne Centar 3/IV

Contact

T +387 33 957 500
F +387 33 957 501
GIZ-BosnienHerzegovina@giz.de
www.giz.de/bosnia-herzegovina

Design/Layout

Miodrag Bogdanović, Belgrade

Photo credits

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The programme is co-funded by the European Union and the German
Federal Ministry for Economic Cooperation and Development (BMZ).

GIZ is responsible for the content of this publication

As at

November 2022, Sarajevo