



CEFTA

Central European Free Trade Agreement

PRIORITIES FOR THE CEFTA CHAIRMANSHIP 2025

December 2024

I. INTRODUCTION

As set out in the CEFTA Decision No.1/2007 Rules of Procedure amended by the Decision 1/2024, Kosovo* will take over the Chairmanship of CEFTA in January 2025. The Chairmanship is taken on a rotational basis with the tenure of office of one calendar year.

The 2025 CEFTA Chairmanship is committed to the continue the implementation of the foreseen actions and timelines that will ensure smooth functioning of the CEFTA bodies, enhancing their ability to undertake all technical and policy-level activities.

Acknowledging the priorities set within the Berlin process in relation to the CEFTA Agreement and its Additional Protocols, the Chair in Office will engage to identify and implement those priority actions that are transposed from the CEFTA Agreement into the Common Regional Market Action Plan 2025-2028 (CRM 2.0), adopted during the Summit in Berlin in October 2024 and supported by the European Commission. The implementation of these measures aim to support economic growth and development, increase trade and investments, and bring prosperity to the CEFTA Parties, by facilitating trade and eliminating trade barriers.

Moreover, the recently introduced New Growth Plan for the Western Balkans (NGP) will give an additional boost to the CEFTA activities, considering that CEFTA has been recognized as the key mechanism in establishing the Common Regional Market. Therefore, the Chair in Office will be committed to a strong implementation of the first year of the CRM 2.0 as well as to CEFTA's contribution to gradual integration into the EU Single Market. Finally, the 2025 Chairmanship will emphasize the importance of coordinating policies with other regional organizations and initiatives, toward the EU Single Market.

The Chair in Office deems that the following priorities will complement the ongoing efforts within CEFTA, contributing to the achievement of shared goals and the completion of previously commenced activities.

II. PRIORITIES OF THE CHAIRMANSHIP FOR 2025

The CEFTA 2025 Chairmanship considers the implementation of the CEFTA Agreement and its Additional Protocols and the creation of an economic area based on EU compliance is of crucial importance for generating economic benefits for the Parties and is fully aware that the actions foreseen by the CRM Agenda require systemic and coordinated work for each upcoming CEFTA Chairmanship. That is

* This designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ opinion on Kosovo Declaration of Independence.

why the efforts of the CEFTA Chairmanship of 2025 will pay a particular attention to establishing a strong basis for all actions with a multi-annual perspective, in order to timely implement the CEFTA Agreement through the CRM activities. The NGP brings a new perspective by creating an interdependence and formal linkage between the implementation of CRM AP and accelerated approach to the EU Single Market.

Hence, Chair in Office has determined the following as the priorities of its Chairmanship in 2025 to respond to the undertaken commitments. The Chairmanship priorities will directly stem from the CEFTA Agreement and Common Regional Market agenda to respond to the needs of CEFTA Structures for their proper implementation.

Priority 1: Free movement of goods

Activities aimed at facilitating trade in goods will be structured as follows: **agriculture, quality infrastructure, and customs** alongside **other trade facilitation measures**.

The Chair will prioritize advancing key initiatives essential for facilitating trade in goods, with a focus on strengthening cooperation, harmonizing and simplifying procedures, and promoting digital transformation. Emphasis will be placed on aligning with EU standards and best practices as guiding principles for trade policy reforms across CEFTA, paving the way toward integration into the EU Single Market. These efforts aim to enhance competitiveness and support CEFTA's goal of fostering a more integrated, efficient, and dynamic trade environment.

In the area of **trade in agricultural products**, the implementation of the **Decision on Facilitating Trade for Fruit and Vegetables** will remain a top priority on the Chair's agenda. Building on the tremendous technical work done in the previous period, including preparation of contingency plans, different guidelines, procedures and databases the focus in 2025 will be on creating the adequate framework to supporting implementation with a view to further facilitate trade. While significant progress has been made through training initiatives, capacity-building efforts will be vital, targeting both respective agencies in charge of implementation and the private sector. All efforts are expected to lead to a reduction in the frequency of phytosanitary and food safety checks for fruit and vegetables, increased efficiency in trade procedures, improved cooperation, and greater alignment with the EU standards.

To further eliminate trade barriers, the Chair in office will prioritize the **development and implementation of a Joint Committee Decision** for the **harmonization of veterinary certificates** within CEFTA. This initiative aims

to standardize and streamline the veterinary certification process, ensuring greater consistency, efficiency, and transparency in the movement of agricultural products, particularly those of animal origin. This is expected to lead to a reduction in delays and costs associated with veterinary checks, increased trade efficiency, and improved market access for CEFTA Parties and fosters greater integration with international standards, particularly those of the European Union.

Under the component **of trade in industrial products and quality infrastructure**, Chair in Office will continue advancing efforts paving the way for a sustainable approach to eliminate repeated conformity assessment procedures. Therefore, the Chair will seek to extend the scope of the Decision on the recognition of Results of Conformity Assessment of Industrial Products to further products, which is currently being negotiated and covering electrical products and other industrial products, with a view to optimize procedures, reduce costs and improve safety and security.

Establishing cooperation on market surveillance and advancing information exchange, will be crucial for ensuring a high level of protection of people and companies across CEFTA parties.

Support will be given to the Parties in regard to initiating discussions for an agreement on acceptance of goods in non-harmonized sectors marketed in one Party to be sold in others enabling therefore access to markets without additional requirements for products for which there are no harmonized EU rules.

Harmonisation of labelling rules of chemical and other products. Support will be given to the Parties in regard to initiating discussions on facilitating movement of chemical products across the region by harmonizing labelling rules, classifications e.g. CLP and REACH regulation/evaluation, authorization, restrictions, etc. and to facilitate movement of pesticides, biocides, fertilizers according to best EU practices, including CRM2 under the free movement of industrial goods.

Under **customs area** Chair in Office will support the implementation of common rules of origin within CEFTA, ensuring uninterrupted cumulation of origin with the EU and other trading partners continues. The establishment of a CEFTA Advisory Body for Customs Cooperation on classification of products and rules of origin will be a priority, creating a safe and predictable environment for businesses, allowing them to effectively and efficiently plan their costs in advance without encountering any unplanned surprises during the export or import procedure of traded goods. Furthermore, this activity is to support facilitation of trade, including in the phytosanitary domain.

Recognition of *Authorized Economic Operator* (AEO) programs will be a priority, alongside a review of the current rules to extend the benefits for the economic operators, including priority lines and reduced controls and the establishment of the CEFTA AEO customs group responsible for the CEFTA AEO matters. The Chair supports the establishment of a Joint AEO Customs Group to address challenges related to the implementation of AEO program and enhance interagency collaboration in this area.

Efforts to facilitate *electronic commerce* (e-commerce) will focus on enhanced customs cooperation, including establishing mechanisms between designated postal operators and customs administrations, as outlined in the CEFTA Action Plan for the partial or full transposition of the EU VAT e-commerce package. The Chair in Office will also support and assist in the implementation and smooth functioning of the Import Control System (ICS2) to enhance customs security and efficiency.

When it comes to **other trade facilitation measures**, Chair in Office will support the CEFTA Parties to regularly update the *CEFTA Market Access Barriers Database* (MABD) and encourage cooperation with UNCTAD in finalizing and endorsing the recommendations to improve the functionality of the database and update the Operational Guidelines for the Use of the MABD.

Finally, the Chair will support efforts to finalize the negotiations on the Decision regarding the *harmonization, reduction, and removal of fees and charges*. This aims to increase transparency, ensure uniformity, and reduce rates to the greatest extent possible.

Priority 2: Free trade in services

The Chair in Office will make every effort to build the momentum for the full implementation of the **Additional Protocol 6 on Trade in Services (AP6)**. In that respect special attention will be given to ensuring that all CEFTA Parties complete, as soon as possible, their internal procedures which would allow for the Protocol to enter into force in all Parties. Furthermore, the Chair in Office will initiate discussions on the **extension** of the Annex III Consolidated Schedule of Specific Commitments to the AP6 to include the audiovisual sector and to update the Annex II on Regulatory Principles Regarding Telecommunications of the AP6. In line with Article 9 of AP6, the Chair in Office will promote exchange of information on relevant measures among the CEFTA Parties by **updating the CEFTA Services Regulatory Database**.

In relation to **regulatory cooperation**, the Chair in Office will launch discussions on the CEFTA Joint Committee Decision setting out general *rules on establishment and the free provision of services* based on the Services Directive rules and sector

coverage and the establishment of Points of Single Contacts (PSC) in the CEFTA Parties in line with the Services Directive and PSC Charter, as well as initiating expert activities on investment facilitation. In the area of payments, the Chair in Office will prioritize discussions on the Joint Committee Decision for the harmonization of authorizations for non-bank payment service providers and the implementation of the CEFTA QR Code Standard Action Plan, which includes establishment of a Working Group. In relation to tourism, the Chair in Office will support the implementation of the Joint Committee Decision facilitating services provided by travel agencies and tour-operators. While in the area of insurance, the Chair in Office will focus on agreement of the implementation arrangements of the Joint Committee Recommendation for facilitation of third-party liability vehicle insurance in order to enable traveling without Green Card within CEFTA.

The work on **professional qualifications** will concentrate on the efforts to adopt the Joint Committee Decision on the disciplines establishing a general system for the recognition of professional qualifications and its implementation. Additionally, the Chair in Office will initiate discussions on the extension of the scope of the Joint Committee Decision establishing general system of recognition of professional qualifications in line with the EU Directive and provide a platform for discussions on the requirements for the recognition based on professional experiences in crafts, commerce and industry in line with the EU Directive. The Chair in Office will support the joint work with the Regional Cooperation Council in this field and commits to close cooperation in this area.

The **electronic commerce** will continue to be an important priority. The Chair will commence the work on the extension of the scope of the Joint Committee Decision on facilitation of electronic commerce to, inter alia, include harmonization with EU Digital Services Act and SME-to-Platform Regulation. Another new area that will come into focus will be the portability of online content modeled after the Regulation (EU) 2017/1128. The Chair in Office will initiate the work on feasibility study on the CEFTA framework in this field. The support will be given to the adoption of the framework which will allow recognition of electronic signatures and other trust services in line with the EU acquis. Furthermore, it will be of utmost importance to continue with the implementation of the e-commerce package, continue capacity building activities and promote greater cooperation among relevant stakeholders.

The Chair in Office will support finalising the discussions on the **JC Decision on the removal of the requirement of work permits** for professional activities under the Additional Protocol 6, with a view to facilitating movement of natural persons within CEFTA. The Chair will call for the swift adoption and implementation of this Decision.

Priority 3: Horizontal trade measures

The expansion of the activities in different areas covered by the CEFTA Agreement provided for the development of new cooperation areas with impact on both goods and services. The CEFTA Chair in Office shall give its full support to the CEFTA Bodies in order to promote cooperation in these areas.

Additionally, the Chair will work to strengthen cooperation among the agencies involved in the goods clearance process and an exchange of information and support discussions on Recognition of customs controls including recognition of scanner images, data on truck/cargo weight, cash declaration forms, customs security seals, etc., The Chair will also support the discussions and the effort to reach an agreement on the list of agri-food products exempt from controls at BCPs/CCPs. This will help reduce waiting times and support the efficient allocation of resources.

The Chair will facilitate discussions aimed at developing a digitalization of customs strategy aligned with CEFTA objectives on identifications of areas that need further digitalization. Therefore, under the new SEED+ project, the Chair will support endorsement of the new CEFTA Risk Management Strategy 2025-2028 and related action plan. The Chair will support electronic exchange of data and documents amongst all agencies involved in clearance of goods, including introduction of e-certificates and paperless trade. The Chair will further prioritize the full operationalization of CEFTA TRACES NT as a key tool for enhancing trade facilitation. This includes seamless data and certificate exchange with the EU, implementing pre-arrival notifications by utilizing import data and data cloning to streamline clearance procedures and improve risk management, and launching the CEFTA Notification System for the rapid exchange of information on non-compliant consignments, supported by pilot projects and targeted training. Efforts will also focus on achieving fully paperless trade through the exchange of electronic veterinary and phytosanitary certificates, including updates to CEFTA TRACES NT. These priorities aim to modernize trade procedures, enhance regional integration, and ensure CEFTA Parties' alignment with international standards.

Other horizontal trade facilitation measures will focus primarily on **enhancing transparency, lowering trade costs, and reducing waiting times at the crossing points**. These efforts will also aim to **increase the working hours** at identified crossings bottlenecks of the various agencies involved in the clearance of goods, seek for a uniform rate for inspections at BCP/CCPs, ensuring greater efficiency and consistency in trade procedures.

The Chair in Office will continue to support and strengthen **collaboration with other stakeholders and business associations**, recognizing their crucial role in identifying practical challenges and shaping effective solutions and improving business environment by identifying NTMs and trade distorting practices. This partnership-driven approach will ensure that trade facilitation measures are aligned with the needs of the business community while fostering regional cooperation and economic growth.

In the area of **Intellectual Property Rights (IPR)**, the Chair in Office will support the advancing good cooperation with EU Intellectual Property Office (EU IPO), which has led to the *Joint Committee Decision on Intellectual Property Rights (IPR)* being agreed and adopted. The Chair will prioritize the drafting and adoption of an Action Plan to enhance cooperation on IPR based on the CEFTA Joint Committee Decision, to further align legal and policy frameworks with the EU *acquis*, strengthen administrative capacities and raise public awareness. Furthermore, it will focus on enhancing cooperation in the field of enforcement of IP Rights in line with EU practices. Finally, the Chair in Office will launch discussions aimed at reaching agreement on the framework for recognition of Geographical Indications (GI) within CEFTA.

The Chair in Office will prioritize within CEFTA a joint **AI platform with the RCC** centered on fostering innovation, collaboration, and the responsible use of artificial intelligence within the region. As part of this agenda, the Chair in Office will work towards facilitating a shared understanding of an AI framework that aligns with international standards, promoting transparency, data privacy, and ethical considerations in the deployment of AI technologies, **in accordance with EU AI Act Regulation 2024/1689**. This regulation is designed to reduce administrative and financial burdens for business, in particular small and medium-sized enterprises (SMEs). Through this the Chair is focused on strengthening digital infrastructure and enhancing the capacity of regional businesses and startups to integrate AI technologies.

Building on previous cooperation in the field of **consumer protection**, the Chair in Office will strive to establish a framework for cooperation in consumer protection and commence the work of *establishing a network of Consumer Protection Centres* within CEFTA modeled on the European Consumer Centers Network (ECC-Net). The Chair in Office will lead the way in harmonization of consumer protection rules with the EU *acquis* in line with the Joint Committee Decision on *facilitation of electronic commerce*.

In relation to **trade statistics**, the Chair in Office will aim to contribute to swift endorsement and adoption on the *Joint Committee Decision on Enhancing Cooperation on Trade-related Statistics* and its subsequent implementation to

enable more data exchanged and higher quality of data based on the agreement between the Parties, i.e. trade in goods data on HS6+2 level, and the extension of data exchanged in trade in services statistics, FATs and FDI statistics.

Following the adoption of Additional Protocol 7 on Dispute Settlement, the Chair in Office will prioritize entry into force and effective implementation of the protocol. To ensure smooth execution, an assessment of the necessary implementing acts and other relevant conditions will be conducted. In this regard, the preparation of guidelines, use cases, simulations, trainings and the full development of DeCos will be a key focus. The Chair in Office will support the establishment of the CEFTA Electronic Communication System for Dispute Settlement and will advocate for the continued provision of assistance to support the system's development and activities mentioned above.

Priority 4: Institutional development

Chair in Office will pursue initiatives which seek reforming the existing CEFTA Bodies, such as restructuring of the Working Group on Trade in Services Statistics, FATS and FDI Statistics to include trade in goods statistics in its scope.

The Chair in Office will support the preparation of the new grant from the European Commissions which will enable resources needed for the implementation of the CRM 2025-2028. The Chair in Office will also support the preparation of other projects seeking to underpin the efforts of CEFTA and CEFTA Parties to the same end.

The Chair in Office assigns great importance to the capacities of the CEFTA Secretariat. In this context, finalizing the procedure of the recruitment of the new Director of the CEFTA Secretariat will remain of its key priorities. The Chair in Office will support the Secretariat in completing necessary recruitment of a new staff.

The Chair in Office recognize importance of the increasing visibility of the CEFTA activities and results and therefore will support the implementation of the CEFTA Communication Strategy developed and adopted under the previous Chairmanships.

III. COOPERATION WITH INTERNATIONAL INSTITUTIONS AND REGIONAL INITIATIVES

The Chair in Office will stay in close cooperation with the Regional Cooperation Council which is in charge of overall coordination of implementation of the **Common Regional Market (CRM) Action Plan 2025-2028**. In this regard, the Chair in Office will facilitate smooth cooperation between CEFTA Bodies and implementation of the CRM, in particular with other regional initiatives involved therein.

The Chair in Office will continue to closely cooperate with the **European Commission**, in particular Directorate General for Enlargement and Eastern Neighborhood, but also other relevant directorate generals in charge of implementation of the Growth Plan for Western Balkans. The Chair in Office will prioritise extending benefits agreed under CEFTA to relations between the EU and CEFTA Parties in all relevant areas, in line with the NGP, including collaboration and exchange of experiences with CEN/CENELEC and adapting the procedures in accordance with the requirements from the Common Transit Convention.

The Chair in Office will continue the efforts made by the previous Chairs to promote the **public-private dialogue in CEFTA**. In this regard, Chair in Office will enhance communication towards the private sector and the general public on the CEFTA achievements. In relation to cooperation with business associations and other business stakeholders, the Chair in Office will seek to improve cooperation with CEFTA's strategic partners, such as Western Balkan 6 Chamber Investment Forum, in order to promote visibility of the CEFTA activities and results and seek input before important decisions. Chair in Office will facilitate strategic partnerships with civil society organizations in order to include relevant stakeholders in the public-private dialogue.

The Chair in Office will seek to **promote trade within CEFTA** and export from CEFTA to the EU by *establishing cooperation with networks of business and export promotion organizations* (such as Enterprise Europe Network) with the aim of promoting business opportunities based on CEFTA and by establishing CEFTA training programs that will provide technical assistance and guidance in the implementation of EU and EU-based CEFTA rules with the goal to maximize benefits for natural persons and economic operators.

The Chair in Office will continue to closely cooperate with the **UNCTAD, GIZ, and International Trade Centre** which have so far been playing major facilitating

role in the implementation of CEFTA Chairmanship Work Programs. Under this priority, the Chairmanship will organize the donor coordination meeting, during the Study tour at the beginning of 2025, which will include organizations already implementing EU and other donors' relevant projects.

In the framework of the implementation of its Chairmanship Priorities, the Chair in Office will continue to work in close cooperation with the **Transport Community, EBRD, World Bank, USAID, EFTA, FAO, OECD, IFC, UNCTAD, ITC, UNWTO, WCO and WTO** whose technical advisory are of substantial importance to undertake the activities by the CEFTA Bodies. Additionally, the Chair in Office will seek assistance from the OECD to monitor the competitiveness and implementation of CEFTA activities.

Also, the European Commission and UNWTO will be informed about the progress in regulatory dialogue in facilitating trade of tourism services.

Finally, the CEFTA 2025 Chairmanship expresses its will and commitment for ensuring the smooth implementation of the CEFTA Agreement.