



# CEFTA

Central European Free Trade Agreement

# **PRIORITIES FOR THE CEFTA CHAIRMANSHIP 2024**

**December 2023**

## **I. INTRODUCTION**

As set out in the CEFTA 2006 Decision No.1/2007 Rules of Procedure (Article 3), Serbia will take over the Chairmanship of the CEFTA 2006 in January 2024 from Montenegro. The Chairmanship is taken on a rotational basis with the tenure of office of one calendar year.

The 2024 CEFTA Chairmanship is committed to the continued implementation of foreseen actions and timelines that will ensure smooth functioning of CEFTA Structures, enhancing their ability to undertake all technical and policy-level activities.

Acknowledging the priorities set within the Berlin process in relation to the CEFTA 2006 Agreement and its Additional Protocols, Serbia will engage to identify and implement those priority actions that are transposed from the CEFTA Agreement into the Common Regional Market Action Plan (AP CRM), adopted during the Summit in Sofia in November 2020 and supported by the [European](#) Commission. Implementation of these measures aims to support economic growth and development, increase trade and investments, and bring prosperity to CEFTA.

Moreover, the recently introduced New Growth Plan for the Western Balkans (NGP) will give an additional boost to CEFTA activities, considering that CEFTA has been recognised as an instrumental mechanism in establishing the Common Regional Market. Therefore, Serbia will be committed on building upon the current AP CRM and in developing the new one, with the aim of bringing CEFTA Parties closer to the EU Single Market. Finally, the Chairmanship of Serbia will emphasise the importance of coordinating policies with other regional organisations and initiatives.

The Chairmanship of Serbia 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 2024**

The CEFTA Chairmanship of 2024 considers the implementation of CEFTA 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 why the efforts of the CEFTA Chairmanship of 2024 will pay a particular attention to establishing a strong basis for all actions with a multi-annual perspective, in order to timely implement CEFTA 2006 through the CRM activities. The NGP will bring a new perspective by creating an interdependence and formal linkage between the implementation of AP CRM and accelerated approach to the EU Single Market.

Hence, Serbia has determined the following as the priorities of its Chairmanship in 2024 to respond to the undertaken commitments. The Chairmanship priorities will directly stem from the CEFTA 2006 and Common Regional Market Agenda to respond to the needs of CEFTA Structures for their proper implementation.

### ***Priority 1: Free movement of goods***

Activities regarding facilitation of trade in goods will be organized through three areas: customs, agriculture, non-tariff measures and other horizontal trade facilitation measures.

The Chair will provide support to continuing the progressive trends that have elicited substantial outcomes with the contribution provided by all CEFTA Parties that were characterized by further strengthening of cooperation in the fields related to trade in goods, digitization and the fulfilment of obligations committed under the integration agenda. Consequently, liberalising and striving towards the integration into the Single market has thus become a standard precept inspiring trade policy reform in CEFTA.

Under **customs area** the key priority will continue to be the implementation of the CEFTA Risk Management Strategy 2020 – 2024 and its Roadmap. The focus will be on piloting new Joint Customs Actions, rapid alerts and exchange of data from the inspection reports, as well as improving the SEED module to support all of this. Full support on the extension of Green corridors/Green Lanes initiative to the EU Member States will be attributed to facilitate close cooperation with the EU MS, with the view on the second stage to send data from the EU MS to CEFTA.

Under Chairmanship of Serbia, the support will continue to the CEFTA Structure in the implementation of the Decision No. 1/2019 on establishing the validation procedure for the mutual recognition of CEFTA Parties' national Authorised Economic Operators' Programmes with regard to the safety and security (AEOS), with the main focus in encouraging the remaining CEFTA Parties to continue applying for the recognition of their respective AEO programmes. In this context, the chair will support activities in development and full operationalization of the CEFTA Central AEO database.

Within this domain, the main priorities include monitoring of implementation of the Decisions No. 1/2021 on rules of origin and closely following the EU agenda in this regard, given that the EU is a leading trade partner of CEFTA.

Electronic commerce (e-commerce) remains the key intervention area for deeper integration and cooperation at intra-CEFTA level. Following the endorsement of the CEFTA Action Plan for partial or full transposition of the EU VAT e-commerce package, the Chair in office will support the work in implementation of the recommendations with the emphasis in establishing the cooperation mechanisms between designated Postal Operator(s) and the Customs administrations.

In the area of **trade in agricultural products** the work on the implementation of the Decision **on Facilitating Trade for Fruit and vegetables** will remain high in the agenda of the Chair. Following the preparation and endorsement of the five contingency plans in 2023, the activities will intensify in preparing and sharing among the CEFTA Parties a total of 20 Contingency plans, by the end of 2024. The activities in this area are expected to result in defining reduced frequencies for phytosanitary and food safety checks for regulated fruit and vegetables, and in harmonisation of standards and conformance to international regulations in the area.

Based on successful cooperation with FAO in developing a common subsidy reporting mechanism and piloting data collection, the Chair will encourage and support the continuation of cooperation with FAO and other partners with a view to facilitate discussions on subsidy reporting.

Other agriculture related activities will seek to take all actions needed in embodying commitment for full operationalization of CEFTA TRACES NT when it comes to production of veterinary health certificates and phytosanitary certificates, and permits for medicines containing controlled substances (to be tackled under the NTMs).

Under the component of the **non-tariff measures**, Serbia will continue advancing efforts in the field of quality infrastructure, paving the way for a sustainable approach to eliminate repeated of conformity assessment procedures, therefore the working on Draft Decision on the Recognition and acceptance of conformity assessment results of Industrial non-food Products, based on the relevant EU-acquis, between the CEFTA Parties will remain a key priority. The Chair will facilitate discussions, address the challenges and closely work with competent authorities to conclude discussions in the course of 2024 with a view to expand it to other areas (i.e. construction).

Following the establishment and full operationalization of the Common Database of Unsafe and non-Compliant Products Detected on the CEFTA Market, the Chair will invest the effort needed to encourage the Parties to use it, thereby supporting the administrations that work with product safety to deepen cooperation on preventing unsafe or non-compliant products from entering the market.

The Chair will seek to support the CEFTA Parties to regularly update the CEFTA Market Access Barriers Database (MABD), a database intended to allow CEFTA Parties to raise trade issues vis-à-vis other CEFTA Parties, and, ideally, resolve the issue before it is elevated to a full-fledged trade dispute. Through the CEFTA Transparency Pack and Statistical Portal project, support will be provided on maintenance and technical functionality of the database. Serbia will be encouraging the cooperation with UNCTAD in drafting the recommendations to improve the functionality of the database and update the Operational Guidelines for the Use of the MABD.

Other **horizontal trade facilitation measures** will be mainly devoted to enhancing transparency, diminishing trade costs and *reducing* waiting times as well as harmonizing working hours of the agencies involved in clearance of goods.

Cooperation with other stakeholders and business associations will continue and be supported by the Chair in Office.

## **Priority 2: Free trade in services**

Recognising importance of services sectors for generating growth and jobs, Serbia assigns great importance to full implementation of the **Additional Protocol 6 on Trade in Services**. In that light, the Chair in Office will work towards 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, support activities aimed at closing the remaining implementation gaps and promote activities seeking to further facilitate trade in services among CEFTA Parties.

Improving regulatory **transparency** between the Parties will minimise information asymmetries and improve AP6 enforcement. Accordingly, the Chair in Office will prioritise work on setting up a clear and simple *notification* system which will allow effective implementation of the Article 9 of AP6. Furthermore, it will seek to finalise the updating of information on services regulatory policies in the *CEFTA Services Regulatory Database* in close cooperation with WTO.

In relation to **regulatory cooperation**, the Chair will seek to complete discussions on the Joint Committee Decision facilitating services provided by *travel agencies and tour-operators* and commence preparations for its implementation. Furthermore, in order to enable movement of vehicles within CEFTA similar to the one in the European Union, the Chair will focus on reaching an agreement on the Roadmap for the Facilitation of the Motor Third Party Liability *Insurance*. In relation to *payments*, the Chair will prioritize activities to limit costs of intra-CEFTA payments based on the relevant EU-acquis, seeking to enable QR initiated payments between Parties, such as setting up a specialized expert group, and identifying and setting up cooperation on licensing of the non-bank payment providers. In relation to the *horizontal measures*, Serbia will invest efforts in transposing EU initiative on services regulation into CEFTA framework.

The work on **professional qualifications** will remain high on the agenda of Chair in Office. Following the adoption of the Decision on the disciplines establishing a

general system for the recognition of professional qualifications, the Chair will initiate discussions on the first extension of the scope of sectors, with a view to get closer to the objective of applying general system to all regulated professions for which there is no special recognition rules. Based on the input from expert discussions, the Chair will first look into including professions covered by the Agreement for Doctors of Medicine, Dentists and Architects in 2022 and Agreement on the Recognition of Professional Qualifications of Nurses, Veterinary Surgeons, Pharmacists, and Midwives in 2023, in order to enable benefits for holders of qualifications who do not meet criteria agreed therein. Finally, Serbia will prioritise completing necessary procedures for adoption of the Terms of Reference of a Joint Working Group on Recognition of Professional Qualifications that will enable institutional framework for the work in this field. The Chair recognises the importance of a strategic partnership with the Regional Cooperation Council in this field and commits to coordination and close cooperation in this area.

In relation to **electronic commerce** package, Serbia will support activities related to the implementation of the Decision on facilitation of electronic commerce, Decision on inter-Party parcel delivery services and Decision on prevention of unjustified geo-blocking. In particular, this entails further coordination of relevant regulation relevant for electronic commerce (such as transposition of Digital Services Act and EU consumer protection rules on digital content and digital services), promoting stronger cooperation between consumer protection authorities and organisations and improved building of the capacity necessary for implementation of the new rules. In order to further support the work on parcel delivery services, Serbia will expedite work on setting up the Working Group on Parcel Delivery Services, as provided in the relevant Joint Committee Decision. The Chair will also launch discussions on recognition of electronic signatures and other trust services within CEFTA.

Regarding the **movement of natural persons**, the Serbian Chairmanship will aim to complete the technical discussions on the Joint Committee Decision on the removal of the requirement of work permits for professional activities under the Additional Protocol 6 and enable its swift adoption and implementation. The Chair will also coordinate activities aimed at preparing the Parties for implementation of this commitment.

In relation to **statistics**, the Chair in Office will support the completion of the technical work on the Joint Committee Decision on Enhancing Cooperation on Trade-related Statistics and will seek to further extend the exchange of data 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.

In the area of **telecommunication services**, the Chair in Office will open discussions between CEFTA and Regional Cooperation Council on removal of roaming charges with Moldova.

### **Priority 3: Cross cutting issues impacting the trade in goods and services**

The expansion of the activities in different areas covered by CEFTA 2006 provide for the development of new cooperation areas that are covering 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.

Following the good cooperation with EU Intellectual Property Office, which led to the Joint Committee Decision on Intellectual Property Rights (IPR) being agreed and approved, Serbia will support the implementation of the Decision and activities related to IPR that would serve as a model for the extension to the new cross-cutting areas.

In line with the CEFTA commitments, Serbia shall invest efforts to secure full and sustainable reporting of state/party aid including state/party aid schemes and measures. In particular, Serbia shall pursue exploratory talks for the creation of a CEFTA Body that will foster cooperation, exchange of information and peer learning among competition and state/party aid authorities, thus securing the implementation of CEFTA 2006 commitments in this regard.

The Chair in Office will support the establishment of cooperation in the area of public procurement with the goal to enhance transparency in public procurement in line with the CEFTA Agreement commitments.

Regarding trade-related environmental issues, the Chair in Office will strive to establish cooperation between CEFTA Parties with a view to promote sustainable development in service of the stronger economic and trade relations between the Parties.

Building closer cooperation among Competition and State/Party Aid Agencies, Public Procurement, Consumer Protection and Environmental Agencies is of substantial importance to support CEFTA trade facilitation, and particularly to contribute to the efforts for further liberalisation of trade in goods and services. To serve this aim, Serbia will kick off a series of exploratory meetings to be organised among such authorities in order to discuss what would be the possible actions that can be taken at the CEFTA level in those areas.

### **Priority 4: Additional Protocol 7 on Dispute Settlement**

Praising the significant achievements of the Chairmanships of Montenegro in 2023 in the negotiation process, Serbia will aim at concluding the Additional Protocol 7 on Dispute Settlement, designed to become a strong mechanism and key pillar of the CEFTA trade system, enhancing perspectives for further integration among CEFTA Parties by solving disputes predictably and by avoiding further trade irritants and disputes. The cooperation with UNCTAD during the Chairmanship of Serbia will provide for the implementing acts for the Additional Protocol 7,

including trainings on the legal aspects of dispute settlement, guidelines, manuals and other material that will be crucial for the implementation of the Additional Protocol 7 on Dispute Settlement.

### **Priority 5: Institutional development**

Due to the increase of activities in the framework of CEFTA Structures and the emergencies caused by pandemics in 2020 and 2021, shows that the institutional work of CEFTA needs to be reorganised in order to allow CEFTA structures to swiftly respond to urgencies that might arise. In the area of Intellectual Property Rights, a new Subcommittee on Intellectual Property Rights will be constituted, while within the field of statistics the existing Working Group under the Subcommittee on Trade in Services is to be restructured so as to include Trade in Goods statistics in its scope.

Due to these reasons, the Chair in Office will continue the work on restructuring and better finetuning of CEFTA bodies and procedures, commenced during previous Chairmanships. This would be done through finetuning and updating of the Decisions regulating the work of the CEFTA bodies. The need is arising from the conclusions of various committees and subcommittees. This Priority will, furthermore, streamline the functions of the CEFTA bodies towards the coordination mechanisms.

The Chair in Office will support the preparation of the new grant CEFTA SEED, as well as the support for the new areas, such as Intellectual Property Rights. The Chair in Office will support the preparation of Projects in this area and expects the support of the CEFTA Parties.

The Chair in Office will finalise the procedure of the recruitment of the new Director of the CEFTA Secretariat.

Serbian Chairmanship will follow and support the work in increasing visibility of the CEFTA activities and results based on 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 the Common Regional Market agenda. In this regard, the Chairmanship of Serbia will facilitate smooth cooperation between CEFTA Bodies and implementation of the CRM Agenda, 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 neighbourhood and accession negotiations, but also other relevant directorate generals in charge of implementation of the Growth Plan for Western Balkans. Serbia will prioritise extending benefits agreed CEFTA to the relations between the EU and CEFTA Parties in line the new Plan.

The Chairmanship of Serbia will continue the efforts made by the previous Chairs to promote the public-private sector dialogue in CEFTA. In this regard, Serbia will enhance communication towards the private sector and the general public on the CEFTA achievements. In relation to cooperation with business associations and other stakeholders, the Chair will support activities aimed at promoting visibility of the CEFTA activities and results. Cooperation with different stakeholders will be pursued in the context of consultations before important decisions are made and coordination with organisations who are in charge of activities, projects and initiatives which can produce synergy with CEFTA activities.

The Chair in Office will continue to closely cooperate with the UNCTAD, GIZ, International Trade Centre which have so far been playing major facilitating role in the implementation of CEFTA Chairmanship Work Programmes. Under this priority, the Chairmanship will organise the donor coordination meeting, during the Study tour at the beginning of 2024, which will include organisations already implementing EU and other donors' relevant projects.

In the framework of the implementation of its Chairmanship Work Programme, the Chair in Office will continue to work in close cooperation with the Transport Community, EBRD, World Bank, EFTA, FAO, OECD, IFC, UNCTAD, ITC, UNWTO, WCO and WTO whose technical advisory are of substantial importance to undertake the activities by the CEFTA Structures. Also, the European Commission and UNWTO will be informed about the progress in regulatory dialogue in facilitating trade of tourism services.

Finally, the CEFTA Chairmanship of Serbia 2024 expresses its will and commitment for ensuring the smooth implementation of the CEFTA Agreement.