

REPORT BY THE CHAIR IN OFFICE

January-December 2018

PURPOSE OF REPORT

The purpose of this document is to report on the activities and meetings that took place in the period between January – December 2018 and which are not falling directly under the scope of Committee of Trade Facilitation and Committee of Contact Points and CEFTA Subcommittees.

1. STUDY VISIT

During the reporting period, a study visit in Brussels aiming to facilitate the preparation of the yearly Work Programmes in the respective areas has been organised. In this study visit, a series of meetings with CEFTA Secretariat and relevant line DG's in the European Commission have been organised on 23-24 January 2018 in Brussels.

2. OUTREACH EVENT ON THE CEFTA CHAIRMANSHIP PRIORITIES of 2018

On 24 January 2018, the CEFTA Chair in Office organized a publicity event to present the CEFTA Chairmanship priorities of 2018 to the international milieu based in Brussels. The publicity event was co-organised by the CEFTA Secretariat. The CEFTA Chair in Office, the European Commission, together with the CEFTA Secretariat made presentations about their perspectives regarding CEFTA during the publicity event. In the framework of the study visit, the CEFTA Secretariat arranged a meeting for the CEFTA Chairs with the representatives of the European Commission during which all the relevant Directorates General (DG TRADE, TAXUD, GROW, TAIEX) together with DG NEAR were present. During the meeting with the European Commission, the CEFTA Chairs presented the priorities of their work programmes.

3. RATIFICATION OF ADITONAL PROTOCOL 5

The Additional Protocol 5 (AP 5) was ratified by Albania on 5 April 2018, BiH 27 April 2018, Montenegro 26 December 2017, Macedonia 15 January 2018 and Moldova in the beginning of December 2017. According to Protocol 5, of CEFTA, Article 35, /35.2 the Protocol should enter into force 30 days after the third instrument deposited. Albania as the Acting Depositary confirmed that they received 3 instruments of ratifications. The third instrument of ratification was the instrument of Montenegro on March 19, 2018. Albania, as Acting Depositary notified all CEFTA Parties that the day of entry into force of the AP 5 is April 18, 2018. The BiH instrument of ratification was deposited in the Embassy of Albania in Zagreb on May 24, 2018. Until December 2018 six Parties have ratified the AP5.

4. ADDITIONAL PROTOCOL 6

At the 14th meeting of the Committee of Contact Points in Vienna on the 8 November the preliminary Agreement on AP6 is reached. It is expected to be adopted until the summit in Poznan in June 2019.

5. NEGOTIATIONS ON DISPUTE SETTLEMENT

The negotiations have been launched by the Special Joint Committee conclusion adopted in Pristina on 27 April 2018 that states: “WE acknowledge the importance of discussions among CEFTA Parties about the best possible instruments to strengthen the enforcement of CEFTA rules through more effective dispute settlement mechanism. The CEFTA Parties agree to launch negotiations on a trade dispute settlement mechanism, so far referred as the Additional Protocol on CEFTA Dispute Settlement¹. Negotiations will also take into account further legal analysis and opinions provided by the CEFTA Secretariat”. The exploratory were made under the auspices of the CEFTA Committee of Contact Points on 16 May in Tirana. The draft text of an Additional Protocol has been prepared and it is subject to internal procedures for the official negotiation teams to be appointed. The Parties have started the internal procedure and 4 Parties have at the moment adopted the text and have nominated the negotiators. Kosovo* is in favour of negotiating on dispute settlement without limiting the scope to additional protocol.

6. NATIONAL EXPERTS PROGRAMME

The implementation of CEFTA National Experts Programme has been suspended for the period January – April 2018 due to financial and procedural impediments for it. As the EC’s period for the implementation of Secretariat’s 2015 – 2017 programmes that is financially supported by the European Union – IPA Multi-beneficiary programme has been extended as of 30 April, the Secretariat resumed to carry out relevant activities under its own responsibility in compliance with relevant regulations of the European Commission.

For the medium term programme, after completing internal selections and required procedures Bosnia and Herzegovina seconded their national expert for the activities of the SC on Agriculture and SPS to the CEFTA Secretariat in Brussels for the period 18 June-31 December 2018. Kosovo*² has deployed its secondees on 28 of July, while Albania has deployed the secondee on 28th of August 2018

7. CEFTA – SEEIC Joint Working Group on Investment Policy and Promotion and SEE Investment Committee

Following the importance of investment reform agenda aimed at leading to a greater harmonization of regional investment policies aligned with EU and international standards and taking into account its significant potential to foster regional economic integration and contribute to the economic growth and job creation in CEFTA economies, CEFTA Parties actively participated in the work of the CEFTA – SEEIC Joint Working Group on Investment Policy and Promotion and SEE Investment Committee with the objective of contributing to the implementation of the investment component of the MAP. The Chair has assured the inclusion

¹ In different frameworks such as CEFTA Agreement and the REA Multi Annual Action Plan

² *This designation is without prejudice to positions on the status and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo declaration of independence

of the CEFTA Contact points to the meetings of the JWG. The RIRA was adopted on 12th June 2018 and the last meeting of the JWG was held on 12 December 2018.

8. TRADE MAP COORDINATORS MEETINGS ON CEFTA CONSOLIDATED AGENDA AND ACTION PLAN

On 12 March 2018 in Brussels the first meeting of MAP Trade Component Contact Points meeting was held. The participants got acquainted with the draft methodology for monitoring and reporting of the MAP REA, data to be used and the indicators to measure the impact. The deliverables for Sofia Summit on 17 May have been agreed and how each deliverable will impact the objectives of the MAP REA.

On 15 May 2018 in Tirana the second meeting of MAP Trade Component Contact Points meeting was held. The meeting served as a preparatory for the Sofia Summit deliverables. The outline for the annual reporting which highlights key developments in all components of MAP REA has been discussed. Having in mind all caveats and challenges in preparing the report CEFTA engaged to provide consolidated comments on the trade component part of REA in order to ensure accurate presentation of the progress from both perspectives, national and regional.

Further meetings of the MAP Components Coordinators were not held, but the meeting of the MAP Coordinators that was held in October 2018, has provided for the Priorities for the Trade Pillar of the MAP that are to be accomplished until Poznan Summit, and these were confirmed on the Meeting of the SHERPAS in November 2018.

9. CEFTA SECRETARIAT'S INSTITUTIONAL STRENGTHENING

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, involvement in the monitoring of the Integrated Growth Pillar of the SEE Strategy 2020 and the Consolidated Multi-Annual Action Plan for a Regional Economic Area from 12 July 2017, the CEFTA Parties adopted the Decision No 1/2018 to secure the institutional strengthening of the CEFTA Secretariat i.e. the functions, budget and the structure. The new procedure stipulated in the Decision No 2/2018 for the selection of the staff other than the Director has been modified with a view to have a more simplified and efficient one. Both decisions have been adopted at the CEFTA Special Joint Committee in Pristina on 27 April 2018. These two decisions were adopted by all CEFTA Parties in the presence of their representatives on 27 April 2018, and Decision have entered into force on the August 4th when Bosnia and Herzegovina has deposited the written communication (notice) with which Bosnia and Herzegovina confirms to the Acting Depositary, that the domestic legal requirements for the adoption of this decision have been fulfilled. The advertisements for the first four positions have been published and the interviews will be held in the first half of January 2019. It will be expected to organise a SJC early 2019 in order to confirm the results of the Selection Committee.

It has to be noted that the Chair in Office has been engaged in supporting the Secretariat in the period of June-December 2018 as the contracts of the Staff of the Secretariat have expired, while the new staff is still not recruited. Same level of engagement will be expected from the Chair for 2019 as the recruitment procedure will last until February 2019.

CALENDAR OF EVENTS

The calendar for the year 2018 is as follows:

MEETING/EVENT	DATES	PLACE
Ad-hoc meeting of Origin Experts of CEFTA Parties	8 February	Brussels
Ad- Hoc working group expert for TRACES System	20 February	Brussels
10 th Meeting of the Committee of Contact Points	27-28 February	Pristina
1 st MAP CCP Meeting	13 March	Brussels
11 th Meeting of the Committee of Contact Points	14 March	Brussels
High-Level Regional Meeting of CEFTA SPS Agencies	18 April	Pristina
5 th Meeting of Committee of Trade Facilitation	26 April 2018	Pristina
Meeting of CEFTA-RCC- ERISSE Working Group on Recognition of Professional Qualifications	7 May	Sarajevo
2 nd MAP CCP Meeting	15 May	Tirana
12 th Meeting of the Committee of Contact Points	17 May	Tirana
14 th meeting of Subcommittee on Customs and Rules of Origin	19 June	Tirana
3 rd Meeting of the CEFTA Subcommittee on Trade in Services	20 June	Pristina
13 th Meeting of the Committee of Contact Points	21 June	Pristina
CEFTA Deputy Ministers meeting	22 June	Pristina
1 st LSEE CEFTA Workshop	29-30 June	Belgrade
Exploratory talks on the Competition and State aid	17-18 July	Skopje

Ad-Hoc expert group for electronic exchange of data	5 September	Sarajevo
Regional Validation Meeting	11 September	Pristina
Sub-Committee on Agriculture and SPS	4 October	Sarajevo
1st Meeting of Negotiating Teams on Recognition of Professional Qualifications	9 October	Brussels
2 nd working group on technical measures	18 October	Pristina
2 nd working groups meeting on risk management and electronic exchange of information are jointly organised	19 October	Pristina
1 st Regional Meeting of CEFTA NTFCs	6-7 November	Vienna
14 th Meeting of the Committee of Contact Points	8 November	Vienna
15 th meeting of Subcommittee on Customs and Rules of Origin	13 November	Tirana
Sub-Committee on NTMs	20 November	Pristina
Meeting of the CEFTA Working Group on Trade in Services Statistics, FATS and FDI statistics	21 November	Pristina
4 th Meeting of the CEFTA Subcommittee on Trade in Services	21 November	Pristina
6 th Meeting of Committee of Trade Facilitation	26 November	Pristina
15 th Meeting of the Committee of Contact Points	5 December	Pristina
13 th Joint Committee Meeting	6 December	Pristina