

REPUBLIC OF SERBIA

NATIONAL COORDINATION BODY FOR TRADE FACILITATION



**ANNUAL REPORT
FOR 2021**

Belgrade, March 2022

1. INTRODUCTION

The National Coordination Body for Trade Facilitation (hereinafter referred to as the “NTFB”) was established by a Decision of the Government of the Republic of Serbia ¹ in November 2017. The aim of its establishment was to ensure more comprehensive and effective facilitation of foreign trade of the Republic of Serbia and to coordinate the work of competent authorities, organizations, business community and other stakeholders in the foreign trade system.

Chairperson of the National Coordination Body is Mr. Stevan Nikčević, State Secretary at the Ministry of Trade, Tourism and Telecommunications. Deputy Chairperson is Mr. Duško Marinković, acting Assistant Director/ Coordinator of the Customs Administration within the Ministry of Finance.

Expert, administrative and technical support to the activities of the National Coordination Body is provided by the Ministry of Trade, Tourism and Telecommunications, in cooperation with the Customs Administration.

The National Coordination Body submits regular annual reports on its activities to the Government by the 31st of March of the current year in respect of the preceding year, as well as extraordinary reports, whenever necessary. In line with this obligation, the 2020 Annual Report **was submitted to the Government for information purposes on 30 March 2021 under number 021-00-60/2021-10 and it covered the period from March 2020 to March 2021.** The Report set out activities planned for the coming period to ensure compliance with the obligations set forth in the 2020 and 2021 Action Plans.

When it comes to this reporting period (March 2021 - March 2022), it can be determined that the previously set goals for 2021 were met to a significant extent despite the fact that the work conditions worsened taking into account that the pandemic is still underway, and that meanwhile the military intervention occurred in Ukraine. In this period the NTFB held two sessions at which the most important topics in the field of trade facilitation were discussed, and it is also important to note that the new Action Plans for the expert working groups within NTFB for 2022-2023 were adopted (APPENDIX 1 to this report). All activities covered in this reporting period were carried out in close cooperation with the private sector representatives.

The activities provided for in the NTFB Action Plans are part of the **Economic Reform Program (ERP) for the period 2022-2024.** Based on the ERP analysis, the European Commission monitors NTFB Activities within the structural reform “Improving conditions and removing barriers to trade “, which is aimed at intensifying, enhancing, diversifying and further growth of the foreign trade of the Republic of Serbia, both at regional and global levels.

2. NTFB Meetings

¹ Official Gazette of the Republic of Serbia, No-s. 98/17 and 55/19

2.1. Sixth NTFB Meeting

Sixth NTFB meeting was held on 13 May 2021 in the premises of the Ministry of Trade, Tourism and Telecommunication. Topics of the meeting included a report on activities of the Expert Working Groups related to the fulfillment of obligations contained in the Action Plans for 2020 and 2021, recommendations of the UNECE Study on Regulatory and Procedural Barriers to trade in Serbia including an agreement regarding participation of the NTFB representatives at the meeting of the UNECE Committee for Trade Capacities and Standards at which the said study will be presented (21 and 22 June 2021, Geneva).

NTFB members were informed about the Partnership, Trade and Cooperation Agreement between the Republic of Serbia and the United Kingdom, as well as about the World Bank Project “Improving Trade and Transport of the Western Balkans Using a Multi-Phase Programmatic Approach”, subcomponent “National Single Window”.

A special attention was given to problems at the border crossings - the announced ban on the transit of heavy trucks through the two border crossings between the Republic of Serbia and the Republic of Croatia: Šid - Tovarnik and Bačka Palanka - Ilok, as well as to problems in the implementation of the agreement on integrated border management between the Republic of Serbia and N. Macedonia (Preševo-Tabanovci). The interest of the business community in establishing the integrated border management at the Gostun - Dobrakovo border crossing between the Republic of Serbia and Montenegro was also emphasized, as well as the infrastructural improvement of the border crossing Kuzmin - Sremska Rača between the Republic of Serbia and Bosnia and Herzegovina.

Given this initiative of the business community, NTFB contacted the Coordination Body for Border Crossings aimed at holding a meeting with them in the narrower format, in order to review the existing situation and estimate the feasibility of measures that will contribute to the faster circulation of goods through the borders.

At the same time, the NTFB Secretariat coordinated the collection of responses from relevant departments to questions received from the American Chamber of Commerce.

2.2. Seventh NTFB Meeting

Seventh NTFB meeting was held on 25 and 26 November 2021 in Palić. The meeting was chaired by Stevan Nikčević, State Secretary at the Ministry of Trade, Tourism and Telecommunications (MTTT). At the meeting, the Progress Report and Report on Implementation of the 2020 and 2021 Action Plans for all four expert working groups of this body were presented, and the Action Plans for the next two-year period were harmonized, i.e. for 2022 and 2023. The meeting was attended by the representatives of MTTT, Ministry of Finance, Customs Administration, Ministry of Agriculture, Forestry and Water Management, Border Phytosanitary Inspection, Plant Protection Administration, Border Veterinary Inspection of the Veterinary Administration, Ministry of Interior – Border Police Administration, Ministry of Economy, as well as representatives of the private sector – Serbian Chamber of Commerce and Industry, American Chamber of Commerce; Foreign Investors Council (FIC), and representatives of the Program for capacity building in the field of trade policy.

On the second day of the meeting, **a visit was made to the largest border crossing with Hungary, Horgoš**, where representatives of the Customs Administration, the Border Police Administration, as well as Phytosanitary and Veterinary Border Inspections presented their work and procedures. NTFB members, together with representatives of the business community, were acquainted in detail with the border procedures that take place in Horgoš, both when leaving the country and when entering the Republic of Serbia. The problems faced by exporters and importers were noticed on the spot, and they refer to the long wait of trucks at the border crossing. The border services themselves are facing this problem, both due to stricter procedures on the Hungarian side, but also due to the limited infrastructure and technical equipment of the border crossing itself. In the coming period, import procedures are expected to be facilitated, primarily due to the introduction of a new IT system in phytosanitary control at the border, as well as due to the enlargement of infrastructure and increase of administrative capacities that should be realized in 2022/23.

3. REPORT ON ACTIVITIES PERFORMED BY THE NTFB EXPERT WORKING GROUPS

Pursuant to Article 4 of the Decision on the Establishment of the National Coordination Body, four expert groups were formed to perform NTFB's activities. The expert groups review specific issues and participate in proposing solutions to facilitate foreign trade, eliminate trade barriers, expedite and modernize the customs procedure and controls at export, import and transit of goods, simplification and cutting red tape, with active involvement and participation of stakeholders from the business community, chambers and other associations, other holders of public powers, members of scientific and educational institutions and other organizations that may contribute to trade facilitation.

3.1. Report on activities performed by Expert Working Groups in relation to fulfillment of obligations contained in the 2020 and 2021 Action Plans

At the fifth session of the NTFB, which was held on 27 December 2019, the Action Plans (AP) for the next two years, i.e. for the period 2020-2021, were adopted. The format of the AP has been changed and improved in a way that it is a tabular presentation of planned activities, measures, competent institutions, as well as result (outcome) indicators. **The full presentation of the 2020-2021 Action Plan, but also the previous action plans may be found on the NTFB web page (www.mtt.nktot.gov.rs).**

I – EXPERT WORKING GROUP ON AGRICULTURE, SANITARY AND PHYTOSANITARY MEASURES

Chairperson: Milanka Davidović, Head of Division, Ministry of Agriculture, Forestry and Water Management (MAFWM)

A short review of achieved results by individual activities includes as follows:

1. Shortening the duration of import procedures for agricultural and food products

With regard to enabling electronic submission of applications for control of goods and supporting documentation, it was pointed out that electronic submission of

applications in the ITCM system for veterinary and sanitary control of shipments has been in force since 1 July 2018. A similar electronic system for the needs of the Border Phytosanitary Inspection has been available since 1 November 2021, related to the submission of applications for food safety control at customs clearance points at the Belgrade location. From 1 December 2021, the system implementation is planned in the places of customs clearance Loznica, Šid and Vršac, while at the beginning of next year it is expected to be implemented on the entire territory of the Republic of Serbia, as well as at all border crossings. The Border Phytosanitary Inspection is actively engaged in filling in the ITCM system with product categories (codes) in order to enable uninterrupted electronic submission of control requests and they invited the private sector to submit product codes before the planned import procedure for entry into the database.

Regarding the selection of certified laboratories for performing laboratory analyzes, it was pointed out that the border inspection services in the selection of laboratories are guided by the scope of accreditation and proximity of laboratories to the border crossings. The Border Phytosanitary Inspection enabled the new electronic system to randomly select laboratories in compliance with the scope of accreditation for a certain product group and to assign samples equally. ITCM systems and border veterinary and phytosanitary inspections have the ability to electronically send orders to laboratories that perform certain tests, as well as to receive test reports. It is also planned to publish the lists of certified laboratories on the websites of the Veterinary Administration and the Plant Protection Administration.

The MAFWM actively participates in programs whose purpose is recognition of foreign results on examination in accredited laboratories, especially within CEFTA and initiative Open Balkan.

2. Establishing efficient risk analysis system when controlling goods by all inspection services in order to reduce barriers and facilitate import and export

The Veterinary Administration adopts an annual Program for monitoring the safety of food of animal origin and feed imported on the basis of risk analysis. Also, on 24 November 2021, the Rulebook on types of shipments subject to veterinary and sanitary control and the manner of performing veterinary and sanitary inspection of shipments at border crossings (Official Gazette of the Republic of Serbia, No. 56/10 and 110/21) was adopted, which in its Annex 3 contains a table on the frequency of physical inspections of shipments for the purposes of laboratory analysis, by product category and risk level (high, medium and low risk).

The Plant Protection Administration adopts an annual Plan for official inspections of the imported food of plant origin, mixed food and feed of plant origin, which prescribes the frequency of sampling based on the risk analysis in terms of manufacturers, country of origin and product. The Plan for official inspections of the Plant Protection Administration was entered into new ITCM information system.

3. Reducing the volume of required documents and formalities in import, export and transit procedures

In order to expand the list of products for which a mandatory decision on the fulfillment of veterinary and sanitary conditions for import and transit is not required, in April 2021 the Rulebook on conditions for shipments for which a decision for import and transit is not required was amended (Official Gazette of the RoS, No. 39/2019 and 35/2021), which further expanded the list of products and included processed proteins and by-products for the production of pet food.

Additionally, in November 2021 the Rulebook on types of shipments subject to veterinary and sanitary control and the manner of performing veterinary and sanitary

inspection of shipments at border crossings (Official Gazette of the Republic of Serbia, No. 56/10 and 110/21) was adopted determining in detail the shipments subject to veterinary and sanitary inspection at the borders according to tariff numbers from the Customs Tariff.

4. Implementation of the program for harmonization and mutual recognition of documents and other trade facilitation initiatives for agricultural and food products under Additional Protocol 5 to CEFTA 2006 Agreement

The representatives of the Veterinary Administration actively participate in the harmonization of veterinary certificates among CEFTA parties. The representatives of the Plant Protection Administration actively participate in the working bodies established within CEFTA aimed at enabling implementation of the Decision of the CEFTA Joint Committee No. 1/2020 on facilitating trade in fruit and vegetables.

II – EXPERT WORKING GROUP FOR TECHNICAL BARRIERS AND MEASURES WITH EQUAL EFFECTS IN TRADE

Chairperson: Zoran Bakić, Head of Group, Ministry of Economy, Sector for Product Quality and Safety

Short review of achieved results by individual activities covers as follows:

1. Drafting the analysis of the regional practice as regards mandatory submission of the certificates of conformity in the event of import customs clearance aimed at full removal of such type of control

As regards some activities under the AP that are related to the obligation to obtain certificates when importing goods, it was noted that Annex 5 of the Decision on Determining Goods whose Import, Export or Transit Is Subject to Obtaining of Certain Certificates (Official Gazette of the RoS, No. 4/2020 and 9/2021) was additionally reduced and that this obligation currently exists for a very small number of products. When it comes to the products that are often imported, there is an obligation for cement, but in practice there are no problems in obtaining the certificate. It is planned to delete screws and steel structures from Annex 5 of the Decision. The proposal of the Ministry of Economy is that this activity should not be transferred to the future AP, with which the private sector agreed.

2. Establishment of an efficient risk analysis system by the Sanitary Inspection in order to reduce barriers and facilitate imports to companies that have sound business practice, goods compliant with prescribed requirements and developed internal safety and quality control

As regards some activities under the AP that are related to establishing an efficient risk analysis system by the Sanitary Inspection of the Ministry of Health, there was no significant progress in the past. Representatives of the competent institution pointed out at previous meetings that they apply risk analysis in controls and sampling of items of general use. The private sector remained committed to transferring this activity to future action plans in order to reduce barriers and facilitate imports to companies that have good business practices, goods compliant with regulatory requirements and developed internal safety and quality control.

3. Further compliance of technical regulations with the EU regulations

The most important result in the field of harmonization of technical regulations with the EU is adoption of the Rulebook on amendments and additions to the Rulebook governing **low voltage electrical equipment, electromagnetic compatibility and machines**² which, inter alia, **repeal** provisions relating to placing the Serbian harmonization/ conformity mark on the products two years after accession of the Republic of Serbia to the EU or signing of the ACAA, as well as **the obligation to obtain the certificate of conformity, applicable from 1 January 2022**. Besides, the Rulebook on Protective Systems and Equipment intended for Use in Explosive Atmospheres (ATEX) (Official Gazette of the RoS, No. 21/20) was also subject to amendments and additions, which stipulate that the certificates of conformity shall cease to apply on 1 January 2023.

Additionally, the new **Law on Technical Requirements for Products and Conformity Assessment** was adopted and published in May 2021 (Official Gazette of the RoS, No. 49/21). The new law specifies the principles of the conformity assessment procedure and defines the Serbian mark of conformity and the presumption of conformity of products, in order to further promote the distinctiveness of this mark. The new law additionally regulates supervision of work of the appointed bodies, as well as supervision of fulfillment of the prescribed requirements for the appointment of bodies, and regulates in more detail the obligations of the appointed bodies regarding the engagement of subcontractors.

In May 2021, amendments to **the Law on Accreditation** (Official Gazette of the RoS, No. 73/10 and 47/21) were adopted, aimed at its further harmonization with the Regulation of the European Parliament and the Council No. 765/2008. A novelty in the law is introduction of the duration of the accreditation procedure, which cannot be longer than 8 months, with the proviso that at the request of the party, this period can be extended by additional 4 months. When renewing the accreditation, a period of 4 months was also prescribed, with additional 4 months at the request of the applicant.

All regulations and information in the field of the quality infrastructure are regularly posted and updated on TEHNIS portal (<https://tehnis.privreda.gov.rs/>), and it is also planned to digitalize all services from the quality infrastructure. Activities of the Accreditation Body of Serbia (ABS) and current issues and developments in the field of accreditation, standardization and metrology are regularly posted on the website and published in the ABS's Newsletter.

4. Overcoming delays in issuing registrations for new medications and renewal of registrations and approvals for promotional material, in compliance with legal deadline

When it comes to reducing delays in issuing registrations for new medications and renewing registrations, there has been almost no progress under this AP activity. It is necessary to point out the low level of cooperation with the competent institution. The private sector confirmed that the issue of delays in issuing registrations for new medications and renewing registrations still exists in practice, and that delays in certain cases last for months and years. The private sector proposed to keep this activity in the AP for the next period. **The private sector also concluded that there is no problem with the registration of medical devices, where the electronic system for submitting applications for registration and renewal of registration of medical devices with the Medications and Medical Devices Agency of Serbia is used, and suggested that a similar system should be applied to medications.**

² Rulebook on amendments to the Rulebook on electrical equipment intended for use within certain voltage limits (Official Gazette of the RoS, No. 25/16 и 21/20), Rulebook on amendments to the Rulebook on electromagnetic compatibility (Official Gazette of the RoS, No. 25/16 и 21/20) and Rulebook on amendments to the Rulebook on machine safety (Official Gazette of the RoS, No. 58/16 и 21/20).

5. Acceptance of foreign certificates of conformity

The additional simplification of procedures for acceptance of foreign certificates of conformity, namely, documents issued by the registered (notified – EU NANDO base) bodies for conformity assessment and the countries-signatories of EA MLA, led to the signing of the **Memorandum of Understanding on Mutual Cooperation and Acceptance of Documents Issued by Accredited Laboratories for Industrial Non-Food Products with Bosnia and Herzegovina**. The Memorandum with the same wordings was offered to the Republic of North Macedonia, which was not interested in the signing of the memorandum.

Additionally, the Ministry of Economy – **Product Quality and Safety Sector**, in their daily activities, **promote the possible facilitations arising out of the signed EA MLA** between the national Accreditation Body and European Accreditation, as well as solutions from the Decree Governing the Manner of Recognition of Foreign Certificates and Conformity Marks (Official Gazette of the RoS, No. 98/09 and 110/16) which, up to the current maximum, achieves the goal of the fifth clause of AP of this expert working group (EWG). A small number of procedures for the recognition of foreign certificates, i.e. conformity marks, is conducted before the competent ministries. Home businessmen are more focused on home bodies for conformity assessment and issuance of home certificates of conformity.

From 23 to 27 November 2020, the Accreditation Body of Serbia (ABS) hosted the Director General of NAH (Hungarian National Accreditation Body) and on that occasion two accreditation bodies held bilateral meetings, mutually harmonized and signed the 2021 Action Plan for implementation of the Memorandum of Understanding between NAH and ABS, signed in December 2017.

In 2020 and 2021, the ABS continued participating in the meetings of the European Accreditation Agency (EA) and international accreditation organizations.

In 2020, ABS participated in realization of activities commenced within the following projects:

- „EU for Serbia – Support for Safer Products - Strengthening Capacities of National Quality Infrastructure and Market Surveillance Authorities“ (IPA 2017);
- “Regional Consultancy Fund for Quality Infrastructure – South East Europe” (PTB);
- Establishment and strengthening the capacities of the bodies for product conformity assessment to the Directive on Product Energy Labelling 2010/30/ EU and Ecodesign Directive 2009/125/EC (EU4Energy Labelling and Ecodesign).

III - EXPERT WORKING GROUP ON CUSTOMS PROCEDURES

Chairperson: Snežana Karanović, Assistant Minister, Ministry of Finance

Short review of achieved results by individual activities covers as follows:

1. Mutual recognition and promotion of Authorized Economic Operator (AEO) Programs

The Customs Administration actively works on strengthening the institute of Authorized Economic Operator (AEO) and benefits from this status for the private sector both in the Republic of Serbia and on bilateral and multilateral levels. By now the following agreements have been signed and ratified: **Agreement on Mutual Recognition of Approvals of Authorized Economic Operators for Safety (AEOS) with the Republic of North Macedonia**³ (on 24 December 2019, became effective in early 2020) and the same agreement with the **People's Republic of China**⁴ (29 April 2021). Protocols for the validation of mutual recognition of AEOS with the Republic of North Macedonia were developed and validation visits were carried out, and full implementation of the agreement is planned in the coming period, as well as exchange of data related to AEOS. Within CEFTA, the Decision of the Joint Committee of the CEFTA Agreement on the Establishment of the Validation Procedure for Mutual Recognition of AEOS National Programs was adopted.

The institute of authorized economic operator has been recognized also within the Open Balkan Initiative, which provides mutual recognition of approvals of authorized economic operators for security and safety (AEOS) with the Republic of Albania, where the text of the future agreement is currently being harmonized. One of the open issues regarding AEO under the Open Balkan initiative is whether the AEO facilities apply only to importers with AEO status, to carriers (truck operators) with AEO status, and/ or to both categories and/ or according to the origin of goods from the countries covered by the initiative.

It is also planned to complete the started activities on logo protection for the national program of the authorized economic operator and further expand the benefits for AEO status holders (some of the current benefits for economic operators include priority in control, choice between control places, less data to be entered in customs clearance procedures, etc.).

2. Expediting the flow of goods at the Preševo-Tabanovce border crossing

Aimed at expediting the flow of goods at the Preševo-Tabanovce border crossing, a separate lane has been established for the entry and exit of trucks in road transport under TIR and T1 (joint transit) procedures, for companies holding AEO status and for the transport of perishables. Due to the epidemiological situation caused by COVID-19, there were problems in the functioning of joint controls at the Preševo-Tabanovce border crossing, but the Open Balkan initiative envisages further implementation of joint controls in accordance with the agreement signed between Serbia and North Macedonia.

3. Improving the auction procedures for the sale of seized goods

Activities aimed at improving the auction procedure for the sale of seized goods have been implemented to the greatest extent possible. The working group formed to monitor this project prepared normative acts for implementation of the auction procedure (final harmonization of texts is underway), development of the software solution was completed and software testing was conducted. This project will enable the public sale of goods to be carried out electronically in all customs offices, and the auctions will be open to the private sector and interested individuals.

³ Law on Ratification of the Agreement between the Serbian Government and the Government of the Republic of North Macedonia on Mutual Recognition of Approvals of Authorized Economic Operators for security and safety (AEOS) (Official Gazette of the RoS – International Agreements, No. 16/19).

⁴ Law on Ratification of the Agreement between the Serbian Government and the Government of the People's Republic of China on Mutual Recognition of AEO Programs of the Customs Administration of the Ministry of Finance of the Republic of Serbia and Loan Management Program of the General Customs Administration of the People's Republic of China (Official Gazette of the RoS – International Agreements, No. 8/21)

4. and 6. IT linking of the Customs Administration with: Plant Protection Administration within MAFWM; Veterinary Administration within MAFWM and Border Sanitary Inspectorate within Ministry of Health (up to a linking level that will be determined by the Customs Administration)

When it comes to taking measures to implement activities under numbers 4 and 6, the largest step taken is the connection/ linking and exchange of data with the Plant Protection Administration within MAFWM, where a joint working group has been formed and activities are currently underway to define a set of data to be exchanged between the two bodies. The Plant Protection Administration established the option of electronic submission of control requests within its own ITCM information system.

Besides, a comprehensive IT connection between the institutions and exchange of data are also planned within the project of development and implementation of the National Single Window, which connects all stakeholders in foreign trade, both government bodies and business community, and the Customs Administration will be the System Operator. In 2021, activities on the development of the so-called *Blueprint*, i.e. the roadmap for the establishment and implementation of the National Single Window, in cooperation with IFC and the consulting company *KGH Customs Services* were completed, and it is planned to further elaborate this roadmap in the steps for its operational implementation.

5. IT connection of the Serbian Radiation and Nuclear Safety and Security Directorate and the Customs Administration

Regarding measures required for IT linking, the dataset which the Directorate will submit to the Customs Administration has been defined, as follows: reports by designated bodies on dosimetry measurement of radioactivity and gamma spectrometry measurement of radioactivity; and Decisions of the Directorate's inspectorates banning or authorizing the import of goods. The following activities have also been completed: a link has been established between the Directorate and the Customs Administration and Directorate staff have been trained; the trained Directorate staff upload these documents to the Portal in real time, at which point they become available to representatives of the Customs Administration; customs officers at the customs offices who are authorized to access the Portal with the uploaded documents (scanned, in PDF format) have been designated; the time required to deliver the documents to importers has been shortened, as each document is scanned once it is created and then e-mailed to the importer and simultaneously uploaded to the CA's Portal, thus becoming available to the relevant customs officer. The importer encloses a copy of the document (received by e-mail) with the customs declaration submitted to the customs officer, who checks and compares it and completes the customs clearance procedure if all the conditions are met.

7. Implementation of the Time Release Study

The study of measuring/ releasing the time required for customs clearance and release of goods according to the methodology of the World Customs Organization (WCO) was conducted with the support of the IFC in November 2021, at the most frequent customs offices, namely: in air traffic from November 1 to 7 at the Belgrade Airport customs office and with courier operators UPS, FedeEX and DHL; and in road traffic from November 15 to 21 at the border crossings Horgoš, Batrovci, Preševo and Gradina and at the customs office Terminal Belgrade. The study covered customs clearance procedures of import and export in both types of traffic, and a single shipment was monitored from the beginning to the end of these processes. Data entry and processing in the SCO software is currently underway, and the preparation of the report with the findings of the study will be completed during January 2022. The report of the Time

Release Study required for customs clearance and release of goods will be publicly available on the website of the Customs Administration.

8. Reducing the time required to issue binding tariff information decisions

Further reduction of the time required to issue binding tariff information decisions is expected on the basis of commencement of activation of a new software application for electronic submission and electronic issuance of binding tariff information decisions which is in its final stage (final changes of the software on the basis of comments from the testing stage by the Customs Tariff Department are currently underway). Part of the software applying to issuing the tariff opinions at the request of customs offices has been fully developed and operational in the Customs Tariff Department since June 2021.

In May and September 2021, trainings of customs officers from the Customs Tariff Department for the use of software were held. The project developed user guidelines for the private sector regarding the electronic submission of applications for binding tariff information decisions and for customs officers in relation to the issuance of binding tariff information decisions and tariff opinions through a new software application.

The new software application for binding tariff information decisions will automatically update national publicly available base of issued tariff information decisions and regional CEFTA base when a new tariff information decision is issued or its validity expires. The implementation of software application for the binding tariff information is expected in early 2022. Development of the software application is being realized with the support of IFC.

9. Analysis of the current situation and taking the measures and activities that will enable electronic communication between economic entities and the Budget Revenue Collection Department of the Customs Administration regarding collection of claims in relation to due customs duties, interest on late payments, repayment of overpaid duties, reverse booking of erroneous payments, notices for collection of customs debt and communication with the guarantor bank

Currently, the Budget Revenue Collection Department of the Customs Administration, in order to collect and secure the process, acts only according to the written requests of economic entities or the guarantor bank, submitted and registered by the registration office of the Customs Administration. Economic entities are provided with general information electronically, such as the manner of submitting the request, the necessary elements that the request needs to contain, deadlines for processing and the like.

It is needed to consider the options for providing expert assistance in order to conduct the analysis of the current situation and take measures and activities that will enable electronic communication of economic entities with the Revenue Collection Department of the Customs Administration in the future in line with the NTFB AP.

IV – EXPERT WORKING GROUP FOR COORDINATION OF TRADE FACILITATION ACTIVITIES UNDER INTERNATIONAL AND REGIONAL TRADE AGREEMENTS

Chairperson: Tatjana Dinkić, NTFB Secretary, Head of Group, Ministry of Trade, Tourism and Telecommunications

1. Coordination and monitoring of implementation of commitments in the field of trade facilitation under the free trade agreements and cooperation with international organizations

On 7 July 2021, the Serbian National Assembly adopted the Law on Ratification of **the Partnership, Trade and Cooperation Agreement with the United Kingdom**. The provisional application of this Agreement began on May 20, and it officially entered into force on 15 July 2021. The agreement provides for the abolition of customs duties introduced on 1 January 2021 and ratification of the same level of trade liberalization that the two countries applied while the United Kingdom was an EU member state, as well as maintaining the previously established level of cooperation in all areas.

Also, in July 2021, the Serbian National Assembly adopted the Law on Ratification of the Decision within CEFTA, as well as the Decision of the Joint Committee between the Republic of Serbia and EFTA countries, which change the protocols on definition of the term “products with origin” and methods of administrative cooperation in accordance with **the amended rules of the PEM Convention**. When it comes to amendments to the Stabilization and Association Agreement (SAA) with the EU regarding the harmonization of rules of origin, the Government adopted the Decision of the Stabilization and Association Council between EU and Republic of Serbia, amending Protocol 3 of the SAA on definition of the term of “products with origin” and methods of administrative cooperation, which entered into force on 6 December 2021.

2. Acceleration of the flow of goods at border crossings through integrated border management, harmonization of working hours of border agencies and improvement of the infrastructure

As regards this activity it is worth mentioning the harmonization and implementation of the initiative “**Green Corridors in CEFTA**“. Under the auspices of CEFTA and the Transport Community, **a system of Green Corridors was launched to overcome the problem that arose at the beginning of the pandemic when the border crossings were blocked**. This system enabled free movement of all goods, with priority movement of the most important products - food, medications and medical equipment at the time of the beginning of the pandemic. As there are no infrastructural possibilities for establishing special lanes at the border crossings in the region, the Green Corridor system contributed to the acceleration of trade by introducing an electronic announcement system for the arrivals of shipments via SEED system. The working hours of the border services/agencies have been harmonized.

According to the Action Plan on the Common Regional Market 2021-2024, it was agreed **to extend the Green Corridors initiative** to the EU. In order to implement this, several meetings between representatives of CEFTA, Transport Community, European Commission and individual EU member states were held this year. So far, a list of products has been agreed with the EU, primarily medications and medical equipment, as well as a list of border crossings, and the harmonization of the legal basis and data exchange system with the EU is underway. There is also in this field an additional question of infrastructural possibilities for a separate lane, but CEFTA representatives consider that the prior announcement system connected with the EU will initially be useful for exporters from CEFTA. The idea is for it to be the nucleus on the basis of which activities would be further developed. There are currently discussions between CEFTA, Transport Community and the Greek Customs Administration aimed at defining a model for data exchange and implementation of the Green Corridor system between the EU and CEFTA.

As part of the activities to accelerate the flow of goods at border crossings, representatives of the Coordination Body for Border Crossings in the Republic of Serbia and NTFB **met** on 2 June 2021. The topics of the meeting were: the situation that arose after adoption of the “Rulebook on determining public roads on which the transit traffic of trucks through the Republic of Croatia must take place”, which refers to disabling the

traffic of trucks across the border crossing Bačka Palanka - Ilok; then the problems in implementation of the agreement on integrated border management between the Republic of Serbia and North Macedonia at the border crossing Preševo - Tabanovce; as well as the establishment of integrated border management at the border crossing Gostun - Dobrakovo and infrastructural improvement of the border crossing Kuzmin - Sremska Rača. After the discussions on the above topics and considering the complexity of these issues, it was decided to continue with meetings between the two coordination bodies in order to effectively solve these problems, as well as possible new challenges.

3. Coordinating preparation of the Program of Mutual Recognition of documents submitted when importing and exporting goods stipulated by the Additional Protocol 5 of the CEFTA 2006 Agreement, as well as other trade facilitation initiatives under CEFTA

As regards these activities, it can be stated that after the entry into force of Additional Protocol 5, several regional meetings were held, but to date no agreement has been reached at the CEFTA level. Decision of the CEFTA Joint Committee no. 1/2020 on the facilitation of trade in fruit and vegetables was adopted, for which, however, full implementation is still not provided. The Open Balkan initiative, among other things, was launched due to the fact that progress could have not been achieved in the CEFTA format. Within this initiative, it was recently agreed that by mid-December 2021, that is, until the summit of leaders in Tirana, to launch activities aimed at **harmonizing and downloading identical lists of products subject to phytosanitary certificates, mutual recognition of analyzes of accredited and authorized laboratories, as well as to agree on a list of authorized economic operators producing food of animal and non-animal origin**. In addition, it is necessary to agree on the conditions for transport of dairy products as soon as possible.

As a special measure to facilitate trade, our side announced **the relocation of controls on shipments of agricultural products to places in the interior of the country**, which would reduce the pressure on border crossings.

4. Establishing cooperation with Trade Facilitation Committees at bilateral and multilateral levels

From 16 to 18 March 2021, USAID held an online regional workshop entitled "Improving the implementation of the WTO Trade Facilitation Agreement through mutual cooperation" at which a comparative report on harmonization of some selected economies with the agreement was presented. This report covered the Western Balkans, Armenia, Azerbaijan, Belarus, Ukraine and Moldova, and according to it and compared to other economies, the Republic of Serbia has achieved the greatest degree of harmonization in establishing an institutional mechanism, i.e. a national body for trade facilitation, then in establishing a system of authorized economic operators, and for introducing a risk assessment system. What is our positive specificity, and what is especially emphasized in this comparative analysis, is that the Republic of Serbia established this body on the initiative of the business community, as well as that all action plans are made in cooperation with and on the basis of suggestions of the business community.

The OECD study - Competitiveness in Southeast Europe - in the part related to trade policy, in the first place emphasizes the establishment of an institutional mechanism that ensures interdepartmental cooperation and coordination with the business community and the NGO sector in trade facilitation and deems it a progressive step.

In November 2021, an online meeting of the CEFTA Trade Facilitation Committee was held to discuss topics related to changes in rules of origin, Green Corridors, time release studies and cooperation in the field of trade statistics.

5. Coordination of preparing the responses to trade facilitation research inquiries conducted by international organizations

The expert working group had close cooperation with the competent services of the UN Commission and coordinated collection of responses and accompanying materials sent to the UN on behalf of the Republic of Serbia. On 23 February 2021, the NTFB sent to the competent *UNECE* Secretariat a completed **Comprehensive Questionnaire for the Fourth UN Global Survey on Digital and Sustainable Trade Facilitation**. Completion of the Questionnaire was coordinated by the NTFB Secretariat, on the basis of materials submitted by the competent bodies - NTFB members. **This UN Global Survey on Digital and Sustainable Trade Facilitation was published in July 2021**. Again in the past two years, Serbia has made significant progress in facilitating trade compared to previous report, as noted in this survey.

Also, one of the important activities in the last two years was intensive cooperation with the *UNECE* Secretariat related to the preparation of **the Study on Regulatory and Procedural Barriers to Trade in Serbia**. The study identifies regulatory and procedural barriers to trade, at the very border, but also after the entry of goods, in order to support the Government's efforts to increase the contribution of trade to economic growth and achieve sustainable development goals by 2030. Obstacles were identified using the *UNECE* assessment methodology, based on research, which covers the areas of trade and transport facilitation, as well as quality infrastructure (standardization, technical regulations, accreditation, conformity assessment, market surveillance and metrology). As result of these efforts, **the Study** was officially presented at the **meeting of *UNECE* Committee for Trade Capacities and Standards** held on 21 and 22 June 2021. Stevan Nikčević, NTFB President and State Secretary at MTTT, Duško Marinković, NTFB Deputy President and Deputy Director of the Customs Administration, as well as the representative of the Ministry of Economy Zoran Bakić, Chairperson of the Expert Working Group 2, addressed the meeting on behalf of our country regarding the comments on the study. The study was distributed to all NTFB members, and the conclusions and recommendations contained in the study were taken into account when defining activities within the Action Plans for the coming period.

6. Informing the public and business community representatives on implementation of unilateral trade facilitation measures, as well as of those arising from the implementation of international agreements

Bearing in mind that measures to prevent the spread of the COVID-19 virus were in force during the reporting period, the exchange of information with representatives of the private sector was mostly done electronically, primarily with the Serbian Chamber of Industry and Commerce and the American Chamber of Commerce in Serbia.

During this period, the most important news were published on the NTFB website, as well as several important documents, such as the 2020 Progress Report, Action Plans and the *UNECE* Study on Regulatory and Trade Barriers in Serbia.

4. HARMONIZATION AND ADOPTION OF THE ACTION PLANS FOR 2022 AND 2023

At the NTFB seventh session, held on 25 November 2021, chairpersons of the expert working groups presented the planned activities covered in draft action plans for 2022 and 2023. **Representatives of the private sector** presented the problems they face in the foreign trade and proposed activities and measures that are required to be included in the action plans for the expert working groups, as follows:

Expert Working Group 1 for agriculture, sanitary and phytosanitary measures:

- When it comes to measures to reduce the duration of import procedures, the private sector stressed that it is currently facing problems with **the electronic submission of applications for control of food of plant and mixed origin through the new ITCM system of the Border Phytosanitary Inspection, because not all product codes (subcategories) entered the system.** The private sector offered support for entering product codes. The Serbian Chamber of Industry and Commerce offered to organize trainings for the private sector and customs administration staff regarding the use of new information systems, in cooperation with the competent ministries, and if required, but also regarding frequent errors and shortcomings in the documentation that inspectors encounter in practice. The Border Phytosanitary Inspection emphasized that it is actively engaged in filling in the ITCM system with product categories (codes) in order to enable uninterrupted electronic submission of control applications, and urged the private sector to submit product codes before the planned import procedure for entry into the new database.
- As part of the activities to shorten the duration of import procedures, the private sector **stressed the need to establish and implement electronic data exchange with certified laboratories, because in practice electronic exchange of test results is rarely used.** The attention was also drawn to the need to establish an effective system of supervision of certified laboratories in order to improve and accelerate the performance of laboratory testing services and delivery of test results, because the private sector in practice faces many problems in terms of efficiency of takeover of samples, sampling procedure dynamics, widespread practices of subcontracting analyzes with other laboratories and slow delivery of analysis results.
- As part of the activities to shorten the duration of import procedures, the private sector pointed out the further need to optimize the work of inspection authorities in order to speed up the flow of goods at selected border crossings, and as a special example they stated the **railway border crossing Šid-Tovarnik.**
- In the context of upgrading the risk analysis system, the private sector suggested **to model also the importers' risk (risk of economic operators) taking into account the sound business practices** as one of the criteria for **the risk analysis,** product conformity and established principles of importer quality internal control.
- The private sector also stressed the need to further improve IT tools in order to fully automate risk analysis and management procedures for the selection of shipments subject to **thorough physical inspection and sampling** at import. It was stressed that a similar activity existed in the previous action plan and that it was not fully implemented. The Plant Protection Administration (Department of the Border Phytosanitary Inspection) noted that they plan to perform risk analysis automatically through the new ITCM system, by automatically applying percentages for sampling by product groups (ranging from 5% to 15% and determined on the basis of risk analysis depending on the type of product, country of origin and manufacturer).
- As regards measures to reduce the volume of mandatory documentation and formalities in international traffic, the private sector stressed the importance of abolishing the obligation to obtain a decision **on compliance with veterinary and sanitary conditions for import and transit for product samples.**
- The private sector pointed out that it is necessary to harmonize the regulations of the competent institutions, MTTT and MAFWM, as soon as possible regarding the

requirements for food declaration arising from the Law on Trade (MTTT) and the Rulebook on Food Declaration, Labeling and Advertising (MAFWM). Namely, Article 34 of the Law on Trade stipulates that the declaration must contain information on the country of production for imported goods. Article 26 of the Rulebook on Food Declaration, Labeling and Advertising prescribes the list of products for which the declaration of the country of origin is obligatory, as well as the obligation to state the country (or place) of origin of the main ingredient if different from the country of product origin. The said Rulebook defines the obligation to declare the country of origin/ country of main ingredient only for certain agricultural products, while the Law on Trade stipulates that all imported products must provide this information on the declaration, which becomes a significant challenge in a situation where the main ingredient in the case of foods is a stock exchange product, whose country of origin changes with each supply/delivery, which would mean continuous change of declarations on imported products. In the case of domestic products this obligation does not exist, because the declaration of the country of production is required only for imported products, and according to WTO/ GATT rules, it is necessary to provide the same treatment for domestic and imported products. It was concluded that both ministries are aware of this issue and that consultations will be held in the coming period in order to achieve a common view. Given that this is an ongoing problem that should be resolved shortly, the relevant bodies concluded that this proposal should not be included in the Action Plan, which mostly covers long-term activities.

Expert Working Group 2 for technical barriers and measures with equal effects in trade:

- The private sector confirmed that it agrees to delete the activity “Analysis of the practice in the region regarding the mandatory submission of certificates of conformity” from EWG2 AP, given that most products do not require obtaining certificates of conformity during import customs procedure (clearance).
- The private sector stressed the need to include in the action plan further work on establishing an efficient system of **risk analysis and management by the Sanitary Inspection of the Ministry of Health**, in order to reduce barriers and facilitate imports to companies with sound business practice, goods conformed to prescribed requirements and developed internal safety and quality control for items of general use. The private sector also drew attention to the insufficient development of the information systems of the Sanitary Inspection in relation to other inspection services.
- When it comes to simplifying and optimizing medication registration procedures, the private sector pointed out that in practice there is still a problem of delays in issuing registrations for new medications and renewing registrations, and **that delays in certain cases last for months and years.**

Expert Working Group 3 for customs procedures:

- Regarding the activities on IT connection (linking) of the Plant Protection Administration and the Customs Administration, representatives of the Plant Protection Administration pointed out that the commissioning of the new ITCM system of the Border Phytosanitary Inspection enabled electronic submission of control applications, and it was agreed to exclude this measure from EWG3 AP.
- As part of the activities of EWG3, the private sector stressed the importance of taking actions that will **enable electronic communication of economic operators with the Collection Department within the Customs Administration.** The

Customs Administration already included this activity in 2022 and 2023 Action Plans.

Expert Working Group 4 for coordination of activities on the trade facilitation under international and regional trade agreements:

- Regarding measures to implement activities aimed at accelerating the flow of goods at border crossings, the private sector suggested to expand the proposed measures to include optimizing the work of border services aimed at accelerating the flow of goods at selected railway border crossings, and establishing joint controls with neighboring countries. As a special example, the railway border crossing Šid-Tovarnik was mentioned, where the need for increasing the number of inspectors and possible extension of the working hours of inspection services was noticed. The second proposal of the Serbian Chamber of Commerce and Industry referred to the possible establishment of joint controls with Croatia. It was stated that this would be difficult to do, given the common customs policy of the EU.

The adopted NTFB 2022 – 2023 Action Plans may be found in APPENDIX 1 to this Report, as well as on the NTFB’s website.

5. OTHER IMPORTANT ACTIVITIES IN THE FOREIGN TRADE FACILITATION PROCESS

Open Balkan Initiative

The initiative for more intensive cooperation in the Western Balkan was launched in 2019 in order to establish the free movement of goods, services, people and capital according to the model of functioning of the EU single market. The Open Balkan is a support to existing regional initiatives, their improvement, operationalization and response to the growing demands of the region's economies. The initiative, first launched under the name Mini Schengen, has been later renamed to the Open Balkan and has an inclusive character, which means openness for accession to all economies in the region.

In 2019, 2020 and 2021, a series of meetings, forums and summits (Novi Sad, Tirana, Ohrid, Skopje, Belgrade, Niš and Tirana) were held, during which several declarations and agreements were signed, thus giving the initiative a legal framework for its operation.

As for agreements that have the character of trade facilitation within the Open Balkan, the Agreement on Cooperation in Veterinary, Phytosanitary and Food and Feed Safety Fields in the Western Balkans is worth mentioning. This agreement was signed at the meeting in Tirana, Albania, on 21 December 2021. So far, the Republic of Serbia and Albania have ratified the agreement in accordance with their internal procedures, while ratification by Northern Macedonia is still pending.

The most important activities related to the trade facilitation in this agreement are, among other things, as follows:

- recognition of test (examination) reports issued by certified/ accredited laboratories;
- physical examination of plants, plant products and other objects and items at the nearest place outside the border crossing, at the customs terminal;
- physical examination of food of plant origin directly at the place of destination, at the customs terminal;
- physical examination of food of animal origin, animal feed, live animals, mixed products, directly at the place of destination, at the customs terminal.

As stated in the progress report of the expert working group for customs procedures, in the framework of the Open Balkan Initiative, in December 2019 the Republic of Serbia signed the Agreement on Mutual Recognition of Approvals of Authorized Economic Operators for Security and Safety (AEOS) with North Macedonia, which entered into force in early 2020. The same agreement was signed with Albania in December 2021 and ratified on 29 December 2021.

An important agreement that will further facilitate trade, which was agreed within the Open Balkan Initiative, is the Trilateral Cooperation Agreement between accredited bodies of the participating countries.

6. OPINIONS OF THE INTERNATIONAL INSTITUTIONS ON THE NTFB'S WORK AND TRADE FACILITATION IN THE REPUBLIC OF SERBIA

Progress that has been made in Serbia thanks to the activities within the NTFB has also been recognized by international organizations. According to the *Fourth UN Global Survey on Digital and Sustainable Trade Facilitation* for 2021, the Republic of Serbia again, compared to previous reports, made significant progress in this field. Namely, this year's assessment of the fulfillment of trade facilitation measures for our country is **72.04%**, which is **a continuation of the positive trend**, having in mind the results in the past: 61.29% for 2019, while the results for 2015 and 2017 were 36.56% and 38.71%, respectively. The UN Global Survey is jointly conducted by five UN regional commissions in cooperation with a growing number of global and regional partners, and the results are published every two years, starting from 2015. The survey includes a presentation of 143 economies around the world through an analysis of the implementation of 58 measures related to the implementation of provisions of the World Trade Organization's (WTO) Trade Facilitation Agreement.

Also, progress has been noted in the *World Bank's Tracking Tool*, which monitors the implementation of the WTO Trade Facilitation Agreement for individual countries on a four-year basis. According to the WB, the level of fulfillment of Serbia's obligations in 2022 is 83%, which means that Serbia has made new progress in the field of trade facilitation, given that this figure in 2018 was 78%, while in 2014 the level of fulfillment was 65 %.

7. PUBLIC PRESENTATION

Activities of the National Coordination Body are public. Publicity is ensured by presenting the work of the National Coordination Body on its website, by issuing statements and public announcements and by taking part in conferences and other public events. In this regard, the official website of the NTFB has been available to the interested public since December 2018 at: <http://nktot.mtt.gov.rs/>.

The website provides all information concerning the NTFB's activities and its Expert Working Groups and is regularly updated with the latest information about the activities of this body. The development of the website was financially and organizationally supported by *USAID*.

The structure of the NTFB's website, which is bilingual (Serbian and English), includes: basic information on NTFB, legal framework, documents, meetings, expert working groups, proposals and initiatives, regional cooperation, events and news, useful links and contact details.

8. PLANNED ACTIVITIES

In the coming period the goal is to fulfill the obligations set out in the 2022 and 2023 Action Plans for each Expert Working Group separately. Specific activities will focus on the obligations arising from the implementation of Additional Protocol 5 to CEFTA, as well as on trade facilitation measures stemming from the Open Balkan Initiative. Additionally, the situation at border crossings is an increasingly important issue, so it is important to continue cooperation with the Coordination Body for Border Crossings and private sector representatives who propose concrete initiatives to improve the situation at border crossings. Further activities are planned in cooperation with donors and international organizations on the implementation of the WTO Trade Facilitation Agreement, as well as on the fulfillment of other obligations assumed under the regional and bilateral agreements.

When it comes to **the most significant challenges**, they are primarily a consequence of potential **negative external impacts** on Serbia's foreign trade. In that sense, it is necessary to emphasize that due to the duration of the pandemic, the movement of people and goods, which has already been burdened with additional checks and delays since the outbreak of the migrant crisis, especially at border crossings with the EU, is still difficult. The actual crisis between Russia and Ukraine, sanctions and different restrictions to commercial exchange related thereto cause interruptions in certain global supply chains, which may also reflect to the conditions for foreign trade exchange of our country.

Through planned activities and intensive contacts with the most important trade partners, as well as business organizations and companies, NTFB will continue to work on facilitating the foreign trade procedures.

It is necessary to strengthen the capacities within the NTFB, especially given that this is an additional activity and engagement in addition to their regular duties and tasks for all members, chairpersons of working groups, as well as representatives of the Ministry of Trade, Tourism and Telecommunications, who perform the work of the Secretariat.

ANNEX I

NATIONAL COORDINATION BODY FOR TRADE FACILITATION (NTFC)
ACTION PLAN FOR 2022 AND 2023

I - EXPERT WORKING GROUP FOR AGRICULTURE, SANITARY AND PHYTOSANITARY MEASURES

Chair: Milanka Davidović, Head of the Department, Ministry of Agriculture, Forestry and Water Management

The Expert Working Group on Agriculture, Sanitary and Phytosanitary Measures deals with issues and proposes initiatives that contribute to the promotion and facilitation of foreign trade in agricultural and food products. Within the matters considered and proposed, the expert working group aims at ensuring that veterinary, sanitary and phytosanitary measures related to foreign trade in agricultural and food products are adopted and applied only to the extent necessary to protect human, animal or plant life or health and in a manner that does not constitute barriers in trade.

	Planned activity	Measures for implementation of activities	Competent institutions	Result indicator
1.	Reducing the duration of import procedures for agricultural and food products;	<ul style="list-style-type: none">• Further improve the functioning of electronic submission of requests for control of goods and supporting documents in order to shorten the time of import controls and improve risk analysis on imports, and, if necessary, organize training for the private sector and customs agents		Assessment of Serbia's progress based on the Report of the European Commission and other relevant international

		<ul style="list-style-type: none"> • Continue the practice of sampling goods during the import, by randomly selecting authorized laboratories that can perform analyzes for all required parameters and are geographically closer • Establishment, maintenance and improvement of efficient electronic communication between laboratories and competent inspections when sampling goods and submitting the results of laboratory analyzes • Publish and regularly update the lists of authorized laboratories according to the types of accredited analyzes conducted on the website of the Ministry of Agriculture and Ministry of Health, in accordance with the signed agreements, activities agreed within CEFTA and the Open Balkan initiative • Establish an efficient system of supervision and control over authorized laboratories in 	<p>Ministry of Agriculture, Forestry and Water Management - Veterinary Directorate and Plant Protection Directorate, Ministry of Health, authorized accredited laboratories;</p>	<p>organizations;</p> <p>Advanced online modules for electronic submission of requests for control and exchange of analysis results with laboratories</p> <p>Lists of authorized laboratories and accredited methods published on the websites of the competent ministries;</p> <p>Number of agreements signed and applied on recognition of laboratory test results;</p> <p>Accelerated control procedures by inspection services at selected</p>
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		<p>order to improve and accelerate the performance of laboratory testing services and delivery of test results</p> <ul style="list-style-type: none"> • Acceptance of test results from EU accredited laboratories and / or from countries with which agreements have been signed which, inter alia, regulate the acceptance of laboratory test results as well as in accordance with agreed activities within CEFTA and the Open Balkan initiative • Optimization of the work of inspection services in order to speed up the flow of goods at selected border crossings 		border crossings

2.	Improving the risk analysis system during the control of goods by all inspection services in order to facilitate the international trade of shipments	<ul style="list-style-type: none"> • Improvement and further application of risk analysis model for import of goods based on European practice in import control of shipments (taking into account the risk of the business entity in terms of compliance of goods with regulatory requirements, and / or good business practice and developed internal quality controls)ⁱ official control plans and monitoring programs based on risk analysis • Development and revision of internal procedures for inspectors' actions • Assessment of available options for improving IT tools for risk analysis and management used to implement import control of goods and further development of these tools • Training of inspectors on the use of risk analysis tools and the implementation of official control plans and monitoring programs based on risk analysis 	Ministry of Agriculture, Forestry and Water Management - Veterinary Directorate and Plant Protection Directorate, Ministry of Health	<p>Assessment of Serbia's progress based on the Report of the European Commission and other relevant international organizations</p> <p>Adopted plans for official controls based on risk assessment</p> <p>Number of trainings held on the topic of risk analysis and number of participants attending the trainings</p>

3.	Reducing the volume of mandatory documentation and formalities in international shipment procedures	<ul style="list-style-type: none"> • Expand the list of products for which a mandatory decision on compliance with veterinary and sanitary conditions for import and transit is not required and harmonize practice with applicable regulations so that a mandatory decision on compliance with veterinary and sanitary conditions for import and transit is not required for samples of these products, or repeal these decisions altogether • Improve the implementation of international agreements affecting trade in agri-food products, including the Memorandum of Understanding on Cooperation in Facilitating the Import, Export and Movement of Goods in the Western Balkans, concluded between the Republic of Serbia, the Republic of North Macedonia and the Republic of Albania. within CEFTA and the Open Balkan initiative to facilitate trade in agri-food products; 	Ministry of Agriculture, Forestry and Water Management - Veterinary Directorate and Plant Protection Directorate, Ministry of Health	<p>Amendments to relevant regulations and / or internal procedures for handling (Veterinary Law and / or Rulebook on conditions for consignments for which no import and transit decisions are required)</p> <p>Reports on the implementation of activities within CEFTA and the Open Balkan initiative</p>
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4.	<p>Implementation of the program of harmonization and mutual recognition of documents, and other initiatives to facilitate trade in agricultural and food products, provided for:</p> <p>- Additional Protocol 5 to the 2006 CEFTA Agreement</p> <p>-Memorandum of Understanding on Cooperation in Facilitating the Import, Export and Movement of Goods in the Western Balkans concluded between the Republic of</p>	<ul style="list-style-type: none"> • Active participation in the work of the competent bodies of CEFTA in order to reach an agreement on the harmonization and recognition of mutual documents in trade in agricultural and food products • Implementation of activities necessary for the implementation of the Decision of the Joint Committee of the Free Trade Agreement in Central Europe 2006 No. 1/2020 on the facilitation of trade in fruits and vegetables • Active participation in the implementation of activities agreed within the Open Balkan initiative in order to facilitate trade in agri-food products. 	<p>Ministry of Agriculture, Forestry and Water Management - Veterinary Directorate and Plant Protection Directorate, Ministry of Health</p>	<p>Reports on the implementation of activities within CEFTA and the Open Balkan initiative</p> <p>Trade growth in the region</p>
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	Serbia, the Republic of North Macedonia and the Republic of Albania - With the Open Balkan Initiative			
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II EXPERT WORKING GROUP ON TECHNICAL BARRIERS AND MEASURES WITH EQUAL EFFECT IN TRADE

Chair: Zoran Bakić, Head of Group, Ministry of Economy, Quality Infrastructure

The Expert Working Group on Technical Barriers and Measures with Equal Effects in Trade deals with issues and proposes initiatives that contribute to the promotion and facilitation of foreign trade in industrial (non-food) products (including, among others, cosmetic products and other items for general use, medicines, medical devices, chemicals, mechanical and technical products of various kinds, toys, etc.). Within the matters and the initiatives considered, the expert working group shall ensure that technical regulations, standards and conformity assessment procedures are enacted and implemented without constituting unnecessary obstacles to trade.

	Planned activity	Measures for implementation of activities	Competent institutions	Result indicator
1.	Establishment of an efficient risk analysis and management system by the Sanitary Inspection	<ul style="list-style-type: none"> • Development of risk analysis models for imports of industrial non-food products in order to establish an efficient risk analysis system, reduce barriers and facilitate imports to companies that have good business practices, goods compliant with regulatory requirements and developed internal safety and quality control • Identification of criteria for risk analysis and needs 	Sanitary Inspection of the Ministry of Health	Functional risk assessment at the arrival of each import shipment, and based on that, sampling decision

		<p>analysis</p> <ul style="list-style-type: none"> • Development of a plan for the implementation of risk analysis in the process of controlling the import of goods with the necessary resources (financial, human, IT, etc.) • Adoption and implementation of measures necessary for the implementation of risk analysis 		
2.	Further harmonization of technical regulations with EU legislation	<ul style="list-style-type: none"> • Publication of a complete list of Serbian standards (EU list) in the field of construction products, ie a list of standards that will accompany the legal act on construction products • In the field of products of general use - adoption and regular updating of regulations in accordance with amendments to EU legislation, in particular: <ul style="list-style-type: none"> - Drafting bylaws for materials and objects in contact with food, in accordance with EU legislation - Drafting of bylaws regulating the import regime of detergents, biocides, etc. in accordance with EU legislation 	<p>Ministry of Construction, Transport and Infrastructure</p> <p>Sanitary Inspection of the Ministry of Health</p> <p>Ministry of Economy</p> <p>Ministry of Trade, Tourism and</p>	<p>List of standards that "follow" the Law on Construction Products</p> <p>Adopted Rulebooks based on the Law on Products of General Use</p> <p>Amended regulations (Rulebooks on</p>

		<ul style="list-style-type: none"> • Abolition of the obligation to obtain a certificate of conformity (for the purpose of placing products on the Serbian market), issued by the appointed TOU for equipment and protective systems intended for use in potentially explosive atmospheres (ATEX) • Transposition of the new EU Directive on Radio Equipment (RED), up-to-date publication of the list of Serbian standards in the field of radio equipment (and telecommunications terminal equipment), revision of the validity of the certificate of conformity, with the aim of abolishing it 	<p>Telecommunications</p> <p>MTTT - Market Inspection</p>	<p>equipment and protective systems intended for use in potentially explosive atmospheres)</p> <p>Amended legislation - publication of the Rulebook on radio equipment (withdrawal of the Rulebook on radio and telecommunications terminal equipment)</p> <p>An up-to-date list of Serbian standards in the field of radio equipment (and telecommunications terminal</p>
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				equipment) published
3.	Acceptance of foreign certificates of conformity	<ul style="list-style-type: none"> • Further promote: the procedure for recognition of foreign certificates of conformity conducted by the competent ministries; conditions and methods for issuing a domestic certificate of conformity without re-conducting the conformity assessment for a product that accompanies a foreign certificate (certificate) of conformity; meaning and significance of the status of the Accreditation Body of Serbia as a signatory of the EA MLA agreement with the European Organization for Accreditation (EA) for certain areas <p>(Bearing in mind that the test report is not the only condition for placing non-food industrial products on the market, but is only a part of the technical documentation on the basis of which the manufacturer makes a declaration of conformity, ie on the basis of which the body or designated conformity assessment body issues a certificate or other document.)</p> <ul style="list-style-type: none"> • Signing international agreements / memorandums on cooperation and acceptance of documents issued by accredited laboratories 	Ministry of Economy, Accreditation Body of Serbia, NTFC member institutions	<p>Number of trainings held and number of participants attending the trainings</p> <p>Published brochures</p> <p>Number of concluded agreements / memoranda on acceptance of foreign certificates of conformity</p>

		<ul style="list-style-type: none"> • Brochures and trainings for all stakeholders on the acceptance of foreign certificates of conformity or test results, as well as on the legal possibility of compiling and issuing appropriate domestic certificates of conformity for the product in question based on foreign certificates of conformity, with the support of civil society (projects, organizations, associations, etc.) 		
	<p>Revocation of licenses for</p>	<ul style="list-style-type: none"> • Repeal of the provision of Art. 63-72 <p>The provisions stipulate that the placing on the market of certain hazardous chemicals may be performed only by</p>		

4.	<p>hazardous chemicals and licenses for the use of hazardous chemicals for individuals</p> <p>Amendments to the Law on Chemicals ("Official Gazette of RS" No. 36/09, 88/10, 92/11, 93/12 and 25/15)</p>	<p>legal entities or entrepreneurs who have a license to carry out the activity of trade in those chemicals; further, the procedure for submitting a permit application and the conditions that must be met in order to obtain a permit are prescribed. In addition, the obligation to submit an application for a permit for the use of certain hazardous chemicals for individuals is prescribed.</p> <p>These provisions of the Law have been identified as an obstacle to the free movement of goods, and will be repealed by the adoption of the new Law on Chemicals. The deadline for adopting the new law is the fourth quarter of 2023.</p>	<p>Ministry of Environmental Protection</p>	<p>The adoption of the Law on Amendments to the Law on Chemicals.</p>
5.	<p>Eliminate delays in issuing registrations, renewing registrations,</p>	<ul style="list-style-type: none"> • Introduction of an electronic platform for the submission and processing of documentation for medicines (according to the procedures) • Preparation of semi-annual reports of ALIMS on the average duration of resolving individual requests for 	<p>Medicines and Medical Devices Agency of Serbia (ALIMS), Ministry of Health</p>	<p>Issuance of registration for medicines, renewal of registration, approval of variations and</p>

	<p>approving variations and promotional materials for medicines in accordance with the legal deadline</p>	<p>registration, renewal, approval of variations and issuance of promotional material with an indication of whether there has been a breach of legal deadlines</p>		<p>promotional materials within the legal deadline</p> <p>Establishing of an electronic platform for submitting documentation for medicines</p> <p>Annual reports in 2022 and 2023 with statistics on the average duration of the procedure in accordance with the legal deadlines</p>
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III - EXPERT WORKING GROUP FOR CUSTOMS PROCEDURES

Chair: Snežana Karanović, Assistant Minister, Ministry of Finance

The Expert Working Group for Customs Procedures deals with issues and proposes initiatives designed to enhance and facilitate customs procedures, broader application of simplified customs procedures for import, export and transit of goods, harmonization and increase of predictability in actions of customs authorities.

	Planned activity	Measures for implementation of activities	Competent institutions	Result indicator
1.	Mutual recognition and promotion of the Authorized Economic Operator (AEO) program	<ul style="list-style-type: none"> • Implementation of the agreement on mutual recognition of approvals of Authorized Economic Operators for Security and Safety (AEOS) with North Macedonia - Development of a protocol for the validation of mutual recognition of AEOS - Establishing mandatory exchange of information related to AEOS 	Customs Administration, Ministry of Finance	<p>Signed Protocol for validation of mutual recognition of AEOS with North Macedonia</p> <p>Accelerated flow of goods and reduced detention time of trucks at border crossings with North Macedonia for holders of AEOS status</p> <p>Agreement on mutual recognition of AEOS signed with the Republic of Albania and protocol for validation of</p>

		<ul style="list-style-type: none"> • Signing of an agreement on mutual recognition of approvals of Authorized Economic Operators for Security and Safety (AEOS) with the Republic of Albania: - Development of a protocol for the validation of mutual recognition of AEOS - Establishment of mandatory exchange of information related to AEOS • Design and protection of logos for the national AEO program • Introduction of additional benefits for AEO approval holders 		<p>mutual recognition of AEOS</p> <p>Number of concluded agreements on mutual recognition of AEO programs</p> <p>Published Explanations of the Customs Administration, in order to enable the holders of AEO approvals to use all the benefits</p>
	Acceleration of the flow of goods at the border crossing	<ul style="list-style-type: none"> • Establishment of a special entry and exit lane for road freight vehicles in TIR and T1 (joint transit) procedures, companies with AEO status, and in 	Customs Administration, Ministry of Finance,	<p>Accelerated flow of goods at the border and reduced retention time of trucks at border crossings</p> <p>(progress verification mechanism based</p>

2.	Presevo-Tabanovce	<p>the transport of perishable goods</p> <ul style="list-style-type: none"> • Establishing joint control 	<p>NTFC members,</p> <p>Coordination body for border crossings</p>	<p>on the Time Release Study and the Trading Across Border Indicator on World Bank's Doing Business List)</p>
3.	<p>IT connection of the Plant Protection Administration of the Ministry of Agriculture, Forestry and Water Management and the Customs Administration</p>	<ul style="list-style-type: none"> • Defining a set of data to be exchanged between the Customs Administration and the Plant Protection Administration; • Establishment of a system for online exchange of information between the Plant Protection Administration and the Customs Administration; • Training of officials of the Customs Administration, the Plant Protection Administration, as well as the private sector on new electronic tools 	<p>Customs Administration, Ministry of Finance</p> <p>Directorate for Plant Protection, Ministry of Agriculture, Forestry and Water Management</p>	<p>Defined data set to be exchanged</p> <p>Online data exchange system available</p> <p>Reduction of the average time required for the issuance of documents of the Plant Protection Administration, as well as the customs procedure for these goods</p>

4.	IT connection of the Directorate for Radiation and Nuclear Safety and Security and the Customs Administration	<ul style="list-style-type: none"> • Defining a set of data to be submitted to the Customs Administration by the Directorate for Radiation and Nuclear Safety and Security; • Establishment of a system for online connection of the Directorate for Radiation and Nuclear Safety and Security and the Customs Administration; • Training of officials of the Customs Administration and the Directorate for Radiation and Nuclear Safety and Security on new electronic tools 	<p>Customs Administration, Ministry of Finance</p> <p>Directorate for Radiation and Nuclear Safety and Security</p>	<p>Defined set of data to be exchanged</p> <p>Online electronic data delivery system available</p> <p>Reduction of the average time required for the document of the Directorate for Radiation and Nuclear Safety and Security to be available to participants in foreign trade, as well as the customs procedure for these goods</p>
5.	IT connection of the Customs Administration with:	<ul style="list-style-type: none"> • Defining a set of data to be submitted to the Customs Administration by the Veterinary Administration and the Sanitary 	<p>Customs Administration, Ministry of Finance</p>	<p>Online electronic application system available</p>

	<ul style="list-style-type: none"> • Veterinary Administration, Ministry of Agriculture and • Border Sanitary Inspection, Ministry of Health (up to a level dependent on the Customs Administration) 	<p>Inspection;</p> <ul style="list-style-type: none"> • Establishment of an online connection system • Training of officials of the Customs Administration and the Veterinary Administration and Sanitary Inspection 	<p>Veterinary Directorate, Ministry of Agriculture</p> <p>Sanitary Inspection, Ministry of Health</p>	<p>Defined set of data to be exchanged</p> <p>Reduction of the average time required for the issuance of documents of the Veterinary Administration and Sanitary Inspection, as well as the customs procedure for these goods</p>
	<p>Reducing the time required to issue binding tariff information decisions</p>	<ul style="list-style-type: none"> • Establishment of a system for <i>on-line</i> electronic submission of requests for issuing binding tariff information decision, and mandatory supporting documents • Establishment of an electronic (<i>backend</i>) system for storing and processing of submitted requests for issuing binding tariff information decision, generation of final binding tariff information decision, reports and the like, with automatic monitoring of the status of requests and validity of 	<p>Customs Administration, Ministry of Finance</p>	<p><i>On-line</i> system for electronic filing of requests for issuing binding tariff information decisions available</p> <p>Reduction of the average time required to issue a binding tariff information upon</p>

6.		<p>decisions and the possibility of advanced search, sorting and exporting of data in all segments of the system, by all the case properties being stored</p> <ul style="list-style-type: none"> • Connecting the electronic backend system for processing requests and issuing binding tariff information decisions with the online electronic database of issued binding tariff information decisions, enabling automatic updating of the database of issued binding tariff information decisions • Training of the officials in the Customs Administration and the private sector on new electronic tools related to binding tariff information decisions 		receipt of a complete request
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7.	<p>Analysis of the current situation and undertaking of the measures and activities that will, enable electronic communication between commercial entities and the Payments Collection Department of the Customs Administration regarding collection of claims in relation to due customs duties, interest on late payments, repayment of overpaid duties, re-entry of incorrect payments, warnings for settlement of customs debt and communication with the guarantor bank</p>	<ul style="list-style-type: none"> • Introduction of an electronic registry office as needed • If necessary, drafting the necessary forms for electronic communication on the stated grounds with commercial entities, with identification of the necessary security levels of such documents 	<p>Customs Administration, Ministry of Finance</p>	<p>Accelerated communication of commercial entities with the Payments Collection Department of the Customs Administration</p>
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8.	Work on establishing the National Single Window (NSW)	<ul style="list-style-type: none"> • Implementation of the Blueprint report • Preparatory activities for the implementation of the NSW 	<p>Customs Administration, Ministry of Finance,</p> <p>Ministry of Construction, Transport and Infrastructure and</p> <p>NTFC members institutions</p>	<p>Developed and published specifications for the procurement of professional and technical support for the implementation of the NSW</p>
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IV – EXPERT WORKING GROUP FOR COORDINATION OF TRADE FACILITATION ACTIVITIES UNDER INTERNATIONAL AND REGIONAL TRADE AGREEMENTS

Chair: Tatjana Dinkić, Head of Group, Ministry of Trade, Tourism and Telecommunications

The Expert Working Group for Coordination of Trade Facilitation Activities under International and Regional Trade Agreements provides support to the structures envisaged by these agreements for coordination and prioritization of trade facilitation activities at the national level, with the goal to comply with good international and regional practices and to reduce the costs incurred by the private sector due to inefficient procedures.

	Planned activity	Measures for implementation of activities	Competent institutions	Result indicator
1.	Coordination and monitoring of the implementation of obligations in the field of trade facilitation arising from the free trade agreement and cooperation with international organizations	<ul style="list-style-type: none"> Monitoring the implementation of free trade agreements in the context of trade facilitation under the SAA, CEFTA, EFTA, EAEU, UK and Turkey Coordination of the implementation of the measures of the WTO 	NTFC Secretariat - MTT / NTFC Members	Assessment of Serbia's progress based on the Report of the European Commission and other relevant international organizations, including independent research on compliance with the WTO Agreement on Trade Facilitation - UN Global Review of Digital and Sustainable Trade Facilitation and / or World Bank Tracking Tool

		<p>Agreement on Trade Facilitation and preparation of notifications in accordance with the dynamics of Serbia's accession to this organization</p> <ul style="list-style-type: none"> • Coordination with the competent institutions regarding the notification procedure in the field of trade facilitation in accordance with the obligations from the CEFTA Additional Protocol 5 • Monitoring the implementation of the Open Balkan - Memorandum to Facilitate the Import, Export and Movement of Goods concluded between Serbia, North Macedonia and Albania 		
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2.	<p>Accelerate the flow of goods at border crossings through integrated border management, harmonization of working hours of border agencies and improvement of infrastructure</p> <p>Extension of the Green Corridors mechanism to EU border crossings for medicines and medical equipment</p>	<ul style="list-style-type: none"> • Cooperation with the Coordination Body for Border Crossing Points in order to solve the problem of long retention of trucks at border crossings to Hungary, Croatia and Bulgaria, as well as further optimization of border services in order to speed up the flow of goods at selected railway border crossings. states • Activities aimed at the competent directorates of the European Commission and the Transport Community • Coordination of agreed activities within CEFTA and the Open Balkan in 	<p>NTFC, Coordination Body for Border Crossing Points,</p> <p>CEFTA Trade Facilitation Committee,</p> <p>EU Subcommittee on Industry, Trade, Customs and Taxation</p>	<p>Accelerated flow of goods at the border and reduced retention time of trucks at border crossings</p> <p>(Progress mechanism based on Time Release Study and Trading Across Border Indicator on Doing Business List of the World Bank)</p>

		order to accelerate the flow of goods		
3	<p>Coordination of the preparation of the program of mutual recognition of documents submitted during the import and export of goods provided for:</p> <ul style="list-style-type: none"> - Additional Protocol 5 to the 2006 CEFTA Agreement and - Memorandum on Facilitation of Import, Export and Movement of Goods within the Open Balkan Initiative 	<ul style="list-style-type: none"> • Continuation of work within the CEFTA authorities and the Open Balkan initiative in order to reach agreements on the recognition of mutual documents • Monitoring the implementation of agreed programs 	NTFC members	<p>Positive assessment of the CEFTA Subcommittee on Trade Facilitation</p> <p>Trade growth in the region</p>
4	Establishing cooperation with the Trade Facilitation Committee at the bilateral	Organizing joint activities, conferences, seminars in order to exchange	NTFC Secretariat - MTTT	NTFC Annual Report with indicators on the number of implemented joint activities

	and multilateral level	experiences		
5	Coordination of the development of answers to inquiries from research in the field of trade facilitation conducted by international organizations	<ul style="list-style-type: none"> • Preparation of answers to questionnaires and surveys of international institutions: <ul style="list-style-type: none"> - UN Global Survey on Digital and Sustainable Trade Facilitation - Other questionnaires (UNCTAD, UNECE, World Bank) 	NTFC Secretariat MTTT / NTFC Member Institutions	Assessment of Serbia's progress based on reports from relevant international organizations
		<ul style="list-style-type: none"> • Organization of seminars, round tables and conferences for representatives of the business community and 		

6	<p>Informing the public and business representatives about the implementation of unilateral measures to facilitate trade, as well as those arising from the implementation of international agreements</p>	<p>administration</p> <ul style="list-style-type: none"> • Participation in workshops organized by international organizations • Regular updating of the NTFC website in order to timely and accurately inform the interested and professional public in accordance with the principle of transparency and accessibility • Providing donor support for the implementation of these activities 	<p>NTFC Secretariat - MTTT / NTFC Members</p>	<p>Number of activities held and number of participants attending the seminars and workshops</p> <p>Number of new publications on the NTFC website and growth in the number of visitors to the NTFC website</p>
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