

WESTERN BALKANS TRADE LOGISTICS PROJECT

BACKGROUND

Propelled by their desire to join the European Union (EU) and through the efforts of the Central European Free Trade Agreement (CEFTA), Western Balkan countries have been tearing down trade barriers for the past decades. However, obsolete border clearance procedures still remain an obstacle, making it cumbersome to trade even within the region. The World Bank's *Doing Business Report* shows that the time and number of documents needed to trade in the Western Balkans is significantly above those in EU and OECD countries. Among the root causes for this are the lack of harmonization and coordination, continued reliance on paper-based trade documents, and lack of sophisticated risk management tools. As a result, border clearance procedures are inefficient and lengthy, making it more costly and time consuming for traders in the region to get their goods to market.

OVERALL OBJECTIVE

The Western Balkans Trade Logistics Project sought to promote regional trade and private sector competitiveness by addressing regulatory and administrative bottlenecks to cross-border trade in the Western Balkans.

By fostering simpler, faster, and less costly clearance in the Western Balkans this trade facilitation project aimed to generate significant savings for the private sector.

APPROACH AND ACTIVITIES

To effectively address longstanding trade barriers at national and regional level, the Project provided

technical assistance and support at the national, bilateral, multilateral, supply chain and regional levels to harmonize approaches and procedures. The Project promoted streamlined import, export and transit procedures through reforms aimed at simplifying and reducing the number of documents related to trade, implementing risk-based controls and IT solutions, and improving inter-agency cooperation. The main project activities involved:

- Working across supply chains to eliminate barriers to the movement and trade of goods, including redundant documents and time consuming procedures
- Designing and improving risk management systems for customs and other agencies involved in the clearance of goods
- Implementing automation to reduce the level of border controls, expedite the processing of declarations and clearance of goods, and promote transparency
- Establishing a regional inter-agency trade facilitation forum
- Organizing hands-on trainings and study tours on topics such as post clearance audit practices, risk management, regulation of customs brokers, and procedure and document simplification and harmonization

IMPACT ON CEFTA

The Project generated \$13 million in private sector savings across the region and paved the way for greater CEFTA engagement in trade facilitation initiatives. It provided intensive support to clients on initiatives related to procedural simplification and risk management and fostering harmonized approaches.

Notable achievements include:

- Conducting an analysis of border clearance procedures, clearance time and fees charged at selected border crossing points in the region
- Developing a comparison of documents required by regional SPS agencies for the import of dairy products
- Organizing regional conferences on risk management and trade controls for SPS and customs agencies
- Delivering regional trainings for customs officers for Post Clearance Audit, jointly with WCO
- Delivering regional trainings for SPS officials on risk management
- Providing expert advisory to the CEFTA Customs Risk Management Working Group

- Regional inland waterways conference recommending solutions to administrative barriers to trade on Danube and Sava

The project also advanced trade facilitation in individual CEFTA Parties and among sub-sets of CEFTA Parties through a variety of means including:

- Signing of a bilateral trade and transit agreements
- Reduction in clearance times
- Assisting several state agencies to adopt risk management methodologies
- Upgrading customs IT and information systems.

SUMMARY PROJECT INFORMATION

Dates:	February 2012 - June 2015
Budget:	€ 1.5m from European Commission, plus € 740,000 raised by WBG
Partners:	World Bank Trade and Competitiveness Global Practice CEFTA, WTO, WCO, UNCTAD and customs and technical agencies in the EU
Financiers:	EU (IPA), World Bank Group, Government of Austria and host countries
Beneficiaries:	Private sector, Customs Administrations, ministries responsible for trade and technical agencies

CONTACT PERSON/FURTHER INFORMATION

Violane Konar-Leacy, Operations Officer, World Bank, Belgrade, Serbia  vkonar@ifc.org

Bill Gain, Global Program Manager, Trade Logistics, World Bank, Washington, D.C.  wgain@worldbank.org

Umut Ergezer, Technical Expert, CEFTA Secretariat  umut.ergezer@cefta.int

