



**International
Finance Corporation**
World Bank Group

IFC Western Balkans Trade Logistics Project, Recommendations for RCC SEE IC

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This project is funded by the European Union

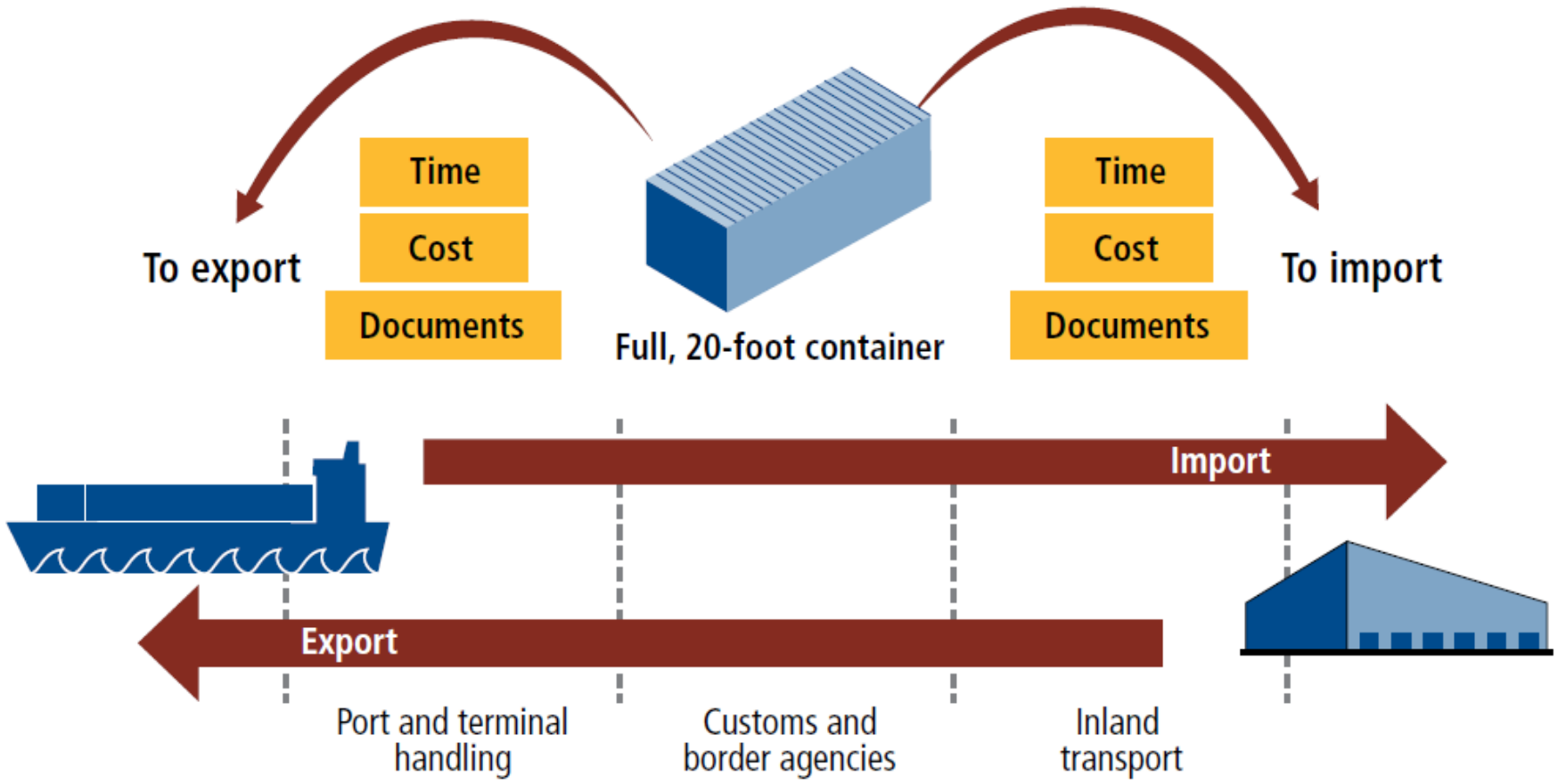
Key Facts

- ✓ Funding: IPA Multi-Beneficiary Programming 2011-2013
- ✓ Countries of operation: Albania, Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Kosovo, and Serbia.
- ✓ Implementation Time: 2012-2014
- ✓ Funding: Euros 1.5 million; plus direct client contributions
- ✓ Staffing:
 - ✓ Project Office and Logistics Expert based in Belgrade
 - ✓ Global Trade Logistics Team: Vienna, Washington
 - ✓ Local Support: Country Consultants

Project Objective

- To stimulate economic development in the Western Balkans by reducing trade logistics constraints and harmonizing border clearance through country specific supply chain reforms and regional cooperation.
- Specifically, the project will work to achieve:
 - 10% reduction in the number of days and documents needed to import and export
 - 10% reduction in the number of border-clearance procedures
- ➔ By reducing trade transaction costs, Western Balkan countries will make the supply chains more efficient, reduce the price of the final product, thus making companies in the region more competitive, and facilitating increased trade and investment in the region.

Trading Across Borders 2013



4 major steps in the trading process

EXPORTING



- Letter of Credit
- Other documents (customs declaration forms, etc)

- Arranging for transport
- Transport
- Loading and unloading goods

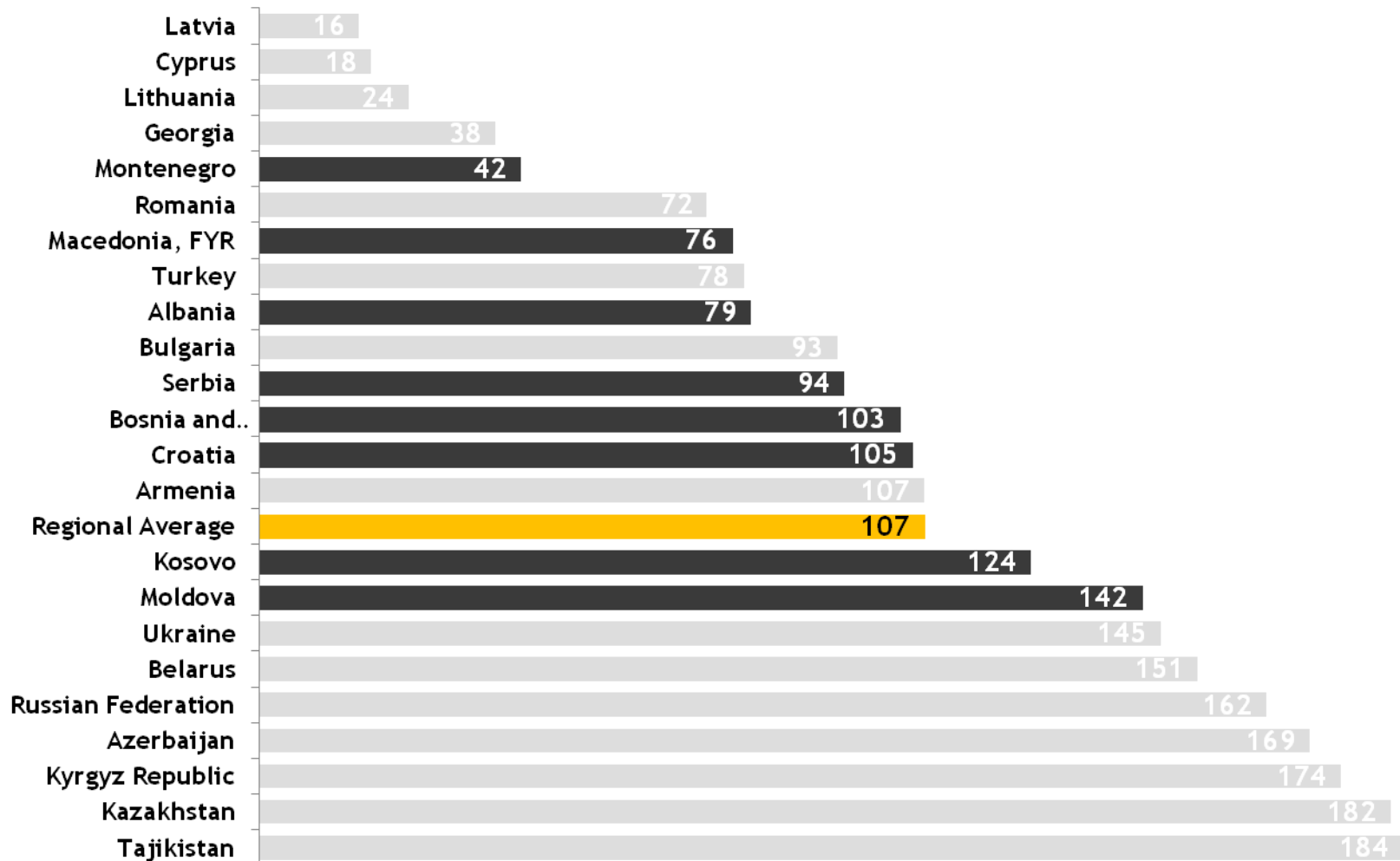
- Customs
- Inspections
- Technical/health
- Security

- Waiting for vessel to berth/depart
- Loading and unloading the container
- Terminal handling

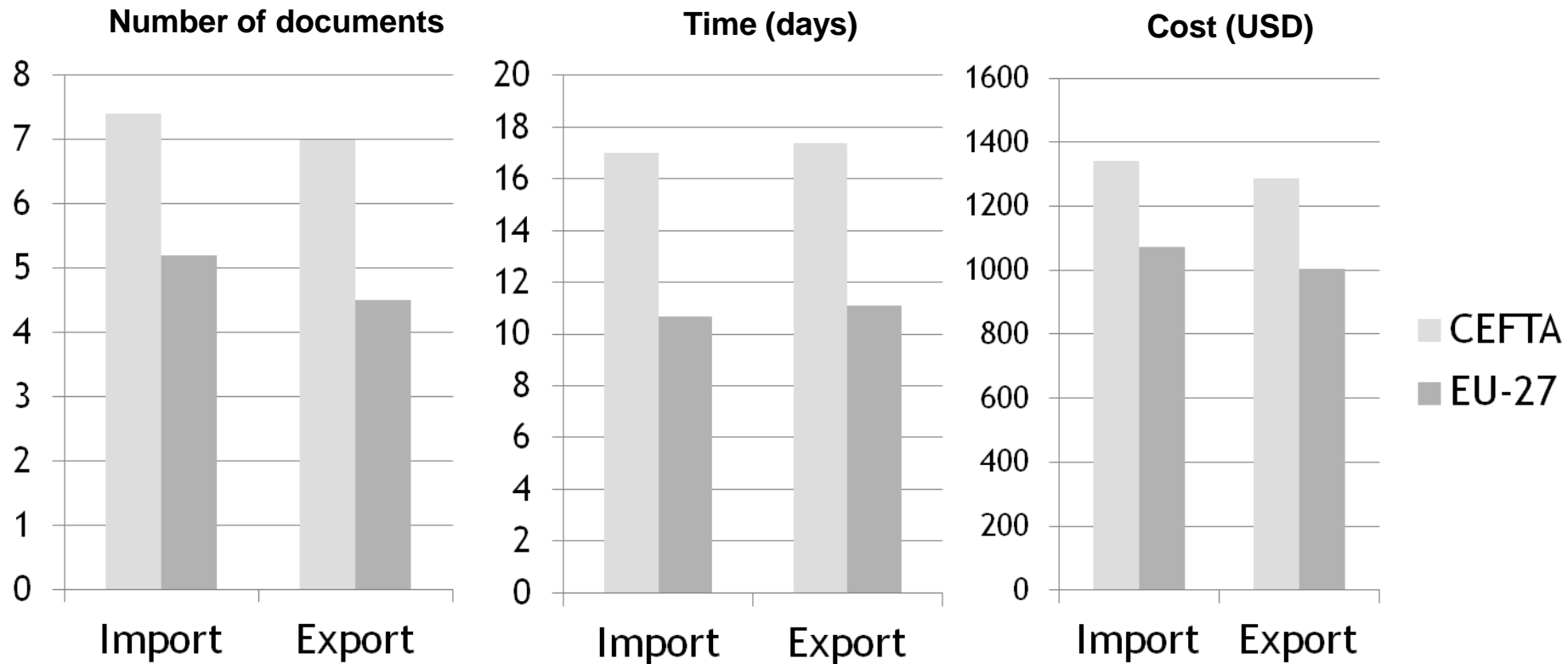


IMPORTING

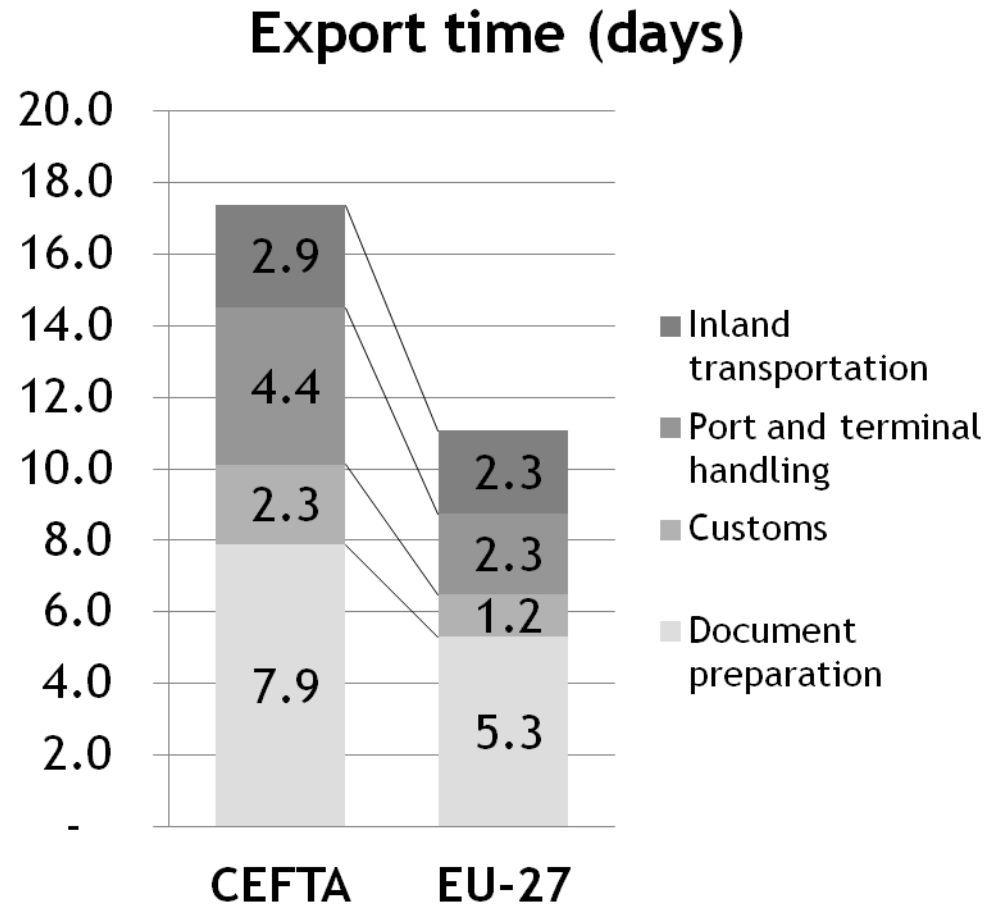
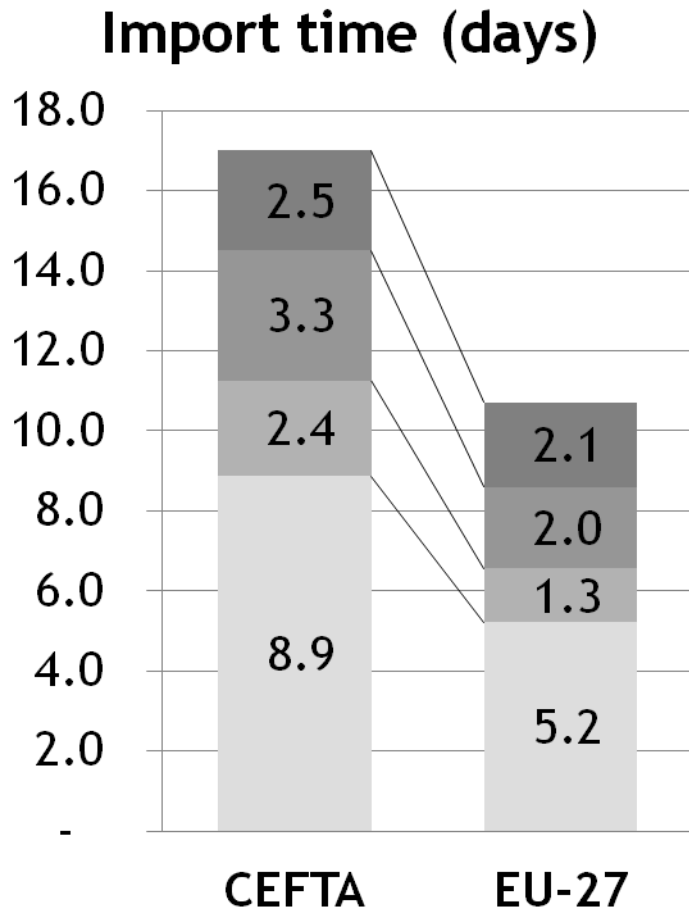
Trading Across Borders Rank in DB 2013



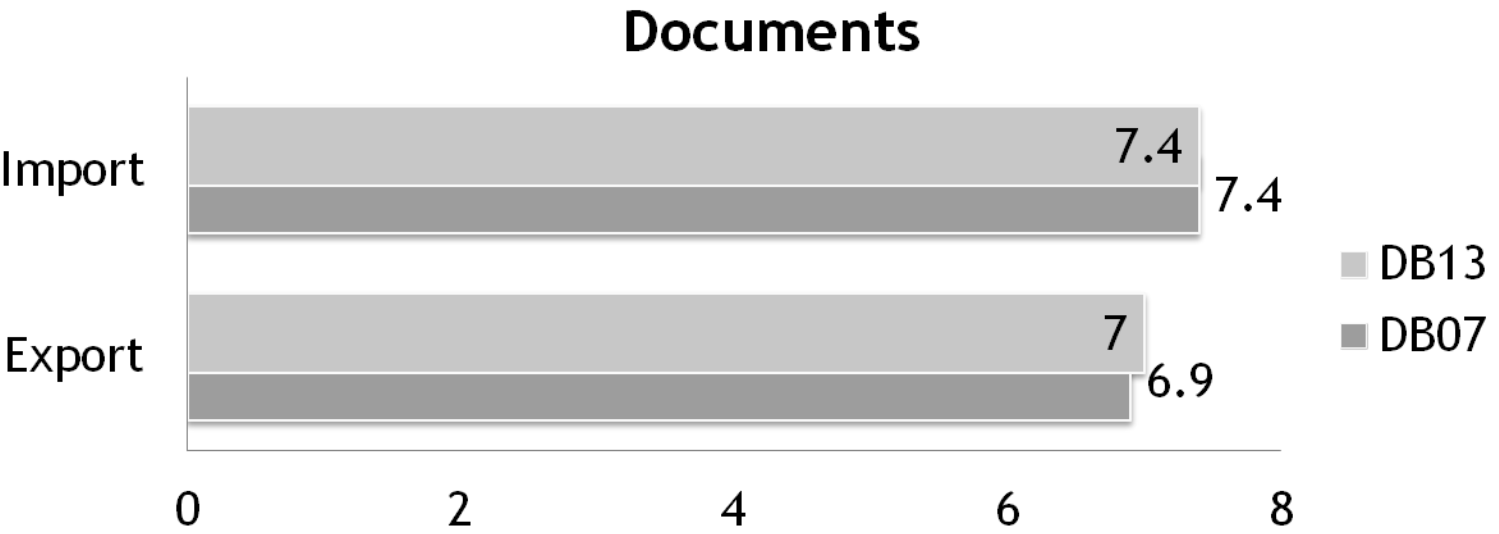
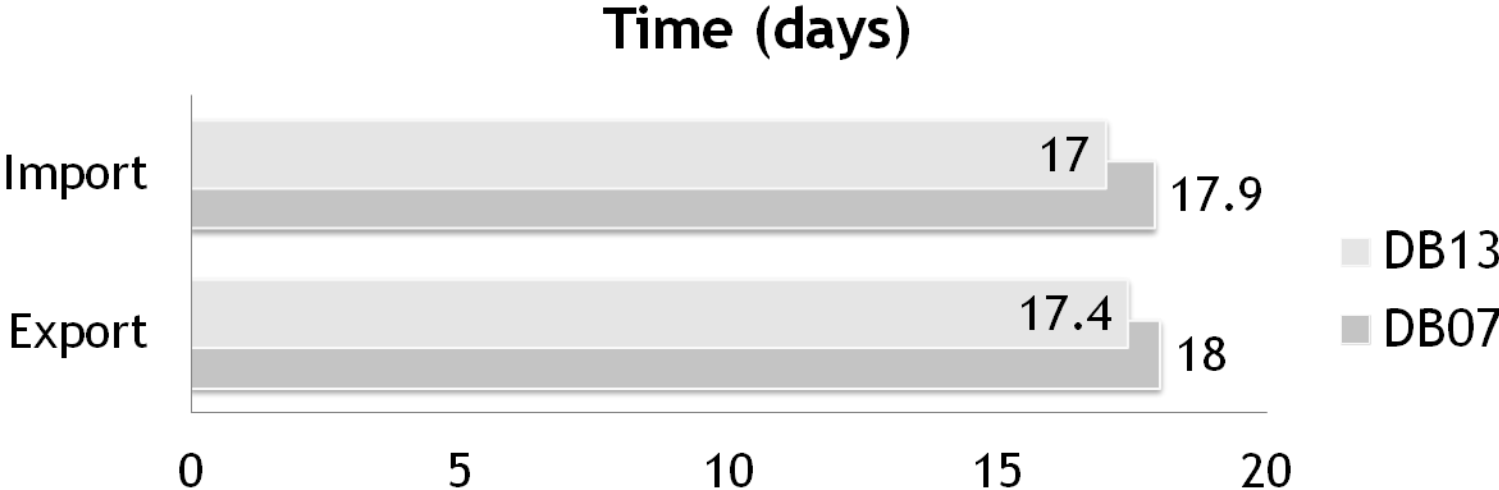
More documents, time, cost needed in CEFTA than EU-27



Traders in CEFTA require more time for import and export than EU-27



TAB in CEFTA has become easier, but there is room for improvement



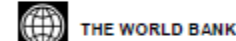
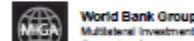
Impact of Transaction Time on Trade

Reducing Transactions Time Has a Direct Impact on Trade



Direct implications for growth, private investment, jobs and poverty reduction

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Source: Forthcoming research paper (Subramanian, Anderson and Lee (2011))

Initiatives Suggested to SEE IC for SEE 2020 to Reduce Time Required to Trade Thereby Improving Trade Performance

- Reduction of the number of documents required for import and export
- Promotion of wider use of simplified clearance procedures
- Effective use of the “green channel” in customs clearance
- Wider use of risk management systems
- Wider information/data exchange between border agencies
- Development of joint risk profiles inter-agency (both domestically and bi-laterally, regionally)
- Expanded use of electronic payment systems
- Simplification of bank guarantee procedures
- Synchronization of working hours between border agencies and across borders
- Simplification of sampling and testing procedures including the import of samples
- Effective implementation of mutual recognition agreements of certificates (veterinary, sanitary etc)