Deepening trade integration is paramount for the Western Balkans countries as part of a growth strategy based on productivity gains. The six Western Balkan (WB6) countries face a common set of challenges: how to restructure inefficient and often state-heavy economies to foster growth, productivity, and bolster the creation of private sector quality jobs in societies where too many people remain unemployed. The six countries are Albania, Bosnia and Herzegovina, Kosovo, North Macedonia, Montenegro and Serbia. Trade and transport facilitation are key elements of WB6’s efforts to deepening economic integration in the region and the EU. The WB6 countries are committed to this agenda with a clear EU accession perspective and integration into the multilateral trading system.

The World Bank has prepared a multi-phase project, the Western Balkans Trade and Transport Facilitation Project, which will be carried out in two phases. Phase 1 includes Albania, North Macedonia and Serbia. Phase 2 includes Bosnia and Herzegovina, Kosovo and Montenegro. One key component of the project involves the adoption and implementation of a National Single Window (NSW) solution.

While the countries are familiar with the concept of NSW, they require more assistance in understanding the process of implementing the NSW and how ready their agencies are in implementing it. The activities supported by the Umbrella Facility for Trade are National Single Window Visioning workshops, and country specific Single Window Gap Analysis assessments which lay the preparatory foundation for the NSW implementation.

The aim of the Western Balkans Trade and Transport Facilitation project is to reduce trade costs transport efficiency in the Western Balkans. The indicators that will be measured are total trade cost (sum of countries’ cumulative import and export cost), cost to import and export, and average freight transport time on targeted corridors. The analysis study is the first step in that direction, considering the significant impact trade facilitation reforms have on countries’ GDP, trade flows and welfare.
The trust fund supported three NSW Visioning workshops in Albania, North Macedonia and Serbia in July 2018. In November 2018, a Single Window Gap Analysis assessment was conducted in Kosovo in preparation for the development of a National Single Window for international trade.

**Intervention:**

**NSW Visioning Workshops**

These workshops lay the preparatory work towards the first phase of the Western Balkans Trade and Transport Facilitation Project. The purpose of the workshop was to appraise the state of readiness of the General Directorate of Customs and other government agencies towards the implementation of a National Single Window, a key component of Phase 1 of the program for all three countries, and to begin the process of informing stakeholders about the work and preparations needed to implement the National Single Window. The workshop was hosted and organized by the World Bank Group and was attended by representatives of various government agencies that will be involved in the development and operation of the NSW, as well as representatives from the private sector.

**Single Window Gap Analysis**

National Single Window system will be developed in each beneficiary country with a portion of the funds made available through the World Bank Lending Operation. The WBG team emphasized the preparation and design of an assessment is crucial to the success of the NSW as it will review and harmonize the existing legal regulatory framework, processes and procedures required to streamline and improve cross-border movement of goods. The SW Gap Analysis is the first step in that direction. Below were the key interventions completed to successfully implement the SW Gap Analysis in Kosovo:

(i) A thorough assessment of the current environment and capacities of the key institutions for implementing the National Single Window Concept;
(ii) A workshop was held, which brought together future stakeholders of the Kosovo National Single Window, provided an opportunity to initiate discussions on their preparedness, expectations and future direction;
(iii) The team provided recommendations on the next steps, such as that the Government of Kosovo may begin work on the development of a Blueprint for National Single Window implementation.
Implementation is underway for the various project components, including the first step of the NSW implementation, the NSW blueprint. This step will review the current institutional systems and provide the policy, technical and procedural guidelines and will comprise a master Project Plan and guidelines for the procurement of the technology, infrastructure and services that will be necessary to implement the NSW.

The NSW blueprint will also propose a plan for legislative change based on a detailed analysis of current legislation aimed at identifying any gaps or impediments to the implementation of the NSW. The NSW blueprint process is expected to be launched in May/June 2020 and will take a year to complete.

Kosovo’s SW Gap Analysis report has provided positive feedback and readiness of Kosovo to implement this project as part of Phase 2 in the future, that will lead to reducing the number of products subjected to non-automatic import licenses by more than 400 tariff lines.

The expected results of the project are a reduction in trade and transport costs, measured by:

- Total trade cost (sum of countries’ cumulative import and export cost)
- Cost to import (average per shipment, disaggregated by country)
- Cost to export (average per shipment, disaggregated by country)
- Average freight transport time on targeted corridors (disaggregated by corridor)

The project beneficiaries include but are not limited to:

- Producers
- Traders
- Exporters
- Importers
- Transport service providers
- Customs
- Other agencies involved in the import/export clearance process and border control

Phase 1 Blueprint

Phase 1 of the project was approved in April 2019 and became effective in Dec 2019 and Jan 2020 in the countries. The IBRD lending amount for the Phase 1 countries is $90 million in total. Albania: $20 million, North Macedonia: $30 million, Serbia: $40 million. The final assessment report, along with the key recommendations, was shared with Kosovo stakeholders to proceed Phase 2.

Key Impacts: