

COMPREHENSIVE ROADMAP

FOR ENHANCING GREEN LANES, IMPROVED CUSTOMS COOPERATION AND MODERNISATION OF BORDER/Common Crossing Points

1. INTRODUCTION

Green Lanes Initiative has been established at the onset of COVID-19 pandemics. Following its highly successful implementation across the Western Balkans, the initiative for **Green Lanes linking the EU and the Western Balkans**, taken jointly by the Transport Community's and CEFTA's Secretariats, emerged as one of the priorities set by the Western Balkans Summit held in Sofia in 2020. , Not only has its implementation ensured preserving trade flows in CEFTA, but it has also had significant economic benefits and proven invaluable in addressing the urgent needs of the population during the pandemic.

The Transport Community-CEFTA Connectivity Summit held on 15-16 May 2023, in Montenegro, which gathered the Transport Ministers and the Directors of the agencies involved in the process of clearance of goods in the Western Balkans, and neighbouring EU MS, as well as Moldova, Georgia and Ukraine. This Summit paved the way for taking the coordination to the next level -beyond the Green Lanes, by endorsing the **Declaration "Taking forward the Green Lanes"**. The Declaration laid the grounds for full extension of the EU-Western Balkans Green Lanes concept to the neighbouring EUMS and across Western Balkans/CEFTA.

2. CURRENT STATE OF PLAY

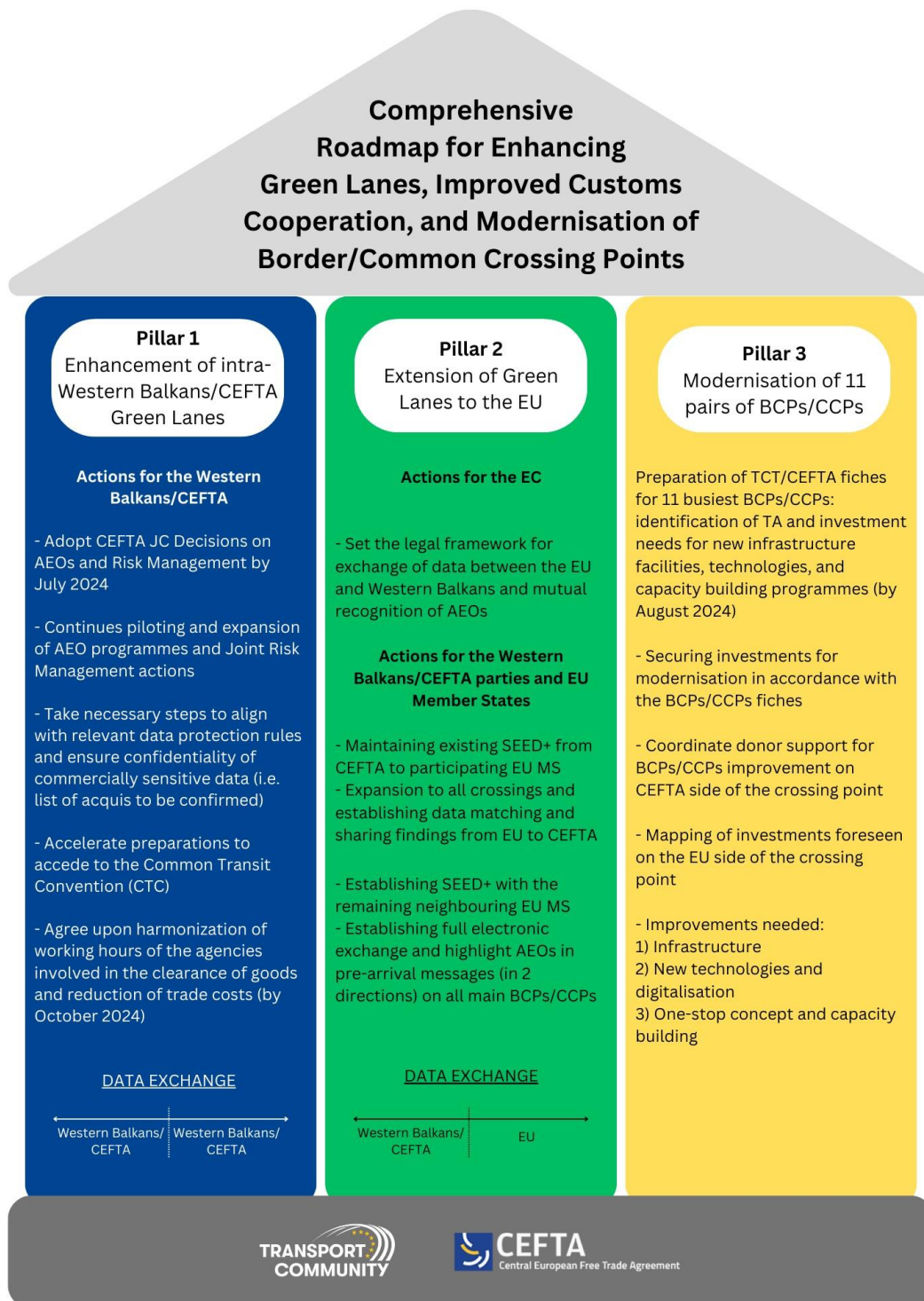
The **Green Lanes** initiative has been established amid COVID-19 pandemic to preserve trade flows and accelerate the process of clearance of essential goods. The System for Electronic Exchange of Data (SEED) has been instrumental for its implementation, as it enabled pre-arrival sharing of information on consignments to all the agencies involved in the clearance of goods (customs, phytosanitary, veterinary and food inspections). As of 2021 the initiative has been extended to all the goods transported by road and rail intra-CEFTA.

A web site presenting statistics on Green Lanes utilization and waiting times is available at <https://greencorridors.cefta.int/greencorridorsanon>. It has been created to track the progress on implementation of Green Lanes and increase transparency for the economic operators. Additionally, it serves as an excellent tool to monitor and evaluate the implementation of trade facilitation instruments and commitments by the CEFTA Parties.

Built on the success achieved in CEFTA, the initiative has been expanding to the EU Member States as of 2022. So far, Greece, Italy and Croatia supported the process by signing Memoranda of Understanding (MoU) on the electronic data exchange with North Macedonia, Albania, Montenegro and Bosnia and Herzegovina. The process of extension to the EU MS is to be executed in two phases. The first phase should enable facilitation of export from CEFTA by sending data from CEFTA to the EU. The second stage should support the analysis of risk when goods are exported from the EU to CEFTA, by sharing in advance respective data. However, full implementation of this activity requires an EU level legal basis for enhanced customs cooperation, as the current Stabilisation and Association Agreements (SAAs) do not provide such a legal base. Currently, there are two options under considerations by the EC - amending customs cooperation chapter of the SAA, or concluding new customs cooperation agreements with the Western Balkan economies.

This issue has already been brought to the attention of political leaders and reflected in the Declaration of Tirana Summit held in December 2022 when they *welcomed the progress in implementation of EU-Western Balkans Green Lanes and called for their full application at all relevant crossing points, while fully respecting the EU acquis and procedures.*

3. ELEMENTS OF THE ROADMAP



SEED Data Exchange Concept is provided in Figure 1. below:

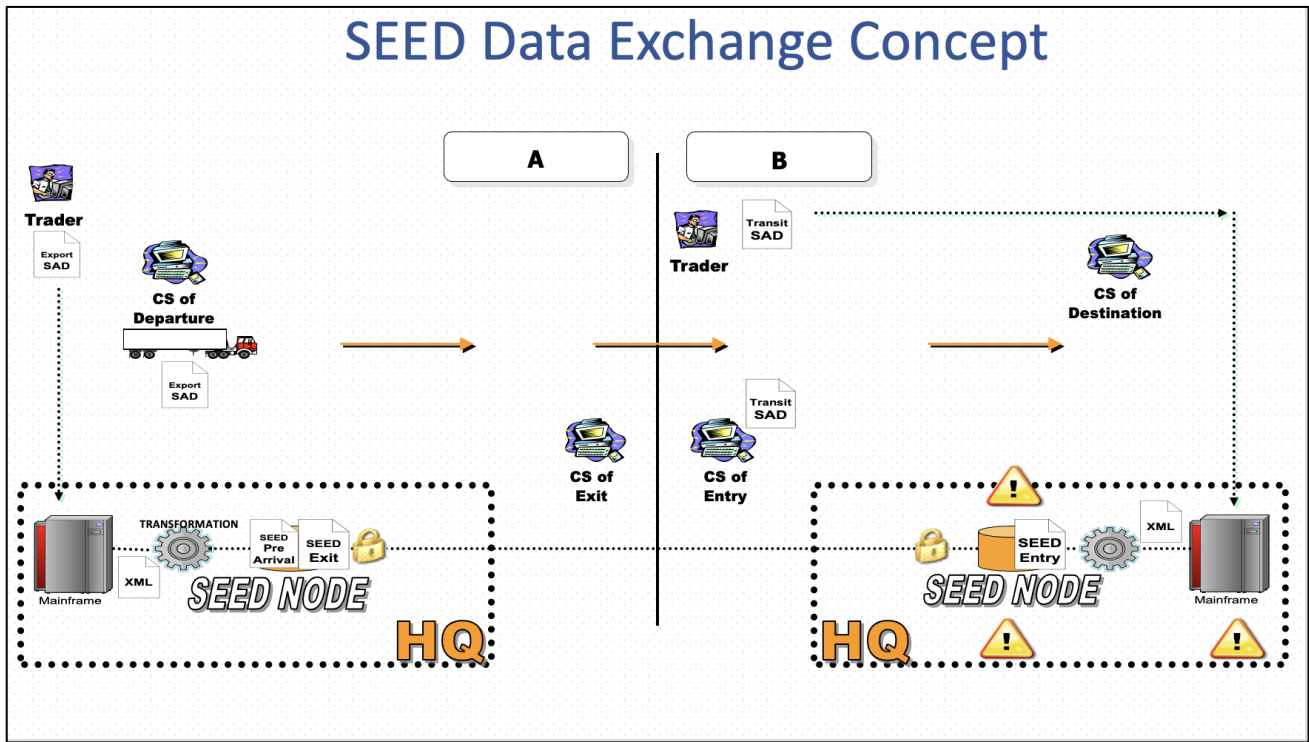


Figure 1. SEED data exchange concept

Speaking about Pillar 3, the proposed measures within the BCP/CCP fiches will be mostly targeting:

- investment in the infrastructure (modernisation/ upgrade of outdated facilities, additional truck lanes, weighbridges (scales for trucks), traffic signalisation, etc.),
- investment in new equipment , installation of new IT systems and digitalisation of the services
- implications for customs and other agencies in terms of new requirements for staff and resources needed
- capacity building
- improvement of the bilateral cooperation and introduction of one stop concept wherever feasible.

The preparation of TCT/CEFTA fiches for 11 busiest BCPs/CCPs- identification of TA and investment needs for new infrastructure facilities, technologies, and capacity building programmes - by August 2024:

- Roszke-Horgos
- Bajakovo-Batrovci
- Kalotina-Gradina
- Stara Gradiska- Gradiska/Metkovic-Doljani
- Slavonski Samac-Bosanski Samac/Svilaj-Donji Svilaj
- Evzoni-Bogorodica
- Stamura Moravita-Vatin
- Ktismata-Kakavia
- Gyusevo-Deve Bair

- Karasovici-Debeli Brijeg
- Hani i Elezit-Blace

More intra-CEFTA BCP/CCPs may be proposed.

4. COORDINATION MECHANISM AND SUPPORT

Sherpa level

The overall progress in implementation of the Roadmap measures is led by the CEFTA and TCT Secretariat and will be presented at the meetings of Sherpas (contact points from the Western Balkans, policy advisors in Prime Minister's Office). These meetings shall be used as a platform for wider discussions with the stakeholders including the European Commission (regularly participates to these meetings), and the five neighbouring EU Member States (national focal points to be nominated).

EU-Western Balkans/CEFTA Green Lanes Steering Committee

The already established EU-Western Balkans/CEFTA Green Lanes Steering Committee shall be in charge of technical application and oversight of the Green Lanes SEED+ system and the BCP/CCP fiches, with the support of the Secretariats of Transport Community and CEFTA.

This Steering Committee has members from all Western Balkans and six neighbouring EUMS, including customs agencies and transport authorities.

EU/CEFTA/TCT Support:

- Through Customs programme, facilitate the speedy implementation of the new Rules of Origin¹ both in trade between WB/CEFTA and EU relations and with other PEM parties, and cooperate with their Customs administration to raise awareness of the economic operators of the new trade opportunities opening to Western Balkans;
- Through Customs programme, TAXUD will provide training for customs officers and operators on the practical implementation of the EU *acquis*, including on the ongoing customs reform. It could also be used to support them in the implementation of performance indicators to measure the administrative capacity of their administration and the positive impact on economic operators and consumers;
- EU twinning projects and fact-finding missions to identify best practices and areas of improvement in the area of customs in the WBs;
- Through the WB facility, support integration into the EU customs IT systems;
- Preparation of BCP/CCP fiches, possibly through TA mobilized by TCT;
- Support to alignment with the *acquis* and strengthening institutional capacity, management of databases through the SEED+ Project (EUR 4 M 2024-2026, funded by the EU and implemented by CEFTA Secretariat);
- Managing and maintaining SEED+ by CEFTA Secretariat;

¹ In December 2023, the Joint Committee of the Convention on the Pan Euro Mediterranean Rules of Origin (PEM) adopted a new set of rules of origin which will be applicable from 1 January 2025. The new rules of origin relax some of the conditions that goods need to meet to qualify for preferences under the EU's Stabilisation and Association Agreements and thus have the potential to increase the integration of the region's economies among themselves and with the EU's.

- Support to improving infrastructure at crossing points through the Safe and Sustainable Transport Programme (SSTP – EUR 80 M, implemented by the World Bank);
- Support to the piloting and expansion of AEO programmes as well as implementation of risk management related activities through SEED+ 2024-2026 and Regional Economic Integration (EUR 6.8 M, 2022-2026, co-funded with BMZ, implemented by GIZ);
- Overall coordination of the CEFTA and TCT structures in participation to the mentioned programmes and meetings.

5. EXPECTED MUTUAL BENEFITS

EU is the leading trading partner of Western Balkans/CEFTA with the share of almost 70% in its total trade, while all the economies are in contractual relation with the EU, striving to become eventually the EU members. Action Plan for Establishing the Common Regional Market (AP CRM) is seen as a stepping stone towards closer integration with the EU. Strengthening the relations between the customs administrations could be the first step in that direction for at least two reasons. Firstly, there is a need to accelerate movement of goods from the Western Balkans to the EU. Additionally, the EU services have been deeply involved in operationalization of AP CRM, thereby setting the context for gradual and solid upgrade of cooperation.

Transport and trade facilitation are instrumental for accelerated movement of goods and should provide for increased trade, by ensuring the balance between necessary liberalisation and simplification on one hand, and safety and security on the other. Improved cooperation between all the agencies involved in the process of clearance of goods will significantly support economic growth by:

- improving business environment
- shortening the waiting times
- reduction of costs of trade
- increasing transparency
- improving the basis for management of risks
- assuring safety and security of value chains.

The benefits can be summarized as follows:

- The existing Green Lanes have already reduced waiting times. A total of 20 years waiting time² was saved only in 2023 thanks to the intra-regional Green Lanes. As indicated by the World bank, a reduction of the waiting time by three hours would be similar to lowering tariffs by around 2 percent³.
- Ensure continued functioning of supply chains.
- Boost trade and make Western Balkans/CEFTA more attractive to investors.

E-freight and Intelligent Transport Systems (ITS), even though not specifically forming part of the Green Lanes activities, they bring clear benefits to the overall removal of bottlenecks on the Network even before arriving to the BCPs/CCPs, hence they are looked at by the Transport Community Secretariat as specific priorities which are embedded in the Growth Plan reform measures.

² DG NEAR internal estimate based on CEFTA trade portal as cumulated crossing time saved at all WB border posts in 2023 by all operators.

³ "The Economic Effects of Market Integration in the Western Balkans". María Del Mar Gómez, Román D. Zárate and Daria Taglioni (2023). Policy Research Working Paper No. 10491, the World Bank

Through the SEED system, a specific methodology was developed for measuring the time it takes trucks to pass crossing points. It measures the processing time from the moment when customs administration at exit completes customs procedures and allows exit, till the moment when customs administration at entry accepts customs declaration and allows entry of a truck. The methodology is depicted in Figure 2 below.

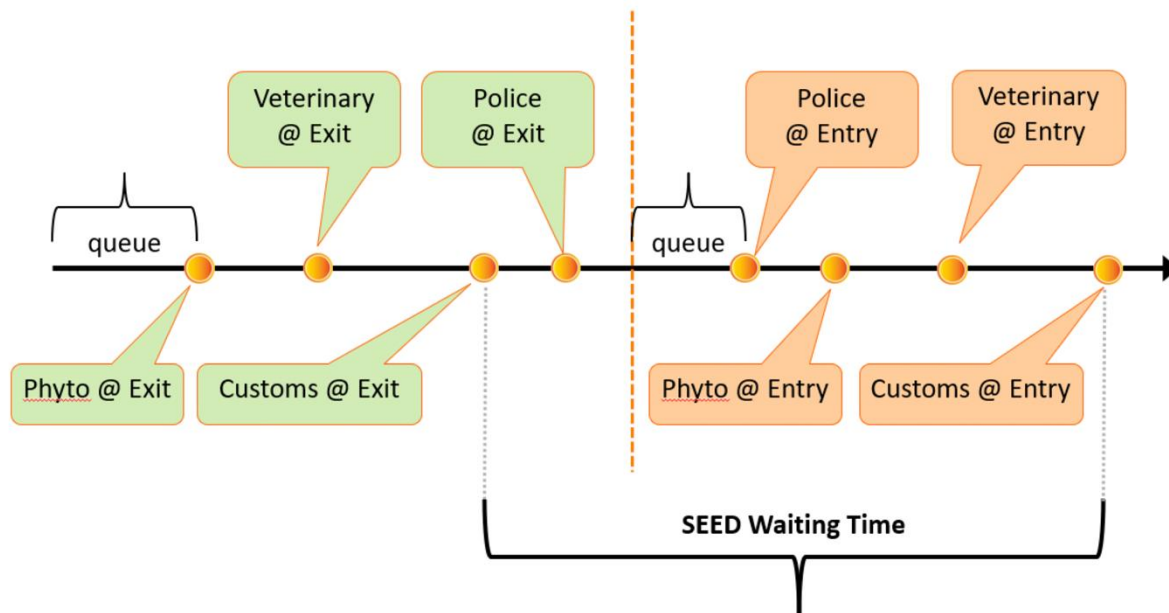


Figure 2. SEED Waiting/ time measurement concept

According to this methodology, in 2023 across CEFTA, empty trucks waited an average of 40 minutes at crossings, goods accompanied by a phytosanitary certificate waited 116 minutes, and goods accompanied by a veterinary certificate also waited 116 minutes. The average waiting time at all crossings within CEFTA was 86 minutes, which represents a decrease of seven minutes per truck compared to 2022. Therefore, considering there were more than 1.4 million truck crossings, this resulted in a total waiting time reduction of almost 19 years in 2023. The greatest reduction in waiting time, at 17 percent, was observed for goods accompanied by phytosanitary certificates, potentially due to the electronic exchange of phytosanitary certificates introduced at the end of 2022 through the CEFTA SEED system. A chart of the current average processing time captured by SEED is presented in Figure 3 below.

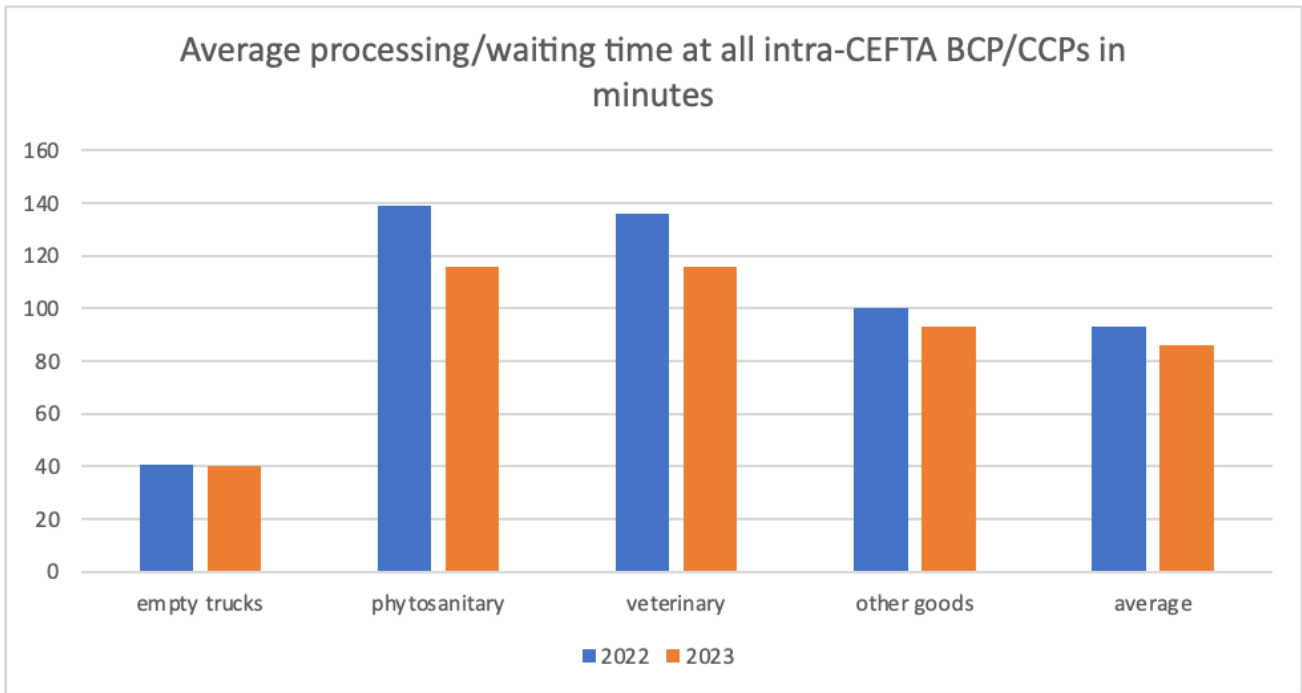


Figure 3. Average processing time captured by SEED

6. ROADMAP ACTIVITIES

The following activities are proposed to be undertaken:

Proposed activity	Indicative timeline	Remark	Progress
1. Define and establish the appropriate legal framework for improved customs cooperation between Western Balkans/CEFTA and EU including two way data exchange between Western Balkans/CEFTA and EU, recognition of AEOs and establishment of key performance indicators for the control of goods (compliance with EU standards) and cooperation in the fight against fraud.	Long term activity	See EU Green Lanes fiche	
2. Maintaining existing electronic exchange of pre-arrival information (SEED+) from CEFTA to participating EU MS, expansion to all	Short-term activity		

crossings and establishing data matching and sharing findings from EU to CEFTA following activity 1.			
3. Establishing electronic exchange of pre-arrival information (SEED+) at the remaining crossing points with the EU Member States (Greece, Croatia, Hungary, Bulgaria, and Romania).	Short to medium-term activity		
3. Establishing full (in two directions) electronic exchange of pre-arrival information on all main crossings with the EU MS	Medium term activity (as is dependant on activity 1 conclusion		
4. Capacity- and trust-building programmes for relevant administrations of the EU-Western Balkans/CEFTA	Short term and continuous activity	Assessment of the staffing capacities and training needs. Ideally, the training programmes should be developed and carried out jointly.	
5. Maintaining SEED+ as a monitoring mechanism to provide real time data on BCP/CCP processing/waiting times. Explore solutions for measuring total waiting time, by using the potential of Galileo or other similar platforms.	Medium to long term activity		
6. Signing of bilateral agreements for establishing one stop/ coordinated (synchronised) controls for the main BCP/CCPs, as per the BCP/CCP fiches	Medium term activity		
7. Adopt CEFTA Joint Committee decision on Authorised Economic Operators (AEOs) & Joint Committee decision on risk	Short term activity		
8. Continuous piloting and expansion of AEO programmes & joint risk management actions	Short to medium term activity		

9. Align with relevant data protection rules and ensure confidentiality of commercially sensitive data in CEFTA (i.e., list of acquis to be confirmed)	Medium term activity		
10. All CEFTA Parties to accede to the Common Transit Convention (CTC)	Medium term activity		
11. Granting priority passage for certain economic operators between Western Balkans/CEFTA and EU (e.g. AEOs, perishable goods), as per the customs cooperation agreements from activity 1. The implementation of this measure for AEOs is contingent on finalisation of procedures of recognition in CEFTA.	Medium to long term activity	In accordance with the Union Customs Code ⁴ (UCC) No. 952/2013 and its amendments, any economic operator established in the customs territory of the Union may apply for AEO status. It also provides for the possibility of mutual recognition of AEO programs with the third parties. The proposed measure refers only to the prioritisation of passage for the trusted economic operators but linking it with the possible mutual recognition would be opted to fully benefit from the action.	
12. Improve/establish adequate infrastructure, IT and equipment to support the synchronised controls, as per the BCP/CCP fiches	Long term activity	Agreement on small scale projects incorporating infrastructure works and IT/equipment supplies on both sides of the BCP/CCP pair. Investment decisions, including possible EC co-financing needed.	

- Short term activity: by end 2024
- Medium term activity: by end of 2026
- Long-term activity: by end of 2027

⁴ Available at https://ec.europa.eu/taxation_customs/business/union-customs-code/ucc-legislation_en