

JOINT DECLARATION OF WESTERN BALKAN SIX , WORLD BANK, SOUTHEAST EUROPEAN PARTIES OF THE TRANSPORT COMMUNITY TREATY, CEFTA ON FACILITATION OF TRADE AND TRANSPORT

The Leaders of the Western Balkans Six, and the representatives of World Bank, Southeast European Parties of the Transport Community Treaty, CEFTA, hereinafter referred to as the “participants”, met in Tirana on 16 October:

Having regard to the EU's Economic and Investment Plan for the Western Balkans, which aims to spur the long-term recovery, accelerate a green and digital transition, as well as foster regional cooperation and convergence with the European path;

Based on the Berlin Process objective of enhancing regional economic cooperation and laying the foundations for sustainable growth;

Considering the conclusions of the Connectivity Summit held in Budva, Montenegro in May 2023 and the discussions focused also on the Roadmap with Transport Community, CEFTA and European Commission on Green Lanes and border/common crossing points;

Taking stock of the Transport Community's and CEFTA work on integrating Western Balkans' transport and trade markets into the EU by assisting the Western Balkans in adopting and implementing the EU legislation in the transport field and trade fields and supporting projects connecting Western Balkans regional partners and with the EU;

Noting the final declarations by the Chair of the Economic Ministerial Meeting of the Western Balkans and Berlin Process “Regional convergence to EU Single Market”;

Considering the experience of the Western Balkans in regional cooperation, with particular regard to the implementation of Green and Blue Lanes, with the aim to enhance the seamless transit of goods across the WB under the Western Balkans Trade and Transport Facilitation Program (WB TTFP 1) currently under implementation by the World Bank;

The participants recognized:

1. That economic integration of the Western Balkans with EU single market is a strategic development priority. As relatively small economies, the path of Western Balkans Six towards sustainable economic growth, creation of more and better jobs, improved living standards and convergence with the EU depends on economic integration within the region and between the region and the EU. Only with seamless access to a larger market, can firms in the WB gain the necessary economies of scale to be competitive. And only by offering an integrated market, can the economies of the WB attract productivity-oriented foreign direct investments and improve potential for WB6 producers to join global value chains.
2. That better connecting economies and facilitating the free movement of goods and services is a necessary foundation to unleash the potential of Western Balkan Six. WB6 and development partners

have invested and continue investing major resources and efforts in improving physical transport infrastructure, especially along the main corridors. These investments have translated into important improvements on safety and reduced journey times.

3. That key Trans-European transport network (TEN-T) corridors (including corridors V, VIII and X) cross the Western Balkans and are vital for the transit of goods and passengers between EU and Western Balkans.
4. That additional investments in transport infrastructure will be needed, but it is important to ensure a) careful prioritization of investments, informed by current and future traffic flows, b) closer coordination among the WB6 and EU neighboring member states; and c) strategic mobilization of funding resources including lending, grant financing and private investment.
5. That enhanced efforts are needed by EC and CEFTA on trade facilitation, as a complement to transport infrastructure investments. This includes efforts to reduce long waiting times at key border/common crossing points (BCPs/CCPs) with the EU MS; time and cost spent on import and export processes; uncertainty on transit times undermining competitiveness of exports; and difficulties for WB companies to demonstrate the quality of their products and compliance with EU standards.
6. That the experience with the WB TTFP1 demonstrated that significant results can be achieved in trade and transport facilitation at individual/local level with relatively modest investments. But that consolidating the seamless movement of goods and services within the WB and with the EU will require both, enhanced regional coordination and coordination with EU neighboring member states ; approximation of policies and actions in the Western Balkans in these policy areas, to those of the EU single market; and additional investments especially in the direction of improving border crossings/common Crossing Points with EU.

Convinced that closer cooperation will serve their shared objectives, the participants jointly state that there is an interest:

7. To actively support and develop a process of design of a Trade and Transport Facilitation Program (hereinafter WB TTFP2) that will aim at enhancing economic integration of WB6 with the EU single market and reducing transaction costs and transit times for goods and services. The WB TTFP2 may be supported by the Western Balkans and European Commission and may be designed by the World Bank in close coordination with regional stakeholders including CEFTA and Southeast European parties of the Transport Community, in line with the Action Plan for transport facilitation.
8. That, while the detailed scope of activities has yet to be developed, the broad parameters of the WB TTFP2 will support:(a) implement second generation trade facilitation reforms; (b) strengthen quality systems for export standards; (c) improve transport logistics performance; (d) critical medium and small-scale investments at key logistics nodes along the core and comprehensive network; including for capacity and efficiency improvement at main Western Balkans-EU Border Crossing/Common Crossing points and (e)undertake complementary analytics and technical assistance to inform reforms and investments.
9. That individual Western Balkans parties establish mechanisms that can guide the work of this program initiative at an individual level and maintain oversight.