



PAGE 4: B.1) YOUR CASE STORY: TITLE AND DESCRIPTION

Q1: TITLE OF CASE STORY

FYR MACEDONIA PIONEERING RISK-BASED BORDER INSPECTIONS IN THE WESTERN BALKANS
In 2014, the Macedonia Food and Veterinary Agency (FVA) and the State Sanitary and Health inspectorate (SSHI) implemented a new risk-based methodology to inspections resulting in a faster clearance process and lower cost of trade for Macedonian traders.

Q2: CASE STORY ABSTRACT

A careful balance is needed between effective SPS and TBT controls in the protection of animal and human health and safety and the facilitation of international trade. In recognition of this, the FVA and the SSHI, supported by the World Bank Group and the European Commission, introduced in mid-2014 a risk-based methodology to inspections and sampling of goods under its jurisdiction entering Macedonia. The approach develops risk rankings and focuses on high risk goods, while reducing the level of controls of low risk goods, contributing to a faster clearance process and allowing for a more efficient distribution of agency resources. Applied in mid-2014, the new approach has enabled the agencies to reduce the percentage of goods sampled by 40%, thereby saving an approximate \$1,082,484 for the Macedonian traders. This number is based on a methodology estimating impact of reforms based on value of time saved for the private sector.

PUBLIC SECTOR CASE STORY TEMPLATE

Q3: LONG DESCRIPTION OF THE CASE STORY

Getting goods across Southeast Europe can be a lengthy endeavor. Regional cross-border trade is hampered by burdensome import procedures and a high level of physical examinations and sampling conducted by SPS and TBT agencies. FYR Macedonia was no exception, a challenge highlighted on numerous occasions by private sector stakeholders. Sampling of consignments can take several days, before laboratory results are released – results which in most cases are found to show no signs of contamination.

While effective veterinary and food safety controls play an important role in the protection of animal and human health and safety, such measures should not impede international trade. A balance between these two objectives is needed.

A team of World Bank Group experts under the auspices of the Western Balkans Trade Logistics Project, has been addressing this challenge starting mid-2013. Using historical trade data, test results, and relevant EU findings the team helped the Macedonia Food and Veterinary Agency (FVA) and the State Sanitary and Health Inspectorate (SSHI) develop and implement a risk-based inspections methodology using of risk scores and rankings. Based on this methodology, internal documents were developed to formalize its adoption and to standardize implementation, including a methodology document, standard operating procedures, and an annual sampling plan. The agency's border inspectors and management were trained on how to use this new approach, to ensure that it would be appropriately and correctly applied in the clearance process. This systematic, risk-based approach has reduced inspection rates at border and inland terminals by as much as 40% by initial estimations.

This reduction greatly benefits traders as goods can be released faster, allowing for lower time, warehousing, and transport costs. "Before, the goods of our companies were inspected quite frequently and without an apparent systematic approach," says Ms. Biljana Peeva Gjurik from the Economic Chamber of Macedonia. "We are very pleased to learn that the agencies will now apply a risk-based approach, which has resulted in fewer inspections and allowed companies to move their goods across the border with fewer delays. As a result, their costs are lower and their goods more competitive."

The trading community in Macedonia will save approximately 1 million USD in the first year after the implementation of risk management approaches in the 2 agencies combined. This approximation is computed using the total value of goods that are cleared by these agencies, and assuming a reduction of 40% in sampling. The model is using UN COMTRADE data for value of goods and IMF WEO October estimates for forecast in trade value for the subsequent year. This methodology is used to calculate the impact of reforms based on an estimation of the value of time saved for the private sector.

The new approach also allows for better allocation of agency resources. "In the past, the inspection and sampling were based solely on the experience of the inspector," says Mr. Colin Gazeley, a Project expert. "We have helped to introduce a methodological, standardized approach throughout the country. The inspectorate is now able to use their staff resources more effectively and efficiently, reducing agency costs and at the same time facilitating cross-border trade."

This initiative is part of work of the IFC's Western Balkans Trade Logistics Project, which has been assisting FVA and SSHI to reduce the regulatory and administrative bottlenecks that hamper regional cross-border trade, with the aim to improve the competitiveness of the private sector through faster and cheaper border clearance procedures. The funding for the work in Macedonia was provided by the European Commission and by the World Bank's Macedonia Competitive Industries and Innovation Support Program, which addresses capacity building and investment needs in selected industries, and the Multi-donor Trust Fund for Competitive Industries and Innovation Program.

IFC's Western Balkans Trade Logistics Project is continuing its support to the Macedonia Food and Veterinary Agency, providing capacity building in risk communication and upgrading the agency software to improve data collection and data management capabilities. The same approach has been presented in other CEFTA (Central European Free Trade Agreement) members and been successfully introduced by the Veterinary Office of Bosnia and Herzegovina.

Q4: Please add here web links to project/programme materials.

Respondent skipped this question

PUBLIC SECTOR CASE STORY TEMPLATE

Q5: YOUR CONTACT DETAILS	
Name:	Violane Konar-Leacy
Ministry/Institution/Organization:	World Bank Group
Country:	Serbia
Email Address:	vkonar@ifc.org
Q6: FUNCTION	Other (please specify) International Financial Institution
Q7: FUNDING PARTNER Tick the appropriate box(es)	Multilateral organization, Other (please specify) European Commission, World Bank Group
Q8: Additional information	<i>Respondent skipped this question</i>
Q9: START DATE OF PROJECT/PROGRAMME	2013
Q10: STATUS OF PROJECT/PROGRAMME	On-going
Q11: DURATION OR, IF ON-GOING, EXPECTED DURATION OF PROJECT/PROGRAMME	1-3 years
Q12: COST OF PROJECT/PROGRAMME	Between US\$50,000 - US\$200,000
Q13: Additional information	<i>Respondent skipped this question</i>
Q14: TYPE OF FUNDING FOR PROJECT/PROGRAMME	Grant

PAGE 6: C.2) ABOUT THE CASE STORY

Q15: PROJECT/PROGRAMME TYPE	Single country / customs territory
------------------------------------	------------------------------------

PAGE 7: C.2) ABOUT THE CASE STORY

Q16: SINGLE COUNTRY/CUSTOMS TERRITORY	MACEDONIA, FYRO
--	-----------------

PAGE 8: C.2) ABOUT THE CASE STORY

PUBLIC SECTOR CASE STORY TEMPLATE

Q17: REGION(If the region does not appear in the drop down menu, please enter manually.)

Central and Eastern Europe

PAGE 9: C.2) ABOUT THE CASE STORY

Q18: MULTI-COUNTRY(Enter all countries or customs territories)

Respondent skipped this question

PAGE 10: C.4) ABOUT THE CASE STORY

Q19: CASE STORY FOCUSTick the appropriate box(es)

Other border agency reforms

PAGE 11: C.5) ABOUT THE CASE STORY

Q20: HOW SUCCESSFUL WAS THE PROJECT/PROGRAMME Tick the appropriate box(es)

Successful

PAGE 12: C.6) ABOUT THE CASE STORY

Q21: WHAT WERE THE OUTPUTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)

Officials trained,
New other border agency procedure,
New animal health measures or processes,
New plant health measures or processes,
New food safety measures or processes,
New laws, rules or regulations on services

Q22: Additional information(maximum 300 words)

Respondent skipped this question

PAGE 13: C.7) ABOUT THE CASE STORY

PUBLIC SECTOR CASE STORY TEMPLATE

Q23: WHAT WERE THE OUTCOMES OF YOUR PROJECT/PROGRAMME Tick the appropriate box(es)	Reduction in other border agency clearance time , Reduction in cost of other border agency clearance
Q24: Additional information (maximum 300 words)	<i>Respondent skipped this question</i>

PAGE 14: C.8) ABOUT THE CASE STORY

Q25: WHAT WERE THE IMPACTS OF THE PROJECT/PROGRAMME Tick the appropriate box(es)	Other (please specify) Increased savings of the trading community
Q26: Additional information (maximum 300 words)	<i>Respondent skipped this question</i>

PAGE 15: C.9) ABOUT THE CASE STORY

Q27: LESSONS LEARNT Tick the appropriate box(es)	Importance of good project design, Importance of alignment with national priorities, Importance of political will and commitment by project partner
Q28: Additional information (maximum 300 words)	<i>Respondent skipped this question</i>
Q29: PROJECT OR PROGRAMME MONITORING AND EVALUATION FRAMEWORK Tick the appropriate box(es)	Simple before and after comparison