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PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	17 June 2022
To:	Secretariat-General of the Council of the European Union
No. Cion doc.:	COM(2022) 310 final
Subject:	Proposal for a COUNCIL DECISION on the signing, on behalf of the European Union, and provisional application of the Agreement on the carriage of freight by road between the European Union and the Republic of Moldova

Delegations will find attached document COM(2022) 310 final.

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Proposal for a

COUNCIL DECISION

on the signing, on behalf of the European Union, and provisional application of the Agreement on the carriage of freight by road between the European Union and the Republic of Moldova

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

Reasons for and objectives of the proposal

Following the war of aggression carried-out by Russia against Ukraine, transportation of freight from the Republic of Moldova has become very difficult. Moldovan operators need to search for alternative routes to avoid transiting the territory of Ukraine which is been so far the only way to reach the third country markets in the East of Ukraine. The impossibility to transit Ukraine endangers the fulfilment of long-term contracts by Moldovan operators for the supply of goods (especially agricultural products) with their trading partners in the Eastern region. This is coupled with the fact that operators may now need to look for other business partners and may thus increase their bilateral transport operations with Member States of the European Union.

The road freight transport between the Union and the Republic of Moldova is currently governed by two main sets of mechanisms, namely bilateral transport agreements between Member States and the Republic of Moldova and permits granted in the framework of the European Conference of Ministers of Transport (ECMT) multilateral quota system within the International Transport Forum. Both of these mechanisms impose quotas on hauliers from both sides, regarding transit and bilateral trade.

Moldovan operators would therefore have to increase transit in the European and bilateral road transport operations with Member States in view of this situation. This would also support the Moldovan society and economy which has been significantly impacted by Russia's war of aggression and which has provisionally hosted more than 350,000 refugees coming from Ukraine and transiting to other countries. However, the increased use of the number of transport operations by road compared to normal times would very likely go beyond the quotas set out in the bilateral agreements of Member States and the Republic of Moldova and given via the ECMT within the International Transport Forum.

This Agreement on road transport between the European Union and the Republic of Moldova would therefore replace existing bilateral transport agreements between Member States and Moldova and facilitate the use of alternative routes by road for operators, as bilateral operations and transit would be liberalised between the two Parties.

Therefore, it is appropriate to sign an Agreement liberalising the transport of freight by road between the European Union and the Republic of Moldova in relation to bilateral operations and transit. This Agreement should be limited in time but with a possibility for renewal.

• Consistency with other Union policies

This Agreement is consistent with the current EU external relations policy with the Republic of Moldova. The Government of The Republic of Moldova has requested such an Agreement as an urgent measure.

The Agreement on the carriage of goods by road with the Republic of Moldova would also be in line with the Association Agreement¹, as it calls in its Article 82 for cooperation improving the movement of goods, increasing fluidity of transport flows between the Republic of Moldova, the EU and third countries in the region, by removing administrative, technical and other obstacles.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

Legal basis

Article 91 in conjunction with Article 218(5) of the Treaty on the Functioning of the European Union (TFEU).

• Subsidiarity (for non-exclusive competence)

Not applicable.

• Proportionality

The Agreement is the most efficient instrument to enhance the road transport relations between the EU and the Republic of Moldova, since it removes the existing limitations imposed by the quotas and permits systems.

This Agreement will not impose any additional administrative or financial burden neither on Member States' authorities nor on the industry compared to the current situation. It will, on the opposite, reduce the administrative burden for both the industry and the Member States. In particular, it will remove the need for transport permits for EU hauliers for the indicated categories of transport rights (transit and bilateral rights), which will reduce the burden for the EU transport industry as well as for Member States authorities in relation to the administrative formalities linked to issuing and printing such permits.

Choice of the instrument

International Agreement.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

• Ex-post evaluations/fitness checks of existing legislation

Not applicable.

• Stakeholder consultations

Not applicable.

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¹ Association Agreement between the European Union and the European Atomic Energy Community and their Member States and the Republic of Moldova

Collection and use of expertise

Not applicable.

Impact assessment

Not applicable.

Regulatory fitness and simplification

Not applicable.

• Fundamental rights

Not applicable.

4. **BUDGETARY IMPLICATIONS**

The proposal has no implication for the budget of the Union.

5. OTHER ELEMENTS

• Implementation plans and monitoring, evaluation and reporting arrangements

This agreement includes a review mechanism provided in Articles 5 and 6 with a view of assessing the need and duration of its renewal. For this purpose, Article 5(2) and Article 6(2) lays down that the Joint Committee shall be convened at the latest three months before the expiry of the Agreement.

• Explanatory documents (for directives)

Not applicable.

• Detailed explanation of the specific provisions of the proposal

Article 1 authorises the signature of the Agreement on behalf of the European Union, subject to its conclusion.

Article 2 requires the Council Secretariat General to establish the instrument of full powers to sign the Agreement, subject to its conclusion, for the person or persons indicated by the Commission.

Article 3 provides for provisional application in accordance with Article 12 of the Agreement

Article 4 provides for the entry into force of the proposed Decision.

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THE COUNCIL OF THE EUROPEAN UNION.

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 91, in conjunction with Article 218 (5), thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 2 June 2022, the Council authorised the opening of negotiations with the Republic of Moldova on an Agreement on the carriage of freight by road between the European Union and the Republic of Moldova (hereinafter, the "Agreement").
- (2) The negotiations were successfully concluded on 15 June 2022.
- (3) In view of the important disruptions in the transport sector in the Republic of Moldova caused by the war of aggression undertaken by Russia against Ukraine, it is necessary for Moldovan operators to find alternative transit routes by road through the European Union and to find new markets to export their goods.
- (4) Given that permits granted in the framework of the European Conference of Ministers of Transport (ECMT) multilateral quota system within the International Transport Forum and existing bilateral agreements with the Republic of Moldova do not allow for the necessary flexibility for Moldovan road haulage operators to increase and plan ahead their operations through and with the European Union, it is crucial to liberalise the transport of freight by road for bilateral operations as well as for transit.
- (5) Therefore, this time-limited Agreement with a possibility for renewal should be urgently signed on behalf of the European Union, subject to its conclusion at a later date.
- (6) In order to start deploying the beneficial effects of this Agreement on transport of freight as soon as possible, the Agreement should be applied provisionally in accordance with its Article 12.

HAS ADOPTED THIS DECISION:

Article 1

The signing of the Agreement on the carriage of freight by road between the European Union and the Republic of Moldova, is hereby approved on behalf of the European Union, subject to the conclusion of the said Agreement.

The text of the Agreement is attached as Annex 1 to this Decision.

Article 2

The Council Secretariat General shall establish the instrument of full powers to sign the Agreement, subject to its conclusion, for the person(s) indicated by the Commission.

Article 3

The Agreement shall be applied provisionally, in accordance with Article 12 of the Agreement, as from the day of its signature, pending its entry into force.

Article 4

This Decision shall enter into force on the day of its adoption.

Done at Brussels,

For the Council The President