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INFORMATION NOTE

From: General Secretariat of the Council

To: Council

Subject: **Any other business**

Transport relations with Ukraine

– Information from the Presidency and the Commission

Delegations will find attached an information note prepared by the Presidency and the Commission on the above-mentioned subject for consideration under "Any other business" at the meeting of the Council (Transport, Telecommunications and Energy) on 5 December 2022.

Transport relations with Ukraine

AOB – Information from the Presidency and the Commission

Russia's war of aggression against Ukraine has led the European Union (EU) to swiftly reassess transport cooperation with Ukraine. While **short term solutions** were required to address urgent needs, it has become clear that connectivity patterns with Ukraine and Republic of Moldova need to be redesigned also in a **medium to long term perspective**.

Initially prompted by the blockade of Ukraine's Black Sea ports by the Russian navy and need to export Ukrainian grain and ensure that goods of first necessity reach Ukraine, the **Action Plan for EU-Ukraine Solidarity Lanes has provided an integrated response to these challenges**. From May to mid-November 2022, they have allowed for the export of more than 17 million tonnes of Ukrainian grain, oilseeds and related products. The 20 actions listed under the Action Plan have been completed or initiated, while additional efforts and coordination by the Commission, Member States, Ukraine and the Republic of Moldova as well as relevant stakeholders are still necessary. It is now time to **review achievements and take a forward-looking approach**.

The **key objectives of EU-Ukraine transport relations** remain unchanged:

1. ensure that Ukraine remains connected to the EU and the rest of the world and that transport links between Ukraine, the Republic of Moldova and the EU are strong allowing for a smooth movement of people, goods and services;
2. facilitate the export of Ukrainian agricultural products, which are essential to the economy and can alleviate global food insecurity, and other goods, as well as bilateral trade with the EU;
3. plug Ukraine and the Republic of Moldova permanently into the trans-European transport network and better connect it to EU Single Market, in the light of their EU candidate status, and in due course facilitate the reconstruction of Ukraine.

In this context, increasing the capacity of transport links and reducing the costs of logistics have become crucial. With this in mind, the **EU has pursued a number of work strands**, such as:

1. Under the Action Plan for EU-Ukraine Solidarity Lanes, the Commission and the Member States have streamlined and accelerated checks at the borders, the organisation of border crossing points has been improved, and capacity on the Sulina Channel and the Danube corridor has been increased. To further enhance the capacity of land and inland waterway connections between Ukraine and the EU, targeted infrastructure investments are necessary. Together with additional measures to better manage traffic, these could further shorten waiting times and thus lower logistics costs for Ukrainian, Moldovan and EU operators. For example, the EU is providing a EUR 20 million grant to the Republic of Moldova, to be blended with the EUR 12 million loan from the EBRD, to rehabilitate the North-South rail axis and facilitate Ukrainian export through Moldovan territory to the Danube ports.

2. The EU has signed with Ukraine and the Republic of Moldova temporary road transport agreements. These agreements have facilitated bilateral trade with the EU, providing flexibility and certainty to transport operators and additional agility in terms of logistic chains. They have contributed to the implementation of the Solidarity Lanes Action Plan and to shaping new connectivity patterns with the EU. At the request of Ukraine and the Republic of Moldova and based on EU interest, the Commission is working on the extension of both agreements. On 24 November 2022, the Commission tabled a proposal to extend the EU-Moldova road transport agreement. The Council will adopt the decision in time for the meeting of the first Joint Committee on 15 December. A similar extension is also considered for the agreement with Ukraine.
3. In July 2022, the EU adopted new temporary EU rules to ensure that people fleeing Ukraine can continue to use their Ukrainian driving licence, without needing to exchange it for an EU driving licence or to sit a new driving test.
4. Extending the Trans-European Transport Network (TEN-T) to Ukraine and the Republic of Moldova is more important than ever. In July this year the Commission revised its proposal for a TEN-T Regulation, including the extension of the TEN-T corridors to the territory of Ukraine and the Republic of Moldova. Both countries have also requested further changes to the indicative road and rail TEN-T maps. Member States will be consulted in the coming days on these further changes requested by Ukraine and the Republic of Moldova.
5. At the margins of the Transport Community Treaty (TCT) Western Balkans Ministerial of 15 November 2022, the Union, the Western Balkans and the Trio Ministers endorsed a joint statement on the closer association of Ukraine and the Republic of Moldova, as well as Georgia, in the works of the TCT. The systematic involvement of Ukraine and Republic of Moldova as observing participants will support the implementation of the relevant EU transport acquis in the pre-accession period.
6. The Eurocontrol Provisional Council approved on 24 November the creation of voluntary solidarity funds to support Member States in crisis air traffic situations for reasons beyond their control. The 41 Member States of Eurocontrol requested that the agency create and manage two special funds: the first is a donation fund for Ukraine and the Republic of Moldova in the amount of up to EUR 46.5 million, and the second in the form of a loan of EUR 46.1 million to Estonia, Latvia, Lithuania and Poland. These funds will be used to cover the costs of personnel and training, as well as any other costs necessary to ensure the operational readiness and continuity of the resumption of air traffic.
7. Further cooperation on rail is currently under discussion, with Ukraine adopting in 2023 new rail legislation, which introduces a governance and market structure in line with the EU rail acquis, as confirmed by Mr Vasyl Shkurov, First Deputy Minister of Infrastructure of Ukraine and Ukrainian Railways of Ukraine during a high-level technical on-line workshop on 25 November 2022.

EU-Ukraine transport relations have been pragmatically geared to both providing **immediate relief** and paving the ground for **closer integration** with the EU through enhanced connectivity bilaterally and in a regional perspective. The Solidarity Lanes are transforming into **permanent links**, facilitating transport and mobility between the EU and Ukraine.

Follow-up actions include:

- further coordination and exchange of information with Member States, Ukrainian and Moldovan authorities to optimise border crossing and the use of transport infrastructure;
- further coordination between Member States, Ukrainian and Moldovan authorities and, where relevant, the Commission on the use of available funding and the preparation of pertinent project proposals for submission under the ongoing CEF call to enhance infrastructure at key points on the TEN-T.

In this context, in the Joint Declaration¹ of 11 November, it was announced that the Commission, together with the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and World Bank Group, is mobilising **EUR 1 billion** to support the Solidarity Lanes.

In the recent weeks, Ukraine has been dealing with massive shelling aimed mainly at critical energy infrastructure, leading to power outages across the country. With the deterioration of the humanitarian situation across Ukraine and with the winter season approaching, the EU and its transport sector need to be prepared for a possible increase of arrivals of Ukrainian refugees.

In this context, and as a follow-up to the initiative of the Czech Presidency and Germany raised during the Informal Council of the EU Transport Ministers on 21 October in Prague, EU Member States and the European Commission have decided to set up a task-force to be activated on an ad hoc basis to ensure the smooth coordination of transport between Ukraine and the EU Member States.

This task-force will be fully integrated into existing mechanisms, such as the EU Integrated Political Crisis Response (IPCR), Home Affairs Solidarity Platform and the network National Contact Points in the field of transport.

¹ On behalf of the European Commission, Czechia, Poland, Romania, Slovakia, Republic of Moldova, Ukraine, the European Investment Bank, the European Bank for Reconstruction and Development, and the World Bank Group