



Brussels, 5 June 2025
(OR. en)

9924/25
ADD 1

TRANS 224
COWEB 85
ELARG 76

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	5 June 2025
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

Subject:	ANNEXES to the Recommendation for a COUNCIL DECISION authorising the opening of negotiations on the revision of the Transport Community Treaty
----------	--

Delegations will find attached document COM(2025) 278 annexes

Encl.: COM(2025) 278 annex

Brussels, 5.6.2025
COM(2025) 278 final

ANNEXES 1 to 2

ANNEXES

to the

Recommendation for a COUNCIL DECISION

**authorising the opening of negotiations on the revision of the Transport Community
Treaty**

ANNEX 1

DIRECTIVES FOR THE NEGOTIATION OF AN INTERNATIONAL AGREEMENT ON THE REVISION OF THE TRANSPORT COMMUNITY TREATY

1. SCOPE OF THE ENVISAGED AGREEMENT

The Treaty establishing the Transport Community (TCT) furthers the development of the transport network between the EU and the Republic of Albania, Bosnia and Herzegovina, the Republic of North Macedonia, Kosovo*, Montenegro and the Republic of Serbia (hereinafter referred to as the South East European Parties) in the field of road, rail, inland waterway and maritime transport, and is based on the progressive integration of transport markets of the South East European Parties into the EU transport market on the basis of the relevant provisions of the EU *acquis*. The general objective of the envisaged amendments is to support and strengthen the legislative alignment of the South East European Parties, but also to improve and clarify certain operational aspects that have been identified in its application.

The amendments should also enable the full membership of Ukraine and the Republic of Moldova in the TCT. Further, to ensure their full integration in the TCT, the Commission should negotiate annexes on transitional arrangements, as referred to in Article 40 of the TCT, to be applicable to both of these countries upon their accession.

2. NEGOTIATING OBJECTIVES

The Commission should, in the course of the negotiations, aim to achieve the objectives set out in detail below.

- (1) The general objective of the amendments should be to support and strengthen the legislative alignment of all contracting parties with the relevant EU *acquis*, in view of their respective European perspectives, and also boost the progressive integration of their transport markets into the EU transport market.
- (2) The amendments should also enable the full membership of the observing participants from Ukraine and the Republic of Moldova in the Transport Community Treaty. Further, to ensure their full integration in the TCT, the Commission should negotiate annexes on transitional arrangements, as referred to in Article 40 of the TCT, to be applicable to both of these countries upon their accession. In addition, the Commission should be able to address potential demands as regards the substance of the TCT from Ukraine and the Republic of Moldova.
- (3) In this regard, the amendments might also comprise a review of the provisions that refer specifically to the Western Balkans, so that these provisions also refer, where relevant, to the countries mentioned above, as well as a review of the budgetary burden-sharing formula set out in Annex V to the Treaty to account for the expanded number of contracting parties and ensure a continued equitable distribution of the contributions.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 (1999) and the ICJ Opinion on the Kosovo declaration of independence.

- (4) The amendments aiming to boost legislative alignment should comprise the following additional aspects:
- (a) reinforce the binding commitments on *acquis* alignment contained in the TCT by providing for sanctions (such as suspending voting rights) in cases of serious or persistent breaches;
 - (b) recognising and institutionalising the current and future TCT action plans on supporting legislative alignment;
 - (c) strengthening and better focusing the role of the Permanent Secretariat under Article 28 to better support the European perspectives of the South East European Parties; and
 - (d) clarifying and developing the rules on time limits to make the relevant provisions of the legislation set out in Annex I to the TCT binding on the South East European Parties, in particular as regards Article 3(2)(b).
- (5) The amendments should ensure that Annex I to the TCT is updated, notably to add EU *acquis* pre-dating the signature of the TCT and to take account of relevant policy developments. If appropriate, this could involve including new legislation in the field of transport or associated areas mentioned in that Annex.
- (6) The amendments should update, where necessary, the provisions of Articles 8 and 9 concerning the development of the indicative trans-European transport network (TEN-T) extension to the South East European Parties and the corresponding five-year rolling work plan, to account for policy developments in the TEN-T legislative framework.
- (7) The amendments should ensure a less cumbersome way of consulting experts from the South East European Parties concerning the obligations currently set out in point 4 of Annex II to the TCT.
- (8) The amendments should reflect agreements already reached concerning the official denomination of the Republic of North Macedonia.
- (9) The Commission should also explore the need to adapt the currently existing bilateral protocols where relevant, for example with regard to the specific situation of landlocked parties and current provisions on maritime transport.
- (10) The amendments should revisit the rules on the application of the case-law of the Court of Justice, notably to cover also case-law delivered after the date of signature of the TCT.
- (11) The amendments might also include minor technical issues not subsumed within any of the previous negotiating directives (e.g. existing typos, certain incorrect or outdated references).

3. CONDUCT OF THE NEGOTIATIONS

The Commission will conduct the negotiations in pursuance of these directives and will ensure proper coordination with ongoing and future negotiations in other relevant areas.

ANNEX 2

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

1.	FRAMEWORK OF THE PROPOSAL/INITIATIVE	3
1.1.	Title of the proposal/initiative	3
1.2.	Policy area(s) concerned	3
1.3.	Objective(s)	3
1.3.1.	General objective(s)	3
1.3.2.	Specific objective(s)	3
1.3.3.	Expected result(s) and impact	3
1.3.4.	Indicators of performance	3
1.4.	The proposal/initiative relates to:	4
1.5.	Grounds for the proposal/initiative	4
1.5.1.	Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative	4
1.5.2.	Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.	4
1.5.3.	Lessons learned from similar experiences in the past	4
1.5.4.	Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments	5
1.5.5.	Assessment of the different available financing options, including scope for redeployment	5
1.6.	Duration of the proposal/initiative and of its financial impact	5
1.7.	Method(s) of budget implementation planned	5
2.	MANAGEMENT MEASURES	7
2.1.	Monitoring and reporting rules	7
2.2.	Management and control system(s)	7
2.2.1.	Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed	7
2.2.2.	Information concerning the risks identified and the internal control system(s) set up to mitigate them	7
2.2.3.	Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)	7
2.3.	Measures to prevent fraud and irregularities	8
3.	ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE	9

3.1.	Heading(s) of the multiannual financial framework and expenditure budget line(s) affected.....	9
3.2.	Estimated financial impact of the proposal on appropriations.....	10
3.2.1.	Summary of estimated impact on operational appropriations.....	10
3.2.1.1.	Appropriations from voted budget.....	10
3.2.2.	Estimated output funded from operational appropriations.....	11
3.2.3.	Summary of estimated impact on administrative appropriations.....	13
3.2.3.1.	Appropriations from voted budget.....	13
3.2.4.	Estimated requirements of human resources.....	13
3.2.4.1.	Financed from voted budget.....	13
3.2.5.	Overview of estimated impact on digital technology-related investments	13
3.2.6.	Compatibility with the current multiannual financial framework.....	13
3.2.7.	Third-party contributions	13
3.3.	Estimated impact on revenue	13
4.	DIGITAL DIMENSIONS	14
4.1.	Requirements of digital relevance.....	14

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Commission Recommendation for a Council Decision authorising the opening of negotiations on the revision of the Transport Community Treaty

1.2. Policy area(s) concerned

Transport

1.3. Objective(s)

1.3.1. General objective(s)

The goal of the proposed initiative is to review the Transport Community Treaty (TCT), as mandated by Article 42 of the Treaty. This article provides that the Treaty should be reviewed at the request of any contracting party and at any event five years after its entry into force. Additionally, the revision should allow for the full membership of Ukraine and the Republic of Moldova in the TCT.

1.3.2. Specific objective(s)

Specific objective No 1

Support and strengthen the already ongoing legislative alignment of the six Western Balkan partners (the Republic of Albania, Bosnia and Herzegovina, the Republic of North Macedonia, Kosovo*, Montenegro and the Republic of Serbia – hereafter referred to as the South East European Parties) to the relevant EU acquis, in view of their respective European perspectives, and improve certain other aspects of the functioning of the TCT.

Specific objective No 2

Subject to agreement of the relevant parties, the revision should also allow for the full membership of Ukraine and the Republic of Moldova in the TCT.

1.3.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

While the aim of the revision of the Treaty is to support and strengthen the legislative alignment of the South East European Parties, the amendments envisaged are of a technical nature and do not modify the original scope or objective of the Treaty. Achieving this original objective and ensuring legislative alignment in the transport sector, including for Ukraine and the Republic of Moldova, is expected to have positive economic, social, and environmental impacts on citizens and businesses in the EU and in the concerned countries.

1.3.4. Indicators of performance

Specify the indicators for monitoring progress and achievements.

The effectiveness of the proposed Decision will be evaluated through considering the amount of targeted support provided by the Transport Community Permanent Secretariat to the South East European Parties for Specific Objective No 1, and for

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 (1999) and the ICJ Opinion on the Kosovo declaration of independence.

Ukraine and the Republic of Moldova for Specific Objective No 2. This support should promote the progressive integration of transport markets and networks of the South East European Parties on the basis of the relevant EU legislation, including in the areas of technical standards, interoperability, safety, security, traffic management, competition, social policy, public procurement and environment. The support provided is outlined in yearly operational reports prepared by the Transport Community Permanent Secretariat. These reports are to be endorsed by the Regional Steering Committee, which consists of a representative of each of the Contracting Parties to the TCT.

1.4. The proposal/initiative relates to:

- ☐ a new action
- ☐ a new action following a pilot project / preparatory action¹
- ☐ the extension of an existing action
- ☒ a merger or redirection of one or more actions towards another/a new action

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The objectives for the Treaty negotiations contained in this Recommendation are subject to negotiation with third countries. Therefore, the short term objective is to reach an agreement on amendments supporting Specific Objective No 1, with the goal of supporting and strengthening the already ongoing legislative alignment, and on Specific Objective No 2, with the goal of achieving full membership of Ukraine and the Republic of Moldova in the TCT.

In the longer term, these amendments to the TCT should enhance the effectiveness of the support provided by the TCT and promote the legislative alignment of the South East European Parties, including Ukraine and the Republic of Moldova, to the relevant EU acquis.

1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.

The TCT is an agreement between the EU and the South East European Parties. Therefore, a modification of the agreement should involve the EU and those Parties.

1.5.3. Lessons learned from similar experiences in the past

The TCT has been in force since 2019. In this period, work has been done to achieve the aforementioned objectives of progressive integration of transport markets and networks within the Western Balkans, and between the Western Balkans and the EU. While some progress has been achieved in terms of legislative alignment and developing of transport networks, some lessons learned can be drawn to increase the effectiveness of the TCT. Examples of this include the need for binding provisions concerning the commitments contained in the TCT as well as clear timelines for their

¹ As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

implementation. These lessons learned have been taken into account in the development of the negotiating directives for this Recommendation.

1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments

The TCT serves the progressive integration of transport markets and networks of the South East European Parties with that of the EU, thereby supporting greater socio-economic convergence on the path towards Union membership. The TCT thereby complements other (proposed) forms of assistance that work towards this goal in a broader sense, such as the new Growth Plan for the Western Balkans², the Ukraine plan³, and the Commission proposal for the Moldova Growth Plan⁴.

The negotiations for enlargement of the Treaty to include Ukraine and the Republic of Moldova may lead to an increase in the membership contribution from the EU that may exceed the amounts earmarked for the TCT in the current financial programming. Whereas the EU contribution to the TCT is estimated to increase by about 34%, the financial programming only foresees a 2% annual increase. In addition, setting-up costs for applicable databases will be necessary during the first year of implementation of the enlarged TCT. A detailed estimate is provided in Section 3.

1.5.5. Assessment of the different available financing options, including scope for redeployment

The exact timing of when additional funds will be required remains uncertain due to the unpredictable duration and outcome of the negotiations. In case of the entry into force of the revised TCT by the start of 2027, the contribution for an enlarged TCT should be primarily funded, beyond the amount foreseen in the financial programming, by using unspent funds from the EU contribution to the current budget of the TCT (2026).

1.6. Duration of the proposal/initiative and of its financial impact

☐ **limited duration**

☒ **unlimited duration**

- Implementation with a start-up period following the signature of the Treaty Revision, planned from early 2027,
- followed by full-scale operation.

1.7. Method(s) of budget implementation planned⁵

☐ **Direct management** by the Commission

☐ **Shared management** with the Member States

☒ **Indirect management** by entrusting budget implementation tasks to:

² https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/new-growth-plan-western-balkans_en

³ https://neighbourhood-enlargement.ec.europa.eu/proposal-council-implementing-decision-approval-assessment-ukraine-plan_en

⁴ https://neighbourhood-enlargement.ec.europa.eu/growth-plan-moldova-commission-proposal_en

⁵ Details of budget implementation methods and references to the Financial Regulation may be found on the BUDGpedia site: <https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/implementation-methods.aspx>.

- ☒ international organisations and their agencies (to be specified)

Comments

Implemented by the Transport Community Permanent Secretariat
--

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

The TCT Ministerial Council, which meets annually, is tasked with the review of the progress of the implementation of the TCT. In addition, the Regional Steering Committee, which meets at least twice a year with representatives from each TCT contracting party, is tasked with the review of the general functioning of the TCT. Finally, the Transport Community Permanent Secretariat prepares yearly operational reports, reports on acquis alignment, on the implementation of the Trans-European Transport Network (TEN-T) in the South East European Parties, as well as on the execution of the budget. These reports are endorsed by the Ministerial Council or by the Regional Steering Committee. These structures set up by the Treaty will be kept for future monitoring.

2.2. Management and control system(s)

2.2.1. *Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

The Transport Community Permanent Secretariat has been implementing the budget of the TCT since the entry into force of the Treaty in 2019. The Transport Community Permanent Secretariat is best placed to continue to carry out the activities of the TCT, considering they possess local knowledge, a local network, and can benefit from multiple years of experience gained through the existing TCT.

2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

The main risk identified in relation to the implementation of the proposed budget for the TCT relates to the possible ineffective utilisation of this budget to fund the supporting activities for the South East European Parties promoting the progressive integration of transport markets and networks. The measures to mitigate this risk are already in place in the existing Treaty, and concern the preparation of yearly operational reports, reports on acquis alignment, on the implementation of the Trans-European Transport Network (TEN-T) in the South East European Parties, as well as on the execution of the budget. These reports need to be endorsed by the Regional Steering Committee of the TCT.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)*

The Permanent Secretariat has full responsibility for the implementation of their budget, while DG MOVE is responsible for the regular payment of the contributions established by the Budgetary Authority. The expected level of risk of error at payment and at closure is similar to that attached to the budget subsidies provided to other international organisations.

The additional tasks resulting from the proposed revision are not expected to generate specific additional controls. Therefore, the cost of control for DG MOVE (measured against the value of funds managed) is expected to remain stable.

2.3. Measures to prevent fraud and irregularities

The financial rules and auditing procedures applicable to the Transport Community, adopted by the Regional Steering Committee, establish the procedure for the implementation of the TCT budget and for the presenting and auditing of accounts in accordance with Article 35 of the TCT. According to these Financial rules and auditing procedures, in particular Article 61 and 62, each year, the accounting officer shall establish the accounts of the previous year. These accounts shall be validated by the Director of the Transport Community Permanent Secretariat. Independent external auditors, to be designated by the Regional Steering Committee, shall carry out the annual audit of the Transport Community. The terms of service of the external auditors is renewable every year, unless otherwise specified by the Regional Steering Committee. The external auditors shall submit to the Regional Steering Committee a report, together with the statement of assets and liabilities and certified accounts, not later than eight months after the end of the financial year to which they relate.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff. ⁶	from EFTA countries ⁷	from candidate countries and potential candidates ⁸	From other third countries	other assigned revenue
06	14.20.03.06 – International organisations and agreements	Diff./Non-diff.	NO	YES	NO	NO

⁶ Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

⁷ EFTA: European Free Trade Association.

⁸ Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

- ☐ The proposal/initiative does not require the use of operational appropriations
- ☒ The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget

EUR million (to three decimal places)

Heading of multiannual financial framework	Number	06 - Neighbourhood and the World				
--	--------	----------------------------------	--	--	--	--

DG: MOVE ⁹			Year	Year	Year	Year	TOTAL MFF
			2024	2025	2026	2027	2021-2027
Operational appropriations							
Budget line	Commitments	(1a)				1.008	1.008
	Payments	(2a)				1.008	1.008
Budget line	Commitments	(1b)					0.000
	Payments	(2b)					0.000
Appropriations of an administrative nature financed from the envelope of specific programmes ¹⁰							
Budget line		(3)					0.000
TOTAL appropriations for DG MOVE	Commitments	=1a+1b+3	0.000	0.000	0.000	1.008	1.008
	Payments	=2a+2b+3	0.000	0.000	0.000	1.008	1.008

					Year	Year	Year	Year	TOTAL MFF 2021-2027
					2024	2025	2026	2027	
TOTAL	operational	appropriations	Commitments	(4)	0.000	0.000	0.000	1.008	1.008

⁹ Budget cross-delegated from DG INTPA

¹⁰ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

	Payments	(5)	0.000	0.000	0.000	1.008	1.008
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	0.000
TOTAL appropriations under HEADING 6 of the multiannual financial framework	Commitments	=4+6	0.000	0.000	0.000	1.008	1.008
	Payments	=5+6	0.000	0.000	0.000	1.008	1.008

EUR million (to three decimal places)

		Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021-2027
TOTAL appropriations under HEADINGS 1 to 7		Commitments	0.000	0.000	0.000	1.008
of the multiannual financial framework		Payments	0.000	0.000	0.000	1.008

3.2.2. *Estimated output funded from operational appropriations (not to be completed for decentralised agencies)*

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ↓			Year 2024		Year 2025		Year 2026		Year 2027		Enter as many years as necessary to show the duration of the impact (see Section1.6)						TOTAL	
	OUTPUTS																	
	Type 11	Avera ge cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1 12 ...																		

¹¹ Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built, etc.).
¹² As described in Section 1.3.2. ‘Specific objective(s)’

- Output																	
- Output																	
- Output																	
Subtotal for specific objective No 1																	
SPECIFIC OBJECTIVE No 2 ...																	
- Output																	
Subtotal for specific objective No 2																	
TOTALS																	

3.2.3. Summary of estimated impact on administrative appropriations

- ☒ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☐ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

3.2.4. Estimated requirements of human resources

- ☒ The proposal/initiative does not require the use of human resources
- ☐ The proposal/initiative requires the use of human resources, as explained below

3.2.5. Overview of estimated impact on digital technology-related investments

TOTAL Digital and IT appropriations	Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021 - 2027
HEADING 7					
IT expenditure (corporate)	0.000	0.000	0.000	0.000	0.000
Subtotal HEADING 7	0.000	0.000	0.000	0.000	0.000
Outside HEADING 7					
Policy IT expenditure on operational programmes	0.000	0.000	0.000	0.000	0.000
Subtotal outside HEADING 7	0.000	0.000	0.000	0.000	0.000
TOTAL					
	0.000	0.000	0.000	0.000	0.000

3.2.6. Compatibility with the current multiannual financial framework

The proposal/initiative:

- ☒ can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)

The exact timing of when additional funds will be required remains uncertain due to the unpredictable duration and outcome of the negotiations. In case of the entry into force of the revised TCT by the start of 2027, the reinforcement of line 14 20 03 06 should be primarily financed, beyond the amount foreseen in the financial programming, by utilizing unspent funds from the EU contribution to the current budget of the TCT (2026). Any additional funding is subject to availability determined through the Draft Budget 2027 procedure.

- ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation
- ☐ requires a revision of the MFF

3.2.7. Third-party contributions

The proposal/initiative:

- ☒ does not provide for co-financing by third parties
- ☐ provides for the co-financing by third parties estimated below:

3.3. Estimated impact on revenue

- ☒ The proposal/initiative has no financial impact on revenue.
- ☐ The proposal/initiative has the following financial impact:
 - ☐ on own resources
 - ☐ on other revenue
 - ☐ please indicate, if the revenue is assigned to expenditure lines

4. DIGITAL DIMENSIONS

4.1. Requirements of digital relevance

The policy initiative concerns the revision of the existing Transport Community Treaty. The implementation of this Treaty, along with any digital means to enhance its implementation, is the responsibility of the Transport Community Permanent Secretariat. Therefore, the initiative is assessed as having no requirement of digital relevance for the Commission.