

INTEGRAREA TRANSPORTULUI A REPUBLICII MOLDOVA ÎN SISTEMUL DE TRANSPORT AL UNIUNII EUROPENE: PROVOCĂRI ȘI OPORTUNITĂȚI

TRANSPORT INTEGRATION OF THE REPUBLIC OF MOLDOVA INTO THE EUROPEAN UNION'S TRANSPORTATION SYSTEM: CHALLENGES AND OPPORTUNITIES

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Rezumat: *Republica Moldova a solicitat aderarea la UE pe 4 martie 2022 și i s-a acordat statutul de țară candidată la 23 iunie 2022. Consiliul European a aprobat negocierile de aderare la 14 decembrie 2023, sub rezerva îndeplinirii unor criterii specifice UE. Procesul de integrare implică alinierea la standardele UE, obținerea consimțământului din partea organismelor și cetățenilor UE și demonstrarea angajamentului față de valorile democratice. Domeniile cheie pentru adaptarea sectorului transporturilor din Moldova includ armonizarea juridică, libertatea de stabilire și serviciile transfrontaliere. Provocările includ modernizarea infrastructurii, alinierea reglementărilor și deficitul de investiții. Oportunitățile includ îmbunătățirea*

comerțului, dezvoltarea infrastructurii și crearea de locuri de muncă. UE și Moldova au inițiat un dialog la nivel înalt în domeniul transporturilor la 6 februarie 2024, pentru a îmbunătăți cooperarea și conectivitatea.

Cuvinte-cheie: Aderarea Republicii Moldova la UE, alinierea sectorului transporturilor, implementarea standardelor UE

Abstract: *The Republic of Moldova applied for EU accession on March 4, 2022, and was granted candidate country status on June 23, 2022. The European Council approved accession negotiations on December 14, 2023, subject to meeting specific EU criteria. The integration process involves aligning with EU standards, obtaining consent from EU bodies and citizens, and demonstrating commitment to democratic values. Key areas for Moldova's transport sector adaptation include legal harmonization, freedom of establishment, and cross-border services. Challenges include infrastructure modernization, regulatory alignment, and investment shortages. Opportunities include enhanced trade, infrastructure development, and job creation. The EU and Moldova initiated high-level transport dialogue on February 6, 2024, to enhance cooperation and connectivity.*

Keywords: *EU standards implementation, Moldova-EU accession, transport sector alignment*

Republic of Moldova submitted its application for accession to the European Union on March 4, 2022, and on June 23, 2022, the European Council recognized the European perspective of the country and decided to grant it the status of a candidate country for accession to the European Union.

On December 14, 2023, the European Council approved the start of accession negotiations to the European Union (EU) of the Republic of Moldova.

The European Union (EU) has stringent procedures to ensure new members are admitted only when they meet specific criteria and can fully participate as members [1]. These criteria include complying with EU standards and rules, obtaining consent from EU institutions, member states, and citizens, and demonstrating a commitment to democratic values and the EU's principles.

The process involves negotiations on adopting and implementing EU rules, financial arrangements, and transitional measures. Throughout the process, the EU Commission monitors progress and keeps relevant EU bodies informed. The conditions and timing of the candidate's adoption, implementation and enforcement of all current EU rules (the "acquis") [3], [4], [5], [6], [7], [8].

A. Legal Requirements

Based on Chapter 1 of the *acquis Communautaire*, the Republic of Moldova needs to make significant changes in its transport sector to achieve free movement of goods and full integration with the European Union. Here's a summary of the key areas that need rework by Republic of Moldova in relation to transportation adjustment to European legislation and standards:

- Harmonize national legislation with the EU's harmonized European product legislation related to transport. This involves adopting specific product specifications ("old approach") or general safety and performance requirements ("new approach") for:
 - Vehicles (cars, trucks, buses, etc.)
 - Equipment (trailers, containers, safety devices)
 - Infrastructure components (rails, roads, bridges)
- This requires a comprehensive review and update of existing laws and regulations.

Necessary Changes in Moldova's Transport Sector Based on Chapter 3 of the *Acquis Communautaire*:

1. Freedom of Establishment and Cross-Border Services:

- Eliminate discriminatory national legislation hindering the establishment of EU transport companies and provision of cross-border transport services in Moldova. This includes ensuring equal access to:
 - Licenses and permits for transport activities
 - Infrastructure and facilities related to transport operations
 - Markets and customer base for transport services

2. Mutual Recognition of Qualifications:

- Implement mechanisms for recognizing professional qualifications of EU transport workers in Moldova, and vice versa. This might involve:
 - Harmonizing national training programs with EU standards for certain regulated professions like drivers, mechanics, and logistics specialists.
 - Establishing procedures for assessing and recognizing equivalent qualifications from other member states.
 - Participating in EU initiatives like the European Professional Card (EPC) for simplified recognition of qualifications.

Necessary Changes in Moldova's Transport Sector Based on Chapter 4 of the Acquis Communautaire:

1. Liberalization of Capital Movements:

- Remove restrictions on the movement of capital for transport-related activities, including:
 - Investments by EU companies in Moldovan transport businesses and infrastructure.
 - Repatriation of profits earned by EU companies operating in Moldova's transport sector.
 - Borrowing and lending for transport projects by Moldovan companies from EU financial institutions.

2. Cross-Border Payments and Securities:

- Implement regulations that facilitate smooth and efficient cross-border payments for transport transactions, such as:
 - Transparency and non-discrimination in exchange rates and fees.
 - Adoption of standardized payment formats like SEPA (Single Euro Payments Area).
 - Secure and efficient mechanisms for cross-border settlement of securities transactions.

3. Anti-Money Laundering and Terrorist Financing (AML/TF):

- Establish a robust AML/TF framework for the Moldovan transport sector, including:
 - Customer due diligence measures for identifying and verifying the identity of transport businesses and their customers.
 - Reporting suspicious transactions related to transport activities to relevant authorities.
 - Effective cooperation between supervisory, law enforcement, and prosecutorial authorities to combat financial crime in the transport sector.
 - Training and awareness programs for transport businesses and professionals on AML/TF regulations and best practices.

Necessary Changes in Moldova's Transport Sector Based on Chapter 7 of the Acquis Communautaire:

1. Intellectual Property (IP) Protection:

- Adopt and implement EU-harmonized rules for protecting intellectual property (IP) related to the transport sector, including:
 - Copyright and related rights: Software, designs, databases, and other creative content used in transport technologies and services.
 - Trademarks and designs: Branding, logos, and unique product features used by transport companies and manufacturers.
 - Industrial property: Patents for inventions and technical innovations in the transport sector.

2. Specific Provisions for the Transport Sector:

- Pay attention to specific EU regulations for IP protection in areas like:
 - Satellite navigation and communication technologies used in transport systems.
 - Computer programs and algorithms driving automation and intelligent transport systems.
 - New materials and technologies used in vehicles, infrastructure, and logistics.

Necessary Changes in Moldova's Transport Sector Based on Chapter 8 of the Acquis Communautaire:

1. Competition Law and Policy:

- Adopt and implement EU competition rules and regulations to ensure fair competition within the Moldovan transport sector. This includes:
 - Prohibiting anti-competitive agreements such as price-fixing, market sharing, and bid-rigging between transport companies.

- Preventing abuse of dominant market positions by any single transport company.
- Scrutinizing mergers and acquisitions between transport companies to avoid significant harm to competition.
- Establishing an independent competition authority responsible for investigating and enforcing competition rules effectively.

2. State Aid Control:

- Implement EU rules regarding state aid control to prevent government subsidies and financial support from distorting competition in the transport sector. This involves:
 - Notifying the European Commission of any planned state aid measures for transport companies or infrastructure projects.
 - Ensuring transparency and non-discrimination in granting state aid, based on clear criteria and open procedures.
 - Cooperating with the European Commission in investigating and managing potential distortions caused by state aid.

3. Cooperation and Enforcement:

- Establish effective cooperation mechanisms with the European Commission and other member states to enforce competition rules in the transport sector. This includes:
 - Sharing information and evidence of potential competition violations.
 - Providing mutual assistance in investigations and enforcement actions.
 - Participating in the European Competition Network (ECN) and adhering to its decisions.

Necessary Changes in Moldova's Transport Sector Based on Chapter 9 of the Acquis Communautaire:

1. Financial Services Regulation:

- Adopt and implement EU regulations governing financial institutions involved in the transport sector, including:
 - Banks: Providing loans, financing, and payment services to transport companies and individuals.
 - Insurance companies: Offering insurance for vehicles, cargo, and transport-related risks.
 - Investment firms: Facilitating investments in transport infrastructure and related projects.

2. Harmonization with EU Directives:

- Align national legislation with specific EU directives covering:
 - Banking: Capital adequacy, liquidity requirements, and consumer protection.
 - Insurance: Solvency margins, risk management, and policyholder rights.
 - Investment services: Market conduct standards, transparency requirements, and investor protection.

3. Home Country Control Principle:

- Implement the "home country control" principle, allowing financial institutions authorized in Moldova to operate across the EU and vice versa. This involves:
 - Mutual recognition of supervisory regimes and ensuring equivalent prudential standards.
 - Cooperation and information exchange between national supervisory authorities.
 - Clear procedures for cross-border activities and establishment of branches.

4. Strengthening Supervision and Enforcement:

- Enhance the capacity and independence of financial supervisory authorities to effectively monitor and enforce regulations in the transport sector. This includes:
 - Investing in technology and expertise for risk assessment and supervision.
 - Developing robust enforcement mechanisms to address non-compliance with regulations.
 - Cooperating with EU supervisory authorities on cross-border issues and best practices.

5. Transparency and Consumer Protection:

- Ensure transparency and fairness in financial services offered to transport companies and individuals. This involves:
 - Clear and accessible information on financial products, risks, and costs.

- Effective complaint-handling procedures for addressing consumer grievances.
- Strong regulatory safeguards to protect consumers from financial misconduct.

Necessary Changes in Moldova's Transport Sector Based on Chapter 10 of the Acquis Communautaire:

1. Electronic Communications and Information Society Services:

- Adopt and implement EU regulations governing electronic communications and information society services relevant to the transport sector, including:
 - Electronic messaging and data exchange for logistics, fleet management, and real-time communication.
 - E-commerce platforms for ticketing, booking, and freight services.
 - Advanced driver-assistance systems (ADAS) and connected vehicles relying on reliable communication infrastructure.

2. Harmonization with EU Directives:

- Align national legislation with specific EU directives covering:
 - Telecommunications: Open access to networks, spectrum management, and consumer protection.
 - E-commerce: Clear rules for online transactions, consumer rights, and cross-border trade.
 - Audiovisual services: Freedom of expression, content regulation, and protection of minors.

3. Competition and Market Access:

- Promote competition and fair access to electronic communication networks and services for transport operators and consumers. This involves:
 - Independent regulatory bodies to ensure fair competition and prevent market dominance.
 - Transparent and non-discriminatory licensing procedures for telecom operators.
 - Affordable and accessible broadband internet throughout the country.

4. Universal Service and Consumer Protection:

- Guarantee universal access to basic communication services, including affordable broadband for transport-related activities.
- Implement strong consumer protection measures for online transactions, data privacy, and content safety.
- Raise awareness among citizens and businesses about their rights and obligations in the online environment.

5. Audiovisual Services:

- Align national legislation with the Television without Frontiers Directive to:
 - Facilitate the free movement of television broadcasts across borders.
 - Establish a transparent and predictable regulatory framework for public and private broadcasters.
 - Protect minors from harmful content and promote media literacy.

6. Participation in EU Programs:

- Build capacity to participate in EU programs like Media Plus and Media Training to:
 - Access funding and expertise for developing the audiovisual sector.
 - Promote cultural exchange and collaboration with other European countries.
 - Enhance professional skills

Necessary Changes in Moldova's Transport Sector Based on Chapter 11 of the Acquis Communautaire:

Overall Objective: Implement EU transport legislation to create a safe, efficient, environmentally sound, and user-friendly transport system in Moldova, aligning with the internal market and contributing to its overall growth and competitiveness.

Key Areas for Change:

1. Sector-Specific Regulations:

- Road Transport: Adopt and implement EU regulations on vehicle safety, driver qualifications, working conditions, environmental standards, and market access for road transport operators.

- Railways: Harmonize technical standards for railway infrastructure and vehicles, improve interoperability with EU networks, and potentially implement market liberalization measures.
- Inland Waterways: Implement EU regulations on inland waterway transport safety, environmental protection, and market access.
- Combined Transport: Promote and facilitate the use of combined transport (e.g., rail-road) to reduce environmental impact and improve efficiency.
- Aviation: Align national regulations with EU aviation safety standards, security requirements, and environmental regulations.
- Maritime Transport: Implement EU directives on maritime safety, security, and environmental protection, potentially including port state control measures.

2. Horizontal Policies:

- Safety: Implement robust safety management systems in all transport sectors, adhering to EU standards and best practices.
- Security: Enforce strong security measures to prevent terrorism and other illegal activities in all transport modes.
- Social Standards: Ensure fair working conditions and social protection for transport workers in line with EU directives.
- State Aid Control: Prevent unfair competition by applying EU state aid rules to public subsidies in the transport sector.
- Market Liberalization: Gradually open up the Moldovan transport market to competition from EU companies, while ensuring fair competition and consumer protection.

Additional Considerations:

- Invest in infrastructure development and modernization across all transport modes.
- Promote innovation and digitalization in the transport sector to improve efficiency and sustainability.
- Strengthen institutional capacity for effective implementation, enforcement, and monitoring of EU transport regulations.
- Cooperate with EU institutions and member states to share best practices, exchange information, and access funding opportunities.

By addressing these areas, Moldova can create a modern, integrated, and sustainable transport system that aligns with the EU acquis and contributes to the country's economic development and social well-being.

Necessary Changes in Moldova's Transport Sector Based on Chapter 21 of the Acquis Communautaire:

Overall Objective: Integrate Moldova's transport network with the Trans-European Transport Networks (TEN-T) to improve connectivity, accessibility, and efficiency, contributing to the EU's internal market and economic growth.

Key Areas for Change:

1. TEN-T Core Network Development:

- Identify and prioritize transport infrastructure projects in Moldova that align with the TEN-T Core Network, focusing on:
 - Core corridors: Connecting major cities and economic centers within the EU and neighboring countries.
 - Core nodes: Major airports, seaports, and inland terminals facilitating multimodal transport.
 - Missing links and bottlenecks: Addressing infrastructure gaps and removing obstacles to smooth transport flow.

2. Interoperability and Standardization:

- Adopt and implement EU technical standards for transport infrastructure, vehicles, and digital systems to ensure seamless interoperability with the TEN-T network.
- Invest in intermodal freight terminals facilitating efficient transfer of goods between different transport modes.
- Develop harmonized traffic management systems and digital platforms for seamless information exchange and coordination across borders.

3. Project Development and Financing:

- Prepare and submit projects of common interest to relevant EU funding mechanisms like Connecting Europe Facility (CEF) to access financial support for TEN-T development in Moldova.
- Develop public-private partnerships (PPPs) and other innovative financing models to attract private sector investment in TEN-T projects.
- Strengthen project management and implementation capacities to ensure efficient use of funds and timely completion of projects.

4. Regional and International Cooperation:

- Closely collaborate with neighboring countries to ensure seamless TEN-T network development and operation across borders.
- Participate in regional transport initiatives that complement and support the TEN-T objectives in the broader region.
- Engage with EU institutions and member states to share best practices, exchange knowledge, and access technical assistance.

Additional Considerations:

- Conduct thorough environmental impact assessments and implement mitigation measures for TEN-T projects in Moldova.
- Involve stakeholders from different sectors and communities in planning and implementing TEN-T projects to ensure social sustainability and public acceptance.
- Continuously monitor and evaluate the impact of TEN-T development on Moldova's transport sector and economy, adapting strategies as needed.

By addressing these areas, Moldova can leverage the TEN-T framework to modernize its transport infrastructure, improve connectivity, and unlock new economic opportunities. This will contribute to the country's integration with the EU and its overall sustainable development.

B. Challenges

Main challenges related to the integration of the Republic of Moldova's transport system into the European Union's transportation network are:

1. **Infrastructure Disparity:** Moldova's transport infrastructure may not meet the standards and capacities required by the EU, posing a challenge in terms of modernization and alignment.
2. **Regulatory Alignment:** Harmonizing Moldova's transportation regulations with EU standards presents a challenge due to differing legal frameworks and operational procedures.
3. **Investment Shortcomings:** Insufficient funding for infrastructure development and modernization may hinder efforts to upgrade transportation networks to EU-compliant levels.
4. **Border Crossing Efficiency:** Inefficient border crossing procedures, including customs and regulatory checks, can impede the smooth flow of goods and passengers between Moldova and EU member states.
5. **Intermodal Connectivity:** Integrating different modes of transport, such as railways, roads, maritime, and air transport, into a seamless network poses challenges in terms of coordination and interoperability.
6. **Trade Facilitation:** Ensuring efficient trade flows between Moldova and the EU involves addressing bureaucratic hurdles, tariffs, and non-tariff barriers that affect transportation and logistics.
7. **Capacity Building:** Enhancing institutional capacities and technical expertise within Moldova's transport sector is crucial for effective integration into the EU's transportation system.
8. **Environmental Sustainability:** Meeting EU environmental standards and reducing the environmental impact of transportation infrastructure and operations can be a significant challenge.
9. **Geopolitical Considerations:** Moldova's geopolitical position between EU member states and non-EU countries introduces complexities related to geopolitical alignments and trade routes.
10. **Public Perception and Awareness:** Generating public support and awareness about the benefits and challenges of integration is essential for successful implementation but can be challenging to achieve.

Addressing these challenges will require concerted efforts, cooperation between stakeholders, strategic investments, policy reforms, and a long-term commitment to achieving transportation integration between Moldova and the European Union.

C. Opportunities

Opportunities associated with the integration of the Republic of Moldova into the European Union's transportation system are:

1. **Enhanced Trade Facilitation:** Integration offers increased access to the EU market, fostering trade opportunities for Moldovan goods and services, thereby boosting the country's economic growth.
2. **Infrastructure Development:** Collaboration with the EU could lead to investments in upgrading Moldova's transportation infrastructure, improving roads, railways, ports, and airports for smoother connectivity.
3. **Improved Logistics and Connectivity:** Integration enables streamlined logistics and better connectivity, reducing transit times and costs for goods moving between Moldova and EU markets.
4. **Job Creation:** Infrastructure development and increased trade can lead to job creation in sectors related to transportation, logistics, and associated industries, benefiting the Moldovan workforce.
5. **Knowledge Exchange and Capacity Building:** Collaboration with the EU facilitates knowledge exchange, technological advancements, and capacity building in transport management and logistics practices.
6. **Access to EU Funding:** Through various EU programs and funds dedicated to transport infrastructure development, Moldova gains access to financial resources for modernizing its transportation networks.
7. **Harmonized Standards and Regulations:** Alignment with EU standards and regulations enhances the quality and safety of Moldova's transportation systems, improving its competitiveness.
8. **Tourism Promotion:** Better transportation links can boost tourism by facilitating easier travel between Moldova and EU countries, promoting cultural exchange and economic opportunities in the tourism sector.
9. **Energy Efficiency and Sustainability:** Integration offers opportunities to invest in eco-friendly transport solutions, promoting energy-efficient and sustainable transportation practices.
10. **Geopolitical Stability:** Closer integration into the EU transportation system can contribute to regional stability and geopolitical ties, fostering mutual cooperation and shared economic interests.

These opportunities not only benefit Moldova's transportation sector but also hold the potential for broader socio-economic development, improving closer ties between Moldova and the European Union.

D. Next steps

The EU and Moldova initiate high-level transport dialogue on 06 February 2024, aiming to bolster cooperation and enhance connectivity across all transport modes [2]. Commissioner Adina Vălean and Moldova's Minister of Infrastructure and Regional Development, Andrei Spînu, met on 06 February 2024 and lead the initiative, emphasizing the importance of sustainable and digital transformation in transport. The dialogue aims to align Moldova's transport network with EU standards and deepen EU-Moldova relations. The first meeting is set for February 19, 2024, focusing on improving transport links and maintaining goods movement amid Russia's aggression in Ukraine. Moldova also engages as an observer in the Transport Community Treaty, improving broader European connectivity.

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