TREATY
establishing the Transport Community

The Parties, being

THE EUROPEAN UNION, hereinafter referred to as ‘the Union’ or ‘the European Union’,

and

THE SOUTH EAST EUROPEAN PARTIES, the Republic of Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo * (hereinafter referred to as Kosovo), Montenegro, the Republic of Serbia,

all the above-mentioned parties hereinafter referred to together as ‘the Contracting Parties’,

BUILDING on the work done in the framework of the Memorandum of Understanding on the development of the South East Europe Core Regional Transport Network, signed in Luxembourg on 11 June 2004, and NOTING that this Memorandum of Understanding will not be relevant anymore;

RECOGNISING the integrated character of international transport and DESIRING to create a Transport Community between the European Union and the South East European Parties based on the progressive integration of the transport market of the Contracting Parties on the basis of the relevant acquis;

CONSIDERING that the rules concerning the Transport Community are to apply on a multilateral basis within the Transport Community and therefore specific rules need to be defined in that respect;

NOTING the Interim Accord and the relevant Memorandum on Practical Measures that the Hellenic Republic and the former Yugoslav Republic of Macedonia have signed in 1995;

AGREEING that it is appropriate to base the Transport Community rules on the relevant legislation in force within the European Union, as laid down in Annex I to this Treaty, under the Treaty on European Union and the Treaty on the Functioning of the European Union, and TAKING INTO ACCOUNT the modifications contained therein, including the replacement of ‘European Community’ by ‘European Union’;

BEARING IN MIND that integration of transport markets cannot be achieved in one step, but rather by means of a transition facilitated by specific arrangements of limited duration;

EMPHASISING that transport operators should be treated in a non-discriminatory manner regarding their access to transport infrastructures;

BEARING IN MIND the desire of each of the South East European Parties to make its laws on transport and associated matters compatible with those of the European Union, including with regard to future developments of the acquis within the Union;

RECOGNISING the importance of technical assistance in this regard;

BEARING IN MIND the necessity to protect the environment and to combat against climate change, and that the development of the transport sector needs to be sustainable;

BEARING IN MIND the necessity to consider the social dimension of the Transport Community and to establish social dialogue structures in the South East European Parties;

BEARING IN MIND the European perspective of the South East European Parties as confirmed by several recent European Council Summits;

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* 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.
NOTING that the former Yugoslav Republic of Macedonia, Montenegro, the Republic of Serbia and the Republic of
Albania are candidate countries for membership of the European Union and that Bosnia and Herzegovina has also applied
for membership;

NOTING that the internal procedures of the Member States of the European Union may apply when receiving documents
issued by Kosovo authorities under this Treaty;

NOTING the determination of candidate countries and potential candidates to move closer to the European Union and to
implement the acquis, in particular in the field of transport,

HAVE DECIDED TO CREATE A TRANSPORT COMMUNITY:

Article 1
Objectives and principles

1. The aim of this Treaty is the creation of a Transport Community in the field of road, rail, inland waterway and
maritime transport as well as the development of the transport network between the European Union and the South East
European Parties, hereinafter referred to as ‘the Transport Community’. The Transport Community shall be based on the
progressive integration of transport markets of the South East European Parties into the European Union transport market
on the basis of the relevant acquis, including in the areas of technical standards, interoperability, safety, security, traffic
management, social policy, public procurement and environment, for all modes of transport excluding air transport. For
this purpose, this Treaty sets out the rules applicable between the Contracting Parties under the conditions set out
hereinafter. These rules include the provisions laid down by the acts specified in Annex I.

2. The provisions of this Treaty shall apply to the extent that they concern road, rail, inland waterway, maritime
transport and transport networks, including airport infrastructure, or an associated matter referred to in Annex I.

3. This Treaty consists of articles, setting out the general functioning of the Transport Community, hereinafter referred
to as ‘the Main Treaty’, of Annexes, of which Annex I contains the European Union acts applicable between the
Contracting Parties in the framework of the Main Treaty, and of Protocols, of which at least one for each South East
European Party establishes the transitional arrangements applicable to it.

Article 2

1. For the purposes of this Treaty:

(a) the term ‘Treaty’ means the Main Treaty, its Annexes, the acts referred to in Annex I as well as its Protocols;

(b) the term ‘South East European Parties’ means the Republic of Albania, Bosnia and Herzegovina, the former Yugoslav
Republic of Macedonia, Kosovo, Montenegro and the Republic of Serbia;

(c) none of the terms, wording or definitions used in this Treaty, including the Annexes and protocols thereto, constitute
recognition of Kosovo by the European Union as an independent State nor does it constitute recognition by an
individual Member State of Kosovo in that capacity where they have not taken such a step;

(d) the term ‘Convention’ means any international convention or agreement on international transport, opened for
signature, other than this Treaty;

(e) the term ‘EU Member State’ means a Member State of the European Union.

(f) the term ‘acquis’ means the corpus of legislation adopted by the European Union in order to fulfil its objectives.

2. The use of the terms ‘country’, ‘national’, ‘nationals’, ‘territory’ or ‘flag’ shall be without prejudice to the status of
each Contracting Party under international law.
Article 3

1. The applicable provisions of acts referred to or contained either in Annex I, adapted in accordance with Annex II, or in decisions of the Regional Steering Committee shall be binding upon the Contracting Parties.

2. Such provisions shall be, or be made, part of their internal legal order of the South East European Parties as follows:

(a) an act corresponding to a European Union regulation shall be made part of the internal legal order of the respective South East European Party within a period of time to be laid down for the South East European Parties by the Regional Steering Committee;

(b) an act corresponding to a European Union directive shall leave to the competent authorities of the respective South East European Party the choice of form and method of implementation;

(c) an act corresponding to a European Union decision shall be made part of the internal legal order of the respective South East European Party within a period of time and in a way to be laid down for the South East European Parties by the Regional Steering Committee.

3. Where applicable provisions of the acts referred to in paragraph 1 give rise to obligations on the part of EU Member States, those obligations shall apply to EU Member States, following a decision adopted under the rules applicable within the European Union based on an assessment by the European Commission with regard to the full implementation by the South East European Parties of the European Union acts referred to in Annex I.

Article 4

The Contracting Parties shall take all appropriate measures, whether general or particular, to ensure the fulfilment of the obligations arising out of this Treaty and shall abstain from any measure which could jeopardise the attainment of the objectives of this Treaty.

Article 5

Social issues

The South East European Parties shall implement the relevant social acquis with regard to transport as set out in Annex I. The Transport Community shall reinforce and promote the social dialogue and the social dimension through the reference to the acquis in social matters, the workers’ fundamental rights and the involvement of the European Economic and Social Committee and the national and European social partners acting in the transport sector, at the appropriate level.

Article 6

Environment

The South East European Parties shall implement the relevant environmental acquis with regard to transport, in particular the Strategic Environmental Assessment, Environmental Impact Assessment, nature-related, water-related and air quality-related directives as set out in Annex I.6.

Article 7

Public procurement

The South East European Parties shall implement the relevant public procurement acquis with regard to transport as set out in Annex I.7.

Article 8

Infrastructure

1. The maps of the indicative trans-European transport network (TEN-T) extension of comprehensive and core networks to the Western Balkans are attached to this Treaty in Annex I.1. The Regional Steering Committee shall report every year to the Ministerial Council on the implementation of the TEN-T described in this Treaty. Technical Committees shall assist the Regional Steering Committee in drawing up the report.
2. The Transport Community shall support the development of the indicative TEN-T extension of the comprehensive and core networks to the Western Balkans according to the Commission Delegated Regulation (EU) 2016/758 (1) as set out in Annex I.1. It shall take into account the related bilateral and multilateral agreements concluded by the Contracting Parties, including the development of key links and interconnections needed to eliminate bottlenecks and to promote the interconnection of national networks and with the EU TEN-T networks.

Article 9

1. The Transport Community shall develop every two years a five-year rolling work plan for the development of the indicative TEN-T extension of the comprehensive and core networks to the Western Balkans and the identification of priority projects of regional interest in line with the best Union practice, which shall contribute to balanced sustainable development in terms of economics, spatial integration, environmental and social impact as well as social cohesion.

2. Among other, the five-year rolling work plan shall:

(a) comply with the relevant legislation of the European Union as set out in Annex I, in particular when funding of the European Union is envisaged;

(b) demonstrate best-value-for-money and broader socio-economic impacts, in accordance with donors’ funding rules and best international standards and practices;

(c) give a special attention to global climate change and environmental sustainability at the stage of project definition and analysis;

(d) include the funding opportunities from donors and international financial institutions, in particular through the Western Balkans Investment Framework.

3. The Transport Community shall promote the necessary studies and analyses, in particular concerning the economic viability, technical specification, environmental impact, social consequences and financing mechanisms.

4. An information system shall be put in place by the Permanent Secretariat to be used by decision makers in monitoring and reviewing the condition and performance of the indicative TEN-T extension of the comprehensive and core networks to the Western Balkans.

Article 10

The South East European Parties shall develop efficient traffic management systems, including intermodal systems and intelligent transport systems.

Article 11

Rail transport

1. Within the scope and conditions of this Treaty and within the scope and the conditions set out in the relevant acts specified in Annex I, railway undertakings licensed in an EU Member State, or by a South East European Party shall have the right of access to the infrastructure in all EU Member States and South East European Parties for the purpose of operating international rail passenger or freight services.

2. Within the scope and conditions of this Treaty and within the scope and the conditions set out in the relevant acts specified in Annex I, there shall be no restrictions on the validity of licenses of railway undertakings, their safety certificates, the certification documents of train drivers and rail vehicle authorisations granted by the EU or a Member-State's competent authority or a South East European Party.

Article 12

Road transport

The South East European Parties shall promote efficient, safe and secure road transport operations. Co-operation between the Contracting Parties shall aim to reach convergence towards operating standards and policies on road transport of the European Union, in particular by implementing the road transport acquis as referred to in Annex I.

Article 13

Inland waterway transport

The Contracting Parties shall promote efficient, safe and secure inland waterway transport operations. Co-operation between the Contracting Parties shall aim to reach convergence towards operating standards and policies on inland waterway transport of the European Union, in particular by implementing the acts set out in Annex I by the South East European Parties.

Article 14

Maritime transport

The Contracting Parties shall promote efficient, safe and secure maritime transport operations. Co-operation between the Contracting Parties shall aim to reach convergence towards operating standards and policies on maritime transport of the European Union, in particular by implementing the acts set out in Annex I by the South East European Parties.

Article 15

Facilitation of administrative formalities

1. The Contracting Parties shall facilitate administrative procedures (formalities) for crossing from one customs territory to another according to the customs cooperation provisions of the agreements applicable between the European Union, on the one hand, and each of the South East European Parties, on the other hand.

2. With the same objectives, the South East European Parties shall facilitate administrative procedures for crossing from one customs territory to another according to the customs cooperation provisions of the agreements applicable between them.

Article 16

Non-discrimination

Within the scope of this Treaty, and without prejudice to any special provisions contained therein, any discrimination on grounds of nationality shall be prohibited.

Article 17

Competition

1. Within the scope of this Treaty, the provisions of Annex III shall apply. Where rules on competition and State aid are included in other agreements between two or more Contracting Parties, such as association agreements, those rules shall apply between those Parties.

2. Articles 18, 19 and 20 shall not apply with respect to the provisions in Annex III which concern competition. They shall be applicable with regard to State aid.

Article 18

Enforcement

1. Without prejudice to paragraph 2, each Contracting Party shall ensure that the rights which derive from this Treaty, and in particular from the acts specified in Annex I, may be invoked before national courts.

2. All questions concerning the legality of legislation adopted by the European Union and specified in Annex I, shall be of the exclusive competence of the Court of Justice of the European Union, hereinafter referred to as ‘the Court of Justice’.
Article 19

Interpretation

1. Insofar as the provisions of this Treaty and the provisions of the acts specified in Annex I are identical in substance to the corresponding rules of the Treaty on European Union and the Treaty on the Functioning of the European Union and to the acts adopted pursuant to those Treaties, those provisions shall, in their implementation and application, be interpreted in conformity with the relevant rulings of the Court of Justice and decisions of the European Commission given before the date of signature of this Treaty. The rulings and decisions given after the date of signature of this Treaty shall be communicated to the other Contracting Parties. At the request of one of the Contracting Parties, the implications of such later rulings and decisions shall be determined by the Regional Steering Committee assisted by the technical committees in view of ensuring the proper functioning of this Treaty. Existing interpretations shall be communicated to the South East European Parties prior to the date of signature of this Treaty. Decisions taken by the Regional Steering Committee under this procedure shall be in conformity with the case law of the Court of Justice.

2. When a question of interpretation of this Treaty, of the provisions of the acts specified in Annex I or of the acts adopted in pursuance thereof identical in substance to the corresponding rules of the Treaty on European Union and the Treaty on the Functioning of the European Union or to the acts adopted pursuant to those Treaties, arises in a case pending before a court or tribunal of a South East European Party, that court or tribunal shall ask, if it considers this necessary to enable it to give a judgment and in accordance with Annex IV, the Court of Justice to decide on the question. A South East European Party may, by decision and in accordance with Annex IV, stipulate the extent to which, and according to what modalities, its courts and tribunals are to apply this provision. Such a decision shall be notified to the depositary and the Court of Justice. The depositary shall inform the other Contracting Parties. The preliminary ruling of the Court of Justice shall be binding upon the courts of the South East European Party dealing with the case in which the question arose.

Article 20

New legislation

1. This Treaty shall be without prejudice to the right of each South East European Party, subject to compliance with the principle of non-discrimination and the provisions of this Article to unilaterally adopt new legislation or amend its existing legislation in the field of transport or an associated area mentioned in Annex I. The South East European Parties shall not adopt any such legislation unless it is in accordance with this Treaty.

2. As soon as a South East European Party has adopted new legislation or an amendment to its legislation, it shall inform the other Contracting Parties via the Regional Steering Committee not later than one month after its adoption. Upon the request of any Contracting Party, the relevant technical committee, shall within two months thereafter, hold an exchange of views on the implications of such new legislation or amendment for the proper functioning of this Treaty.

3. The Regional Steering Committee shall, in respect of new legally binding European Union acts:

(a) either adopt a decision revising Annex I so as to integrate therein, if necessary on a basis of reciprocity, the new act in question; or

(b) adopt a decision to the effect that the new act in question is to be regarded as in accordance with this Treaty; or

(c) decide on any other measures to safeguard the proper functioning of this Treaty.

4. As regards the new legally binding European Union acts which have been adopted between the signing of this Treaty and its entry into force and of which the other Contracting Parties have been informed, the date of referral shall be taken as the date on which the information was received. The date on which the Regional Steering Committee reaches a decision may not be earlier than sixty days after the entry into force of this Treaty.

Article 21

The Ministerial Council

A Ministerial Council is hereby established. It shall ensure that the objectives set out in this Treaty are attained and shall:

(a) provide general policy guidelines;
(b) review progress on the implementation of this Treaty, including follow-up of the proposals put forward by the Social Forum;

c) give opinions on the appointment of the Director of the Permanent Secretariat;

d) decide on the seat of the Permanent Secretariat by consensus.

Article 22

The Ministerial Council shall consist of one representative of each Contracting Party. Participation as an observer shall be open to all EU Member States.

Article 23

The Ministerial Council shall meet on an annual basis.

Article 24

Regional Steering Committee

1. A Regional Steering Committee is hereby established. It shall be responsible for the administration of this Treaty and shall ensure its proper implementation, without prejudice to Article 19. For this purpose, it shall make recommendations and take decisions in the cases provided for in this Treaty. The decisions of the Regional Steering Committee shall be put into effect by the Contracting Parties in accordance with their own rules.

2. The Regional Steering Committee shall consist of a representative, and an alternate representative, of the Contracting Parties. Participation as an observer shall be open to all EU Member States.

3. The Regional Steering Committee shall act by unanimity.

4. For the purpose of the proper enforcement of this Treaty, the Contracting Parties shall exchange information, inter alia, on new legislation or decisions that are relevant for this Treaty, and, at the request of any Contracting Party, shall hold consultations within the Regional Steering Committee, including on social issues.

5. The Regional Steering Committee shall adopt its rules of procedure.

6. A South East European Party shall preside in turn over the Regional Steering Committee in accordance with the arrangements to be laid down in its rules of procedure.

7. The chairman of the Regional Steering Committee shall convene its meetings at least twice a year in order to review the general functioning of this Treaty and, whenever circumstances so require, at the request of a Contracting Party. The Regional Steering Committee shall keep under constant review the development of the case law of the Court of Justice. To this end the European Union shall transmit to the South East European Parties all judgments of the Court of Justice relevant for the functioning of this Treaty. The Regional Steering Committee shall act within three months so as to preserve the homogeneous interpretation of this Treaty.

8. The Regional Steering Committee shall prepare the work of the Ministerial Council.

Article 25

1. A decision of the Regional Steering Committee shall be binding upon the Contracting Parties. Whenever a decision taken by the Regional Steering Committee contains a requirement for action to be taken by a Contracting Party, the said Party shall take the necessary measures and inform the Regional Steering Committee thereof.

2. The decisions of the Regional Steering Committee shall be published in the Official Journals of the European Union and of the South East European Parties. Each decision shall state the date of its implementation by the Contracting Parties and any other information likely to concern economic operators.
Article 26

Technical committees

1. The Regional Steering Committee shall decide to establish technical committees, in the form of ad hoc working groups. Each technical committee may make proposals in its sphere of responsibility to the Regional Steering Committee for decision. The technical committees shall consist of representatives of the Contracting Parties. Participation as an observer shall be open to all EU Member States.

On an ad hoc basis, relevant civil society organisations, and in particular environmental ones, shall be invited as observers.

2. The technical committees shall adopt their rules of procedure.

3. A South East European Party shall chair in turn over the technical committees in accordance with the arrangements to be laid down in their rules of procedure.

Article 27

Social forum

1. The Contracting Parties shall take due account of the social dimension and they shall recognise the need to involve the social partners at all appropriate levels by promoting the social dialogue in relation to the monitoring of the implementation of this Treaty and its effects.

2. They shall consider the importance of focusing their attention on the following key areas:

(a) workers’ fundamental rights according to the European Convention for the Protection of Human Rights and Fundamental Freedoms, the European Social Charter, the Community Charter of the Fundamental Social Rights of Workers, and the Charter of Fundamental Rights of the European Union;

(b) labour laws – in relation to the promotion of improved working conditions and standards of living;

(c) health and safety at work – in relation to improvements in the working environment concerning the health and safety of workers in the transport sector;

(d) equal opportunities – with a focus on the introduction, where necessary, of the principle that men and women ought to receive equal pay for equal work.

3. For addressing these social matters, the Contracting Parties shall agree to establish a Social Forum. Each Contracting Party, in accordance with its internal procedures, shall designate its representatives, who may take part in the relevant meetings of the Social Forum. The representation shall cover the governments, as well as the organisations of workers and employers and as any other relevant bodies, which are considered appropriate in accordance with the discussed topics. The European social dialogue committees related to the transport sector shall be present and participate in the meetings, as well as representatives of the European Economic and Social Committee. The Social Forum shall establish its rules of procedure.

Article 28

The Permanent Secretariat

The Permanent Secretariat is hereby established. It shall:

(a) provide administrative support to the Ministerial Council, the Regional Steering Committee, the technical committees and the Social Forum;

(b) act as a Transport Observatory to monitor the performance of the indicative TEN-T extension of the comprehensive and core networks to the Western Balkans;
(c) support the implementation of the Western Balkans Six (WB6) Connectivity Agenda aiming to improve links within the Western Balkans as well as between the region and the European Union.

**Article 29**

The Permanent Secretariat shall comprise a Director and such staff as the Transport Community may require. The Permanent Secretariat may also comprise one or more Deputy Directors. The working language shall be English.

**Article 30**

The Director of the Permanent Secretariat shall be appointed by the Regional Steering Committee following consultation of the Ministerial Council. The duration of his/her mandate shall not exceed three years. The mandate may be renewed. The Regional Steering Committee shall lay down rules of the Permanent Secretariat, in particular for the recruitment, working conditions and geographic equilibrium of the Secretariat’s staff. The Regional Steering Committee may also appoint one or more Deputy Directors. The Director shall select and appoint the staff following consultation with the Regional Steering Committee.

**Article 31**

In the performance of their duties the Director and the staff of the Permanent Secretariat shall act impartially and shall not seek nor receive instructions from any Contracting Party. They shall promote the interests of the Transport Community.

**Article 32**

The Director of the Permanent Secretariat or a nominated alternate shall assist the meetings of the Ministerial Council, the Regional Steering Committee, the Technical Committees and the Social Forum.

**Article 33**

The seat of the Permanent Secretariat shall be established in accordance with point (d) of Article 21.

**Article 34**

**Budget**

Each Contracting Party shall contribute to the budget of the Transport Community as set out in Annex V. The level of contributions may be reviewed every three years, on request of any Contracting Party, by a decision of the Regional Steering Committee.

**Article 35**

The Regional Steering Committee shall adopt the budget of the Transport Community every year. The budget shall cover the operational expenses of the Transport Community necessary for the functioning of its bodies. The expenditure of each body shall be set out in a different part of the budget. The Regional Steering Committee shall adopt a decision specifying the procedure for the implementation of the budget, for presenting and auditing accounts and for inspection.

**Article 36**

The Director of the Permanent Secretariat shall implement the budget and shall report annually to the Regional Steering Committee on the execution of the budget. The Regional Steering Committee may decide, if appropriate, to entrust independent auditors with verifying the proper execution of the budget.

**Article 37**

**Dispute settlement**

1. Any Contracting Party may bring a matter under dispute which concerns the application or interpretation of this Treaty before the Regional Steering Committee, except where specific procedures are set out in this Treaty.
2. When a dispute has been brought before the Regional Steering Committee under paragraph 1, immediate consultations shall be held between the parties to the dispute. In cases where the European Union is not a party to the dispute, a European Union representative may be invited to the consultations by one of the parties to the dispute. The parties to the dispute may draw up a proposal for a solution which shall immediately be submitted to the Regional Steering Committee. Decisions taken by the Regional Steering Committee under this procedure shall respect the case law of the Court of Justice.

3. If the Regional Steering Committee, after four months from the date when the matter was brought before it, has not succeeded to take a decision resolving the dispute, the parties to the dispute may refer it to the Court of Justice whose decision shall be final and binding. The modalities according to which such referrals may be made to the Court of Justice are set out in Annex IV.

Article 38

Disclosure of information

1. All bodies established by, or under, this Treaty shall ensure the widest possible transparency in their work. To that effect, any citizen of the Contracting Parties, and any natural or legal person residing or having its registered office in a Contracting Party, shall have a right of access to documents held by the bodies established by, or under, this Treaty, subject to the principles and the conditions to be defined in accordance with paragraph 2.

2. General principles and limits on grounds of public or private interest governing this right of access to documents shall be determined by the Regional Steering Committee through rules based on European Union rules on access to documents, referred to in Regulation (EC) No 1049/2001 of the European Parliament and of the Council (1). The rules to be adopted by the Regional Steering Committee shall provide for an administrative procedure whereby refusals to give access to a document can be reconsidered or reviewed.

3. Insofar as documents held by the bodies established by, or under, this Treaty contain environmental information, as defined in point (3) of Article 2 of the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, access to this information shall be ensured in accordance with Article 4 of that Convention.

The Regional Steering Committee shall adopt the rules necessary to ensure the implementation of this paragraph. Those implementing rules shall provide for an administrative procedure whereby refusals to give access to environmental information can be reconsidered or reviewed.

4. The representatives, delegates and experts of the Contracting Parties, as well as officials and other servants acting under this Treaty, shall be required, even after their duties have ceased, not to disclose information covered by the obligation of professional confidentiality, in particular information about undertakings, their business relations or their cost components.

Article 39

Third countries and international organisations

1. The Contracting Parties shall consult with each other in the framework of the Regional Steering Committee at the request of any Contracting Party:

(a) on transport questions dealt with in international organisations and regional initiatives; and

(b) on various aspects of possible developments in relations between Contracting Parties and third countries in transport, and on the functioning of the significant elements of bilateral or multilateral agreements concluded in this field.

2. The consultations provided for in paragraph 1 shall be held in urgent cases as soon as possible and in any case within three months of the request.

Article 40

Transitional arrangements

1. Protocols I to VI establish the transitional arrangements and corresponding periods applying between the European Union, on the one hand, and the South East European Party concerned, on the other hand.

2. The gradual transition of each South East European Party to the full application of the Transport Community shall be subject to assessments. The assessments shall be carried out by the European Commission in cooperation with the South East European Party concerned. The European Commission may launch an assessment upon its own initiative or at the initiative of the South East European Party concerned.

3. If the European Union determines that the conditions are fulfilled, it shall inform the Regional Steering Committee and decide thereafter that the South East European Party concerned qualifies for passing to the next stage of the Transport Community.

4. If the European Union determines that the conditions are not fulfilled, the European Commission shall so report to the Regional Steering Committee. The European Union shall recommend to the South East European Party concerned specific improvements.

ENTRY INTO FORCE, REVIEW, TERMINATION AND OTHER PROVISIONS

Article 41

Entry into force

1. This Treaty shall be subject to ratification or approval by the signatories in accordance with their own procedures. Instruments of ratification or approval shall be deposited with the General Secretariat of the Council of the European Union, which shall notify all other signatories and perform all other functions of depositary.

2. This Treaty shall enter into force on the first day of the second month following the date of deposit of the instruments of ratification or approval by the European Union and at least four South East European Parties. For each signatory which ratifies or approves this Treaty after such date, it shall enter into force on the first day of the second month following the deposit by such signatory of its instrument of ratification or approval.

3. Notwithstanding paragraphs 1 and 2, the European Union and at least three South East European Parties may decide to apply provisionally this Treaty among themselves from the date of signature, in accordance with the application of domestic law, by notifying the depository which shall notify the other Contracting Parties thereof.

Article 42

Review

This Treaty shall be reviewed at the request of any Contracting Party and at any event five years after its entry into force.

Article 43

Termination

1. Each Contracting Party may denounce this Treaty by notifying the depository, which shall notify this termination to the other Contracting Parties. If this Treaty is denounced by the European Union it shall cease to be in force one year after the date of such notification. If this Treaty is denounced by any South East European Party, it shall cease to be in force only with respect to such Contracting Party one year after the date of such notification.

2. Upon accession to the European Union of a South East European Party, that Contracting Party shall automatically cease to be a South East European Party under this Treaty and shall instead become an EU Member State.

Article 44

Languages

This Treaty is drawn up in a single original in the official languages of the institutions of the European Union and of the South East European Parties, each of these texts being equally authentic.
Съставено в Брюксел на девети октомври през две хиляди и седемнадесета година.
Hecho en Bruselas, el nueve de octubre de dos mil dieciséis.
V Bruselu dne devâtho října dva tisíc sedmnáct.
Udfærdiget i Bruxelles den niende oktober to tusind og sytten.
Geschehen zu Brüssel am neunten Oktober zweitausendsiebzehn.
Kahe tuhande seitsmeistkümnenda aasta oktoobrikuu üheksandal päeval Brüsselis.
Done at Brussels on the ninth day of October in the year two thousand and seventeen.
Fait à Bruxelles, le neuf octobre deux mille dix-sept.
Sastavljeno u Bruxellesu devetog listopada godine dvije tisuće sedamnaeste.
Fatto a Bruxelles, addì nove ottobre duemiladiciassette.
Briselē, divi tūkstoši septiņpadsmitā gada devītājā oktobrī.
Priimta du tūkstančiai septynioliktų metų spalio devintą dieną Briuselyje.
Kelt Brüsszelben, a kétézer-tizenhetedik év október havának kilencedik napján.
Maghmul fi Brussell, fid-disa‘ jum ta‘ Ottubru fis-sena elfejn u sbatax.
Gedaan te Brussel, negen oktober tweeduizend zeventien.
Sporadzono w Brukseli dnia dziewiątego października roku dwa tysiące siedemnastego.
Feito em Bruxelas, em nove de outubro de dois mil e dezassete.
Întocmit la Bruxelles la nouă octombrie două mii saptesprezece.
V Bruseli deviateho októbra dvetisícšedmnásté.
V Bruslju, dne devetega oktobra leta dva tisoč sedemnaest.
Tehty Brysselissä yhdeksäsentä päivänä lokakuuta vuonna kaksituhattaseitsemäntoista.
Som skedde i Bryssel den nionde oktober är tjugohundrasjutton.
Sačinjeno u Briselu devetog dana oktobra u godini dvijehiljadesedamnaestoj.
Составен во Брисел на деветиот ден од месецот октомври во две хиљади и седемнаесетата година.
Sačinjeno u Brisolu devetog dana oktobra dvije hiljade sedamnaeste godine.
BÈRÈ në Bruksel, më nëntë tetor, dy mije e shtatëmbëdhjetë.
Сачинено у Бриселу деветог дана октобра у години двијехиљадеседамнаесто.
Për Kosovën *
Za Kosovo *

Za Crnu Goru

Za Republiku Srbiju

* Ky përcahtim nuk paragjykon qëndrimin ndaj statusit dhe është në përputhje me Rezolutën 1244/1999 dhe Opinionin e Gjykatës Ndërkombëtare të Drejtësisë mbi shpalljen e pavarësisë së Kosovës.

* Ovaj naziv ne prejudicira stavove o statusu i u skladu je sa RSBUN 1244/1999 i mišljenjem Međunarodnog Suda Pravde o deklaraciji o nezavisnosti Kosova.
ANNEX I

RULES APPLICABLE TO THE TRANSPORT SECTOR AND RELATED ISSUES

ANNEX I.1

RULES APPLICABLE TO TRANSPORT INFRASTRUCTURE FORMING THE SOUTH EAST EUROPE CORE NETWORK

The 'Applicable provisions' of the following European Union acts shall be applicable in accordance with the Main Treaty and Annex II on horizontal adaptations unless otherwise specified in this Annex or in Protocols I to VI. Where necessary, specific adaptations for each individual act are set out hereinafter.

The following European Union acts refer to the latest version of such acts as last modified.

<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Legislation</th>
</tr>
</thead>
</table>
MAPS OF THE INDICATIVE TEN-T EXTENSION TO THE WESTERN BALKANS (CORE AND COMPREHENSIVE NETWORKS)
### ANNEX I.2

**RULES APPLICABLE TO RAIL TRANSPORT**

The ‘Applicable provisions’ of the following European Union acts shall be applicable in accordance with the Main Treaty and Annex II on horizontal adaptations unless otherwise specified in this Annex or in Protocols I to VI. Where necessary, specific adaptations for each individual act are set out hereinafter.

The following European Union acts refer to the latest version of such acts as last modified.

<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Legislation</th>
</tr>
</thead>
</table>
| Market access           | Regulation No 11 concerning the abolition of discrimination in transport rates and conditions, in implementation of Article 79 (3) of the Treaty establishing the European Economic Community (OJ EC 52, 16.8.1960, p. 1121).  
  Commission Implementing Regulation (EU) 2015/909 of 12 June 2015 on the modalities for the calculation of the cost that is directly incurred as a result of operating the train service (OJ EU L 148, 13.6.2015, p. 17).  
<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Legislation</th>
</tr>
</thead>
</table>


(See however Article 34 of Directive (EU) 2016/798).


Commission Regulation (EU) No 1078/2012 of 16 November 2012 on a common safety method for monitoring to be applied by railway undertakings, infrastructure managers after receiving a safety certificate or safety authorisation and by entities in charge of maintenance (OJ EU L 320, 17.11.2012, p. 8).


<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Council Directive 2005/47/EC of 18 July 2005 on the Agreement between the Community of European Railways (CER) and the European Transport Workers' Federation (ETF) on certain aspects of the working conditions of mobile workers engaged in interoperable cross-border services in the railway sector - Agreement concluded by the European Transport Workers' Federation (ETF) and the Community of European Railways (CER) on certain aspects of the working conditions of mobile workers engaged in interoperable cross-border services (OJ EU L 195, 27.7.2005 p. 15).</td>
</tr>
</tbody>
</table>
# ANNEX I.3

## RULES APPLICABLE TO ROAD TRANSPORT

The ‘Applicable provisions’ of the following European Union acts shall be applicable in accordance with the Main Treaty and Annex II on horizontal adaptations unless otherwise specified in this Annex or in Protocols I to VI. Where necessary, specific adaptations for each individual act are set out hereinafter.

The following European Union acts refer to the latest version of such acts as last modified.

<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Legislation</th>
</tr>
</thead>
</table>
Commission Regulation (EU) No 581/2010 of 1 July 2010 on the maximum periods for the downloading of relevant data from vehicle units and from driver cards (OJ EU L 168, 27.7.2010, p. 16). |
<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Legislation</th>
</tr>
</thead>
</table>
<pre><code>                                 | Commission Regulation (EU) No 383/2012 of 4 May 2012 laying down technical requirements with regard to driving licences which include a storage medium (microchip) (OJ EU L 120, 5.5.2012, p. 1). |
</code></pre>
<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Legislation</th>
</tr>
</thead>
</table>
ANNEX I.4

RULES APPLICABLE TO MARITIME TRANSPORT

The ‘Applicable provisions’ of the following European Union acts shall be applicable in accordance with the Main Treaty and Annex II on horizontal adaptations unless otherwise specified in this Annex or in Protocols I to VI. Where necessary, specific adaptations for each individual act are set out hereinafter.

The following European Union acts refer to the latest version of such acts as last modified.

<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Legislation</th>
</tr>
</thead>
</table>
 Commission Decision 2009/491/EC of 16 June 2009 on criteria to be followed in order to decide when the performance of an organisation acting on behalf of a flag State can be considered an unacceptable threat to safety and the environment (OJ EU L 162, 25.6.2009, p. 6).  
<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory area</td>
<td>Legislation</td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
ANNEX I.5

RULES APPLICABLE TO INLAND WATERWAY TRANSPORT

The 'Applicable provisions' of the following European Union acts shall be applicable in accordance with the Main Treaty and Annex II on horizontal adaptations unless otherwise specified in this Annex or in Protocols I to VI. Where necessary, specific adaptations for each individual act are set out hereinafter.

The following European Union acts refer to the latest version of such acts as last modified.

<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to the market</td>
<td>Council Regulation (EC) No 1356/96 of 8 July 1996 on common rules applicable to the transport of goods or passengers by inland waterway between Member States with a view to establishing freedom to provide such transport services (OJ EC L 175, 13.7.1996, p. 7).</td>
</tr>
<tr>
<td></td>
<td>(See however Article 38 of Directive (EU) 2016/1629).</td>
</tr>
<tr>
<td>Regulatory area</td>
<td>Legislation</td>
</tr>
<tr>
<td>-----------------</td>
<td>-------------</td>
</tr>
</tbody>
</table>

**Environment**


**Sea and inland waterway**


(See however Article 64 of Regulation (EU) 2016/1628).


ENVIRONMENT RULES APPLICABLE TO TRANSPORT SECTOR

The 'Applicable provisions' of the following European Union acts shall be applicable in accordance with the Main Treaty and Annex II on horizontal adaptations unless otherwise specified in this Annex or in Protocols I to VI. Where necessary, specific adaptations for each individual act are set out hereinafter.

The following European Union acts refer to the latest version of such acts as last modified.

<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Legislation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment of effects</td>
<td>Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ EU L 26, 28.1.2012, p. 1) and the Convention on Environmental Impact Assessment in a Transboundary Context of 1991 (Espoo Convention). All projects falling under the scope of this Treaty will be subject to an environmental impact assessment in line with Union standards. In addition, transboundary aspects should be addressed in line with the requirements of the Espoo Convention. Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ EC L 197, 21.7.2001, p. 30) and the Protocol on strategic Environmental Assessment to the Espoo Convention (SEA protocol). All plans and programmes in the field of transport will, where applicable, be subject to an environmental assessment similar to that provided for in Directive 2001/42/EC. In addition, transboundary aspects should be addressed in line with the requirements of the SEA protocol to the Espoo Convention.</td>
</tr>
</tbody>
</table>
ANNEX I.7

PUBLIC PROCUREMENT RULES APPLICABLE TO TRANSPORT SECTOR

The ‘Applicable provisions’ of the following European Union acts shall be applicable in accordance with the Main Treaty and Annex II on horizontal adaptations unless otherwise specified in this Annex or in Protocols I to VI. Where necessary, specific adaptations for each individual act are set out hereinafter.

The following European Union acts refer to the latest version of such acts as last modified.

<table>
<thead>
<tr>
<th>Regulatory area</th>
<th>Legislation</th>
</tr>
</thead>
</table>
ANNEX II

HORIZONTAL ADAPTATIONS AND CERTAIN PROCEDURAL RULES

The provisions of the acts specified in Annex I shall be applicable in accordance with the Main Treaty and paragraphs 1 to 3 of this Annex, unless otherwise provided in Annex I. The specific adaptations necessary for individual acts are set out in Annex I.

This Treaty shall be applicable in accordance with the procedural rules set out in paragraphs 4 and 6 of this Annex.

1. INTRODUCTORY PARTS OF THE ACTS

The preambles of the acts specified are not adapted for the purposes of this Treaty. They are relevant to the extent necessary for the proper interpretation and application, within the framework of this Treaty, of the provisions contained in such acts.

2. SPECIFIC TERMINOLOGY OF THE ACTS

The following terms used in the acts specified in Annex I shall read as follows:

(a) the term ‘European Community’, ‘Community’, ‘European Union’ and ‘Union’ shall read ‘Transport Community Area’;


(c) the terms ‘railway infrastructure’ shall read ‘railway infrastructure in the Transport Community Area’;

(d) the terms ‘road infrastructure’ shall read ‘road infrastructure in the Transport Community Area’;

(e) the term ‘airport infrastructure’ shall read ‘airport infrastructure in the Transport Community Area’;

(f) the terms ‘inland waterway infrastructure’ shall read ‘inland waterway infrastructure in the Transport Community Area’;

(g) the term ‘Official Journal of the European Communities’ or ‘Official Journal of the European Union’ shall read ‘Official Journals of the Contracting Parties’.

3. REFERENCES TO MEMBER STATES

Without prejudice to paragraph 4 of this Annex, whenever acts specified in Annex I contain references to ‘Member State(s)’, the references shall be understood to include, apart from the EU Member States, also the South East European Parties.

4. PROVISIONS ON EUROPEAN UNION COMMITTEES AND CONSULTATION OF THE SOUTH EAST EUROPEAN PARTIES

Experts of the South East European Parties shall be consulted by the European Commission and given the opportunity to submit their advice each time the acts specified in Annex I provide for the consultation by the European Commission of European Union Committees and for the opportunity to submit their advice or opinion.

Each consultation shall consist of one meeting chaired by the European Commission and shall take place within the Regional Steering Committee at the invitation of the European Commission prior to the consultation of the relevant European Union Committee. The European Commission shall provide each South East European Party at least two weeks in advance of the meeting, unless specific circumstances require a shorter notice, with all necessary information.

The South East European Parties shall be invited to submit their views to the European Commission. The European Commission shall take due account of the advice delivered by the South East European Parties.
The above provisions shall not apply to the application of the competition rules set out in this Treaty which shall be governed by the specific consultation procedures set out in Annex III.

5. COOPERATION AND EXCHANGE OF INFORMATION

To facilitate the exercise of the relevant powers of the competent authorities of the Contracting Parties, such authorities shall upon request mutually exchange all information necessary for the proper functioning of this Treaty.

6. REFERENCE TO LANGUAGES

The Contracting Parties shall be entitled to use, in the procedures established in the ambit of this Treaty and without prejudice to Annex IV, any official language of the institutions of the European Union or of another Contracting Party. The Contracting Parties are aware, however, that the use of English facilitates those procedures. If a language which is not an official language of the institutions of the European Union is used in an official document, a translation into an official language of the institutions of the European Union shall be simultaneously submitted, taking into account the provision of the preceding sentence. If a Contracting Party intends to use, in an oral procedure, a language that is not an official language of the institutions of the European Union, that Contracting Party shall ensure simultaneous interpretation into English.
ANNEX III

RULES ON COMPETITION AND STATE AID REFERRED TO IN ARTICLE 17 OF THE MAIN TREATY

Article 1

State monopolies

A South East European Party shall progressively adjust any State monopolies of a commercial character so as to ensure that, by the end of the second period referred to in the Protocol to this Treaty which contains the transitional measures with regard to the South East European Party concerned, no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Contracting Parties. The Regional Steering Committee shall be informed of the measures adopted to attain this objective.

Article 2

Approximation of State aid and competition legislation

1. The Contracting Parties recognise the importance of the approximation of the existing legislation on State aid and competition of the South East European Parties to that of the European Union. The South East European Parties shall endeavour to ensure that their existing and future laws on State aid and competition are gradually made compatible with the acquis.

2. This approximation shall start upon the entry into force of this Treaty, and shall gradually extend to all the elements of the European Union State aid and competition provisions referred to in this Annex by the end of the second period referred to in the Protocol to this Treaty which contains the transitional measures with regard to each South East European Party concerned. The South East European Party concerned shall also define, in agreements with the European Commission, the modalities for the monitoring of the implementation of the approximation of legislation and law enforcement actions to be taken.

Article 3

Competition rules and other economic provisions

1. The following practices are incompatible with the proper functioning of this Treaty, insofar as they may affect trade between two or more Contracting Parties:

(a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;

(b) abuse by one or more undertakings of a dominant position in the territories of the Contracting Parties as a whole or in a substantial part thereof;

(c) any State aid which distorts or threatens to distort competition by favouring certain undertakings or certain products.

2. Any practices contrary to this Article shall be assessed on the basis of criteria arising from the application of the competition rules applicable in the European Union, in particular from Articles 93, 101, 102, 106, 107 and 108 of the Treaty on the Functioning of the European Union and interpretative instruments adopted by the European Union institutions.

3. Each South East European Party shall ensure that an operationally independent public body is entrusted with the powers necessary for the full application of points (a) and (b) of paragraph 1, regarding private and public undertakings and undertakings to which special rights have been granted.

4. Each South East European Party shall designate or establish an operationally independent authority which is entrusted with the powers necessary for the full application of point (c) of paragraph 1. This authority shall have, inter alia, the powers to authorise State aid schemes and individual aid grants in conformity with paragraph 2, as well as the powers to order the recovery of State aid that has been unlawfully granted.
5. Each Contracting Party shall ensure transparency in the area of State aid, inter alia, by providing the other Contracting Parties with a regular annual report or equivalent, following the methodology and the presentation of the European Union survey on State aid. Upon request by a Contracting Party, another Contracting Party shall provide information on particular individual cases of public aid.

6. Each South East European Party shall establish a comprehensive inventory of aid schemes instituted before the establishment of the authority referred to in paragraph 4 and shall align such aid schemes with the criteria referred to in paragraph 2.

7. (a) For the purposes of applying the provisions of point (c) of paragraph 1, the Contracting Parties recognise that during the periods referred to in the Protocol to this Treaty which contains the transitional measures with regard to a South East European Party, any public aid granted by this South East European Party shall be assessed taking into account that the South East European Party concerned is to be regarded as an area identical to those areas of the European Union where the standard of living is abnormally low or where there is serious underemployment as referred to in point (a) of Article 107(3) of the Treaty on the Functioning of the European Union;

(b) By the end of the first period referred to in the Protocol to this Treaty which contains the transitional measures with regard to a South East European Party, that Party shall submit to the European Commission its GDP per capita figures harmonised at NUTS II level. The authority referred to in paragraph 4 and the European Commission shall then jointly evaluate the eligibility of the regions of the South East European Party concerned as well as the maximum aid intensities in relation thereto in order to draw up the regional aid map on the basis of the relevant European Union guidelines.

8. If one of the Contracting Parties considers that a particular practice is incompatible with the terms of paragraph 1, it may take appropriate measures after consultation within the Regional Steering Committee or after thirty working days following referral for such consultation.

9. The Contracting Parties shall exchange information taking into account the limitations imposed by the requirements of professional and business confidentiality.
ANNEX IV

REFERRALS TO THE COURT OF JUSTICE OF THE EUROPEAN UNION

1. General principles relating to Article 19 of the Main Treaty

1. The provisions of the Statute of the Court of Justice of the European Union, hereinafter referred to as ‘the Court of Justice’ and of its rules of procedure concerning referrals for preliminary rulings shall apply, as far as appropriate, to requests for preliminary ruling presented by a court or tribunal of a South East European Party on the basis of Article 19 of the Main Treaty.

2. In those cases South East European Parties shall have, within the scope of this Treaty, the same rights to submit observations to the Court of Justice as the EU Member States.

2. Extent and modalities of the procedure established in Article 19 of the Main Treaty

1. When, in accordance with Article 19(2) of the Main Treaty, a South East European Party adopts a decision on the extent and modalities of referrals to the Court of Justice, that decision shall specify that either:

   (a) any court or tribunal of the South East European Party against whose decisions there is no judicial remedy under national law shall request the Court of Justice to give a preliminary ruling on a question raised in a case pending before it and concerning the validity or interpretation of this Treaty or a provision referred to in Article 19 of the Main Treaty if that court or tribunal considers that a decision on the question is necessary to enable it to give a judgment; or

   (b) any court or tribunal of that South East European Party may request the Court of Justice to give a preliminary ruling on a question raised before it and concerning the validity or interpretation of this Treaty or a provision referred to in Article 19 of the Main Treaty if that court or tribunal considers that a decision on the question is necessary to enable it to give a judgment.

2. The modalities of application of Article 19 of the Main Treaty shall be based on the principles enshrined in the legal provisions governing the functioning of the Court of Justice, including the relevant provisions of the Treaty on European Union and the Treaty on the Functioning of the European Union, the Statute and the Rules of Procedure of the Court of Justice, as well as the case law of the latter. In the event that it takes a decision on the modalities of application of this provision, the South East European Party shall also take into consideration the recommendations issued by the Court of Justice to national courts and tribunals in relation to the initiation of preliminary rulings proceedings.

3. Disputes submitted to the Court of Justice in accordance with Article 37(3) of the Main Treaty

The provisions of the Statute of the Court of Justice of the European Union and its rules of procedure concerning disputes submitted to the Court in accordance with Article 273 of the Treaty on the Functioning of the European Union shall apply, as far as appropriate, to disputes submitted to it in accordance with Article 37(3) of the Main Treaty.

4. Referrals to the Court of Justice and languages

The South East European Parties shall be entitled to use, in the procedures before the Court of Justice established in the ambit of this Treaty, any official language of the institutions of the European Union or of a South East European Party. If a language which is not an official language of the institutions of the European Union is used in an official document, a translation into French shall be simultaneously submitted. If a South East European Party intends to use, in an oral procedure, a language that is not an official language of the institutions of the European Union, the South East European Party shall ensure simultaneous interpretation into French.
<table>
<thead>
<tr>
<th>Parties</th>
<th>Contribution in percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Union</td>
<td>80,00</td>
</tr>
<tr>
<td>Republic of Albania</td>
<td>3,20</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>3,55</td>
</tr>
<tr>
<td>The former Yugoslav Republic of Macedonia</td>
<td>2,88</td>
</tr>
<tr>
<td>Kosovo *</td>
<td>2,57</td>
</tr>
<tr>
<td>Montenegro</td>
<td>2,38</td>
</tr>
<tr>
<td>Republic of Serbia</td>
<td>5,42</td>
</tr>
</tbody>
</table>

The contribution is divided into two parts: 80% for the European Union and 20% for the six South East European Parties. The 20% for the South East European Parties will also be broken down according to the following scheme: each Party contributes for 2% to the budget and the remaining 8% will be distributed among the six South East European Parties according to their share in GDP in the total of the South East European Parties’ GDP.

* 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.
PROTOCOL I


I. Conditions relating to transition for rail transport

ARTICLE 1

1. The first transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2(1) of this Section have been fulfilled by the Republic of Albania, hereinafter referred to as ‘Albania’, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

2. The second transitional period shall extend from the end of the first transitional period until all conditions set out in Article 2(2) of this Section have been fulfilled by Albania, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

3. Albania may ask the European Commission at the end of the first transitional period to assess progress in accordance with Article 40 of the Main Treaty with a view to pass directly to market integration according to Article 11 of the Main Treaty.

ARTICLE 2

1. By the end of the first transitional period Albania shall:

(a) have implemented all railway legislation as provided for in Annex I;

(b) have made sufficient progress in implementing the rules on State aid and competition included in an agreement referred to in Article 17 of the Main Treaty or in Annex III, whichever is applicable.

2. By the end of the second transitional period Albania shall apply this Treaty, including all railway legislation and the rules on State aid and competition referred to in paragraph 1.

ARTICLE 3

1. Notwithstanding Article 1(1) of the Main Treaty:

(a) during the first transitional period railway undertakings licensed in Albania shall be granted access to railway infrastructure in Albania;

(b) during the second transitional period railway undertakings licensed in Albania shall be permitted to exercise the traffic rights provided for in the railway legislation referred to in Annex I on railway infrastructure of any other South East European Party.

II. Conditions relating to transition for maritime transport

ARTICLE 1

1. The first transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2(1) of this Section have been fulfilled by Albania, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

2. The second transitional period shall extend from the end of the first transitional period until all conditions set out in Article 2(2) of this Section have been fulfilled by Albania, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.
ARTICLE 2

1. By the end of the first transitional period:

(a) Albania shall have implemented all maritime legislation as provided for in Annex I with the exception of Regulation (EEC) No 3577/92;

(b) nationals of Albania and shipping companies established in Albania shall enjoy the right to carry passengers or goods by sea between any port of a Member State and any port or off-shore installation of another Member State or of a country that is not a member of the European Union. The same shall apply to nationals of Albania established outside Albania and to shipping companies established outside Albania and controlled by nationals of Albania, if their vessels are registered in Albania in accordance with its legislation.

Reciprocally, Union shipowners shall enjoy the right to carry passengers or goods by sea between any port or off-shore installation of an EU Member State and Albania and any port or off-shore installation of a country that is not a member of the European Union and Albania. The same shall apply to nationals of EU Member States who are established outside the European Union and to shipping companies established outside the European Union and controlled by nationals of an EU Member State, if their vessels are registered in that EU Member State in accordance with its legislation.

2. By the end of the second transitional period:

(a) Albania shall apply this Treaty, including all legislation set out in Annex I;

(b) Union shipowners operating ships registered in an EU Member State or in Albania and flying the flag of that Member State or Albania will be granted freedom to provide maritime transport services within Albania under conditions laid down in Regulation (EEC) No 3577/92.

Reciprocally, shipowners of Albania operating ships registered in an EU Member State or in Albania and flying the flag of that Member State or Albania will be granted freedom to provide maritime transport services within any EU Member State under conditions laid down in Regulation (EEC) No 3577/92.

III. Conditions relating to transition for inland waterway transport

ARTICLE 1

1. The transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2 of this Section have been fulfilled by Albania, as verified by an assessment carried out by the European Commission, in accordance with the procedure referred to in Article 40 of the Main Treaty.

ARTICLE 2

1. By the end of the transitional period:

(a) Albania shall apply this Treaty, including all legislation set out in Annex I;

(b) Albania shall enjoy the right to carry passengers or goods by inland waterways between any port of a Member State and any port or off-shore installation of another Member State.
PROTOCOL II
TRANSITIONAL ARRANGEMENTS BETWEEN THE EUROPEAN UNION, OF THE ONE PART, AND BOSNIA AND HERZEGOVINA OF THE OTHER PART

I. Conditions relating to transition for rail transport

ARTICLE 1

1. The first transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2(1) of this Section have been fulfilled by Bosnia and Herzegovina, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

2. The second transitional period shall extend from the end of the first transitional period until all conditions set out in Article 2(2) of this Section have been fulfilled by Bosnia and Herzegovina, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

3. Bosnia and Herzegovina may ask the European Commission at the end of the first transitional period to assess progress in accordance with Article 40 of the Main Treaty with a view to pass directly to market integration according to Article 11 of the Main Treaty.

ARTICLE 2

1. By the end of the first transitional period Bosnia and Herzegovina shall:

   (a) have implemented all railway legislation as provided for in Annex I;

   (b) have made sufficient progress in implementing the rules on State aid and competition included in an agreement referred to in Article 17 of the Main Treaty or in Annex III, whichever is applicable.

2. By the end of the second transitional period Bosnia and Herzegovina shall apply this Treaty, including all railway legislation and the rules on State aid and competition referred to in paragraph 1.

ARTICLE 3

1. Notwithstanding Article 1(1) of the Main Treaty:

   (a) during the first transitional period railway undertakings licensed in Bosnia and Herzegovina shall be granted access to railway infrastructure in Bosnia and Herzegovina;

   (b) during the second transitional period railway undertakings licensed in Bosnia and Herzegovina shall be permitted to exercise the traffic rights provided for in the railway legislation referred to in Annex I on railway infrastructure of any other South East European Party.

II. Conditions relating to transition for maritime transport

ARTICLE 1

1. The first transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2(1) of this Section have been fulfilled by Bosnia and Herzegovina, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

2. The second transitional period shall extend from the end of the first transitional period until all conditions set out in Article 2(2) of this Section have been fulfilled by Bosnia and Herzegovina, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.
ARTICLE 2

1. By the end of the first transitional period:

(a) Bosnia and Herzegovina shall have implemented all maritime legislation as provided for in Annex I with the exception of Regulation (EEC) No 3577/92;

(b) nationals of Bosnia and Herzegovina and shipping companies established in Bosnia and Herzegovina shall enjoy the right to carry passengers or goods by sea between any port of a Member State and any port or off-shore installation of another Member State or of a country that is not a member of the European Union. The same shall apply to nationals of Bosnia and Herzegovina established outside Bosnia and Herzegovina and to shipping companies established outside Bosnia and Herzegovina and controlled by nationals of Bosnia and Herzegovina, if their vessels are registered in Bosnia and Herzegovina in accordance with its legislation.

Reciprocally, Union shipowners shall enjoy the right to carry passengers or goods by sea between any port or off-shore installation of a Member State and Bosnia and Herzegovina and any port or off-shore installation of a country that is not a member of the European Union and Bosnia and Herzegovina. The same shall apply to nationals of EU Member States who are established outside the European Union and to shipping companies established outside the European Union and controlled by nationals of a EU Member State, if their vessels are registered in that EU Member State in accordance with its legislation.

2. By the end of the second transitional period:

(a) Bosnia and Herzegovina shall apply this Treaty, including all legislation set out in Annex I;

(b) Union shipowners operating ships registered in a EU Member State or in Bosnia and Herzegovina and flying the flag of that EU Member State or Bosnia and Herzegovina will be granted freedom to provide maritime transport services within Bosnia and Herzegovina under conditions laid down in Regulation (EEC) No 3577/92.

Reciprocally, shipowners of Bosnia and Herzegovina operating ships registered in a EU Member State or in Bosnia and Herzegovina and flying the flag of that EU Member State or Bosnia and Herzegovina will be granted freedom to provide maritime transport services within any Member State under conditions laid down in Regulation (EEC) No 3577/92.

III. Conditions relating to transition for inland waterway transport

ARTICLE 1

1. The transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2 of this Section have been fulfilled by Bosnia and Herzegovina, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

ARTICLE 2

1. By the end of the transitional period:

(a) Bosnia and Herzegovina shall apply this Treaty, including all legislation set out in Annex I;

(b) Bosnia and Herzegovina shall enjoy the right to carry passengers or goods by inland waterways between any port of an EU Member State and any port or off-shore installation of another Member State.
PROTOCOL III

I. Conditions relating to transition for rail transport

ARTICLE 1
1. The first transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2(1) of this Section have been fulfilled by the former Yugoslav Republic of Macedonia, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

2. The second transitional period shall extend from the end of the first transitional period until all conditions set out in Article 2(2) of this Section have been fulfilled by the former Yugoslav Republic of Macedonia, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

3. The former Yugoslav Republic of Macedonia may ask the European Commission at the end of the first transitional period to assess progress in accordance with Article 40 of the Main Treaty with a view to pass directly to market integration according to Article 11 of the Main Treaty.

ARTICLE 2
1. By the end of the first transitional period the former Yugoslav Republic of Macedonia shall:

(a) have implemented all railway legislation as provided for in Annex I;

(b) have made sufficient progress in implementing the rules on State aid and competition included in an agreement referred to in Article 17 of the Main Treaty or in Annex III, whichever is applicable.

2. By the end of the second transitional period the former Yugoslav Republic of Macedonia shall apply this Treaty, including all railway legislation and the rules on State aid and competition referred to in paragraph 1.

ARTICLE 3
1. Notwithstanding Article 1(1) of the Main Treaty:

(a) during the first transitional period railway undertakings licensed in the former Yugoslav Republic of Macedonia shall be granted access to railway infrastructure in the former Yugoslav Republic of Macedonia;

(b) during the second transitional period railway undertakings licensed in the former Yugoslav Republic of Macedonia shall be permitted to exercise the traffic rights provided for in the railway legislation referred to in Annex I on railway infrastructure of any other South East European Party.

II. Conditions relating to transition for maritime transport

ARTICLE 1
1. The first transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2(1) of this Section have been fulfilled by the former Yugoslav Republic of Macedonia, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

2. The second transitional period shall extend from the end of the first transitional period until all conditions set out in Article 2(2) of this Section have been fulfilled by the former Yugoslav Republic of Macedonia, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.
ARTICLE 2

1. By the end of the first transitional period:

(a) the former Yugoslav Republic of Macedonia shall have implemented all maritime legislation as provided for in Annex I with the exception of Regulation (EEC) No 3577/92;

(b) nationals of the former Yugoslav Republic of Macedonia and shipping companies established in the former Yugoslav Republic of Macedonia shall enjoy the right to carry passengers or goods by sea between any port of a EU Member State and any port or off-shore installation of another EU Member State or of a country that is not a member of the European Union. The same shall apply to nationals of the former Yugoslav Republic of Macedonia established outside the former Yugoslav Republic of Macedonia and to shipping companies established outside the former Yugoslav Republic of Macedonia and controlled by nationals of the former Yugoslav Republic of Macedonia, if their vessels are registered in the former Yugoslav Republic of Macedonia in accordance with its legislation.

Reciprocally, Union shipowners shall enjoy the right to carry passengers or goods by sea between any port or off-shore installation of a EU Member State and the former Yugoslav Republic of Macedonia and any port or off-shore installation of a country that is not a member of the European Union and the former Yugoslav Republic of Macedonia. The same shall apply to nationals of EU Member States who are established outside the European Union and to shipping companies established outside the European Union and controlled by nationals of a EU Member State, if their vessels are registered in that EU Member State in accordance with its legislation.

2. By the end of the second transitional period:

(a) the former Yugoslav Republic of Macedonia shall apply this Treaty, including all legislation set out in Annex I;

(b) Union shipowners operating ships registered in an EU Member State or in the former Yugoslav Republic of Macedonia and flying the flag of that Member State or the former Yugoslav Republic of Macedonia will be granted freedom to provide maritime transport services within the former Yugoslav Republic of Macedonia, under conditions laid down in Regulation (EEC) No 3577/92.

Reciprocally, shipowners of the former Yugoslav Republic of Macedonia operating ships registered in an EU Member State or in the former Yugoslav Republic of Macedonia and flying the flag of that EU Member State or the former Yugoslav Republic of Macedonia will be granted freedom to provide maritime transport services within any Member State under conditions laid down in Regulation (EEC) No 3577/92.

III. Conditions relating to transition for inland waterway transport

ARTICLE 1

1. The transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2 of this Section have been fulfilled by the former Yugoslav Republic of Macedonia, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

ARTICLE 2

By the end of the transitional period:

(a) the former Yugoslav Republic of Macedonia shall apply this Treaty, including all legislation set out in Annex I;

(b) the former Yugoslav Republic of Macedonia shall enjoy the right to carry passengers or goods by inland waterways between any port of an EU Member State and any port or off-shore installation of another Member State.
PROTOCOL IV
TRANSITIONAL ARRANGEMENTS BETWEEN THE EUROPEAN UNION, OF THE ONE PART, AND KOSOVO *, OF THE OTHER PART

I. Conditions relating to transition for rail transport

ARTICLE 1

1. The first transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2(1) of this Section have been fulfilled by Kosovo, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

2. The second transitional period shall extend from the end of the first transitional period until all conditions set out in Article 2(2) of this Section have been fulfilled by Kosovo, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

3. Kosovo may ask the European Commission at the end of the first transitional period to assess progress in accordance with Article 40 of the Main Treaty with a view to pass directly to market integration according to Article 11 of the Main Treaty.

ARTICLE 2

1. By the end of the first transitional period Kosovo shall:

(a) have implemented all railway legislation as provided for in Annex I;

(b) have made sufficient progress in implementing the rules on State aid and competition included in an agreement referred to in Article 17 of the Main Treaty or in Annex III, whichever is applicable.

2. By the end of the second transitional period Kosovo shall apply this Treaty, including all railway legislation and the rules on State aid and competition referred to in paragraph 1.

ARTICLE 3

1. Notwithstanding Article 1(1) of the Main Treaty:

(a) during the first transitional period railway undertakings licensed in Kosovo shall be granted access to railway infrastructure in Kosovo;

(b) during the second transitional period railway undertakings licensed in Kosovo shall be permitted to exercise the traffic rights provided for in the railway legislation referred to in Annex I on railway infrastructure of any other South East European Party.

II. Conditions relating to road transport

The European Union and Kosovo agree that, notwithstanding Article 61(1) of the Stabilisation and Association Agreement between the European Union and the European Atomic Energy Community, of the one part, and Kosovo *, of the other part (1), Chapter III thereof on transit traffic shall continue to apply once the Treaty establishing the Transport Community enters into force.

III. Conditions relating to transition for maritime transport

ARTICLE 1

1. The first transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2(1) of this Section have been fulfilled by Kosovo, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

2. The second transitional period shall extend from the end of the first transitional period until all conditions set out in Article 2(2) of this Section have been fulfilled by Kosovo, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

* 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.

(1) OJ EU L 71, 16.3.2016, p. 3.
ARTICLE 2

1. By the end of the first transitional period:

(a) Kosovo shall have implemented all maritime legislation as provided for in Annex I with the exception of Regulation (EEC) No 3577/92;

(b) nationals of Kosovo and shipping companies established in Kosovo shall enjoy the right to carry passengers or goods by sea between any port of an EU Member State and any port or off-shore installation of another EU Member State or of a country that is not a member of the European Union. The same shall apply to nationals of Kosovo established outside Kosovo and to shipping companies established outside Kosovo and controlled by nationals of Kosovo, if their vessels are registered in Kosovo in accordance with its legislation.

Reciprocally, Union shipowners shall enjoy the right to carry passengers or goods by sea between any port or off-shore installation of an EU Member State and Kosovo and any port or off-shore installation of a country that is not a member of the European Union and Kosovo. The same shall apply to nationals of EU Member States who are established outside the European Union and to shipping companies established outside the European Union and controlled by nationals of an EU Member State, if their vessels are registered in that EU Member State in accordance with its legislation.

2. By the end of the second transitional period:

(a) Kosovo shall apply this Treaty, including all legislation set out in Annex I;

(b) Union shipowners operating ships registered in an EU Member State or in Kosovo and flying the flag of that EU Member State or Kosovo will be granted freedom to provide maritime transport services within Kosovo, under conditions laid down in Regulation (EEC) No 3577/92.

Reciprocally, shipowners of Kosovo operating ships registered in an EU Member State or in Kosovo and flying the flag of that Member State or Kosovo will be granted freedom to provide maritime transport services within any EU Member State under conditions laid down in Regulation (EEC) No 3577/92.

IV. Conditions relating to transition for inland waterway transport

ARTICLE 1

1. The transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2 of this Section have been fulfilled by Kosovo, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

ARTICLE 2

By the end of the transitional period:

(a) Kosovo shall apply this Treaty, including all legislation set out in Annex I;

(b) Kosovo shall enjoy the right to carry passengers or goods by inland waterways between any port of a Member State and any port or off-shore installation of another EU Member State.
PROTOCOL V
TRANSITIONAL ARRANGEMENTS BETWEEN THE EUROPEAN UNION, OF THE ONE PART, AND MONTENEGRO,
OF THE OTHER PART

I. Conditions relating to transition for rail transport

ARTICLE 1
1. The first transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2(1) of this Section have been fulfilled by Montenegro, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

2. The second transitional period shall extend from the end of the first transitional period until all conditions set out in Article 2(2) of this Section have been fulfilled by Montenegro, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

3. Montenegro may ask the European Commission at the end of the first transitional period to assess progress in accordance with Article 40 of the Main Treaty with a view to pass directly to market integration according to Article 11 of the Main Treaty.

ARTICLE 2
1. By the end of the first transitional period Montenegro shall:
   (a) have implemented all railway legislation as provided for in Annex I;
   (b) have made sufficient progress in implementing the rules on State aid and competition included in an agreement referred to in Article 17 of the Main Treaty or in Annex III, whichever is applicable.

2. By the end of the second transitional period Montenegro shall apply this Treaty, including all railway legislation and the rules on State aid and competition referred to in paragraph 1.

ARTICLE 3
1. Notwithstanding Article 1(1) of the Main Treaty:
   (a) during the first transitional period railway undertakings licensed in Montenegro shall be granted access to railway infrastructure in Montenegro;
   (b) during the second transitional period railway undertakings licensed in Montenegro shall be permitted to exercise the traffic rights provided for in the railway legislation referred to in Annex I on railway infrastructure of any other South East European Party.

II. Conditions relating to transition for maritime transport

ARTICLE 1
1. The first transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2(1) of this Section have been fulfilled by Montenegro, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

2. The second transitional period shall extend from the end of the first transitional period until all conditions set out in Article 2(2) of this Section have been fulfilled by Montenegro, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.
ARTICLE 2

1. By the end of the first transitional period:

(a) Montenegro shall have implemented all maritime legislation as provided for in Annex I with the exception of Regulation (EEC) No 3577/92;

(b) nationals of Montenegro and shipping companies established in Montenegro shall enjoy the right to carry passengers or goods by sea between any port of an EU Member State and any port or off-shore installation of another EU Member State or of a country that is not a member of the European Union. The same shall apply to nationals of Montenegro established outside Montenegro and to shipping companies established outside Montenegro and controlled by nationals of Montenegro, if their vessels are registered in Montenegro in accordance with its legislation.

Reciprocally, Union shipowners shall enjoy the right to carry passengers or goods by sea between any port or off-shore installation of an EU Member State and Montenegro and any port or off-shore installation of a country that is not a member of the European Union and Montenegro. The same shall apply to nationals of EU Member States who are established outside the European Union and to shipping companies established outside the European Union and controlled by nationals of an EU Member State, if their vessels are registered in that EU Member State in accordance with its legislation.

2. By the end of the second transitional period:

(a) Montenegro shall apply this Treaty, including all legislation set out in Annex I;

(b) Union shipowners operating ships registered in an EU Member State or in Montenegro and flying the flag of that EU Member State or Montenegro will be granted freedom to provide maritime transport services within Montenegro under conditions laid down in Regulation (EEC) No 3577/92.

Reciprocally, shipowners of Montenegro operating ships registered in an EU Member State or in Montenegro and flying the flag of that EU Member State or Montenegro will be granted freedom to provide maritime transport services within any EU Member State under conditions laid down in Regulation (EEC) No 3577/92.

III. Conditions relating to transition for inland waterway transport

ARTICLE 1

1. The transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2 of this Section have been fulfilled by Montenegro, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

ARTICLE 2

By the end of the transitional period:

(a) Montenegro shall apply this Treaty, including all legislation set out in Annex I;

(b) Montenegro shall enjoy the right to carry passengers or goods by inland waterways between any port of a Member State and any port or off-shore installation of another EU Member State.
I. Conditions relating to transition for rail transport

ARTICLE 1
1. The first transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2(1) of this Section have been fulfilled by the Republic of Serbia, hereinafter referred to as ‘Serbia’, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

2. The second transitional period shall extend from the end of the first transitional period until all conditions set out in Article 2(2) of this Section have been fulfilled by Serbia, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

3. Serbia may ask the European Commission at the end of the first transitional period to assess progress in accordance with Article 40 of the Main Treaty with a view to pass directly to market integration according to Article 11 of the Main Treaty.

ARTICLE 2
1. By the end of the first transitional period Serbia shall:

(a) have implemented all railway legislation as provided for in Annex I;

(b) have made sufficient progress in implementing the rules on State aid and competition included in an agreement referred to in Article 17 of the Main Treaty or in Annex III, whichever is applicable.

2. By the end of the second transitional period Serbia shall apply this Treaty, including all railway legislation and the rules on State aid and competition referred to in paragraph 1.

ARTICLE 3
1. Notwithstanding Article 1(1) of the Main Treaty:

(a) during the first transitional period railway undertakings licensed in Serbia shall be granted access to railway infrastructure in Serbia;

(b) during the second transitional period railway undertakings licensed in Serbia shall be permitted to exercise the traffic rights provided for in the railway legislation referred to in Annex I on railway infrastructure of any other South East European Party.

II. Conditions relating to transition for maritime transport

ARTICLE 1
1. The first transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2(1) of this Section have been fulfilled by Serbia, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

2. The second transitional period shall extend from the end of the first transitional period until all conditions set out in Article 2(2) of this Section have been fulfilled by Serbia, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.
ARTICLE 2

1. By the end of the first transitional period:

(a) Serbia shall have implemented all maritime legislation as provided for in Annex I with the exception of Regulation (EEC) No 3577/92;

(b) nationals of Serbia and shipping companies established in Serbia shall enjoy the right to carry passengers or goods by sea between any port of an EU Member State and any port or off-shore installation of another EU Member State or of a country that is not a member of the European Union. The same shall apply to nationals of Serbia established outside Serbia and to shipping companies established outside Serbia and controlled by nationals of Serbia, if their vessels are registered in Serbia in accordance with its legislation.

Reciprocally, Union shipowners shall enjoy the right to carry passengers or goods by sea between any port or off-shore installation of an EU Member State and Serbia and any port or off-shore installation of a country that is not a member of the European Union and Serbia. The same shall apply to nationals of EU Member States who are established outside the European Union and to shipping companies established outside the European Union and controlled by nationals of a Member State, if their vessels are registered in that EU Member State in accordance with its legislation.

2. By the end of the second transitional period:

(a) Serbia shall apply this Treaty, including all legislation set out in Annex I;

(b) Union shipowners operating ships registered in an Member State or in Serbia and flying the flag of that EU Member State or Serbia will be granted freedom to provide maritime transport services within Serbia, under conditions laid down in Regulation (EEC) No 3577/92.

Reciprocally, shipowners of Serbia operating ships registered in a Member State or in Serbia and flying the flag of that EU Member State or Serbia will be granted freedom to provide maritime transport services within any Member State under conditions laid down in Regulation (EEC) No 3577/92.

III. Conditions relating to transition for inland waterway transport

ARTICLE 1

1. The transitional period shall extend from the entry into force of this Treaty until all conditions set out in Article 2 of this Section have been fulfilled by Serbia, as verified by an assessment carried out by the European Commission in accordance with the procedure referred to in Article 40 of the Main Treaty.

ARTICLE 2

By the end of the transitional period:

(a) Serbia shall apply this Treaty, including all legislation set out in Annex I;

(b) Serbia shall enjoy the right to carry passengers or goods by inland waterways between any port of a Member State and any port or off-shore installation of another EU Member State.