

AGREEMENT

between the European Community and the former Yugoslav Republic of Macedonia in the field of transport

THE EUROPEAN COMMUNITY,

hereinafter referred to as 'the Community',

of the one part, and

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA,

of the other part,

hereinafter called 'the Contracting Parties',

HAVING REGARD to the Cooperation Agreement between the European Community and the former Yugoslav Republic of Macedonia, signed at Luxembourg on 29 April 1997, and in particular Article 7 thereof;

CONSIDERING that it is essential for the Community, in the context of the smooth functioning of the internal market and the implementation of the common transport policy, to ensure that Community goods in transit through certain third countries, and in particular the former Yugoslav Republic of Macedonia, can flow as quickly and efficiently as possible without hindrance or discrimination;

CONSIDERING that the former Yugoslav Republic of Macedonia is a transit country because of its geographical position and that existing mutual rights and obligations regarding access to the market and transit should be further developed;

CONSIDERING that the Contracting Parties recognize that an essential part of an agreement must be the creation and development as rapidly as possible of transport infrastructure suited to their mutual requirements and equitable rules governing market access for their carriers;

CONSIDERING that the Contracting Parties are willing to contribute to the creation of a regional transport infrastructure favourable to cooperation and good neighbourly relations within the region of South-Eastern Europe;

CONSCIOUS that the Interim Accord of 13 September 1995 contributes to regional stability, and favours cooperative relations between the Hellenic Republic and the former Yugoslav Republic of Macedonia;

CONSIDERING that an overall solution to the problems in question may be provided by close cooperation between the Contracting Parties, in particular in introducing and developing a package of coordinated measures on transport so as to ensure reciprocal access to the Community and the former Yugoslav Republic of Macedonia's markets and to facilitate road and rail traffic by appropriate means on a competitive basis;

CONSIDERING that this package of measures must also aim to protect the environment;

CONSIDERING that an appropriate transitional period will allow time for adjustment to any new provisions which may prove necessary,

HAVE AGREED AS FOLLOWS:

TITLE I

AIM, SCOPE AND DEFINITIONS

Article 1

Aim

The aim of this Agreement between the Community and the former Yugoslav Republic of Macedonia is to promote cooperation between the Contracting Parties on transport, and in particular transit traffic, and to ensure for this purpose that transport between and through the territories of the Contracting Parties is developed in a coordinated manner by means of the complete and interdependent application of all the provisions of this Agreement.

Article 2

Scope

1. Cooperation shall cover transport, and in particular road, rail and combined transport, and shall include the relevant infrastructure, taking into account the regional context.

2. In this connection, the scope of this Agreement shall cover in particular:

- transport infrastructure in the territory of one or other Contracting Party to the extent necessary to achieve the objective of this Agreement,
- market access, on a reciprocal basis, in the field of road transport,
- essential legal and administrative supporting measures including commercial, taxation, social and technical measures,
- cooperation in developing a transport system which meets environmental needs,
- a regular exchange of information on the development of the transport policies of the Contracting Parties, with particular regard to transport infrastructure.

3. Air transport is governed by the particular provisions of the declaration in Annex III.

Article 3

Definitions

For the purposes of this Agreement, the following definitions shall apply:

- (a) Community transit traffic: the carriage, by a carrier established in the Community, of goods in transit

through the former Yugoslav Republic of Macedonia's territory en route to or from a Member State of the Community;

- (b) the former Yugoslav Republic of Macedonia's transit traffic: the carriage, by a carrier established in the former Yugoslav Republic of Macedonia, of goods in transit from the former Yugoslav Republic of Macedonia through Community territory and destined for a third country or of goods from a third country destined for the former Yugoslav Republic of Macedonia;
- (c) combined transport: the carriage of goods by road vehicles or loading units which, without the goods being unloaded, travel by road for part of the journey between the point of departure and the point of arrival and by rail for another part of that journey.

TITLE II

INFRASTRUCTURE

Article 4

General provision

The Contracting Parties hereby agree to adopt mutually coordinated measures to develop transport infrastructure as a vital means of solving the problems affecting the carriage of goods through the former Yugoslav Republic of Macedonia, in particular on the North to South-East route as well as on certain other routes, including associated multimodal terminals.

Article 5

Planning

1. The development of the following main road and rail routes and projects is of particular interest to the Community and the former Yugoslav Republic of Macedonia. The respective priorities shall determine the application of the former Yugoslav Republic of Macedonia's own resources and co-financing from the Community to these projects.

- North to South-East motorway (E-75) connecting the Federal Republic of Yugoslavia (Serbia-Montenegro) to the Hellenic Republic, particularly the sections Kumanovo to Tabanovce on the border of the Federal Republic of Yugoslavia (9 km) and Gradsko to Gevgelija on the Border of the Hellenic Republic (73 km),

- North to South-East railway connecting the Federal Republic of Yugoslavia (Serbia-Montenegro) to the Hellenic Republic (via Titov Veles), particularly multimodal terminals at Tabanovce, Miravci and Gevgelija,
- Main road (M-5) connecting Kriva Krusha to Medzitlija on the border of the Hellenic Republic (93 km), via Titov Veles, Prilep and Bitola, reconstruction and new construction,
- Multimodal terminal at Bitola (on the N/S branch line connecting Titov Veles to Kremenica on the border of the Hellenic Republic),
- Railway connecting Kumanovo to Beljakovce (30 km, reconstruction) and Beljakovce to Deve Bair (54 km, new construction) on the border of the Republic of Bulgaria with multimodal terminal at Deve Bair and tunnel at border to be connected by new line (2 km) to existing line at Gjueshevo in the Republic of Bulgaria,
- Section of motorway (E-65) connecting Skopje to Tetovo (36 km) together with bypass of Skopje (25 km).

2. The Contracting Parties have agreed that their common aim shall be to complete construction of the major transport routes referred to in paragraph 1 as soon as possible.

Article 6

Financial aspects

1. The Community shall contribute financially to the necessary infrastructure work referred to in Article 5. This financial contribution shall take the form of credit from the European Investment Bank and any other form of financing which can provide further resources.
2. In order to speed up the work the Commission of the European Communities will endeavour, as far as possible, to encourage the use of additional resources such as investment by certain Member States of the Community on a bilateral basis or from public or private funds.

Article 7

In order to achieve the objectives set out in Article 5, the Community shall make finances available to the former Yugoslav Republic of Macedonia under Protocol 3 on financial cooperation to the Cooperation Agreement between the European Community and the former Yugoslav Republic of Macedonia for the period up to 31 December 2000.

TITLE III

RAIL AND COMBINED TRANSPORT

Article 8

General provision

The Contracting Parties shall adopt the mutually coordinated measures necessary for the development and promotion of rail and combined transport as a means of ensuring that in the future a major proportion of their bilateral and transit transport through the former Yugoslav Republic of Macedonia is performed under more environmentally-friendly conditions.

Article 9

Particular aspects relating to infrastructure

As part of the modernization of the former Yugoslav Republic of Macedonia's railways, the necessary steps shall be taken to adapt the system for combined transport, with particular regard to the development or building of terminals, and to tunnel gauges and to capacity, which require substantial investment.

Article 10

Supporting measures

The Contracting Parties shall take all the steps necessary to encourage the development of combined transport.

The purpose of such measures shall be:

- to encourage users and consignors to use combined transport,
- to make combined transport competitive with road transport, in particular by financial support by the Community or the former Yugoslav Republic of Macedonia in the context of their respective legislations,
- to encourage the use of combined transport over long distances and to promote, in particular, the use of swap bodies, containers and unaccompanied transport in general,
- to improve the speed and reliability of combined transport and in particular:
 - to increase the frequency of convoys in accordance with the needs of consignors and users,
 - to reduce the waiting time at terminals and increase their productivity,

- to remove all obstacles from the approach routes so as to improve access to combined transport,
- to harmonize, where necessary, the weights, dimensions and technical characteristics of specialized equipment, in particular so as to ensure the necessary compatibility of gauges, and to take coordinated action to order and to put into service such equipment as is required by the level of traffic,
- and, in general, to take any other appropriate action.

Article 11

The role of the railways

In connection with the respective powers of the States and the railways, the Contracting Parties shall, in respect of both passenger and goods transport, recommend that their railways:

- step up cooperation, whether bilateral, multilateral or within international railway organizations, in all fields, with particular regard to the improvement of the quality of transport services,
- try to establish in common a system of organizing the railways so as to encourage consignors to send freight by rail rather than road, in particular for transit purposes, on a basis of fair competition and while leaving the user freedom of choice in the matter,
- agree on measures to integrate the former Yugoslav Republic of Macedonia's railways in traffic management by using the Docimel electronic consignment note system and the Hermes computerized system for passenger reservations as well as other purposes,
- harmonize their arrangements for railway staff training.

TITLE IV

ROAD TRANSPORT

Article 12

General provisions

1. With regard to mutual access to transport markets, the Contracting Parties agree, initially and without

prejudice to paragraph 2, to maintain the regime resulting from bilateral agreements or other existing international bilateral instruments concluded between each Member State of the Community and the former Yugoslav Republic of Macedonia or, where there are no such agreements or instruments, arising from the *de facto* situation in 1991.

However, whilst awaiting the conclusion of an agreement between the Community and the former Yugoslav Republic of Macedonia on access to the road transport market, as provided for in Article 13, and on road taxation, as provided for in Article 14.2, the former Yugoslav Republic of Macedonia shall cooperate with the Member States of the Community to amend these bilateral agreements to adapt them to this Agreement.

2. The Contracting Parties hereby agree to grant unrestricted access to Community transit traffic through the former Yugoslav Republic of Macedonia and to the former Yugoslav Republic of Macedonia's transit traffic through the Community with effect from the date on which this Agreement enters into force.

3. By way of derogation from paragraph 2 the following provisions will apply to the former Yugoslav Republic of Macedonia's transit traffic through Austria:

- (a) for the period from the date on which this Agreement enters into force to 31 December 1998 a regime for the former Yugoslav Republic of Macedonia's transit identical to that applied between the Republic of Austria and the former Yugoslav Republic of Macedonia in 1996 will be maintained. No later than 31 January 1998 the Joint Transport Committee established by Article 22 will examine the functioning of the regime applied between the Republic of Austria and the former Yugoslav Republic of Macedonia in the light of the principle of non-discrimination which must apply to heavy goods vehicles from the European Community and such vehicles from the former Yugoslav Republic of Macedonia in transit through Austria. Appropriate measures will be adopted by the Joint Transport Committee in order to ensure, if necessary, effective non-discrimination;

- (b) with effect from 1 January 1999 a system of ecopoints similar to that laid down by Article 11 of Protocol No 9 to the Act of Accession of the Republic of Austria, the Kingdom of Sweden and the Republic of Finland to the European Union will apply. The method of calculation and the detailed rules and procedures for the management and control of the ecopoints will be agreed in good time by means of an exchange of letters between the Contracting Parties and will be in line with the provisions of Articles 11 and 14 of the abovementioned Protocol No 9.

4. If, as a result of the rights granted under paragraph 2, transit traffic by Community hauliers increases to such a degree as to cause or threaten to cause serious harm to road infrastructure and/or traffic fluidity on the axes, projects and links mentioned in Article 5, the former Yugoslav Republic of Macedonia may call an emergency meeting of the Joint Transport Committee established by Article 22 at which it may propose such temporary measures as are necessary to limit or mitigate such harm. The Joint Transport Committee shall meet within 30 days in order to assess the situation and recommend without delay appropriate remedial action. If no agreement is reached within 60 days from the day of the call to an emergency meeting, the former Yugoslav Republic of Macedonia may introduce temporary measures for a duration of up to three months. Under the same circumstances, if problems arise on Community territory next to the former Yugoslav Republic of Macedonia's border, the competent authorities, including those of the region concerned, may adopt the appropriate necessary measures. The Joint Transport Committee shall take a final decision on appropriate remedial measures, if any, before expiry of the temporary measures. The decision of the Joint Transport Committee shall be implemented immediately and shall be proportional and of a non-discriminatory nature. This clause shall cease to apply once the aims set out in Article 5 are achieved and, at the latest, at the end of 31 December 2002.

5. The Contracting Parties shall refrain from taking any unilateral action which might lead to discrimination between Community and the former Yugoslav Republic of Macedonia's carriers or vehicles. Each Contracting Party shall take all steps necessary to facilitate road transport to or through the territory of the other Contracting Party.

Article 13

Access to the market

The Contracting Parties shall, as a matter of priority, undertake to work together to seek, each of them subject to their internal rules,

- courses of action likely to favour the development of a transport system which meets the needs of the Contracting Parties, and which is compatible, on the one hand, with the smooth functioning of the internal Community market and the implementation of the common transport policy and, on the other hand, with the former Yugoslav Republic of Macedonia's economic and transport policy,
- a definitive system for regulating future road transport market access between the Contracting Parties on the basis of reciprocity.

Article 14

Taxation, tolls and other charges

1. The Contracting Parties accept that the taxation of road vehicles, tolls and other charges on either side must be non-discriminatory.
2. The Contracting Parties shall enter into negotiations with a view to reaching an agreement on road taxation, as soon as possible, on the basis of the rules adopted by the Community on this matter. The purpose of this Agreement shall be, in particular, to ensure the free flow of trans-frontier traffic, to reduce differences between the road taxation systems applied by the Contracting Parties and to eliminate distortions of competition arising from such differences.
3. Pending the conclusion of the negotiations mentioned in paragraph 2, the Contracting Parties will eliminate discrimination between hauliers of the Community or the former Yugoslav Republic of Macedonia when levying taxes and charges on the circulation and/or possession of heavy goods vehicles as well as taxes or charges levied on transport operations in the territory of the Contracting Parties.
4. Until the conclusion of the agreements mentioned in paragraph 2 and in Article 13 any change proposed after the entry into force of this Agreement to fiscal charges, tolls or other charges which may be applied to Community traffic in transit through the former Yugoslav Republic of Macedonia will be subject to a prior consultation procedure in the Joint Committee.

Article 15

Weights and dimensions

1. The former Yugoslav Republic of Macedonia accepts that road vehicles complying with Community standards on weights and dimensions may circulate freely and without hindrance in this respect on the routes mentioned in Article 5. Until 31 December 2002 at the latest, road vehicles which do not comply with the former Yugoslav Republic of Macedonia's existing standards will be subject to a special non-discriminatory charge which reflects the damage caused by additional axle weight. Six months after the entry into force of this Agreement, vehicles equipped with air suspension or equivalent suspension systems as defined in Council Directive 92/7/EEC shall be subject to a reduced rate of these special charges.
2. The former Yugoslav Republic of Macedonia will endeavour to harmonize its existing regulations and standards for road construction with the legislation prevailing in the Community by the end of 1997

and will make major efforts for improvement of the existing routes mentioned in Article 5 to those new regulations and standards within the proposed time, in accordance with its financial possibilities. When such an upgrading is in place the special charges mentioned in paragraph 1 will be abolished.

Article 16

The environment

1. In order to protect the environment, the Contracting Parties shall endeavour to introduce standards on gaseous and particulate emissions and noise levels for heavy goods vehicles which ensure a high level of protection.

2. In order to provide the industry with clear information and to encourage coordinated research, programming and production, exceptional national standards in this field shall be avoided.

Vehicles which comply with standards laid down by international agreements also relating to the environment may operate without further restrictions in the territory of the Contracting Parties.

3. For the purpose of introducing new standards, the Contracting Parties shall work together to achieve the abovementioned objectives.

Article 17

Social aspects

1. The Contracting Parties shall harmonize their legislation on the training of road haulage personnel, particularly with respect to the carriage of dangerous goods.

2. The former Yugoslav Republic of Macedonia undertakes to seek to become a signatory to the European Agreement concerning the work of crews of vehicles engaged in international road transport (ERTA). Until such time as the effects of such admission are felt, the Contracting Parties shall endeavour to harmonize their legislation on driving time and drivers' rest periods and crew composition.

3. Pending harmonization in this field, the Contracting Parties shall recognise each other's recording methods used to monitor implementation of their respective social legislation in the field of road transport.

4. The Contracting Parties shall ensure the equivalence of their respective laws on the admission to the occupation of road haulage operator, with a view to their mutual recognition.

Article 18

Provisions relating to traffic

1. The Contracting Parties shall pool their experience and endeavour to harmonize their legislation so as to improve the flow of traffic during peak periods (weekends, public holidays, the tourist season).

2. In general, the Contracting Parties shall encourage the introduction, development and cooperation of a road traffic information system.

3. They shall endeavour to harmonize their legislation on the carriage of perishable goods, live animals and dangerous substances.

4. The Contracting Parties shall also endeavour to harmonize the technical assistance to be provided to drivers, the dissemination of essential information on traffic and other matters of concern to tourists, and emergency services including ambulance services.

TITLE V

SIMPLIFICATION OF FORMALITIES

Article 19

Simplification of formalities

1. The Contracting Parties agree to simplify the flow of goods by rail and road, whether bilateral or in transit.

2. The Contracting Parties agree to begin negotiations with a view to concluding an agreement on the facilitation of controls and formalities relating to the carriage of goods.

3. The Contracting Parties agree, to the extent necessary, to take joint action on, and to encourage, the adoption of further simplification measures.

Article 20

Customs cooperation

1. The Contracting Parties shall cooperate so as to bring the former Yugoslav Republic of Macedonia's customs legislation into line with that of the Community.

2. Cooperation shall, in particular, include the following:

- the exchange of information,
- the introduction of a single administrative document,

- the interconnection between Community transit systems and those of the former Yugoslav Republic of Macedonia,
- the organization of seminars and training courses.

The Community shall supply such technical assistance as is necessary.

TITLE VI

FINAL PROVISIONS

Article 21

Widening of the scope

If one of the Contracting Parties concludes, on the basis of experience in the application of this Agreement, that other measures which do not fall within the scope of the Agreement are in the interest of a coordinated European transport policy and, in particular, may help to solve the problem of transit traffic, it shall make suggestions in this respect to the other Contracting Party.

Article 22

Joint Transport Committee

The body responsible for cooperation shall be a Joint Transport Committee to be known as the 'Community/the former Yugoslav Republic of Macedonia's Transport Committee'. The Committee:

- shall be made up of representatives appointed by the Community and the former Yugoslav Republic of Macedonia,
- shall meet alternately in the Community or in the former Yugoslav Republic of Macedonia at least once a year and more frequently where necessary at the request of one of the Contracting Parties,
- shall establish its own rules of procedure,
- shall ensure the proper implementation of the Agreement and, in particular:
 - (a) shall draw up plans for cooperation on rail and combined transport, transport research and the environment;
 - (b) shall analyse the application of the decisions contained in this Agreement and shall recommend appropriate measures for any possible problems, in particular in accordance with Article 12 (3) and (4);

- (c) shall, in 1999, undertake an assessment of the situation as regards infrastructure improvement and the implications of free transit;
- (d) shall organize work on transport infrastructure, including the planning and implementation of investments and, where appropriate, their development, if necessary by setting up an *ad hoc* group of experts specifically responsible for this task;
- (e) shall resolve any disputes which may arise over the application and interpretation of this Agreement;
- (f) shall coordinate the monitoring, forecasting and other statistical work relating to international transport and in particular transit traffic;
- (g) shall coordinate transport research activities.

Article 23

Termination

This Agreement is concluded for a period ending on 31 December 2003. If neither of the Contracting Parties denounces it, with 12 months notice effective from the end of the following year, then the Agreement is automatically renewed for a period of 1 year.

Article 24

Annexes

The Annexes shall form an integral part of this Agreement.

Article 25

Languages

This Agreement is drawn up in duplicate in each of the official languages of the Contracting Parties, each of these texts being equally authentic.

Article 26

Entry into force

This Agreement shall be concluded in accordance with the Contracting Parties' own procedures. It shall enter into force as soon as the Contracting Parties have notified one another of the completion of the procedures necessary for that purpose.

ANNEX I

Joint Declaration

1. The Community and the former Yugoslav Republic of Macedonia take note that the levels of gaseous emissions and noise currently accepted in the Community for the purposes of heavy goods vehicle type-approval are as follows:

CO	HC	NO _x	Particles
4,9 g/Kwh	1,23 g/Kwh 0,4 g/Kwh	9,0 g/Kwh	0,7 g/Kwh < 85 g/Kwh

2. Council Directive 91/542/EEC sets the following levels, with effect from 1 October 1996, within the Community:

CO	HC	NO _x	Particles
4,0 g/Kwh	1,1 g/Kwh	7,0 g/Kwh	0,3/0,15 g/Kwh

3. The Community and the former Yugoslav Republic of Macedonia shall endeavour to reduce the COP values of emissions in future relying in doing so on the latest state of the art in environment-friendly motor vehicle and fuel composition technology.

ANNEX II

Joint Declaration

The Contracting Parties recognize the geographical position of the former Yugoslav Republic of Macedonia as a landlocked country and the importance of the flow of goods between the former Yugoslav Republic of Macedonia and sea ports, *inter alia* in the context of Articles 13 and 14 of the Interim Accord of 13 September 1995. They are therefore prepared to examine this issue in due course.

ANNEX III

Declaration concerning Article 2

The former Yugoslav Republic of Macedonia expressed its interest in opening, as soon as possible, negotiations on future cooperation in the field of air transport.

The Community took careful note of the interest expressed by the former Yugoslav Republic of Macedonia.