

STRATEGIC FRAMEWORK FOR EU-REPUBLIC OF MOLDOVA CUSTOMS COOPERATION

1. Introduction

The EU and the Republic of Moldova have a mutual interest in developing stable and fruitful political, economic and social relations for the benefit of citizens. As an integral part of the economic and trade dialogue, EU-Republic of Moldova customs cooperation is important in ensuring trade facilitation, the protection of citizens, and combating fraud.

The Partnership and Cooperation Agreement (PCA) with the Republic of Moldova has been in force since 1998. In the context of the PCA, an Action Plan has been established which represents a comprehensive and solid basis for enhancing the Republic of Moldova's relations with the EU, and for advancing the political and economic reform process in the Republic of Moldova.

The EU Border Assistance Mission (EUBAM) has provided valuable assistance to foster a common understanding on border management and customs issues.

The Republic of Moldova has made good progress in reforms in most of the areas contained in the Action Plan of the PCA. Negotiations on a new EU-Republic of Moldova Association Agreement have been launched and are progressing well as the customs cooperation chapter has been provisionally closed. The next step would be the opening of the negotiations on customs and trade facilitation chapter for the future Deep and Comprehensive Free Trade Area part of the Agreement.

While current customs cooperation has progressed at a good pace, there is scope for stepping up our customs dialogue, and a more structured approach to customs cooperation might be considered, insofar as it is of benefit to both parties. In view of the mutual interest of the EU and the Republic of Moldova in economic integration, customs modernisation and convergence in line with international standards, a "Strategic Framework for Customs Cooperation" may be built on the basis of three broad priorities:

2. Cooperation priorities

a) Safe and fluid trade lanes

The aim is to achieve maximum trade facilitation on the basis of operator reliability and compliance, with customs acting as links in the supply chain. The focus is on introducing modern, faster procedures and appropriate IT technologies and other infrastructures along the trade lanes (in line with the WCO SAFE Framework) to secure and facilitate trade, which includes reducing administrative burdens and costs linked to customs procedures for traders, and on fostering cooperation between border agencies.

b) Risk management and fight against fraud

The aim is to develop strong risk management to more effectively detect and address the main types of illegitimate trade, including fiscal fraud and safety risks. Cooperation on risk management, including on exchanges of information, may contribute to the improvement of risk management and, thereby, to added value in terms of security and safety, IPR enforcement, combating fraud and facilitating trade.

c) Investment in customs modernisation

The aim is to achieve close convergence of legislation and procedures in line with the strategic objectives of the Association Agreement, and to strengthen the dialogue on rule-making and implementation. In particular, this should foster the improvement and streamlining of customs procedures, the development of fully-fledged risk management systems, the coordination between border authorities and should promote integrity. It also includes capacity building in support of the reform strategy and border management, border infrastructure coordinated on both sides of the border. The preparation of the Republic of Moldova for accession to the EC-EFTA Conventions on a common transit procedure and on the simplification of formalities in trade in goods may play a catalyst role in this respect.

3. Specific objectives for 2011-2014

a) Safe and fluid trade lanes

- Coordination among border authorities: implementation of the "Eastern Partnership" initiative in this field, including improved operational cooperation between the customs authorities and other border agencies of the Republic of Moldova and Romania, as well as the possible implementation of joint controls at border posts in line with EU legislation.

b) Risk management and fight against fraud

- Development of risk management: risk management based on electronic data and processing is indispensable in achieving higher levels of protection and trade facilitation, as it will allow for more streamlined and better targeted controls. Exchanges of good practices are particularly important.
- Exchanges of advance customs information can also be considered, insofar as they may contribute to improve risk management and the working of customs, in terms of providing trade facilitation and of enhancing the efficiency and effectiveness of customs controls. Confidentiality and protection of personal data will be ensured.
- Fight against fraud: a dialogue on the fight against fraud will be established in order to achieve a better understanding of the challenges, which may include means of enforcing customs value and preventing/intercepting illegal trade, including in excisable products, and devise appropriate responses, which may include exchanges of experience and information as well as possible joint actions.

c) Investment in customs modernisation

- Convergence of legislation and procedures: the dialogue on rule-making and implementation can be strengthened, including actions to promote integrity.
- Improvement of transit: this involves preparations for the Republic of Moldova's accession to the Common Transit Convention, which will increase trade facilitation between the EU and the Republic of Moldova.
- Exchange of good practices and benchmarking with regard to procedures, technologies, infrastructure, training and capacity building. Exploring further possibilities of EU support

for developing modern border infrastructure within the scope of existing financial instruments.

- Participation in specific activities of the Customs 2013 programme on an *ad hoc* basis.

4. Implementation

Desired measurable outcomes by action and achievement indicators will need to be defined. The implementation and evaluation of the Strategic Framework will be regularly monitored, including in the Sub-Committee responsible for customs cooperation matters. A Working Group composed of representatives from the Republic of Moldova and the European Union will see to the implementation of the specific objectives and activities under the Framework, establish appropriate work programmes or roadmaps and organise monitoring and evaluation mechanisms.