

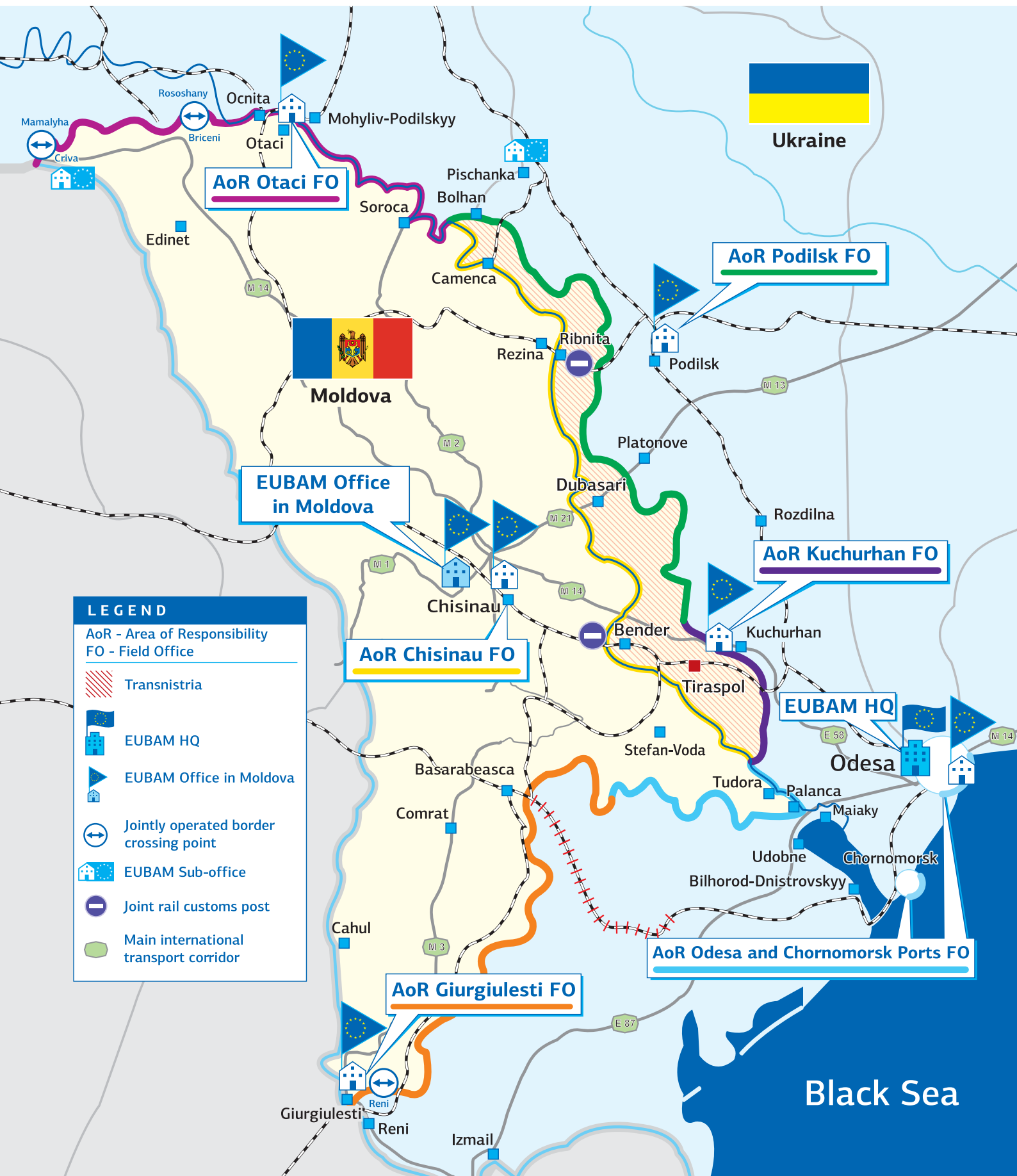
**EUROPEAN UNION
BORDER ASSISTANCE MISSION
TO MOLDOVA AND UKRAINE**



ANNUAL REPORT

1 DECEMBER 2015 - 30 NOVEMBER 2016

EUBAM AREA OF OPERATIONS



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FOREWORD FROM THE HEAD OF MISSION



It is my pleasure and honour once again to add a foreword to this report, alongside the top management of our key national partners, the respective Border and Customs Services of Ukraine and Moldova. Our enduring relationship of trust and co-operation with these Services is the bedrock of our shared achievements highlighted in this year's annual report.

A centre-piece of EUBAM's work in 2016 was to complete, with our partner services, a major evaluation of the performance of Ukraine and Moldova to match Integrated Border Management (IBM) practices and to align them with EU standards, as set out in their Association Agreements and related Deep and Comprehensive Free Trade Areas (DCFTAs). Both Ukraine and Moldova emerged well from these evaluations. The specific recommendations, flowing from the evaluation findings, will inform the future development of the Services and also EUBAM's own assistance.

Within the overall search to reach a lasting and peaceful settlement to the Transnistria conflict, EUBAM's contribution towards finding technical solutions to enhance co-operation between Chisinau and Tiraspol delivered mixed results. This was somewhat disappointing considering the resumption of the international "5 + 2" format talks, the regular "1 + 1" meetings of political representatives, and EUBAM's intensive participation in Expert (Working) Group meetings, covering road and rail transport, Customs and law enforcement, convened within the "5 + 2" format.

Within EUBAM's mandate, on the upside, agreement was reached on reducing the travel time of the passenger train between Odesa and Chisinau, also benefitting passengers in Transnistria; in alleviating the consequences of the EU's "prohibition of duty drawback" rule; in engaging Tiraspol on phytosanitary arrangements consistent with the EU-Moldova DCFTA; and in developing mutual Customs co-operation. On the downside, agreement was not concluded to allow vehicles with Transnistrian number plates to partake in international traffic nor on Transnistria's engagement in the ongoing development of the new joint border crossing point at Kurchurhan-Pervomaisc. EUBAM remains a valuable reference point for the EU and international partners on economic monitoring and analysis of developments and opportunities in Transnistria.

By year-end, a broad consensus had been reached between the EU and EUBAM's two host Governments on the Mission's future role and shape, in the event that the European Commission decides to extend EUBAM's mandate beyond the end of its current mandate on 30 November 2017. The essence of EUBAM's future work, with reduced resources and framed by its mandated area of operations, would be three-fold: a sharper focus on Transnistria-related issues, tighter implementation of Integrated Border Management principles and Association Agreement provisions, and galvanising cross-border and international co-operation including to combat criminality. EUBAM's operational leitmotif will be "focused, flexible, mobile and adaptable".

EUBAM looks forward with enthusiasm and confidence in contributing towards stability, prosperity and good governance in this dynamic region.



Andrew Tesoriere
Head of EUBAM



THE YEAR IN ACHIEVEMENTS

December 2015 • Boosting Trade



EUBAM organised a workshop for Customs Officers on Rules of Origin in preparation for the EU-Ukraine DCFTA which began on January 2016. The Mission aided the smooth implementation of the EU's DCFTAs with Moldova and Ukraine by advising on the issuance of EUR.1 certificates.

January 2016 • Stronger Borders



Ukraine's Concept on Integrated Border Management came into force on 1 January 2016. EUBAM's field offices have advised on its implementation at the border.

April 2016 • Sea Border Security



EUBAM and Ukraine's State Border Guard Service organised the Black Sea – Baltic Sea Border and Coast Guard Conference in Odesa. Joint protection of maritime borders, the introduction of joint risk analysis mechanisms and information exchange were discussed among high level participants of nine countries.

May 2016 • Closer to Europe



EUBAM celebrated Europe Day throughout its area of operations. Information stands, photo exhibitions and competitions, as well as school presentations were held in seven locations.

August 2016 • Neighbourly Co-operation



EUBAM renewed its partnership agreement with Romania's National Agency for Fiscal Administration. The agreement provides for enhanced information exchange and joint exercises.

September 2016 • Handover of Analysis



EUBAM began steps to handover full responsibility for the drafting and compilation of its flagship analysis document, the Common Border Security Assessment Report to the partner services.

February 2016 • Operational Mobility



Mixed mobile units consisting of Moldova's Border Police and Customs Service became operational. Joint operations were conducted throughout the year. EUBAM contributed to the units' training.

March 2016 • Connection with Citizens



A new mobile friendly website on crossing the Moldovan border was launched by EUBAM and its Moldovan partner services. [frontiera.gov.md](http://www.frontiera.gov.md) provides travellers with information on the required documents, Customs allowances, vehicle regulations, and hotline numbers.

June 2016 • Tackling Organised Crime



Upon EUBAM's recommendation, Ukraine established an inter-agency specialized centre to fight smuggling and Customs fraud.

July 2016 • Protecting Patents and Brands



Moldova's Customs Code was amended to introduce a fine of between 10-20% of the value of any goods infringing on Intellectual Property Rights (IPR). EUBAM supported the drafting of the amendment.

October 2016 • Better Ethics



Moldova's Customs Service's new Code of Ethics and Conduct entered into force. EUBAM helped to formulate the new Code and printed 1800 copies for Customs Officers.

November 2016 • Public Health



A joint workshop on plant health import controls for phytosanitary and Customs specialists from both sides of the Dniester River was delivered by EUBAM in Chisinau. It is only the second time in EUBAM's history that the sides have agreed to jointly share experiences.

FOREWORDS FROM THE PARTNER SERVICES

The Border Police Department of the Ministry of Internal Affairs of the Republic of Moldova



The challenges to international security that the world has had to face in the last years have shaped border management and confirmed the importance of constantly developing and adjusting it in accordance with changing threats and risks.

Having recently assumed the leadership of the Border Police Department, I would like to start by paying tribute to my predecessors who devoted sustained efforts to modernize the institution and transform it into the European border agency it is today.

Over 2016, the Border Police of Moldova continued to improve integrated border management at all levels and EUBAM has been a reliable partner in this process. Most of the joint activities emanated from the priorities of the National Strategy on Integrated State Border Management for 2015-2017, which is being successfully implemented.

The Eastern Partnership's IBM Panel has been an effective platform to advance initiatives on ensuring capacity building at the Moldova-Ukraine border. In this context, EUBAM assistance was valuable in promoting the project concepts designed to improve infrastructure and control mechanisms at the common border. Moreover, development of joint control and joint patrolling, along with the relevant legal framework streamlined our co-operation with Ukrainian counterparts and resulted in tangible outcomes.

Furthermore, EUBAM's expertise usefully built the capacity of the Joint Mobile Teams with the Customs Service of Moldova, which apart from producing positive operational results also brought our co-operation to a new level.

Among other priorities, upgrading the risk analysis system has been on the agenda. EUBAM experts provided relevant input in improving the quality of human resources and tools used in risk analysis and management.

We appreciate that EUBAM has assisted the Border Police in its path toward maturity. Based on the best practices acquired over the years, today the Border Police is able to carry out activities with our own resources and to ensure sustainability of the processes that have been launched.



Fredolin Lecari

Head of the Border Police Department of the Ministry of Internal Affairs of the Republic of Moldova

The State Border Guard Service of Ukraine



In 2016 the State Border Guard Service of Ukraine with the active support of the European Union Border Assistance Mission to Moldova and Ukraine continued co-operation, strengthening mutual trust and increasing the effectiveness of Ukraine-Moldova border surveillance.

Utilising the experience of our European partners, we have developed and started the implementation of strategic documents on further reform of the border agency. In our development we take into account the new threats to border security, associated first of all with the aggressive policy of the Russian Federation.

The goals set for the Border Guards in the EU-Ukraine Visa Liberalisation Action Plan were reached in full, with the majority of border crossing points already equipped with modern systems for biometric control. Besides this, priority border crossing points have been connected to the Interpol database, including four located at the Ukraine-Moldova border. This has helped to increase the quality of information concerning wanted people and vehicles.

Special attention was given to the further development of international co-operation in the field of border security. The number of joint actions focused on counteracting illegal migration, trafficking of arms, ammunition, means of terror and goods was increased. As a result, several criminal schemes connected primarily with drug trafficking and cigarette and alcohol smuggling were stopped. The co-ordinated work of operative detachments made the detection of seventeen canvases by famous Renaissance artists, worth an estimated €15 million, possible. These were stolen by criminals from a museum in Verona in 2015.

The practice of joint patrolling and the work to increase the network of jointly operated border crossing points continued. The European Commission agreed to financially support the proposal, developed with EUBAM's help, on establishing the joint control at Kuchurhan-Pervomaisc border crossing point, as well as on automatic information exchange on people and vehicles crossing the common border.

The border agencies of Ukraine and the Republic of Moldova also continued their work on the creation of a joint information-analytical model of risk and criminal analysis. Co-operation with the Mission's experts was also continued in a highly professional manner.

We are grateful to the Mission for its comprehensive support in strengthening the Ukraine-Moldova border and for its assistance in the reforms and development of Ukraine's State Border Guard Service.



Victor Nazarenko

Chairman of the State Border Guard Service of Ukraine

The Customs Service of the Republic of Moldova



In 2016 the Customs Service of the Republic of Moldova marked its 25th anniversary. Out of the quarter of a century of the Moldovan Customs work, for eleven of those years we have developed our co-operation with EUBAM. During the past year our joint efforts led to significant results in introducing European standards in the Customs work of the Republic of Moldova. Indeed, special attention was given to the strategic Customs issues requiring alignment with the provisions of the EU-Moldova Association Agreement.

This relates to the development of the legal basis, introduction of simplified clearance procedures, modernisation of information technology, provision of border security, strengthening of our anti-corruption component and other directions of our work.

In the framework of the working group under the management of the Ministry of Finance the draft of the new Customs Code is being developed in line with the provisions of the Union Customs Code. We count on the further support of the Mission in this complicated process. Together with the Mission we also have harmonized all necessary legislation and procedures related to Intellectual Property Rights with European standards.

Last year the structure of the Moldovan Customs bodies was optimized and the system of human resources motivation was reviewed. The Government of the Republic of Moldova approved a new Code of Ethics and Conduct for Customs Officers, developed with the support of EUBAM's experts. The introduction of this document, together with an associated methodological guide on its application, will help to achieve a qualitative level

of service for people and economic agents. In 2016 we extended the pilot project of unilateral recognition for Authorised Economic Operators (AEOs) of EU Member States at the Leuseni-Albita crossing point on the Moldova – Romania/EU external border. After approval of amendments to the legislation related to AEOs we will be able to start the dialogue about the mutual recognition of AEOs from Moldova and the EU.

In November 2016, the Customs Service of the Republic of Moldova signed a Memorandum with the UN Conference on Trade and Development to improve its Customs information system, based on the latest version and modules of the ASYCUDA World software. This will help us to introduce the New Computerized Transit System as well as the “Single Window” concept, in line with the commitments framed by the EU-Moldova Association Agreement.

The question of joint control at the Moldova-Ukraine border is one of the Service's biggest priorities. During 2016 a lot of work was done regarding the implementation of the project to construct a jointly operated border crossing point at Palanca. We will continue our efforts to successfully implement this important project. Next year we plan to start implementation of projects on the reconstruction of Pervomaisc-Kuchurhan and Giurgiurlesti-Reni border crossing points as jointly operated ones with Ukraine. Establishing joint control at the EU's external border is also a strategic priority for 2017 and we will continue to work with our Romanian colleagues in this direction.

With regard to law enforcement functions, the Mission supported the realization of the Strategy of Counteracting Smuggling and Illegal Movement of Tobacco Products for 2016-2018, as well as the development of risk analysis and trans-border co-operation.

One more priority for 2017 is to further the implementation of the EU-Moldova Association Agreement, taking into account the results of EUBAM's evaluation of border control and customs procedures at the Moldova-Ukraine border, in line with the revised EU Customs Blueprints. Obviously, last year's accomplishments of the Customs Service of the Republic of Moldova and its goals for the next year confirm the importance of the Mission's role in modernising Moldova's Customs according to European standards.



Vitalie Vrabie

*Director General of the Customs Service
of the Republic of Moldova*

The State Fiscal Service of Ukraine



Since its establishment EUBAM has played an important role in the processes related to the settlement of the Transnistrian conflict and has proved its effectiveness. In our opinion, EUBAM is an essential instrument of the European community in the region.

This year the budget of the Mission was reduced significantly, which affected its operations. Despite this, the Mission has continued its active work in a number of areas, namely:

- ▶ The introduction and widening of joint Customs and Border control at the Ukrainian-Moldovan border, including its central segment;
- ▶ Support in attracting European Union resources for infrastructure development and simplification of Customs procedures at border crossing points;
- ▶ Improvement of the system of information exchange on goods and vehicles;
- ▶ Conducting joint operations in counteracting cigarettes smuggling, including participation in the Frontex and OLAF “GRYPHON II” and “ROMOLUK II” operations; and
- ▶ Support and assistance in the professional development of Customs specialists.

There should be the following priorities for co-operation between the State Fiscal Service of Ukraine and EUBAM in the area of Customs for 2017:

- ▶ Monitoring of the border situation;
- ▶ Law enforcement;
- ▶ Development of infrastructure and improvement of Customs procedures; and
- ▶ Training.

I am sure that the tasks set, as well as the existing co-ordinated actions between the State Fiscal Service of Ukraine and EUBAM will be fully realized in 2017.



Roman Nasirov

Chairman of the State Fiscal Service of Ukraine



OUR INTERNATIONAL PARTNERS



Frontex remained one of the Mission's key partners. In addition to supporting Frontex's Joint Operations, EUBAM also co-ordinated information and activity plans on border and migration risks.

EUBAM liaised with the European Commission's Directorates for Neighbourhood and Enlargement Negotiations, Trade and Migration, and Home Affairs as well as the European External Action Service. The Mission worked particularly closely with the Commission's Directorate for Taxation and Customs Union on DCFTA implementation in Moldova and Ukraine. Co-operation was also developed with EU High Level Advisors on Customs and on Confidence Building Measures in Moldova, as well as IBM Twinning Projects in Ukraine.



EUBAM and OLAF collaborated on the drafting of Ukraine's national anti-illicit tobacco strategy, as well as proposals to close legal loopholes which facilitate smuggling. OLAF also actively participated in the Mission's Task Force Tobacco meetings.



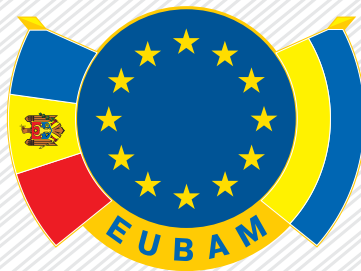
The combating of cigarette smuggling was the focus of co-operation with EUROPOL. The Mission also co-ordinated information and activities related to irregular migration and border risks.



Co-ordination between the EU's Advisory Mission for Civilian Security Sector Reform (EUAM) and EUBAM focused on human resources reforms and the development of strategic documents within Ukraine's State Border Guard Service.



IOM continued to serve not only as EUBAM's implementing authority, but also as an important partner in the realisation of Eastern Partnership-funded border management projects in the Mission's area of operations.



Broad co-operation between the United Nations and EUBAM was maintained on trade issues with UNECE, container security and Chemical, Biological, Radiological and Nuclear (CBRN) challenges with UNODC, and border infrastructure projects and confidence-building measures with UNDP.



The important partnership with the OSCE Mission to Moldova endured through the joint pursuit of confidence-building measures for the peaceful settlement of the Transnistria conflict, as well as the OSCE Mission's active participation in Advisory Board Meetings. EUBAM also developed its co-ordination with the OSCE's Special Monitoring Mission in Ukraine.



INTERPOL

Information sharing on smuggling and cross-border crime between EUBAM and Interpol was continued.



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

Co-operation with the World Customs Organization centred on issues of trade standards and analysis through the Organization's Regional Intelligence Liaison Offices.



Information exchanges and operational co-ordination between SELEC and EUBAM on counteracting human trafficking, drug trafficking and smuggling took place throughout the year.

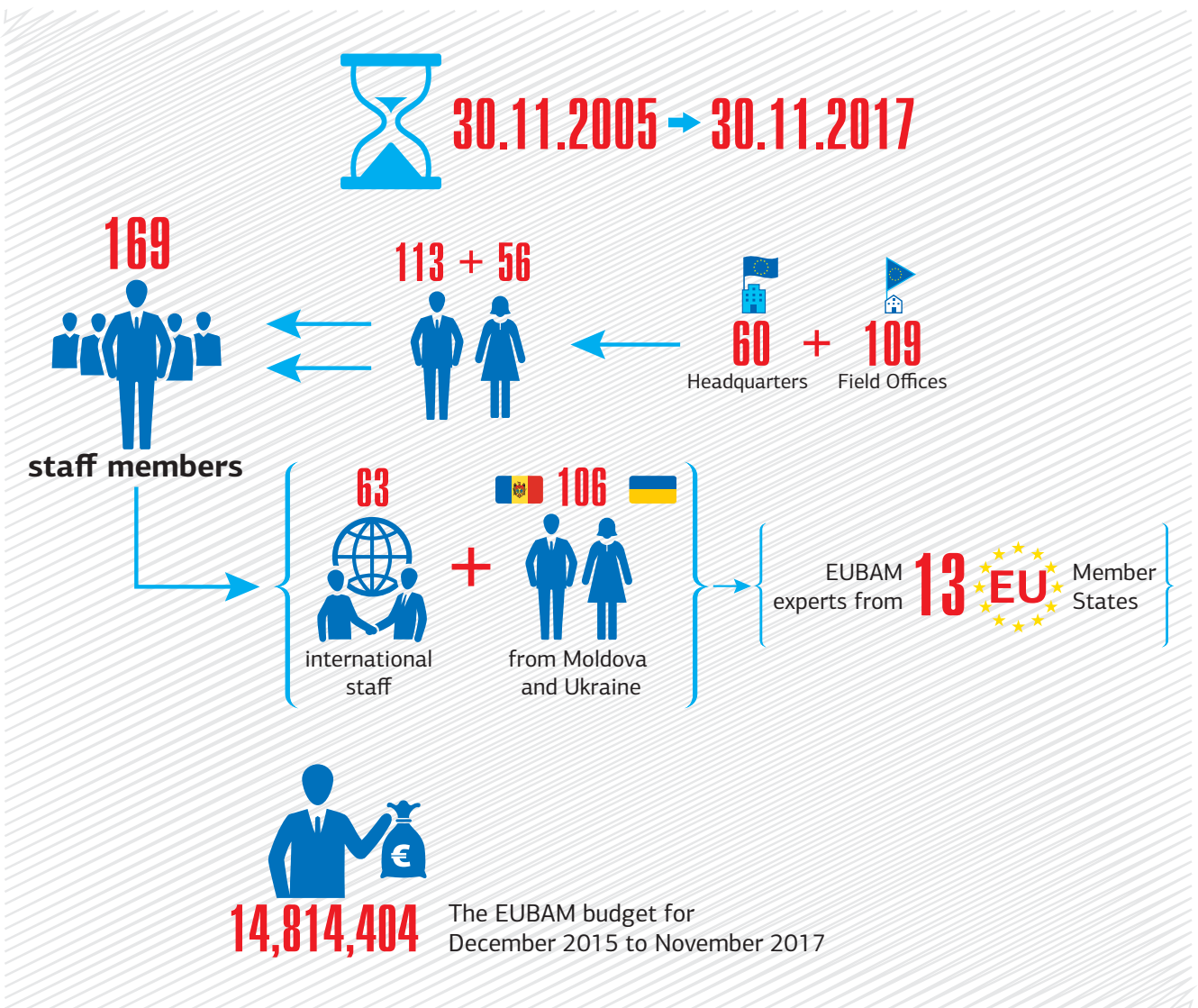
EUBAM TODAY

The European Union Border Assistance Mission to Moldova and Ukraine (EUBAM) was launched in 2005 to promote border control, customs and trade norms and practices that meet European Union standards, and serve the needs of its two partner countries. It is an advisory, technical Mission headquartered in Odesa (Ukraine) with six field offices in its area of operation. EUBAM activities promote economic development and enhance regional security. The Mission contributes to cross-border co-operation and confidence-building, and helps to improve efficiency, transparency and security along the Moldova-Ukraine border.

The Mission's aims are to:

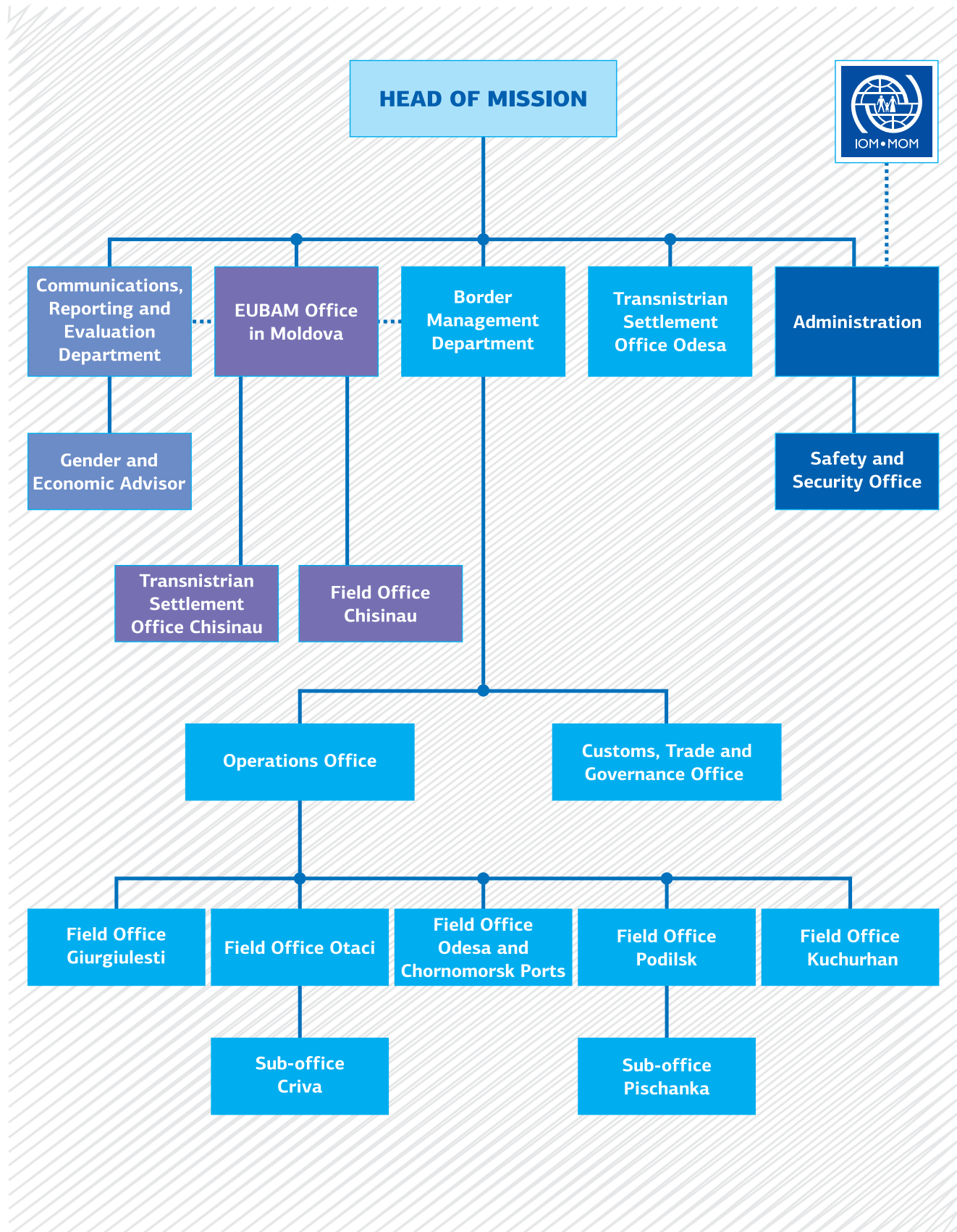
- ▶ Work with the authorities in Moldova and Ukraine to harmonise their border control, and customs and trade standards and procedures with the EU's Schengen Code, Union Customs Code and Revised Customs Blueprints;
- ▶ Improve cross-border co-operation between the border guard and customs agencies and with other law enforcement bodies, and facilitate international co-ordinated co-operation;
- ▶ Assist its partners in the implementation of the EU-Moldova and EU-Ukraine Association Agreements and the related Deep and Comprehensive Free Trade Areas;
- ▶ Contribute to the peaceful settlement of the Transnistrian conflict through confidence-building measures and a monitoring presence at the Transnistrian segment of the Moldova-Ukraine border.

EUBAM in numbers



EUBAM STRUCTURE

Structure of the Mission,
December 2016 – November 2017



THE ADVISORY BOARD



The Advisory Board is the governing body of EUBAM. For the start of the Mission's Phase 11, chairmanship of the Board passed to the Head of the EU Delegation to the Republic of Moldova. Its other members represent the Ministry of Foreign Affairs and European Integration of the Republic of Moldova, the Ministry of Foreign Affairs of Ukraine, border and customs authorities of both countries, the European External Action Service, the European Commission, the EU Delegation to Ukraine, as well as the International Organization for Migration (IOM) and the Organization for Security and Co-operation in Europe (OSCE). A number of other entities participated as observers in the meetings, including the Ministries of Internal Affairs, Food Safety Agencies, State Veterinary and Phytosanitary Services of both countries, Moldova's Bureau for Migration and Asylum, its Bureau of Reintegration, the Information and Security Service of Moldova, the Security Service and National Security and Defence Council of Ukraine, as well as the United Nations Development Programme (UNDP) and the EU Advisory Mission to Ukraine.

The Advisory Board met twice in 2016 under the chairmanship of the Head of the EU Delegation to the Republic of Moldova, Ambassador Pirkka Tapiola. At the first meeting in May in Odesa, the Board reviewed the

progress made in implementing the two agreements signed in 2015 between Moldova and Ukraine establishing joint control at the Kuchurhan-Pervomaisc border crossing point, and in the creation of a system for automated exchange of traveller information. The Board also sought fresh opportunities for confidence building measures on Transnistria.

The second meeting was held in November in Chisinau, at which EUBAM's future operations beyond its current mandate was discussed. The Board agreed to refocus EUBAM into a more flexible and mobile mission for deployment beyond 30 November 2017, with an emphasis on contributing to the settlement of the Transnistria conflict, combatting cross border crime and supporting the application of IBM practices. The Mission's joint evaluations were presented and acknowledged by Board members as being valuable indicators of progress made by partner services in the implementation of IBM practices and Customs reforms.

2016 also saw the introduction of two restricted format Advisory Board Meetings between the principal members. Held in January and October 2016, the smaller and less formal meetings served as opportunities for more free-flowing dialogue.

EFFECTIVELY MANAGING BORDERS



With Ukraine's Concept on Integrated Border Management effective since 1 January 2016, both host countries now have a solid strategic base for the integrated management of their borders. The importance of Moldova's strategy, approved in 2015, was underscored by the Minister of Internal Affairs' chairmanship of the National Council for Integrated Border Management. The Council includes relevant government agencies, civil society representatives as well as EUBAM.

EUBAM's border management activities for Phase 11 have focused on verifying and rectifying the Border controls and Customs procedures that the Mission spent the preceding ten years building up. An overriding emphasis has been to ensure that the partner services fully own and sustain the practices introduced with the Mission's support. EUBAM's Field Offices continued to exert significant efforts at border crossing points and along the green border to ensure IBM practices are deeply rooted.

Identifying gaps

Within this operational context, EUBAM worked alongside partner services to gauge the achievements made by all four partner services as well as to identify the remaining gaps still to be addressed. This was done through a comprehensive, meticulous and grounded evaluation process (EVAL 2016). EUBAM planned and conducted

the evaluations jointly with Moldova's Border Police and Customs Service, and with Ukraine's State Border Guard Service and State Fiscal Service, a tactic designed to empower the partner services to independently conduct similar exercises in the future.

The evaluations of Moldova's Border Police and Ukraine's State Border Guard Service focused on border control procedures, legislative and institutional frameworks, infrastructure and equipment, human resources and border surveillance. Practices were assessed against EU standards contained in the Schengen Borders Code, the Schengen Catalogue on External Borders Control, Returns and Readmission, and the EU Guidelines for Integrated Border Management.

In Moldova, the evaluation found that border procedures were generally well-regulated and consistent at all border crossing points, although resource limitations too often affected the uniform implementation of second-line procedures. Co-ordination with other border agencies was a theme throughout the report, and tighter inter-agency co-operation could result in reduced border-crossing times, better functionality of one-stop controls and more effectiveness of mobile patrols. The evaluation also encouraged the Border Police to continue its ongoing implementation of modern border surveillance methods, focused on mobility, in-depth control, joint risk analysis and intelligence-driven operations.



In Ukraine, border procedures were found to be well-regulated and consistent at all border crossing points, with border-crossing times acceptable. Border surveillance regulations and practice was also assessed as approximating to EU standards, whilst the evaluation observed a much-welcomed nascent trend towards devolution of authority. Inter-agency co-operation was recommended to be strengthened, which, as in Moldova, could benefit risk analysis efficiency, mobile patrol operations and one-stop controls.

The evaluation of Customs practices and procedures took place during a period of intense reforms for both Moldova's Customs Services and Ukraine's State Fiscal Service. Moldova's Customs Code was in the process of being redrafted, and structural reforms to the Service saw the number of Customs Houses reduced. In Ukraine, the introduction of the DCFTA on 1 January 2016 resulted in amendments to the Customs Code and new procedures to be implemented by Customs Officers at the border. The evaluation's criteria was based on the standards set within the EU's revised Customs Blueprints, and covered legislation, Customs border controls, procedures, trade facilitation, investigations and enforcement as well as human resources management and Customs ethics.

In Moldova, a clear commitment to approximate practices with EU standards was observed, whilst clearance procedures were found to be built around modern automated and electronic techniques with the application of risk-analysis and selectivity at their core. Speed of Customs declaration processing and anti-corruption safeguards were also found to have improved with the introduction of e-declarations. It was recommended that consistency in the application of procedures at border crossing points required continued attention, and more extensive inter-agency co-operation was encouraged.

In Ukraine, Customs controls were found to be in place and functional along the whole Ukraine-Moldova border, and the recent introduction of State Fiscal Service mobile units was seen as an encouraging step. Trade facilitation improvements, including the introduction of a national Single Window system, were positively noted. In their joint recommendations, EUBAM and the State Fiscal Service agreed to strengthen practical inter-agency co-operation and to increase the pace and clarity of local implementation of reforms.



EUBAM's Field Offices

The Mission's network of six field offices and two sub-offices covers the entire 1,222km of the Moldova-Ukraine border from Criva-Mamalyha in the north to Reni-Giurgiulesti in the south, as well as the seaports of Odesa and Chornomorsk. Staffed with Border and Customs experts from EU Member States, they interact with partner services on a daily basis, observing their

work at the border, identifying nascent security trends, and providing on-the-job advice and support where it is needed the most. Field observations inform the Mission's policy-level engagement in both countries on Customs reforms, anti-smuggling efforts and IBM procedures.

Realising inter-agency co-operation

Mixed mobile units, consisting of Moldova's Border Police and Customs Service became operational in February 2016. With EUBAM advice, their regulatory framework was successfully implemented, in accordance with the National Strategy on Integrated State Border Management for 2015-2017. The Mission supported the development of standard operating procedures for the planning and operation of the mixed mobile units' activities, whilst EUBAM Field Offices also advised on operational planning. Since the Units' introduction, additional co-operation plans have been finalised with the National Police Inspectorate and the Carabinieri.

Facilitating equipment and infrastructure upgrades

Upgrades of equipment and infrastructure have provided much-needed supplements to the procedural reforms and new initiatives supported by EUBAM. The EU's Eastern Partnership Integrated Border Management Flagship Initiative has agreed to finance several upgrades within the Mission's area of operations, including for the establishment of jointly operated border crossing points at Palanca, Reni-Giurgiulesti and Kuchurhan-Pervomaisc, as well as equipment for the introduction of Contact Points and automated exchange of traveller information. With strong competition for Eastern Partnership funding, EUBAM's experts worked with the partner services to ensure new funding proposals were co-ordinated and technically coherent. After funding was approved, the Mission advised the EU Delegations to Ukraine and Moldova, as well as implementing partners such as UNDP and the International Organization for Migration, on implementation modalities.





FACILITATING TRADE

EUBAM's interaction with both Customs Services centred on the implementation of their DCFTAs with the EU. The DCFTAs are part of the Association Agreements between the EU and the Republic of Moldova and the EU and Ukraine. They offer both countries a framework for modernising their trade relations and economic development by the opening of markets via the progressive removal of customs tariffs and quotas, and by an extensive harmonisation of laws, norms and regulations in various trade-related sectors to EU standards.

The EU-Ukraine DCFTA came into force on 1 January 2016, whilst the EU-Moldova DCFTA, which had been provisionally applied since 1 September 2014, fully entered into force on 1 July 2016. EUBAM worked with the European Commission's Directorate for Taxation and Customs Union to advise both countries on their application.

Ensuring a smooth introduction of the DCFTAs

Support for transitional arrangements to the EU-Ukraine DCFTA was a critical area of the Mission's engagement in 2016. The joint efforts of the Mission, Ukraine's State Fiscal Service and the European Commission successfully overcame the practical challenges concerning trade operations commenced under the autonomous trade measures but finalized within the DCFTA. These efforts started in December 2015 with a joint EUBAM-State Fiscal Service workshop on DCFTA rules of origin for Odesa region Customs Officers and continued throughout 2016 with commentaries to draft State Fiscal Service regulations, as well as practical advice at border crossing points to Customs Officers from EUBAM's Field Offices.

The Mission also helped to ensure preferential trade flows under the EU-Ukraine DCFTA regarding the issuance of EUR.1 certificates for Ukrainian exports to the EU and preferential treatment of EU goods imported to Ukraine. With EUBAM's support, Ukraine's State Fiscal Service

Enabling Preferential Trade: EUR.1 Certificates

An EUR.1 certificate enables importers to use lower or zero rates of duties foreseen in preferential trade arrangements between the EU and specific third country/countries, or EU preferential trade arrangements with third countries.



elaborated and disseminated instructions to Customs Officers and made other relevant information and explanatory notes available for operators. Nearly 48,000 EUR.1 certificates were issued and 112 exporters approved to declare origin on export commercial documents. Based on the Mission's advice, the State Fiscal Service also approved exporters to self-certify origin for preferential treatment of Ukrainian goods import into the EU, and contributed to instructions disseminated to Customs Officers and economic operators on the DCFTA provisions to ensure their coherent and informed application.

Support to the application of the EU-Moldova DCFTA focused on fine-tuning and revising existing legal provisions. The Mission assisted Moldova's Customs Service in regulating the application of the "no-drawback" rule in the Origin Protocol of the DCFTA and other preferential agreements. The rule obliges the exporting country to collect customs duties after inward processing if, for the goods concerned, a proof of origin is issued for benefiting from preferential treatment in the importing country.

The Mission also advised Moldova's Customs Service in the drafting of amendments to national regulations regarding the issuance of preferential certificates of origin following Moldova's accession to the PEM Convention on Preferential Rules of Origin, the alignment of Moldova's free trade agreements with preferential partners of the PEM zone (the EU, CEFTA countries and Turkey) and the application of diagonal cumulation of origin. To ensure the provisions' effective implementation, the Mission organised a workshop for Customs Officers on PEM rules of origin and supplemented this with briefing papers based on EU guidance.



Single Window: Facilitating Efficient Trade

A Single Window system enables cross-border economic operators to submit regulatory documents at a single location and to a single entity. These include customs declarations, applications for import/export permits, and other supporting documents such as certificates of origin, as well as sanitary, epidemiological, veterinary, phytosanitary, ecological and radiological certificates. Single Window systems are built upon structured exchange of data between several border agencies. They not only allow more efficient use of border agencies' resources, but also facilitate faster clearance and release times. The improved transparency and increased predictability stemming from Single Window systems can also reduce the potential for corrupt behaviour from both the public and private sector.

Establishing a nationwide Single Window system in Ukraine

A Single Window system was launched in Ukraine on 1 August 2016. The Mission worked with partners to shape its implementation. In October, EUBAM co-organised an international seminar on Trade Facilitation and the Single Window jointly with UNECE and the Government of Ukraine. The European Commission, World Customs Organization, Ukraine's State Fiscal Service, its Ministry of Economic Development and Trade, Ministry of Infrastructure, Ministry of Agriculture and the business community discussed the Single Window concept, its step-by-step establishment, pilot projects and data harmonization. The meeting recommended that the State Fiscal Service identify barriers concerning logistic operations preceding availability of the goods for control performed by both Customs and control agencies. The implementation of a Single Window model which assumes pilotage and steps of implementation was also proposed, as was the need to ensure that the data harmonization model includes recognition of the economic operator by all agencies involved in the Single Window.

Improving supply chain security

The introduction and refinement of Authorised Economic Operators (AEOs) in both Moldova and Ukraine remained in the Mission's focus. Moldova introduced AEOs in 2014, and since then 100 AEO certificates have been issued, a disproportionately large number, due in part to the self-assessment questionnaire and pre-audit of applicants not being performed according to standardised EU AEO guidelines. This also put the country's objective of achieving mutual recognition of AEOs between the EU and Moldova at risk.



Authorised Economic Operators

The Authorised Economic Operator (AEO) concept is based on the Customs-to-Business partnership introduced by the World Customs Organization (WCO). Started in response to the 9/11 attacks, the AEO concept enhances supply chain security and facilitates legitimate cross-border trade. Economic operators who voluntarily meet a wide range of criteria work in close co-operation with customs authorities to ensure the common objective of supply chain security and are entitled to enjoy benefits throughout the EU. These include fewer physical and document-based controls, as well as prior notification in case cargoes are selected for physical controls. The EU established its AEO concept in 2008.

Throughout the summer, the Mission worked with Moldova's Customs Service to refine the granting and controlling of AEO status. Interviews and surveys amongst AEO certificate holders were initiated to gather their expectations and challenges faced. Amendments to Moldova's Customs Code were drafted with the Mission's advice related to AEO certification and include a new type of authorisation and additional criteria for AEO status to be granted, as well as rescinded. They came into force on 1 January 2017, and will further Moldova's intention to seek mutual AEO recognition with EU Member States.

In Ukraine, the establishment of the AEO concept moved closer following the tabling of draft legislation in July 2016. This is currently under review by the Parliament's Tax & Customs Committee. In preparation for the concept's implementation, the Mission hosted a bilateral working meeting where Moldova's Customs Service shared their experiences of AEO introduction with their Ukrainian counterparts.

Preventing corruption

EUBAM's anti-corruption efforts focused on the development of institutionalised mechanisms. The Mission used the opportunity of amendments to the partner services' legal and normative documents to advocate for more robust anti-corruption provisions.

The Mission's culminated on 17 August 2016 with Government approval of the Moldova Customs Service's Code of Ethics and Conduct. The new Code is adjusted to international standards of integrity and outlines the fundamental principles of ethics, mandatory norms of professional conduct and discipline in the Service. It entered into force on 28 October and its implementation will stimulate quality services based on organisational ethics and integrity as well as greater awareness by Customs Officers of their responsibilities. EUBAM also assisted in drafting the Code's Methodological Guide, intended for Customs Officers' use in their daily work.

Ensuring public-private dialogue on trade facilitation

In 2015 the Mission established a Trade Facilitation Working Group. Based in Odesa, it acts as a platform for communications and co-operation between Moldovan and Ukrainian Customs, national and provincial government agencies, business and key development partners including USAID, the American Chamber of Commerce, the European Business Association and the Odesa Business Forum.

The 3rd Annual Trade Facilitation Working Group Meeting took place in Odesa in November 2016 and focused on the implementation of international best practices and facilitation of Customs clearance. Members shared information and exchanged assessments on modern Customs instruments, gaps recognized in the implementation of the DCFTAs and possible solutions.



In late 2016, the Mission began steps to transfer the Trade Facilitation Working Group to Ukrainian ownership. The Secretariat of the Interagency Working Group on International Trade Facilitation and Logistics in Ukraine confirmed that during 2017 the Trade Facilitation Working Group will be integrated under the National Trade Facilitation Committee structure.

COMBATTING CROSS-BORDER CRIME



The Mission's flagship initiative on fighting against tobacco smuggling supported the strengthening of the operational capacities of the partner services in both countries, advising on closing legal loopholes and facilitating closer international law-enforcement co-operation. Efforts to protect against counterfeit and pirated goods were also undertaken, with advice on legal amendments as well as operational exercises to ensure violations of Intellectual Property Rights can be effectively detected, seized and prosecuted. EUBAM's Field Offices partnered their Moldovan and Ukrainian Border and Customs counterparts by participating in their daily patrols to detect cross-border smuggling, advising on risk-based controls of cargo and fostering inter-agency co-operation.

Fostering international co-operation to combat smuggling

EUBAM's Task Force Tobacco meetings continued to foster cross-border co-operation on cigarette smuggling. The latest meeting, on 26-27 October 2016, brought together experts from the law enforcement agencies of Ukraine, Moldova, Hungary, Poland, Romania, Slovakia and the UK, as well as large cigarette firms such as British American Tobacco, Japan Tobacco International, Imperial Tobacco and Philip Morris. Representatives of OLAF and SELEC were also in attendance. The latest findings on cigarette smuggling and cases involving large seizures of tobacco products originating from Moldova and Ukraine

were presented. Participants agreed to strengthen countermeasures against the smuggling of so-called "cheap white" cigarettes via Ukraine and Moldova to the EU. The Task Force meetings provide a unique platform for the partner services to directly develop operational contacts with their international counterparts without EUBAM acting as an intermediary.

On a practical level, the Mission co-operated with EU Member States, Ukraine's State Border Guard Service and SELEC on anti-smuggling operations. In July 2016, acting upon information passed by the Mission through SELEC, Turkish authorities seized over 60 million smuggled cigarettes during an operation on a Ukrainian-flagged dry cargo vessel passing through Istanbul's Bosphorus Strait. The vessel was on route from Famagusta Port to Ukraine's Skadovsk Port.

Strengthening anti-smuggling structures

The development of anti-illicit tobacco trade strategies has been strongly supported by the Mission over several years. This process came to fruition in Moldova in October 2015 with the approval of the Customs Service's Anti-Illicit Tobacco Trade Strategy. The Strategy was operationalised in February 2016 with the approval of an associated Action Plan, drafted in conjunction with EUBAM. Ukraine's Strategy is currently being formulated with the involvement of several government agencies, tobacco industry representatives and EUBAM.

In a series of encouraging steps, both countries appointed national anti-smuggling focal points following EUBAM advocacy. Ukraine established an inter-agency specialized centre to fight smuggling and customs fraud under the Ministry of Finance, which began its work in August 2016. In Moldova, the Mission welcomed the appointment of a National Co-ordinator for anti-smuggling activities during 2016, a position institutionalised through the 2015 Law on Integrated Border Management. Such incremental efforts have begun to show results. According to tobacco industry data, by November 2016 illicit cigarettes made up only 1% of Ukraine's domestic market, down from 5.6% in 2014, whilst the market share in Moldova was only 0.92%.

Closing smuggling loopholes

The use and misuse of Duty Free Shops for the illegal trade in cigarettes was a major focus of the Mission's experts. In the summer of 2016 EUBAM assessed Duty Free Shops' operations in Moldova. The findings underlined the danger that without sufficient control, Duty Free Shops have the potential to cause significant revenue loss to the Moldovan State budget, maladministration and unsecured movement of Duty Free goods inside the country.



EUBAM recommended targeted backdated Post Clearance Audits covering Duty Free Shops' tax free transactions, closer surveillance of their activities and amendments to Moldova's Customs Code. The proposals are being studied by the Ministry of Finance and Customs Service.

The potential misuse of Duty Free Shops in Transnistria was an ongoing issue of concern throughout the year. At the end of November 2015, Moldova's Licensing Chamber approved Duty Free Shops at three international and two interstate border crossing points. Between the end of November 2015 and 1 December 2016, 1.32 billion cigarettes were introduced into Transnistrian Duty Free Shops, with only 639.5 million registered as sold. The Mission monitored their operations and advocated for tighter regulation.

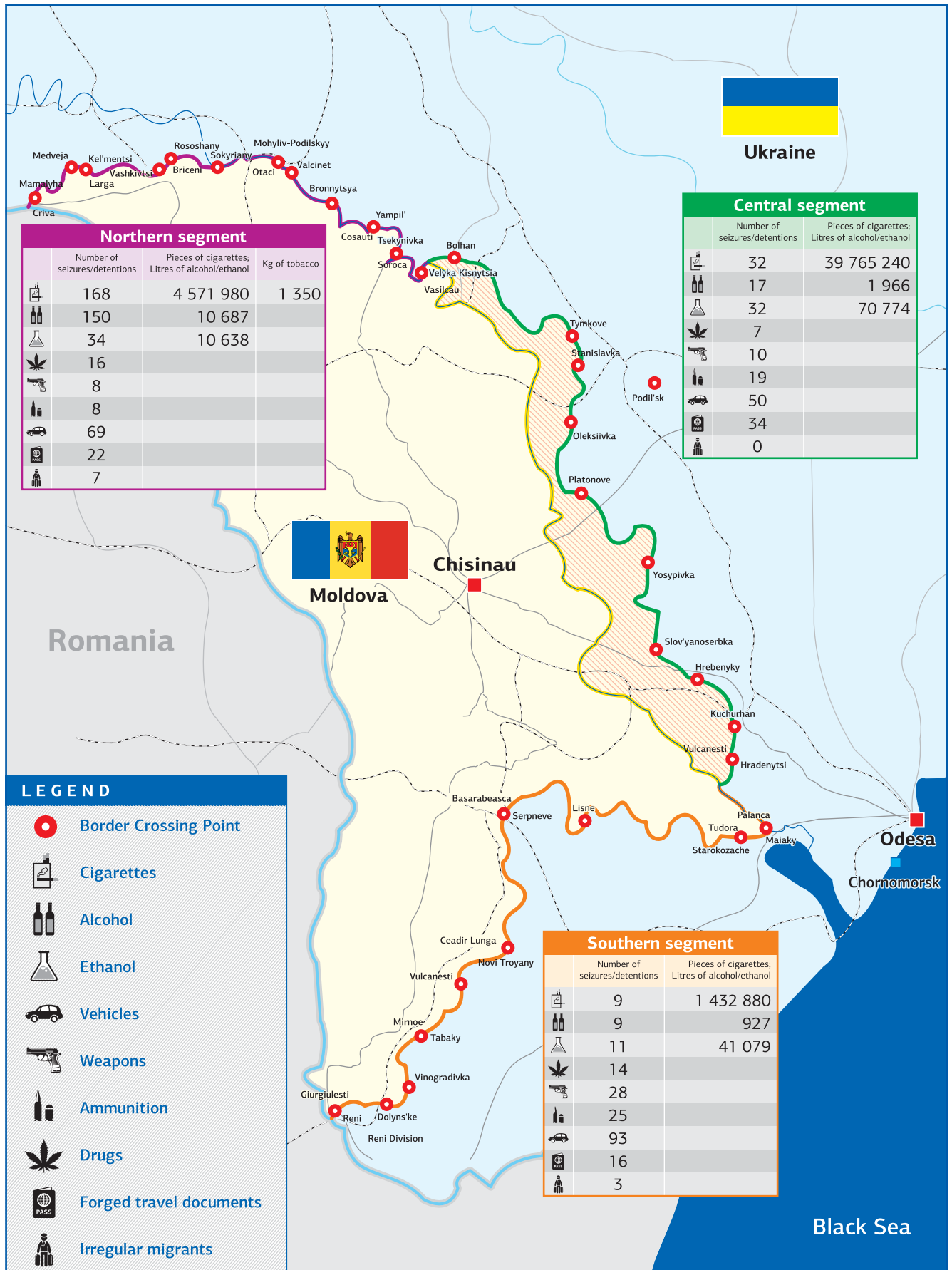
Reinvigorating operational exchanges around the Black Sea

In April 2016, EUBAM and Ukraine's State Border Guard Service initiated the Black Sea – Baltic Sea Border/Coast Guard Conference. High-level participants from littoral states including Ukraine, Turkey, Bulgaria, Georgia, Romania, Moldova, Germany, Poland and Latvia as well as EUBAM, FRONTEX, EUAM and IOM co-ordinated their approaches to counteract illegal migration, smuggling and drug trafficking. Participants agreed to explore the possibility to have a joint risk analysis mechanism in the Black Sea and to further co-ordinate actions and exchange of information in the Black and Baltic Seas format.

Analysing trends in cross-border crime

The Common Border Security Assessment Report (CBSAR) remained a significant and successful collaborative activity with all four partner services. Through systematic analysis, it provided monthly and annual assessments of the security situation on the common border to determine the general pattern of cross-border crime and irregular migration. In 2016 the report identified that cigarette and alcohol smuggling and illegal border crossing remained key challenges, especially at the Transnistrian segment. In line with Mission's policy to increasingly transfer responsibilities to its partners, EUBAM initiated discussions on a new CBSAR protocol that will ensure the report is sustained through the full ownership of the partner services.

Seizures/Detentions at the Moldova-Ukraine Border in December 2015 - November 2016



Protecting Intellectual Property Rights

The legal and operational protection of Intellectual Property Rights (IPR) assumed greater significance following the start of the EU-Ukraine DCFTA in January 2016, and the full introduction of the EU-Moldova DCFTA from July 2016. In 2015, Moldova's Customs Service seized over 66,000 counterfeit goods worth over €1,514,000, whilst Odesa Customs House also seized over 31,000 items, including mobile phones, cosmetics and hygiene products.

An amendment to Moldova's Customs Code entered into force on 1 July 2016 that introduced a fine of between 10-20% of the value of any goods infringing IPR for which economic operators submitted an insufficient or incorrect customs declaration. This is the first IPR-specific fine in Moldovan legislation. EUBAM supported its drafting. This was followed in August 2016 by a new Customs Regulation which aligns Moldova's IPR enforcement with EU Regulation No.608/2013. The new regulation sets out the conditions and procedures for action by Moldova's Customs Service for goods suspected of infringing an IPR.

On a practical level, the Joint Assistance Exercise "KITSCH III" was organised by EUBAM and Moldova's Customs Service in April 2016 to assess the latter's risk analysis, their ability to target suspected counterfeit goods and the implementation of specific procedures in case of doubts concerning the authenticity of goods. 500 pairs of sports shoes were confirmed to be counterfeit and the consignment was seized due to the exercise.

In Ukraine, the Mission conducted a gap analysis to help Ukraine's State Fiscal Service identify where national regulations need to be aligned with EU regulations on customs enforcement of IPR. This was supplemented by the EUBAM-State Fiscal Service Joint Assistance Exercise "CHEAP", which took place at Odesa and Chornomorsk ports between 29 August and 2 September 2016. The exercise targeted IPR infringements within arriving cargoes, as well as the ability of Customs Officers to comply with IPR-related provisions in Ukraine's Customs Code.

Protecting Innovation

Intellectual Property (IP) refers to creations of the mind, such as inventions and creative expressions, literary and artistic works, designs, names and images used in commerce. Intellectual Property Rights (IPR) refer to the legal rights granted for some types of IP to protect these creations. IPR infringing goods are those produced without the consent of the holder of the intellectual property right. They can include:

- **Counterfeit goods** – which infringe on trademarks and often look the same as the original goods. These commonly include clothes, cosmetics and medicines;
- **Pirated goods** – copied without the approval of the copyright owner. The most well-known pirated goods are CDs and DVDs for music, films or video games.

Protection of IPR is crucial for growth in research, innovation and employment. If an inventor feels that their investment to develop a new idea or product cannot be protected, the motivation to continue to innovate disappears.





BUILDING CONFIDENCE ACROSS THE DNIESTER RIVER



EUBAM actively pursued confidence-building measures in support of a peaceful settlement to the Transnistrian conflict in 2016, in spite of the challenging political conditions. Despite the resumption of formal 5+2 settlement discussions in June, the agreement to permit Transnistrian-plated vehicles to participate in international traffic proved elusive, and neither did the sides reach agreement on customs co-operation. Efforts will continue into Phase 11's second year. The proposed launch of joint control at the Kuchurhan-Pervomaisc border crossing point negatively influenced the overall climate of the technical Expert (Working) Groups' activities and proposed confidence-building initiatives. The perceived blockade of fuel imports to Transnistria through the central segment of the Moldova-Ukraine border also added tension to the relations between Chisinau and Tiraspol.

Small breakthroughs were achieved, however. Transnistria engaged with Mission experts on phytosanitary and veterinary issues, resulting in closer alignment of its regulations with EU requirements, whilst in November, the Mission arranged a joint workshop on plant health import controls for Chisinau and Tiraspol phytosanitary and customs specialists. It is only the second time in EUBAM's history that it succeeded in bringing both sides together to share their experience.

Throughout the year, EUBAM participated in the 5+2 Expert (Working) Group meetings on Customs, Railway Transport, Road Transport, and Law Enforcement Co-operation. Despite the overall difficult political conditions, the Expert (Working) Groups were utilised effectively to solve problems as they arose. In November, following

negotiations through the Expert (Working) Group on Rail Transport, the Government of the Republic of Moldova approved the import of fuel through Kuchurhan rail border crossing point, cleared at Bender 2 Internal Customs Post until 1 July 2017, thus satisfying a request from economic operators. Through the same Expert (Working) Group, the Parties also agreed to prolong the Protocol on the principles of fully-fledged rail freight traffic of 30 March 2012 until 31 December 2017, thereby keeping an important trade route open for another year.

Revitalising the trans-boundary rail link

In 2010 the passenger rail link between Chisinau and Odesa through Transnistria was reactivated after a four year hiatus. Intensive negotiations involving the conflicting parties and the international community, including EUBAM, resulted in this success. The resumed rail link has been seen as a positive step in people-to-people contacts and practical co-operation between the two banks of the Dniester River. Five years later, low passenger numbers jeopardised its viability, reducing the service's frequency to only twice a week.

Based on an EUBAM assessment in June 2016, enhancements to the service were agreed to reduce journey times and make the train more attractive for cross border travellers. Six under-used stops were cancelled and in December 2016 Moldova's Customs Service introduced Customs control at Chisinau railway station. Tiraspol also agreed to shorten the stop at Bender station significantly from 25 minutes

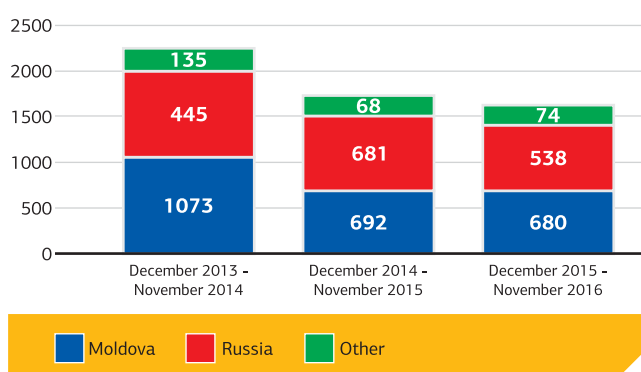
to 3. These changes have revitalised the service, with 45 minutes reduced off the journey time and train ridership increased to 90% of capacity. Moldovan Customs revenues have also improved. During 2017 the Mission will finalise the revitalisation measures by facilitating on-route Border and Customs controls in Ukraine.

The improved train service was supplemented by a campaign to raise foreign visitors' awareness of their registration obligations in the Republic of Moldova. With the Bureau for Migration and Asylum, EUBAM designed and printed 50,000 copies of a new, clear and reader-friendly leaflet on the registration process. These are being distributed to travellers entering the Republic of Moldova through the Transnistrian segment of the Moldova-Ukraine border.

Traveller trends

Between December 2015 and November 2016, the number of travellers crossing the Transnistrian segment of the Moldova-Ukraine border decreased by 2% compared to the same period in 2014-2015. The months with the highest number of persons crossed this border segment were July and August. The number of border crossings made by Russian passport holders increased by 15%, compared to the same period of the previous year. Refusals of entry to Ukraine decreased by 10%. Of these, Russian passport holders accounted for 42% of all travellers refused entry, compared to 47% in the preceding twelve months.

Number of Travellers Refused Entry to Ukraine by Citizenship



Promoting Customs co-operation

Co-operation between the Customs structures on both banks of the Dniester River would increase customs revenues, help combat smuggling and facilitate trade, especially Transnistria's external trade. In 2016 EUBAM promoted a joint Customs Action Plan. The draft was agreed with Moldovan stakeholders in July 2016 but consensus could not be reached with Transnistrian representatives, despite the obvious benefits to all parties. EUBAM will continue to pursue agreement in 2017.



Fostering phytosanitary co-operation

EUBAM's most significant progress on confidence-building measures in 2016 was registered in developing co-operation on veterinary, sanitary and phytosanitary issues. In January, EUBAM presented the findings of an assessment on controls in Transnistria to the Foreign Office in Tiraspol. The findings were subsequently discussed between the Mission and left bank representatives during the spring, and resulted in Transnistria suspending the obligation for phytosanitary certification of relevant exports, in line with EUBAM's recommendations.

A follow-up assessment in October-November 2016 of veterinary and phytosanitary matters reviewed the full range of control procedures and processes at the Moldova-Ukraine border, including Transnistria, making comparison with EU "best practice" and internationally recognised standards. EUBAM experts visited several veterinary and phytosanitary facilities on the left bank during October, and advice on the approximation to EU procedures was offered.

Based on these contacts, phytosanitary and Customs specialists from both Chisinau and Tiraspol agreed to participate in a joint workshop on plant health import controls, held in November in Chisinau by the Mission. It is only the second time in EUBAM's history that both sides have agreed to come together to share experiences, and constituted a small but encouraging step forward in confidence-building measures. .

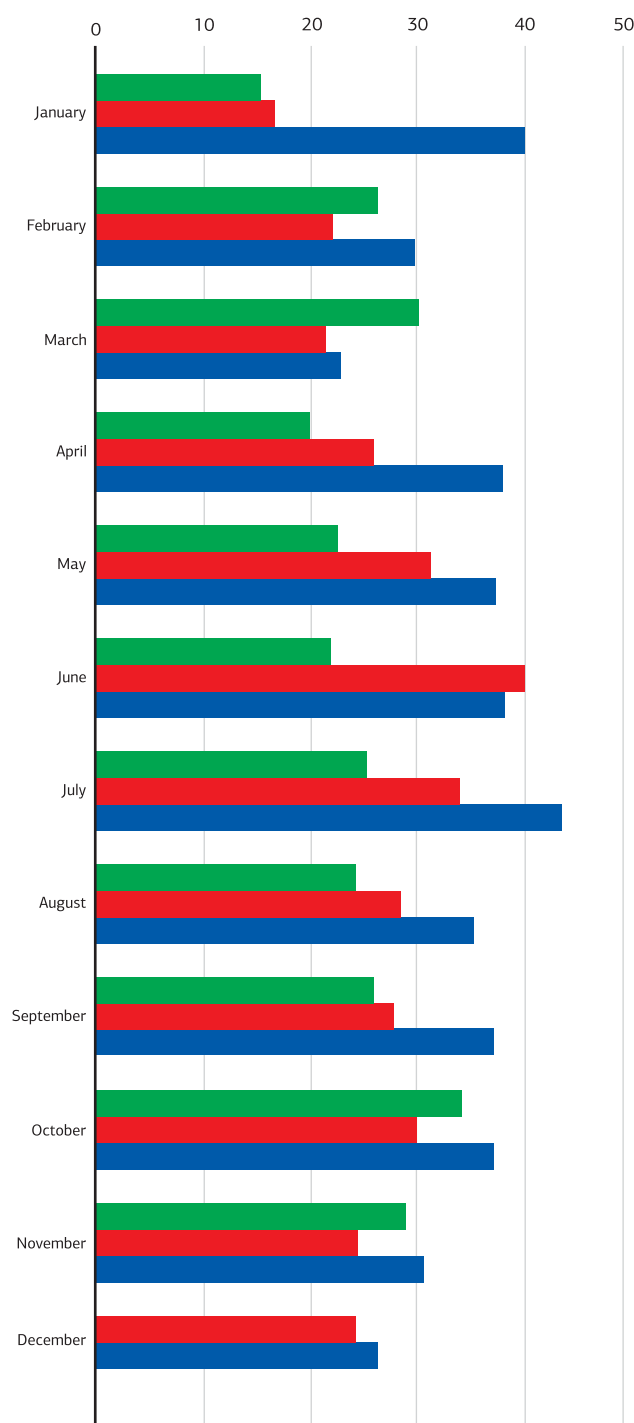
Internal Customs Control Posts

As well as covering the Moldova-Ukraine border, EUBAM also operates on the administrative boundary line between the two banks of the Dniester River. This 411km-long stretch, from Sanatauca to Rascaeti, is covered by the Mission's Field Office Chisinau. Twelve Internal Customs Control Posts (ICCPs) are located along the administrative boundary line to ensure the Republic of Moldova's Customs legislation is upheld for cargoes entering and leaving Transnistria. At the Posts, the Field Office's experts monitor the Customs clearance process, paying particular attention to the issuance of certificates of preferential origin, risk selectivity, assessment of customs value and tariff including determination of classification of goods. Inter-agency cooperation between Moldova's Customs Service and the National Police is also assessed.

Transnistria's external trade

The number of Transnistrian economic operators registered with Chisinau grew by 8% to 1582 between 1 December 2015 to 30 November 2016. In the same period, the value of goods exported by Transnistrian economic operators dropped by \$35.6 million or 10%, accounting for \$308 mln (fig.1 below).

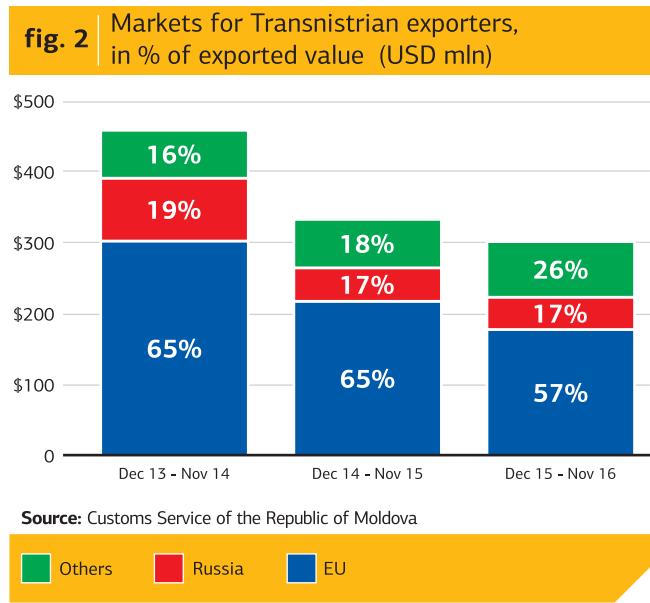
fig. 1 Export by Transnistrian operators, 2014-2016 (USD mln)



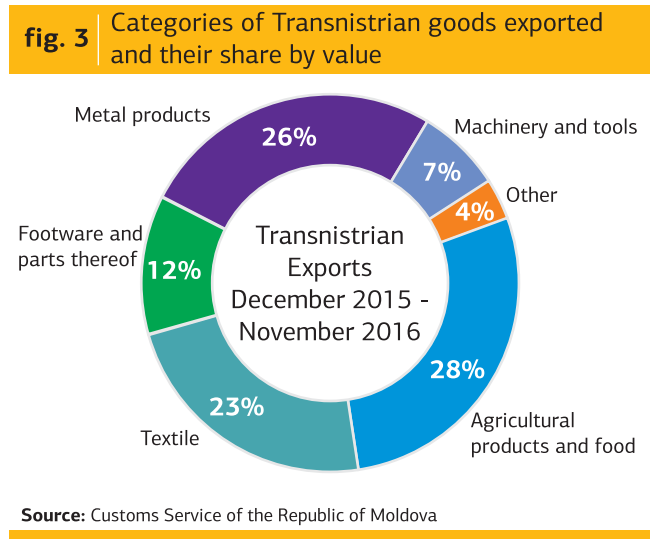
Source: Customs Service of the Republic of Moldova

Legend: Total Value of Goods Exported (USD) 2016 (Green), 2015 (Red), 2014 (Blue)

Transnistrian exports to the EU totalled \$176 million, representing 57% of the total (fig.2 below).



Both Transnistrian merchandise exports and imports deteriorated in December 2015 - November 2016 compared to the preceding twelve months. Agricultural and food industry products (28%), metal products (26%), textiles and clothes (23%), footwear (12%), machinery and tools (7%) prevailed in the pattern of Transnistrian commodity exports in the reporting period (fig.3 below).

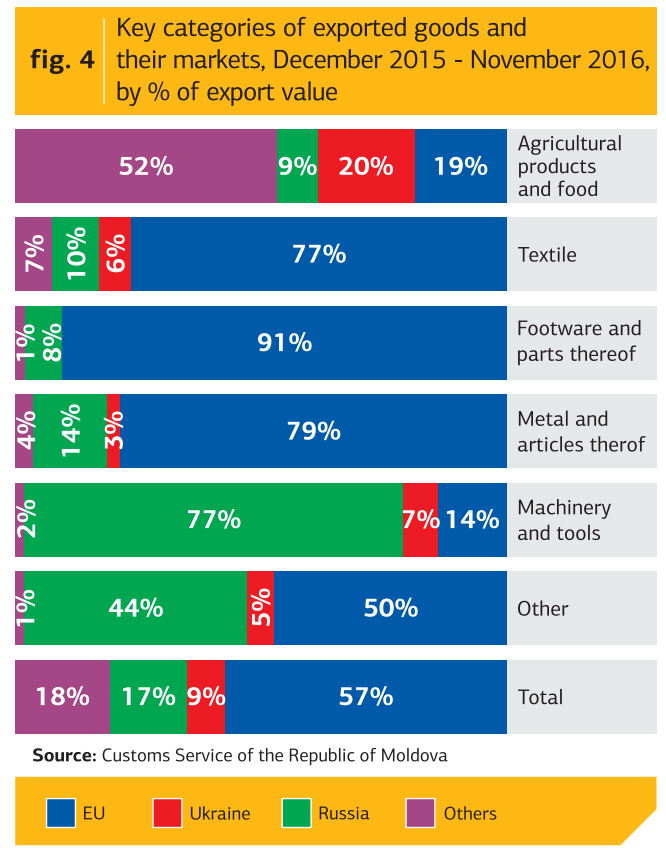


Reduced exports of metal products, footwear, machinery and tools and seasonal agricultural products resulted in a contraction of Transnistria's overall exports by 10%. Nearly all exporting sectors of the Transnistrian economy saw a downward trend in foreign trade, especially the steel industry, which shrank its exports by 32% over the twelve month reporting period.

Difficult operational conditions for Transnistria's steel industry were compounded by Ukraine's temporary trebling of export duties on its scrap steel in July 2016. This deprived steel producers of cheap materials, and was

reflected by the 98% decrease in Transnistrian imports of scrap steel from Ukraine between December 2015 and November 2016, compared to the preceding twelve month period. As a result, earnings of Transnistrian metallurgy companies from exported steel products to the EU market dropped by 36%. Exports of cereals yielded 48% of Transnistrian agricultural products traded to foreign markets. Transnistria also expanded its trade in wheat, barley, corn, rape seed and sunflower seeds to Far East and East African countries.

Transnistria's external trade continued to demonstrate a strong reliance on EU markets. During the reporting period, 57% of commodity exports and 53% of imports were traded with EU Member States. The EU (79%) and the Russian Federation (14%) remained the main export markets for Transnistrian metal products. Agricultural products were largely exported to Far East countries (33%), the EU (20%) and Ukraine (19%). The EU consumed 77% of Transnistrian textiles and 91% of footwear exports. Exports of machinery and tools to the Russian Federation reached 77% (fig.4 below).



Transnistria's largest sixteen economic operators contributed 80% to overall exports in USD value, with nearly a half of their exports vectored to the EU market. As of 1 January 2016, after repeal of the EU Autonomous Trade Preferences regime, Transnistrian exports continued to benefit from preferential treatment in the EU, since the scope of the DCFTA application extended to the entire territory of the Republic of Moldova pursuant to Decision 1/2015 of the EU-Republic of Moldova Association Council.

ANNEX 1

EUBAM PHASE 11 ACTION PLAN


Specific objective 1	To contribute to further improvement of border and customs cross border and interagency cooperation between Moldova and Ukraine, including stronger links with other national and international stakeholders, in line with IBM strategies of both countries
Expected results (ER)	<p>ER 1: Efficiency of cross border and customs controls increased as a result of simplified transparent procedures and interagency cooperation at central, regional and local level.</p> <p>ER 2: Pilot models of IBM successfully replicated and institutionalised along the Ukraine-Moldova border (jointly operated/shared border crossing points - JOBCP, joint control, real-time exchange of information, single window, one-stop shop, interagency mobile groups, etc.).</p> <p>ER 3: Moldova and Ukraine are able to manage effective networks of cooperation with international partners to combat transnational and cross border crime.</p>
Activities	
1.1	To mobilise partner services in implementation and further development of Integrated Border Management rules and procedures (pre-arrival information exchange systems, single widow, real-time exchange of information, one-stop shop, joint controls, etc.).
1.2	To monitor and correct/adjust implementation of effective border and customs control measures in Moldova and Ukraine (joint patrols, joint border control operations, etc.).
1.3	To support Moldova's and Ukraine's authorities in strengthening bilateral and international cooperation through, among others, the development, implementation and monitoring of border control legislation in relation to the Schengen Acquis.
1.4	To support partners in strengthening their law enforcement and mutual legal assistance networks of international cooperation to combat transnational and cross border crime, including IPR violations.
1.5	To advise in the implementation and replication of jointly operated border crossing points.
1.6	To assist in annual evaluation of implementation of IBM principles at Moldova-Ukraine border within the mandated EUBAM area of responsibility.
1.7	To support partner services in the implementation of the Smart Border (Intelligent Borders) and e-border principles.
1.8	To mentor partner services at tactical and operational levels in preventing and combating cross border crime, by monitoring and advising on the mobile units by end-November 2017.
1.9	To mentor partner services at tactical and operational levels in preventing and fighting transnational and cross border organised crime - monitoring and advising permanent Joint Working Groups etc. by end-November 2017.
Specific objective 2	Further enhancement of operational capacities of the partner services in line with the Integrated Border Management principles, including robust internal good governance and anti-corruption measures
Expected results (ER)	ER 4: Border and Customs, veterinary, phytosanitary/sanitary, officials at BCPs and entry/exit air and sea-ports correctly and efficiently utilise modern tools for comprehensive situation analysis, risk analysis and profiling (common integrated risk analysis model - CIRAM) and border checks/clearance, in line with EU standards and norms.
Activities	
2.1	To monitor and advise on the preparation of analytical products by partner services (Common Border Security Assessment Report - CBSAR etc.) by end-November 2017.
2.2	Assist the Customs Services of MD/UA to develop effective and efficient Human Resource Management and good governance environments in line with requirements of the EU revised Customs Blueprints.

2.3	To advise and rectify the recurrent on-the-job mentoring (OTJ) needs of partners.
2.4	To assist in evaluation and upgrade of risk management systems in Moldova and Ukraine based on DCFTA and VLAP requirements by end-November 2017.
Specific objective 3	Actively contribute to the settlement of the Transnistrian conflict through monitoring and reporting on developments at the border and technical support for the implementation and pro-active coordination of Confidence Building Measures; to engage in drafting, verification and rectification of Moldova's legal acts having an impact on the Transnistrian region
Expected results (ER)	<p>ER 5: Contribution to settlement of the Transnistrian conflict is achieved, including by enhancing EUBAM's mediator/facilitator role for all stakeholders.</p> <p>ER 6: Normative and legislative initiatives impacting on Transnistrian region regularly verified.</p> <p>ER 7: Promotion of Confidence Building Measures by encouraging contacts between both banks of the Nistru River at various levels and fostering dialogue at a technical level.</p> <p>ER 8: Security measures at the Transnistria segment of the border comply with EU standards and factual information is provided on the movement of people and goods and other relevant developments.</p>
Activities	
3.1	To closely follow and actively support the "5+2" negotiation process, including participation in the activity and meetings of the thematic working groups.
3.2	To monitor and advise on the implementation of the Joint Declaration and to monitor and assist the control of travellers and goods at the central segment along the Transnistrian segment of the border with Ukraine and the boundary line between the two banks of the Dniester.
3.3	To support confidence building measures and visibility.
3.4	External trade of the Transnistrian region permanently monitored and facilitated on local level with all parties.
3.5	To contribute to the process of drafting, verification, rectification and approval of normative and legislative initiatives impacting on the Transnistrian region.
Specific objective 4	To support the smooth implementation of border and customs related aspects of DCFTA in Ukraine and Moldova, including monitoring, technical advice and assistance to facilitate the external trade from the Transnistrian region
Expected results (ER)	ER 9: External trade from Ukraine and Moldova, including from the Transnistrian region, permanently monitored and facilitated, contributing to smooth implementation of DCFTAs.
Activities	
4.1	To monitor compliance of the implementation of veterinary, sanitary and phytosanitary (SPS) measures. In the event of need or non-fulfilment, to initiate corrective actions.
4.2	Monitor and reflect in the proposed Mission's quarterly progress report trade policy measures and the modernisation of customs procedures, measured against DCFTA commitments and EU Customs Blueprints (harmonisation and simplification of customs procedures, rules of origin, classification and valuation, accession to relevant EU and international conventions).
4.3	To monitor and provide corrective advice, assist partner services in the development and progressive implementation of the Single Window concept. On-going throughout Phase 11.
4.4	To mediate mutual recognition of standards, procedures and categories of economic actors (Authorised Economic Operator - AEO etc.) between Ukraine, Moldova and ultimately with EU.
4.5	Deliver on the expected results relating to Transnistria by supporting the introduction of the minimum conditions for DCFTA extension to Transnistria.

Specific objective 5	To support the effective implementation of efficient veterinary, sanitary and phytosanitary import/export controls at border from partner services on both sides through advanced tools (risk analysis, proportion of e-systems, simplified procedures, etc.)
Expected results (ER)	ER 10: Harmonisation of border and customs systems between Moldova and Ukraine is strengthened. ER 11: Moldovan and Ukrainian customs, veterinary, sanitary and phytosanitary regulations, procedures and operations adapted and improved in line with the DCFTA, as well as EU rules and best practices in the area.
Activities	
5.1	To assist the Veterinary and SPS of the Republic of Moldova and Ukraine in implementing the approximated national legislation to that of the EU and develop and improve import/export controls at the borders. Joint controls with custom officers will be encouraged at MD side.
Specific objective 6	To monitor Visa Liberalisation implementation in Ukraine and post-visa liberalisation in Moldova
Expected results (ER)	ER 12: Travellers' checks/control at international and local BCPs are client-oriented and promote mobility while in line with the principles of VLAP, human rights and dignity, as well as replicating best EU standards and practices.
Activities	
6.1	To support the Moldovan and Ukrainian authorities in implementation of the EU Visa Liberalisation Action Plans (post-liberalisation in case of Moldova) benchmarks in the following areas: border management, migration management, combatting cross border organized crime and freedom of movement of citizens of both countries.
6.2	To monitor the respect of human rights and dignity of passengers/migrants, with focus on vulnerable groups (temporary facilities, reference mechanisms for refugees and asylum seekers, etc.) at Moldova-Ukraine border.
6.3	To monitor and correct practices on guaranteeing document security (falsified documents, biometrics control, etc.) at Moldova-Ukraine border.
Specific objective 7	To inform and provide timely advice to various types of initiatives (EaP IBM Panel, high level meetings with national partner services, etc.) and in the preparation of an exit strategy and transition for long-term sustainability
Expected results (ER)	ER 13: Comprehensive transition and phase-out Strategy of EUBAM designed and implemented.
Activities	
7.1	On request, to support the European Commission and the partner services in the realisation of the Eastern Partnership Flagship initiative on Integrated Border Management.
7.2	On request, to support the implementation of initiatives of EU agencies, Member States and international organisations.
7.3	To submit EUBAM analytical reports and assessments such as special reports, briefings, technical analysis, alerts, newsletters and flash reports to the involved partner services for direct input and tactical purposes, EEAS / European Commission, Committees of the European Council, EU Member States and the administrative partner.
7.4	Ensure close coordination with other projects financed by the EU, EU Member States and international partners including through active participation in established coordination fora.
7.5	To implement a sustainable transition and design phase-out Strategy based on gradual exit of EUBAM activities.

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Together, during a period of enlargement of 50 years, they have built a zone of stability, democracy and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms.

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International Organization for Migration
is the implementing partner



www.eubam.org

13, Uyutna str., 65012, Odesa, Ukraine
press@eubam.org

