

**Overview<sup>1</sup> of the implementation of the recommendations of the Baltic Assembly for a period of 2012 - 2014**  
(Resolution of the 31<sup>st</sup> BA Session, Resolution of the 32<sup>nd</sup> BA Session, Resolution of the 33<sup>rd</sup> BA Session)

Recommendations of the Baltic Assembly 2012 - 2014	Status of implementation and actions to be taken by the Baltic Assembly in 2015 - 2016
<p><b>Joint health care projects: joint procurements</b></p> <p><b>Forms of the BA work to implement this priority:</b> Meetings of the Baltic Assembly Welfare Committee; Meetings with the governmental experts from the Baltic Council of Ministers (BCM); For solution of procedural questions, particular involvement of Baltic Assembly Latvian delegation and Baltic Assembly Lithuanian delegation</p>	
<p><b>Recommendation of the Baltic Assembly (2012):</b></p> <ul style="list-style-type: none"> <li>- to start implementation of the Partnership Agreement</li> </ul> <p><b>Recommendation of the Baltic Assembly (2013):</b></p> <ul style="list-style-type: none"> <li>- to implement joint procurements of the medicaments of the Baltic States</li> </ul> <p><b>Recommendations of the Baltic Assembly (2014):</b></p> <ul style="list-style-type: none"> <li>- to start joint procurement process of medicaments</li> </ul>	<p><b>Based on the initiative of the BA Welfare Committee in 2009</b>, the governments established a special BA - BCM working group to develop the initiative about joint procurements in 2010.</p> <p><b>Status of the implementation:</b></p> <ol style="list-style-type: none"> <li>1) On 2 May 2012, the Partnership Agreement on Joint Procurements on Medical Products and Medical Devices of the Baltic States was signed.</li> <li>2) The first procurement of tuberculosis vaccines for infants was postponed to 2014 due to the following reasons: (language of the agreement (for Latvia) and problems with storage of medicaments (Lithuania). To foster the process of solution of the language' problem, members of the BA Latvian delegation arranged meeting with the relevant standing committee of the Latvian parliament and the relevant ministry. Language problem was solved. To foster the process of the joint procurement, on 12 February 2014 members of the BA Welfare Committee submitted a letter to Lithuanian Minister of Health Vytenis Povilas Andriukaitis by expressing concern about Lithuanian position and inviting to submit a clear answer of the Lithuanian government in regard to the participation in the joint procurement process. Lithuanian Ministry settled the problem by recalling the request on the storage of the medicaments.</li> <li>3) In 2015, Procurement Commission finished its work, published competition for joint procurement of BCG vaccine.</li> </ol> <p>The open procedure resulted with no submitted tenders. Currently, Procurement Commission is evaluating the</p>

<sup>1</sup> Based on the meetings of the Committees, reports of the BA Session and Baltic Council, answers of the Baltic Council of Ministers for 2013 – 2015, letters of the Committees and answers by the governments to these letters for a period of 2012 – 2015.

reasons and discussing further actions regarding the joint procurement of the BCG vaccines. Producer of the BCG vaccine in Denmark faces problems and cannot provide the ordered amount of this vaccine to the Baltic States. Governments of the Baltic States have expressed position that countries will continue with the joint procurement of medicaments.

- 4) On 5 June 2015, members of the Committee discussed the progress of implementation of the joint health-care projects with Rimantė Šalaševičiūtė, Minister of Health of Lithuania. After the meeting, to foster the process of the joint procurements and other joint health care projects, members of the Committee asked the relevant Ministers of the Baltic States to submit proposals of each country for a joint procurement of other medicinal products and/or vaccines (list of 5–6 products). Ministries have submitted proposals for other vaccines which could be subject of joint procurement.
- 5) Lithuania has already benefited from the signed Agreement: Lithuania borrowed BCG vaccine for infants from Estonia and Latvia.

**Next works to be taken by the BA Welfare Committee in 2015-2016:** On 19 – 20 November 2015, the issue of the joint health care projects will be on the agenda of the 34<sup>th</sup> Session to which Ministers for Health of the Baltic States have been invited. After the political debate, BA Welfare Committee should decide on further activities.

### **Cooperation on organ exchange for transplantation among the Baltic States**

**Forms of the BA work to implement this priority:** Meetings of the Baltic Assembly Welfare Committee; Meetings with the relevant experts from the BCM

**Recommendations of the Baltic Assembly (2012):**

- to start a system for exchanging organs for transplantation among the Baltic States
- to develop common sperm bank of the Baltic States

**Recommendations of the Baltic Assembly (2014):**

- to promote implementation of the Declaration on exchange of human organs for transplantation

**Status of the implementation:**

- In May 2013, the Declaration on cooperation of the Baltic States in organ exchange for transplantation was signed.
- Based on the signed Declaration, there is an active exchange of organs for transplantations between Estonia and Latvia; medical experts from all the Baltic States meet each other to discuss best practices. In 2014: 1) Latvia received 2 kidneys from Estonia and received an offer from Estonia of 2 more kidneys which were not accepted due to absence of appropriate recipient; 2) Latvia offered 2 kidneys to Estonia but these were also not accepted because of absence of appropriate recipient. In 2015: 1) Latvia received 3 kidneys from Estonia; 2) Latvia delivers 2 kidneys to Estonia; 3) There were offers of lungs and liver but were not accepted due to absence of appropriate recipient; 4) Latvia has offered heart and liver to Lithuania but were not accepted due to absence of appropriate recipient.
- In regard to Lithuania, the relevant Ministry of Lithuania has provided answers about possible obstacles why the Declaration on cooperation in exchange of organs for transplantation did not result in furthering exchange of donor organs between the Baltic States: 1) Different national administrative structure and competent authorities for donation and transplantation management; 2) Differing national legislation that governs donation and transplantation activities; 3) Differing types of transplantation activities carried out in the

countries: Estonia performs 6 types of transplant surgeries and cooperates with Finland and Austria; Latvia performs 3 types of transplant surgeries and due to recent economic difficulties, transplantation of kidneys has been stopped in Latvia completely since 2013; 3) Lithuania performs 8 types of transplant surgeries; 4) Different modalities of financial reimbursement for donation and transplantation activities (due to the difficult economic situation, Latvia does not provide financing for preparation and preservation of donor organs unless they are required for domestic transplantations; 5) Logistical issues for transportation of organs: in Lithuania helicopters of armed forces and border guard service are used in coordination with ambulances and police escorts while Estonia and Latvia have not established such systems; 6) Laboratory accreditation issues – Lithuanian national laboratory does not have formal international accreditation while Estonian laboratory has.; 7) Statistical data: each year relevant Lithuanian authority generates approx.10 international requests for donor organs; requests have been sent also to Estonia and Latvia. Until now, neither Estonia nor Latvia was able to offer any organs for transplantation to Lithuanian recipients. Lithuanian ministry surmises that this is because Latvia limits preparation of donors and number of transplants due to economic situation but Estonia may have concerns about different levels of laboratory accreditations and due to the cooperation with Austria and Finland. Lithuania does not offer organs to Estonia and Latvia because of the general shortage of donor organs even for domestic needs.

**Due to the religious aspects, Lithuania refused to continue the work in regard to the establishment of the joint Baltic sperm bank.**

**Next works to be taken by the BA Welfare Committee in 2015-2016:** On 19 – 20 November 2015, the issue of the joint health care projects will be on the agenda of the 34<sup>th</sup> Session to which Ministers for Health of the Baltic States have been invited. After the political debate, BA Welfare Committee should decide on further activities.

### **Cross-border cooperation on emergency aid**

**Forms of the BA work to implement this priority:** Meetings of the BA Welfare Committee, meetings with the relevant experts from the BCM

**Recommendation of the Baltic Assembly (2013 and 2014):**

- to urge Latvia and Lithuania to sign an agreement on cross-border cooperation in the provision of ambulance services in the Lithuanian-Latvian border area

**Status of the implementation:**

- Agreement between Latvia and Estonia on crossborder emergency aid was signed in 24 September 2010. In 2014, there have been at least 10 cases when cooperation agreement was used to provide emergency aid.
- The Agreement between Lithuania and Latvia on cross-border cooperation in the provision of ambulance services in the Lithuanian-Latvian border area was discussed and elaborated by the Lithuanian site at the end of 2014 and sent to the Latvian site. However, due to the Latvian Presidency for the EU Council the discussion was postponed until 1 July. Now the possible meeting of representatives of both countries is scheduled for the end of August in Riga. The agenda is to discuss the proposal of the agreement between the Governments of Lithuania and Latvia on cross-border cooperation in the provision of ambulance services in

the Lithuanian-Latvian border area article by article.

**Next works to be taken by the BA Welfare Committee in 2015-2016:** On 19 – 20 November 2015, the issue of the joint health care projects will be on the agenda of the 34<sup>th</sup> Session to which Ministers for Health of the Baltic States have been invited. After the political debate, BA Welfare Committee should decide on further activities.

### **EU Cross-border Health Care Directive and E-Health System**

**Forms of the BA work to implement this priority:** Meetings of the BA Welfare Committee, meetings with the relevant experts from the BCM 2014, meetings with the patients organisations

#### **Recommendations of the Baltic Assembly (2014):**

- to develop an action plan for coordinated implementation of the Cross-border Healthcare Directive
- to develop an action plan for introducing single E-Health system that would link Baltic healthcare systems (legal and organisational aspects, content and technical standards, as well as data exchange)

#### **Status of the implementation:**

- These recommendations have been adopted at the end of 2014. Currently, this is an issue on the agenda of the Welfare Committee of the Baltic Assembly.

#### **Status of the implementation in regard implementation of EU Cross-border Health Care Directive:**

- 1) The Baltic States have already transposed the provisions of Cross-border Healthcare Directive related to cross-border health care reimbursement to the national legislation. They also established the National Contact Points for Cross-border Healthcare. The representatives of the Baltic States participate in the activities of the National Contact Points Network (established by European Commission) and share their experience on improvement of patient information about cross-border healthcare.
- 2) BCM has informed there has never been an intention to develop an action plan for coordinated implementation of it. It is because soon after Directive's adoption the European Commission established a special Committee of experts from all Member States with a primary task to ensure coordinated implementation of the Directive by all Member States.
- 3) On practical level, this Directive is already working in free movement of patients between Estonia Latvia, especially Valka and Valga.

#### **Status of the implementation in regard to the action plan for introducing single E-Health system:**

- 1) According to the answer by the Latvian BCM, there has never been a formal agreement to develop an action plan for introducing single e-Health for the Baltic States. In order to create an action plan for introducing single e-Health system that would link the Baltic healthcare systems, the following actions need to be taken : 1) to reach an agreement about establishment of single e-Health system in the Baltic States; 2) to agree on the legal framework of patient data exchange between the Baltic States in order to ensure that such data exchange is legal; 3) to carry out research on national health care systems in each of the Baltic States in order to identify similar health care system

	<p>processes where it would be easiest to start the electronic data exchange; 4) to agree on common medical classification systems in the Baltic States so that a medical practitioner, when receiving patient data from another Baltic State, is able to understand the data in his national language, as well as on common technical standards for data exchange (e.g. HL7 standard use of patient data exchange), safety issues of data exchange channel and other technical issues.</p> <p>2) Experts of the Baltic States are cooperating closely in regard to the E-Health.</p> <p>3) During the Presidency in the Council of EU, Latvia has initiated to create a cluster with intent to work on the solutions of E-Health data exchange. Latvia proposed to start with signing of a joint non-binding document of intent. Although due to several reasons the document was not signed during the Latvian Presidency, nevertheless Latvia's intention is to continue the started discussions with the neighbouring countries on this matter since both Lithuania and Estonia have expressed their interest in such cooperation.</p> <p>4) <u>Estonian BCM</u> informed that in November 2015 a New National Strategy on eHealth for 2020 will be finalised. This Strategy could serve as basis for future potential cross-border cooperation in the region. Estonian national strategy will also define actions that Estonia needs to take as prerequisites for cross-border cooperation. Until now, there has not been significant movement of patients or health care professionals between Estonia and the other Baltic States. However, Estonia is opened for developing specific aspects for future cooperation on e-Health matters.</p> <p><b><u>Next works to be taken by the BA Welfare Committee in 2015-2016:</u></b> parliamentary monitoring will be performed by the BA Welfare Committee on 2016.</p>
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### **Specialization of medical centres of the Baltic States**

**Forms of the BA work to implement this priority:** Meetings of the BA Welfare Committee, meetings with the relevant experts from the BCM, meetings with the patients organisations, health care researchers

<p><b>Recommendation of the Baltic Assembly (2014):</b></p> <ul style="list-style-type: none"> <li>- To commence negotiations on expert level about specialization of medical centres of the Baltic states</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- <b>For the first time, the Baltic Assembly came up with the initiative about specialized centres in 2009.</b> After that, the BCM established a subgroup on establishment of specialized centres which finished its work in 2011 with agreement that further meetings should be organized via targeted forums of specialists in specific fields if such interest was expressed. Countries exchanged the letters confirming this decision.</li> <li>- During its meeting on 7 September 2012, the BCM in their Joint Statement acknowledged "the work done between Lithuania, Latvia and Estonia on the specialized centres of medical care where the countries have agreed to continue the exchange of expertise and mutual cooperation on the level of specialists in various fields of interest, including cardio-</li> </ul>
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surgery, micro-surgery, rehabilitation, transplantology a.o.” Experts have met for several times but no consensus has been reached in regard to the specialisation of medical centres.

**Next works to be taken by the BA Welfare Committee in 2015-2016:**

- 1) Based on the reports from the BCM, the governmental coordination of activities to implement this recommendation has slowed down. Members of the Welfare Committee should discuss further steps in regard to this recommendation.
- 2) Lithuanian BCM has proposed to focus on the National reference centers. Lithuanian BCM has stated that the Baltic States should be united at the Board of the European Reference Networks (hereinafter referred to as ERNs) while facing the issues, which are specific to all of them while intending to become the members of ERNs: 1) Small countries should not be excluded from equal and competent participation in ERNs due to specific provisions related to number of patients, volume of activity, ultra sophisticated infrastructure, annual turnover and other subjective factors; 2) Deployment and development of electronic data exchange solutions on cross-border dimension requires a legal shift in order to secure equal or more or less convenient patient data exchange mechanisms within the EU countries; 3) Though ERNs do not mean new legal entities and should not contribute any vast initial expenses. The administration structures shall demand additional expenses. Financial aspects also should be worked out. Lithuania expressed initiative to chair the group of small countries in order to represent mutual interests at the Board of ERNs as well as to start dialogue on the areas, where joint actions while applying for the membership in ERNs, would be at the most efficient level.
- 3) Estonian and Latvian BCM are ready to continue negotiations about specialisation of medical centres of the Baltic States.

**Coordinated approach in promoting exports of the Baltic States  
and attracting foreign direct investments to the Region**

**Forms of the BA work to implement this priority:** Meetings of the Economics, Energy and Innovation Committee, meetings of Natural Resources and Environment Committee, meetings with representatives from Baltic Chambers of Commerce, Industry and Crafts, meetings with experts from Baltic Investment and Development Agencies

**Recommendation of the Baltic Assembly (2013):**

- to develop a common approach towards joint export of agricultural products to international market
- to define common interests and joint

**Status of the implementation:**

- These recommendations have been discussed in the governmental meetings of the Baltic States but no decision on practical cooperation in regard to joint strategies has been made.
- Ministers of Agriculture of the Baltic States (and also civil servants) have regular consultations prior the EU meetings.
- Baltic States have started several projects under the Strategy for the Baltic Sea Region: 1) the

<p>strategies of the Baltic States in agriculture and rural development, initially with regard to sectors and products</p>	<p>“BalticEco” project, 2) Action “To Strengthen Common Impact of Rural Development Programs”; 3) BALTFISH “Forum of the Baltic Sea Fisheries”; 4) BalticDeal; “Application of Good Practice of Agriculture”</p> <ul style="list-style-type: none"> <li>- Proposals which have been expressed for agenda of cooperation are the following:             <ol style="list-style-type: none"> <li>1) <u>Latvia</u> proposed to establish regular and coordinated Baltic Agriculture Panel where agricultural players of all levels (policy makers, NGOs, farmers and entrepreneurs, consultations centres, educational establishments and scientists) could decode on common joint strategies, activities etc.</li> <li>2) <u>Lithuania</u> proposed to continue with 2 practical proposals: firstly, common trade mark of agricultural products; secondly, joint use of EU funds for promotion of strategic agricultural products.</li> </ol> </li> </ul> <p><b><u>Next works to be taken by the BA Economics, Energy and Innovation Committee and Natural Resources and Environment Committee in 2015-2016:</u></b> members of the Economics, Energy and Innovation Committee and Natural Resources and Environment Committee should discuss possible future actions in this field, including proposals from the BCM.</p>
<p><b>Recommendation of the Baltic Assembly (2013):</b></p> <ul style="list-style-type: none"> <li>- to assess the possibility of establishing under the Baltic Council of Ministers a council for coordination of Baltic trilateral foreign economic cooperation policy</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- Baltic Innovation Fund is one of the practical measures which can be used to continue practical cooperation of the Baltic States.</li> <li>- There is already an existing format – NB6 - for the coordination of the positions on foreign trade policy. This includes diplomats from Baltic and Nordic countries’ sharing similar positions on trade issues and meets regularly. Therefore <u>Estonia</u> expressed position there is no need for establishing a separate council for coordination between Baltic States.</li> <li>- <u>Latvia</u> supported the opinion that progress towards economic growth and competitiveness could be made through more trilaterally coordinated policies. Latvia proposes to seek possibilities of establishing a like-minded group meeting platform among the Baltic States to share opinions on a common vision of growth priorities. In this respect, it could be especially worthwhile to develop a common Baltic mechanism (a council for coordination of Baltic trilateral foreign economic cooperation policy) where all influential EU legislative initiatives are discussed trilaterally, in order to agree on a common position. It would also be employed to agree on further steps with regards to an integrated and effective implementation of EU legislation and other shared issues.</li> <li>- <u>Lithuania</u> expressed position that the idea to establish Council for Coordination of Baltic Trilateral Foreign Economic Cooperation Policy sounds attractive as it might enhance overall competitiveness of the Baltic States region and pave the way for further developments at least in four perspectives: 1) Greater visibility could be easier facilitated by acting as a region rather than on separate basis; 2) We could reach greater effectiveness in different international foras as one</li> </ul>

	<p>region when dealing with economic problems, barriers to trade and investments. Furthermore, „unanimous region“ status could help us in building even broader coalitions with other partner countries, supporting similar positions, e.g. in transport, energy, environmental protection; 3) In the future, this initiative might also expand into Northern region, and result into closer integration and sharing of best practices in the NB8 or broader Baltic Sea regions; 4) Coordination of foreign economic policy might provide our region with greater reliability, new quality and stability of business climate. But in practice this idea is highly questionable because: 1) Coordination between the Baltic States is developing mostly on the sectoral basis. Moreover, the Baltic business associations do not show any interest to upgrade their cooperation into supranational level because they consider each other as competitors in most sectors and markets. So called ad-hoc cooperation, especially when facing problems, is more usual mode of communication between the Baltic counterparts. 2) It would be difficult to decide on institutional architecture, financing and mandatory level of the decisions, adopted by this body</p> <p><b><u>Next works to be taken by the BA Economics, Energy and Innovation Committee in 2015-2016:</u></b> members of the Economics, Energy and Innovation Committee should discuss possible future actions in this field, including proposals from the BCM.</p>
<p><b>Recommendation of the Baltic Assembly (2013):</b></p> <ul style="list-style-type: none"> <li>- to assess the possibility of establishing a joint office for lobbying business interests of the Baltic States in the EU and third countries which are strategic partners of the Baltic States</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- <u>Latvia</u> welcomed the initiative of a joint office in the Baltic States in order to ensure fair competition and accomplishing joint business goals. By establishing a joint office for lobbying business interests of the Baltic States in the EU and third countries, Latvian government sees an opportunity in active cooperation and improvement of business relations between the Baltic States, as well as fulfilling commonly set goals within the EU and third countries.</li> <li>- <u>Lithuania</u> expressed position that theoretically, the establishment of the joint office for lobbying business interests in Brussels and third countries would be a feasible step forward as it could help our countries' businesses to coordinate interests and actions, especially in hard times when facing serious problems, pushing through large-scale projects, attracting global business attention to Baltic Sea region, etc. This would help us to become more relevant and sound international players. For this reason, all three Baltic States should unanimously express their interest for it and work out a joint financing mechanism, institutional architecture, etc. However, so far, Lithuanian companies haven't expressed interest in having such kind of representation in abovementioned destinations yet. In the context of EU, the establishment of the joint office might be considered as regionalization attempt within EU. There are few umbrella-type business associations, uniting the majority of companies within EU member states. It would be plausible to use already existing formats and take more active role in these associations, using possibility to align positions on key issues <i>a priori</i>.</li> </ul>



	<ul style="list-style-type: none"> <li>- <u>Estonia</u> did not submit position on this recommendation.</li> </ul> <p><b><u>Next works to be taken by the BA Economics, Energy and Innovation Committee in 2015-2016:</u></b> members of the Economics, Energy and Innovation Committee should discuss possible future actions in this field, including proposals from the BCM.</p>
<p><b>Recommendation of the Baltic Assembly (2013):</b></p> <ul style="list-style-type: none"> <li>- to take coordinated measures to attract foreign direct investments (FDI) to the region</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- <u>Latvia:</u> The cooperation between the Baltic governments in promoting the exports is relatively low; however there are some good examples in cooperation. For example, cooperation in tourism industry by tourism state agencies has resulted in collaboratively made marketing materials, press conferences and international workshops which will promote tourism products of the Baltic States. Collaborative marketing activities are also planned in order to promote expositions at Expo Milan 2015. The Baltic States have been invited to be the Market Focus countries at the London Book Fair in 2018 and preparation for joint participation will involve also government collaboration. Numerous other smaller scale common activities such as experience and knowledge sharing are realized in order to promote exports from Baltic States.</li> <li>- <u>Lithuania:</u> Even though the Baltic States are competing for FDI, they as well could have a coordinating approach to create the image of the Baltic Region as an attractive location for international investment. This could include such activities as focused advertising, the generation of favorable news stories by journalists, etc. Other activities like investment generation, investor facilitation, the provision of services to investor and policy advocacy could be implemented by each country individually.</li> <li>- <u>Estonia</u> did not submit position on this recommendation.</li> </ul> <p><b><u>Next works to be taken by the BA Economics, Energy and Innovation Committee in 2015-2016:</u></b> members of the Economics, Energy and Innovation Committee should discuss possible future actions in this field, including proposals from the BCM.</p>
<p><b>Recommendation of the Baltic Assembly:</b></p> <ul style="list-style-type: none"> <li>- to support agricultural sector of the Baltic States</li> </ul>	<p><b>Status of the implementation:</b></p> <p>In regard to the agricultural sector, two important actions by the Baltic Assembly have been implemented; these actions have attract attention by the European Commission, European parliament and Baltic farmers NGOs:</p> <ol style="list-style-type: none"> <li>1) <u>Activities performed to support equal direct payments to the Baltic farmers</u> (joint actions with Baltic members of the European Parliament, participation in the protest actions by the Baltic farmers in Brussels in October 2011). Based on the statements of the Baltic Assembly, national parliaments have prepared also appeals to the European Commission. Associations of Baltic farmers used Statements of the Baltic Assembly in their negotiations with the European</li> </ol>

	<p>Commission.</p> <p>2) Appeal to the European Commission on Support for Milk Producers of the Baltic States. In October – December, the Baltic Assembly had communication with relevant EU Commissioner about the situation. Based on the Baltic Assembly Appeal, Parliament of Latvia adopted similar statement on 13 November 2014.</p>
<p><b>Recommendation (2013):</b></p> <ul style="list-style-type: none"> <li>- to have more active coordination of their tax policies, as well as ensure stability and predictability of their tax systems</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- Based on the resolution of the 29<sup>th</sup> Session of the Baltic Assembly in 2010, the scope of the Baltic Tax Experts Meetings has been expanded to include both direct and indirect tax matters.</li> <li>- In 2014, agenda of the Baltic States Tax Experts' Annual Meeting was expanded and included direct tax issues regarding gambling taxation, property and capital taxes, anti-avoidance measures and indirect tax issues regarding VAT and excise duties, electricity tax and excise duty on natural gas.</li> <li>- Cooperation on the tax policies is based on the exchange of information, share of best practices and discussion of problematic taxation issues. BCM has expressed position that the Baltic States have their individual tax policies with exclusive competence in the field of taxation as far as it doesn't infringe the EU acquis.</li> </ul> <p><b><u>Next works to be taken by the BA Economics, Energy and Innovation Committee in 2015-2016:</u></b> members of the Economics, Energy and Innovation Committee should discuss the current status of the governmental cooperation in this field and decide about the next activities.</p>
<p><b>Cooperation in the tourism sector: regional profiling in tourism sector</b></p> <p><b>Forms of the BA work to implement this priority:</b> Meetings of the Economics, Energy and Innovation Committee with tourism sector' representatives, meetings with investment agencies</p>	
<p><b>Recommendation of the Baltic Assembly (2013):</b></p> <ul style="list-style-type: none"> <li>- to elaborate a joint long-term Baltic tourism strategy for 2014–2020 as a basis for regional profiling and cooperation in the tourism industry</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- During the meeting of the Baltic Assembly on 11 October 2013, Memorandum of Understanding signed between the Lithuanian Medical Tourism Cluster, the Lithuanian Resorts Association, the Latvian Health Tourism Cluster and the Estonian Health Tourism Cluster aimed at promoting the development and enhancing the global competitiveness of the health tourism sector of the Baltic States.</li> <li>- Cooperation of the Baltic governments in the field of tourism is coordinated with the Agreement on Cooperation in the field of tourism (22.06.2002). In autumn 2013 Latvian – Estonian – Lithuanian intergovernmental agreement on cooperation in tourism was amended.</li> </ul>

- Baltic States are implementing the Baltic Sea Culinary Route project which was initiated to develop rural tourism.
- On 14 March 2014, the Lithuanian Tourism Development programme 2014 – 2020 was adopted (principle included that Lithuania is a part of Baltic tourism region).
- There is an on-going active cooperation in the framework of the Joint Tourism Committee and Baltic Marketing Council. The Joint Tourism Committee meets annually and approve joint annual action plan, which is implemented by the Estonian Tourist Board, Latvian Tourism Development Agency and Lithuanian State Department of Tourism. The working programme for 2014 – 2015 includes general cooperation activities: 1) promoting the development of tourist flows of the Baltic States; 2) favouring closer mutual cooperation among national administrations, public and private organisations; 3) encouraging the upgrading of tourism industry skills (education, training and exchange of experts, personnel and students in tourism sector); 4) exchanging statistical and other tourist information; 5) marketing activities (joint tourist fairs, presentations, publications, journalist visits and other).
- The following joint marketing activities have been planned for 2015:
  - 1) Tourist fairs, presentations, workshops and information days in Europe and distant markets: Germany, USA, Japan and China;
  - 2) Publications and e-marketing: 1) Baltic maps in Chinese, Japanese and American English; 2) Baltic itineraries (camping maps and brochures) in English and German; 3) Flash presentations in English and German;
  - 3) Press and FAM trips: journalists and tour operators visits from China, Japan and USA;
  - 4) Joint campaign for Baltic domestic tourism promotion: Great Baltic Travel project (joint campaign for Baltic domestic tourism promotion);
  - 5) General cooperation: 1) Baltic Connecting international workshop for European tourism industry; 2) EDEN (product development (specialized maps and itineraries), marketing activities, press trips etc., targeted at the German market); 3) Joint Baltic chapter on national tourism websites (unified content about all the three countries); 4) Cross-border product development (main roads, routes, roundtrips, etc. Involves product development) towards Europe and distant markets; 5) Quarterly working meetings of Tourist Boards (3-4 times a year); 6) Preparation of the working programmes for periods of two years; 7) Product development, educational study tours and information distribution.

**BA Economic, Energy and Innovation Committee was asked the BCM about possible obstacles in the legislation of the Baltic States to implement comprehensive cooperation of the Baltic States in the tourism sector:**

- Estonia did not answer to this question.
- Latvia did not identify any obstacles in the legislation to implement comprehensive cooperation of

	<p>the Baltic States in the tourism sector.</p> <ul style="list-style-type: none"> <li>- <u>Lithuania</u> strongly supported the initiative of the Baltic Assembly to strengthen the cooperation of the Baltic States in the field of tourism. Regarding possible difficulties in the legislation of the Baltic Assembly in implementing comprehensive cooperation of the Baltic States in tourism, one aspect relating to the public procurement procedures of the Baltic States may be highlighted. As national legal systems are different in all three countries, sometimes problems are faced in implementing the purchasing stage of joint activities (in case of EU funding).</li> </ul> <p><b><u>Next works for the Economics, Energy and Innovation Committee in 2015 – 2016:</u></b> members of the Economics, Energy and Innovation Committee should discuss possible future actions in this field, including proposals from the BCM.</p>
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### **Coordination of activities regarding safe societies and defence**

**Forms of the BA work to implement this priority:** meeting of the Legal Affairs and Security Committee, meetings with Ministers of Defence, consultations with the BCM experts, consultations with researchers, meetings with Europol representatives, meetings with NATO Cooperative Cyber Defence Centre of Excellence

<p><b>Recommendations (2013):</b></p> <ul style="list-style-type: none"> <li>- to take joint coordinated measures on the governmental level to prevent and combat cybercrime</li> <li>- to consider the possibility of establishing a single centre for preventing and combating cybercrime</li> </ul> <p><b>Recommendation (2014):</b></p> <ul style="list-style-type: none"> <li>- to continue increasing cooperation in cyber security, <u>including establishment of parliamentary cyber security groups</u> that can be used to address challenges in the</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- The Baltic States have started to pay increased attention to preventive actions in regard to the cyber threats: 1) notifying the public about different cyber threats – especially educating schoolchildren on that topic; 2) contribution to the safety of operating systems and internet services; 3) intensive exchange of criminal data.</li> <li>- The Baltic States work actively to introduce the Budapest Convention on cybercrime to the third countries. Budapest Convention is the only legally binding contract that disserts the fight against cybercrime and therefore also the legal base for international cooperation regarding that topic.</li> <li>- There are no specific task forces initiated on the law enforcement (hereinafter – LE) institutions level of the Baltic States for combating cybercrime. However, on the European level (among the EU member countries) there is a number of effective cooperation mechanisms in place aimed at fighting cybercrime: 1) Cooperation via Europol EC3 (Cybercrime Center); 2) Cooperation within the framework of EMPACT; 3) Cooperation within the framework of Budapest Convention on Cybercrime.</li> <li>- Tackling cybercrime is one of the priority areas of the police of the Baltic States. Police organisations of the Baltic States participate in the implementation of the priorities set by the Council of the European Union for the EU Member States for the fight against serious and organised crime (including cybercrime) for 2014–2017 and of EMPACT – the European</li> </ul>
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<p>cyber security field</p>	<p>Multidisciplinary Platform against Criminal Threats – designed to sub-priority „Cyber attacks“.</p> <ul style="list-style-type: none"> <li>- The cooperation among Lithuanian, Latvian and Estonian police organizations in the area of cybercrime is maintained in the Council of Europe Cybercrime Convention Committee (T-CY) and the regional cooperation forum Task Force on Organized Crime in the Baltic Sea Region. In the latter the regular operational talks on tackling criminality among Baltic Sea region states including cybercrime are held.</li> <li>- The Police organisations of the Baltic States in cooperation with their partners in Finland and Sweden have developed an <i>Action Plan on the Implementation of the Guidelines on Regional Police Cooperation for the years 2015-2017</i>. Pursuant to the mentioned action plan, regular executive level meetings of the criminal police units are organized where tackling cybercrime is one of the areas of criminality which is analysed and discussed. The action plan also foresees cooperation in the area of ICT (information and communications technology) and innovations in investigation capabilities.</li> <li>- Significant emphasis of the prevention of cyber-crime is put on educating users and raising awareness about the risks and threats existing in cyber space. Poorly educated users are one of the most common reasons behind criminal activities on the Internet. Thus, Latvian national CERT (CERT.LV) is tasked to organize educational activities, trainings and instructions for general public as well as technical personnel. Furthermore, CERT.LV cooperates with Lithuanian and Estonian national CERT units on a regular basis in order to exchange the information on the most recent cyber incidents, tactics used by criminals and other relevant information.</li> <li>- Common proactive and preventive activities for the EU Member States are defined in the operational action plan (priority “Cybercrime”) of the European Multidisciplinary Platform against Criminal Threats (EMPACT). Representatives of the responsible institutions from the Baltic States are also involved in the implementation of these activities.</li> </ul> <p><b><u>Next works of the Legal Affairs and Security Committee for 2015 – 2016:</u></b> members of the Committee will have a meeting with BCM, Europol and European Commission representatives as well as researchers on 18 September 2015, after the meeting members of the Committee will decide about the follow-up activities.</p>
<p><b>Recommendation (2014):</b></p> <ul style="list-style-type: none"> <li>- to enhance cooperation in the area of defence of critical infrastructure</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- The Baltic States started joint cooperation project with the U.S. in the energy sector on the cyber security issues in 2014. Annually experts from governmental institutions and energy companies of the Baltic States and the U.S. meet to discuss the improvements of cyber security in the energy sector, to exchange the experience and insights on further enhancement in the field. The meeting of experts was held in Riga in May 2015; next year it will take place in Lithuania. Another cooperation tool – enhancing qualification of cyber security experts of energy companies from the</li> </ul>

	<p>Baltic States by attending the courses at the Idaho University in the U.S. (each year 1-2 experts from the Baltic States).</p> <ul style="list-style-type: none"> <li>- The readiness to ensure security of critical infrastructure is regularly trained and evaluated in national and regional military exercises. In 2014 Latvia hosted a military exercise “Winds of Change”. One of the exercise objectives was to train and improve the defence of critical infrastructure capabilities, as well as to establish procedures for checkpoint establishment and security. There were around 200 soldiers from the Latvian National Guard and the US Michigan National Guard participating.</li> </ul> <p><b><u>Next works of the Legal Affairs and Security Committee for 2015 – 2016:</u></b> Members of the Committee will analyse submitted answers by the BCM and decide about the follow-up activities.</p>
<p><b>Recommendation (2014):</b></p> <ul style="list-style-type: none"> <li>- to develop strategic communication capabilities that can help protect against information attacks and hostile propaganda, also information tools and channels used in civil emergencies</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- All three Baltic States participate in NATO Strategic Communications Centre of Excellence, which is based in Riga. This provides opportunity to discuss strategic communication issues in a broader context and to contribute to improved strategic communications capabilities within the NATO and Allied nations.</li> <li>- Lithuania was one of the states who actively advocated for proactive EU stratcom activities. Firstly, Lithuania and United Kingdom, Denmark and Estonia had signed letter to EU High representative Ms.F.Mogherini in order to address our concern on ongoing Kremlin propaganda campaigns and necessity to take EU stratcom measures. This initiative helped to ensure that March 19 FAC conclusions on strategic communication was accepted. As a result of that EU East Stratcom team has been established and EU Action plan for strategic communication has been accepted. However, Lithuania believes that the Action Plan should be more ambitious and not limited to EaP region - we also need to respond to disinformation within EU.</li> </ul> <p><b><u>Next works of the Legal Affairs and Security Committee for 2015 – 2016:</u></b> Members of the Committee will analyse submitted answers by the BCM and decide about the follow-up activities.</p>
<p><b>Recommendation (2014):</b></p> <ul style="list-style-type: none"> <li>- to identify gaps in strategic response capacity and determine available resources, as well as to determine opportunities to exchange civil protection and emergency management personnel, and to develop networking between training centres</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- Union Civil Protection Mechanism (hereinafter – UCPM) was established to coordinate assistance from the participating states to victims of natural and man-made disasters in Europe and elsewhere. UCPM provides different cooperation opportunities for participating states. The Baltic States are actively involved in developing various joint response capacities, participating in the training courses and sharing best practices both between the leading civil protection institutions and training centres.</li> <li>- There is an active and traditional cooperation established among the Baltic States in the field of</li> </ul>

	<p>civil protection and disaster management. Since the adoption of the EU Strategy for the Baltic Sea Region (EUSBSR), the Baltic States are looking forward to reinforce and strengthen the existing cooperation. Within the EUSBSR Priority Area “For All Main Hazards in the Baltic Sea Region, Including Winter Storms and Floods” a macro-regional project “EUSBSR Flagship Project 14.3” was developed with support and guidance of the Council of the Baltic Sea States (CBSS).</p> <ul style="list-style-type: none"> <li>- One of the most successful examples of the cooperation among the Baltic States in the field of civil protection is the BaltFloodCombat (BFC) – a multinational High Capacity Pumping module, established in 2009. It began as a joint project carried out by the State Fire and Rescue Service of Latvia, Rescue Board of Estonia and Fire and Rescue Department of Lithuania. The Baltic States have jointly created a reliable and efficient national flood response mechanism and established the EU rapid response capability that was registered in the European Commission’s database/pool of resources. BFC has participated in 3 missions (Poland, Moldova, Bosnia) and 3 international training exercises. Agreement on management principles was signed in February 2015.</li> <li>- Following the positive cooperation experience in multinational High Capacity Pumping module, State Fire and Rescue Service of Latvia and Fire and Rescue Department of Lithuania are jointly running the project “Latvian-Lithuanian Technical Assistance Support Team” (LLT TAST). The main task of LLT TAST is to support different civil protection modules on-site during the missions, provide support in the office, as well as telecommunication, subsistence and transport on-site.</li> <li>- "Principles of provision of Estonia - Latvia Cross-border of rescue" is soon to be signed. The document regulates the provision of cross-border rescue cooperation.</li> <li>- Since 2004, annual Estonia-Latvia cross-border exercises, used to practice cooperation under different scenarios (forest- and wildfires, chemical accidents, severe storms, etc).</li> </ul> <p><b><u>Next works of the Legal Affairs and Security Committee for 2015 – 2016:</u></b> Members of the Committee will analyse submitted answers by the BCM and decide about the follow-up activities.</p>
<p><b>Recommendation (2014):</b></p> <ul style="list-style-type: none"> <li>- to integrate science and technology in Baltic security strategies</li> <li>- to increase the share of GDP allocated to defence</li> <li>- to strengthen the military cooperation of the Baltic States through enhancement of joint capabilities and ensuring of the support of the host country for the allied forces deployed in the region</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- Baltic defence cooperation framework is defined in the <i>Memorandum of Understanding on Cooperation in the Fields of Defence and Military Relations</i> among the Ministries of Defence of the Baltic States, signed on 29 January 2013 (MoU). According to the MoU, cooperation among the Baltic States is structured in a framework of regular meetings on different levels of responsibility, starting from working level subject matter experts up to strategic level of chiefs of defence and ministers. Baltic States cooperate in the following areas: 1) policy and strategic development; 2) capabilities; 3) human resources and education; 4) training and exercises; 5) operations; 6) other areas of mutual interest. The cooperation among the Baltic States in defence matters is well structured and covers a wide range of cooperation areas. Regularity of meetings</li> </ul>

enables the continuation of the policies and further development of projects.

**Recommendation about integration of science and technology in Baltic security strategies:**

- Science and technology matters are well coordinated among the Baltic countries. A special coordination group has been established and meets regularly. In 2013 also the tradition to organize the Baltic Defence Innovation Conference was renewed.
- Lithuanian Ministry of National Defence (MoND) is aiming at closer and more effective cooperation with the Lithuanian scientists by coordinating and supporting their participation in the activities of the NATO Science and Technology Organisation and European Defence Agency. In order to improve MoND research implementation and coordination process and to promote more efficient use of scientific potential for the needs of national defence, regulation on coordination of selection and implementation process of research projects in national defence system was adopted. Based on the regulation MoND is outsourcing research projects' selection and implementation process to the Agency for Science, Innovation and Technology (established under the Ministry of Economy and the Ministry of Education and Science). In the frame of the regulation, a new pilot project on development of unmanned air vehicles (UAV) for the Lithuanian Armed Forces has been launched (duration of the project – 30 months).
- On 26 February 2015 the Estonian Government approved the Estonian Internal Security Strategy for 2015-2020, which defines the developmental needs in the area of internal security and these developmental needs give input into science and technology.
- Taking into account the limited financial resources, Ministry of Defence of Latvia in the last few years could support a very limited amount of research that was vitally needed for developing capabilities; no separate R&T projects were conducted. In 2013, the Federation of Security and Defence Industries of Latvia (FSDI) was established. FSDI brings together a wide range of companies, universities and research institutes. The memorandum of cooperation between FSDI and the Ministry of Defence of Latvia was signed in 2013 and at the same year FSDI also joined NATO Industrial Advisory Group (NIAG). FSDI actively collaborates with other governmental institutions and international organizations.

**Next works of the Legal Affairs and Security Committee for 2015 – 2016:** Members of the Committee will analyse submitted answers by the BCM and decide about the follow-up activities.

**Cooperation regarding food safety**

**Forms of the BA work to implement this priority:** meeting of the Natural Resources and Environment Committee, meetings with experts from State Food and Veterinary Services, meetings with the BCM experts

**Recommendations of the Baltic Assembly (2014):**

**Status of the implementation:**

- Question in subject is tackled during meetings of representatives of veterinary laboratories on the



<ul style="list-style-type: none"> <li>- to identify ways to increase funding for institutions dealing with food safety and quality</li> <li>- to commence negotiations on establishing joint laboratories, joint procurement of equipment, as well as options for reducing costs of food and environmental pollution analyses</li> </ul>	<p>level of Baltic States or Nordic-Baltic countries. Meetings are held annually and apart from that, professional experience is shared, as well as essential issues on relevant, new and more precise methods of analysis as well as interpretation of laboratory results are discussed. Views on current issues related to food and veterinary safety and establishment of dedicated joint laboratories in Baltic States are exchanged.</p> <ul style="list-style-type: none"> <li>- So far, there are no defined plans on establishment of such laboratories as this requires additional support by agreed political commitment on the highest level of governance in each Baltic State. As regards food safety, no progress is achieved by launching the negotiations on a joint laboratory and joint procurement of equipment. Currently, food analyses are provided within the framework of the national budget.</li> <li>- In the framework of national food control and monitoring, some laboratory tests are subcontracted at partner laboratories in other Baltic States such as Estonian Health Board (Estonia) and Bior (Latvia). The Baltic States cooperate with different European food laboratories in terms of outsourcing the services which are not available in Estonia (dioxins) or in some cases when there is a need to reduce the turnaround time of the analyses.</li> </ul> <p><b><u>Next works of the Natural Resources and Environment Committee for 2015 – 2016:</u></b> Members of the Committee will analyse submitted answers by the BCM and decide about the follow-up activities.</p>
<h3><b>Digital Single Market</b></h3> <p><b>Forms of the BA work to implement this priority:</b> Meetings of the Economics, Energy and Innovation Committee, meeting of the Legal Affairs and Security Committee, meetings with the IT-associations, meetings with BCM experts, consultations with researchers, representatives from higher educational institutions</p>	
<p><b>Recommendation of the Baltic Assembly (2013):</b></p> <ul style="list-style-type: none"> <li>- to develop a Baltic digital single market and eliminate all obstacles that hinder its creation</li> </ul>	<p><b>Status of the implementation:</b></p> <ol style="list-style-type: none"> <li>1) BCM established working group to screen and initiate potential pilot projects for cross-border joint electronical services among the Baltic States at the end of 2012.</li> <li>2) Jointly BA and BCM made significant progress towards mutually acceptable forms of e-Signature, which is an important field for the future of the digital single market for the Baltic States.</li> <li>3) In October 2013, Latvia adopted Information Society Development Guidelines for 2014-2020 – a framework planning document and strategy meant also for e-government development which fosters Latvia’s involvement. On 12 March 2014, the Lithuanian Government adopted the Programme for Information Society Development in Lithuania for 2014-2020 “Lithuanian Digital Agenda”.</li> <li>4) On 1 December 2014, a new and unified form of e-Signature came into force. Estonian, Latvian and Lithuanian eIDs can be used together for digital signing. Estonian, Latvian and Lithuanian</li> </ol>

eIDs can all be used for cross-border authentication in at least one pilot electronic service in each of the three countries.

**Next works of the BA Economics, Energy and Innovation Committee for 2015 – 2016:** its is necessary to continue parliamentary monitoring of the implementation of this cooperation activity by focusing on increase of connectivity and solving of main challenges such as security, development of technical infrastructure.

### **Joint actions to fight the VAT and social fraud**

**Forms of the BA work to implement this priority:** Meetings of the Economics, Energy and Innovation Committee, meetings of the Legal Affairs and Security Committee, meetings with the IT-associations, meetings with BCM experts, meetings with the EU experts, meetings with EUROPOL representatives

**Recommendations of the Baltic Assembly (2012 - 2013):**

- to intensify the cooperation of the Baltic States in the fight against VAT fraud
- to organise regular mutual consultations on VAT and to facilitate harmonisation of the VAT policy in the Baltic States;
- to encourage regular cooperation and exchange of information among the tax administrations of the Baltic States
- to enhance regular mutual cooperation of branches of the industry with banks of the Baltic States
- to ensure a systemic approach to exchange of the latest information among the Baltic States. With this initiative, the Baltic cooperation can clearly

**Status of the implementation:**

- Based on the Baltic Assembly – Benelux Parliament initiative in 2011, this issue was brought on the BCM agenda. Baltic Assembly managed to establish regular meetings of relevant law enforcement agencies on regular institutions and to agree upon faster process on exchange of data. Since 2012, the Baltic States have started more multilateral audits and international investigations to fight against VAT fraud. In 2014, a project of cooperation among tax administrators of Estonia, Latvia, Finland and Sweden has been started, purpose of which us to develop electronic channel based on xTee solutions for fast exchange.
- On 4 April 2013, the Baltic States signed the trilateral Agreement on the exchange of information between competent authorities of the Baltic States; on basis of the Agreement the Baltic States are able to exchange the operational information about the vehicles movements across the borders of the Baltic States (this helps to fight against the carousel frauds and fictitious transactions).
- Changes which have been made in the national legislations, based on the proposals by the Baltic Assembly and Baltic Council of Ministers:
  - 1) In Estonia, on 1 July 2014 a law on income taxes was changed in regard to reverse charge on sales coming from precious metal market;
  - 2) In Latvia the following amendments to the legislation have been implemented: 1) on 1 January 2012 entered into force the VAT Law specifying provisions on the reversed VAT charge mechanism with regard to construction services; 2) on 6 November 2013 a law on taxes and fees was amended by introducing a definition of “risk person”;
  - 3) In Lithuania, in 2013 amendments to the Civil Code, Law on Companies, Law on Bill of Exchange were amended with an aim to reduce risk id illicit funds’ free circulation in the economy.

**Issues to be included in the BA agenda for 2016:**

- 1) Baltic Assembly and Benelux Parliament plans to initiative amendment on the social and VAT fraud to the

inspire the European Union to optimise the functioning of the VIES, in particular with regard to VAT returns from goods and services provided between dealers in the EU Member States

- to improve measures used in the fight against tax frauds, as well as to ensure effective exchange of information and coordination of activities among various law enforcement agencies in order to develop an efficient mechanism to be applied on the European level
- to elaborate concrete proposals for improving the fight against tax evasion and tax fraud involving third countries as soon as possible
- to continue looking for the most appropriate ways to combine efforts at the national, European Union and global level in the fight against tax fraud and tax evasion
- to consider the possibility of implementing the split payment model as a tool to fight against VAT fraud

European parliament and European Commission - to consider the possibility of implementing the split payment model as a tool to fight against VAT fraud (based on the opinion of Estonia, the issue of the split payment model is complex and of high costs).

- 2) Baltic Assembly planned to continue the work on recommendations for concrete measures to improve the fight against tax evasion and tax fraud involving third countries.

**Mutual coordination of activities in regard to the financial markets,  
regulative and supervisory cooperation mechanisms of the Baltic financial markets**

**Forms of the BA work to implement this priority:** Meetings of the Economics, Energy and Innovation Committee, meetings of the Legal Affairs and Security Committee, meetings with BCM experts, meetings with representatives from the Central Banks of the Baltic States, meetings with the EU experts, meetings with representatives from supervision authorities of the financial markets

**Recommendations of the Baltic Assembly (2012):**

- harmonise legislation in regard to financial markets of the Baltic States;
- improve the legal framework for cross-border supervisory cooperation and to establish written procedures for supervisory authorities of the Baltic States for crisis management that among others would set forth procedures for information exchange
- eliminate legal obstacles in sharing information among supervisory authorities of the Baltic States

**Status of the implementation:**

- In 2013, the “Agreement on additional cooperation between Financial and Capital Market Commission of Latvia and Financial Supervisory Authority of Estonia on cross-border insurance undertakings” was signed.
- On 1.07.2013, an agreement between Latvia and Lithuania and on 11.03.2013 an agreement between Latvia and Estonia on cooperation in supervision of insurance market were signed.
- Nordic – Baltic Stability group is working on eliminating legal obstacles for sharing of information among supervisory authorities of the Baltic States.

**Next works of the BA Economics, Energy and Innovation Committee and BA Legal Affairs and Security Committee for 2015 – 2016:** it is necessary to continue parliamentary monitoring of the implementation of this cooperation activity.

**Joint actions regarding the fight against spread of drugs**

**Forms of the BA work to implement this priority:** Meetings of the Legal Affairs and Security Committee, meetings with BCM experts, meetings with the EU experts, meetings with EUROPOL representatives, meetings with representatives of law enforcement institutions

**Recommendations of the Baltic Assembly (2012):**

- to regularly provide society with widely accessible and objective information on the harmful impact on individual’s health of narcotic and psychotropic substances that are listed in and whose handling is prohibited by international treaties and national legislation. To take effective and informative countermeasures against popularisation of opinions that threaten

**The question about implementation of the BA recommendations in regard to the fight against spread of drugs has been included in the agenda of the Committee on 18 September 2015.**

public health and safety

- without undermining, as far as possible, national priorities, to define and defend joint political positions regarding the next EU Drugs Strategy, and through related action plans to urge law enforcement agencies to provide active mutual political and practical assistance during implementation of the Strategy and action plans
- to allocate increased financial, human and technical resources for combating international and regional smuggling of narcotic and psychotropic substances, for combating the spread of these substances „on the street”, for implementing measures aimed at preventing the use of these substances, as well as for the treatment, rehabilitation and re-socialisation of addicts
- to take into account the common interests of the Baltic people when drafting and adopting national legislation on control of new narcotic and psychotropic substances and, insofar as possible, to harmonise legislative acts in order to prevent a situation whereby in protecting inhabitants from the spread of a new narcotic and psychotropic substance in one state, the health and safety of inhabitants living in neighbouring states are threatened

### **Fight against trafficking in human beings (THB)**

**Forms of the BA work to implement this priority:** Meetings the Legal Affairs and Security Committee, meetings with BCM experts, meetings with representatives from EUROPOL, meetings with NGOs, meetings with Baltic – Nordic – Benelux law enforcement institutions, meetings with representatives

of the FRONTEX, meetings of the BSPC	
<p><b>Recommendations of the Baltic Assembly, Benelux Parliament, Nordic Council, BSPC:</b></p> <ul style="list-style-type: none"> <li>- to improve relevant national legislation and thus to eradicate legal imperfections which hinder the fight against human trafficking (especially in regard to the THB as a crime in the penal codes)</li> <li>- to implement cooperation initiatives, as well as experience and information exchange among legislatures, governments and NGOs, in order to achieve common goals related to preventing human trafficking.</li> </ul>	<p><b>Status of the implementation:</b></p> <ol style="list-style-type: none"> <li>1) On 21 March 2012, in the Penal Code of Estonia THB was defined as separate crime.</li> <li>2) On 30 June 2012, the law on the amendment to the Criminal Code of Lithuania was adopted with the aim to broaden the definition of THB as a crime, to include more aggravating consequences, and prosecute the users of forced labour and services.</li> <li>3) Latvian Ministry of Interior took into consideration recommendations of the Baltic Assembly when preparing “Guidelines for the Prevention of Human Trafficking for 2014 – 2020”, approved on 14 January 2014.</li> <li>4) In 2013, transnational project that focuses for forced labour and labour exploitation in the 11 Baltic Sea region countries – ADSTRINGO – was continued.</li> </ol> <p><b>Next works for the Baltic Assembly:</b> some of recommendations in regard to the legal obstacles and definition of THB have been implemented, now the task is to follow further legislation improvements as THB crimes are “developing” fast.</p>
<p><b>Smart Specialisation Strategy: research and innovation</b></p>	
<p><b>Forms of the BA work to implement this priority:</b> Meetings of the Economics, Energy and Innovation Committee, meetings of the Education, Science and Culture Committee, meetings with BCM experts, meetings with research associations and representatives from higher educational institutions, meetings with EU experts</p>	
<p><b>Recommendations of the Baltic Assembly (2013):</b></p> <ul style="list-style-type: none"> <li>- to elaborate the Smart Specialization Strategy for the Baltic States in order to facilitate effective use of Baltic infrastructure and scientific potential</li> <li>- to support creation of a Baltic Bonus system aimed at increasing the success rate of</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- Local context and phases of elaborations of the Smart Specialisation Strategies in the Baltic States are different. The Baltic States ensure regular exchange of experience and information. In case of macroeconomic approach, the Baltic States could explore cooperation with Nordic countries.</li> <li>- To promote more active Baltic cooperation in the field of R&amp;D, in 2013 BCM agreed on the creation of the Baltic Bonus instrument (on the level of Prime Ministers). The Baltic Bonus instrument was launched. Based on this initiative, an additional EUR 1000 are to be allocated to those participants of Horizon 2020 whose project proposals include partners from the Baltic States.</li> <li>- To enhance growth opportunities based on smart specialization approach all Baltic States on 30 January 2015 have submitted INTERREG project proposal “Joint Smart Specialization Implementation in Baltic Sea Region”. The aim of the project is to improve co-ordination of Smart specialization implementation, improve</li> </ul>

<p>Baltic projects submitted for the Horizon 2020 (Framework Programme for 2014–2020) and achieving higher excellence in science by exploring cooperation of the Baltic States and relevant national institutions</p> <ul style="list-style-type: none"> <li>- to harmonise interests of the Baltic States and to agree on a joint concept and further development in regard to the research and innovation potential</li> <li>- to strengthen and promote cooperation among universities, research institutions, innovative companies and investors in developing research and innovation, as well as to support gender equality policy in the field of science and research</li> </ul>	<p>Baltic regional R&amp;I policy co-ordination in future and increase capacity of innovation actors to be more visible on the global scale. Project partners are Research and Higher education monitoring and analysis centre of Lithuania, State Education Development agency of Latvia and Tallinn University of Technology.</p> <ul style="list-style-type: none"> <li>- On 15 April 2015, national event “The synergies with Research and Innovation Funds: Stairway to Excellence” will be held in Latvia. The “Stairway to Excellence” is a European Pilot Project focusing on closing the innovation gap, promoting excellence in all regions and EU countries. Latvian event will be devoted to regional innovation ecosystem(s) with a special emphasis on the identification of obstacles, barriers and potentials to innovation and sharing experiences in combining Structural Funds and Framework Programme to improve excellence in R&amp;I systems. Also on 23 April 2015 Baltic inter-ministerial meeting was held to discuss Baltic States experience with implementation of RIS3 and collaborative initiatives of EU grants.</li> <li>- During the preparation of the new period of structural funds, Baltic Ministries of Education and Science as well as Baltic Ministries of Finance shared information on how to address the conditions of smart specialisation in the operational programmes, incl. possible common positions in the communication with the European Commission.</li> <li>- In May 2014, Baltic – Nordic high-level conference about strengthening of cooperation was organised in Tartu. During the conference coordination and funding mechanisms for international research cooperation in the Nordic – Baltic area, opportunities for research infrastructure cooperation, e-infrastructures, training and education in research were discussed.</li> <li>- In August 2015, Estonian Research Council and University of Tartu organised a training school about gendered innovation, research methods, smart cities, urban planning etc. The training was targeted also for experts from the Baltic States.</li> </ul> <p><b><u>Next works to be taken by the BA Education, Science and Culture Committee in 2015-2016:</u></b> members of the Committee should discuss possible future actions in this field.</p>
<p><b>Recommendation of the Baltic Assembly:</b></p> <ul style="list-style-type: none"> <li>- to develop of Baltic Bonus system for the EU Horizon 2020</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- Baltic governments harmonised interests of the Baltic States in research, innovation and allocated funding for Baltic Bonus programme (for example, Latvia has allocated EUR 128 058). University of Tartu, University of Latvia and Klaipeda University have started joint projects within framework of Baltic Bonus “Innovation programme”.</li> </ul> <p><b><u>Next works to be taken by the BA Education, Science and Culture Committee in 2015-2016:</u></b> members of the Committee should discuss possible future actions in this field.</p>
<p><b>Recommendation of the Baltic Assembly (2013):</b></p>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- In 2012 the Baltic Innovation Fund was established. Within this Baltic Innovation Fund at least EUR 200</li> </ul>

<p>- to harmonise interests of the Baltic States and to agree on a joint concept and further development in regard to the research and innovation potential</p>	<p>million are available for Baltic innovative enterprises for a period of 2013 – 2016. 50 Baltic companies have used this available funding.  <u><b>Next works to be taken by the BA Education, Science and Culture Committee in 2015-2016:</b></u> members of the Committee should discuss possible future actions in this field.</p>
<p><b>Recommendation of the Baltic Assembly (2013):</b>  - to devise joint education and training programmes for persons involved in the agricultural sector</p>	<ul style="list-style-type: none"> <li>- Educational and research cooperation in the agricultural sector takes place in the framework of the European programmes and projects.</li> <li>- A joint education network in agriculture sector has been established for more than ten years ago by the Latvia Agriculture University together with the Estonian University of Life Sciences, Lithuanian Veterinary Academy and Alexander Stulginska University by creating the Baltic agriculture, forestry and veterinary medicine university network BOVA (The Baltic Forestry, Veterinary and Agricultural University Network). BOVA university network is of great importance not only for teachers and students by enhancing their scientific knowledge, but also for universities engaged in BOVA network helping to increase their recognition internationally. BOVA development is closely linked with the Nordic Agricultural university network NOVA.</li> </ul> <p><u><b>Next works to be taken by the BA Education, Science and Culture Committee in 2015-2016:</b></u> members of the Committee should discuss possible future actions in this field.</p>
<p><b>Recommendation of the Baltic Assembly (2013):</b>  - to develop a common approach towards introduction of modern technologies and methods in the agricultural sector</p>	<p><u><b>Next works to be taken by the BA Education, Science and Culture Committee in 2015-2016:</b></u> members of the Committee should discuss possible future actions in this field as there is no feedback about the progress of the implementation.</p>
<p><b>Coordination of activities in regard to education, research and science</b></p> <p><b>Forms of the BA work to implement this priority:</b> Joint meetings of the Education, Science and Culture Committee and Economics, Energy and Innovation Committee, meetings with the BCM, meetings with representatives from higher and vocational education institutions, meetings with researchers</p>	
<p><b>Recommendation (2012):</b>  - to establish a working group that would conduct a feasibility study of the BIRTI project, together with the European Commission and JASPERS office of the EBRD, implement the project, as well as define the creation of a common research, technology and innovation</p>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- On 12 November 2012, the Memorandum of Understanding between the Ministry of Education and Science of the Republic of Latvia, the Ministry of Education and Science of the Republic of Lithuania and the Ministry of Education and Research of the Republic of Estonia on Closer Cooperation in Higher Education, Research and Innovation was signed.</li> <li>- Several meetings of stakeholders of the Baltic States were organised. After these meetings, several workings groups were formed. Members of the workings groups shared experience on smart specialization, mapping of research infrastructure and exchanged information on different research and innovation policy questions.</li> </ul>



<p>infrastructure coordinated among the Baltic States that would be oriented towards facilitating competitiveness of the Baltic States' economies as the main goal of the project;</p>	<ul style="list-style-type: none"> <li>- In discussions about BIRTI project a common understanding was reached that science communities of the Baltic States are not ready to put forward joint proposals for creation of common research, technology and innovation infrastructure.</li> </ul> <p><b><u>Next works to be taken by the BA Education, Science and Culture Committee in 2015-2016:</u></b> the BIRTI project is perceived as initiative of Latvia, not as a joint project.</p>
<p><b>Recommendations (2012):</b></p> <ul style="list-style-type: none"> <li>- to elaborate a vision on the creation of a common research, technology and innovation infrastructure which would be based on the feasibility study and coordinated among governments the Baltic States, and to report, in accordance with the established procedure, to the Baltic Assembly on the progress achieved.</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- In 2013, in order to carry out the Memorandum of Understanding, the parties established two inter-ministerial working groups: 1) Baltic research infrastructure expert group; 2) Policy co-ordination working group;</li> <li>- Following the formation of inter-ministerial Baltic research infrastructure expert group a study was carried out to map common research infrastructures in Baltic States, which provides necessary background for cooperation of Latvian, Estonian and Lithuanian researchers and policy makers. During joint expert group on infrastructure mapping meeting in February 2014, discussion was held on possibility of establishing administrative and financial schemes for Estonian, Latvian and Lithuanian researchers to access research infrastructure in Baltic States.</li> <li>- Baltic States research infrastructure mapping was finished in May 2014 and results were published on the web (Latvian Council of Science - <a href="http://www.lzp.gov.lv/ri/">http://www.lzp.gov.lv/ri/</a>; Estonian Research Council - <a href="http://www.etag.ee/en/research-funding/institutional-research-funding/core-infrastructures/">http://www.etag.ee/en/research-funding/institutional-research-funding/core-infrastructures/</a>; Open R&amp;D Lithuania - <a href="http://apc.mita.lt/open-access-centres">http://apc.mita.lt/open-access-centres</a>) with description of infrastructure usage;</li> <li>- In February 2015 Agency for Science, Innovation and Technology of Lithuania, Latvian State Education Development Agency, Estonian Research Council, Engineering Industries Association of Lithuania and Sunrise Valley from Lithuania submitted INTERREG project proposal "Open Access to Research Infrastructure" with aim to boost the exploitation of existing research infrastructures in the Baltic States. One of the project outputs will be common database of the Baltic region research infrastructure. Creation of these lists is a pilot project which provides necessary background for future Baltic cooperation.</li> </ul> <p><b><u>Next works to be taken by the BA Education, Science and Culture Committee in 2015-2016:</u></b> members of the Committee should discuss possible future actions in this field.</p>
<p><b>Recommendation (2014):</b></p> <ul style="list-style-type: none"> <li>- to develop an action plan on closer cooperation and establishing regional networks in higher</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- Baltic Bonus support scheme was introduced to strengthen cooperation between researchers and research institutes. In this scheme research groups will be supported to jointly prepare project applications for open calls of Horizon 2020. Baltic States are in process of establishing closer co-</li> </ul>

<p>education, research and innovation</p>	<p>operation with Nordic countries in higher education, research and innovation. In this regional dimension collaboration is ongoing in different frameworks such as Horizon 2020, Territorial framework, NordForsk common pot projects, Bonus program, Joint research infrastructure, and Researcher mobility.</p> <ul style="list-style-type: none"> <li>- The Baltic national agencies of educational programmes have a cooperation of more than 17 years. Agencies meet regularly, every two years to discuss cooperation issues (currently, Erasmus+ programme).</li> </ul> <p><b><u>Next works to be taken by the BA Education, Science and Culture Committee in 2015-2016:</u></b> members of Committee should discuss possible future actions in this field.</p>
<p><b>Recommendation (2014):</b></p> <ul style="list-style-type: none"> <li>- to draft coordinated higher education policy and to discuss opportunities to elaborate joint marketing strategy for education sector aimed at increasing competitiveness and accessibility of education to citizens of other countries</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- The marketing teams of the higher education (Study in Estonia, Study in Lithuania, Study in Latvia) are cooperating in order to jointly market the higher education opportunities in the Baltic area. The teams generally meet 2-3 times a year to exchange the best practices and keep each other informed of the newest developments.</li> <li>- In 2014, joint marketing events were carried out in India, including a minifair, a joint webpage for the minifair (<a href="http://www.studybaltics.eu/">http://www.studybaltics.eu/</a>), a Facebook page and printed materials.</li> <li>- Joint marketing strategy is difficult to elaborate due to separate budgets, different priorities and target markets, but all countries see potential in further developing and deepening the cooperation, especially in joint representation in networking events (such as NAFSA).</li> <li>- All the Baltic States belong to the European Higher Education Area (EHEA) and follow the goals defined by the EHEA. The ways that the countries use to achieve the goals are different though. A separate Baltic higher education policy would duplicate the European policy and would not give a value added.</li> </ul> <p><b><u>Next works to be taken by the BA Education, Science and Culture Committee in 2015-2016:</u></b> members of the Committee should discuss possible future actions in this field.</p>
<p><b>Recommendation (2014):</b></p> <ul style="list-style-type: none"> <li>- to start negotiations on specialisation of expensive higher and vocational education study programmes</li> </ul>	<p><b>Status of the implementation:</b></p> <ul style="list-style-type: none"> <li>- In June 2013, Ministers of Education and Science discussed also cooperation in the field of expensive higher education study programmes and possibilities of specialisation of the Baltic States in this area. Ministers decided to establish a working group and appoint high-level official from each of the Baltic States to that group. This group <u>was supposed</u> to deal with higher educational internationalisation and expensive higher education study programmes.</li> <li>- Definite decisions about further steps towards joint actions of promoting Baltic States higher education were not adopted. There have been discussions about teaching a study programme only in one Baltic</li> </ul>

country from time to time. However, the cooperation is hampered by different legislations and different possibilities of financing. There are still too many differences between the three countries – the principles of creating study programmes; legislation, ensuring the quality, and recognition of each other’s qualifications –, or these activities are at different stages, therefore a study programme in one country would not necessarily meet the requirements of another country. These obstacles are being tackled. A simplified or even an automatic mutual recognition of higher education qualifications is the aim of the cooperation between the ENIC/NARIC centres of the Baltic States. Since autumn 2014, the centres are comparing and analysing the system of evaluation and recognition of qualifications of each country and are studying the possibilities of facilitating the mutual recognition of qualifications. The coordinator of the project is the Latvian ENIC/NARIC centre.

**Next works to be taken by the BA Education, Science and Culture Committee in 2015-2016:** members of the Committee should discuss possible future actions in this field.

**Recommendation (2014):**

- to develop an action plan for allocating grants and developing special exchange programmes for neighbouring countries

**Status of the implementation:**

- Since 2001 the academic exchanges of the Baltic States have been carried out based on the Agreement of the Baltic Ministries of Education and Science on the exchange of students, researchers and teaching staff; this agreement was updated and financial commitments reviewed in December 2011 and will be in force for a period until 2016. The above mentioned Agreement provides an opportunity: 1) annually carry out study periods-based exchange of students for the total exchange duration of 50 months in all the study areas selected; 2) exchange of scientists and researchers for scientific internships for the total duration of 9 months; 3) exchange of participants of summer courses of language and culture in each of the three countries. Based on the Agreement, the receiving country offers a fixed amount grant whole offering opportunity for free-of charge study (covering the study cost), whereas the sending country may cover the travel expenses to the host country.
- Due to ever greater exchange opportunities offered by Erasmus+ programme, exchange potential between the Baltic States has not been fully exploited.
- Currently, the Rules of Procedure for Granting State Scholarships and Allowances to Foreign Nationals at Higher Education and Research Institutions in Lithuania have been undergoing revision. It is planned to revoke quotas previously allotted to countries. Citizens of Latvia and Estonia will be in a position to carry on with their applications for financing their study at higher education and research institutions of Lithuania pursuant to the selection terms and conditions common to all the countries.
- Starting from 2015/2016 academic year, Estonia will implement a renewed scholarships programme which will also be applied to the scholarships granted under the above-mentioned Agreement. Compared to previous programme, number of target countries will be expanded, scholarships and mobility grants will be offered not only to exchange students but also for degree studies. Scholarship rates will be raised from EUR 288 to 350 per months for all first level higher education and Master’s

students; international PhD students will receive the same allowance as the Estonian Doctoral students – EUR 422 per months (currently EUR 385).

- Latvia, according to bilateral agreements on co-operation in education and science, offers scholarships to students, researchers and teaching staff of several countries (including other Baltic countries) for studies, research and participation in international summer schools organized by Latvian higher education institutions. Available budget for the Latvian scholarships for the academic year 2015/2016 allows granting up to 30 scholarships for studies at Latvian higher education institutions.

**Next works to be taken by the BA Education, Science and Culture Committee in 2015-2016:** members of the Committee should discuss possible future actions in this field.

### Coordination of activities regarding development cooperation

**Forms of the BA work to implement this priority:** Meetings with the responsible European Commissioner, meetings with the European Affairs Committees of the national parliaments, meetings with the NGOs, meetings with the BCM, consultations with researchers

**Recommendations (2013):**

- to become actively involved in the Post-2015 Development Agenda debate
- to develop initiatives for joining efforts with regard to participation in large multilateral development aid tenders and eventually projects
- to involve civil society in all development cooperation policy processes by institutionalising the dialogue among public institutions and the non-governmental sector in formulating development policy

**Status of the implementation:**

- Baltic diplomats have worked closely together in the UN and developed two common Baltic statements in the Open Working Group on post-2015 goals (09.05.14, 19.06.14) on fostering peaceful and inclusive societies and rule of law, effective and capable institutions. The Baltic States cooperate and contribute to the post-2015 discussions together mostly through the coordination of the EU.
- Ministries of Foreign Affairs of the Baltic States are not aware of joint initiatives for participating multilateral development cooperation tenders or projects. The joint initiatives to participate in the tenders lie outside the Government’s influence.
- Ministries of Foreign Affairs of the Baltic States work closely together with the civil society organisations. Ministries of Foreign Affairs regularly exchange views on the working level with the development NGOs.

**Next works for the Baltic Assembly:** It was agreed that the Benelux Parliament will take an initiative to continue parliamentary debates on the development cooperation in 2016 – 2017.

### Development of Rail Baltic/RailBaltica project

**Forms of the BA work to implement this priority:** Meetings the BA Economics, Energy and Innovation Committee, meetings with Ministers of Transport of the Baltic States, meeting with the EU Commissioner on Transport, meeting with relevant commission of the European Parliament

**Recommendations of the Baltic Assembly (2012):**

**Status of the implementation:**

- During the meeting of the Committee on 28 February 2014 in Rīga, members of the committee met with

- to foster development of the Rail Baltica II project;

**Recommendations of the Baltic Assembly (2013):**

- to ensure completion of spatial planning, preliminary design and environmental impact assessments pertinent to construction of the new 1435-mm gauge railway line, as well as other preparatory works ensuring equal technical quality by the end of 2015 as agreed by the *Rail Baltic/Rail Baltica* Task Force;
- to foster establishment of the joint venture of the *Rail Baltic/Rail Baltica* project
- to attract sufficient funding for the *Rail Baltic/Rail Baltica* from the European Union, as well as other public and private sources in order to ensure efficient implementation of the project

**Recommendations of the Baltic Assembly (2014):**

- to jointly prepare and submit the *Rail Baltic/Rail Baltica* project application for funding of the Connecting Europe Facility and start building the railway line
- to continue negotiations with Finland and Poland on their involvement in the North Sea-Baltic TEN-T Corridor in order to link it with the railway line

Latvian Minister of Transport Anrijs Matīss, Lithuanian Minister of Transport and Communications Rimantas Sinkevičius and Advisor to the Estonian Minister of Economic Affairs and Communications Indrek Sirp. During the meeting, main challenges and problems of the RailBaltic project have been discussed: 1) joint venture; 2) EU application; 3) planning works.

- Estonia, Latvia, Lithuania, Poland and Finland signed the Memorandum of Understanding on the creation of the Rail Baltic Joint Venture in September 2013. According to the earlier agreement, the main office of the joint venture will be in Riga, and the railway in each Baltic State will remain in state ownership. Initial deadline set by the Prime Ministers for establishing the joint venture for implementing the Rail Baltic/Rail Baltica project was the end of 2012. This deadline was delayed. Transport ministers decided on a new deadline - 1 January 2014; this deadline was also delayed.
- In June 2014, the Baltic States reached the agreement of shareholders of the Rail Baltic railway connection joint venture at the working group meeting held in Tallinn (all the general formalities for the establishment of the company). A joint Rail Baltica Memorandum on founding of the company was signed on 28 October 2014. Joint Venture “RB Rail” was established on 12 November 2014 and has already started operating
- On 22 June 2015 in Riga, Transport ministers of Estonia, Latvia, Lithuania, Poland, Finland signed the Joint Declaration, which reiterated their common will and strategic objective to build a fast conventional double track higher-speed 1435 mm gauge electrified railway line on the route from Tallinn to Warsaw and lay down concrete actions how to move forward with construction works along the whole route of Rail Baltica line.
- Finland and Poland have agreed to join the Joint Venture “RB Rail” as observers, as well as the *Rail Baltic/Rail Baltica* Task Force set up to enhance cooperation for the smooth realization of the project. Poland’s and Finland’s full commitment to this project has been reiterated in the Joint Declaration on the enhanced cooperation for the implementation of the Rail Baltic/Rail Baltica project (22 June 2015).
- Joint CEF (*Connecting Europe Facility*) application by Joint Venture “RB Rail” and the Baltic States have been submitted to the first call of CEF proposals.
- On 9 July 2015, the CEF Committee approved decision of the European Commission to grant significant amount of funding to *Rail Baltica* project in accordance with the applications submitted to CEF by the Baltic States. In parallel to the preparatory works for these activities to be implemented, applications under the second Call for proposals under CEF fund will be prepared and submitted. It is planned that ERTMS deployment, as a pre-condition for efficient rail operations and as the top priority for CEF Regulation spending, will be embraced by the applications of the Baltic States and Poland.
- Concrete actions, such as detailed technical study, including the preparation of the report on the environmental impact assessment, detailed technical surveys and preparation of technical solutions, as well as financial and economic calculations, are taking place and will be completed by 2016.

**Next works for the BA Economics, Energy and Innovation Committee in 2015 – 2016:** The Baltic Assembly’s efforts to make a parliamentary pressure are highly appreciated by the European Commission and relevant ministries of the Baltic States. Committee should implement parliamentary monitoring of the implementation of this project.

constructed in the framework of the *Rail Baltic/Rail Baltica* project

### **Joint energy projects of the Baltic States:**

#### **infrastructure, gas and electricity market, synchronous interconnection of power systems**

**Forms of the BA work to implement this priority:** Meetings of the Economics, Energy and Innovation Committee, meetings of Natural Resources and Environment Committee, meetings with energy researchers, meetings with EU representatives

#### **Recommendations of the Baltic Assembly (2012 – 2014):**

- to develop a common long-term Baltic energy strategy that focuses on regional approach and interoperability, and to submit it to the national parliaments for approval
- to pursue a coordinated implementation of envisaged regional energy infrastructure projects along with national policy measures and according to the provisions of the Third Energy Package of the EU in gas sector, which are necessary for creation of sustainable, competitive and harmonised gas market in the region
- to continue work in developing a coordinated regional approach to the issues of energy security and common energy market, taking into account the results of the Referendum on the Construction of a New Nuclear Power Plant held in on 14 October 2012;

#### **Recommendations of the Baltic Assembly (2013):**

- to employ all the possible energy infrastructure funding sources, including the Connecting Europe Facility, for the implementation of the necessary energy infrastructure projects which cannot be financed solely by the market
- to ensure the implementation of the Third Energy Package, which will contribute to the creation of a harmonised regional natural gas market and finalisation of electricity markets' liberalization process

#### **Recommendations of the Baltic Assembly (2014)**

- to seek for alternative sources of energy supplies, promote the use of energy from renewable sources and implement joint projects, thereby reducing dependence on one energy supplier
- to analyse Baltic energy markets (energy systems, management of electricity capacity, trade in electricity) in order to identify flaws of separately operating markets, to evaluate benefits of common energy markets and to reduce costs for energy consumers

**Baltic Council of Ministers has provided comprehensive report on the joint activities for implementation of the BA recommendations (*Annex 1*)**

**Next works to be taken by the BA Economics, Energy and Innovation Committee in 2015-2016:** parliamentary monitoring will be performed by the BA Economics, Energy and Innovation Committee.

- to continue developing electricity and gas interconnections
- to urge discussions on scenario selection and implementation of the synchronous interconnection of power systems of the Baltic States with European Continental Networks and de-synchronisation from the IPS/UPS system, giving priority to a scenario whose implementation would be least dependant on third-country influence
- to take a coordinated position regarding the functioning of the Baltic gas market and to elaborate regional gas market regulations
- to foster cooperation among project stakeholders that would allow potential investors to prepare and evaluate the Visaginas Nuclear Power Plant project, while constructively solving the outstanding issues of the implementation of the project
- to take action to facilitate the implementation of the decision of the Agency for the Cooperation of Energy Regulators of 11 August 2014 on the cross-border cost allocation for the Gas Interconnection Poland-Lithuania (GIPL) project in order to integrate the isolated gas market of the Baltic States into the EU market and to ensure proper EU financial support

### **Joint energy projects of the Baltic States: Renewable energy sources**

**Forms of the BA work to implement this priority:** Meetings of the Economics, Energy and Innovation Committee, meetings of Natural Resources and Environment Committee, meetings with energy researchers, meetings with EU representatives

#### **Recommendations of the Baltic Assembly (2012):**

- to lessen the dependence on fossilised fuels by exploring renewable energy sources;
- to promote education, research and development on green growth and energy efficiency, to take action to disseminate information in order to exchange best practices and to raise awareness of environmental significance, economic gains and ways of saving energy;
- to promote green public

**The Baltic Assembly has included the issues of renewable energy sources in 2012. Recommendations about green growth, renewable energy sources were based on the work within the relevant working group of the Baltic Sea Parliamentary Conference.**

#### **Status of the implementation:**

- BCM established the adhoc group on energy efficiency on 30 May 2013. This adhoc group discussed harmonisation of standards in building sector, financial instruments for energy efficiency etc.
- On 28-29 May 2015, Denmark, Germany, Estonia, Latvia, Lithuania, Poland, Finland, Sweden and Norway (as an observer) reached an agreement on Memorandum of Understanding and Action Plan for Energy Policy until 2020. Later, on 8 June 2015 in Luxembourg the Memorandum of Understanding was signed by the Baltic Sea region energy ministers and the EU Commissioner for Climate Action and Energy Mr. Miguel Arias Cañete. The new Memorandum of Understanding declares willingness of the Member States to cooperate in addressing the current challenges in the energy sector. However, the Action Plan defines six key areas, namely electricity and gas markets, security of supply, energy

procurement (GPP) at all levels of public administration by ensuring that GPP standards provide a level playing field for businesses and do not lead to competitive disadvantages for small and medium-sized enterprises;

**Recommendations (2014):**

- to seek for alternative sources of energy supplies, promote the use of energy from renewable sources and implement joint projects, thereby reducing dependence on one energy supplier

infrastructure, power generation, renewable energy and energy efficiency, in which concrete projects need to be further developed to achieve the objectives indicated by the Action Plan.

**Next works to be taken by the BA Natural Resources and Environment Committee and Economics, Energy and Innovation Committee in 2015-2016:** 1) to monitor the implementation of the new Memorandum of Understanding, which, among other issues, focuses also on the renewable energy and energy efficiency; 2) the issue about promotion of research, education about green growth should be included in the agenda of the Committee.



**Questions regarding energy sector (2015)**

**Question No.1**

- **What measures have the governments of the Baltic States taken in 2014 and 2015 to strengthen and promote cooperation among the Baltic States in energy sector?**

<b>Lithuania</b>	<b>Estonia</b>	<b>Latvia</b>
<p>On 8 November 2013 in Riga, the Prime Ministers of the Baltic States tasked the BCM Energy Committee (hereinafter – Energy Committee) to address the issues related to the development of electricity sector of the region, including 1) common projects of electricity generation, 2) synchronization with the networks of the Continental Europe and 3) operation of the electricity market: paying special attention to the intergovernmental level open issues identified in the Joint Position Paper of 30 September 2013 of the potential investors to the Visaginas Nuclear Power Plant project.</p> <p>The Energy Committee holds regular meetings (monthly) to discuss a wide range of issues related to the development of electricity sector of the region and to the regional gas market, especially in the light of the current geopolitical environment.</p> <p>Regarding the common projects of electricity generation, the Committee’s work has been based on the list of intergovernmental level open issues as</p>	<p>The Baltic States have had a very intensive and positive regional cooperation in the energy sector in the Baltic States in 2014-2015. BCM Senior Officials Energy Committee meets almost on a monthly basis to discuss the topical energy market issues. In January 2015 regional Gas Market Coordination group was established and it has proceed well with issues of developing the regional gas market.</p> <p>In 2015 there was a reform of the BEMIP cooperation, the new Memorandum of Understanding for period up to 2020 was signed by the energy ministers of 8 Baltic Sea states.</p>	<p><b><u>Promoting cooperation in 2014</u></b></p> <p><b><u>Energy security stress tests:</u></b></p> <p>According to the European Council agreement the European Commission on 7 July 2014 invited all European Member States to carry out a specific assessment of short-term supply disruption risks (“energy security stress tests”). The purpose of the energy security stress tests was to assess the ability of European interconnected energy system to respond to a serious disruption (one month and seven months) of gas flows from Russia in upcoming winter (2014-2015) season. A key goal of this exercise was to fully exploit synergies at European and regional level and to identify concrete measures necessary to enhance resilience and to prepare an emergency response.</p> <p>Latvia was part of the Baltic States and Finland regional group. By the initiative of Latvia several meetings in Riga and web-conferences were organized among the group members. The Baltic States and Finland report was carried out and submitted to the Commission by the end of August 2014. The energy stress tests exercise provided a valuable insight into national conditions and</p>

identified by the potential investors to the Visaginas Nuclear Power Plant project in the Joint Position Paper of 30 September 2013.

As a result of the Energy Committee's decisions dedicated to the resolution of Visaginas NPP project's intergovernmental Outstanding Issues, concerning questions related to the transmission system and synchronization to The Continental European Networks, Lithuanian transmission system operator LITGRID AB (hereinafter – LITGRID) in April 2014 initiated the conduction of the study "Identification of Technical Requirements and Costs for Integration of Large Scale Generating Unit into the Baltic State's Power System Operating Synchronously with the Continental Europe Networks" (hereinafter – Study). This Study has been prepared by independent consultancy company Gothia Power and co-financed by EU Connecting Europe Facility. Latvian transmission system operator "Augstsprieguma tīkls" AS (hereinafter – AST) and Estonian transmission system operator "Elering" AS (hereinafter – Elering) were invited to participate in the Advisory Body of the Study.

Final Study results were presented to the Energy Committee during its meeting on 28 May 2015 by LITGRID and additionally commented by AST. Referring to the study results, LITGRID informed that with certain additional technical measures it is possible to integrate large scale unit into the Baltic States' power system, including the case of Baltic States' synchronous operation with the Continental European Networks. On 10 July 2015, the Study was submitted

planned measures in certain scenarios. On 16 October 2014 the Commission published Stress Tests Communication<sup>2</sup> and Specific Recommendations<sup>3</sup> analyzing the effects of a possible partial or complete disruption of gas supplies from Russia.

#### **Baltic Council of Ministers:**

On 5 December 2014 in Tallinn the BCM agreed on a Joint Statement<sup>4</sup> regarding the importance of strengthening regional cooperation in the Baltic States. In order to provide the creation of effective and well-functioning regional gas market the Prime Ministers agreed that the Regional Gas Market Coordination Group has to be established with a primary task to prepare an Action Plan on regional gas market development and to complement different events and processes taking place not only on the EU but also on the regional level, for example, Madrid Forum, ENTSO-G, ACER. In addition, interested parties from Finland were invited to join the coordination group.

Furthermore, it was agreed during the meeting that the synchronization of major interconnections going through Poland and Lithuania is a precondition in order to join the European continental power grid system. It was also reiterated that the completion of major infrastructure projects in energy field will provide more secure energy supply for the whole Baltic region. The Prime Ministers expressed their support to the EU Energy Security Strategy<sup>5</sup> prepared by the European Commission and agreed to carry out the goals set in the Strategy by strengthening the security of energy supply.

BCM actively continues the cooperation among senior energy officials (BCM Energy Committee). Since 2013 BCM Energy Committee holds regular (monthly) meetings to discuss issues related to the development of electricity sector and regional gas market, especially in light of the current geopolitical environment.

#### **BCM Energy Committee in 2014:**

<sup>2</sup> Stress Tests Communication - [https://ec.europa.eu/energy/sites/ener/files/documents/2014\\_stresstests\\_com\\_en\\_0.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/2014_stresstests_com_en_0.pdf)

<sup>3</sup> Specific recommendations for most affected Member States - [https://ec.europa.eu/energy/sites/ener/files/documents/2014\\_stresstests\\_com\\_annex\\_en\\_0.pdf](https://ec.europa.eu/energy/sites/ener/files/documents/2014_stresstests_com_annex_en_0.pdf)

<sup>4</sup> Joint Statement - [http://www.mk.gov.lv/sites/default/files/editor/bcm\\_joint\\_statement\\_2014\\_draft\\_05.12.14\\_maardu.pdf](http://www.mk.gov.lv/sites/default/files/editor/bcm_joint_statement_2014_draft_05.12.14_maardu.pdf)

<sup>5</sup> The European Energy Security Strategy <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52014DC0330&qid=1407855611566>

for the Visaginas NPP project potential investors' review.

During the Energy Committee meeting on 23 January 2015, Lithuanian investor VAE SPB presented progress overview of the Visaginas NPP Project and results of the meeting of potential investors which was held on 14 January 2015. Energy Committee has been informed that, as a result of continuous project preparatory works conducted by Lithuania, the approval of sites for the nuclear power plant construction and territorial planning procedures of the route from Klaipėda port to Visaginas were finalized adding to the increase of the project preparation maturity level. Energy Committee has been also informed that potential investors of the Visaginas NPP project agreed to have regular meetings dedicated for resolution of project issues.

On 27 February 2015, joint meeting of Energy Committee and Visaginas NPP potential investors was held. Potential investors presented their view towards the Visaginas NPP project business environment, whereas Energy Committee informed potential investors on the progress of the resolution of governmental level Outstanding Issues.

On 25 June 2015, during the Energy Committee meeting, it was agreed that Lithuania will share information on Visaginas NPP project Levelized Cost of Electricity (LCOE) with Estonian and Latvian Ministries, responsible for energy policy, in order to: 1) provide LCOE calculation to respective energy companies (Regional Partners); 2) enable Regional partners to compare LCOE calculation details to their own estimates; 3) exchange other key financial parameters or conditions, which would make Visaginas NPP project more economically attractive for each

In 2014 BCM Energy Committee was chaired by Estonia. On 4 December 2014 the report to the Prime Ministers was prepared and submitted, covering certain topics: progress of synchronization, electricity market operation, electricity generation, gas market development.

In 2014 BCM Energy Committee took initiative to prepare and submit a letter to the European Commissioner for Energy. The letter was signed by the Energy Ministers of the Baltic States and included PCIs (Projects of Common Interest) list and CEF priority projects aimed at elimination of energy islands, diversification and security of supply.

Furthermore, BCM Energy Committee presented the idea of sending a letter to the President of the European Commission, stressing the importance of energy security and integration of peripheral countries into the EU Internal Market. The letter was signed by the Prime Ministers of the Baltic States.

In addition, BCM Energy Committee agreed on a non-paper reinforcing BEMIP cooperation and proposed to develop the Baltic States' Declaration on Energy Security of Supply.

#### **Promoting cooperation in 2015:**

##### **Declaration on Energy Security of Supply:**

On 14 January 2015 in Riga, Minister of Economics of Latvia Dana Reizniece-Ozola, Minister of Energy of Lithuania Rokas Masiulis and Minister of Economics and Infrastructure of Estonia Urve Palo signed the Declaration on Energy Security of Supply in the Baltic States<sup>6</sup>.

The Declaration covers areas previously emphasized by BCM: 1) importance and development of synchronization; 2) operation of electricity market; 3) electricity generation; 4) gas market development.

The Declaration includes various additional aims and tasks that need to be fulfilled: 1) necessity to prepare the Energy Security Action Plan (Action Plan should be based on the Roadmap prepared by the

<sup>6</sup> Energy Security of Supply Declaration: [http://www.enmin.lt/Energy\\_Security\\_of\\_Supply\\_declaration\\_20150114.pdf](http://www.enmin.lt/Energy_Security_of_Supply_declaration_20150114.pdf)

Regional Partner.

Referring to the 25 June 2015 meeting of the Energy Committee, the information on Visaginas NPP project Levelized Cost of Electricity was distributed to the Estonian and Latvian Ministries, responsible for energy policy.

Furthermore, the BCM Prime Ministers' Council met on 5 December 2014 in Maardu, Estonia, and signed a Joint Declaration. The Prime Ministers of the Baltic States have overviewed of broad range of energy issues important to all three countries, including the development of electricity sector of the region, synchronization of the Baltic power networks with the network of Continental Europe, Visaginas Nuclear Power Plant, the importance of exploiting the possibilities provided by the status of Project of Common Interest (PCI) in the EU, development of the liberal, transparent and effectively functioning regional gas Market, Klaipėda LNG terminal and gas interconnection project between Poland and Lithuania (GIPL). The Prime Ministers have also initiated the establishment of the Regional Gas Market Coordination Group (which includes ministries, regulators and transmission system operators of the Baltic States and Finland) with the main task to develop an Action Plan on regional gas market development.

Following the BCM Prime Ministers' Council's Joint Declaration of 5 December 2014, the Ministers responsible for energy policy of the three Baltic States, on 14 January 2015 in Riga, have signed the Declaration on Energy Security of Supply of the Baltic States. It acknowledged importance of regional cooperation in order to end the isolation of Baltic energy market and further integrate it to the internal European energy market. The Baltic States welcomed the European

TSOs (transmission system operators), indicating main problem situations and unsolved questions on the political level, as well as covering financial issues and further cooperation with the third state); 2) necessity to prepare a long-term Roadmap for Energy Security (Baltic States have agreed to develop regional Preventative action plan and Emergency action plan. Agreement has been reached to cooperate among the Baltic States in situations when energy supply has been disrupted (gas supply disruptions in electricity generation and heat supply sectors) by introducing a rapid alert system); 3) close cooperation in order to provide gas supply for protected consumers; 4) decreasing energy dependence by fully integrating into the European Energy Market; 5) supporting the creation of European Energy Union.

#### **BCM Energy Committee in 2015:**

In 2015 the BCM Energy Committee is being chaired by Lithuania. On 5 December 2014 the BCM formulated various aims that need to be achieved by the Committee. One of the goals includes further development of Synchronization project in order to meet the 2025 target. The Roadmap of achieving targets set for 2025 contains the preparation and realization of political Action Plan, finalization of the study on the second Polish-Lithuanian power interconnection and a comprehensive review of financing possibilities from the EU and the necessary steps to ensure it.

Secondly, one of the problems addressed by BCM was the resolution of issues regarding Baltic Electricity Transmission Capacities. The existing issues include joint decision on the treatment of electricity imports from the third countries and require a long term solution (2016+) on capacity calculation and allocation.

Thirdly, it was found necessary to proceed with resolution on the intergovernmental level of the open issues of Visagina NPP (Nuclear Power Plant) project. The problematic areas include finalization of the study on integration of a large unit (Visagina NPP) in the Baltic power systems.

Finally, preparation of the Action Plan on development of the regional gas market was marked as one of the priorities of BCM Energy Committee's agenda in 2015.

Commission's communication on European Energy Security Strategy and express determination to channel all efforts into its implementation, especially to ensure timely completion of key security of supply infrastructure projects. The Ministers have also committed to strengthening regional cooperation in the Baltic region and making sure that sufficient interconnectors, synchronization of Baltic States with the European Continental Networks, balancing arrangements between the Baltic States, capacity mechanisms and market integration are contributing to energy security, and at the same time ensuring the right balance between costs and overall benefits of these developments.

By the Declaration on Energy Security of Supply of the Baltic States, a Regional Gas Market Coordination Group (which includes ministries, regulators and transmission system operators of the Baltic States and Finland) has been established, with a primary mandate to develop an Action Plan on the regional gas market. This Group has agreed on such a plan during its meeting on 8 June 2015, when 12 specific short-term and mid-term measures for improving functioning of the Eastern-Baltic regional gas market were introduced. As an addition to trilateral initiatives, Baltic Energy Market Interconnection Plan (BEMIP) has been reformed and reinforced. On 28-29 May 2015, the joint meeting of BEMIP High-Level Group and the EU Strategy for the Baltic Sea Region in the field of energy policy took place in Jūrmala, Latvia. The representatives of the European Commission, Denmark, Germany, Estonia, Latvia, Lithuania, Poland, Finland, Sweden and Norway as an observer agreed on the Memorandum of Understanding on the reinforced BEMIP and approved the new BEMIP Action Plan for Energy Policy until 2020. This agreement has been politically endorsed by the

Several foundations have been laid in order to create the regional gas market. Firstly, on 12 February 2015 a Regional Gas Market Coordination Group (RGMCG) was launched. 25 representatives of the Baltic States and Finland are members of RGMCG. The members represent ministries responsible for the energy policy, energy sector regulatory bodies and operators of gas infrastructure of regional significance. The main aim of RGMCG is to create an open and fully functional common gas market, which is in line with the EU Third Energy Package requirements. The main task of RGMCG is to prepare the Action Plan on development of the regional gas market and to seek agreement on the measures for harmonization of the legal and regulatory environment, which would facilitate the gas trade among the Baltic countries already in 2015. Members of the Regional Parties share a common interest in establishing attractive conditions for existing and new market players in the Eastern-Baltic gas market to use key gas infrastructure for the benefits of the consumers and to perform the trading operations, to facilitate the implementation of the EU PCIs and to ensure high level of the security of gas supply.

**Other cooperation mechanisms:**

A vital importance to strengthen the cooperation among the Baltic States has to be attached to the implementation of the EU Energy Market legislation, known as the Third Energy Package. The most crucial task is to define clear, transparent and competitive rules for access to gas supply system in the Baltics for the third countries. The cooperation among the Baltic States is focused on achieving well-functioning gas and electricity market.

**Baltic Energy Market Interconnection Plan (BEMIP):**

The goals are being dealt by the BEMIP High-Level Group. On 28-29 May 2015 during the meeting of BEMIP High-Level Group in Jūrmala the representatives of Denmark, Germany, Estonia, Latvia, Lithuania, Poland, Finland, Sweden and Norway (as an observer) reached an agreement on Memorandum of Understanding and Action Plan for Energy Policy until 2020. Later, on 8 June 2015 in Luxembourg the Memorandum of Understanding was signed by the Baltic Sea region energy ministers and the EU Commissioner for Climate Action and

Baltic Sea region energy ministers and the Commissioner for Climate Action and Energy Miguel Arias Cañete who have signed the Memorandum of Understanding in the margins of the Energy Council on 8 June 2015 in Luxembourg.

The new *Memorandum of Understanding* declares the readiness of the Member States to cooperate in addressing the current challenges in the sector. The Action Plan defines the six key areas, namely electricity and gas markets, security of supply, energy infrastructure, power generation, renewable energy and energy efficiency, in which concrete projects need to be further developed to achieve the objectives and indicators defined in the Action Plan. The three Baltic States will work closely on these issues in the reinforced BEMIP format, together with the other BEMIP Member States. (*Ministry of Energy*)

Energy Mr. Miguel Arias Cañete. The Action Plan was approved at the High-Level Group for Macro-regional strategies on 3 June 2015 in Brussels.

The new Memorandum of Understanding declares willingness of the Member States to cooperate in addressing the current challenges in the energy sector. However, the Action Plan defines six key areas, namely electricity and gas markets, security of supply, energy infrastructure, power generation, renewable energy and energy efficiency, in which concrete projects need to be further developed to achieve the objectives indicated by the Action Plan.

#### **EU Strategy for the Baltic Sea Region:**

In addition, on 15-16 June 2015 in Jurmala the Latvian EU Presidency organized a meeting of the countries of the Baltic Sea Region where the renewed Action Plan of the EU Strategy for the Baltic Sea Region was presented. It introduced 13 new political initiatives and 4 new horizontal actions. It was agreed that the Action Plan will be supplemented by a list of new flagship projects. Latvia is responsible for the priority area “Energy initiative for creating more competitive, secure and long-lasting energy field in the Baltic Sea Region”.

#### **The European Energy Union:**

The Latvian EU Presidency has laid the foundations for the European Energy Union<sup>7</sup> which is oriented towards strengthening of the EU energy independence and outlines a clearer direction towards a common energy policy in the European Union. Formation of the Energy Union started in February in Riga with the so-called “Riga Process”. At the end of February the EC adopted the Energy Union Strategy on the basis of many of the ideas shared at the “Riga Process Energy Conference”. The Strategy envisages the establishment of a single European energy market that seeks to make the movement of energy a "fifth freedom" – free flow of gas and electricity among all 28 EU Member States.

<sup>7</sup> The European Energy Union: [http://ec.europa.eu/priorities/energy-union/index\\_en.htm](http://ec.europa.eu/priorities/energy-union/index_en.htm)

		<p>The Strategy is based on five Energy Union dimensions: 1) energy security, which is based on solidarity, trust and a common view shared by all EU Member States; 2) fully integrated and competitive internal energy market; 3) energy efficiency to help reduce the energy demand; 4) the transition to a low-carbon economy with the EU playing a leading role in renewable energy and low-carbon technologies; 5) the promotion of research, innovation, competitiveness and green technology.</p> <p>The Energy Union is particularly important for the Baltic States as it would help to ensure their energy infrastructure's connectivity to the rest of Europe, thus increasing the energy security. In the coming autumn it is planned to approve the EU's second list of proposed PCIs, which provides the implementation of various gas and electricity projects.</p> <p><i>(Ministry of Economy)</i></p>
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**Question No.2**  
**- What progress has been achieved by the governments of the Baltic States in discussions on the most appropriate scenario for implementation of synchronous power system interconnection between the Baltic States and the European Continental Networks, as well as de-synchronisation from the IPS/UPS system?**

<b>Lithuania</b>	<b>Estonia</b>	<b>Latvia</b>
<p>During the years of 2014-2015, active discussions among Baltic States have been ongoing regarding the development of the synchronization project:</p> <p>1) On 1 December 2014, the Baltic States' transmission system operators, following the results of a feasibility study on the interconnection possibilities for the integration of the Baltic States to the EU internal electricity market by 2020/2025, agreed to cooperate and prepared the guidelines for necessary further actions;</p> <p>2) On 5 December 2014, the BCM Prime Ministers' Council recognized the importance to synchronize Baltic networks with the network of Continental Europe by 2025 through direct interconnections between Lithuania and Poland;</p> <p>3) On 14 January 2015 Ministers of the Baltic States, responsible for energy policy, signed a Declaration on Energy Security of Supply of the Baltic States, <i>inter alia</i> in order to ensure a well streamlined further processes for timely Baltic States' synchronization with the European Continental Network;</p>	<p>The synchronisation of the Baltic Electricity system with the European Continental Networks is a priority goal for all three Baltic States.</p> <p>In 2014 the Baltic Prime Ministers decided to proceed with developing the synchronization project.</p> <p>In 2015 the main activities have been aimed at establishing closer working relations with Poland to achieve progress with developing the project. In the framework of BEMIP there will be an ad-hoc working group for synchronisation to be established in autumn 2015.</p>	<p><b><u>Progress on Synchronization with the networks of the Continental Europe:</u></b></p> <p>The progress regarding the Synchronization project has been made by gaining a political agreement among all three Baltic States. Secondly, a study on the second Lithuanian-Polish interconnection for more clarity about synchronization scenarios has been launched. Finally, a common Roadmap for synchronization has been prepared by Baltic TSOs. It has been indicated that the most feasible solution is to synchronize the Baltic States with the Continental Europe through direct interconnections between Lithuania and Poland.</p> <p><b><u>Study on Baltic electricity market:</u></b></p> <p>Baltic TSOs carried out a study on Baltic</p>

4) On 27 February 2015, following the Declaration, BCM Energy Committee prepared and confirmed the political Action Plan for synchronization with the European Continental Network. The Action Plan emphasizes main activities, which require further political considerations with the involvement of other related parties: 1) the political agreement on the governmental level among the Baltic States and Poland and technical agreement between system operators must be reached; 2) Synchronization project has to be supported by the European Commission and the whole EU at the highest level (emphasizing synchronization as a component of the Energy Union); 3) Synchronization cost sharing principles should be agreed, separate projects have to be included into PCI list and necessary EU funding should be secured; 4) Synchronization Project Coordination Group must be established at BEMIP level; 5) European Commission negotiations with Russia and Belarus will have to be renewed (EURUBY process).

**Actions taken and progress achieved in 2015:**

1) **Support of the European Commission secured.** On 19 February 2015, the Baltic States' ministers, responsible for energy policy, jointly met with the European Commission's representatives: Vice-President of the European Commission Maroš Šefčovič, Commissioner Miguel Arias Canete and Director General for Energy Dominique Ristori. The political support of the European Commission was promised for the Baltic States' synchronization goals. It was agreed that the European Commission will consider the support possibilities (including political, financial and administrative).

2) **Discussions with Poland initiated.** Poland is the one and only gateway to the Continental Europe for the Baltic States. Therefore, recognizing the importance of Poland for the successful Baltic States' synchronization and willingness to begin discussions with Poland on this issue, on 10 March 2015 the Baltic States' ministers, responsible for energy policy, sent a joint letter to the Deputy Prime Minister, Minister of Economy of Poland Janusz Piechocinski. On 27 April 2015, the answer from the Deputy Prime Minister Janusz Piechocinski was received, stating Poland's cautious view and points of concern regarding the Baltic States' synchronization

Electricity Transmission Capacities. The study group of Baltic TSOs was led by Estonian TSO. The study reflected short term solutions (up to 2016) on common capacity calculation and allocation methodology. Nevertheless, joint standpoints and solutions were not found in two fields: 1) the treatment of electricity imports from the third countries was not highlighted; 2) long term solution (2016+) on capacity calculation and allocation was not developed.

However, an assessment of the progress of the implementation of BEMIP was presented.

**Progress on Common projects of electricity generation:**

A progress has been reached regarding the study on integration of a large unit (Visagina NPP) in the Baltic power systems. The project has received partial financial support from the EU, in particular, CEF funding. The project will be led by LITGRID.

**Action Plan for Synchronization for 2015:**

The Action Plan includes several goals:

- to reach a political agreement on the governmental level among the Baltic States and Poland and a technical agreement among the system operators (on 10 March 2015 the Energy Ministers of the Baltic States sent a joint letter to the Minister of Economy of Poland);
- to find additional financial support and the EU support (a study lead by the European Commission regarding additional financing opportunities and the EU financing possibilities has been initiated. Approval and clustering of PCI projects is taking place at the moment;



possibilities. However, the interest to continue further discussions on these issues was also indicated. On 25 June 2015, the joint meeting of the Energy Committee and Deputy Minister of Economy of Poland Andrzej Dycha, with the participation of the European Commission representatives, was held in order to further discuss and exchange opinions on the synchronization issues. It was agreed that further discussions could be continued in a dedicated BEMIP working group.

**3) Baltic States' synchronization with the Continental European Networks target included into the reinforced BEMIP.** On 8 June 2015, the Memorandum of Understanding on the reinforced BEMIP was signed, including the synchronization of the Baltic States with the Continental European Networks as a self-standing objective. By this Memorandum, it was agreed to establish a BEMIP working group to discuss various aspects of integration of the electricity network of the Baltic States into the Continental European Networks.

**Necessary next steps:**

1) Prepare and effectively continue discussion on the principal and strategic questions of the synchronization of the Baltic States with the Continental European Networks among all relevant parties in the BEMIP working group;

2) In order to get answers to the remaining technical questions, it is necessary to initiate the conduction of ENTSO-E study that would indicate the concrete conditions, under which the Baltic States could operate synchronously with area of Continental Europe. However, this requires the approval of Poland in the form of the "supporting party agreement" from the PSE (Polish transmission system operator).

**Study results, related to the possibilities' evaluation of synchronization of the Baltic States with the Continental European Networks:**

1) Referring to the assignments of the Energy Committee, two studies: pre-feasibility study for the possible route of the second Polish-Lithuanian interconnection (LitPol Link) and the study on the integration of the large-scale unit (Visaginas NPP) to the Baltic States' power system were performed;

also an agreement on cost sharing principles has to be reached);

- to highlight the importance of Synchronization as part of the EU energy policy in the European Council (on 20 March 2015 the European Council conclusions indicated the importance of Synchronization as a part of the EU energy policy);
- to increase the regional cooperation (High-Level Task Force for Synchronization will take place under BEMIP; the decision is supported by the European Commission);
- to renew the EURUBY negotiations (an agreement has been reached to conduct a study lead by the European Commission. The main goal is to clearly frame and establish a full mandate for the synchronization of the Baltic States).

**Overall progress:**

Overall the main target of 2015 has been achieved – the level of synchronization of the Baltic States has increased. The achievements have allowed the Baltic and Polish TSOs to apply to ENTSO-E for the evaluation of synchronization conditions.

**Additional targets set:**

- to agree on a long term capacity calculation and allocation;
- to agree on introduction of entry/exit infrastructure fee starting from the beginning of 2016;
- to renew discussions between Lithuania and potential investors on critical outstanding issues.

2)The study on the second LitPol Link interconnection route, conducted by the Lithuanian and Polish transmission system operators, revealed that there are no major obstacles for the construction of the line in Lithuanian territory, however, the construction in the Poland’s territory has certain obstacles (especially in terms of projected social conflicts arising from the necessity of the investment realization in the areas with high natural values and tourism);

3)Therefore, further discussions with Poland regarding the implementation of the second LitPol Link interconnection should be continued in political and technical formats;

4)Lithuanian transmission system operator LITGRID AB in April 2014 initiated the conduction of the study “Identification of Technical Requirements and Costs for Integration of Large Scale Generating Unit into the Baltic State’s Power System Operating Synchronously with the Continental Europe Networks” (hereinafter – Study);

5)This Study was prepared by independent consultancy company Gothia Power and co-financed by European Union’s Connecting Europe Facility. Latvian transmission system operator “Augstsprieguma tikls” AS (hereinafter – AST) and Estonian transmission system operator “Elering” AS (hereinafter – Elering) were invited to participate in the Advisory Body of the Study;

6)Final Study results were presented for the Energy Committee during its meeting on 28 May 2015 by LITGRID and additionally commented by AST. Referring to the study results, LITGRID informed that with certain additional technical measures it is possible to integrate large scale unit into the Baltic States’ power system, including the case of Baltic States’ synchronous operation with The Continental European Networks.

**Importance of Baltic States’ synchronization with the Continental European Networks is recognized in the framework of European energy policy:**

1)This project is included into the European Energy Security Strategy and EU Energy Union as a Project of Common Interest and of critical importance to EU energy security, allowing the successful completion of the integrated energy market in the region;

*(Ministry of Economy)*

2)Its strategic importance is stressed in European Council's conclusions of October 2014, March 2015, and the European Commission's Communication on achieving 10 percent electricity interconnection target;

3)BEMIP Memorandum of Understanding and BEMIP Action Plan clearly indicate the goal to implement Baltic States' synchronization with the Continental European Networks by 2025.

*(Ministry of Energy)*