

Report on Activities of Latvian-Estonian Intergovernmental Commission for Cross-Border Cooperation (IGC) in 2017

With the purpose to further ensure the more efficient use of the IGC format for solving the topical issues of the IGC – Ministry of Environmental Protection and Regional Development in cooperation with the responsible institutions (according to their spheres of competence) has examined the issues of IGC agenda of preceding period as well as new topics proposed by Estonian side after the last Joint Session of IGC in 2015, and provided either proposals for solutions or a detailed justification on the possibilities and usefulness to solve the issues in the framework of IGC and prepared the current informative report.

1. Health care services in border regions

1.1. Emergency medical assistance

In year 2010 the “Agreement between the Ministry of Health of the Republic of Latvia, the Ministry of Social Affairs of the Republic of Estonia and the Ministry of the Interior of the Republic of Estonia on Mutual Aid for Providing Ambulance Services in Border Areas” was signed becoming an important step in improving the cooperation and providing better services to Estonian and Latvian citizens.

Proposal from the Ministry of Health of Latvia:

After thorough assessment of the situation and also in the result of experts meeting and on-spot visits made during 2016 the best acknowledged solution is to conclude a new Agreement between Latvia's Emergency Medical Care Service and Valga Hospital on the transportation of Latvian border area Valka district patients to Valga Hospital in urgent cases for the necessary health care services. In the meanwhile it is proposed also to address the issue of the payment for the received emergency health care services by Valka district patients at the hospital in Valga. These payment conditions are proposed to be laid down in another separate Agreement.

The new Agreements should stipulate the cooperation between Emergency Medical Care Service of Latvia and Valga Hospital in the following cases:

- Emergency medical assistance for the inhabitants of Valka when transportation to the Vidzeme Hospital in Valmiera is not possible or the travel time could be critical to the patients' life.
- Emergency help provided by Latvian medical brigade to Estonian citizens in territory of Latvia when according to medical indications hospitalisation is required.

1.2. Planned healthcare

Currently Valka inhabitants may receive planned health care services in Valga hospital for a fee. Afterwards they have the right to obtain reimbursement for health care services, if the services (in accordance with Latvian national regulations) are paid from the Latvian state budget. To receive reimbursement, Valka district residents must apply to the National Health Service, by submitting the documents listed in the Rules of the Cabinet of Ministers of 17 December 2013 No 1529. As of March 2016 the reimbursement procedure was simplified and there is no need to submit notarised translation for medical documents anymore. However obstacles still remain, for example the prices for the planned health care services differ in both countries.

Proposal from the Ministry of Health of Latvia:

To concentrate the work to arrange cooperation in the provision emergency medical assistance. Cooperation for provision of planned health care services could be the next step.

Latvian proposal regarding the issue:

- 1) start the work between Latvian and Estonian institutions responsible for the health care sector on preparation of two Agreements:
 - the Agreement between the Latvian Emergency Medical Service and Valga Hospital, to provide the opportunity to the emergency medical service teams to deliver patients from the Latvian border areas of Valka district to the Valga Hospital;
 - the Agreement between the Latvian National Health Service and Valga Hospital so that the National Health Service could pay Valga Hospital for the abovementioned cases;
- 2) To include the issue to the IGC Agenda of 2017; to continue to follow the issue resolution process.

2.Vocational education, life-long learning and retraining of the unemployed

According to the information from the Ministry of Education and Science provided in 2016 during the last two school years the number of applicants from Latvia has not been sufficient to complete the full students group with the Latvian study language for studying in Valga Vocational Education Centre. Taking into account that in recent years Latvia has developed modern and attractive opportunities to acquire professional education the Ministry of Education and Science considers that the question of the Latvian students' financing for studies in Valga Vocational Education Centre has lost its significance.

Opinion of the Ministry of Education and Science:

Taking into account the demographic situation, professional education institutions network optimisation plans and financial resources it will not be deemed possible for at least the next few years to find a solution to the financing of studies of the Latvian students' in the Valga Vocational Education Centre.

With regard to the Estonian proposal to find ways to promote cross-border education and to foster also the interest of the Estonian students to learn in the Latvian vocational education institutions the Ministry of Education and Science informs that in Latvian vocational education institutions the education process takes place in the national language and currently there are no plans to develop an education program in other languages of the EU, as it is in universities. If any of the Estonian students can and want to study in Latvian language, they can apply for training according to equivalent terms as Latvian or any other EU country citizens.

In both countries vocational education institutions are cooperating on basis of bilateral or multilateral cooperation agreements. Most popular of the EU education programmes - ERASMUS +, which provides both teaching staff exchange and students exchange for practical training.

With regard to Estonian proposal to map the local labour force needs and requirements among Estonian and Latvian entrepreneurs, Vidzeme planning region informed that in 2016 the labour market trends were explored and Vidzeme University of Applied Sciences issued a study "Correspondence of the provided education to the demands of entrepreneurs and employment forecasts in Valmiera and Vidzeme region".

Latvian proposal regarding the issue:

- 1) not to include the issue of financing of Latvian students' studies in Valga Vocational Education Centre into the IGC Agenda of 2017, due to the fact that the issue has lost its significance;
- 2) not to include the issue of the studies of Estonian students in Latvian vocational education institutions due to the existence of other cooperation formats in the field of education.

3.Labour force mobility in border regions

The issue should be withdrawn from the IGC Agenda, taking into account that the respective priority (which focuses on the expansion of employment opportunities, speeding up the filling of vacancies and improving the availability of information for job seekers and employers in the opposite side of the border) was included in the Estonia – Latvia cross border cooperation programme 2014 – 2020. This will result in improved employment opportunities, for example, set up a database of vacancies and organized a retraining-related activities.

NB! the project aimed to broadening the employment possibilities across the border was approved for implementation by the MC of the EST-LAT Programme in January, 2017

Latvian proposal regarding the issue:

- 1) to continue the cooperation on the issue at the level of respective organisations;
- 2) not to include the issue of the IGC Agenda of 2017, because the issue does not require the changes in the Latvian or in the Estonian national legislation and therefore in accordance with the IGC rules, is outside the IGC competence.

4.Development of cross-border railway connection

4.1.Passenger services on the railway route Rīga -Tallina

According to the information, provided by the Ministry of Transport of Latvia in 2016, at the moment the question is not actual for Latvia, because primarily it is important to provide domestic passenger transport services. Taking into account geographical differences in the existing railway route and road route and the fact that the railway route is longer, the railway route Riga - Tallinn is not competitive compared to the bus transportation. Currently Latvia is not able to provide subsidies for rail passenger transport on this route, but positively assesses if the Estonian side carrier, according to the Latvian laws and regulations, will operate the proposed transport route on the Latvian territory.

Latvian proposal regarding the issue:

- 1) currently, Latvia is not ready to provide subsidies for transport services for passenger on the rail route Riga-Tallinn, however does not object if the Estonian carrier would provide these services in the territory of Latvia (as commercial transportation services) according

the applicable requirements that are in force in Latvia (safety certification, application for infrastructure capacity);

2) Latvian authorities and business representatives responsible for the railway transport are ready to meet prior to the annual IGC meeting in 2017 further on informing the IGC of the results.

3) not to include the issue to the ICG agenda (after 2017).

4.2. Synchronisation of the schedules of the railway route Rīga-Valga un Valga-Tallinn

State Ltd “Road Transport Administration” informed that railway transportation, which is organized and subsidized by the state, is conducted in order to provide a comfortable service for the population within the country. As the train and bus routes are interconnected in a single network, with the changes in trains timetables, changes are made to the matched buses schedules, therefore the amendments in the train schedule would affect a large number of passengers who daily use public transport services in the territory of Latvia. Recent changes in train timetable on the route Riga-Sigulda-Valmiera-Lugazi have entered into force on 1 June 2016. The changes have been agreed with interested municipalities and planning regions.

Latvian proposal regarding the issue:

Not to include the issue into IGC agenda of 2017. LV municipality of Valka – to solve the issue of train schedule synchronization in accordance with requirement and order of the normative acts of Latvia.

5. Repairs of the gravel roads in cross-border region

The Ministry of Transport proposes to examine the possibility within the Estonian - Latvian cross-border cooperation programme 2014 - 2020 to implement the two cross-border infrastructure improvement projects that were previously agreed between Estonian and Latvian road administration. MEPRD as National Authority for ETC programmes in Latvia informs that Estonia - Latvia cross-border cooperation program 2014 - 2020 does not provide funding for the gravel road reconstruction. At the time of the programme preparation this issue was proposed for discussions with the Estonian side, but was rejected in light of the need to ensure that the current period of the program concentrates on no more than 4 thematic axes / priorities and the limited funding of the program.

Latvian proposal regarding the issue:

Not to include the issue to the IGC agenda of 2017, taking into account the fact that it is not possible to finance such types of projects in the framework of Estonia - Latvia cross-border cooperation programme 2014-2020, as well as the fact that no changes are required in Latvian or Estonian legislation, thus for solving the issue the IGC format is not necessary.

6. Joint intercity public transport in Valga/Valka

According to the requirements of the public transport regulatory framework the proposed route Valka - Valga does not correspond to the intercity route status. According to the laws, this connection is considered to be international as the final destinations are located in two different countries.

On the basis of the European Parliament and Council Regulation No.1073/2009 on common rules for access to the international market for coach and bus services and the Public Transport Services Law, public transport services within the country, including transport intercity routes are subsidized from the state budget. Such state aid regime does not apply to the carriage of international importance, and consequently, they cannot be included into the Latvian public transport route network.

Routes of international importance are opened by the initiative of enterprises/undertakers, and they are conducted in line with principles of free competition.

Latvian proposal regarding the issue:

- 1) to include in the IGC agenda 2017 as an informative issue, the responsible institutions should exchange the views and information on conditions for organisation of international transportation;
- 2) inclusion of the issue into Agenda of the coming meetings (post 2017) is not useful, because the EU regulations do not allow introduction of the necessary changes to national legislation.

7. Fire-fighting and rescue services in border-regions and maritime areas

State Fire and Rescue Service opinion: cooperation has to be continued in order to develop the depo network, improve equipment, organize joint trainings and exchange of experience, as well as raising people's awareness of the civil protection and fire safety in order to ensure a more secure life for border residents.

Latvian proposal regarding the issue:

- 1) not to include the issue to the IGC agenda of 2017, because it does not require the changes in Latvian or Estonian national legislation, consequently, in accordance with the IGC rules, is out of the IGC competence;
- 2) further cooperation is possible in other formats (between both countries institutions, within implementation of joint project);
- 3) if necessary during IGC 2017 to inform the IGC members on the latest information on fire-fighting and rescue cooperation in the border regions, the maritime areas.

8.Taxation issues in border regions

Valka municipality proposal: it is necessary to create an exceptional legal framework for the local government budget revenue, taking into account the specific situation of Valka County. **Ministry of Finance** opinion: Municipal budget revenue in relation to the declared population of municipality is governed by the Municipal Finance Equalisation Act. The Ministry of Finance points out that the local government financial equalization law provides the same conditions for all Latvian municipalities for the equalization calculations and does not provide any exception to a particular municipality, therefore the law is not able to provide exceptional standards in order to solve the Valka municipality indicated problem.

Ministry of Finance explains: In case of non-resident income tax diversion to the budget of the municipality, where a non-resident is actually employed, it should be noticed, that the situation in Latvia already corresponds to the proposal made, namely, according to the law "On personal income tax" article 26, the foreign tax payer (non-resident) tax from the amount of gained income in Latvia (income from employment), in accordance to the annual state budget law indicated distribution, is transferred to the state budget and the local budget at the employer's location. Consequently, the question needs to be resolved on the Estonian side, where, according to the description of the information provided by the non-resident wage taxes collected are credited to the Estonian state budget.

The Ministry of Finance proposes to support the Estonian proposal part of both countries' tax specialists' participation in the IGC meeting to discuss the possibilities to amend the Latvian and Estonian tax convention for determining the specific arrangements for residents of border regions, and for that purpose delegates the representative of the Ministry of Finance.

Latvian proposal regarding the issue:

To organise a pre-meeting of both countries' tax specialists to discuss options to amend the Latvian and Estonian tax convention, for the purpose of establishing special arrangements for border region residents. To inform the IGC of the proposals.

9. Development of tourism

After assessing the current legislation in the field of tourism, **the Ministry of Economy** has not identified the need for amendments or additions to it, and is not aware of the Latvian and Estonian cross-border problems in the field of tourism, which might create the obstacles due to regulatory gaps.

The cooperation between Latvia and Estonia in the field of tourism is facilitated also in the frames of the agreement between Latvian Government Estonian Government and Lithuanian Government on cooperation in the field of tourism, as well as by the national tourism administrations contracts and annually renewed joint marketing activities plan - additional activities in the level of the IGC are not required.

Latvian proposal regarding the issue:

To exclude the issue of tourism development from the IGC agenda of 2017, as the analysis of the situation revealed no need to deal with the issue within IGC format.

10. Planning of joint events in border regions

The Ministry of Culture has informed about the ongoing cultural cooperation between the two countries, as well as on common measures which are planned to be implemented in co-operation with Estonia during Latvian centenary celebrations.

Latvian proposal regarding the issue:

- 1) To exclude the issue of planning of joint events in the border regions from the IGC agenda of 2017, as the analysis of the situation revealed no need to deal with the issue within IGC format.
- 2) if necessary during IGC 2017 to inform the IGC members on latest developments in the field of culture (e.g. the Estonian and Latvian century, event planning).

11. Agreement between Estonia and Latvia on exchange of data from the population register

Estonian Ministry of the Interior proposes to include in the Latvian - Estonian IGC agenda the issue of the conclusion of the Agreement between Estonia and Latvia on exchange of data from the population register between the two countries. It is noted that the signing of such an agreement will strengthen and develop cooperation between two countries in the field of free movement of persons, improving the public authorities' responsibility and performance efficiency. In addition to the need to maintain and analyse statistical data on the Latvian people, who live and have received a residence permit in Estonia and vice versa. Estonian Ministry of Foreign Affairs points out that such an agreement was drawn up in 2010 and now it is necessary to complete the ongoing process of signing the contract, with clear results and timetable that will enable ministries to better plan the contract-related activities.

According to the information provided by the **Ministry of the Interior of Latvia** in August 2016 the process of text harmonisation of the Agreement took place. IGC involvement would not be useful because mentioned harmonization process is in the final stages.

Latvian proposal regarding the issue:

Not to include the issue of the Agreement on exchange of data from the population register in the IGC agenda of 2017, as the coordination process of the Agreement between both countries is in the final stage.