

Latvian-Estonian and Estonian-Latvian Intergovernmental Commission for Cross-Border Cooperation

Issues and activities of the preceding period (topical agenda issues of the IGC in 2017)

1). Amendments to the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income

According to the information from the Latvian Ministry of Finance no work was done in 2017 due to occupancy of Estonian colleagues with the issues of the Presidency. There is no progress to report currently.

Negotiations on the amendments to the Tax Convention would proceed in 2018, in frames of the Organisation for Economic Cooperation and Development (OECD) Tax base reduction and profit transfer prevention "Addressing Base Erosion and Profit Shifting" (BEPS) action plan 6.activity minimum standard.

Tackling the taxation issue between Estonia and Latvia competent authorities will be continued at the technical level in format of bilateral negotiations, and it is not appropriate to continue to address the issue within the IGC framework.

2). Health care and health care related public services in cross-border regions

- Emergency medical assistance

According to the information from the Latvian Ministry of Health the parties have conceptually agreed, that the amendments to the Agreement on Mutual Aid for Providing Ambulance Services in Border Areas are not required. After analysing the options, the Ministry of Health decided to include a norm into the legislative acts of Latvia that would allow the National Health Service to conclude contracts for the provision of services in the hospitals of other countries. Currently, the work on the implementation rules under the new Health Care Financing Law is underway, within these implementing rules it is planned to include the relevant provisions.

-Cooperation in health emergencies and disasters

Latvian Ministry of Health is of strong position that it is necessary to arrange such cooperation both on procedure and institutional level, therefore, the legal framework that would be necessary to achieve this goal is sought for (a meeting with the Ministry of the Interior took place in March 2018 to clarify the experience of conclusion of the trilateral Baltic states Agreement on Mutual Assistance and Cooperation in the Field of Disaster Prevention, Preparedness and Response).

3).Cooperation in providing passenger traffic services in Rīga-Tartu line

According to the information provided by the Ministry of Transport currently 2 diesel train pairs are operating on the route Rīga-Lugaži-Valga every day.

The train schedule of the cross-border railway line Riga-Tartu in 2017/2018 has been synchronised (new schedule is in force since 10 December 2017):

- every day from Riga to Tartu trains:

Nr.866 Rīga (10.37) - Valga (13.55);

Nr.335 Valga (13.59) - Tartu (15.11);

-weekends and festive days of LV from Tartu to Riga trains:

Nr.332 Tartu (15.15) - Valga (16.27);

*Nr.869 Valga (16.38) - Rīga (19.48);
-on working days from Tartu to Riga trains:
Nr.330 Tartu (10.15) - Valga (11.27);
Nr.867 Valga (14.38) - Rīga (17.38) (waiting time in Valga 3hr.11 min).*

New issues proposed by LV to be included into the Agenda of the IGC in 2018:

4). Coordination of Cross-border rescue operations' procedures and plans

Agreement between the Government of the Republic Of Latvia, the Government of the Republic of Estonia and the Government of the Republic of Lithuania on Mutual Assistance and Cooperation in the Field of Disaster Prevention, Preparedness and Response was signed in 2017. The Article 6 of the Agreement states that the Parties shall jointly take measures, such as elaborate mutual procedures and plans for cross-border rescue operations, to facilitate the rendering and transit of assistance, cooperation during an operation, and host nation support.

There are seven basic requirements of the national strengthening identified and one of them is that the countries need to be able to cope with the uncontrolled human mass movement into the country and within the country, which may exceed the available resources, and to terminate the arrangements of basic public needs. Work on the implementation of mentioned basic requirement at the national level takes place both in Latvia and Estonia, however, the Ministry of the Interior is of opinion that such a situation also requires a bilateral planning, activities and resources. At the same time a common resource planning, acquisition and maintenance would also be economically more beneficial. For example, establishment of a common ability (module) for housing of the extraordinary mass of people.

5). Elaboration of the unified geodetic justification for the RailBaltic railway line construction

Since Latvia and Estonia are using different geodetic coordinate systems, map projections and possibly also the height models, for the implementation of the RailBaltic project, the Latvian Geospatial Information Agency and the Estonian Land Service should agree on the elaboration of the unified geodetic justification.

6). Determination, prioritisation and coordination of the list of road sections for reconstruction in a border area

Critically poor road infrastructure condition, particularly the roads of so called "Northern strings" - P15., P21., P22., P23. Together with the Estonian side it is important to determine the priorities for reconstruction of those road sections, which would be of the highest value added for two countries border development, taking into account, for example, the labour force mobility between the two countries and national freight flows, and linking to TEN-T infrastructure and ports.

As a solution: Both countries would need to strategically agree on the priorities for reconstruction of road sections in a border area which are essential for the development of territories – economic growth and population attraction.

7). Lack of transport (ferry) connection between Saaremaa island and Kurzeme

Lack of financial and managerial support from the national side to promote cross-border cooperation mainly for tourism, as well as in the field of entrepreneurship.

While the overall benefit to local economies would be significant, however, the ferry traffic operation costs are significant.

The solution: the attraction of the private ferry company and introduction of the international (bilateral) support mechanism ensuring the cost-effectiveness.

A private company might not be interested to initiate the transport services on the route Ventspils – Saaremaa Island on market principles.

The Ventspils city municipality and representatives of the Ventspils free Port representatives have met with the Saaremaa local government representatives and Mintu port manager, as well as the Saaremaa local government-sponsored researchers Aado Keskpaik and Juri Sakkeus. Currently, the Saaremaa local government external consultants explores the options to restore the line and have contacted the ferry companies.