The Prime Minister of Estonia Mr. Andrus Ansip, the Prime Minister of Latvia Mr. Valdis Dombrovskis, and the Prime Minister of Lithuania Mr. Algirdas Butkevičius met within the framework of the Baltic Council of Ministers on 8 November 2013 in Riga, Latvia. The Prime Ministers discussed the key issues of regional and trilateral cooperation, as well as EU agenda. The Prime Ministers reviewed the progress achieved by the Baltic States implementing common regional projects in compliance with the priorities of the Latvian chairmanship in the Baltic Council in 2013. In this review the main attention was devoted to energy and transport infrastructure projects.

**The EU Strategy for the Baltic Sea Region**

*Prime Ministers:*
- recognized the significance of the EU Strategy for the Baltic Sea Region (EUSBSR) for the economic, social and territorial cohesion, in addressing common marine and environmental challenges, infrastructure deficiencies, in particular building the missing energy and transport infrastructure links;
- invited the respective ministries to enhance political support in the implementation of EUSBSR and to use its potential in the work of Baltic Council of Ministers;
- encouraged the managing authorities to embed EUSBSR objectives into the programming documents of the 2014-2020 period in a coordinated way and introduce possibilities for transnational cooperation in a macro-regional context.

**Energy**

*Prime Ministers:*
- supported intensified co-operation of the respective ministries on administrative and political level regarding:
  - electricity market liberalization,
  - natural gas market liberalization and elimination of its infrastructural isolation from the rest of the EU;
  - transfer of knowledge in the process of energy market liberalization.

All above mentioned priorities should be stressed as essential for further multilateral cooperation of our countries in the field of regional energy policy.

*Prime Ministers:*
- welcomed the progress towards completion of the Baltic power market with opening of the Latvian bidding area in the Baltic-Nordic electricity exchange Nord Pool Spot and advancement in building interconnection infrastructure with Nordic countries;
- reiterated a commitment of all three Baltic States to be active and integral parts of the common Baltic – Nordic electricity market and to continue fruitful and constructive
cooperation in agreed and potential infrastructure projects for enhancement of interconnection capacities and diversification of supply;

- called for identifying immediate measures to stabilize the volatile electricity prices to enhance fair competition and allow a level playing field for all consumers and producers in the Baltic electricity market;

- asked Baltic Council of Ministers Committee of Senior Officials on Energy 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 electricity market); paying special attention to the intergovernmental level open issues identified in the Joint Position Paper of 30th September 2013 of potential investors to Visaginas Nuclear Power Plant project and submit proposals to the next Baltic Council of Ministers meeting;

- took note of the recent feasibility analysis on the integration of Baltic and the EU internal energy market’s power systems and tasked the energy ministers to seek consensus on the most viable long-term development scenario, which, together with the common policy on electricity trade agreed in Tallinn Declaration in November 2011, lays a strong basis for Baltic energy security;

- expressed a strong commitment to the implementation of the Third energy package, that will contribute to the creation of a harmonised regional natural gas market and finalisation of electricity markets’ liberalization process;

- welcomed the recent agreement on projects of common interest in line with the BEMIP action plan, to develop electricity market end isolation of Baltic States gas markets from the rest of the EU. All Baltic States consider the implementation of the package of natural gas infrastructure projects as a crucial step forward creating the Eastern Baltic gas market. And therefore would urge transmission system operators and energy regulators to find accurate balance of those infrastructure investments to be covered through tariff in respective countries;

- took notice of the involvement of the European Commission to achieve final decision regarding regional LNG terminal project. The Council underlined a quest for a progress of the project planning and looks forward to its practical realization.

Baltic States Priorities in the EU Single Market

Prime Ministers:

- agreed that proper implementation of the Single Market rules has a significant impact for further integration of the Single Market, therefore deepening the cooperation among the Baltic States is highly important in the processes of implementation of EU legislation in order to fully reap the benefits of the Single Market. It is in the common interest of the Baltic States to remove all disproportionate and unjustified barriers in the Single Market, including those, arising from different interpretation of EU legislation;

- reiterated the importance of the Digital Single Market as an essential driver of competitiveness and sustainable economic growth in the Baltic States. The Digital Single Market should become the main facilitator for business development in the Baltic States. It is therefore significant to agree on common priorities that ensure smooth cross-border data exchange and an enhanced consumer and business confidence in digital transactions and data storage;

- emphasized that the integration of service markets has to be continued to offer the benefits of the EU Single Market not only for Baltic service providers, especially SMEs,
but also the recipients – consumers, who should have a better access to a wide range of services for competitive prices. It is therefore essential to improve the implementation of the Services Directive and enhance the mutual evaluation of regulated professions;

- stressed that the work should be pursued on the approximation of national regulations, as well as proper application of mutual recognition principle, to ensure the free movement of products in the EU Single market.

Energy Efficiency and Energy Performance of Buildings
Prime Ministers:
- welcomed the seeking for the possibilities to find financial sources (for example, EU funds or other) for making a study to set the potential areas for compatibility of technical requirements in the sector of energy performance of buildings and construction in the Baltic States;
- welcomed the exchange of the best practices in the field of implementation of Energy efficiency and Energy performance of buildings directives among the Baltic States and stressed the importance of further cooperation.

Harmonization of Gas Cylinder Regulation in Baltic States
Prime Ministers:
- repeatedly stressed the necessity to strengthen cooperation for setting up common framework on gas cylinder regulation in the Baltic States;
- agreed that measures are to be taken to withdraw all non-compliant gas cylinders, thus, contributing to consumer safety and ensuring a level playing field. The withdrawal of non-compliant gas cylinders should be carried out in a coordinated way as soon as possible to ensure fair competition in the Baltic States;
- agreed that further steps need to be taken and regularly evaluated to ensure effective administrative cooperation and market surveillance in the field of gas cylinders.

Transport
Prime Ministers:
- endorsed the Joint Declaration of the Minister of Transport of the Republic of Finland, the Minister of Economic Affairs and Communications of the Republic of Estonia, the Minister of Transport of the Republic of Latvia, the Minister of Transport and Communications of the Republic of Lithuania, the Minister of Transport, Construction and Maritime Economy of the Republic of Poland on the Establishment of the Rail Baltica/Rail Baltic Joint Venture and on the Enhanced Cooperation in the Rail Baltica/Rail Baltic Project, which is a Conventional High-Speed Railway in the Baltic States, adopted on September 16th, 2013 in Vilnius;
- in particular, welcomed their decision to establish the Joint Venture with the headquarters in Riga and the opportunity for the Republic of Finland and Republic of Poland to join in the future as shareholders and take part in the management of the company under equal terms as decided in the above mentioned declaration;
- agreed to start the discussions on an intergovernmental agreement to stipulate the responsibilities of participating states with regard to the Joint Venture and the development of the Rail Baltica/Rail Baltic Project and invited the ministers of transportation to present basic elements of a working draft of such an agreement by the next informal meeting of the Baltic Council of Ministers;
welcomed the new EU TEN-T policy and establishment of North Sea – Baltic Corridor as a part of the new European Core Network where the Rail Baltic/Rail Baltica is one of the flagship projects;

- stressed the importance of setting common strategic objectives for the railway infrastructure development along the North Sea – Baltic Corridor in terms of achieving maximum interoperability and high average speed for passenger and cargo traffic, achieved by implementing the Rail Baltic/Rail Baltica Project in the territories of Lithuania, Latvia and Estonia (fast conventional double track 1435 mm gauge electrified railway line with the maximum design speed of 240 km/h connecting the Baltic States to Poland);

- agreed, in prioritizing the Rail Baltic/Rail Baltica Project, that the ministries of transport shall ensure the preparation of a relevant joint application to finance the Rail Baltic/Rail Baltica Project for submission by the Joint Venture for the first call of applications to the Connecting Europe Facility (CEF) to be opened in 2014;

- agreed that the Baltic States will seek the CEF funding in the order of 85% for the Rail Baltic/Rail Baltica Project in multiannual financial framework 2014 – 2020 and stressed the importance of maintaining the same level of EU co-financing rate (outside the national cohesion envelopes) in the next multiannual financial framework beyond 2020.

Border Control
Prime Ministers:
- emphasized the importance of closer cooperation of border control and customs authorities of Estonia, Latvia and Lithuania thus contributing to uniform high quality protection of the EU external border and to the internal security of the entire EU;

- agreed to review the implementation of the Action Plan for Deepened Cooperation of Border Control and Customs Authorities of EU Baltic States for 2012-2016 at the next meeting of the BCM in 2014.

Social Issues and Security
Prime Ministers:
- agreed on need of further activities for reducing overcrowding and promoting humane conditions in prisons, also welcome reforms in criminal justice already done and planned in Baltic States thus setting a wider use of alternatives to imprisonment, as well as reducing length of imprisonment and possibility of earlier release from prison by electronic monitoring and other means;

- stressed the need for further development of support and mentoring measures for released prisoners. Involvement of prison and probation as well as municipalities, non-governmental organizations and other institutions are most welcome for providing necessary support thus preventing recidivism.

Climate Change
Prime Ministers:
- agreed that it is essential to cooperate in climate change issues in the Baltic Sea Region to facilitate climate negotiations towards a new legally binding global agreement on international climate regime after 2020 for all countries to be collectively capable to mitigate climate change and its adverse impacts;
emphasized, that cooperation in the Baltic Sea region on climate change issues is an essential priority for development and implementation of regional and international climate policy based on the promotion of competitive, safe and sustainable low carbon and climate resilient economy;

- affirmed their determination to complete the process of ratification of the Doha amendment to the Kyoto Protocol as soon as possible;

- expressed readiness to take part in constructive discussions on the post 2020 EU climate and energy policy framework ensuring that ambitious emission reduction targets are well balanced with the need to sustain economic growth and a favourable investment environment, and improve competitiveness.

Science and Education
Prime Ministers:

- agreed that the Baltic States will continue on-going active cooperation in the field of education within the framework of the Baltic Education Coordination Group, which meets annually in turn in each country;

- agreed that the Baltic States will look for new areas of cooperation aimed at enhancement of the efficiency of education and at gaining of added value;

- agreed that the Baltic States will further strive for successful realisation of undertakings under the trilateral inter-ministerial agreement on exchange of students, researchers and teaching staff, thus, facilitating the mobility and circulation of knowledge and experience in the Baltic region;

- agreed to continue cooperation and coordination of research and innovation policies and smart specialisation processes, to map research infrastructures in the Baltic States;

- agreed to introduce the “Baltic Bonus” instrument that is an additional support for national support schemes for the preparation Horizon 2020 proposals and other research and innovation initiatives; to facilitate collaboration between National Contact Points networks; to coordinate positions that programme committee members communicate in their respective working groups.

Bioeconomy
Recognising global challenges and increasing potential of the bioeconomy to contribute smart and sustainable growth in the Baltic countries, Baltic Prime Ministers:

- underlined the importance of the European Commission’s strategy “Innovating for Sustainable Growth: a Bioeconomy for Europe” and smart implementation of the strategy in the Baltic States;

- confirmed importance of partnership (public and private) between the Baltic States and on the level of EU to move towards to the sustainable, competitive economy in order to address, societal challenges related to food security, natural resource deficit, dependence on fossil fuels and climate change, and at the same time to achieve sustainable economic growth;

- acknowledged the need to promote and further support the existing cooperation of research institutes, governmental institutions, universities and entrepreneurs, especially rural SME.
e-Government
Prime Ministers:

- agreed to invite relevant ministries to identify possible priority areas for cross-border cooperation (business cases) and facilitate cooperation using existing national, as well as pan-European e-government solutions in fields of recognition of digital signatures; e-identification and data exchange.

25-th Anniversary of the Baltic Way
Recognizing the importance of The Baltic Way in 1989 as a key event on the road to regaining independence of Latvia, Lithuania and Estonia, and being aware that it still today serves as a unique symbol of the solidarity and shared values of our three peoples, Prime Ministers:

- agreed to establish working groups in each Baltic State involving different institutions to prepare festive events for the upcoming 25th anniversary of the Baltic Way;
- agreed to cooperate between the three working groups in order to plan a joint event across the three Baltic States.

The next meeting of the Prime Ministers Council of the Baltic Council of Ministers will be held during the Estonian presidency in 2014.

Valdis Dombrovskis
Prime Minister of the Republic of Latvia

Andrus Ansip
Prime Minister of the Republic of Estonia

Algirdas Butkevičius
Prime Minister of the Republic of Lithuania

Riga, 8 November 2013