

**JOINT DECLARATION**

**BETWEEN**

**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**

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 met on September 16<sup>th</sup> 2013 in Vilnius and adopted this Joint Declaration.

*Welcoming* the progress made by the inter-ministerial working group the Rail Baltica/Rail Baltic Task Force with the preparatory works for the new Rail Baltica/Rail Baltic 1435 mm line and emphasising the importance of coordination and cooperation between the countries;

*Assessing* the concept of establishing the Rail Baltica/Rail Baltic Joint Venture and its related draft Shareholders' Agreement as supporting the possibility of enhanced cooperation of the States concerned;

*Acknowledging* the importance of the Rail Baltica/Rail Baltic project to the Baltic Sea Region as a whole and its importance as a part of the *TEN-T Core Network*;

*Stressing* the importance of attracting funding for the Rail Baltica/Rail Baltic from the EU and other public and private sources with the aim of ensuring a sound business-case and efficiency for the railway in the future;

*Recognising* the importance of the Rail Baltica/Rail Baltic infrastructure of facilitating passenger mobility and cargo flows in the Baltic Sea Region;

*have jointly agreed:*

1. to promote cooperation between the Rail Baltica/Rail Baltic Joint Venture after its establishment and the existing infrastructure managers, operators and other interested parties, in the relevant countries;
2. to promote the Rail Baltica/Rail Baltic project in a variety of fora among the users, future passengers' operators, freight operators and owners;

3. that the Shareholders' Agreement and the Statute of the Rail Baltica/Rail Baltic Joint Venture shall leave the opportunity for and shall stipulate no prohibitions, 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. The relevant provisions shall be introduced based on consensus regarding the Shareholders' Agreement (by duly amending it) and other relevant documents in due time;

4. that the members of the Rail Baltica/Rail Baltic Task Force shall coordinate the delivery of the draft Shareholders' Agreement and the draft Statute based on the agreement reached in this declaration to be signed by the 1<sup>st</sup> January 2014;

*Further to the above,*

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, have agreed the following general, financial, and organisational matters of the Rail Baltica/Rail Baltic Joint Venture and the Minister of Transport, Construction and Maritime Economy of the Republic of Poland has acknowledged his support and interest:

5. taking into consideration the fact that the line to Vilnius is part of the new North Sea Baltic Core Network Corridor, the Lithuanian capital city Vilnius shall be connected to the Rail Baltica/Rail Baltic railway line. Any reconstruction of the existing 1520 mm infrastructure or construction of the new 1435 mm railway infrastructure to Vilnius can attract funding in the order of 85% according to the Connecting Europe Facility. All sections of the new TEN-T Core Network Corridors can access funding according to the terms of the Connecting Europe Facility;

6. taking into consideration that the Rail Baltica/Rail Baltic project can attract funding in the order of 85% according to the Connecting Europe Facility regulation;

7. that the Rail Baltica/Rail Baltic Task Force shall continue with the coordination works for the project after the establishment of the Rail Baltica/Rail Baltic Joint Venture as mandated by the ministers;

8. that the experts are invited to start cooperation with the aim of harmonising the regulatory practices along the Rail Baltica/Rail Baltic, taking into account the transposition of the Directive 2012/34/EU and the development of related secondary EU legislation;

9. to start the budgetary proceedings as soon as possible in order to establish the Rail Baltica/Rail Baltic Joint Venture by the representatives of the Republic of Estonia, the Republic of Latvia, and the Republic of Lithuania, and to engage every reasonable effort in order to render the company operational by January 1<sup>st</sup> 2014 at the latest with the objective of having the relevant beneficiary in time for the first call for applications to the Connecting Europe Facility as mentioned in paragraph 10 of this joint declaration;

10. before the establishment of the Joint Venture the experts in the ministries shall start cooperation and make every effort to prepare and submit a joint application for the first call for applications to the Connecting Europe Facility<sup>1</sup> to be opened in the first quarter of 2014 with the endeavour of

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<sup>1</sup> Subject to the reservation of the finalisation of the legislative procedure of the EU



carrying out the final detailed design for the entire Rail Baltica/Rail Baltic railway and other relevant studies;

11. that the Rail Baltica/Rail Baltic Joint Venture shall be established as a limited liability joint stock company as the beneficiary of the EU funds, the contractor for the further contracts and the promoter of the railway to be built in the partner countries. Without prejudice to the future decisions in that regard, the infrastructure ownership on the territories of the Republic of Lithuania, the Republic of Latvia and the Republic of Estonia shall remain the property of each state and shall not be transferred to the Rail Baltica/Rail Baltic Joint Venture. None of the existing railway line between the Polish-Lithuanian border and Tallinn, whether it be 1520 mm or dual gauge 1435/1520 mm will be transferred to the Joint Venture or any other legal entity;

12. that the primary objective of the Joint Venture is to become the beneficiary of the EU funding and the participation in the spatial planning, environmental studies, and preliminary design processes with the team of engineers to be engaged alongside the relevant national authorities;

13. that *inter alia* the tasks of the Joint Venture shall be the development of its strategy and its business plan and the sound marketing of the project; the Joint Venture shall present assumptions of future freight and passenger flows in order to facilitate the development of the European rail network. After the Rail Baltica/Rail Baltic infrastructure works are completed the Rail Baltica/Rail Baltic Joint Venture shall either continue the rail network development and administration or be liquidated passing the functions to the current managers of railway infrastructures of the establishing States upon the decision of the latter;

14. to pledge the financial contribution, subject to the relevant budgetary proceedings, to ensure the operations and activities of the Rail Baltica/Rail Baltic Joint Venture for the next four calendar years (starting from 2014 onwards) in the total amount of 0,65 million euros per annum per country (according to the final accord in the Shareholders' Agreement). The payments to the company shall be made on a yearly basis, whereas the first payment shall be made at the time of establishment as already mentioned in paragraph 9 of this declaration;

15. that the shares of the Rail Baltica/Rail Baltic Joint Venture shall be distributed equally at the time of the establishment and that the Shareholders' Agreement shall establish provisions to convert the shareholdings at a later date proportionally to the capital investments made. The Shareholders' Agreement must contain the provisions forbidding transferring the shares of the Rail Baltica/Rail Baltic Joint Venture to any third party without the consent of all the shareholders;

16. to establish the headquarters of the Joint Venture in Riga;

17. that relating to governance, the Joint Venture shall have:

- the decision-making procedures stipulated in the Shareholders' Agreement and Statute;
- a Management Board with a CEO;
- a CEO chosen based on the principle of professional skills and competences;

- a Supervisory Board with a rotating Chairman approved by each participating country (each shareholder shall nominate two members of the Board as stipulated in the Shareholders' Agreement and Statute, Poland and Finland shall both nominate one);

18. to propose Members to the Supervisory Board at the latest at the moment of establishment of the Joint Venture and the Supervisory Board will organise its first meeting as soon as practically possible;

19. to propose the necessary changes if needed, in the national legislation to facilitate the operations of the Rail Baltica/Rail Baltic Joint Venture;

20. that this Joint Declaration as well as the Rail Baltica/Rail Baltic project itself is the generation and the composition of the common aims and substantial objectives, thus the accomplishment of such aims according to the model agreed on by the joint will of the relevant States is essential and expresses the guidelines for the political communication between the signing States. This Joint Declaration expresses common political position of the States with respect to the Rail Baltica/Rail Baltic project and shall not be treated as the international treaty establishing legal obligations among the States.

Signed in Vilnius, on September 16<sup>th</sup> 2013

Ms M. Kyllönen

Mr J. Parts

Mr A. Matīss

Mr R. Sinkevičius

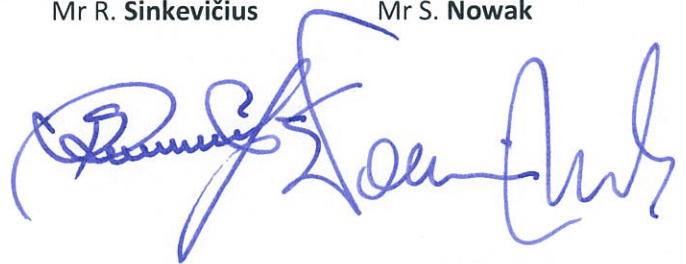
Mr S. Nowak



Minister

Minister

Minister



Minister

Minister