AGREEMENT BETWEEN THE SUPREME AUDIT INSTITUTIONS
OF
ESTONIA, LATVIA AND LITHUANIA
ON THE JOINT AUDIT
ON THE RAIL BALTICA PROJECT

2026

Preamble

This agreement has been settled between the representatives of the following Supreme Audit Institutions (SAIs):

- National Audit Office of Estonia,
- State Audit Office of Latvia,
- National Audit Office of Lithuania.

Principles

This agreement shall be based on main principles outlined in GUID 9000 "Cooperative Audits between SAIs".

The agreement is also based on the experience gained from joint activities of the Rail Baltica Task Force[1], the cooperative audit about the management of internal control systems and public procurements of the Rail Baltica project[2] and the joint review about Rail Baltica project progress[3].

Article 1

Contracting Parties

The SAIs of Estonia, Latvia and Lithuania are parties to the agreement and are hereinafter referred to as the "Contracting Parties".

Article 2

Audit Objective

The objective of the joint audit is to assess whether the Rail Baltica project is implemented effective and efficiently, ensuring timely achievement of project objectives through effective management of construction and procurement processes, scope adjustments, cost optimization measures, financing arrangements, and operational readiness.

The audit methodology is further explained in Article 4, 7 and Appendix 1.

The common auditee for all Contracting Parties is RB Rail AS, that operates under the Latvian law, and equal shares are held by all three national implementing bodies of the Baltic states.

The other auditees are ministries, national implementing bodies and other identified stakeholders including:

- in Estonia – the Ministry of Climate of the Republic of Estonia, Ministry of Finance of the

[1] 20.10.2016. Memorandum of Understanding on the Monitoring of the Preparation and Implementation of the Rail Baltic/Rail Baltica project between Supreme Audit Institutions of Estonia, Latvia and Lithuania.

2 Cooperative Audit by National Audit Office of Estonia, State Audit Office of the Republic of Latvia, and National Audit Office of Lithuania report "Implementation of the Rail Baltica project" (date of publication 07.01.2020).

3 Joint Review on the Rail Baltica project by National Audit Office of Estonia, State Audit Office of the Republic of Latvia, and National Audit Office of Lithuania (date of publication 12.06.2024.).

Republic of Estonia and OÜ Rail Baltic Estonia;

- in Latvia – the Ministry of Transport of the Republic of Latvia, Ministry of Finance of the Republic of Latvia, SIA "EIROPAS DZELZCEĻA LĪNIJAS" and VAS "Latvijas dzelzceļš";
- in Lithuania – the Ministry of Transport and Communications of the Republic of Lithuania, Ministry of Finance of the Republic of Lithuania, UAB "Rail Baltica statyba" and AB "LTG Infra".

Article 3

Type of Audit

Cooperation between the Contracting Parties shall take the form of a joint audit based on the audit matrix in Annex 1. The joint audit report shall be prepared on behalf of all three Contracting Parties.

Each participating SAI has the option and liberty to conduct a parallel audit at the corresponding national entities involved in the Rail Baltica project.

The joint and parallel audits shall be performance audits focusing mainly on economy, effectiveness and efficiency.

Article 4

Methodology

The applied methodology is elaborated in Appendix 1. The audit shall be conducted in accordance with (if applicable):

- international standards of supreme audit institutions,
- national auditing standards or guidelines.

Article 5

Legal Framework

The legal framework that provides the basis for the audit includes:

- agreement between the Government of the Republic of Estonia, the Government of the Republic of Latvia, the Government of the Republic of Lithuania on the development of the Rail Baltic/Rail Baltica Railway Connection,
- shareholders agreement relating to RB Rail AS between OÜ Rail Baltic Estonia, SIA "EIROPAS DZELZCEĻA LĪNIJAS" and UAB "Rail Baltica statyba", and
- other relevant documents.

Article 6

Mandate

Contracting Parties in a manner prescribed by the Agreement and national legislation in accordance with the given mandates, including the mandate given in the Agreement between the Government of the Republic of Estonia, the Government of the Republic of Latvia, the Government of the Republic of Lithuania on development of the Rail Baltic/Rail Baltica Railway Connection, shall carry out the audit on agreed topics (Appendix 1) according to the respective mandate granted to each Contracting Party.

Article 7

Audit Design Matrix

The Contracting Parties have agreed to contribute, as relevant for each Contracting Party, with answers to the audit questions in Appendix 1, within the timelines specified in Appendix 2 and to apply the coordination and monitoring procedures specified in Articles 9, 10, 11, 12 and Appendix 3.

The audit work shall be documented according to the international standards of supreme audit institutions, and unified forms for work papers shall be developed during the work process.

Article 8

Audit Time Frame

The audit shall cover the period from 2022 through the first half of 2026 (depending on the topic and question, the SAIs may expand the timeframe as deemed necessary). The audit shall be completed and distributed and made public no later than January 2027.

Article 9

Coordinator

The National Audit Office of Estonia shall be the coordinator of the joint audit process. The responsibilities of the coordinator include but are not limited to technical coordination of the audit process, administration and sharing of the audit related information collected by Contracting Parties, ensuring cooperation and acting as a contact point among Contracting Parties.

The Contact point between the joint team and RB Rail AS shall be the State Audit Office of Latvia, operating in a coordinated manner with the coordinator.

All Contracting Parties agree to provide support to the coordinator if needed.

Article 10

Steering Committee

The Steering Committee shall be comprised of one member from each Contracting Party. The Steering Committee shall agree and decide on common points and key messages that shall be included in the joint audit and also the final version of the joint audit shall get approval from the Steering Committee. The Steering Committee shall also decide other relevant issues, which may arise during the work process.

Article 11

Exchange of Information

Contracting Parties shall observe the confidentially of all information obtained from other Contracting Parties except that which is agreed to publish in the joint audit.

Exchange of the working documents is generally carried out electronically by submitting them through the special site called “RB cloud” or by email. The National Audit Office of Estonia ensures the maintenance of the abovementioned site, its access to all Contracting Parties, protection and safe storage of information as well as deletion of information from this site after the joint audit is published. Within the cooperation framework, the Contracting Parties shall place on the site the work documents such as working papers, reports, contracts, etc.

The Contracting Parties shall submit the completed work documents on agreed topics (Appendix 1) to the coordinator of the audit in accordance with Article 9 and in accordance with the coordination and joint team specified in Appendix 3 and the timetable specified in Appendix 2.

All official documents following from the cooperation between the Contracting Parties shall be prepared in English.

The Contracting Parties are required to maintain confidentiality of materials and information (first of all company secrets and personal data) that have been received from another Contracting Party and that have been designated as confidential, and not to use the materials and information for purposes other than those specified by the Agreement. The Contracting Party shall immediately terminate and delete or destroy materials and information received from another Contracting Party or responsible institution if they are no longer necessary for the purposes specified in the Agreement. Work documents and evidence shall be preserved and archived according to International Standards of Supreme Audit Institutions and internal rules of the Contracting Parties.

Article 12

Joint Report

The results of the joint audit shall be disseminated through a joint report (in English) and published in electronic form. The joint audit report shall be signed electronically after the Steering Committee has agreed on the final version of the audit by the Auditor General of each Contracting Party.

The coordinator shall be responsible for preparing the joint report after the audit work has been completed according to Articles 7 and 10. All the Contracting Parties shall provide input to the joint report as specified in Article 11 and Appendixes 1, 2, and 3. All Contracting Parties shall contribute to quality assurance of the joint audit within the time frames determined by the coordinator of the audit.

Article 13

Publishing the Joint Audit and parallel audit reports

Until the joint audit has been compiled and published officially, data and drafts of the audit shall not be published. The joint audit shall be published at the same time in all countries of the Contracting Parties, the coordinator shall be responsible for compiling the text of the press release in English.

Each Contracting Party shall be responsible for the correct translation of the press release in the national language.

Publishing the parallel audit reports shall be arranged by each Contracting Party. Contracting Parties shall coordinate the timing of the publication with each other.

Article 14

Contact Persons

The Contracting Parties shall appoint contact persons (Appendix 3) and make their contact details available to other Contracting Parties. Following a change of contact person(s), details of a new contact points shall be made available to the other Contracting Parties no later than within ten working days.

Article 15

Amendments

The other Contracting Parties shall be informed immediately if one of the Contracting Parties wishes to make amendments to the existing Agreement. All amendments to the Agreement and appendices are subject to mutual agreement in writing among the Contracting Parties.

Article 16

Final Provisions

The Agreement is made in the English language. It shall come into effect on the date of its signing electronically by all the Parties.

Common expenses shall be covered in equal parts by the Contracting Parties, while expenses incurred by the individual Contracting Parties (such as travel arrangements, etc.) shall be covered by the Contracting Parties themselves. In case the use of expert services is necessary, the Steering Committee shall agree on the technical solutions for sharing expenses on a case-to-case basis.

On behalf of the National Audit Office of Estonia,
Mr Janar Holm
Auditor General

On behalf of the State Audit Office of Latvia,
Edgars Korčagins
Auditor General

On behalf of the National Audit Office of Lithuania,
Irena Segalovičienė
Auditor General