

**JOINT STATEMENT
OF THE 25TH BALTIC COUNCIL**

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On 29 November 2019 in Riga, the Republic of Latvia, the Baltic Assembly and the Baltic Council of Ministers convened for the 25th Baltic Council to discuss cooperation in security and defence, to review progress in developing regional energy and transport infrastructure projects and to discuss common position of the Baltic States on the 2021-2027 EU Multiannual Financial Framework and to define objectives of Baltic parliamentary and governmental cooperation in 2020.

The year 2019 marked the 30th anniversary of the Baltic Way and 15 years of the Baltic States' membership in the EU and NATO.

Baltic States appreciate the recognition by the international community of the significance of the Baltic Way in the restoration of the independence of the Baltic States and the elimination of the consequences of the Molotov - Ribbentrop Pact, which was signed by Nazi Germany and the USSR on 23 August 1939, and its secret protocols.

The Baltic Council declares the following:

SECURITY AND DEFENCE

Transatlantic partnership and NATO remain the cornerstone for the security and defence of Europe. Underlining the importance of NATO measures to strengthen the deterrence and defence by implementing NATO Wales, Warsaw and Brussels Summit declarations, Estonia, Latvia and Lithuania will continue the work both nationally and through regional cooperation measures to foster collective defence efforts.

NATO Leaders' Meeting in London will mark the 70th anniversary of the Alliance. It will be of utmost importance to demonstrate and reiterate unwavering solidarity and commitment between Allies in order to tackle common security threats and challenges.

Baltic States have taken measures to achieve better coordination and synchronization of national defence and capability development plans. Enhancing military interoperability through regular national and multinational military exercises is also an important priority.

In June 2019, the Baltic Defence Cooperation Ministerial Committee approved the Project Directive to activate the military unit BALTFOR as a combined battalion level military unit to participate in NATO Response Force (NRF) in 2020.

The Headquarters Multinational Division "North-East", fully operational since December 2018, and the Headquarters Multinational Division "North", established this year, will have an important role in NATO collective defence efforts, significantly improving regional Command and Control (C2).

The Baltic States urge Russia to fully comply with its international arms control commitments, and abide by the principles and norms set out in the Charter of the United Nations and The Helsinki Final Act. We strongly support the initiative to modernize the Vienna Document, which is important for trust, predictability and security in the Euro-Atlantic area.

The Baltic States deeply regret that an international arms control architecture is challenged by Russia's violations, selective implementation and refusal to enter into meaningful dialogue. Russia's testing, development and deployment of the Treaty-violating missile systems have led to the demise of the Intermediate-Range Nuclear Forces Treaty (INF), thus undermining existing security architecture, and increasing distrust and unpredictability.

The Baltic States express strong concern about Russia's attempts to systematically undermine the international rules-based order by aggressive conventional military and hybrid acts. We call the international community to maintain unity and vigilance, to respond firmly to any Russian provocations and to support territorial integrity of Ukraine and Georgia, which are direct targets of its aggression. We stress that restrictive measures against the Russian Federation for its aggression in Ukraine must be continued until the sovereignty and territorial integrity of Ukraine within its internationally recognized borders is restored.

The Baltic States reaffirm the importance of NATO policy of strong deterrence, defence, in line with the decisions agreed at the Wales, Warsaw and Brussels summits. The Alliance continues to respond to the deteriorated security environment by enhancing deterrence and defense posture, including by a forward presence in the Baltic region. Allies have also suspended all practical civilian and military cooperation between NATO and Russia, while remaining open to political dialogue. As Russia continues to increase its military presence and introduces additional capabilities in close vicinity of all three Baltic States, it is important to maintain and enhance Allied presence in land, air and maritime domains. Baltic States will work towards adapting and strengthening NATO's deterrence and defence posture in our region, focusing on advance planning, NATO's enhanced Forward Presence, exercises, Baltic Air Policing mission. We underline the need to address air defence gaps in the Baltic region at national, regional and NATO level as well as to enhance Allied reinforcement capabilities, including full implementation of NATO Readiness initiative.

NATO as an Alliance that is based on a strong transatlantic link and US military presence in the region remains the cornerstone for the security and defence of the Baltic States. The Baltic States remain committed to spending at least 2 percent of GDP on defence. We recognize the need for the EU to be more proactive and take more responsibility within and beyond its borders, but consider it crucial to avoid any duplication with NATO.

Baltic States will continue to actively contribute to EU security and defence cooperation and make use of the EU defence initiatives such as Permanent Structured Cooperation and the European Defence Fund. Cooperation between Baltic States, NATO Allies and EU member states in conducting and supporting civilian and military missions and operations should be used to empower states to provide security and to apply the rule of law on their own territory.

The Baltic States will continue to strongly support an enduring transatlantic bond and a close and coordinated defence cooperation between the EU and NATO. It is crucial to continue close cooperation in enhancing military mobility, cyber defence, coherent and interoperable capability development, parallel and coordinated exercises as well as responding to hybrid threats.

COUNTERING HYBRID THREATS

Concerted military, political and economic actions, cyber-attacks, hostile intelligence activities and disinformation campaigns make the hybrid threats relevant security concern. Russia's continuous attempts to re-write history, for example denying Soviet occupation, is one of the backbones of their disinformation campaigns, which aims to sow confusion, polarize our societies and drive wedges between allies.

The Baltic States will continue to use the instruments established by both the EU and the NATO to strengthen an ability to defend against hybrid threats. It is in our interests that the EU and NATO enhance their cooperation in countering hybrid threats. We need to continue to work in all relevant directions: improving situational awareness, addressing vulnerabilities by enhancing resilience and developing response measures to counter and deter hybrid attacks.

Exchange of information on hybrid threats is in our collective interest. We should utilize expertise of the Centres of Excellence, including the NATO Cooperative Cyber Defence Centre of Excellence in Tallinn, NATO Strategic Communication Centre of Excellence in Riga, NATO Energy Security Centre of Excellence in Vilnius, European Centre of Excellence for Countering Hybrid Threats in Helsinki.

The Baltic States express strong support of EU's and NATO's commitment to continue close and mutually reinforcing cooperation with all relevant partner countries, in particular in the EU neighbourhood, on enhancing resilience and countering hybrid threats.

REGIONAL ELECTRICITY AND GAS MARKET

To ensure the Baltic gas market integration and to strengthen energy independence, well-developed infrastructure has a key role, therefore, we strongly welcome *Balticconnector* (FIN-EE) and GIPL (PL-LT) gas interconnection projects.

The Baltic States believe that both projects will strengthen security of supply of the region, they will bring new possibilities for market participants in the whole region, improve liquidity and create opportunities for renewable energy use (biomethane).

We shall continue the ongoing work for the creation of the Regional gas market as well as continue the efforts in developing mutually acceptable cooperation terms towards a united Finnish and Baltic functioning joint gas market. In the common gas market, interconnection points within the single entry-exit system will be eliminated, ensuring free flow of natural gas and biomethane within the single entry-exit tariff area and better utilisation of gas infrastructure, therefore, avoiding overinvestment.

We stress the need to continue work on the enhancement of interconnections between the three Baltic States, including the introduction of reverse flow capacity on Latvian-Estonian interconnection and the expansion of the Latvian-Lithuanian gas interconnection, to ensure continuous work of functioning and well-integrated gas market.

As regards the common electricity market in the Baltic States, the situation has changed significantly in recent years, driven by initiatives taken by policy makers in the European Union, the Baltic States and Scandinavian countries. We stress that an important issue in this process was the creation and development of capacity guaranteeing reliable electricity supply and adequate electrician network infrastructure. We are pleased to acknowledge that electricity interconnections have already been built with both the continental European energy system and Scandinavia, and the work in this direction will continue.

In the scope of functioning of the EU internal energy market and the achievement of the Energy Union objectives, the synchronization of the Baltic States' electricity grid with the continental European system is one of the most important projects to be completed.

We welcome the Connection Agreement and the Catalogue of Measures that came into force on 27 May 2019 as well as the Political Roadmap on implementing the synchronization of the Baltic States' electricity networks with the continental European network via Poland that was signed within the European Council held on 20-21 June 2019. Therefore, these political commitments of all parties demonstrate the readiness and support to complete the synchronization project by 2025 latest and find solutions to ensure the financing for the project.

The Baltic States also share the view that it is necessary to ensure a level playing field for the EU electricity producers in order to remain competitive in relation to third country producers, whereas, electricity import from third countries applying lower safety and environmental standards, undermines the competitiveness of the EU producers.

NUCLEAR AND ENVIRONMENTAL SAFETY

Being aware that environmental and nuclear safety in the EU neighbourhood is an integral part of the EU's foreign policy, the Baltic States resolve to further promote the implementation of the highest international nuclear and environmental safety requirements for nuclear facilities in the EU neighbourhood.

In this regard, Estonia, Latvia and Lithuania call on Belarus to upgrade the Belarus' National Action Plan following the results of the Belarus Nuclear power plant Stress-tests in line with the conclusions of the up-coming European peer review report and its recommendations. We reiterate that this is a crucial exercise in order to ensure nuclear and environmental safety in the EU.

DEVELOPMENT OF TRANSPORT INFRASTRUCTURE AND DIGITAL AGENDA

We recognize that the Rail Baltica project has made significant progress in all three Baltic States. In order to speed up the implementation of the project it is first and foremost necessary to efficiently and effectively use the EU and national funds already committed to the project in cooperation between our states and all other implementing parties. The three Baltic States as owners and beneficiaries of the project have identified methods to accelerate implementation of design and construction of the railway which have to be put into practice. We maintain and reinforce the regional and European importance of development of the rail connections on the North Sea Baltic corridor together with Finland and Poland as well as the European Parliament and the European Commission.

Stable and predictable financing is vital to complete the agreed rail connection and enable its economic use. We restate that within the development of the TEN-T network it is a common objective of the Baltic States together with our partners to secure the necessary financing for completing Rail Baltica in the 2021-2027 MFF. We invite the responsible institutions and officials to strengthen cooperation aimed at achieving this objective.

We acknowledge that our states are working together to facilitate the decision on the management of the Rail Baltica infrastructure. The approach based on well-coordinated essential functions through an integrated decision-making structure for infrastructure management allowing for equal, non-discriminatory and easy access to infrastructure to railway undertakings, assuring smooth scheduling and safe traffic management is a highly promising first step and should be developed further. We are looking forward to its results as we deem it necessary to provide a common workable and optimal solution including common pricing, charging, capacity allocation, safety and traffic management for Rail Baltica in the future. Our common goal is to attract operators and users to the new railway, resulting in reduction of transport related emissions and sufficient feasibility of Rail Baltica. In order to achieve that, the administrative burden for operators must be curtailed and alignment of decisions of the responsible institutions ensured. We regard an agreement on Rail Baltica infrastructure management as a core issue.

For continuing progress of the project, we urge the competent national entities to step up efforts focusing on sustainability and socio-economic viability of the new railway connection, alignment with priorities of the common EU and national security policy.

We recognize that the signed Memorandum of Understanding and Intentions in the field of Connected Automated Driving (CAD) development in Via Baltica road in September last year is one of the first ones in Europe Union to commit for creating an international 5G corridor. By signing this memorandum, a great cooperation between experts from the Baltic States was enabled. The expert level meetings have been regularly held and a work towards the realization of the project is ongoing. The objective of this memorandum as well as expert cooperation is to promote connected automated driving with the aim to support sustainable mobility, improve traffic safety and foster innovations.

Secure, sufficient and trustful digital interoperability is one of the issues to be considered, regarding digital connectivity in compliance with Baltic States' ambitious projects, such as Rail Baltica and 5G corridor. In conjunction to Multiannual Financial Framework Europe should consider these issues as a vital part of Europe's milestones for the nearest future.

COMMON INTERESTS IN EUROPEAN UNION

Estonia, Lithuania and Latvia agree that the EU budget should contribute to the growth and global competitiveness of the EU and address new challenges. EU needs ambitious MFF to finance all priorities, therefore Baltic States are ready to contribute more to the MFF.

Baltic States reiterate that convergence must remain a horizontal priority. It should be reflected in promoting competitiveness, productivity and connectivity, while also tackling challenges related to security and climate change in all regions, especially less developed ones.

We emphasize the need of adequately funded Cohesion policy that is focused on the less developed and transition regions. Cohesion policy has proven to be one of the most effective instruments for EU investments, implementation of structural reforms and addressing socio-economic disparities between regions, as well as contributing to climate policy objectives at a rate higher than the MFF average.

The Baltic States stress that Common Agricultural Policy (CAP) budget must be sufficient to meet ambitious targets. The external convergence of direct payments is crucial to ensure level playing field for the farmers in the Single Market. In addition, sufficient funding for rural development is essential to keep rural areas attractive for working and living, especially among the youngest generations.

Cohesion policy and the Common Agricultural Policy are key in tackling climate change, especially in Member States with less developed regions. Climate transition requires significant transformation across the European Union. It is clear that the future Just Transition Fund (JTF) would cover only a small part of the investment gap relating to transition. The JTF has to be financed from additional contributions, not at the expense of already established policies, which contribute to climate change mitigation. We therefore need to put in place an inclusive enabling framework encompassing adequate incentives and cooperation, taking into account national circumstances, to ensure a just and socially balanced transition to climate neutrality in all Member States.

We support increase of EU resources for research, innovation, digitalization and connectivity (transport, energy and digital). We specifically underline the importance of full integration of Estonia, Latvia and Lithuania into the single European railway area by completion of the Rail Baltica project.

With regard to the United Kingdom's withdrawal from the European Union the Baltic States underline the need to ensure that the process ends in an orderly manner with the least impact possible on the ways of life of citizens as well as business' cooperation. The United Kingdom is our close partner and ally and this will remain so also after the United Kingdom leaves the European Union. We will continue to pursue as close as possible cooperation on citizens' rights, foreign, security and defense policies, as well as trade.

This year marked the 10th anniversary of the EU Eastern Partnership cooperation format. The Eastern Partnership has proved to be an efficient and dynamic framework for democratic transformation of societies and has contributed to closer ties between the Eastern Partnership countries and the European Union. The Eastern Partnership remains one of the foreign policy priorities of the Baltic States, and we reconfirm our readiness to continue to support the format. It is in our common interest to have stable, progressive and secure neighbours.

We stand ready to continue to provide our support to the Eastern Partnership countries in enhancing reforms and economic development through the efficient use of political dialogue, practical cooperation and financial instruments.

We noted European Council's conclusions from June 2019 inviting the Commission and the High Representative to present a further set of long-term policy objectives for Eastern Partnership by early 2020. We will seek these objectives to involve support for deeper integration

with the Eastern Partnership countries that have expressed their willingness to move closer to the EU and have made the necessary progress in implementing reforms. Our common goal will be to have such aspirations secured in the Joint declaration of the upcoming Eastern Partnership Summit in 2020.

COOPERATION IN EDUCATION, RESEARCH, CULTURE AND HEALTH CARE

Baltic States are working towards closer co-operation with Nordic and Baltic Sea Region countries in the fields of research and innovation in different frameworks such as Horizon 2020, NordForsk common projects, Bonus programme and in the area of research infrastructure and researchers' mobility.

The Baltic States reiterate the importance of the establishment of the Baltic Culture Fund in promoting joint cultural events in the Baltic States and abroad thus increasing visibility of Estonia, Latvia and Lithuania, as well as in strengthening social cohesion and resilience in the Baltic States.

We are inspired by the great number and quality of grant applications that have been submitted to the Baltic Culture Fund and we have every reason to be confident that the Fund will achieve its objectives.

We highly appreciated the generous donation of one hundred thousand Euros that the Baltic Culture Fund received from the Nordic Council of Ministers for promotion of cultural cooperation between Baltic and Nordic countries.

The Baltic States will continue implementing joint procurement of medicinal products and devices and are committed to further develop the cooperation in the field of organ transplantation.

The Baltic States will continue the cross-border cooperation in the provision of ambulance services in the border area.

The Baltic Council defined the following priorities for cooperation in 2020:

- 1) Regional security, including Eastern Partnership and transatlantic relations;
- 2) Cyber cooperation;
- 3) Connectivity, including regional energy and transport projects, and digital cooperation;
- 4) Climate change and environmental issues;
- 5) Cooperation in culture and healthcare.

The 26th Baltic Council will be held during the Estonian Presidency on 5 – 6 November 2020 in Tallinn, the Republic of Estonia.

Jānis Vucāns

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