

**Report of the
27th Session of the Baltic Assembly
and the 14th Baltic Council
4-6 December 2008, Viljandi, Estonia**

1. Presiding officers of the Session :

- **Mr Trivimi Velliste**, President of the Baltic Assembly, Chairman of the BA Estonian delegation
- **Dr Mantas Adomėnas**, Vice President of the Baltic Assembly, Chairman of the BA Lithuanian delegation
- **Mrs Ērika Zommere**, Vice President of the Baltic Assembly, Chair of the BA Latvian delegation

2. Agenda of the Session

- Opening of the Session
- Conference “Baltic Sea Strategy and Energy Security”
- Report of the Presidium of the BA
- Reports of the BA Committees on the activities in 2008 and priorities for 2009, introduction to the draft documents and their adoption
- Adoption of the Final document of the 27th BA Session
- Election of the President and Vice Presidents of the Baltic Assembly for 2009
- Election of the Chairpersons and Vice Chairpersons of the BA Committees
- Address by the newly elected President of the Baltic Assembly
- Signing of the Final document of the 27th Session of the Baltic Assembly

Opening of the Session

Mr Trivimi Velliste, President of the Baltic Assembly, thanked the musicians and dancers, who entertained the participants of the Session as well as the County Governor and the Mayor of Viljandi for the hospitality. He noted that Viljandi is a special Estonian town from which many national heroes have come. He welcomed the presence of H.E. Mr Gundars Daudze, H.E. Mrs Ene Ergma, H.E. Mr Arūnas Valinskas, and congratulated H.E. Mr A.Valinskas for his election of the President of the Lithuanian Seimas, Mr Mantas Adomėnas for his election as the Chairman of the Lithuanian delegation to the BA, and wished a strong cooperation spirit. He also welcomed colleagues from the GUAM, Mr Giorgi Tsereteli, Mr Ali Masimli, and Mr Luc Sevenhans, the representative from the Benelux Parliament. He emphasized that the aim of the cooperation is to promote joint policies in many spheres, wished success for the Session of the Baltic Assembly, the Baltic Council, and the conference.

Mr Kalle Jents, Mayor of Viljandi, welcomed the participants and thanked for choosing Viljandi for this event. Viljandi, which is one of the four hanseatic cities, got its city rights in 1882. Viljandi is a town of rich culture and social life; - it has a cinema, theatre, Cultural Academy of Tartu University, musical school, youth orchestra, a health centre, extreme sports hall, tennis facilities etc. Viljandi was one of the first cities which got its first waste management system in 1911. Mr Jents noted that Viljandi celebrates Hanseatic days and hold traditional folk song festivals as well as organise running competitions. At the end of his welcome speech a short film about Viljandi was demonstrated. It has been awarded as the best developing cultural heritage sight for tourism by the EU Commission.

H.E. Mrs Ene Ergma, President of the Riigikogu, greeted everyone in her hometown. She noted that earlier Viljandi was known of its lake, today of the traditional music, and also the today's meeting takes place in the centre of traditional music. Next year the 20th Anniversary of the Baltic Way will be celebrated, whereas the human chain has been an important landmark in the cooperation of the Baltic people and the most well-known act of solidarity. Mrs Ergma outlined that today another kind of chain as a sign of cooperation is needed – a common energy chain. The Baltic States should join the

Nordic energy market in 2013. The first steps have been made in 2006 with the undersea cable network between Finland and Estonia. Next a fixed connection with Sweden and Poland is necessary. In order to increase the supply of security and reduce energy dependence, harmonisation of relevant laws is important. The most important fields of Baltic cooperation are environment and energy. National energy policy should use an approach based on justice and shared responsibility, so that such strategic decisions like building new energy networks would be adopted after consulting with the partners in the European member states. All energy infrastructure projects should have appropriate environment impact assessment to guarantee the fulfilment of international environment standards. There should be joint discussions between the Baltic States regarding the energy supply. Mrs Ergma supported the idea of building 600 Megawatt nuclear energy station in Estonia by 2025.

H.E. Mr Arūnas Valinskas, Speaker of the Seimas, noted that the Baltic States celebrated the 90th anniversary of establishment of independent states, and wished success and further strengthening of the countries and in developing human welfare. He noted that the most significant goals are stronger security and retained independence. The security architecture of Latvia, Lithuania, Estonia and the whole Europe will continue to be shaken by the OEC, the EU, NATO, the Council of Europe and other organisations. He noted that the security, to a large extent, depends on reliable energy supply. With joint efforts it is possible to implement the projects aimed at reducing the energy dependence of the Baltic States on Russia. The Baltic Interconnection Plan should strengthen the energy security of the Baltic States and the region in the long term. The Baltic States should contribute to the EU Baltic Sea Strategy, which should be a clear, consistent, future-oriented document able to address the challenges of energy competition and environment. It is good to know that the Baltic Assembly has working groups dealing with specific areas of environment protection, development of transport infrastructure, culture, education, justice etc. Mr Valinskas appreciated the established cooperation complemented and enriched by the delegates from Georgia, Azerbaijan, the Benelux Parliament and the Nordic Council. He invited to the 28th Session of the BA that will be held in Lithuania, and invited to contribute to the 20th Anniversary of the Baltic human chain – the Baltic Way – to have the three independent states to be interconnected again.

H.E. Mr Gundars Daudze, Speaker of the Saeima, thanked Estonia for its hospitality. He affirmed to be a dedicated defender of the Baltic States' cooperation. In 2008 Latvia and Estonia celebrated the 90th Anniversary of the establishment of the statehood and Lithuania celebrated the 90th Anniversary of renewal of establishment of its statehood. Next year the 20th Anniversary of the Baltic Way will be commemorated, which was a unique, historically unprecedented and deeply emotional event. By joining hands on 23 August in 1989, the Baltic States affirmed to the World that their desire for self-determination was alive. The unity of Estonia, Latvia and Lithuania generated the special power of this event. Looking back on the history of the past 20 years it is evident that the Baltic countries have been able to achieve great and complex tasks by standing together with each other in words and deed. Since the founding of the Baltic Assembly on 8 November 1991 a lot of tasks have been accomplished. Mr Daudze thanked all those who, because of their conviction that better results can be achieved by cooperation, actively supported and coordinated cooperation among the parliaments both bilaterally and within the framework of the Baltic Assembly. These achievements and experience are serving as the stimulus for others, however we have to be alert for the global terrorism, climate change, energy security and the global financial crisis are problems that challenge the people's right to live in peace, harmony and prosperity. The Baltic Assembly is one of the forms of cooperation, it allows parliamentarians to have discussions and seek potentially the best solutions to the challenges of energy security, neighbourhood policy, cyber crime etc. Energy security is a topical issue in many countries; however it has to be ensured that the unique situation of the Baltic States is taken into account. Former experience shows that by working actively together we can achieve the desired results. We have ensured that the plan for integration of the Baltic States into European energy market is being developed. Furthermore, the development of the plan establishing interconnections within the Baltic States has been set as a main priority in the EU energy security and solidarity action plan. Energy should also be among the priorities in the forthcoming EU Baltic Sea region strategy. A more ambitious European Eastern neighbourhood policy is also a high priority. In conclusion Mr Daudze extended his gratitude to the Presidium of the BA, the Secretariat of the BA, the Estonian presidency and all colleagues for their contributions, and wished success to the Seimas of Lithuania for its upcoming presidency of the Baltic Assembly.

Mr Giorgi Tsereteli, Vice Speaker of the Georgian Parliament, representing also the Parliamentary Assembly of the GUAM, extended on behalf of Georgian people and Parliament a sincere gratitude for the support and encouragement in August after the Russian occupation of Georgia. The main objective of the GUAM is to establish in the Black sea and the Caspian region a civilized space of partnership based on European standards, practices, and freedom's principles. The GUAM has already contributed to this objective by establishing a free trade zone, a virtual centre for combating terrorism and organised crime, and actively realising trade and transport facilitation project, and the interstate information management system. Georgia, being the Chairman of the GUAM pays special attention to the further development and utilization of the GUAM transportation corridor potential. It also aims at intensification of the GUAM sectoral cooperation and elaboration of new economic projects, and development of active cooperation between the GUAM and the EU. There are attempts to promote the creation of common space in the Black sea and the Caspian region to strengthen democracy, security and deepen economic, transport, scientific, cultural and other types of cooperation. The GUAM member states are consistently drawing attention to the need for speedy solution of the conflicts in the GUAM area on the basis of norms and principles of international law, including those pertaining to the territorial integrity, political sovereignty and elaboration of international borders, and relevant UN Security Council resolutions.

These days in Helsinki within the framework of the OEC 16th Ministerial Council, the GUAM Council for Foreign Ministers hold its 8th Session discussing actual issues and marking concrete decisions for the further development of the organisation. The USA, Japan, Poland, and the Czech Republic are currently considering the level of their cooperation and facilitating the elaboration of new joint projects of mutual interests.

Today the main goal is to raise the GUAM profile, to implement new economic and energy projects, and the process of strengthening the GUAM should respond to the real needs. The following future goals and activities have been set: 1) the GUAM will serve as a wider forum for political debates and effective multisectoral cooperation between its four member states and remain the monument of common values and interests including the European and Euro-Atlantic integration; 2) one of the milestones of the GUAM cooperation will be to ensure democratic principles and values by energising civil society and various democratic institutions; 3) the GUAM will have a great economic and transit potential connecting Europe and Asia; 4) the GUAM states will have a common

approach concerning the increasing security threats emerging from the conflict zones, including international terrorism, aggressive separatists, extremists, organised crime creating obstacles for sustainable development of the whole region; and 5) the GUAM will be open for cooperation with other countries and international organisations, fully complying with the objectives and principles of the GUAM.

Mr Tsereteli expressed hope for fruitful cooperation between the GUAM and the Baltic States through regular meetings and consultations.

Mr Erkki Tuomioja, the President of the Nordic Council, noted that he attended his first Session of the Nordic Council in 1970 in Reykjavík. At that time people looked positively at the future and no one could have foreseen that some 20 years later the new forms of cooperation between the five Nordic countries and the three Baltic countries would be formed (the NB8). Nowadays the mankind is facing greater challenges than ever in the history and there are doubts that these challenges will be solved, but it is necessary to take every effort to tackle them. In this respect the Nordic Council and the Baltic Assembly has agreed on certain priorities in their cooperation: the EU Baltic Sea Strategy, the Northern Dimension, relations between the EU new neighbours, and the climate change. The cooperation between the Baltic and Nordic countries takes place on several levels and in various political fields between the Presidiums, the Standing Committees etc. In January 2009 during the Summit of the Nordic Council and the Baltic Assembly the new guidelines for cooperation in 2009 are going to be set. The aim of the common efforts will be to promote a comprehensive approach towards the greater challenges on regional and global level, i.e. the globalisation, the climate change, the threats from the international financial crisis, the condition of the Baltic Sea etc. The Nordic and Baltic countries are small economies; therefore a close cooperation is very essential.

Mr Luc Sevenhans, Member of the Benelux Parliament representing President of the Benelux Parliament, emphasized the importance of cooperation between small countries. The Benelux, which brings together three founding members of the United Nations, has become an instrument of astounding efficacy within the union. The cross-border cooperation becomes ever more important in a more expanding world. Similarly, in the context of globalisation of economy small countries can better defend their economic interests together than individually. There are three levels of cooperation between the

Benelux countries: at regional, national and international level. At regional level the Benelux is a forum and a discussion platform. A well-structured cooperation is a good platform for developing joint initiatives, for example, in the field of rescue services. At national level, the Benelux has a function of laboratory to respond to new challenges and to play the leading role in implementation of regulations in the European Union, for example, the Schengen Information System. At international level, the Benelux can be regarded as the open door to the world. In the context of the world economy, investment decisions made in Asia or America are no more limited by national borders. In this respect member states have more to gain by acting as partners rather than as competitors. Hence, the pursuit of this cooperation within the Benelux with the Baltic Assembly and the Nordic Council is an absolute necessity.

Conference on the Baltic Sea Strategy and Energy Security

Mr Trivimi Velliste, the President of the Baltic Assembly, emphasized that the Baltic Sea Strategy should overcome the division of the region and economic differences and difficulties. It should become a model for shaping the regional policy not only in the EU but also outside it, and encourage the Baltic States to become pioneers globally. The strategy should become a promotion instrument for the cooperation between the different parts of the region. Energy security is an indivisible part of the Baltic Sea Strategy, and it is important to promote a well-functioning and common European energy market. The problem of the so-called energy islands needs to be solved. He expressed a wish for the conference to become a forum of discussions, and the continuation of the parliamentary joint think tank.

First Panel of the Conference “Baltic Sea Strategy”

Ms Kaja Tael, Undersecretary of European Union Affairs, Ministry of Foreign Affairs of Estonia, noted that the Baltic Sea Strategy does not occur in the crisis at hand, but the way the strategy is approached might open new opportunities for the future development. There should be a new approach or twist in thinking about regional policies. It is necessary to agree amongst all the countries in the region on certain principles. The Strategy should be an instrument of cohesion policy and agreed objectives of the EU. National interests should not be forgotten or neglected, but we should be able to take on board common interests as representing ones own national interests. Estonian national priorities mainly concern eliminating all sorts of restrictions in the internal market, promoting the freedoms, especially the free movement of knowledge. With the strategy in our mind we have created a new identity for ourselves in the EU, and a genuinely joined project tattoo can do wonders for promoting cooperation in the future. The list of projects in the Baltic Sea Strategy need not to be a list of concerns and complaints that there is no sufficient funding, it should rather be a list of modern possibilities, which would attract investments, not aid.

Mr Deividas Matulonis, State Secretary, Ministry of Foreign Affairs of Lithuania, emphasized that the trilateral cooperation of the parliaments and governments of Estonia, Latvia and Lithuania has significantly contributed to the stability and economic growth of the Baltic Sea region. This cooperation should be streamlined to make the region even more competitive, prosperous, safe and attractive. Launching the process of the EU Strategy for the Baltic Sea region gives us a new impetus in achieving this ambitious goal. It is to be noticed that the Baltic Sea region will be the first one in the EU to have a strategy. It is crucial that the strategy becomes a solid, concrete, action and result-oriented document with a detailed insight towards its practical implementation. The document should contain a limited number of projects of vital importance for the region and suggest effective and transparent implementation and governance mechanisms. Lithuania sees the Baltic Sea Strategy as an important tool for further integration of the region as well as for strengthening its identity and raising its profile on the international scale. The three Baltic States are still isolated “islands” of the EU and there is a particular importance to develop transport and energy interconnections with the Western and Northern European networks. Energy issues have become a top priority for the Baltic countries. The Strategy should focus on speeding up creation of a well-functioning and integrated European internal energy market by strengthening generation capabilities, creating alternative routes of energy supply and developing missing interconnections of the electricity and gas networks in the Baltic Sea region. The Baltic Interconnection Plan should become a key project for the Baltic States and an integral part of the EU Strategy for the Baltic Sea Region. There is the importance of increasing energy efficiency and promoting energy saving technologies in the region, which would have a positive effect on mitigation of consequences of the climate change.

While speaking about strengthening attractiveness and identity of the region one should not forget the human dimension. People and especially youth of the Baltic Sea region have to discover each other once again and develop an extensive network of communication through close people-to-people contacts, school and academic exchange programs, tourism and cultural cooperation. Eastern neighbours – Russian and Belarusian people – should become part of this network giving them an opportunity to enjoy benefits of our regional cooperation. Therefore, it is in our interest to reduce existing barriers for the movement of people by facilitating the existing EU visa regime. Greater travel freedom would stimulate a more positive attitude of Russians and Belarusian to the EU and would strengthen their regional and European identity. Also,

participation of Russia and Belarus is strongly needed in implementing certain regional priority projects, especially in the transport and environment sectors.

Mr Ēriks Zunda, Parliamentary Secretary of the Ministry of Foreign Affairs of Latvia, noted that Latvia considers the EU Strategy for the Baltic Sea Region to be a good cooperation tool for the people of the Baltic States, resulting in improvement of the competence, sustainable development, and the competitiveness of the whole EU. Mr Zunda informed about the initiation of the idea for the strategy in 2005. The Action plan of the Strategy was developed in 2006. This initiative was accepted by the European Parliament and until June 2009 the European Commission has to prepare and submit the strategy. In December 2009 during the Swedish presidency, the European Parliament will adopt it, and in 2010 the Strategy will become active. The European Commission has set the following priorities: 1) improve the environmental state of BSR and especially of the Sea; 2) make region a more prosperous place by supporting balanced economic development across the region; 3) make the region a more accessible and attractive place for its inhabitants, competent labour force and tourists; and 4) make the region a safer and more secure place.

Latvia has focused on the following priority issues: energy, competitiveness, education, research, culture, environment, civil security and well-being.

Speaking about energy, Latvia is interested in developing an integrated and well-functioning energy market in the region. It is very important to produce energy from renewable and clean energy, there should be a substantial use of modern technologies; and the use of energy has to be efficient. Latvia would like to harmonise the relevant legislation of the Baltic States, thus it could be possible to create the Joint Baltic Transmission System Operator. The interconnections between the Baltic and Nordic countries need to be developed.

With respect to competitiveness, it is necessary to improve the cross-border infrastructure and border-crossing capacity on the EU external border as well as to develop the integrated spatial planning of the sea and coastal areas and to create better connection between the east coast of the Baltic Sea with the European transport networks, and to upgrade regional transport infrastructure.

What regards science/education, research and culture it is important to create a common knowledge space to facilitate the free movement of knowledge by ensuring the “fifth freedom” (cross borders mobility of students, researchers and teaching-staff);

encourage the innovation, production, education and research, enhance the quality and competitiveness of higher education institutions through Pan-Baltic activities; support to national and local cultures, encourage competitiveness and diversity of creative industries.

Speaking about the issue of environment it is necessary to enhance the maritime safety, maritime traffic monitoring systems. There should be cooperation with third countries on environment protection of the Baltic Sea Basin catchments area, evaluation and minimization of trans-boundary pollution, elaboration of enhanced marine environment monitoring system and assessment methodology for nutrient and other pollution load from agriculture and other sources, implementation of the HELCOM Baltic Sea Action Plan thus enhancing implementation of the EU Marine Strategy Directive within the Baltic Sea ecoregion. Speaking about environment projects, we consider the co-operation with Russia and Belarus in the area of pollution. We have to control the oil and chemical spills and hazardous substances in the Baltic Sea.

With regard to civil security and well-being there should be a close co-operation among crime-combating and border control institutions focusing on exchange of best practices; enhancement of co-operation in crisis management; prevention, preparedness and response to the natural disasters caused by climate change. It is also crucial to develop a programme for equal opportunities for women and men in business and employment, to involve youth and social risk groups in NGOs, sport and education programmes, and other groups of interest.

Mr Viktor Trasberg, Associate Professor, Faculty of Economics, Head of the Centre for Baltic Studies, University of Tartu, Estonia, emphasized the importance of regional cooperation and the necessity to be more Baltic-wide. He drew attention to the competitiveness of the region. The Baltic Sea region is a *mesoregion* – something between purely national and very global or international, like the EU. Neighbourhood factor is one of the most important aspects. Baltic countries have a good position, they have prosperous neighbours that are globally competitive, and therefore this closeness to the highly developed and innovative countries supports also the neighbouring economies. New markets and investment opportunities also create interest for the Nordic countries and the Western European countries. Cooperation and common activities strengthen the position also in the global institutions.

By looking at the global competitiveness index (it includes 130 countries), it is seen that the Baltic Sea region is one of the most competitive regions: Sweden, Germany, Finland, Denmark – all belong to the highest group. The Baltic countries have come down from the highest level in 2005. For example Russia has problems with restrictive labour relation, tax rates and regulations, and inefficient government bureaucracy. The Western Baltic countries have problems related with labour and taxes. The Eastern Baltic region – with inflation, government bureaucracy, inadequately educated workforce.

Competitiveness is related with three groups of components: 1) basic requirements related with macroeconomic stability, infrastructure, primary education and health, - related with countries to have economy running at all; 2) efficiency enhancers are mainly related with productivity growth, natural factors, - for efficiency driven economies; and 3) innovation and sophisticated factors.

Mr Trasberg introduced with the Centre for Baltic studies, which focuses on developing and providing English language programmes. The Centre works intensively together with the partners from different countries. One of the Baltic Master studies' programmes is a joint programme with different universities in Latvia, Lithuania, Estonia, Germany, etc. There is the Erasmus Mudus project which aims at the Baltic Sea region.

Mrs Siv Friðleifsdóttir, Member of the Nordic Council, Iceland, informed that the Danish Parliament will host the 18th Baltic Sea Parliamentary Conference in Denmark on 31 August – 1 September 2009. She emphasized the special and important Nordic and Baltic relation. Regarding the Baltic Sea Strategy, the four objectives (environmentally sustainable, prosperous, accessible and attractive, safe and secure) as set by the European Commission need to be implemented by the use of carrying out the EU directives in a good common manner. The Strategy should address the urgent environmental challenges related to the Baltic Sea. The Atlantic Ocean in the Arctic region is also facing environmental problems – the ice sheet is melting and glaciers are retreating. International efforts are necessary to combat the threats wherever they occur. The construction of the gas pipeline from Russia to Germany through the Baltic Sea must respect the global environmental standards, and this position was reiterated in the 17th BSPP in Visby.

The financial crisis has provided new acute challenges. With the implementation of a single market, economies in the region are increasingly interconnected, therefore crises cannot be solved on each nation by nation, but it is necessary to work closer together.

The Nordic Council and the Baltic Assembly should follow the process of developing the EU Strategy for the Baltic Sea Region very closely, for its further development will warrant and strengthen the cooperation between the Nordic Council and the Baltic Assembly and within a wider political framework of the BSPC.

Questions and answers

Mr Deividas Matulonis, State Secretary of the Ministry of Foreign Affairs of Lithuania asked Mr Viktor Trasberg about the competitiveness index of Russia. How could the dramatic increase of competitiveness of Russia be explained within the years 2005 and 2008? **Mr Viktor Trasberg**, Associate Professor at the Faculty of Economics and the Head of the Centre for Baltic Studies at the University of Tartu, pointed out that this increase might be related with the high price of gas and oil products. The index consists also of amounts of markets, and if economy grows fast it influences the competitiveness.

Mrs Baiba Rivža, Vice Chair of the BA Education, Science and Culture Committee, Latvia, commented that in the University of Latvia there is the Centre for Baltic studies. It has a good cooperation and a common Master programme with the University of Tartu. She asked Mr Viktor Trasberg whether there are expectations to have a Doctoral programme in the future. **Mr Viktor Trasberg** confirmed that there is a very good cooperation with the University of Latvia, but the Baltic studies are too narrow for a Doctoral programme.

Mr Toivo Klaar, Head of the Representation of the European Commission, asked Mr Viktor Trasberg why is the competitiveness index of the Baltic States declining? **Mr Viktor Trasberg** explained that despite the three Baltic countries had had a fast growth in recent years, the factors, such as an increase of salary, decrease the competitiveness. Now the Baltic countries have to have a structural revolution, - changing from low productivity sectors to high value-added sectors. **Dr Mantas Adomėnas**, Vice President of the BA, Chairman of the Lithuanian delegation to the BA, asked Mr Viktor Trasberg whether the decline of the Baltic economies would have happened regardless of the economic crisis in the world. **Mr Viktor Trasberg** pointed out that the decline was visible earlier, and the financial crisis, the recession in the European markets forced

further the decline in the Baltic countries. During the last ten years Latvia and Estonia had the fastest growth, but during the coming years there will be the fastest decline in the Baltic economies. Whereas the main factors are coming from inside; the global influences make decline more severe. Baltic economies were based on too many credits, cheap borrowing, while many principle reforms e.g. on labour market productivity, were carried out too slowly.

Mr Toivo Klaar informed that the European Commission in November has opened the public consultation on the Baltic Sea Strategy, which is open to individuals, NGOs and state institutions. It is accessible through the website of Directorate General for Regional Policy. He invited to put personal contribution to the Strategy until the end of the year.

**Second Panel of the Conference
“Security Aspects of the Energy Policy”**

Mr Mart Jüssi, Chairman of the Working Group of the Baltic Sea Parliamentary Conference on Energy and Climate Change, Chairman of the BA Environment Protection and Energy Committee, Estonia, noted that the issues of energy and climate change are actively dealt by the BSPC Working Group (WG) on Energy and Climate Change. Despite many organisations and bodies dealing with these matters it is very relevant to have cooperation and the group on the parliamentary level, because many of the problems need legislative acts. The working group has the mandate to monitor the implementation of previously approved recommendations, exchange of expertise, successful efforts, especially with regard to promotion and active implementation of renewable energy, energy efficiency and energy savings. The WG also composes and submits recommendations to different other bodies that are established between the Baltic Sea countries, like the BSPC, BASREC, CBSS etc. The WG has also the mandate to review the current situation in the Baltic Sea area. The ambition of the WG is to draft directions that raise political focus on energy and climate change on national agendas of the Baltic Sea countries, to elaborate joint political decisions and recommendations on energy and climate change, and to explore existing international financial instruments for energy efficiency and renewable energy investments. In this respect Mr Peep Mardiste, Member of Estonian Green Movement, has produced a survey. The political conclusions the WG is aiming at are that the Baltic Sea region must have a consolidated regional energy policy. A high ambition is to make the Baltic Sea region a leader in energy efficiency and renewable energy, because there is a potential both in the technological know-how and a diverse environment for using different sources of energy. The WG is also looking towards concrete steps to mitigate the climate change. Regional support is needed to the measures for the mitigation of man-made CO₂ emissions, and involvement of public and civil society in development and implementation of climate responsible solutions and behaviours. There is one “fuel” already available – energy efficiency and energy saving. By implementing energy saving measures in buildings, transport, our everyday life, it is possible to save at least 1/5 of the energy. It is crucial to promote the development of renewable energy resources (e.g. wind farms), the use of transport which is more energy efficient and less harmful to the environment. It is

essential to establish better cooperation and exchange of best practices with our neighbours. The WG has planned to hold two meetings before the Climate Summit in Copenhagen next year.

Mr Jonas Kazlauskas, Deputy Director of Energy Agency, Lithuania, drew attention to the 2007 European Council document on energy security stating the decision to have 10% of electricity and gas interconnection capacity by 2010 in the EU. As there are still no secure and big interconnections, the upcoming Baltic Interconnection Plan should ensure a more reliable energy security for the Baltic States. One of the main priorities is to have a common Baltic states' energy market which is integrated into the common EU network. In this respect the Estlink 2 needs to be developed. Regarding Lithuanian, Polish and German interconnection there is a coordinator for the implementation of this priority infrastructure project. For about a decade it has been an item for negotiations. Then it is essential to link Sweden and Lithuania. The Feasibility study has already been carried out. It is necessary to make the political decision as soon as possible whether the cable comes from Sweden to Latvia or Lithuania, because the further stage of the implementation of the project fully rests on this decision.

Speaking about the situation in the gas sector, there is basically only one pipeline of natural gas coming from Russia to the Baltic countries. All the three Baltic States would benefit if there was an interconnection between Lithuania and Poland, although Poland does not have the pipeline network in the northern and north-eastern part and it would need to construct a new network. Therefore it is necessary to think about diversification of gas supplies to the Baltic States. Currently Lithuania is analysing the possibility to have the liquefied natural gas terminal and the underground gas storages. Lithuania is in favour of the gas pipeline of Brody-Plotsk-Gdansk to be implemented.

At the end of 2009 the Ignalina nuclear power station will be closed down and the energy security will be at risk. Natural gas makes about 30% of energy balance of Lithuania while after 2009 it will grow up to 50%. Then the pipeline from Russia will be of critical importance. To diversify the roots and reduce the dependence on Russian supplies there is a plan to construct a nuclear power plant with the partners from Estonia, Latvia and Poland, which could start its operation in 2016-2019. Until then there will be a shortage of power.

Mr Alnis Bāliņš, Director of the Corporate Strategy Department, AS Latvenergo, Latvia, outlined that the region is based on two cornerstones for further development: security of supply and a functioning energy market, whereas these issues should be looked from technical, political, legislative, and regulatory side. The EU has set to aim for the single market. To get to the single market it is necessary to go through the regional markets, and the Baltic market is considered as one regional market. The EU has defined the Baltic market of strategic importance and need to integrate into the overall EU energy networks. The main purpose of integration is to diversify sources and routes of primary energy and electricity following the EU energy strategy priorities, increasing competitiveness, strengthening security of supply and ensuring sustainability. Sector regulation changes are expected after the approval of the so-called EU 3rd Energy Package; and they call for deeper cooperation among the Baltic States on several levels: legislative, regulatory, national transmission system operator level and market participants' level.

The Baltic Sea region is like a road map to the Baltic energy market, and it includes the following: harmonisation of the Baltic market legislation, integration of the Baltic-Nordic-Central European market, and the development of the Baltic market functioning infrastructure.

Regarding the market harmonisation there are three major barriers which do not allow a well functioning market: 1) opening the market for eligible customers; only Latvia has fulfilled the requirements of the EU Directive to open markets for eligible customers *de jure* and *de facto*; 2) removing the regulation generation tariffs; every country has a different way of approaching how to regulate tariffs for major suppliers; and 3) creation of harmonized trading rules.

In order to strengthen the security of supply and integration to larger markets, it is necessary to develop interconnections with the neighbouring markets in the Nordics and Central Europe. The development of external interconnections should be done jointly by all Baltic countries, based on a consensus principle with the aim to benefit the entire Baltic region. Latvia's standpoint is to have a parity principle applied here, i.e. Estonia is looking to the North connections – to Finland, Lithuania is looking to the South – Poland, and Latvia is looking towards the West – Sweden. There are discussions between Latvia and Lithuania regarding the interconnection Baltic-Sweden.

Regarding the development of the Baltic market functioning infrastructure, there are several elements to be addressed. There is a misperception that Nord pool is the ultimate

market which should be created in the Baltics. The idea is supported, but the Nord pool in the Baltics should be made liquid. Having only five actors in the Nord pool market is not going to be the wholesale market. More actors are needed: eligible customers and other generators to have the market liquid and functioning. When having solved the issue of eligible customers being on the market, it is possible to switch to the Nord pool and become a part of it. To ensure it, the capacities of interconnections are needed. The current capacity of Estlink with 350 megawatt is too small. There is also a need to discuss the issue of Pan-Baltic transmission system operator. The Baltic countries are too small in the European context to run three separate small systems. There is cooperation on TSO level, but it should be made better.

The Baltic system has generally been built as an integrated system. Having a single system operator ensures the strengthening of the Baltic security of supply, lowering the costs, fostering the market functioning and representing the Baltics in a single voice. The forthcoming EU 3rd Energy Package will also force to think what to do and how to restructure the sectors. The solution might be a common Baltic TSO.

Brussels has a recognized importance of integrating the Baltic Sea into the EU networks, and seeing that the Baltic States are not progressing as well as needed, a high level working group was established. However it should be understood that Brussels will not solve the problems in the Baltic countries, - this is the work to be done by the countries themselves.

Mr Kent Olsson, Vice President of the Nordic Council, Sweden, emphasized the importance of the Baltic and Nordic cooperation. The BSPC conference in Visby in September gathered to call the governments around the Baltic Sea and in the EU to coordinate and cooperate on strategies in advance of the EU Climate Summit in Copenhagen in December 2009. The BSPC will promote the initiative to develop the renewable energy, energy efficiency and energy savings in the Baltic Sea region. For a long time the region has been dependent on the energy of Middle East and Russia. Russia is providing 25% of the gas used in the EU and this consumption is forecasted to grow. Therefore there is a growing concern about the security of energy supply. In this respect Mr Olsson underlined the importance of the cooperation in the BASREC.

The Baltic Sea and climate will be the priority issues of the Swedish chairmanship in the EU. Until June 2009 the Baltic Sea Strategy will be launched. It should contribute to the strengthening of the Baltic Sea regional energy cooperation. Countries of the Baltic Sea

region have a long and internationally acknowledged expertise in environment research and development, and this asset should be multiplied by enhanced cooperation. More effective actions by means of technical, transport, research and development, education and training should be promoted to develop the renewable energy, energy efficiency and energy savings in all sectors of the region. More knowledge is needed about climate change, its consequences for society and the preparedness and capabilities to adapt to changes.

Speaking about the security of supply the increased energy efficiency and the use of renewable energy also contributes to the security of supply. In the region there is a massive potential for energy efficiency improvement and the use of renewable energy sources. Some countries have long experience in energy efficiency measures and good ways to use renewable energy sources, others have a big potential of cost efficient measures and investments.

Regarding the activities in BASREC, much of the work taking place is focusing on sharing of information, learning the best practices on efficient use of combined heat and power, bio fuels and how to implement projects to mitigate climate change in line with the regulation of the Kyoto protocol. Common investments found for projects to mitigate climate change has also been established, the testing around facility and a number of projects have been identified. Most of the countries who participate in the BASREC are members of the European Union or parties to the European economic area.

The world is facing many environmental challenges today, one of the most daunting being the climate change. It is necessary to look at the issue concerning energy, environment, and climate change from an integrated perspective. The energy sector has a potential to contribute to the solution of the climate change problem. By making strong efforts to include energy efficiency as well as the increased use of renewable energy sources, a stronger security of energy supply in the region is promoted.

Mr Ali Masimli, Member of the Azerbaijani delegation to the GUAM Parliamentary Assembly, stressed that the issue of energy security has become the issue of national security for many countries. The prospects of mutual and beneficial energy cooperation between Azerbaijan and Europe as well as the Baltic countries are based on rich energy resources in the Caspian region, including Azerbaijan, as well as on the interest to diversify energy supply resources in reducing the energy dependence and strengthening

energy security. In this respect there are three factors that define the importance of Azerbaijan in ensuring energy security for Europe.

Firstly, the position of Azerbaijan in respect of energy security in Europe remains clear and steady. Azerbaijan is implementing its energy projects from the point of view of security, commerce and diversification, and long-term partnership. Within a short period of time Azerbaijan has built four pipelines. Azerbaijan and the European Union signed a memorandum on energy space that brought closer Azerbaijan and the EU. The underlining principle of the energy policy of Azerbaijan is in the total support of energy security of the country and creation of reliable export corridor East-West. The priority for the future is to expand the oil pipelines Baku-Supsa and Baku-Tbilisi-Ceyhan. The pipeline Odesa-Brody-Plotsk-Gdansk is a very important project for Azerbaijan and that will also enhance the energy security of Europe. Azerbaijan is ready to participate in the project Nabucco. Construction of TransCaspian gas pipelines by which Turkmenistan and Kazakhstan gas will be supplied to Europe through Azerbaijan will create favourable conditions for competition and will enable to reach a new level in cooperation.

Secondly, Azerbaijan has become a strong cooperation partner in the energy sector. Commercial resources of oil can be increased up to 5 billion tons, natural gas up to 5 trillion m³, which proves a good basis for long-term cooperation. This year Azerbaijan will produce about 52 million tons, next year – 61 million tons and in 2010 – 65 million tons of oil. During the next years Azerbaijan will export 208 million tons of oil. Following the results of 2008, Azerbaijan will produce 27 billion m³ and in the 2009 – 32 million m³ and in 2012 about 40 billions m³ of natural gas. This is 1, 3 times more than the annual throughput capacity in the Nabucco project. Further increase of oil shell extraction will enable to export not only to Georgia and Turkey, Greece, but also to other countries of the EU.

Thirdly, the location of Azerbaijan in the strategic transport corridor East-West provides better possibilities for cooperation with the Central Asia, which has huge gas and oil reserves. Therefore the inclusion of Kazakhstan and Turkmenistan in Azerbaijani energy projects will enhance the capacity of Azerbaijan to adjust the energy policy of the 21st Century by increasing its role in the European energy security. The successful implementation of TransCaspian project will create reliable system of long-term transport of Kazakhstan oil through Azerbaijan to European markets. This system initially will enable to transport 23 million tons of oil and further will increase volumes up to 56 million tons a year. In connection with this there had been several energy

summits conducted in 2007 and 2008 in Poland, Lithuania, Ukraine and Azerbaijan. The participants of the 4th Energy Summit that took place on 14 November 2008 in Baku fully supported the oil pipeline projects Odesa-Brody-Plotsk-Gdansk and Nabucco. At the same time in the framework of Energy Summit in Baku, the oil companies of Azerbaijan and Kazakhstan signed an agreement that will even more strengthen the position of the mentioned oil pipeline. This project will enhance efficient cooperation between the regions of Caspian, the Black and the Baltic Sea.

Energy security is a pass to a secure future of a wider Europe. Global problems need global solutions. Europe needs a new diversified system of global infrastructures. That is why in the context of uncertain world economic outlook and raw material markets there is a need for clear energy policy in implementation of large scale projects. To ensure unity of actions aimed at enhancing energy security, it is necessary to harmonise interests of both the energy suppliers and consumers. It requires a political will as well as development and realisation of clear programmes.

Azerbaijan is highly estimating the cooperation between Azerbaijan and the EU in the framework of the project of European Neighbourhood Policy, where in addition to energy, there are measures provided for integration and cooperation in such fields as free trade zones, stability and security. The implementation of European Neighbouring Policy priorities will be impetus for accelerated movement of Azerbaijan in the direction of shaping real democracy. In this context one of the preconditions for successful energy policy is a regional stability. Therefore Azerbaijan is vigorously conducting its energy policy aimed at energy security in a wider Europe and expects from the European community more vigorous actions and stronger influence regarding a fair solution on territorial integrity of Azerbaijan. It is the demand of interest of European countries, in particular after the events in August, which proved how fragile the world is. To establish a sustainable peace on the Caucasus a fair solution of the conflicts which rests on the principle of international law has to be found. Without this neither sustainable peace, security on the Caucasus nor energy security in the wider Europe is possible.

In the context of contemporary political trends the Caspian-Black sea region is becoming a very important strategic region. Accordingly, the South Caucasus and Central Asia become important. That is why the focus of actions will to a great extent be shifted to the Southern Caucasus and Central Asia.

Mr Masimli expressed conviction that setting up a transport corridor of the Caspian, Black and the Baltic seas is a reality and confirmed that Azerbaijan, striving for a large

cooperation with the EU, including the Baltic States, is ready to contribute to the energy security of wider Europe.

Mr Einari Kisel, Deputy Secretary General on Energy, Ministry of Economic Affairs and Communications, Estonia, outlined the important developments on the agendas of the EU and the world. There are three important papers being discussed in the EU currently: 1) the climate package, where the new framework for the CO₂ emission trading and targets for renewable energy increase will be set; 2) the third energy package where the bio energy markets are developed in the whole EU; 3) the Baltic Sea Strategy where special emphasis and attention is put on the Baltic energy integration to the rest of the EU. Estonia is finalizing its updated energy strategy, which will be discussed in the Parliament at the beginning of the next year.

Speaking about energy security there are several aspects to be addressed. Firstly, there is a necessity for investments into the power stations. The main reason for the lack of investments is that there is no clear investment climate. With the current regulations in all three Baltic countries no investor will make sensible investment in the Baltic electricity market into new power generation. We have to have clear framework on what conditions these new power generators will work in the future. One of the biggest problems to be solved in the Baltic electricity market is the issue of electricity import potential from Russia. Russian electricity will always be cheaper compared to any other production and the electricity market in the Baltic States. If we do not support our own investments in this market the power producers cannot compete on the same grounds as compared to Russian power producers. In order to make investments into the electricity sector, for example, in renewables in Estonia, in oil shell or coal-based power generation in Latvia, or in nuclear power stations in Lithuania there has to be a clear framework how these investments are supported. One of the conditions is to make a real working power market in the region, whereas the Baltic market alone is too small and it can be easily manipulated. In order to encourage the building of new interconnectors, the major question is how to make the other side of interconnector, namely Finland, Sweden and Poland also be interested in these investments. It is clear that the Baltic market does not operate as well as the Nordic market, but at the same time the Baltic market can operate well only when there are new interconnectors. As a result it is necessary to acquire trust from both sides of interconnectors that the market we are developing will work properly,

whereas this means that we have to put legislation on the same grounds in all three countries as it is in the Nordic power market.

Furthermore, what regards the issue of energy saving and energy efficiency, there is at least 1/5 energy efficiency potential in the Baltic States and it has to be encouraged with investment support. One of the measures which Estonia is pursuing in the new energy sector development plan is to install the so-called smart meters for all customers by 2014.

Questions and answers

Mr Uldis Ivars Grava, Member of the BA Economic Affairs, Communications and Informatics Committee, asked whether the Baltic countries are not heading towards inevitable conflict of two priorities, when on the one hand there is the energy deficit concern, on the other hand, we want to strive towards solving environmental issues of clean energy, renewable energy. Can both priorities be chosen? **Mr Einari Kisel**, Deputy Secretary General on Energy, Ministry of Economic Affairs and Communications, Estonia, noted that if the electricity price is excluded then the both objectives can be achieved. After the closure of Ignalina NPP the power price will substantially increase in the Baltic region, as a result of which the power consumption will be reduced. **Mr Uldis Ivars Grava** asked about the opinion of the Green Movement regarding the replacement for Ignalina NPP. **Mr Mart Jussi**, Chairman of the Working Group of the Baltic Sea Parliamentary Conference on Energy and Climate Change, Chairman of the Environment Protection and Energy Committee of the BA, Estonia, informed that Mr Peep Mardiste has produced the document that studies the nuclear energy in the Baltic countries shortly after the closure of the Ignalina NPP. **Mr Peep Mardiste**, Member of the Board of the Estonian Green Movement-FoE, noted that the study shows that energy future is possible without the nuclear energy, for example, Latvia has great biomass resources. As the energy price will inevitably increase, it is necessary to save energy.

Mr Margus Lepik, Member of the BA Environmental protection and Energy Committee, asked Mr Ali Masimli, whether the countries of the GUAM, particularly Azerbaijan and Kazakhstan, regulate the production of gas, and whether there is a cooperation between these links? **Mr Ali Masimli**, Member of Azerbaijan delegation to

the GUAM PA, informed that on 18 November the agreement with Kazakhstan was signed, reaching a new level of cooperation with Kazakhstan and the EU. The further expansion of the oil pipelines requires a dialogue. Relations between Azerbaijan and the Baltic states have always been positive, but a broader cooperation is needed. Azerbaijan is ready for cooperation using the facilities of the pipelines, both Nabucco and Odessa-Brody-Plotsk.

Continuation of the 27th Session of the Baltic Assembly

Report of the Presidium of the Baltic Assembly

Mr Trivimi Velliste, President of the Baltic Assembly, welcomed the new members of Lithuanian delegation to the BA and wished the Baltic cooperation spirit. This year the Baltic States celebrated the 90th Anniversary of Independence. Ninety years ago the Baltic nations fought for their freedom, self-determination and independence. Seventeen years ago they succeeded in restoring the freedom, which had been lost in the course of World War 2. Countries regained their national right to build the future Estonia, Latvia and Lithuania, the right to speak publicly and officially in their own languages. These are the values which have to be safeguarded and passed on to the next generations.

In the age of globalization no country as an island stands alone. There are common problems, challenges and every country's development is linked with each other. Economic recession and global financial crises are the key issues which have overwhelmed the countries. Average unemployment rate in the EU is around 7%, economic development prognoses have decreased drastically, particularly in the Baltic States. Besides economic and financial crisis, there is a serious climate challenge. People concern about their welfare and prosperity as well as new threats to international security. This clearly indicates that it is necessary to join hands on national, regional and global level in order to overcome these challenges and to ensure a prosperous and sustainable development of the countries, region and the world.

At present, in the closely connected global world the Baltic States cannot remain isolated. The world perceives the Baltic States as one entity; achievement of one of the three Baltic states is regarded as achievement of all three and the failure of one is regarded a failure of all three. Today the regional cooperation is not only an expression of good will, but a process to remain standing. To solve many issues it is essential to have closer cooperation with the Nordic and Benelux countries.

Regarding the areas of cooperation of the Baltic Parliamentary cooperation in 2008, there have been the following priorities: the common Baltic energy strategy, cooperation with the partners of the EU, the EU Neighbourhood Policy, and fight against cyber crime.

The most important areas on which the members of the BA have worked are the following: 1) Environmental Protection and Energy Committee discussed the joint

energy policy of the Baltic States focusing on energy security and efficiency, and mitigation of climate change. The challenge is to develop the region into a highly energy efficient and growing economy and yet reduce the dependence on the carbon based energy sources; 2) Education, Science and Culture Committee worked with issues of vocational education and training. In the century of globalisation and modern technologies small countries have to work hand in hand in improving their education, research and science; 3) Social Affairs Committee focused on common measures to fight trafficking in human beings, which is a form of violence and slavery of 20th century. It is important that parliamentarians provide relevant legislative basis to prevent trafficking and protect victims; 4) Security and Legal Affairs Committee worked out recommendations to fight cyber crimes. Only by close cooperation of international community and well-coordinated actions by public and private sector and legislative framework, cyber crime can be addressed in an appropriate way. It is needed to focus also on developing the culture of cyber security. There is the work on the decision to establish a cooperative cyber defence centre of excellence in Estonia as in the future cyber defence may become more widespread and dangerous, thus destabilizing the society, jeopardizing the availability of public services and the functioning of vital state infrastructure; 5) Economic Affairs, Communications and Informatics Committee was engaged in issues regarding the development of common Baltic approach to creative industries and culture intensive businesses.

Speaking about the work of the Presidium of the BA, one of the main tasks was to represent the Baltic Assembly at different international forums. A special attention was paid to international security challenges. The Presidium has carefully followed the developments in Georgia, and on 13 April 2008 the Presidium adopted the Statement regarding support for sovereignty and territorial integrity of Georgia. After the military attack of Russia into Georgia the Presidium of the BA on 12 August 2008 adopted the Statement condemning Russian military aggression against Georgia and emphasized that Georgian territorial integrity must be respected as provided by international law.

Regarding the cooperation with the Nordic Council it has been concrete, diverse and deep. Common energy policy, fight against cyber crime, labour market and social affairs, implementation of the EU Neighbourhood policy, creative industries and joint efforts to fight against trafficking in human beings were the main issues for cooperation between the Baltic Assembly and the Nordic Council. The political dialogue with the opposition parties of Belarus has also been started. On 29 October during the meeting between the

Presidiums of the Baltic Assembly and the Nordic Council the conceptual discussions on political ambition, political goals and orientation of cooperation between both organisations were initiated. During the NB8 Speaker's meeting in August 2008 in Jūrmala, Mr Erkki Tuomioja, the President of the Nordic Council proposed to start discussion on possible merging of the Nordic Council and the Baltic Assembly. Such gradual merging of both organisations was positively perceived by the Chairs of the national parliaments of the Baltic States.

In 2008 there has been a positive development of cooperation between the Baltic Assembly and the Benelux Parliament. The Benelux Parliament's contribution towards discussions of liberalisation of labour market, migration issues, the EU Neighbourhood policy, education and security matters has been substantial. The Baltic Assembly highly appreciates the mutual exchange of information and ideas.

In today's Europe every country needs to have a sense of responsibility concerning its neighbours. Thanks to the biographical situation of the Baltic States, these countries can give greatest input with regard to launching the European Union's new neighbourhood initiative. Just as the Nordic countries, including the Nordic Council and the Nordic Council of Ministers almost 20 years ago assumed the responsibility for the Baltic states by making the essential contribution to the development of democracy, economy and education and science, foreign affairs and regional cooperation, now the Baltic states have to be aware of this responsibility to share the experience. The success story of the Baltic States' regional cooperation and their development is seen as an encouraging example for others. In this respect the Baltic Assembly is ready and interested to support and share experience with the GUAM PA. There are the following modes of cooperation between the Baltic Assembly and the GUAM: 1) exchange of information and experience regarding the integration into Trans-Atlantic sectors; 2) common discussions and solutions concerning the energy issues and global challenges; and 3) sharing experience regarding the development of regional cooperation on parliamentary level.

Reports of the BA Committees on the activities in 2008 and priorities for 2009 and introduction to the draft documents

Mrs Tatjana Muravjova, Chair of the BA Social Affairs Committee, noted that the main priorities in 2008 were the issues of labour market, fight against trafficking in human beings, and social welfare. Some of the Committee's members take active part in the work of the BSPC WG on Labour Market and Social Welfare. Every human being deserves respect, has the right to have a job he/she is able and capable to perform and for which he/she is suited, he/she has the right for life, protection, salary, and rest after the working day not only in the country he/she was born, but also in the country where he/she has a legal job. This would be a minimum on which everybody could rely on in a democratic world. Within the 20th Century there has been a long way in understanding human rights and freedoms, and remarkable progress has been made. Slavery is forbidden, every human being deserves to be respected according to his fundamental rights which have been widely defined and safeguarded in the national and international law. However, in the modern world there are crimes in human beings; trafficking in human beings is a form of violence of 21st Century. It exists not only internationally, but also domestically. Often many people do not believe in the existence of such crimes, while others express their empathy. Many people do not know what to do to prevent these crimes. Therefore it is necessary to recognize that everything starts from awareness that trafficking in human beings is a crime with variable methods. Public awareness and ability to draw conclusions, active position of the society are preconditions to identify and fight these crimes. It is crucial to define the laws to apply adequate penalties, to ensure that the performer of the crime gets punishment and victims – appropriate aid. Public educating and attitude are substantial. Main aim of legislation is to protect people, values of societies and ensure safeguarding of these values by providing mechanism against violation of human freedom and rights. Active involvement of NGOs in the fight against trafficking in human beings and increase of public awareness and support and aid to victims is of a particular importance. Definitions of human trafficking in legal acts vary from country to country, but they are of primary importance, because by them it is possible to identify by specific actions that can be classified as violation of human rights and thus crimes. Definition should be as wide as possible; it should include different conditions and actions that simplify identifying the ever-changing cases of trafficking in

human beings. Most often trafficking in human beings is perceived as prostitution; however it includes a very wide spectrum of crimes: from trafficking in human organs to forced labour. Often these crimes are closely connected to the organised crime and illegal migration. Trafficking in human beings is not only a problem of a single country and it is impossible to solve these problems within a single country, therefore the countries of victim, origin, transit countries and recipient countries have to develop very close cooperation. In 2009 the responsibility of the Social Affairs Committee will be to go deeper into social aspects of this problem. There have been very intense and wide discussions on trafficking in human beings, but the Committee should focus on social and healthcare aspects of victims.

Jointly with the Legal Affairs and Security Committee the Resolution on the Fight against Trafficking in Human Beings has been submitted, which calls on national parliaments and governments of Estonia, Latvia and Lithuania, the Baltic Council of Ministers and international organisations concrete recommendations on the fight against this crime.

Next year the Committee will focus also on a flexible labour market. Currently there is a revision of Labour Contract in Estonia and it is intended to adopt a new act to make the labour market more flexible. The Committee will also deal with the issues of life-long learning, especially what to do with the people who return in their home countries after working abroad. The problem of specialisation of the Baltic States in the field of medical services, the issue suggested by the Latvian delegation, will also be dealt with.

Mr Peep Aru, Chairman of the BA Economic Affairs, Communications and Informatics Committee, noted that regional organisations, such as the Baltic Assembly are not able to resolve financial and economic crisis in the Baltic countries, however it can exchange experience and talk about principles on moving forward. It will be a difficult year in terms of economic and social development; the financial and economic challenges are serious and we should involve our Nordic partners. The Baltic States need to make solutions on flexible market, energy, developed innovation, common infrastructure project etc., therefore all Committees of the Baltic Assembly should focus on the priority fields in order to promote competitiveness and development of the region.

In 2008 the Committee has focused on two priorities: creative industries and fight against cyber crime. In order to increase the competitiveness of the countries and regions, it is necessary to draw more attention on innovation creation and knowledge based ideas. Analysis of economic processes show a trend that a classical processing industry is

flowing out of the countries to the less developed regions, whereas the developed countries engage in more creative activities, such as blueprint, marketing, engineering and industrial design. Creative industries are industries which have the origin in individual creativity or talent, they have a potential for wealth and job creation and exploitation of intellectual property. The sectors of creative industries are the crafts, engineering design, cinema, publishing industry, arts, supplied arts etc.

During the last years creative industry has had a significant impact on development of tourism sector. Surveys show that about 75% of tourists visit a country to get acquainted with its culture. By merging financial and human resources of the Baltic States to implement joint creative industry projects all the involved partners would benefit. Creative industry needs promotion, marketing, and management to be developed. Baltic people should think more on promoting their cultural products.

The Committee together with the Education, Science and Culture Committee has drafted the Statement on the Development of Creative Industries to intensify the cooperation of the Baltic States on parliamentary and governmental level. The documents calls on the national parliaments and national governments of the Council of Ministers to: 1) develop joint mappings of creative industries of the Baltic states; 2) develop joint coordinated and predictable support mechanism for the development of creative industries in the Baltic states; 3) work on joint position and structure policy of the Baltic states for developing creative industries in the framework of the EU policies and cultural industries.

Regarding the priorities in 2009, the Committee will carefully follow the implementation of statements and resolutions initiated by the Committees, particularly on tourism development, fish stock management in the Baltic Sea and infrastructure projects. The Committee will cooperate with the Environmental Protection and Energy Committee on the common Baltic energy strategy, and will consider more carefully the development of transport infrastructure and examine the evaluation of the joint projects, such as Via Baltica, Rail Baltica and Via Hanseatica.

Mr Mart Jüssi, Chairman of the BA Environmental Protection and Energy Committee, informed that the members of the Committee have taken part in the BSPC WG on Energy and Climate Change addressing issues of energy efficiency and energy saving, management of household waste, renewable energy and nuclear energy. The Committee had had study trips, for example to Denmark on energy efficiency and saving, to Belarus and Ukraine about the situation in the field of energy and consequences of the

Chernobyl catastrophe. He noted that the challenge in the Baltic States is to reduce the dependence of carbon based energy (fossil) and expressed hope for the present crises not to be an argument for deviation from the climate issues.

The Committee has drafted the following recommendations: 1) a need for consolidated regional energy cooperation and urgent need to take concrete steps to mitigate consequences of climate change and enhance capacity to prevent consequences of the climate change. It is important to adapt to them and speed the actual implementation of renewable energy, energy efficiency and energy savings; 2) a need for different legal and national approaches in dealing with energy and climate change challenges and ongoing initiatives by the EU and different regional organisations; 3) the Baltic states have to provide consolidated support to ambitious measures of mitigation of man-made CO₂ emissions by recommending 25-40% reduction of CO₂ emissions by 2020, as concluded by the *ad hoc* Working Committee of the Kyoto Protocol at the COP13 Session in Bali. It is necessary that the EU to maintains the recommendations of the Council of Europe to achieve at least 20% reduction of green house gas emissions by 2020 and 60 – 80% emission reduction by 2050; 4) develop concrete and long term strategies and measures, e.g. within housing, transport and industrial sectors to reduce the vulnerability of the consequences of climate change, focus on the need to renovate housing to ensure better energy saving; and 5) investigate and possibly upgrade international financial support to facilitate the development of climate and energy sector.

The Committee has drafted the Resolution on Climate Change Mitigation and Preventive Measures.

Next year the Committee will continue to work on energy and climate change issues in the BA and the BSPC. Main emphasis will be on developing the common electricity and gas market in the Baltic and Nordic countries and Western Europe, as well as ensuring reliable energy supply to the Baltic countries from sufficient generation capacity and extended energy transmission links between different countries. More attention should be paid to the Nord Stream and its environmental impacts, the dangers from military activity, marine environment, ground chemical weapons, practice manoeuvres, and their influence on marine environment.

Mr Kalvi Kõva, Chairman of the BA Education, Science and Culture Committee, informed that one of the Committee's priorities was vocational education and training. In this respect together with the colleagues from the Nordic Council the study visit to

Finland was organised. Although it is not possible to take one common model and put it into practice, for it is necessary to consider several things, like culture, tradition, political and economic environment, it is essential to know what kind of success and failures one or the other country has faced. The general challenges for the Nordic and Baltic countries are similar: aging of population, growing number of retired people, education differences between generations, lack of vocational training specialists, lack of prestige of vocational training and increased demand for higher occupational skills and competences. The long-term goal of vocational education is to create the system which could flexibly adapt to the demands of the labour market, promote employment, conform to the EU conceptual approach of development of human resources and promote training of the labour force on the EU level. Knowledge and skills change very rapidly, therefore vocational education and training, life-long learning must adapt to rapidly changing world and economic environment. Well developed vocational education and training system will contribute to the competitiveness and dynamism of the Baltic region, and the goal is to give qualitative education throughout life, according to individual interests, needs, abilities and economic development.

The Committee has drafted the Statement on the Development of Vocational Education and Training in which it calls upon national parliaments and governments and the Baltic Council of Ministers to start reform the vocational education and training system in Estonia, Latvia and Lithuania by coordinating and cooperating closely in order to promote quality innovation in vocational education and training system and to increase participation and responsibility of employers in supplying and organising the development of education programmes as well as develop mutual cooperation and sharing of good practice among the Baltic states in developing competitive vocational education and training system. It is important for the Baltic States to increase the impact of society into vocational education system and increase attractiveness and prestige of vocational education.

The Committee has worked closely with the Economic Affairs, Communications and Informatics Committee on the issues of creative industry. Next year the Committee, in cooperation with the Nordic Council and the Benelux Parliament will focus on adult education and life-long learning, as well as on innovation and research of creative industries to increase and promote the competitiveness of the Baltic States.

Mr Jaak Salumets, Chairman of the BA Legal Affairs and Security Committee, informed that the Committee together with the Baltic, Nordic and Benelux countries and the representatives from governments organised the Conference on trafficking in human beings.

Nowadays threats on the net are serious and dangerous challenge for all countries. Cyber crime is a clear example of contemporary asymmetrical threats to society; they paralyze the society with limited means and at a distance. Threats created by cyber attacks are often underestimated, because they have not so far resulted in a loss of any life and many attacks are not publicised for security reasons. Estonia was facing cyber attacks in spring 2007 and it showed how serious the problem is. The Committee welcomed the decision to establish the Cyber Defence Centre of Excellence in Estonia.

Countries where legal protection is inadequate will become increasingly less able to compete in new situations as cyber crimes are increasingly reaching national borders. National governments should examine their legislation and determine whether they have sufficient power to combat these crimes. Where gaps exist they should use the best practices of other countries and work closely to enact enforceable legal protection. However the mechanisms of cooperation across national borders to solve and prosecute crimes are complex and slow. Cyber criminals can defy the conventional jurisdiction of realms of sovereign nations. Originating and attacked from almost any computer in the world, passing it across many national boundaries or designing attacks so that they appear to be originating from foreign sources. This dramatically increases both technical and legal complexities of investigating and prosecuting cyber crimes. Governments must first and foremost defend their own systems and information from attacks by focusing on implementing cyber security plans which address people, processes and technology issues.

The Committee has drawn the following conclusions: 1) as to legal space, despite progress in some countries, we still generally lay on old standard laws in order to prosecute cyber crime; 2) weak penalties in most criminal cases offer limited protection against crimes which may have extensive economic or social impact; 3) it is crucial to involve private sector in fight against cyber crimes in order to develop and adopt efficient technical solutions and management practices for information security; 4) there is little consensus among countries regarding exactly what crimes should be legislated; most countries are seeking for a model to follow in their fight against cyber crimes; and

5) fight against cyber crimes has to be carried out at the same time at every level – regional, nation and international.

The Committee jointly with the Economic Affairs, Communications and Informatics Committee drafted Resolution on Fight against Cyber Crimes in which it calls on parliaments and governments of Estonia, Latvia and Lithuania on seven very concrete recommendations. Only with joint and coordinated efforts it is possible to effectively respond to the threats coming from the cyber space.

Next year the Committee will have to deal with the challenges of the Schengen system.

Mr Peep Aru, Chairman of the BA Budget and Audit Committee, informed that the Baltic Assembly budget for 2007 was comprised of the membership fees of the three Baltic States and the savings from the budget of 2006. Total of the BA budget in 2007 was EUR 314 613. The work of the Committees had been very active; the actual expenditure was in the total amount of the budget with a residual of EUR 22, which was included in the budget of 2008.

The Committee has drafted the budget for 2009, which has been planned in accordance with the preliminary working plan of the BA for 2009 and the decision that membership fees of national states is EUR 110 096. The total budget for 2009 is EUR 330 288. Due to the challenging economic situation in the Baltic States, it has been decided not to increase the budget. The Baltic Assembly has to make the reserve fund with the savings in order to have a stable financial mechanism. The use of savings position is strictly regulated by the Article 22. With small shifts the budgetary positions remain the same as for the BA budget 2008.

The Committee will deal with the Budget for 2009 on 5-6 February 2009 in Vilnius to make some minor corrections in connection with some small expenditure.

Mr Trivimi Velliste, President of the Baltic Assembly, thanked all Chairpersons of the BA Committees for introducing with the activities and reports to be adopted.

Adoption of the Final document

Documents and Final document of the 27th Session of the Baltic Assembly were unanimously adopted by the Baltic Assembly national delegations.

Election of the President and Vice Presidents of the Baltic Assembly for 2009

President – Dr Mantas Adomėnas (Lithuania), Vice Presidents – Mrs Ērika Zommere (Latvia) and Mr Trivimi Velliste (Estonia).

Election of Chairpersons and Vice Chairpersons of the BA Committees

Chairman of the BA Economic Affairs, Communications and Informatics Committee – Mr Bronius Pauža (Lithuania), Vice Chairmen – Mr Vents Armands Krauklis (Latvia) and Mr Peep Aru (Estonia).

Chairman of the BA Education, Science and Culture Committee – Mr Valerijus Simulik (Lithuania), Vice Chairpersons – Mrs Baiba Rivža (Latvia) and Mr Kalvi Kõva (Estonia).

Chairman of the BA Environmental Protection and Energy Committee – Mr Donatas Jankauskas (Lithuania), Vice Chairman – Mr Mart Jüssi (Estonia).

Chairman of the BA Legal Affairs and Security Committee – Mr Liudvikas Sabutis (Lithuania), Vice Chairmen – Mr Dzintars Jaundžeikars (Latvia), Mr Jaak Salumets (Estonia).

Chairman of the BA Social Affairs Committee – Mr Gediminas Navaitis (Lithuania), Vice Chairs – Mrs Silva Bendrāte (Latvia), Mrs Tatjana Muravjova (Estonia).

Chairman of the BA Budget and Audit Committee – Mr Rytas Kupčinskas (Lithuania), Vice Chairmen – Mr Vents Armands Krauklis (Latvia), Mr Peep Aru (Estonia). Mr Saulius Bucevičius (Lithuania) was also elected the member of the Committee.

Address by the newly elected President of the Baltic Assembly

Dr Mantas Adomėnas expressed gratitude to Estonian colleagues for the active work during the Presidency. After Lithuania's Parliamentary election the new Lithuanian delegation to the BA has been composed. It has sufficient motivation, will and readiness to take over the presidency of the Baltic Assembly next year and to ensure efficient and mutually beneficial parliamentary cooperation between the Baltic States.

Regional cooperation between the Baltic States is not only the confirmation of good will or preservation of established traditions, but a mutually beneficial process, which is motivated by rational reasons of survival. Only by taking joint steps and by adopting common policies and measures it is possible to address challenges and problems to ensure long-term sustainable development of the countries and the region. Problems and challenges have a cross-border and transnational character. Without increased coordination of policies, measures and initiatives countries are unable to cope with the reality. To solve many problems there is a need for a close cooperation with the Nordic and Benelux partners.

Promotion of competitiveness, innovation research and creative industries in the Baltic States will be an important priority of the Baltic Assembly in 2009. It is necessary to work intensively removing the obstacles in legislation expressing for political support and ensuring adequate financial mechanisms for promoting innovation and research, creative industries and science. It is a comprehensive field of activities which includes joint infrastructure and communication systems, high quality education, common research and science development.

It is very approving that the BA Economic Affairs, Communications and Informatics Committee will deal with infrastructure and communications and evaluation of the joint Baltic infrastructure projects. The BA Education, Science and Culture Committee will be directly involved in considering various aspects on how to improve competitiveness of the Baltic States by developing innovation research and creative industries. It is important that the BA Social Affairs Committee focuses on flexible labour market analysis with the special emphasis on labour force migration, social security and health care system.

Key priorities for the work of the BA will include the common Baltic energy strategy, energy security and renewable energy. As the issues of energy supply and security have

come to the forefront on the global level, the Baltic Assembly has to play more active role in promoting discussions on energy related matters. Thus the BA Environmental Protection and Energy Committee should continue its dynamic work in the field of energy and climate change and focus on intensified dialogue with the Nordic Council, as well as continue its participation in the BSPC working group on energy and climate change.

Next year international security will be one of the priority fields of the Baltic Assembly. Climate change, financial economic crisis, cyber crimes are new threats to the society. The Baltic States have joined the Schengen area and the Schengen information system, whereas the membership in the system does not only give many opportunities, but also creates challenges with regard to prevention and combating organised crime in human and drug trafficking. Therefore it is important that the BA Legal Affairs and Security Committee deals with the challenges and problems of the Schengen system, asylum seekers and migration policy. It is a good tradition that these issues are jointly discussed with the Nordic Council and the Benelux Parliament who have made remarkable steps ahead.

Next year the Baltic Assembly will be an active partner in implementing the EU Neighbourhood Policy which is a good instrument for creating stability around the EU. Parliamentary contribution to fostering democratic relations with EU neighbours has been defined as one of the priorities on the Baltic Assembly for 2009. Within the Presidium of the Baltic Assembly it has been agreed to develop a network of contacts with the Parliamentary Assembly of GUAM. The Baltic Assembly should also foster cooperation with Belarus and Kaliningrad region, the Baltic Sea region, the Caspian, and the Mediterranean Sea region.

The Baltic Assembly places great emphasis on the cooperation with the Benelux Parliament and the Nordic Council. The Baltic Assembly and the Nordic Council have developed a new and flexible cooperation format, they have defined new goals, tasks and priorities for their cooperation. The Baltic Sea strategy and the Northern Dimension, energy and climate change, labour market, social welfare, health care, creative industries, education and research are only a small part of those priorities which are on the agenda of cooperation between the Baltic Assembly and the Nordic Council for the next year.

Next year the Baltic States will celebrate the 20th Anniversary of the Baltic Way. Almost 20 years ago on 23 August 1989 two million people joined their hands in the human chain stretching from Tallinn to Vilnius. Estonian, Lithuanian and Latvian people

formed this symbol of the road to freedom showing their bending survival for independence, self-determination and democracy. They demonstrated that the fate of states and nations can be changed without blood shed and violence - in legal, civilized, intelligent and moral manner. The Baltic Assembly has announced the year 2009 as the year of 20th Anniversary of the Baltic Way.

Mr Trivimi Velliste, President of the Baltic Assembly, invited to sign the Final document of the 27th Session of the Baltic Assembly, thanked everybody who took part in organising the event and closed the Session.

14th Baltic Council
6 December 2008, Viljandi, Estonia

Mr Trivimi Velliste, President of the Baltic Assembly, noted that the 14th Baltic Council is taking place in a very challenging time – economic recession and global financial crisis have overwhelmed the world's countries, the unemployment level is increasing in the EU, the prognosis of economic development has worsened, there are serious problems of the climate change, people's welfare and prosperity, and threats to the international security. This dramatic picture clearly indicates that the Baltic countries have to join hands at national, regional and global level to overcome these challenges and to ensure prosperous and sustainable development in the region.

Mr Urmas Paet, Chairman of the Cooperation Council of the Baltic Council of Ministers, Minister of Foreign Affairs of Estonia, informed about the activities and priorities of the Baltic cooperation in 2008. In November 2008 the Prime Ministers adopted Reports concerning all the priority issues of the Baltic cooperation, those related to the issues of transport, environment, energy, and defence.

Since the joining to the Schengen visa area, it has become easier to move between the Baltic States, but the capacity to be more successful in today's competitiveness is limited by transport connections. Development of a common regional transport system which is connected to the rest of the Baltic area and the Pan European transport networks, as well as the Via Baltica and Rail Baltica, is of primary importance. It is also essential to solve the problems of border crossing and logistics, and to continue the cooperation in road and traffic safety.

Regarding the cooperation between the border guard and police, there have been successful joint patrols. The agreement with Latvia, Estonia, Lithuania and Finland on the DNA data exchange has been signed. The preparation of the SIS 2 system within the Schengen area for 2005 has been one of the priority projects. Despite the smooth preparation process the initial deadline for implementation of the programme on 30 September 2009 has been postponed. It is necessary to continue preparations for the implementation of visa information system to successfully tackle illegal migration within Europe.

Efforts have also been continued in fight against cross-border crime. Successful cooperation format has become the Baltic Sea Task Force. Several successful projects have been carried out, for example, in investigating the drug related crimes in cooperation with Finland. There is the goal to sign the police and custom cooperation agreement with the Nordic countries.

One of the most acute areas in the Baltic cooperation is environment. Environmental threats transcend all borders and thus the cooperation with other countries in the Baltic Sea region and the joint shaping of the Baltic Sea Strategy are very important. The Baltic Sea provides impetus to economic growth and the competition ability, however when the maritime traffic is intensified it brings also environmental threats. A year ago in Krakow the Baltic Sea Action Plan was adopted, however the implementation of this plan, including the use of budgetary means of HELCOM, has not gone as planned. Nature protection is directly linked to the green energy production and moderate consumption. Within the common energy policy, the development of renewables and energy safety is very important, and the Baltic countries have agreed on reduction of the green house gases and increase of the use of renewables by 2020. There had been several projects on renewables, including the wind and bio energy.

The issue of energy security is very acute in the trilateral cooperation. Reflection of Estonian, Latvian and Lithuanian energy interests within the framework of the European Commission Climate and Energy Package is carried out on a high level of working group. There is a work being done to interconnect the Baltic States and the rest of Europe. It is also necessary to harmonise national legislation in order to create the Baltic Sea energy market.

It is necessary to put a lot of effort into the implementation of the Baltic Interconnection Plan. In addition to Estlink 1 cable connecting Estonia and Finland, Estlink 2 should be built, and Poland and Lithuania connected. The decision of joining the Baltic States with Sweden is also waiting. To secure energy security, it is necessary to invest into energy production, modernise the existing plants and develop the new ones. In 2008 the Environmental Impact Assessment regarding the new Lithuanian nuclear plant was adopted.

Cooperation on defence and security with the NATO is one of the pillars of stability in the Baltic States. Regarding the air policing the Baltic countries have been supported by the NATO partners, yet it is necessary to find a long standing solution to guarantee air policing after 2018. For this reason, a concrete analysis group has been formed and

reports will be conducted by 2009. With respect to the maritime defence cooperation, there are continued consultations on common procurements.

Cyber defence is a security issue of asymmetrical threats where international and private and public sector cooperation is of most importance. During Estonian presidency there was the international conference “Threats from the net” where the idea of creating Cyber Defence League was spoken out, but in Tallinn the NATO Cyber Defence Centre of Excellence was opened.

It is essential to coordinate activities with other regional organisations therefore the cooperation with the Nordic and the Baltic countries is highly valued. There is a shared common interest, which forms a strong platform for further cooperation.

Mr Deividas Matulionis, State Secretary, Ministry of Foreign Affairs of Lithuania, thanked the President of the BA and the Minister of Foreign Affairs of Estonia for the very good presidency over the BCM. He also welcomed Mr Giorgi Tsereteli, Deputy Chairman of the Georgian Parliament and noted that the August events in Georgia changed the international and European environment and offered new topics to the agenda. These events have proved that the unity, solidarity, territorial integrity and border controls are becoming increasingly important. The stability in the East of the Baltic countries is one the greatest interests not only in the Baltic states but also in the whole European Union.

Mr Matulionis emphasized that it is necessary to keep to the fundamental principles of international law. The European security architecture that is based on interaction between various international organisations, such as the EU, the NATO, the Council of Europe, and strong transatlantic base, is the basis of security. Also next year the Baltic Council of Ministers will focus on security and defence issues. The creation of the Baltic information space is a very important task that has to be implemented.

Estonia as the presiding country over the Baltic Council of Ministers has paid a lot of attention to energy. The Baltic Interconnection Plan, the common Baltic Nordic energy market, safe and secure supply of energy, construction of a new nuclear power plant, the development of renewable energy resources will continue to be important issues also in the next year.

Mr Matulionis invited to the next Baltic Council in Lithuania in 2009.

Questions and answers

Mrs Silva Bendorāte, Vice Chair of the BA Social Affairs Committee, asked how each country's national interests are being coordinated, and whether there is a special link to achieve the best outcome for all the three Baltic States. **Mr Urmas Paet**, Chairman of the Cooperation Council of the Baltic Council of Ministers, Minister of Foreign Affairs of Estonia, explained that the cooperation and consultations regarding the Baltic Sea Strategy between the Foreign Ministers and the Ministries of Estonia, Latvia and Lithuania has been very active, profound and open-minded. There have also been meetings with other partners in the Baltic Sea region, for example Germany and Poland. A crucial role should be played by the European Commission, which is the main coordinator.

Mrs Silva Bendorāte asked for a more detailed procedure of coordination. **Mr Urmas Paet** outlined that the Ministry of Foreign Affairs of Estonia, Latvia and Lithuania has a department dealing with issues related to the Baltic Sea development. There concrete persons connect each other on a daily basis and find the common position concerning the Baltic Sea Strategy. **Mr Māris Riekstiņš**, Minister of Foreign Affairs of Latvia, added that the Ministry is organising a number of consultations not only among the three Baltic States, but also with the rest of the countries around the Baltic Sea. The proposals to the European Commission are given on the national basis. Although there is no single joint proposal from all the Baltic States submitted, the priorities are being closely coordinated. There was a meeting organised in May, in Riga, where the three Ministries of the Baltic States met with the European Commission's representative responsible for the Strategy. Latvia has submitted the unofficial non-paper to the European Commission at the beginning of 2008, and the second updated version will be discussed and approved at the Cabinet of Ministers of Latvia in mid December.

Mr Jānis Reirs, Vice Chairman of the BA Latvian delegation, Member of the BA Presidium, noted that last week the Benelux Parliament held a discussion and the conference on the regional cooperation between small countries. One of the issues discussed was about the cooperation during financial crisis. There was the conclusion that at the initial stage of the crisis each country thought only about its own problems

and there was no coordination to overcome the crisis. Does the agenda of the Council of Ministers has an issue about cooperation during the period of crisis, and is there a plan being drafted for this purpose? **Mr Urmas Paet** noted that there is an active change of information between the Ministers of Finance and the Central banks, but there is no common or practical plan for all the three countries, because the situation and problems are different in each separate country. **Mr Trivimi Velliste**, President of the Baltic Assembly, added that the Baltic States are seen as a single country or region by other countries in the world. Therefore it would be necessary to keep in mind that no matter what kind of national decision each Baltic country makes, the world perceives it as the common Baltic answer. Despite the differences, the economies of the Baltic countries are interlinked, and yet it might not be feasible to find a common and effective coordination plan.

Mrs Ērika Zommere, Chair of the BA Latvian delegation, Vice president of the Baltic Assembly, noted that the Presidium of the BA has adopted the decision to jointly commemorate the 20th Anniversary of the Baltic Way on 23 August 2009. Has the Baltic Council of Ministers also thought about this event and does it intend to support the event? The Presidium of the BA would be gratified if both organisations could cooperate. **Mr Trivimi Velliste** added that the Presidents of the Parliaments had discussed this issue with the Presidium of the Baltic Assembly and decided to commemorate the Baltic unity on 23 August 2009. **Mr Urmas Paet** confirmed that this event is necessary to be commemorated, and it should be done in a well-prepared and wise way, avoiding the situation where it is just a meagre reflection of events which took place 20 years ago. The Ministry of Foreign affairs of Estonia would be glad to assist. **Mr Māris Riekstiņš** fully supported the initiative and expressed readiness to work closely together with the presiding Lithuania to find the best way for celebrations. **Mr Deividas Matulionis** shared the same opinion of the both Ministers of Foreign Affairs and confirmed the readiness to do the utmost to commemorate the Baltic Way.

Mr Trivimi Velliste thanked the Ministers of Foreign Affairs for the supporting attitude regarding the commemoration of the Baltic Way, expressed gratitude to the 14th Baltic Council of Ministers, participants of the 27th Session and emphasised that the further success depends on the ability to implement the agreed priorities. At the end of the 14th Baltic Council the Joint Statement was signed.

At the end of the 14th Baltic Council Joint Statement was signed by President of the Baltic Assembly Trivimi Velliste and Chairman of the Cooperation Council of the Baltic Council of Ministers, Minister of Foreign Affairs of Estonia Urmas Paet.

President of
the Baltic Assembly

Vice President of
the Baltic Assembly

Vice President of
the Baltic Assembly

Trivimi VELLISTE
Republic of Estonia

Mantas ADOMĖNAS
Republic of Lithuania

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