

**JOINT STATEMENT
PRIME MINISTERS' COUNCIL
OF THE BALTIC COUNCIL OF MINISTERS**

Prime Minister of Estonia Mr Jüri Ratas, Prime Minister of Latvia Mr Krišjānis Kariņš and Prime Minister of Lithuania Mr Saulius Skvernelis met within the framework of the Baltic Council of Ministers on 6 December 2019 in Riga, Latvia. The Prime Ministers reviewed the progress concerning the implementation of the joint priorities of Latvia's Chairmanship of the Baltic Council of Ministers - strengthening security in the region, development of regional connectivity with a focus on energy and transport infrastructure and digital agenda as well as promotion of common interests within the EU.

The Prime Ministers emphasized the 25th anniversary of the Baltic Council of Ministers, commemoration of the 80th anniversary of the Molotov – Ribbentrop pact and its secret protocols and the beginning of the World War II, the 30th anniversary of the Baltic Way and 15 years of the Baltic States' membership in the EU and NATO.

The Prime Ministers signed the renewed Agreement on Consular Assistance and Co-operation between the Government of the Republic of Latvia, the Government of the Republic of Estonia and the Government of the Republic of Lithuania.

Strengthening security in the region

NATO

The Prime Ministers *underlined* that NATO and strong transatlantic bond remain the cornerstone for the security and defence of the Baltic States.

The Prime Ministers *emphasised* that the collective defence of NATO is irreplaceable for European security, and *agreed* to continue working jointly on the following workstrands within NATO:

- Continued implementation of Wales, Warsaw and Brussels summit decisions;
- Improvement of NATO's military readiness, reinforcement, advance planning and ability to address short and no-notice attack scenarios;
- Improvement of NATO's capacity for rapid reinforcement and ability to counter hostile A2/AD capabilities;
- Improvement of NATO's high-end warfighting capability;
- Further development of regional military command and control framework;
- Deployment of regional strategic enablers – with an emphasis on air & missile defence and maritime defence;
- Strengthening resilience against hybrid threats, including in cyber and information domains, and ensuring coordinated allied response;
- Strengthening NATO's role in energy security, strategic communication and cyber security;
- Striving towards more equal burden sharing among NATO Allies and maintaining a long-term commitment to allocate at least 2% of GDP for defence;
- Furthering NATO-EU cooperation to complement the activities of both organisations in a way that strengthens the transatlantic bond.

The Prime Ministers *commended* NATO and all contributing Allies for the success of the enhanced Forward Presence battlegroups in demonstrating Allied solidarity and credibility of NATO deterrence and defence posture.

US presence in the region

The Prime Ministers:

Appreciated the continuous US presence in the Baltic region, as it strengthens deterrence and helps sustain peace and stability not only in our region, but in Europe as a whole.

Valued the existing cooperation with the US and reiterated interest in further enhancing this strategic partnership in the future.

Acknowledged that US support has greatly assisted Baltic States in national capability development – in terms of procurements as well as investments for enhancing training areas and infrastructure, aligned with aspirations noted in the signed Roadmaps for cooperation 2019-2024.

Expressed interest in an even more active and ambitious Baltic–US cooperation regarding deployed capabilities and prepositioned assets, as well as regular rotation of enablers to Baltics.

Welcomed the efforts of the US and other Allies to conduct large-scale military exercises in the region in 2019, and expressed readiness to further increase the level of ambition in this field in 2020.

Agreed to continue a regular U.S. - Baltic (“3+1”) Energy Dialogue, held under the umbrella of the Partnership for Transatlantic Energy Cooperation (“P-TEC”) initiative.

Joint military exercises in the Baltic States

The Prime Ministers:

Committed to further enhancement and deepening of Baltic defence cooperation and reinforcement of military interoperability through regular joint military exercises in the Baltic States as well as active participation in the national military exercises of the Estonian, Latvian and Lithuanian armed forces.

Reaffirmed the continued coordination of military exercise plans and stressed the importance of cross-border cooperation in organising collective military exercises – such as KEVADTORM, NAMEJS, IRON WOLF, BALTIC RESPONSE, and BALTIC HOST, – as well as cooperation with the strategic partner US regarding large-scale exercise DEFENDER-Europe 20.

Commended NATO and all contributing Allies for the active involvement of enhanced Forward Presence battlegroups in national and joint Baltic military exercises, thereby demonstrating Allied solidarity and overall strength of NATO deterrence and defence posture.

Noted the importance of the presence of the Allied Armed Forces in the region and their involvement in regular multi-national military exercises.

Countering hybrid threats

The Prime Ministers:

Welcomed the Baltic States’ efforts in increasing their capabilities to strengthen resilience, while addressing challenges posed by hybrid activities. The evolving hybrid threats, including cyber-attacks, hostile intelligence activities and disinformation campaigns do not recognize national borders and therefore close cooperation is crucial.

Agreed on the need to bolster the resilience of the societies, including via strategic communication, as well fighting against disinformation and raising media literacy of our citizens. Society's participation is the key in strengthening our resilience to foreign interference.

Support exchange of information, joint coordination, information sharing and exchange of best practice on hybrid threats as this is in the collective interest of the Baltic States.

Agreed on need to utilize expertise of the Centres of Excellence, including NATO Cooperative Cyber Defence Centre of Excellence in Tallinn, NATO Strategic Communication Centre of Excellence in Riga, NATO Energy Security Centre of Excellence in Vilnius, European Centre of Excellence for Countering Hybrid Threats in Helsinki. *Reiterated* will to continue to use the instruments established by both the EU and NATO to strengthen their ability to defend against hybrid threats.

Development of regional connectivity with a focus on energy and transport infrastructure and digital agenda

Rail Baltica

The Prime Ministers:

Reconfirmed the full commitment to implement the Rail Baltica project as a true cross-border project with significant added value for the Baltic region and the rest of the European Union;

Stressed the commitment to implement the project by as per the ratified Rail Baltica Intergovernmental agreement and the European Commission Implementing Decision^[1];

Thanked the European Commission and the North Sea TEN-T corridor coordinator for their continuous commitment and leadership in prioritising Rail Baltica project implementation;

Recognised that the Rail Baltica project has significantly advanced in the design phase over the year and already starting constructions in some of the sections;

Recognised the need to address certain risks in the project implementation – time, cost as well as financing of the project, therefore *agreed* on the need to significantly improve the project governance, namely:

1. To task the Ministers responsible for transport to present a proposal towards an integrated project delivery model to improve and speed up agreed and ongoing actions as well as timely implementation of the project at the BCM on February 7, 2020.
2. To invite the Ministers responsible for transport to provide a Rail Baltica Project progress report to the Prime Ministers on a regular basis.

Acknowledged that project implementation acceleration measures are available and feasible with *inter alia* further support of the Connecting Europe Facility (CEF) under the present Multiannual Financial Framework (MFF) and *reinforced* the ambition of the Baltic States to complete the Rail Baltica railway infrastructure within the next 2021-2027 MFF affirming the common view that meeting this objective ultimately depends on the available financing in the next budgetary cycle. It is hence crucial to sustain the joint position and cooperation with partners in the rest of EU to achieve favourable financing conditions within the 2021-2027 CEF.

^[1] COMMISSION IMPLEMENTING DECISION (EU) 2018/1723 of 26 October 2018 on the Rail Baltica cross-border project on the North Sea-Baltic Core Network Corridor

Acknowledged that Finland has decided to maintain involvement in the Rail Baltica project on the current terms and *agreed* to seek ways for strengthening cooperation with both Finland and Poland for the benefit of the regional development and connectivity.

Welcomed synergy between civilian and military transportation needs for strengthening European defence cooperation. *Emphasised* that the military mobility aspect of Rail Baltica is very important for our defence capabilities and regional security.

Regional Electricity and Gas Market

The Prime Ministers:

Acknowledged that the Baltic States' energy policy is integrated into the EU' energy strategy and must pursue three main objectives: competitiveness, sustainable development and security. An interconnected EU internal energy market and an appropriate framework for energy solidarity will increase security of energy supply for all EU Member States.

Underlining that the physical isolation of the Baltic energy markets requires an infrastructure integration process, which includes the construction of necessary gas and electricity interconnections with neighbouring EU countries. It is also necessary for creating fully liberalized and mutually interconnected single EU energy market both in electricity and gas sector.

Reiterated that the synchronisation of the Baltic States' electricity grid with the continental European system provides for a substantial strengthening of the security of the Baltic region's energy supply and *stressed* the importance of the EU financial support as one of the integral preconditions for the successful implementation of this project.

Recognising that such political commitments as the Connection Agreement, the Catalogue of Measures from 27 May 2019, and the Political Roadmap on implementing the synchronization of the Baltic States' electricity networks with the continental European network via Poland from 20 June 2019, demonstrate the readiness, unity and shared political support to complete the synchronization project by 2025 without delay and in a comprehensible and predictable manner for all parties concerned.

Emphasized a substantial progress reached in the creation of the regional gas market that will open new business possibilities both for transmission system operators and natural gas traders, as well as increase the use of gas infrastructure. Therefore, such interconnection projects as *Balticconnector* (FI-EE), that will connect Finland's gas transmission system to Baltic States and GIPL (PL-LT), that will integrate Baltic States and Finland into Europe's gas market, have an important role in bringing increased security supply and other market benefits to the regional gas market after 2022 when GIPL will be commissioned. It is important to note that in the common gas market, interconnection points within the single entry-exit system will be eliminated, ensuring free flow of natural gas within the single entry-exit tariff area and better utilisation of gas infrastructure, therefore, avoiding overinvestment.

Called for stronger regional cooperation in the field of renewables, especially in offshore wind development and biomethane.

Underlined that gas technologies and applications currently under development will be important for future gas demand, with renewed interest in the transport sector applications, particularly liquefied natural gas (LNG) in heavy trucks and marine transport.

Welcomed any new alternative sources and routes in the region, that will strengthen integrated energy market and that will work on market-based principles.

Shared the view that it is necessary to ensure a level playing field for the EU electricity producers in order to remain competitive in relation to third country producers, whereas, electricity import

from third countries applying lower safety and environmental standards, undermines the competitiveness of the EU producers.

Nuclear and environmental safety

The Prime Ministers:

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

Called on Belarus to upgrade the Belarus' National Action Plan following the results of the Belarus Nuclear power plant Stress-tests in line with the conclusions of the up-coming European peer review report and its recommendations. *Reiterated* that this is a crucial exercise in order to ensure nuclear and environmental safety in the EU.

Digital agenda

The Prime ministers:

Acknowledged existing strong ties and common efforts regarding cooperation in digital issues. Particularly, the importance of a coordinated approach for increasing our cyber security capacity and tackling disinformation.

Underlined importance of full implementation of the Digital Single Market as a part of Europe's single market. Particularly, eIDAS and Single Digital Gateway regulations, to ensure availability of services to all citizens.

Underlined project with great potential for future joint cooperation – the North Sea-Baltic Digital Corridor that includes facilitation of the 5G technology in our countries and will bring considerable economic and social benefits to the Baltic region.

Expressed support to the increased investments in digital innovation planned for in the next European Union Multiannual Financial Framework, which are essential for increasing productivity, competitiveness, skills and connectivity to properly address nowadays digital challenges of member states.

The Horizon Europe for research and innovation and Digital Europe Programmes for building the strategic digital capacities of the EU can serve to give a major boost to digitalisation, innovation and technological development.

Noted sufficient investment in digital development is one of the key factors for the success of our economies and well-being.

Sought for continuous discussions for united coordination mechanism for implementation of common project, such as included in Digital Europe Program.

Welcomed the new European Commission's plan to put more attention to common enforcement of the EU legislation and better use of digital tools of the EU Single Market.

Emphasized the need for closer cooperation in the region eliminating barriers and enhancing data exchange including using Real-Time Economy to foster cross-border activities, sustainable growth and more user-friendly public services.

Common interests of the Baltic States within the EU

2021-2027 EU Multiannual Financial Framework (MFF)

The Prime Ministers:

Acknowledged the significance of climate change and the need for an ambitious and urgent action, along with demonstrating EU's global leadership on addressing climate change.

Emphasized the need to reach the quality and timely agreement on the MFF in order to ensure stable flow of EU investments that will help to advance redirection of financial flows towards the climate action.

Called for a more ambitious EU multiannual budget to match the needs and challenges of EU, and to enable smooth, consistent and comprehensive transition to a climate neutral economy especially in regions that are still under EU average level in their socioeconomic development. We also see an urgent need for adequate EU funding for research, innovation, digitalisation, connectivity, security, defence, migration and external borders to tackle new challenges facing the EU.

Underlined the commitment to ensure transition of our economies towards climate neutrality by 2050 and necessity of in-depth transformation of all sectors. Scaling-up investment in energy, transport, housing and agriculture sectors as well as in industry are necessary. There is an essential need to invest in research, development and ground-breaking innovation in these fields, if not to risk with the EU falling behind in the global race of competitiveness. Furthermore, transition to clean and sustainable energy production shall be supported by safe technological solutions and third countries' adherence to the highest international environmental standards.

Reiterated therefore that convergence through the prism of transition to climate neutral economy must remain a horizontal priority within the next financial perspective.

Emphasized that in order to succeed in our transition to climate neutral economy we will need significant EU investment which will depend on specificities of the Member States. The Treaty-based policies (namely, Cohesion and Common Agricultural Policy) significantly contribute to this aim. Thus, the new Just Transition Fund, being designed to assist Member States in green transition shall be eligible to all Member States and shall be financed from additional contributions and not at the expense of the established policies, which contribute to climate change mitigation.

Stressed that Cohesion policy must remain focused on the less developed regions. Support from Cohesion policy to transition regions has to be decreased gradually taking into account levels of development of the Member States to ensure further progress of convergence.

Stressed that the external convergence of direct payments and sufficient financing for rural development is crucial to ensure a level playing field for all farmers in the Single Market. Specially bearing in mind that requirements and measures to facilitate the transition towards decarbonised activities within the sector are equal in the whole EU.

Underlined the importance of Connecting Europe Facility as a tool to ensure further integration of Baltic States into European infrastructure networks that will also support reaching common climate targets. In this context stressed the importance of completion of the Rail Baltica project as well as synchronisation of Baltic States electricity networks.

Brexit and relations with the United Kingdom

The Prime Ministers:

Emphasised that the United Kingdom is and will remain a very close partner and ally. Baltic States will continue to pursue as close as possible future cooperation with the United Kingdom on citizens' rights, foreign, security and defence policies, as well as trade on the EU as well as on bilateral and multilateral levels.

Recalled that it is a strong interest of the Baltic States that the United Kingdom's withdrawal from the EU takes place in an orderly manner with the least impact possible on the life of citizens as well as business cooperation. In view of that, the Baltic States support timely and necessary steps in order to ensure the ratification of the Withdrawal Agreement by both the United Kingdom as well as European Parliament.

Eastern Partnership

The Prime Ministers:

Duly noted that this year marked the 10th anniversary of the EU Eastern Partnership (EaP) policy, and reconfirmed that Eastern Partnership continues to be one of the foreign policy priorities of the Baltic States.

Reaffirmed their strong support for deeper integration, including European aspirations, with Partner Countries that have expressed such willingness and have made the necessary progress in implementing reforms, thus, reconfirms the importance of differentiation in order to respect all EaP countries' level of ambition and cooperation with the EU.

Reaffirmed their readiness to continue to provide support to all Partner Countries in enhancing reforms, economic development and resilience through the efficient use of political dialogue, practical cooperation and financial instruments, and underlined the importance of EU's support and assistance to that end.

Underlined that EU cooperation and financial support is based on the principle of conditionality, following up with the progress made and being ascertained that the main beneficiaries are the people of the EaP countries, therefore, encourages Partner Countries to continue to comply with the objectives of the EaP and to fully implement their respective agreements with the EU.

Committed to work closely with other EU Member States and Eastern Partners on strengthening the EaP and acknowledges the importance of endorsing ambitious Joint Statement at the EaP Summit in 2020.

Acknowledged the importance of forthwith further implementation of "20 Deliverables" and after 2020 with additional goals added, and expanding the cooperation in further in-depth sectoral cooperation between the EU and Partner Countries.

Reaffirmed their readiness to continue to provide support to all Partner Countries in enhancing reforms, economic development and resilience against hybrid threats.

Russia

The Prime Ministers:

Reaffirmed firm support for Ukraine's independence, sovereignty and territorial integrity, within its internationally recognised borders and commitment to continue non-recognition policy of the Autonomous Republic of Crimea and the city of Sevastopol.

Welcomed the convening of the Normandy Summit scheduled to take place on December 9, 2019 and *expressed* the hope that it will lead to tangible results and will have a positive impact on Russia-Ukraine conflict settlement.

Stressed that the EU sanctions against Russia need to be preserved until full implementation of Minsk agreements and full restoration of Ukraine's sovereignty and territorial integrity, within its internationally recognized borders, including the Autonomous Republic of Crimea and the city of Sevastopol.

Expressed the belief that the return to the respect of rules-based international order and democratic principles by Russia would facilitate the regional stability as well as development of more constructive and pragmatic cooperation between the Baltic States and Russia for the benefit of our peoples.

Expressed concern about Russia's interference with political and human rights of its citizens, restrictions on non-governmental organisations, human rights defenders and independent media, which are going contrary to Russia's international human rights obligations, including those of UN, OSCE and Council of Europe.

Regretted Russia's increasingly revisionist approach to and political instrumentalization of history, especially in the context of Molotov-Ribbentrop Pact and its secret protocols as well as the World War II events and Soviet occupation of the Baltic States.

Jüri Ratas
Prime Minister
of the Republic of Estonia

Krišjānis Kariņš
Prime Minister
of the Republic of Latvia

Saulius Skvernelis
Prime Minister
of the Republic of Lithuania

Riga, 6 December 2019