



Report of the
37th Session of the Baltic Assembly and 24th Baltic Council
25–26 October 2018, Vilnius, Lithuania

1. Presiding officers of the Session:

- **Valerijus Simulik**, President, Chair of the Lithuanian delegation, Lithuania
- **Jānis Vucāns**, Vice President, Chair of the Latvian delegation, Latvia
- **Aadu Must**, Vice President, Chair of the Estonian delegation, Estonia

2. Agenda of the Session:

- Meeting of the Presidium of the Baltic Assembly and the Speakers of the national parliaments of Lithuania, Latvia and Estonia;
- Opening of the 37th Session of the Baltic Assembly;
- The 24th Baltic Council;
- Signing of the Joint Statement of the 24th Baltic Council;
- Continuation of the 37th Session of the Baltic Assembly;
- Session 1: Regional security strategy of the Baltic States;
- Session 2: Common regional gas and electricity market of the Baltic States;
- Session 3: Alcohol policy in the Baltic States: cooperation in reduction of alcohol consumption;
- Session 4: Development of the *Rail Baltica* project;
- Session 5: Foundation of the Baltic Culture Fund: catalyst for cross-border cultural cooperation of the Baltic States;
- Report of the Presidium about the implementation of the presidency programme and introduction to the Resolution and Final Document of the 37th Session of the Baltic Assembly;
- Report of the Budget and Audit Committee;
- Adoption of the Resolution and the Final Document of the 37th Session of the Baltic Assembly;
- Election of the President and Vice Presidents of the Baltic Assembly and the Chairs and Vice Chairs of the Committees for 2019;
- Decision on the Secretary General of the Baltic Assembly;
- Signing of the Final Document of the 37th Session of the Baltic Assembly.

Opening of the 37th Session of the Baltic Assembly

President of the Baltic Assembly **Valerijus Simulik** opened the 37th Session of the Baltic Assembly. Participants of the Session have gathered here to discuss the cooperation of the Baltic States. Main aim of the Session is to strike the balance in the Baltic parliamentary and governmental cooperation in 2018. It is necessary to review the cooperation to realise what has been achieved and solved. Even more important, it is necessary to discuss what is still unsolved and what are the main reasons for absence of joint decisions.

There is no place for loud words, beautiful slogans and empty promises. During last years, the Baltic Assembly moved forward with cooperation which is practical and brings visible results for people of the Baltic States. Baltic nations, every person – young and old – living in Lithuania, Latvia and Estonia, need real achievements and not beautiful slogans. People need a train from Vilnius to Daugavpils, from Riga to Tallinn. People need secure energy market, medicaments in affordable prices and joint education programmes. The Baltic Assembly is working to bring these practical results to people. From time to time, the Baltic Assembly has been criticised of being not so audible and visible compared to times of the Baltic Way. Yes, today the work of the Baltic Assembly is not so much about organising of large-scale events, it's not about singing and dancing together, it's not about loud and visible statements. Today, the Baltic Assembly and the Baltic Council of Ministers, work hand in hand to build together railways and roads, jointly purchase medicaments, jointly protect the borders, coordinate positions of our countries in regard to the agenda of the European Union (EU), build common innovation and industrial system, jointly represent interests of Baltic countries in distant markets and synchronise Baltic power systems with European networks. This list could continue with more issues from the agenda of the Baltic Assembly. After solving one issue, the next one is already waiting; as a result, people can only feel the practical achievements, but the Baltic Assembly has no time and sometimes also no capacity to loudly speak about achievements.

On the agenda of the Session of the Baltic Assembly and the Baltic Council, there are issues which have significant Baltic relevance: 1) regional security strategy of the Baltic States; 2) common regional gas and electricity market; 3) alcohol policy in the Baltic States; 4) development of the *Rail Baltica* project; 5) Baltic Culture Fund.

After the welcoming address of the President of the Baltic Assembly, the national anthems of the three Baltic Republics were played.

President of the Baltic Assembly **Valerijus Simulik** express gratitude to H.E. Prof. Viktoras Pranckietis, Speaker of the Seimas of the Republic of Lithuania, H.E. Ms. Ināra Mūrniece, Speaker of the Saeima of the Republic of Latvia and H.E. Mr. Eiki Nestor, President of the Riigikogu of the Republic of Estonia, for particular devotion to

the cooperation of the Baltic States. In everyday work of the Baltic Assembly, your personal commitment towards the cooperation of the Baltic States is felt.

Speaker of the Seimas of the Republic of Lithuania **H.E. Prof. Viktoras Pranckietis** noted that the 37th Session of the Baltic Assembly sets an example of how three countries can create a special and successful relationship, work together and shape common future. This year is an important year for all Baltic States. Lithuania, Latvia and Estonia have marked the centenaries of independence. Today, just like 100 years ago, the existence of apparent unity can be observed. The visit of His Holiness Pope Francis also witnesses the unity of the Baltic States. The success of the Baltic States has always been strongly connected with unity. The Baltic States have always been regarded as the three sisters and there should be no older brother among them. The awareness that together the Baltic States can achieve more gives strength while working on joint projects and goals. It is essential that the Baltic States not only continue working on existing objectives, but also focus on new aims.

The world is constantly changing, but it can be seen that the chosen goals by the Baltic States have proved to be correct and that strategic goals are in line with expectations. Regional common gas market, alcohol control policy, development of the *Rail Baltica* project, cooperation in the fields of education, culture and healthcare. This year, the Baltic States have succeeded in signing three important agreements, one of them was the Agreement on the Automatic Academic Recognition of Qualifications Concerning Higher Education signed by the Baltic States of 28 June. The Agreement on the establishment of the Baltic Culture Fund signed in Riga on 8 July, was another success. There are high expectations that the Governments of the Baltic States will provide the necessary budgetary support for the needs of the Fund. The Agreement on the Cross-border Cooperation in the Provision of Ambulance Services in the Border Area between Lithuania and Latvia signed in Bauska will provide immediate availability for emergency healthcare for people living in border area. Citizens of both countries can expect timely healthcare services. The success of cooperation depends on trust between the involved parts. The Baltic States need to be united, because only by acting together it is possible to ensure security and development of the Region. There is a need to respond to cyber, hybrid and nuclear safety issues in timely, unified and determined manner. Coordination of common policy, establishment of new partnerships, representation of common interests, experience sharing and coordination between national parliaments and governments are among most important tasks of the Baltic Assembly. Only by speaking loudly, in one voice and in determined manner messages of the Baltic States will be heard. Just like 100 years ago, the Baltic States need to be united.

Speaker of the Saeima of the Republic of Latvia **H.E. Ms. Ināra Mūrniece** congratulated the Baltic Assembly on 37th Session. This year, the Baltic Assembly turns 27 years, which is a significant age of maturity. During these years, the Baltic States have not only defined their common goals, but have also succeeded to implement them.

This morning, Speakers of the Baltic States jointly with Presidium of the Baltic Assembly held a meeting. During this meeting, participants came to a conclusion that up to 80% of defined goals have been achieved. Although, there is a room for improvement, the work done is impressive and important.

Year 2018, is very special in many ways. Firstly, the Baltic States are celebrating the centenary of independences. The word of the Baltic States is being raised through various cultural events. Secondly, the Baltic States have concluded important agreements strengthening regional cooperation. The Agreement on the establishment of the Baltic Culture Fund was signed in Riga on 8 July by the initiative of the Baltic Assembly. Baltic cooperation is both celebration of common festivities and persistent daily work. In the background of the current challenges, the importance of cooperation of the Baltic States is even greater.

Positive energy is to be observed in the practical cooperation of the Baltic States. Due to the efforts by the Baltic Assembly, the Baltic States have joint procurements in healthcare sector, ambulance services in the border area and automatic recognition of diplomas. Nonetheless, practical cooperation and work should be continued. Society has high expectations that should be met. Next year, Latvia will be the presiding country in the Baltic Council of Ministers and the Baltic Assembly.

The priority for the Presidency of Latvia will be security. Kremlin will continue its military activities and to strengthen its powers. Being aware of the seriousness of the situation, it is of paramount importance to work together and accurately as a clock.

Within a short period of time a lot has been achieved – the Baltic States invests in defence in line with North Atlantic Treaty Organizations (NATO) commitments, develop national defence capabilities and organise joint military trainings with other NATO member states. This summer, in Latvia were organised “Namejs 2018” military trainings in which participated soldiers from Lithuania and Estonia. These were the largest military trainings since regaining of independence.

However, it is clear that security of the Baltic States depends on the presence of NATO allies in the Baltic region. At the level of NATO not all has been achieved. Decisions adopted during this summer in NATO Brussels Summit will allow to faster react on crisis situations and sent out troops in necessary. For the Baltic States it is highly important that these decisions would be implemented as soon as possible.

The Baltic States need to strengthen resistance against hybrid threats, cyber-attacks and misinformation. These new threats are developing faster than traditional military threats. Therefore, defence needs to be comprehensive. For that reason, Latvian Presidency sets “comprehensive approach to security and defence” as one of its priorities.

Closely connected with security and defence is strategic infrastructure. Strengthening of interconnections between the Baltic States and Europe in the field of energy, transport and infrastructure is the second priority of the Latvian Presidency. *Rail Baltica* railway project is a project of a century. By implementing this project, there is no place for internal battles that could endanger it. If the Baltic States will not be united, effective representation of the project in Brussels is not possible. Next year, European Parliament elections will be held and the European Commission will also change. The Baltic States need to do everything possible to ensure that the *Rail Baltica* project and the process of synchronization with the Continental European Network gets the necessary EU financial assistance. It is also important to continue development of regional gas market, decreasing the energy dependence of the Russian market. The Governments of the Baltic States have adopted political action plan on synchronization with Continental European Network, next step is to move forward.

Estonia, Lithuania and Latvia have successfully passed the test holding the Presidencies in the European Council. The Baltic States are mature EU Member States and this can be proved by even closely coordinating positions in the EU not only concerning the next multiannual financial framework, but also foreign policy and security policy as well as by support to the Eastern Partnership countries. In Ukraine, Kremlin aggression is still ongoing. Therefore, the Baltic States jointly must insist that the EU strictly imposes its pressure on Russia and this pressure needs to remain strong. Likewise, the Baltic States need to strengthen the Transatlantic ties closely working with United States (US) and Canada. It is important to strengthen dialogue with Nordic countries, Benelux and Visegrad countries. Speakers of the Baltic and Nordic countries, the so called NB8, have established a tradition to jointly visit Eastern Partnership countries. NB8 support to Ukraine, Georgia and other partner countries is important.

The Baltic cooperation is a unique value, the Baltic States need each greatly. The work by the Baltic Assembly is important and it very necessary.

President of the Riigikogu of the Republic of Estonia **H.E. Mr. Eiki Nestor** noted that looking back on the recent history and geographical position the Baltic States understand each other without the need for words. The feeling of unity is particularly strong this year 2018, while the Baltic States are celebrating the centenaries of republics. The Baltic States have a lot to be proud and be happy about. Latvia, Lithuania and Estonia are free and democratic, languages are sustainable, the wellbeing of citizens has considerably improved, friends and allies feel strong support.

It is important to talk about allies and partners, because there is a need to speak about security. Peace and freedom are priceless. The less predictable and peaceful the World was, the more threats there were for small countries like the Baltic States. NATO as a military political union of nations that unites 29 member states is and will remain the corner stone of the Baltic States security. Dedication of Estonia, Latvia and Lithuania to the Alliance was shown, among others things, by the fact that all Baltic States

contributed at least 2% of their GDP to defence spending. The EU is also taking steps in order to ensure Europe's security doing it in a way that compliments the NATO functions. Considering the multidimensional nature of security EU's proactivity in this field is especially material and important. For example, security is total integration of the energy infrastructure of the Baltic States with the rest of Europe and creation on fast transport connections. Both topics are also represented in the Baltic Assembly's work programme.

Information war and threats into cyberspace also deserve attention. The initiative by the Baltic Assembly to discuss the common Baltic information space is highly useful. It is crucial to find solutions to prevent the abuse of openness and freedom of expression by countries or forces trying to erode Baltic unity by spreading false information and populist messages.

Last week, the new Eurobarometer study showed that the support for the EU among the Europeans was at the highest point in last 25 years. 62% of the EU citizens are in favour for being in the Union and 68% think that belonging to the EU has helped their country. In studies like this, the Baltic States have showed a very high trust in united Europe. Among Estonians support for the EU is as high as 88%. This is a remarkable result, especially considering that the management of the largest single market inevitable demands complex legislation and bureaucracy, which sometimes causes scepticism. Unfortunately, there are also those who do not think twice about crushing a democracy, human rights and personal liberties by spreading false claims and populist messages. Populists are aware that someone who does not know what to do can be easily intimidated. So, populists set nation against nation and country against country for own interests. One needs to overlook the populist messages, which are meant to resonate with lowest instincts and to counter them by raising standards instead. There is a need to explain the importance of democracy, personal liberties, solidarity and open world actively. At the same time, there is a need to work towards making all the members of society aware of the benefits of open world.

The 24th Baltic Council

President of the Baltic Assembly **Valerijus Simulik** opened the 24th Baltic Council. During the last three years, interaction between Baltic Council and the Baltic Assembly has developed into a mode, about which almost 30 years founders of both organisations ago dreamed about. The Baltic Assembly and Baltic Council work closely together, coordinate actions and promote common initiatives. This mode of cooperation needs to be continued in future.

The Baltic Assembly has prepared an overview of the implementation of the recommendations of the Baltic Assembly for a period of 2017- 2018. This overview is available to all participants of the Session. President of the Baltic Assembly introduced with the main conclusions. Firstly, cooperation has been active and practical results

have been achieved in security and defence, energy, transport and infrastructure, health care. Despite good progress in these fields, there are still many tasks to be implemented in the forthcoming years. Secondly, coordination of positions of the Baltic States in regard to the EU agenda has become more intense and targeted. Thirdly, Baltic States have started cooperation initiatives in regard to promotion of Baltic States interests in distant countries, developing Pan Baltic capital market etc. Fourthly, there are many new initiatives, for example, e-tolling, new railway connection projects, venture of Smart Via Baltica etc.

Unfortunately, there are also fields where cooperation is slower. Firstly, there is no visible progress and practical results in regard to joint military procurements, coordination of tax policies, development of digital infrastructure. Secondly, process of harmonisation and finalisation of the draft Agreements among the countries is lengthy and bureaucratic (as examples: Lithuanian-Latvian Agreement on Cross-Border Cooperation in Provision of Ambulance Services; Agreements between the Baltic States on maintenance of Latvian-Estonian, Latvian-Lithuanian borders; Agreement between the Police and Border Guard Administration of Estonia, the State Border Guard of Latvia and the State Police of Latvia on common patrols).

Minister of Foreign Affairs of the Republic of Latvia **H.E. Mr. Edgars Rinkēvičs** noted that it is a great honour to address the Session of the Baltic Assembly at the centenary year of the Baltic States. He expressed his gratitude to the Baltic Assembly for good cooperation, especially, for work of Lithuanian Presidency on traditionally important issues, such as strengthening of security and defence of region, energy market and transport infrastructure development as well as joint stands concerning the EU multiannual budget.

Main priority of the Baltic Council is to strengthen Baltic regions security. In the North Atlantic Alliance, the Baltic States present a successful example of how to streamline procedures so that the Allied troops could receive, within days or even hours, the permits they need to enter or move freely in the Baltics. Host country support to Allied soldiers who ensure the NATO enhanced Forward Presence in the Baltic States was highly appreciated. Nevertheless, the work towards promotion of military mobility in region and wider region should be continued. Apart from NATO cooperation, the Baltic States have developed the Baltic Combined Joint Staff Element, which ensures information exchange and coordination between the states in such areas as intelligence, logistics and planning, in order to be able to respond properly in crisis situation. These activities are tested in real life by organisation of exercises. There is a need to continue jointly work on all the possibilities offered by the United States. It is quite symbolic that in the year of centennial Presidents of the three Baltic States met the President of the United States. In a way it is a celebration of achievements of the Baltic States. These achievements have been possible due to long-term strategic cooperation with the United States. During the Summit of the Baltic States and the United States in 6 April 2018 in Washington, the United States reinstated its support to the security and prosperity of

the Baltic States. The Presidents in this Summit agreed to continue economic cooperation, especially, in the field of innovation and advanced technologies. The role of the Baltic States in strengthening transatlantic ties is steadily increasing. The EU and the United States must work closely together, because the comprehensive transatlantic cooperation, particularly, in security and defence has no alternatives.

It is important to move forward also in area of energy and transport. *Rail Baltica* project is the most significant project within the region. The planning phase has been concluded and now the work is being done in design phase. Currently, more than ever it is important to stand together and coordinate the lobbying activities in order to achieve the most favourable conditions possible for the project under the EU's new financial perspective. Certain progress has been made also in the field of energy. The process of synchronisation of the electricity grid is under development. The study on the European Network of Transmission System Operators for Electricity has provided a very precise technological solutions, this means that the Baltic States are able to move forward with next important step and submit joint application for financial assistance. It is also important to create regional natural gas market and ensure the highest market liquidity possible, thereby also strengthening security in energy supply and reducing energy dependence on a dominant supplier. Work on a joint memorandum of the Baltic natural gas transmission system operators should be completed in the near future, which is a vital condition for a regional market to become operational by 2020. For a successfully functioning regional market, the planned investments should be made into the reinforcement and modernisation of gas interconnections between the Baltic States.

Currently, the Baltic States are involved in difficult discussion concerning the next multiannual financial framework in the EU. It is clear that only by joint efforts it is possible to protect the Baltic regions interests. The Baltic States should demonstrate a constructive approach. Appropriate financing is required for the new challenges and priorities – internal and external security, migration and climate. At the same time, the Baltic States must further maintain traditional lines of defence concerning both the Common Agricultural Policy and the Cohesion Policy. It is unacceptable that cohesion policy funding is reduced so markedly for countries that have not yet achieved the EU average living standards. The current proposal for the Common Agricultural Policy – in terms of both the convergence of direct payments to farmers and support for rural development – does not promote the reduction of socio-economic disparities in the EU. One of the most painful issues on the agenda is the Brexit. It is a regret that one of good allies of the Baltic States has decided to leave the EU. At the same time, there is a need to continue to work not only on the “exit” agreement, but also to set up a new framework for cooperation with the Great Britain. It is the responsibility of the Governments towards the citizens in the Baltic States to develop solutions for all types of scenarios including “no deal” scenario.

Another priority is the Eastern Partnership. Since inception of this policy a lot has been achieved. The work done is being made in bilateral and multilateral formats. It is

expected that these countries will continue to work on long-term and sustainable reforms. The Baltic States already now need to think about the message that should be sent to Eastern Partnership countries. The external financial instruments of the EU must reflect the EU global, foreign policy and strategy. The Eastern Partnership countries should be treated as strategic and priority partners.

In 2019, Latvia will take over the presidency in the Baltic Assembly and Baltic Council of Ministers. Next year, the Baltic States will also celebrate the 25th anniversary of Baltic Council of Ministers and the Baltic Way will celebrate its 30th anniversary. Latvian Presidency will continue the successful cooperation between the Baltic States. Priorities of the Latvian Presidency in the Baltic Council of Ministers are the following: strengthening of security in the region, development of regional connectivity and protection of common interests in the EU. Joint planning and effective management of interests is highly important. Considering the current challenges, Baltic-Nordic cooperation is very significant. It is in the interests of the Baltic States to further strengthen Baltic-Nordic ties in order to maintain stability in the Region. Latvia will also take the Presidency in the Council of the Baltic Sea States, which is about cooperation and implementation of practical regional issues.

Chair of the Cooperation Council of the Baltic Council of Ministers, Minister of Foreign Affairs of the Republic of Lithuania **H.E. Mr. Linas Linkevičius** noted that this year has given an opportunity not only to celebrate centenaries of the Baltic States, but also to look back and evaluate achievements, none of which could be reached without cooperation. Year 2018, was a significant year for Lithuania, because the original of Independence Declaration of the Republic of Lithuania of 16 February 1918 was found and remains of Adolfas Ramanauskas-Vanagas, a commander of Lithuanian partisans who fought against the Soviet occupation were discovered. This year the three Baltic States were visited by His Holiness Pope Francis.

Although, the prosperity of the Baltic States is growing there still is a place for deeper cooperation. The Baltic States should strengthen common position concerning both security and defence. The Baltic States are now capable to receive NATO Allied forces in 5-8 hours, which is a great success. This serves as a positive example for other NATO member states. Moreover, the Baltic States have simplified the processes for military mobility and legislature. Estonia, Latvia and Lithuania provide the necessary spending for defence and it is important that the funding is spent properly. The Baltic States have been actively working, irrespective from format, trying to present common approach to ensure that the functions of the EU and NATO do not overlap. Recent, NATO Summit in Wales, Warsaw and Brussels have set certain goals, which are being implemented. This situation opens a door to focus on practical aspects.

The Baltic States are in the lead of information technologies and defence against cyber threats. Development of NATO Centres of Excellence in the Region, attests to leadership of the Baltic States in these fields. The Baltic States only have to ensure that

these NATO Centres of Excellence function and cooperate independently from the context they are working.

Concerning energy and gas market, the Baltic States need to more cooperate in order to achieve full integration into European power grids. Currently, the Baltic States still operate in power zone synchronised with Russian market. This makes the Baltic States dependant. It has been estimated that by 2025, the Baltic States will be fully synchronised with the Continental European Network. This is a huge practical and political step. Any delay in the implementation process, would threaten energy security of the Baltic States and open ways for further hybrid threats. Lithuania has already signed the necessary documents to fund Polish-Lithuanian pipeline.

Rail Baltica project is an important project. The Baltic States should attract more cargo flows into the Region. *Rail Baltica* project should become a part of strategic regional infrastructure.

Development process of Astravyets nuclear power plant should comply with international security and safety standards. Nevertheless, since beginning of Astravyets nuclear power plant building, the project has not complied with the international security and safety standards. Recent stress tests conducted following the European standards was an attempt to engage Belarus in democratic process. International community should seek that Belarus implements international security and safety standards. Belarus needs to take into account the interests of its own citizens. Solidarity among states is important and can bring practical benefits.

Common Baltic position is needed concerning the multiannual financial framework for 2021-2027. Future European budget needs to be fair and just, and properly reflected the needs of European countries. In future there will be a decrease of funds in the EU budget. Therefore, it is the interests of the Baltic States to defend projects of regional importance.

In 2019, the EU Eastern Partnership will celebrate its 10th anniversary. Although, progress has been observed in all countries, developments are much slower than they would be, due to armed conflicts that are taking place in some of the Eastern partners territories. In the not too distant past, the Baltic States also fought for their independences and experienced difficult period lacking international support. Eastern Partnership countries experience similar challenges despite their aspiration to join the EU. Minister of Foreign Affairs of the Republic of Lithuania expressed a hope that the EU will be capable to support Eastern Partnership countries and their reforms. Georgia should have a particular EU focus due to its exceptional achievements. Ukraine is trying to implement the necessary reforms, but the military aggression by Russia does not create a favourable condition for awaited changes. Nevertheless, countries should not turn away from Ukraine. The success of Ukraine will mean a success for everyone. If Ukraine will fail, it will undermine the European values. The Baltic States need to be

consistent at all levels. Although sanctions are not the best instrument to be used in interstate relationships, they are the only available instrument against a state, which is using aggression against other states.

After 100 years long path, the Baltic States can assess joint achievements. One of the learned lessons, over these years, is that the Baltic States have always been more successful while working together. The Baltic format is a promising format that provides a better integration.

President of the Baltic Assembly **Valerijus Simulik** informed that the Baltic Assembly is very active working on the Eastern Partnership issues. GUAM Parliamentary Assembly is a partner of the Baltic Assembly. On 15 June 2018, Presidium of the Baltic Assembly issued a Statement concerning the decision of Syria to recognise Georgia's breakaway regions of Abkhazia and Tskhinvali /South Ossetia, expressing support to Georgia. The Baltic Assembly has repeatedly expressed its opinion on territorial integrity of GUAM countries. The Baltic Assembly has also expressed common position concerning the multiannual financial framework addressing the Member States of the EU.

Minister for Culture of the Republic of Estonia **Indrek Saar** underlined that year 2018 is very important for the Baltic States, celebrating 100 years as independent states. Anniversary year has allowed to talk about Baltic cultures and histories more loudly. Lithuanian Presidency in the Baltic Assembly and Baltic Council has been successful and very accurate. It has been observed that progress has been made in all three priority areas: 1) further enhancement of regional security; 2) co-operation in the development of the strategic infrastructure; 3) continuing to ensure the interests of the Baltic States in the EU.

Regional security in the Baltic Sea region is closely related with security situation in Europe and the World. NATO presence in the Baltic States has contributed to the security situation in the Baltic region and is highly appreciated. Important landmark of security is establishment of the Multinational Division North in Latvia. In 2018, the priority of cooperation in security was complete and timely implementation of the decisions of the NATO Summit in Brussels. The Baltic States are committed members of the NATO and contribute at least 2% of GDP in defence. NATO will remain the cornerstone of common security. At the same time, the understanding that the EU should contribute more to ensure its own security and defence has reached a new level over the recent years. The Baltic States can be proud of the recent study by the Eurobarometer, which highlights a high percentage of support for the EU. In Estonia, 74% of population support the EU. The establishment of the Permanent Structured Cooperation (PESCO) by the Council of the EU in December 2017 has raised cooperation on defence among the participating EU Member States to a new level. From regional security point of view and considering the aggressive actions by the Russian Federation against Ukraine, it is vital to continue cooperation in PESCO. It is equally

important to strengthen borders of the EU. Therefore, Estonia holds an opinion that external border management should correspond to strict standards.

In order to preserve the security of the Baltic region, the Baltic States need to cooperate with the Nordic countries. Democratic and stable neighbourhood is an essential precondition for security. For that reason, the Baltic States need to continue to support the Eastern Partnership Policy both multilateral cooperation and bilateral cooperation. The Baltic States also need to focus on cybersecurity and cyber threats. Cyber-attacks from Russian Federation against the Baltic States are almost daily. Institutions that experience cyber-attacks are the following: banks, state agencies and infrastructure. Recently, more frequent electronic system interventions have been observed. Therefore, last week the Baltic States together with another 5 EU Member States proposed the EU to create a legal framework for prosecution of cyber-attacks. For the Baltic States it is important to further enhance cyber security capabilities and increase security, readiness and resilience of critical information infrastructures against cyber-attacks. The Baltic States should also continue close cooperation in strategic communication to improve resilience to hostile influence activities and respond to disinformation, and block it from spreading.

Baltic cooperation in defence was very close this year. The Baltic States worked on harmonisation of national defence plans, simplification of processes for deployed Allied forces, sharing of information, common military procurements and development of defence capabilities. In 2018, Estonia held the largest military exercises since regaining of independence. Military exercises involved over 15,000 Allied and partner troops from 19 different countries, as well as forces from NATO's enhanced Forward Presence. In recent years, the importance of common military exercises has only increased. In 2019, Estonia will preside over Baltic defence cooperation. The main task will be to continue strengthening of defence and security cooperation corresponding to the new challenges.

Although, cooperation between the Baltic States is very close, there is a place for development, especially, in the field of energy, transport and information technology. Joint development of these fields will contribute to economic progress of the Baltic States and strengthen the security of the Region. The Baltic States share a common objective of a completely integrated, secure and sustainable energy market. This year, the Baltic States achieved a breakthrough synchronizing Baltic power systems with continental Europe and project has reached a critical stage. At the highest political level, there is a will to pursue the project with full force. On June 28, in Brussels a Political Roadmap on the synchronisation of the Baltic States' electricity networks with the continental European network by 2025 was signed. The first of such action is the launch, this September, of the European Network of Transmission System Operators (ENTSO-E) procedure as a first technical step for extending the Continental European Network to the Baltic States.

It is important to ensure the security of supply at reasonable price for the consumer. It is significant to continue the work to ensure regional gas market. On 12 October, transmission system operators (TSOs) in Estonia, Latvia and Finland - Elering, Conexus Baltic Grid, Gasum and Baltic Connector - have signed a Memorandum of Understanding on the matters to be solved, if the countries decide to harmonize the regional gas markets in the future. It would be very beneficial that Lithuania would also join to this memorandum. The first steps for harmonization between Baltic and Finnish gas markets will become possible in 2020 when the Baltic connector pipeline connects the Estonian and Finnish gas markets.

Rail Baltica project is crucial for the Baltic region connecting the Baltic States with central and western Europe. *Rail Baltica* is an excellent example of cooperation representing the common interests of the three Baltic States. This project takes a priority over national interests. Preliminary project of the *Rail Baltica* Estonian scratch has been concluded and all solutions have undergone environmental impact assessment. Currently, the main *Rail Baltica* projects are drafted and all works should be completed by 2026. Short-term task is to reach an agreement into *Rail Baltica* infrastructure management model. The Baltic States need to continue to encourage Finland and Poland to join the circle of shareholders in the *Rail Baltica* project. This would help to ensure that common interests of the five countries are represented and transport investments move visibly.

The Baltic States need to be joint and active during the negotiations of the next long-term budget of the EU. It is important to stress that the budget of the EU must be sufficiently funded to allow the fulfilment of the EU long-term goals and respond to new challenges. The Baltic States need to continue close cooperation and coordinate steps to negotiate on the next EU budget and achieve the highest possible co-funding for transport infrastructure projects. In a framework of negotiations, the key issue is the EU funding for the *Rail Baltica* project. The success of the *Rail Baltica* project does not depend solely on contribution of the Baltic States, but also from continued support from the EU funds. The Baltic States need to work together towards protection of common position. The Baltic Heads of the Government have declared that better European connections is a long-term priority. Smooth phasing out of structural fund volumes for wealthier regions to improve situation in poorer regions is another priority. Harmonisation of direct agriculture payments to level playing field for farmers of the Baltic States is another task to be achieved. Proposed cuts in Cohesion Policy and Common Agricultural Policy are too extensive. Although, economies of the Baltic States have grown well, the Baltic States still remain below the EU average in economic development. In order to avoid cuts in these important fields, Estonia is willing to increase the contribution to the EU budget.

The Baltic cooperation has been extremely successful and has enhanced visibility of the Baltic region both in Europe and the World. An important milestone in this context

is the establishment of the Baltic Culture Fund, which will further contribute to the visibility of the Baltic States through international cultural projects.

Minister for Culture of the Republic of Estonia invited everyone to visit exhibition entitled *Wild Souls. Symbolism in the Art of the Baltic States* dedicated to the centenary year of the three countries at the Kumu Museum. In 2019, the Baltic States will celebrate two important events that are 30 years of the Baltic Way and the 25th anniversary of the Baltic Council of Ministers.

Vice Chair of the Natural Resources and Environment Committee of the Baltic Assembly **Veiko Spolītis** asked about the development process of *Rail Baltica* project, the impact of disagreements between the Baltic States concerning the project and alarming signals appearing in the media of the Baltic States concerning the project.

Chair of the Cooperation Council of the Baltic Council of Ministers, Minister of Foreign Affairs of the Republic of Lithuania **H.E. Mr. Linas Linkevičius** informed that the *Rail Baltica* project is a priority project for the Baltic States. If the Baltic States will not have a joint position, it will be impossible to count on any financial support from the EU budget.

Minister of Foreign Affairs of the Republic of Latvia **H.E. Mr. Edgars Rinkēvičs** noted that it is not easy to have complex projects. It is possible that at some phase there will be a need to reconsider the management of the structure of the *Rail Baltica* project. This project represents not only an economical and infrastructural significance, but also geopolitical. Due to Brexit, the next multiannual financial framework will not represent a financial success. The available funds will be less and there are many more competitive projects in transportation of energy sector. If the Baltic States will not be able to show unity, solidarity and common sense the *Rail Baltica* project will have a significant delay.

Vice Chair of the Economics, Energy and Innovation Committee of the Baltic Assembly **Atis Lejiņš** asked about the common gas market and prospects for the Klaipeda liquid gas terminal. He asked about the prospects to have Klaipeda liquid gas terminal as the core element of the Baltic gas market. He asked about the impact of resignation of Ms Baiba Rubesa from the post of CEO of the AS “RB Rail”.

Chair of the Cooperation Council of the Baltic Council of Ministers, Minister of Foreign Affairs of the Republic of Lithuania **H.E. Mr. Linas Linkevičius** informed that opening of Klaipeda LNG terminal was a breakthrough in the Region. The price of gas is not jet compatible, but it is a matter of time. It is believed that diversification of supply of gas is very important for the Baltic States and Europe. Supply of “Shell” gas will diminish the monopoly of “Gazprom”. The role of “Inčukalns” gas storage and its connections should also be increased. The potential of the existing gas infrastructure should be used at the highest.

Minister of Foreign Affairs of the Republic of Latvia **H.E. Mr. Edgars Rinkēvičs** informed that the Baltic States have made a progress in gas sector both at regional level and overall EU policy. During Latvian Presidency in the Council of the EU, Energy Union was launched and it develops well. There are factors as the development of the Nord Stream II pipeline that affects the EU Energy Union. GIPL, the gas interconnection between Poland and Lithuania and Klaipeda LNG terminal are very important. Seven years ago, there were discussions about development of regional gas terminal in Latvia or Lithuania, unfortunately, the Baltic States were not able to agree. It is in the interests of the Baltic States to have a competition in the market and that the Baltic States do not depend on one gas supplier.

Considering the overall management of the *Rail Baltica* project, resignation of Ms Baiba Rubesa is a loss. There is a need to sufficiently raise some of the efficiency issues she raised during her resignation. *Rail Baltica* project will be one of priority projects on the agenda of the Latvian Presidency in the Baltic Assembly and Baltic Council.

Vice Chair of the Security and Defence Committee of the Baltic Assembly **Jānis Ādamsons** noted that three years ago in Riga, the Baltic Assembly adopted a Resolution according to which in Riga a single counter cyber threat centre needs to be established. He asked whether the Baltic Council has discussed this issue and whether Baltic Council is considering establishment of such centre.

He asked whether Estonia has finished the investigation on case where Spanish fighter jet pilot accidentally fired an air-to-air missile during drills close to the Russian border. He asked about the mechanisms to prevent such incidents in future.

Chair of the Cooperation Council of the Baltic Council of Ministers, Minister of Foreign Affairs of the Republic of Lithuania **H.E. Mr. Linas Linkevičius** informed that all the necessary mechanisms are already in place in order to coordinate actions, share best practices and share information. In the Baltic States there are NATO Centres of Excellence. It is possible to create many centres and even duplicating centres, but it is more important to concentrate resources on quality not quantity.

Vice Chair of the Security and Defence Committee of the Baltic Assembly **Jānis Ādamsons** noted that the issue is not about cyber security centres but about the necessity to have prevention of cybercrimes and investigation of cybercrimes.

Chair of the Cooperation Council of the Baltic Council of Ministers, Minister of Foreign Affairs of the Republic of Lithuania **H.E. Mr. Linas Linkevičius** noted that the Baltic States should exchange best practices and share information on prevention of cybercrimes and investigation of cybercrimes.

Minister for Culture of the Republic of Estonia **Indrek Saar** informed that there is no final conclusion about the incident with Spanish jet fighter, investigation and consultations are still ongoing.

Estonia holds a position that diversity in supply of gas needs to be guaranteed. Independence from one gas supplier is not good for the security of the Baltic States. Nevertheless, price factor is very important and the companies willing to enter the market need to provide a competitive and reasonable price.

Vice Chair of the Economics, Energy and Innovation Committee of the Baltic Assembly **Atis Lejiņš** noted that cybercrimes should be punished at the level of the EU. He asked what are the current discussions at the EU level concerning the possible punishments of cybercrimes.

Chair of the Cooperation Council of the Baltic Council of Ministers, Minister of Foreign Affairs of the Republic of Lithuania **H.E. Mr. Linas Linkevičius** informed that during the last meeting of ministers of foreign affairs in the Council of the EU the issue about the punishments of cybercrimes was raised. It is expected that discussions on this issue will continue. Concerning cyber-attacks, sanctions should be continued.

Separate meeting of the Latvian delegation of the Baltic Assembly was held.

Separate meeting between the Presidium of the Baltic Assembly and the Baltic Council of Ministers on Joint Statement was held.

Signing of the Joint Statement

Continuation of the 37th Session of the Baltic Assembly

Regional security strategy of the Baltic States

Chair of the Security and Defence Committee of the Baltic Assembly **Andrius Kubilius** informed that security and defence are highly important issues. There are a lot of challenges that include addressing of aggressive actions by the eastern neighbour, hybrid threats, preparation for possible disaster prevention and preparedness. Due to cooperation with the NATO, security situation in the Baltic region has been improved. Despite significant improvements in regard to defence of the Baltic States, the missing gaps in other sectors need to be filled. In order to solve the raising security challenges, holistic approach needs to be used. Defence system of the Baltic States is not as integrated as it should be. There is a clear vision what to do in case of military attack, but there is no vision about what to do in case of hybrid attack or how to prevent a crisis situation. Therefore, one of the recommendations of the Baltic Assembly to the national governments of the Baltic States is the following - to elaborate regional security strategy

of the Baltic States by focusing on military threats, hybrid threats, disaster prevention and preparedness.

The Baltic Assembly has had many discussions on how to support the Eastern Partnership countries. One of the proposed ideas is to develop Baltic Assembly's Action Plan on support of the Eastern Partnership countries, particularly, Georgia, Ukraine, Azerbaijan and Moldova. During recent meeting of Committee on Foreign Affairs of the Seimas of the Republic of Lithuania a new policy idea titled "Ukraine 2027" was presented. In 2027, Lithuania will hold its second Presidency in the Council of the EU. The issue on support for the Eastern Partnership countries is not only on the agenda today, but will be also future. Before Lithuania, Poland will hold its presidency and after Lithuania, Latvia will have presidency in the Council of the EU. Lithuania is looking forward for strategic partnership between three consequent presidencies in the Council of the EU to continue to provide strong support for the Eastern Partnership countries, especially, those states, which are frontrunners in providing reforms.

Defence Policy Director of the Ministry of National Defence of the Republic of Lithuania **Robertas Šapronas** informed that Lithuanian National Security Strategy has not changed for a while. Lithuania focused on accession in the NATO and the EU, and all these goals have been reached. Achievement of goals were the outcome of successful foreign policies of the Baltic States.

Unfortunately, a major security change took place in 2014 when Russian Federation annexed a part of Ukraine's territory. After Cold War, the NATO defence spending has been on decline for the past 25 years. Year 2014, was a milestone in global understanding of Russian armed threat. Year 2018, is also exceptional due to raise of new threats – hybrid threats – where participation of Russian secret services is undeniable. In 2014, the EU and the United States introduced sanctions against Russian Federation, which demonstrate common approach and position. This policy should be enhanced and continued also in future.

1918, one of the first tasks by Heads of Government of the Baltic States was restoration of the armed forces. After few weeks, Lithuanian Armed Forces will celebrate centennial of its restoration. The main focus of this celebration will be a solemn military parade scheduled for 24 November in Vilnius Konstitucijos Avenue. Current, spending in defence in amount of 2% of GDP represents the seriousness of the Baltic States towards safety and defence. The Baltic State managed to sustain an incredible economic growth indicator and preserve good budget figures. It is something to be proud of.

There needs to be an understanding that the Baltic States need to invest in security and defence not to please someone in Brussels or Washington, but because to be able to defend if needed. This year, during the NATO Summit in Brussels crucial decisions for security of the Baltic region were adopted. These decisions are related also to alliances adaptation and threats from Kremlin. Previous NATO Summits in Wales and Warsaw

were mainly related to rapid response measures such as reinforcement of air policing missions and deployment of NATO Enhanced Forward Presence forces in the Baltic States. NATO Summit in Brussels focused on systemic instruments necessary to implement those decisions, for example, NATO readiness mission, size of the battalion, the preparation of battle groups to be ready within 30 days and preparation of military equipment. A decision to construct NATO command structure was made. After the Cold War the staff of NATO personnel was reduced from 30,000 to 7,000. Air defence was defined as one of crucial weaknesses of NATO in the Baltic region. Therefore, greater focus will be put on the air defence. NATO has started its adaptation process within the new security environment. In 2017, the Baltic States initiated establishment of the PESCO. Within this framework, many important security issues are discussed. The Baltic position is unanimous on all issues within the PESCO. The Baltic States are holding strong position towards collective defence and constantly stress that the European defence identity has to be strengthened and new initiatives cannot harm the transatlantic relations or cooperation with NATO.

Next to efforts at NATO and the EU level, regional cooperation in the Baltic Sea Region has also been reinforced. In 2018, Joint Expeditionary Force (JEF) was established. This is a project led by the United Kingdom. JEF is a brigade size rapid response unit, which engage the Baltic States, Scandinavian countries, the Netherlands and the United Kingdom. The brigade has already achieved a certain level of readiness, is ready to go on combat missions and will be able to undergo a training program. Another important change in the Region, was decision to establish a division size command in the Baltic States in military base “Ādaži”.

In 2017, Lithuania, Poland and Ukraine formed a joint brigade in Lublin. While Lithuania and Poland are NATO and EU members, Ukraine is not but has been a part of the defence alliance's Partnership for Peace eastern outreach program since 1994. Currently, the leader of the brigade is Ukrainian general. Recently, military cooperation between Lithuania and Poland has been highly reinforced. Lithuania and Poland have been jointly working on securing the Suwalki Corridor, therefore enhanced cooperation is a result of successful collaboration.

Strengthening of defence capabilities is a continuous process, which can develop only with a support of all involved parties.

President of the Benelux Parliament **André Postema** noted that the Baltic States and Benelux countries share many challenges. One of the challenges is concerned with the gas and electricity market. The Benelux countries are working on development of hydrogen system in order to become less dependent from gas market and at the same time implement the Paris Agreement.

The next common challenge on the agenda of the Baltic States and Benelux countries is the necessary improvements of the railway integration. Although, *Rail Baltica* project

without doubts is a priority transport project in the Baltic States, smaller initiatives also can be useful. In the Benelux countries Rail Agenda has been initiated. This agenda is focused not only on long-term goals, such as creation of new railway line connections, but also short-term goals, for example, creation of standards for cross-border pricing and ticketing, as well as adequate real time multimodal passenger information to enable seamless travel within three Benelux countries and North Rhine-Westphalia.

In Benelux countries there is no formal institution for reduction of harmful use of alcohol. The Benelux policy towards harmful alcohol consumption is diverse in each of three countries. Taxes and duties on alcohol also differ. Regulations on supply side differ. The drinking age in the Benelux countries differ. The Benelux countries definitely miss the opportunities by not cooperating in this field, which has cross-border effect. Duties on beer and wine in the Netherlands are considerably higher than in Belgium and Luxembourg. For wine tax in Luxembourg is zero euros. Since 2014, the age for legal alcohol consumption was raised until 18 years. This cause a situation where youth crossed the border of the Netherlands and went to Luxembourg to party in Belgium. Unilateral efforts in order to discourage alcohol consumption are quite ineffective in small countries with many borders, for example, for the Benelux and Baltic countries.

Member of the Economics, Energy and Innovation Committee of the Baltic Assembly **Linus Balsys** asked about the new security situation in the missile defence sector in respect to missile defence treaty between United States and Russian Federation. He asked about future prospects in case where both countries exit the treaty.

Defence Policy Director of the Ministry of National Defence of the Republic of Lithuania **Robertas Šapronas** informed that this is a highly complex issue. It is important to understand that there are serious concerns why this development has taken place. United States have explained its position for several times and in various formats, including the NATO meetings. The Baltic States should not expect that something very particular will change in Europe of the World. It is important that key players act responsibly. There exists a possibility that this issue could escalate, but, hopefully, it will not. Currently, only two parties are following agreed rules for the use of missiles. He noted that in near future similar treaty involving more countries could be formed.

Vice Chair of the Natural Resources and Environmental Protection Committee of the Baltic Assembly **Veiko Spolītis** asked about possible future military procurements that could be organised between the Baltic States in order to decrease military spending.

Defence Policy Director of the Ministry of National Defence of the Republic of Lithuania **Robertas Šapronas** informed that it is hard to decide on possible joint military procurements due to different needs and budget planning schedules. It often happens that the necessary purchases, but in limited amount, not enough for three countries. Ministry of National Defence of the Republic of Lithuania has set its plans

for the following three years. In near future, Lithuania will need to replace the helicopter and buy new uniforms. Given the scale of acquisitions there is a need to acknowledge how much joint procurements would allow to reduce the funds. The procedure for purchases and tenders (for many suppliers) is already lengthy process at national level, involvement of more states creates more difficulties.

The idea of joint procurements has more potential via the NATO Support and Procurement Agency. The Baltic States could apply for basic items, such as ammunitions, which is needed in all three countries. In this case the needed amount could be interesting for suppliers and they could offer good deals. In order to obtain larger items, it would be beneficial to join larger procurements for other countries, for example, the Netherlands, Germany, Scandinavian countries.

Common regional gas and electricity market of the Baltic States

Chair of the Natural Resources and Environment Committee of the Baltic Assembly **Viktoras Rinkevičius** informed that during the meetings of the Committee devoted to the common regional gas and electricity market of the Baltic States, parliamentarians of the Baltic States discussed various topical issues. Concerning the synchronisation of the Baltic electricity networks with European networks, the Baltic States need to start technical implementation for synchronization of the Baltic electricity networks with the European networks. The Baltic Assembly urges ministries to better inform people in the Baltic States. There is a need to launch informative campaign for societies of the Baltic States about synchronization of the Baltic electricity networks with the European networks. In regard to synchronisation issues, there is a need to explain people the meaning of synchronisation issue, namely, that it will be cutting of dependence from Russia.

In regard to the regional gas and electricity market, the Baltic States need to carry on target-oriented coordination of activities towards developing of common regional gas and electricity market of the Baltic States.

The issue of level-playing-field vis-à-vis the third countries needs to be addressed because 3.2 Article is too weak. Baltic States need to coordinate positions and approaches of the Baltic States regarding Article 3.2 of the EU Internal Electricity Market Directive. During meetings, the Baltic Assembly has also discussed the issue of Nord Stream II. The Baltic Assembly holds a position that assessment of the Nord Stream II project needs to be made by Europeans considering the EU Energy Security Strategy. Development of the Astravyets nuclear power plant should comply with international security and safety standards.

Minister of Energy of the Republic of Lithuania **Žygimantas Vaičiūnas** underlined that immediate synchronisation with Continental European Network is an absolute must, due to existing geopolitical threats and security of supply. Several years ago, discussion

on electricity black-outs was just a theoretical discussion. Today, this is no more a theoretical discussion. It is even possible to measure the negative effect of electricity black-outs on system and the impact on economy. The Russian Federation is developing additional electricity generation capacity, developing Kaliningrad electricity generation capacity (new capacities were opened at the beginning of March 2018) and developing with Belarus Astravyets nuclear power plant. Currently, exists a good possibility to move forward with synchronisation with Continental European Network. One of the key motivation factors is the possibility to apply for the EU financial support, because this is a security of supply project. It is essential to achieve highest possible financial assistance for the EU. Commission of the EU is politically committed to facilitate the implementation of the synchronisation project.

On 28 June 2018, President of the European Commission together with the Heads of State and Government of Estonia, Lithuania, Latvia and Poland signed a Political Roadmap for the synchronisation of the Baltic States' electricity grid with the continental European system. The study results show that the synchronisation option chosen by the political leaders in June – consisting of the existing double-circuit alternating current (AC) line between Poland and Lithuania (LitPol Link) complemented by the construction of a new offshore high voltage direct current (HVDC) link between Poland and Lithuania – is technically feasible and at reasonable cost. Importantly, the High-Level Group agreed with the analysis that the chosen option will guarantee the safe operation of the Baltic States' electricity grid at the same level as in the continental European electricity networks, provided that the technical measures identified in the study are implemented. Currently, the parties are in the process of documents implementation. On 21 September 2018, Polish TSO Polish TSO (together with Baltic States' TSOs) submitted an application to the Regional Group Continental Europe of the Regional Group of ENTSO-E to join the Continental European Network. On 9 October 2018, TSO ENTSO-E's RGCE Plenary meeting concluded that CEN extension is feasible (created Project group Baltic). Due to this conclusion, it was possible to continue with technical phase and set concrete deadlines. The catalogue of measures (technical conditions) will be prepared in first quarter of 2019. Afterwards it will be possible to sign a legal document (Connection Agreement), which will be a binding document for both the ENTSO-E and the Baltic States.

Preparation of technical measures is a lengthy process, therefore it is good that the Baltic States and Poland together with the ENTSO-E have already started the work in advance. On 10 October 2018, Baltic States transmission system operators together made an application for the European Commission for financial support. The overall amount for phase 1 (internal infrastructure) of capital investments for Baltic synchronisation is EUR 433 million. It is expected that the EU could support this phase in amount of EUR 324,4 million. It is expected to receive results of the application by first quarter of 2019. Synchronisation project with Continental European Network is very expensive and in total will cost around EUR 1057 million together for the Baltic States and Poland. Therefore, it is highly necessary to achieve maximum financial assistance by the EU,

which is 75% of total project cost. Synchronisation of the Baltics' grid with the Continental European Network should be finalised in 2025.

In regard to the Astravyets nuclear power plant, it is important to stress two important concerns. First concern is connected with safety issues. In June 2018, the stress test for the Astravyets nuclear power plant was prepared by international experts. Results of the stress test underlined many inconsistencies and problems. Lithuania holds a position that all the indicated issues by the stress test should be implemented. Second concern is connected with of level-playing-field vis-à-vis the third countries. There need to be measures. In Lithuania, there is a special law on action plan about necessary protection measures against threats posed by the Astravyets nuclear power plant. According to this law, there are two measures: 1) since the start of technological test (physical functioning) and electricity generation in Astravyets interconnection capacities between the Lithuania and Belarus for trade purposes will be equal to zero megawatts; 2) Kruonis HPP cannot be used for support of outages in the Astravyets nuclear power plant. Currently, under consideration is introduction of cross-border transmission tariff for electricity from third countries.

It is expected to introduce two measures: 1) Agreement on the application of a common cross-border transmission service fee for electricity from third countries; 2) Agreement on application of the uniform principles related with the entrance to the market of electricity from third countries from the start of operation of the Astravyets nuclear power plant.

Main regional gas infrastructure projects in the Baltic States include, such projects as, Balticconnector (in progress, 2019), enhancement of Estonia-Latvia interconnection (reverse flow, in progress, 2019), enhancement of Lithuania-Latvia interconnector (planned, 2021), the gas pipeline Jurbarkas-Klaipeda (2013), decision to purchase FSRU for Klaipeda LNG terminal post 2024 (in progress, 2018/2019), capacity enhancement of Klaipeda-Kiemenai pipeline in Lithuania (2015) and gas interconnection Poland-Lithuania (2021). Finland is seriously considering to join the Balticconnector project and after implementation of all aspects could join in 2022.

Implementation of joint regional gas market together with Finland would lower gas transportation costs, increase market liquidity and competition and would create more efficient use of existing gas infrastructure. Along with benefits, there exist also challenges for creation of regional gas market. It has to be underlined that such projects haven't been done anywhere in the EU history and there is no methodology on how to create regional gas market. All involved parties are willing to create net benefits from the functioning of the gas market, due to shared costs and revenues. Position of Lithuania is that all involved parties need to share costs and revenues on equal basis.

Vice Chair of the Economics, Energy and Innovation Committee of the Baltic Assembly **Atis Lejiņš** asked whether the existing AC line with Poland needs to be rebuilt.

Minister of Energy of the Republic of Lithuania **Žygimantas Vaičiūnas** informed that the existing AC line was finished in 2014 and started to operate in 2015, capacity of the line is 2400 megawatts. However, now the line is used only for 500 megawatts, due to functioning in different synchronous zones. After synchronisation this line will have the capacity of 2400 megawatts, but major part will be used for systemic services. The market will not be harmed and capacity will remain at the same level or even increase.

Member of the Economics, Energy and Innovation Committee of the Baltic Assembly **Linus Balsys** asked about practical issues raised by Gdansk Research Group of the Polish Energy Institute on synchronisation that need to be considered by the parliamentarians of the Baltic Assembly. He asked about the obstacles for Klaipeda LNG terminal that prevent development of new ideas or markets.

Minister of Energy of the Republic of Lithuania **Žygimantas Vaičiūnas** informed that study by Gdansk Research Group of the Polish Energy Institute was part of the synchronisation project. In total two studies were completed, one study on dynamics and one on stability. Aim of the dynamics study was to check the preparation of system and technical capacities, as well as whether there is a necessity to create any additional capacities. According to agreed scenario the Baltic power system will be synchronised with the continental European network via the existing line between Lithuania and Poland (LitPol Link), complemented by a new undersea cable between Poland and Lithuania and additional synchronous condensers. The key conclusion of this study was that such a synchronisation scenario is technologically reliable and economically most advantageous. It will ensure stable and reliable operation of electric systems and continuous supply of electricity to the customers of the Baltic States.

In regard to the gas market, Lithuania is looking forward for enhanced cooperation with Poland. In 2017, gas was stored in “Inčukalns” gas storage during the winter season. This was a good example of functioning of interconnections. Small scale solutions and possibilities are also important. In 2017, small scale reloading station was opened in Klaipeda. This station enables to supply gas from larger ship to small scale reloading station and supply gas for consumers, such operation works for Druskininkai municipality. This station enabled also to deliver 100 trucks with gas to Poland. It is expected to receive a bunkering ship to enable transportation of small-scale cargo. The market is expanding.

Vice Chair of the Natural Resources and Environmental Protection Committee of the Baltic Assembly **Veiko Spolitis** noted that, unfortunately, attention of media on these important regional issues is very low. At the end of the synchronization process consumers will be able to use this system, but will not even notice the changes made.

Societies of the Baltic States need to be informed about synchronization of the Baltic electricity networks with the European networks.

The Latvian Presidency in the Baltic Assembly will continue to keep regional energy projects high on the agenda. Interconnectivity projects take time and are complex. Common European market was set into process in 1957 with Rome Treaties and it still has not been finished in regard to services and digital economies. The Baltic States are working in order to complete the projects, but they take time. Circular economy is another topical issue. Concerning circular economy, the Baltic States can learn best practices from the Benelux Parliament.

Alcohol policy in the Baltic States: cooperation in reduction of alcohol consumption

Chair of the Health, Welfare and Family Committee of the Baltic Assembly **Antanas Vinkus** noted that the level of consumption and damage caused by harmful use of alcohol in the Baltic States is considerable. Alcohol control is under national countries, therefore measures of anti-alcohol policies are very different. Consumers are looking for cheaper alcohol, the damage could be felt in border areas. For that reason, it is very important that the Baltic States apply unified measures on alcohol policy and develop strategy against harmful use of alcohol. Following international recommendations and good practice of other countries might help to resolve issues related with consumption of alcohol – decrease in life expectancy, cardiovascular diseases, safety on the roads and reduction of domestic violence. Despite attempts of the Baltic States to reduce harmful use of alcoholic beverages, further political measures are required. Effective measures should not only help to solve the issue, but also analyse factors related with harmful use of alcoholic beverages, such as psychological pressure, “friend drinking”.

Vice Minister of Health of the Republic of Lithuania **Algirdas Šešelgis** informed that according to World Health Organization, lifestyle highly effects the health of people. Alcohol consumption is related with higher mortality, road accidents, suicides, interpersonal violence and health problems. Around 3 million people have died from harmful alcohol consumption.

According to the EU statistics, Lithuania no more is the list of leading states in alcohol consumption. Since 2012, in Lithuania alcohol consumption has been on stable decline. Total amount of alcohol consumed is also on decline. Mobility caused by the alcohol consumption has declined. Similar positive tendencies can be observed also in other sectors. Government programme envisages numerous instruments to reduce harm produced by alcohol consumption. Due to successful cooperation between national institutions, decline of deaths and accidents caused by drunk driving have reduced. In Lithuania, there are discussions on introduction of voluntary alcohol block system.

According to estimates, since 2012 drinking habits of young people have also improved. The share of pupils engaged in harmful use of alcoholic beverages is on decline. It has been observed that young people tend to develop their drinking habits at later age than it was before. Since 2008, in Lithuania advertising of alcoholic beverages has been completely banned. In Lithuania, age limit for purchase of alcohol has been increased from 18 to 20 years, time limit for purchase of alcoholic beverages has been reduced and trading of alcoholic beverages on public venues (for example in beaches) is under consideration. The government has also considered introduction of certain taxes, which have impact on alcohol consumption. Due to collection of taxes from excise duties on alcoholic beverages it was possible to establish a National Public Health Promotion Foundation. This Fund promotes social, study and scientific initiatives in health sector. The *Memorandum of Intent on Cooperation in Reduction of Alcohol consumption, smoking and tackle morbidity trends related to nutrition*, which has been signed between the Baltic States demonstrates that Estonia, Latvia and Lithuania can achieve more by coordinating positions in reduction of alcohol consumption.

In 2008, the first seminar on alcohol control between the Baltic and Nordic countries was held. Experts gathered to compare the situation in different countries and made several recommendations. One of the recommendations was to engage non-governmental organisations more in activities aimed to reduce harmful use of alcohol. On 2017, in Vilnius Expert Group on Substance Abuse meeting was held. During this meeting experts from different countries exchange experience and share best practices on the issue. It is planned that 2018 meeting will address such issues as the following, alcohol control, restrictions on alcohol advertisements, reduction of alcohol accessibility, cross-border alcohol trading, data delivery and practical solutions to address the existing problems.

The Alcohol Policy Network in Europe is a network, which aims to advocate reasonable and evidence-based alcohol control policy at different levels. The Network joins more than 30 youth organisations, including those from the Baltic States.

All the necessary tools and formats in order to reduce harmful use of alcoholic beverages are in place, but all developments take time and only after a period of time the introduced policies and tools can be fully appreciated.

Vice Chair of the Economics, Energy and Innovation Committee of the Baltic Assembly **Atis Lejiņš** noted that in the presented slides on consumption of alcoholic beverages in the Baltic States, consumption in Latvia has increased but in Estonia it has decreased. These statistical numbers do not inform about the purchased alcoholic beverages by Estonians. Actual consumption of alcohol in Latvia is lower. Although, Latvia introduced higher taxes on alcoholic beverages, Estonia introduced even higher taxes. Estonia banned alcohol retail in gas stations, but in Latvia this initiative failed. In order to implement successful reduction of harmful use of alcoholic beverages, there is a need to introduce harmonised tax policy on alcohol.

Chair of the Health, Welfare and Family Committee of the Baltic Assembly **Antanas Vinkus** informed that Estonia has always been proactive in activities to reduce alcohol consumption.

Vice Chair of the Health, Welfare and Family Committee of the Baltic Assembly **Helmen Kütt** noted that alcohol policy in the Baltic States must be stronger. The Baltic Assembly should hold more meetings on the issue of alcohol consumption and have greater dialogue. The process to deny retail of alcoholic beverages in Estonia was not easy. The lobby against this initiative was very strong.

Vice Minister of Health of the Republic of Lithuania **Algirdas Šešelgis** informed that although there are trends on reduction of alcohol consumption, it is too early to be satisfied with results. This is the way how to pursue this issue further, the work should continue. The Baltic States should more invest in promotion of healthy lifestyle for healthier population and prevention of certain diseases. Additional focus will be put on young generation (which just starts the school), this attention will justify itself after period of time when the youth will be at the age where starts the interest about alcoholic substances.

It is very important that the Baltic States discuss these issues, share best practices and have a dialogue. It is equally important to increase the awareness of society on this significant issue.

Development of the Rail Baltica project

Chair of the Natural Resources and Environment Committee of the Baltic Assembly **Viktoras Rinkevičius** informed that fourth Session of the Baltic Assembly is related with development of *Rail Baltica* project. 2018 and 2019 are very important for implementation of the project. Success of *Rail Baltica* project depends also on neighbouring countries of the Baltic States, engagement of Poland and Finland is highly important.

Deputy State Secretary of the Ministry of Transport of the Republic of Latvia **Dins Merirands** noted that *Rail Baltica* is one of most significant transport projects in the Baltic region. Therefore, it is important to ensure continuous implementation and acting in joint manner. Lately, some negative publicity concerning the project has been experienced. Nevertheless, the work on project is continuing. The three Baltic States remain committed to the *Rail Baltica* project and are prepared to endorse it at all levels. This week a meeting in Strasbourg between all stakeholders involved in the *Rail Baltica* project was held. In next week ministerial representatives of the Baltic States together with European Commissioner for Transport will have a meeting to discuss all current aspects of the project, including positive aspects and delays. European Commission is rather a partner than a judge in the process of *Rail Baltica* project implementation.

The Baltic States have been working diligently and responsibly to implement this project. Although, there are many involved bodies, the main responsible institutions for implementation of the *Rail Baltica* project are the Governments of the three Baltic States. Therefore, the Baltic States need to work closely. Ministries of the Baltic States have constructive dialogue. It is expected to attract highest possible EU funds for the construction of the *Rail Baltica* project.

Contracts on financial issues have been already completed. The project is in the phase of design and development of plans for archaeological analysis. In Riga, an analysis on radiation has been conducted (interaction between airport and railway line). A study on potential operators and traffic management of the railway line has been made. In close cooperation with European Commission project delivery tasks have been discussed. 5 reference groups covering variety of issues have been established. These groups include implementing company, experts and ministerial representatives. Riga International Airport has signed an agreement on design of the railway station within its territory. In December 2018, necessary work concerning Riga Central Station territory design plan will be concluded. During this process, the design and company responsible for Riga Central Station territory will be selected. In Riga have been launched procedures to purchase real estate necessary for construction of *Rail Baltica* project.

After 2020, it will be more challenging to attract funds necessary for the development of the *Rail Baltica* project. There will be less available funds for projects, but the number of developing projects will not diminish. One of the arguments to be used in negotiations to stipulate attraction of more funds for the *Rail Baltica* project is that the principle of balance in infrastructure projects across the Europe needs to be followed. It needs to be remembered that the *Rail Baltica* project is the first large scale project in the Baltic region. In the meetings on the *Rail Baltica* project, Finland and Poland also take part. The Baltic States are willing to include all stakeholders in the development of the *Rail Baltica* project. Poland is engaged in many projects aimed to improve its infrastructure, which may become a part of the *Rail Baltica* system. Finland has demonstrated certain interest connected to the *Rail Baltica* project in the North and potentially towards Asia.

Financial model for the joint company “RB Rail” is under development, its current financing model is made until 2021. After 2021, company could be financed by budget of all three Baltic States. The issue of VAT in the budget of stakeholders is a highly discussed topic.

It is important to understand that instead of three years extension beyond 2020, it would be possible to get only two years until 2022. Nevertheless, the Baltic States are ready for such turn of the events, because main phases of project have been already adjusted. The aspect of military mobility is also important. The project developers are able to consider the latest trends and requirements for military mobility. Ministry of Defence is working to coordinate the necessary updates with European Commission.

Foundation of the Baltic Culture Fund: catalyst for cross-border cultural cooperation of the Baltic States

Chair of the Education, Science and Culture Committee of the Baltic Assembly **Irena Šiaulienė** opened the meeting by citing Prize winner of the Baltic Assembly in Science for 2018, Dr. Els Heinsalu, “the three Baltic States represent an interaction that may not necessarily be interaction of great objects. instead it’s an interaction of smaller scale objects. However, the interaction of smaller objects all end up by huge finale outcome, which is far greater result because diversity is something that contributes to end result.” Culture is nothing without diversity. The Baltic States are cooperating within the area of culture in order to seek greater connection, to foster cultural identity and cultural expression, as well as cultural identity. These ties promote new forms of cooperation. In 2017, members of the Education, Science and Culture Committee of the Baltic Assembly have engaged in discussions about establishment of the Baltic Culture Fund. During the last Committee meeting in Liepāja, a decision on establishment of the Baltic Culture Fund was adopted and later incorporated in the recommendations of the Baltic Assembly. The idea about the Fund was taken by the Nordic Culture Fund, operated on an agreement between all of the Nordic countries. On 8 July 2018 in Riga, Lithuanian Minister of Culture Liana Ruokytė-Jonsson, Latvian Minister of Culture Dace Melbārde and Estonian Minister of Culture Indrek Saar signed Agreement on the Establishment of Cultural Fund of the Baltic States. On 23 July 2018, Ministers of Culture of the Baltic States sent a joint letter to the Baltic Assembly by informing about signing of the Agreement on the Baltic Culture Fund. Ministers underlined that the Fund will support events outside and inside the Baltic States. The evaluation report of the Fund will be presented to the Baltic Assembly every three years.

Minister for Culture of the Republic of Latvia **Dace Melbārde** informed that cooperation between Estonia, Latvia and Lithuania in the cultural sphere has long traditions, which concern all areas of culture and the arts, as well as all levels. From year to year cooperation between the Baltic States has been enriched. During centenary celebrations, new cooperation forms and ideas have developed. In 1994, cooperation agreement between Baltic ministries for culture was signed. Baltic ministries join for meeting once every four years and adopt joint cooperation programme. On 18 October 2018, latest cooperation programme was signed and it will operate from 2019 until 2021. This programme shows that cooperation between the Baltic States expands from one initiative to another. In 2015, the Baltic film institutions have signed separate mutual cooperation agreement. Another success story is *Kremerata Baltica*, which is an orchestra comprised from twenty-three outstanding young musicians from Latvia, Lithuania and Estonia. This orchestra has performed 1500 concerts in more than fifty countries and has received numerous prestigious awards. Museums in the Baltic States also hold a close cooperation, organise joint events and share practices. National libraries of the Baltic States also maintain close cooperation and celebrating centenary of Estonia, Latvia and Lithuania have organised mobile exhibition. Plans to expand cooperation in sphere of digital cultural heritage are in the process of consideration.

Practical cooperation exists also between National operas, symphonic orchestras, academies and state choirs, which have made joint events.

These events give a possibility to get to know neighbouring nations better and appreciate cultural achievements. These initiatives need to be continued in the future. 2017, marked thirty years since the foundation of folklore festival Baltica. The Baltic States share a common tradition - Song and Dance Festival. This festival has been included in the list of UNESCO Heritage. Song and Dance Festival is a very important part of Baltic culture. The Baltic States have also established Committee of Song and Dance Festival.

In the beginning of April 2018, joint Baltic exhibition entitled “Symbolism in Baltic Art” was opened in the Musée d'Orsay in Paris. This project was carried out in cooperation of the Latvian National Museum of Art, the national art museums in Tallinn, Vilnius, and Kaunas. In 12 weeks, this exhibition was visited by three thousand persons per day and was opened for two weeks. Presidents of the Baltic States were patrons of the exhibition. London Book Faire also was significant cooperation event and gave greater visibility of the Baltic literature. Possibility to participate in London Book Faire enabled to establish contacts, as a result in 2019 many Latvian literary works will be published in United Kingdom.

In 2017, a new tradition has started – Baltic Film Day's. In August, marking the anniversary of the Baltic Way in each of the capital cities of the Baltic States, films of neighbouring countries are showed. Participation in international forums is significant. The Baltic States have participated in more than 12 international film festivals. Currently, there are 12 films, which are joint production of Baltic filmmakers. Centenary programme of the Baltic States has given a basis and an inspiration to elaborate on long-term strategy in cultural diplomacy. The Baltic States can learn from the Nordic countries on how to increase cultural cooperation and how to expand international visibility.

Minister for Culture of the Republic of Estonia **Indrek Saar** informed that trilateral cooperation between the Baltic States has been particularly active in last couple of years. During last week, Ministers of culture of the Baltic States signed another agreement on cultural cooperation for 2019-2022. This agreement includes an extensive list of trilateral projects and initiatives in Estonia, Latvia, Lithuania and abroad.

The idea about the Baltic Culture Fund was discussed for several years. On 8 July 2018 in Riga, the Agreement on the establishment of the Baltic Culture Fund was signed. The Fund will start to function on 1 January 2019 and its budget will be EUR 300,000 per year. Cooperation between cultural institutions during the centenary projects and joint participation in international events have showed that the Baltic States need a sustainable platform for organization of international initiatives in the field of culture. Therefore, the main aim and focus of the Fund is to internationalise Baltic culture and

promote the Baltic dimension. Projects need to have very distinct international dimension with a Baltic Focus. The Fund supports new and non-recurrent cultural events first and foremost outside the three Baltic States – Estonia, Latvia and Lithuania – including concerts, exhibitions, architecture, archives, festivals, performances, international events with Baltic focus, showcases and forums that promote the internationalization of culture. Due to already existing and well-established cooperation in audio-visual field between the Baltic States, the Fund does not cover audio-visual performances and projects. Considering that international projects can be very expensive, the allocation for grants is limited between EUR 21,000 and EUR 100,000. Processing of applications and management will be organised by rotation basis between the Baltic States based on three years cycle. This will be done by cultural endowments and the first one will be the Estonian cultural endowment. Detailed rules and procedures are under process. Applications will be assessed by six-member expert committee, appointed for three years. The expert committee will be appointed this November and it will include two members from each member state, one will be appointed by cultural endowment and one by minister of culture. The evaluation paper of the Fund will be prepared by the cultural endowment of the lead country at the end of three-year period. This analysis will be presented for the Baltic Assembly and published on the website of the Fund. The Fund will facilitate regional cooperation, develop higher quality and more competitive cultural production from the Baltic countries, as well as to share the best practices.

Director of the Nordic Culture Fund **Benny Marcel** informed that art is constantly evolving and it knows no boundaries. Establishment of the Baltic Culture Fund will provide the Baltic States, just like the Nordic countries, as an international region a new relevance and importance. Fantastic opening of the exhibition in the Musée d'Orsay is a fantastic example of how the Baltic countries can be presented in key metropolitan cultural centres all over the World. Art shapes the thoughts that shape the future, therefore it is so important.

Vice Chair of the Natural Resources and Environmental Protection Committee of the Baltic Assembly **Veiko Spolītis** noted that the Culture Fund is about how the Baltic countries together present themselves to the World. It is important to think how the Baltic States interact inside. There are three populations who have what to show and need to know about the achievements of countries next to them. Maybe, it would be beneficial if in the public TV packages there would be a channel or produced series enabling to acknowledge about the latest issues in neighbouring country, in the Region.

Minister for Culture of the Republic of Latvia **Dace Melbārde** noted that public TV and radio are key public actors to broadcast the latest issues. It is a matter of merit. Countries need to define the principles. In Latvia, a work on new law on public media is being written. This is a good opportunity to integrate the need to broadcast more cultural but not limited to joint Baltic initiatives. Latvia would promote such initiative also in neighbouring countries and would be willing to cooperate. Ministries of culture

in the Baltic States are responsible for media policy, therefore this issue could be jointly discussed. Nevertheless, such initiative would be a matter of resources and public media would ask for additional funds in order to broadcast Baltic cultural issues.

Minister for Culture of the Republic of Estonia **Indrek Saar** supported the position of Dace Melbārde. Baltic Culture Fund could assist to find a content for broadcasts. Broadcasters are very keen to use the produced content.

Member of the Education, Science and Culture Committee of the Baltic Assembly **Vytautas Juozapaitis** supported the position of ministers and underlined that TV and radio are the key instruments that could unite the Baltic nations. 25 years ago, Lithuania and Latvia had one joint TV programme. He asked about accomplished activities to ensure that the Baltic Culture Fund will start its activities from 1 January 2019.

Minister of Culture of the Republic of Lithuania **Liana Ruokytė-Jonsson** informed that the Baltic Culture Fund for the first period will be managed in Estonia. In the Board of the Fund, there will be two persons from each country where one will be appointed by the cultural endowments and other by national ministries.

Minister for Culture of the Republic of Estonia **Indrek Saar** informed that it has been agreed that each country will cover equally the costs and costs of their experts. Cultural endowments will be responsible for the administrative costs. The first period will be managed by Estonian cultural endowment.

Member of the Education, Science and Culture Committee of the Baltic Assembly **Vytautas Juozapaitis** informed that the funds spent are tax payer's money, therefore it is important to know all details. He asked about the mechanism to appoint the Board of the Baltic Culture Fund.

Minister for Culture of the Republic of Estonia **Indrek Saar** informed that in Estonia, the Board of cultural endowment appoints one expert and one expert is nominated by ministry of culture. Estonian Ministry of Culture will make consultations in order to choose the best possible candidate.

Minister for Culture of the Republic of Latvia **Dace Melbārde** informed that in order to appoint a candidate, Latvian Ministry of Culture will consult with National Culture Council, which consists from representatives of all culture areas. Most likely, Latvian Ministry of Culture will ask National Culture Council to nominate one candidate to be appointed by the ministry.

Chair of the Education, Science and Culture Committee of the Baltic Assembly **Irena Šiaulienė** informed that Education, Science and Culture Committee of the Baltic Assembly closely follow the activities and developments towards establishment of the Baltic Culture Fund and that all election processes of Board are efficient. It is important

that Baltic nations are well informed about accomplishments of the Baltic States in culture.

Vice President of the Baltic Assembly **Jānis Vucāns** noted that in order to support outstanding achievements works awarded with the Baltic Assembly Prize in Literature could be translated in all three Baltic languages. At the initial discussions about the Baltic Cultural Fund, there was an idea than translation of awarded literary works will be included in the scope of the Fund. He asked about the possibilities to translate these works.

Minister for Culture of the Republic of Latvia **Dace Melbārde** informed that translation of literary works from one Baltic language to other Baltic languages is very important. This idea should not be put for competition together with other applications. Translation should be managed separately and planned on regular basis. Ministries could jointly with the Baltic Assembly discuss the organisation of translation literary works. The format could be connected with the Baltic Culture Fund and could be organised in parallel.

Chair of the Education, Science and Culture Committee of the Baltic Assembly **Irena Šiaulienė** informed that in the Resolution of the Baltic Assembly, which will be adopted today the issue about translation of works of the Baltic Assembly Prize winners for literature will be included. The Baltic Assembly will closely follow development of this issue. Culture is the field that unites people.

Continuation of the 37th Session of the Baltic Assembly Addresses by the foreign delegations and guests

Member of the Presidium of the Baltic Assembly **Kęstutis Bartkevičius** informed that cooperation with international partners is of crucial importance, because only by working together it is possible to raise joint issues beyond the borders.

President of the Nordic Council **Michael Tetzschner** noted that establishment of Baltic Culture Fund will further strengthen the ties between the Baltic and Nordic countries. The Nordic Council and the Baltic Assembly have had annual joint meetings since 1997. International strategy states that the Nordic Council will strive to work together with the Baltic States even closer. The Nordic -Baltic cooperation is flourishing. The Nordic and Baltic regions are among the most integrated regions in the World. Today, Nordic and Baltic countries stand together as partners in Europe. Safety and security have been the key issue for Nordic-Baltic cooperation. Cooperation between two organisations is maintained also in other fields, such as energy, digitalisation, environmental safety of the Baltic Sea, social issues, research, education and culture. According to survey, conducted by the Nordic Council of Ministers in the Baltic States, an overwhelming majority almost 90% believe that cooperation with the Nordic

countries is important. Most people even wish that two regions would work together more closely.

Within the worrying situation in the World, where states national interests override international treaties and mutual collaboration, the Nordic-Baltic cooperation become even more important. The Nordic-Baltic societies share common values and interest in democracy, freedom of speech, rule of law and human rights. Although, countries in Europe take these values for granted, they are under pressure in many neighbouring countries. The Nordic and Baltic countries can make an impact in the World by persistent support of these values.

He informed that his first visit in Seimas was in 1990. In Parliament, there were sandbags everywhere in the building. He had a possibility to meet with Vytautas Landsbergis in his office in Seimas. It was the time when Lithuania was under violent attack. Norway was preparing to recognize independence of the Republic of Lithuania and after short period of time Norway did. He noted that it is an incredible experience to see how the situation in the Baltic States has developed and to follow the discussions in the Baltic Assembly. In the Action Plan for Cooperation between the Baltic Assembly and the Nordic Council 2018–2019 it is stated cooperation of the Baltic and Nordic countries is a symbol of success. This success should continue also in years to come.

President of the Baltic American Freedom League **Aavo Reinfeldt** informed that the Baltic American Freedom Leagues programs continue to assist the democratic principles and the market economies of our Baltic countries, to assure lasting security of Estonia, Latvia and Lithuania from outside aggression, to increase awareness of unique Baltic history and to actively promote strong, friendly and effective bilateral relations and policies between the United States and the governments of the Baltic states.

Since 1981, the Baltic American Freedom League has been active with Baltic communities, initially informing the United States government and citizens of the human rights violation's persecutions and cultural genocide, and ethnic discrimination carried out by the Soviet government prior to their independence 25 years ago.

Today, the Baltic American Freedom League remains active in supporting Baltic culture, language and maintains an active campaign discussing Baltic issues with state and federal government officials of the United States.

Baltic American Freedom League carry out activities through public discussions as well as through our website and Facebook page. In short, the Baltic American Freedom Leagues organization are the eyes and ears of our Baltic citizens assuring effective communication is maintained especially with distinguished members of the United States Congress to assure they are aware of all important matters and are investing the

proper energy and legislation to never allow foreign aggression to take hold in the Baltic States.

Vice President of the Baltic American Freedom League **Angela Nelsas** informed that in 1944 she was taken out of her home and put into train. When she attained appropriate age, she engaged in activities of Lithuanian communities abroad. In 1987, she was asked to join the Baltic American Freedom League and become paid lobbyist for the Baltic States. The vision for development of Baltic American Freedom League was to invite nationals of the Baltic States living abroad and form a group. In 1982, President Reagan announced the Baltic Freedom Day Resolution and a special day to celebrate it. Baltic American Freedom League was invited in the White House for celebration of this event and United Nations were informed that United States never acknowledged occupation of the Baltic States. This was the turning point and a fundament for further cooperation. Later, Baltic Caucus in the United States Congress was represented. The Baltic States regained independence having no arms or munition. The Baltic nations showed their moral stands and showed unity. The Baltic American Freedom League stands with the Baltic States and is ready to support and do whatever it takes to the Baltic States to flourish.

President of the Parliamentary Assembly of the South East European Cooperation Process **Bariša Čolak** informed that South East European Cooperation Process is forum for diplomatic and political dialogue with a view to develop common region and find common perspectives, as well as exchange best experiences. Under the slogan “Better connectivity, better life” Bosnia and Herzegovina took over one-year Chairmanship in Office from 1 July 2018. During the Chairmanship the main priority are the following: 1) to enhance infrastructural digital connectivity; 2) to enhance regional business cooperation; 3) to upgrade connectivity of human dimension within the youth; 4) to promote education and culture. Enlargement policy of the EU, which is also considered as one of its most successful policies allows countries within the process of enlargement to fully meet the needed criteria. With the new approach of the EU to the South East Europe, Berlin process which begin in 2014, process of cooperation between the South East countries and parliamentary dimension gained its significance. The Berlin process is extremely important for Bosnia and Herzegovina sets its integration policy apart from common problems is further burdened with many shortcomings of electoral legislation, lack of legitimate political presentation of constituent people, which is not in line with constitution, which itself is an integral international agreement. This leads to violation of international agreement and impossibility to implement election results in Bosnia and Herzegovina, which significantly slows the fulfilment of democratic standards. Various initiatives and summits within the framework of Berlin process have showed that the EU sees the countries in the region within its borders. There is a need to accept the existing arrangement and to meet the necessary criteria to successfully put an end to European path. The Austrian Presidency has positioned the issue of South East Europe within its priorities. It is of crucial importance for South East European Region to operate in systematic and harmonized manner regardless of still visible wounds of

the past. It is important to stop spreading the influence of other forces in this area, as the countries in the South East Europe belong to the Europe. Regional cooperation based on common interests and needs is the foundation of European integration processes. This cooperation should be accompanied by parliamentary cooperation, exchange of experience and good practices. The enlargement process should be a common task for all European partners. Parliamentary Assembly of the South East European Cooperation Process is looking further for strengthening of cooperation with the Baltic Assembly.

President of the GUAM Parliamentary Assembly **Giorgi Mosidze** noted that for many years the GUAM Parliamentary Assembly and the Baltic Assembly have share a great cooperation, have supported one another, engaged in various meetings and discussed different issues. The GUAM Parliamentary Assembly enjoy unique altitude of partnership and support at every available level – national, regional and international. Partnership between the GUAM Parliamentary Assembly and the Baltic Assembly has been stipulated in Joint Statements. 20% of Georgia’s territory is occupied by Russian Federation, which aggressively takes further steps towards annexation of Abkhazia and Tskhinvali /South Ossetia. Georgia highly appreciates support expressed by the Baltic Assembly concerning occupied regions.

European path is well defined, Georgia has demonstrated strong commitment towards political and economic integration within the EU by implementation of successful reforms. Due to implementation of the Association Agreement dynamic progress in EU and Georgia’s relations has been observed. Georgia is an active participant in energy community and has launched high level security dialogue with the EU to discuss matters of common concern in the area of security and defence. Reforms in Georgia are organised in order to achieve gradual integration within the EU using all existing tools and mechanisms.

NATO integration is on top of foreign policy of Georgia. NATO-Georgia relations are extensive, dynamic and substance driven. Georgia is preparing all practical tools to join the NATO alliance.

On 6 October 2018, in Tbilisi the Inaugural Plenary Session of Georgia, Moldova and Ukraine Inter-Parliamentary Assembly (IPA) was held. IPA is chaired by speakers of the parliaments of participating states. IPA has been developed based on the model of the Baltic Assembly. It will be used to strengthen ties between the three countries, enhance harmonisation and integration within the EU. In near future IPA will address the interparliamentary assemblies and regional bodies in order to develop new cooperation formats.

Deputy Chair of the Foreign Affairs Committee of the Hungarian National Assembly **Zsolt Csenger-Zalán** noted that regional cooperation formats have growing impact. Broadly defined region of central Europe, today, largely contributes to security,

stability and competitiveness of whole Europe. Visegrad countries and Baltic cooperation can serve to keep and further strengthen this tendency. Existing regional cooperation formats in the EU gain success from common values, interest, culture and historical experiences. Visegrad countries have strong mutual links and strong relations with partners in the Baltics. Both Baltic Assembly and Visegrad Group were established in times of hope and historic changes.

Today, the EU faces serious problems such as weak economic growth, institutional and legitimacy challenges disturbing security landscape in neighbourhood as well as tendencies, such as migration from outside and protectionism within the EU. Alliances of central Europeans and cooperation with likeminded friends such as the Baltic States become more than symbolic. In order to establish common positions whenever possible there is a need to pursue open and pragmatic dialogue on crucial EU issues, such as, security, migration, multiannual financial framework, Brexit, role of cohesion and agriculture policies. In past Baltic and Visegrad countries were successful in stepping up to protect our regions and common interests. Hungarian Presidency in the Visegrad Group focuses on holding successful meetings. Strengthening of parliamentary dimension between both organisations is very important. Visegrad countries welcome Slovak Presidency and further discussions in V4 + Baltic format in next spring. Among the priorities and interest shared between our regions, development of infrastructural security and defence have to be highlighted. Visegrad countries are proud that all countries from the group successfully concluded rotation of military presence in the Baltic States in last year. Apart from the V4 framework, Hungary is taking part into NATO-Baltic Air policing mission ready to serve again next year. Finishing development of missing energy and transport links is an important shared goal. Another important cooperation format is the Three Seas Initiative.

Vice Chair of the European Union Committee of the Sejm of the Republic of Poland **Jan Dziędziczak** noted that the EU needs united countries from East and Central Europe. Poland and the Baltic States need to cooperate on various regional issues, such as, transportation projects, security policies and energy issues. Along with existing cooperation formats, Three Seas Initiative could initiate important progress. The EU needs our regional common voice and position also towards the Nord Stream 2. This issue is very important for Poland. Nord Stream 2 is an issue for the future of the EU. This project does not correspond to the values and interests of the EU. Poland and the Baltic States need to show to all EU that this project is not beneficial for the EU. One countries project with Russian Federation could destroy the existing solidarity between the EU Member States.

Report of the Budget and Audit Committee

Chair of the Budget and Audit Committee of the Baltic Assembly **Gintaras Vaičekauskas** introduced with the draft documents on the Report on the implementation of the Budget for 2017 and Budget for 2019 which have been submitted

for consideration to all members of the Baltic Assembly. Budget and Audit Committee assess validity and cost effectiveness of the budget jointly with the Presidium.

Draft documents no. 4 and 4A provide information about draft report on the implementation of the Budget of the Baltic Assembly for 2017. Source of Baltic Assembly budget in 2017 were the membership fees from the national parliaments of Estonia, Latvia and Lithuania. Total amount of the Budget is EUR 274,140. The list of basic positions of the budget is the following. For the 36th Session of the Baltic Assembly and the 23rd Baltic Council EUR 36,073 were spent. For the meetings of the Presidium of the Baltic Assembly EUR 11,440 were spent. For the meetings of the Budget and Audit Committees of the Baltic Assembly EUR 500 were spent. For international cooperation of the Baltic Assembly EUR 75,759 were spent. This budgetary position consists of the following sub-positions: firstly, international parliamentary seminars; secondly, cooperation with Baltic Council of Ministers; thirdly, cooperation with Nordic Council, Benelux Parliament, Baltic Sea Parliamentary Conference and partners of the GUAM Parliamentary Assembly. For informative activities which includes maintenance of the Baltic Assembly web, production of medals, production of informative materials and organisation of the basketball tournament, 12,454 were spent. For Baltic Assembly Prizes for Literature, the Arts and Science, and the Baltic Innovation Prize EUR 48,579 were spent. Expenses for Secretariat of the Baltic Assembly compound EUR 72,198. Unplanned expenses were in amount of EUR 607. Total expenses of the Baltic Assembly budget in 2017 were EUR 257,610.

Draft documents no.5 and 5A introduce with draft budget of the Baltic Assembly for 2019. The budget of the Baltic Assembly remains on the same level as for the last ten years. Total of the BA Budget for 2019 is EUR 274, 140. Total amount of EUR 17,030 has been transferred from the budget of the Baltic Assembly 2018. Total budget of the Baltic Assembly for 2019 is expected to be EUR 291,170. Budget for the next year has been planned, based on the presidency programme and working plan of the Latvian Presidency and the main budgetary positions are the following. For the 38th Session of the Baltic Assembly and the 25th Baltic Council, it is planned to allocate EUR 41,500. For the meetings of the Presidium of the Baltic Assembly, it is planned to allocate EUR 13,100. For the meetings of the Budget and Audit Committee of the Baltic Assembly, it is planned to allocate EUR 250. For international seminars, cooperation with Nordic Council, Benelux Parliament, cooperation with Baltic Sea Parliamentary Conference, GUAM Parliamentary Assembly and other international partners, it is planned to allocate EUR 89,880. For informative activities and other events which are medals, basketball tournament, informative materials and web, it is planned to allocate EUR 13,733. For Baltic Assembly Prizes for Literature, the Arts and Science, and the Baltic Innovation Prize, it is planned to allocate EUR 52,957. For Secretariat of the Baltic Assembly, it is planned to allocate EUR 79,150. Total amount of unplanned expenses (changes in currency exchange rate, etc.) is EUR 600.

President of the Baltic Assembly **Valerijus Simulik** underlined that the Baltic States need to be as united as possible, because only by working together Estonia, Latvia and Lithuania will break the walls, open new opportunities and ensure security and development of the Region. Lithuanian Presidency followed the motto – “Together. Strong. United”. These are not just keywords without meaning. This motto contains values, aspirations, history and future of the Baltic States. The Baltic Assembly worked for reaching balanced solutions and concrete results in security and defence, regional development, transport and energy, education and culture, health care and other fields of cooperation. The performance of the Lithuanian Presidency can be expressed in numbers. The Baltic Assembly managed to fully implement almost 80% of the recommendations of the Baltic Assembly adopted last year. 11% of recommendations are still coordinated and actions have been harmonised among countries. The work towards implementation of these recommendations in the forthcoming months will be continued. Unfortunately, in regard to 9% of Baltic Assembly’s recommendations, there is no progress. This will be the task for the next year to ensure comprehensive parliamentary oversight in regard to the implementation of these recommendations to avoid that parliamentary decisions remain on the paper and embed into archives.

Today, during thematic sessions achievements of cooperation in the field of security and defence, energy market, implementation of *Rail Baltica* project, alcohol policy and cultural cooperation have been discussed. The main tendencies and results, in core, are the following. Firstly, the Baltic Assembly succeeded to push a cart of economic cooperation among Baltic countries. Two years ago, members of the Economics, Energy and Innovation Committee said that most probably implementation of recommendations in regard to coordinated approach in promoting exports to distant markets and common representation of economic interests is like of Don Quixote tilting at windmills. Finally, fruits of work could be seen. There is a positive development in regard to building of common innovation and industrial system. There is an intention to create a cluster to introduce Baltic products to China market. Joint measures have been carried out to develop Pan Baltic capital market. This leads to the conclusion that by working together the Baltic States managed to break the walls of non-cooperation in this field.

Secondly, within a period of only a year, when the idea on the need of the Baltic Culture Fund was voiced in the meeting of the Education, Science and Culture Committee, the Baltic Culture Fund was established. There are still many steps to be taken. There was no full openness by the Baltic Council of Ministers to cooperate and listen attentively to parliamentarians. At the same time, it is of symbolic meaning that the Baltic Culture Fund was established in a year when the Baltic States celebrate the 100th anniversary of statehood. This leads to the conclusion that by working together the Baltic States managed to open new opportunities for Baltic people and cultural cooperation.

Thirdly, after extended discussions and lengthy harmonisation process, on 8 June in Vilnius, the agreement on automatic recognition of qualification in higher education

was signed. This will remove previously existing borders for our people. Another positive milestone is an increase of number of bilateral and trilateral programmes in higher and vocational education. This leads to the conclusion that by working together the Baltic States managed to open new opportunities for people and promote regional development.

At the same time, there are fields where mutual cooperation is extremely slow. In regard to joint military procurements, we are on the same level as last year. In regard to cooperation on taxation, the Baltic States stand at the same point where in last year. In regard to joint master programme for the staff of Baltic law-enforcement agencies, no single step has been made. There are fields where the Baltic States did not manage to break the walls and this will remain on the agenda of the next presidency.

In Baltic cooperation, there are achievements and failures. In Baltic cooperation, we make large and brave steps and sometimes, our steps are smaller and uncertain. The Baltic States have practical and effective fields of cooperation. There are fields where the Baltic Assembly has to act as engine for our governments to work more active. There are fields where governments come together and easily solve the issues. There are fields where governments are pushed to come together because the Baltic Assembly is a trouble maker and makes impossible to close the doors to problems. The most important is that on the whole the Baltic States go jointly into the same direction.

He introduced with the Resolution of the 37th Session of the Baltic Assembly. Members of the Committees of the Baltic Assembly elaborated very concrete and practical recommendations in regard to the following areas: 1) Cooperation in security and defence; 2) Cooperation in the field of disaster prevention, preparedness and response, crisis management and civil protection; 3) Support to the Eastern Partnership countries; 4) Synchronisation of the Baltic electricity networks; 5) Regional gas and electricity market; 6) Transport and infrastructure; 7) Baltic Culture Fund; 8) Cooperation in education and research; 9) Digitalisation and protection of cultural heritage; 10) Cooperation in reduction of alcohol consumption; 11) Implementation of the Paris Agreement and EU Climate and Energy targets 2030. All recommendations are result-oriented and next year THE Baltic Assembly will carefully follow the implementation of these recommendations by national governments.

The Final document of the 37th Session of the Baltic Assembly defines priorities of for the next year under the presidency of Latvia. Next two documents – Decision on the Baltic Assembly Budget Report for 2017 and Decision on the Baltic Assembly Budget for 2019 are connected with the funding of the Baltic Assembly. The next document is Decision on the leadership of the Presidium and Committees for 2019. The last document is Decision of the Secretary General of the Baltic Assembly.

He asked to vote on the introduced documents.

With unanimous decision, the Baltic Assembly adopted the following documents of the 37th Session of the Baltic Assembly with the latest amendment:

- Resolution of the 37th Session of the Baltic Assembly;
- Final document of the 37th Session of the Baltic Assembly;
- Decision on the Baltic Assembly Budget Report for 2017;
- Decision on the Baltic Assembly Budget for 2019;
- Decision on the Leadership of the Presidium and Committees for 2019;
- Decision on the Secretary General of the Baltic Assembly.

Election of the President and Vice Presidents for 2019

Members of the Baltic Assembly unanimously adopted the following leadership of the Presidium of the Baltic Assembly:

- President of the Baltic Assembly: Jānis Vucāns, Latvia
- Vice President of the Baltic Assembly: Aadu Must, Estonia
- Vice President of the Baltic Assembly: Valerijus Simulik, Lithuania

Election of the Chairpersons and Vice Chairpersons of the committees for 2019

Members of the Baltic Assembly unanimously adopted the following leadership of the Committees of the Baltic Assembly:

Economics, Energy and Innovation Committee

- Atis Lejiņš, Chair
- Sven Sester, Vice Chair
- Virgilijus Poderys, Vice Chair

Education, Science and Culture Committee

- Juris Viļums, Chair
- Krista Aru, Vice Chair
- Irena Šiaulienė, Vice Chair

Natural Resources and Environment Committee

- Veiko Spolītis, Chair
- Rainer Vakra, Vice Chair
- Viktoras Rinkevičius, Vice Chair

Security and Defence Committee

- Jānis Ādamsons, Chair
- Urve Tiidus, Vice Chair
- Andrius Kubilius, Vice Chair

Health, Welfare and Family Committee

- Imants Parādnieks, Chair

- Helmen Kütt, Vice Chair
- Antanas Vinkus, Vice Chair

Budget and Audit Committee

- Juris Viļums, Chair
- Erki Savisaar, Vice Chair
- Gintaras Vaičekuskas, Vice Chair

Address by the newly elected President of the Baltic Assembly for 2019

Vice President of the Baltic Assembly **Jānis Vucāns** noted that cooperation is like a plant. It takes time to grow it, it needs care and only after a time plant will bear fruit. The projects initiated by the Baltic Assembly are already bringing results for people in the Baltic States. Members of the Baltic Assembly have initiated such initiatives as the Baltic Culture Fund, joint medical procurements, joint higher education programmes, joint recognition of diplomas, etc. Ambitions and vigorous initiatives, which at the start seems to be impossible are possible when acting together. Today, the Baltic States are more interlinked than ever in the history, challenges which our countries are facing are global nature and they need to be resolved regionally.

The motto of Latvian Presidency is “Achieving more Together”, which certifies the regional commitment and unanimity. Presidency will focus on three main priorities. Firstly, a comprehensive approach to security and defence. Secondly, strengthening of interconnections between the Baltic States and Europe in the field of energy, transport and infrastructure. Thirdly, developing a region of growth and competitiveness.

Programme of the Latvian Presidency is aimed at increasing of interconnectivity, elimination of obstacles, and regional profiling. The Baltic Assembly needs to continue to break down barriers between the Baltic States and promote cross-border cooperation. Stronger focus must be placed on protection of external borders and cooperation in state of emergency situations. A lot of time and power will be devoted to move forward existing cooperation in the field of energy, transport and infrastructure. The Baltic Assembly will move forward with all existing initiatives, plans and projects aimed at innovative growth. Increasing cooperation efforts in such areas as education and research, circular economy, labour market, social security and fight against tax fraud, will be decisive in overcoming challenges and fostering development of the Region.

Latvian Presidency will continue the expansion of regional networks and dialogue with partners in the Nordic, Benelux, Visegrad and Eastern Partnership regions on issues of mutual interest. On the agenda, there will be very concrete issues: cooperation in exchange of organs for transplantation, cooperation in situation of state of emergency, cross-cultural communication, circular economy, digital agenda in social and health care system, renewable energy projects. Presidency will carry out parliamentary

oversight over the implementation of the recommendations on joint military procurements, taxation issues, use of e-signature, joint procurements of medical items for hospitals and others where cooperation is slow.

**Signing of the Final Document
of the 37th Session of the Baltic Assembly**

President of the Baltic Assembly **Valerijus Simulik** announced that the 37th Session of the Baltic Assembly is closed. National delegations were invited for signing the Final Document of the 37th Session of the Baltic Assembly.

President of
the Baltic Assembly

Vice President of
the Baltic Assembly

Vice President of
the Baltic Assembly

Valerijus Simulik
Republic of Lithuania

Jānis Vucāns
Republic of Latvia

Aadu Must
Republic of Estonia

Marika Laizāne-Jurkāne
Secretary General of the Baltic Assembly

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