

PRIME MINISTERS' COUNCIL OF THE BALTIC COUNCIL OF MINISTERS CHAIRMAN CONCLUSIONS

The Prime Minister of Lithuania Mr. Andrius Kubilius, the Prime Minister of Estonia Mr. Andrus Ansip and the Prime Minister of Latvia Mr. Valdis Dombrovskis met within the framework of the Baltic Council of Ministers on 5-6 November in Vilnius, Lithuania.

The Prime Ministers discussed the key issues of trilateral cooperation and coordination of actions in response to the economic and financial crisis. The Prime Ministers welcomed the Framework for Strong, Sustainable and Balanced Growth agreed in the G20 Pittsburgh Summit on September 24-25, 2009 that sets out a series of commitments by the world's leading economies to strengthen the international financial regulatory system. The Prime Ministers welcomed the conclusions of the European Council on October 29-30, 2009 that reaffirmed the European Union's commitment to reaching a global, ambitious and comprehensive climate agreement in Copenhagen in December.

The Prime Ministers also welcomed the adoption of the EU Strategy for the Baltic Sea Region by the European Council. They stressed importance of close cooperation of the relevant institutions of Lithuania, Estonia and Latvia in implementing the Action Plan of the Strategy particularly emphasising the need to speed up the integration of infrastructures and markets.

Coordination of actions in response to the economic and financial crisis

The Prime Ministers discussed economic recovery and budget consolidation measures. The Prime Ministers agreed to continue pursuing the adoption of the Euro in the shortest possible time, which will contribute to the sustainability of future economic development of Lithuania, Estonia and Latvia. In this context, the Prime Ministers also reasserted that the fulfillment of Maastricht criteria, the stability of national currencies and further implementation of structural reforms are of fundamental importance in reaching this goal.

Cooperation on energy issues

The Prime Ministers discussed developments and cooperation in the energy sector. Recalling the Joint Declaration of 27 April 2009, signed in Vilnius, the Prime Ministers affirmed its importance and the progress already achieved in outlining strategic principles and actions for energy security in the region as well as the implementation of concrete energy projects.

The Prime Ministers welcomed the Baltic Energy Market Interconnection Plan (BEMIP), endorsed by the Heads of the States and Governments of the Baltic Sea Region and the President of the European Commission on 17 June 2009. The Prime Ministers have emphasized its unprecedented importance as a strategic background and practical instrument for long-term energy security of the Baltic region with eventual aim of integration of Lithuania, Estonia and Latvia with the EU energy networks and the EU Internal Energy Market.

The Prime Ministers took note of the progress achieved and appealed further coordinated action to implement BEMIP with the aim to create an open and transparent common Baltic electricity market. Important measure to be taken to reach this goal is the removal of regulated tariffs for Lithuanian, Estonian and Latvian consumers representing at least 35 percent of the total country electricity consumption by April 2010 at the latest.

The Prime Ministers emphasized the need to remove existing barriers, speed up the development of a common Baltic electricity market according to the Nordic market model and ensure non-discriminatory access to the grid and interconnections based on implicit auction as indicated in the BEMIP.

The Prime Ministers stressed the importance of common policy regarding electricity import from non-EEA countries. The Prime Ministers also stressed the urgent importance of common policy regarding electricity transit in seeking to achieve the conditions of reciprocity with the third countries.

The Prime Ministers have noted the progress achieved in the implementation of NordBalt, Estlink 2 and LitPolLink power interconnection projects. Realization of Estonia-Latvia interconnection and strengthening of internal electricity grids in Lithuania, Estonia and Latvia are projects of vital importance for the whole region as well. The Prime Ministers have confirmed the strategic goal to integrate electricity systems of Lithuania, Estonia and Latvia to the regional group Continental Europe of ENTSO-E for synchronous operation.

The Prime Ministers emphasized the significance of introduction of new generation capacities in Lithuania, Estonia and Latvia. The Prime Ministers took note of the development of the Visaginas Nuclear Power Plant project and agreed to invite a strategic investor to join the project. The Prime Ministers reconfirmed the status of Estonia, Latvia and Poland as project partners.

The Prime Ministers expressed support for the initiative of the European Commission by adopting a proposal for a regulation to safeguard security of gas supply as long-term measures are extremely important in enhancing the security of Lithuania, Estonia and Latvia. The Prime Ministers reiterated that this regulation forms an

important strategic vision, which should be implemented in the framework of BEMIP having in mind the special energy security status of Lithuania, Estonia and Latvia.

Cooperation on defence and security issues

The Prime Ministers emphasized that the new NATO Strategic Concept has to be based on Article 5 as the main principle of collective defence and deterrence. Strong transatlantic link remains an indispensable element of NATO. Adapting to the new security environment requires NATO to enhance its role in dealing with non-traditional threats and challenges, especially in the field of cyber and energy security. The Prime Ministers noted successful cooperation and common efforts of Lithuania, Estonia and Latvia in the process of developing the new NATO Strategic Concept.

The Prime Ministers welcomed the decision of the North Atlantic Council to extend the NATO Air policing mission in Lithuania, Estonia and Latvia until the end of 2014. It is a clear demonstration of Alliance solidarity as well as a visible NATO footprint in the region.

The Prime Ministers stressed the need to strengthen cooperation of the Land Forces and to develop host nation support as important elements for the collective defence. The agreement to facilitate practical cooperation in the field of the joint military procurement was strongly underlined in order to achieve a greater efficiency and interoperability in capability development.

Evaluation at the EU level of crimes committed by totalitarian regimes

The Prime Ministers have underlined the importance of the European commemoration of the 70th anniversary of the Molotov-Ribbentrop pact organized by the national Parliaments of Lithuania, Estonia and Latvia on 14th of October in the European Parliament. This event under the auspices of the President of the European Parliament and with the participation of the Swedish presidency and the European Commission was of particular added value in raising Europe-wide awareness and understanding of the totalitarian past.

In this context, the Prime Ministers emphasized the necessity to continue work in evaluating totalitarian crimes at the EU level, by including this issue into the new Stockholm multi-annual program in the area of freedom, security and justice and establishing the common Platform of European Memory and Conscience.

The next Prime Ministers' Council meeting will be held during the Latvian presidency in 2010.

Vilnius, 6 November 2009