

**Annual Report by the Minister of Foreign Affairs on  
accomplishments and activities planned with respect to  
national foreign policy and the European Union**

**2014 – 2015**

## TABLE OF CONTENTS

<b>Introduction: Latvia's Foreign Policy Goals and Global Events and Developments in 2014.....</b>	<b>3</b>
<b>Security at the National, Regional and Global Level.....</b>	<b>4</b>
<b>Latvia's Interests in the European Union and its EU Presidency .....</b>	<b>6</b>
<b>A Stronger Latvia in a Wider Europe .....</b>	<b>9</b>
<b>Cooperation in the Baltic Sea Region .....</b>	<b>13</b>
<b>Energy security .....</b>	<b>14</b>
<b>Political Dialogue and Cooperation with the USA and Canada .....</b>	<b>15</b>
<b>External Economic Relations.....</b>	<b>16</b>
<b>EU Strategic Partners.....</b>	<b>18</b>
<b>Relations with Russia .....</b>	<b>20</b>
<b>Support for Human Rights, Freedom Online, and Media Freedom.....</b>	<b>21</b>
<b>Development Cooperation.....</b>	<b>22</b>
<b>Cooperation with the Diaspora and the Consular Service.....</b>	<b>23</b>
<b>The Main Directions of Latvia's Foreign Policy during the 12th Saeima.....</b>	<b>25</b>

## INTRODUCTION: LATVIA'S FOREIGN POLICY GOALS AND GLOBAL EVENTS AND DEVELOPMENTS IN 2014

2014 will be remembered in European and world history as a time that brought with it a challenge to the international order, to the world's security and the rule of law. **Russia's aggression in Ukraine, including its annexation of Crimea**, are a genuine threat to both European security and Latvia's national security. The developments in Ukraine and their negative repercussions came to be the central issue in Latvia's foreign policy and security policy over the past year.

In 2014, military conflicts in the Middle East and North Africa continued to impact **global security** as well. We can regret in this regard that the year did not bring any notable progress in the settlement of the Middle East conflict where efforts to seek a solution were hindered by the confrontation in the Gaza strip during the summer of 2014. In view of instability and domestic political conflicts in Syria and Iraq, more attention was directed at the activities of ISIL, the so-called "Islamic State in Iraq and the Levant". With its brutal murders of civilians and an ideology inclined toward violence, the group is a new threat and a challenge to the entire international community.

Refugee flows from the areas of conflict in North Africa, especially Libya, the conclusion of the ISAF mission in Afghanistan, and the outbreak of the Ebola virus in Africa has highlighted **the need for international community to take responsibility**. These negative trends in Europe's southern neighbourhood increase the threat of terrorism, crime and further outbreaks of the Ebola virus, while simultaneously increasing migration pressure and creating conditions unfavourable for the global economy, thus impacting all EU states, including Latvia.

In response to developments in Europe, Latvia's foreign policy in 2014 focused on strengthening of national security, ensuring a NATO presence in our region, and support for Ukraine. Latvia, acting together with other Europeans and our transatlantic allies, responded to Russia's challenge to the security of Europe and the norms of international law. Latvia and its allies have been defending the existing international order and the legal principles on which it is based and, due to good cooperation with allies, Latvia has been receiving support for its own security and defence. NATO's military presence in the region has been reinforced, and transatlantic partners have put a new focus on security in the Baltic Sea region. Collective security is back at the top of the Alliance's agenda.

Despite the geopolitical shocks, Latvia has continued to pursue the political goals set out in the Government Declaration. **Support for businessmen and entrepreneurs to enter new export markets** has been stepped up. In promoting foreign economic links and contacts, the main emphasis was placed on diversification of export markets, opening new embassies and expanding the network of honorary consuls. In 2014, negotiations for accession to the **Organisation for Economic Cooperation and Development (OECD)** proceeded well and Latvia's progress was recognised in the areas of tax administration and in combat of corruption.

2014 was an election year, and during the same period, Latvia worked actively to prepare for its first **Presidency of the Council of the European Union**. After extensive consultations with Latvian NGOs and associates in the Presidency "Trio" – Italy and Luxembourg, the Presidency priorities were defined: promoting of growth in the EU, implementation of Europe's digital agenda, and strengthening of the role of the EU as a global actor.

To a great degree, **the year 2015** will build on last year's priorities. Moving ahead in pursuit of the foreign policy goals and interests defined in the Government Declaration, the priority areas will be: strengthening external security on a national level; Latvia's EU Presidency; enhancing Latvia's competitiveness; and cooperation with the Latvian diaspora. With its NATO Allies and partners, Latvia will strengthen European and national security and respond to the new challenges which have arisen for the principles of international law and the rules-based international order.

As the country presiding over the Council of the EU, Latvia will contribute to the EU's economic recovery and growth, focusing on its priorities: the EU's competitiveness, the digital agenda, and the global role of the EU. Efforts will be spent to develop the prerequisites for increased competitiveness, and negotiations for joining the OECD will play their part in this process; diversification of exports will be encouraged; the network of Latvia's diplomatic missions abroad will continue to expand; and talks on free trade agreements with the USA, Japan, Canada, and other countries will be promoted.

## **SECURITY AT THE NATIONAL, REGIONAL AND GLOBAL LEVEL**

**In response to Russia's challenge to security in Europe and the principles of international law, Latvia's priority is to strengthen national security. In association with its Allies in NATO and the EU Member States, national security was effectively safeguarded in 2014 and support was also provided to Ukraine and other Eastern Partnership countries. It is extremely important to deter Russia from further acts of aggression, and to ensure de-escalation of the conflict in the east of Ukraine. In addition, Latvia is becoming more involved in the international community's efforts to combat terrorism.**

### *Security conditions in Europe and collective defence*

Russia's invasion of Ukraine has shaken both European security and the global order. Together with the EU, NATO and partners around the world, Latvia has categorically condemned Russia's military aggression. Latvia has been active in several directions so as to ensure stability and security in the euro-Atlantic space. These lines of action are: assuring Alliance security; support for Ukraine and other Eastern Partnership countries; causing Russia to refrain from further aggressive military action and minimizing the chances of any escalation of tensions. This work will be continued in 2015.

In view of changes to the strategic security environment which were triggered by Russia's aggression in Ukraine, Latvia's priority at NATO has been the introduction of a package of measures geared to ensure future collective security and **the Alliance's visible presence as well as NATO capabilities for a swift and firm response to security challenges for the Baltic States**. The Readiness Action Plan adopted at the Wales Summit and its conscientious implementation is of special meaning and importance to Latvia. In 2015, Latvia will do its part as a host country to support Allied forces.

Latvia has passed the Defence Financing Law which calls for expenditures of 2% of GDP on defence by 2020. This corresponds with the agreement reached at the Wales Summit that NATO member countries will gradually increase their defence expenditure to **2% of GDP** within the next decade, and allocate 20% of that amount to investments in defence and new equipment. No less important than enhancing the national defence capacity is the strengthening of the judicial system and the

information space, and to build up the capacities of the state border guard and national security agencies.

In 2014, Latvia and six other Allies established the **NATO Centre of Excellence for Strategic Communications**; this event was highlighted at the Wales Summit as one of the elements that will assist the Alliance with enhancing the capabilities required to respond effectively to **hybrid warfare** threats. In the course of its Presidency of the Council of the EU, Latvia will devote attention to the EU's capacity of deterring and dealing with hybrid warfare threats, and this includes investigating the various opportunities to reduce the effects of negative information and influence being projected into the EU's audio-visual space and promoting the use of dual purpose resources in border protection. Latvia considers cooperation between the EU and NATO to be of crucial importance in the context of enhancing capabilities in the field of strategic communication, and Latvia will also be working to enhance its national capabilities in this area.

In cooperation with the Ministry of Defence, the Ministry of the Interior, and other institutions, the Ministry of Foreign Affairs will invest extra effort in reinforcing the national crisis management capacity and unifying the society.

#### *The CSDP and regional security*

At the same time that Russia has been using its military force in aggression against Ukraine, Russia has also increased its military activities and exercises in the Baltic Sea region. It is in Latvia's interests to move ahead with strengthening **regional security cooperation**. NB8 cooperation between the Nordic countries and the Baltic States increased in 2014, as did cooperation between the NB8 and the United States of America on security policy. Germany and Poland got more actively involved in regional security solutions. And Latvia recognises the special importance of promoting close cooperation between NATO and Sweden and Finland. At the NATO Wales Summit, Finland and Sweden each signed a Host Nation Support Agreement with NATO – a memorandum of understanding on establishing policy and procedures for operational and logistical support sites. The existing formats for cooperation and exchange of views will continue functioning. To complement the Alliance's collective defence, it is of the essence that Latvia continue strengthening the Common Security and Defence Policy (CSDP), also through its participation in **CSDP missions and operations**. By contributing to the CSDP, Latvia supports both EU and international efforts to address risks including those resulting from the possible escalation of conflicts, terrorism, and illegal migration.

In 2014, Latvia maintained its support to the CSDP civilian missions in **Afghanistan** and **Georgia**. Latvia also contributed to the EU's naval anti-piracy mission off the coast of Somalia and the EU Training Mission in Mali. From June to November 2014, the National Armed Forces of Latvia took part in the EU military operation in the in the Central African Republic. In 2015, Latvia will continue its participation in the EU's naval anti-piracy mission off the coast of Somalia and the EU's training mission in Mali, and Latvia plans to continue its participation in civilian missions in Georgia and Afghanistan. Latvia also plans its participation in the EU's civilian mission in Ukraine.

In 2015, it will be Latvia's priority to facilitate **development of the CSDP** and prepare strategic discussions on a common European policy for defence and security at the European Council in June. Ahead of this Council meeting, it will be important to achieve agreement on a review of the European Security Strategy; on the

civilian and military cooperation to counter threats; on providing support to Eastern Partnership countries for security sector reforms and closer cooperation on the CSDP; and on enhancing the EU's defence and security cooperation with the UN, NATO, and with the most capable NATO member states, especially the United States of America.

### *Combat of terrorism*

Latvia has been supporting **international cooperation in the fight against terrorism**, jointly countering this global threat and preventing its spread. The spread of terrorism in the Middle East including in relation to the activities of the ISIL terrorist group, activities of terrorists in Afghanistan, North Africa and the Horn of Africa, Nigeria, European countries, Canada, the USA and other countries indicate an increasing terrorist threat on a global scale.

The phenomenon of foreign fighters is now a global challenge where people are joining terrorist groups and fighting in conflicts abroad. This phenomenon represents a threat to the security of people living in Europe, including Latvia, given the fact that these individuals have already been carrying out terrorist acts abroad and could also therefore commit them on European soil. In order to contribute to the efforts at countering terrorism, Latvia participates in the US-led **global coalition to counter ISIL** (the terrorist group known as the "Islamic State of Iraq and the Levant"). Latvia promotes discussions within the EU on the groups performing terrorist activities in eastern Ukraine and supports the UN Security Council Resolution on foreign terrorist fighters.

In 2015, Latvia will continue co-operating in NATO's endeavours to support security and stability of Afghanistan which includes launching a new training mission and providing financial assistance to the Afghan national security forces and taking forward NATO-Afghanistan cooperation within the framework of political partnership. Latvia will chair EU working groups on combating terrorism and organize an EU-Central Asia seminar in the field of counter-terrorism thereby providing its contribution the **EU-Central Asia** dialogue on security issues, including counter-terrorism.

### **LATVIA'S INTERESTS IN THE EUROPEAN UNION AND ITS EU PRESIDENCY**

**The socio-economic situation in the European Union, the promotion of growth and jobs, and issues related to energy and climate were high on the EU agenda in 2014. Latvia's Presidency of the Council of the EU in the first half of 2015 will support growth and economic recovery, and an active EU foreign policy. To this end, Latvia has defined three priorities for its Presidency: 1) promotion of EU competitiveness; 2) development of a digital agenda; and 3) strengthening the EU's global role.**

#### *Latvia's interests and activities in the European Union*

2014 was **a year of institutional change** at the EU. Elections to the European Parliament took place in May, and a new European Commission, headed by Jean-Claude Juncker, began its work. While Europe is recovering from the economic crisis, high on the agenda are socio-economic conditions; questions of how best to promote growth, competitiveness and jobs; and energy and climate.

2014 will go down in history as the year when Latvia joined the Eurozone and became its 18th member. **Eurozone** membership has already brought Latvia a number

of distinct advantages – improved credit ratings which have had a positive impact on interest rates for loans to government and businesses, and decreased costs in servicing the national debt. The resilience of Latvia’s financial markets in the face of instability in international financial markets has been increased. The Latvian state budget saved 70 million EUR on euro exchange rate expenses. On 30 January 2014, Latvia ratified the treaty establishing the European Stability Mechanism.

The **challenges to the EU** in 2015 will depend on the international environment and the political situation in the EU itself. The spectre of a possible deterioration of security at the EU’s external borders is predicted to be the major challenge for 2015. Migration pressure, mainly on the EU’s southern borders, will also remain high on the agenda.

Looking at factors within the EU, **the promotion of economic growth and competitiveness, and social issues** will remain the greatest challenge. The EU still has not recovered from the effects of the financial crisis. The actual GDP of the eurozone in the third quarter of 2014 has increased by only 0.2% over the previous quarter while unemployment rates, during the same quarter reached an average of 11%. The risk of impending economic stagnation will stimulate an EU-wide debate on the effectiveness of current economic management and budgetary discipline.

Strengthening the EU Single Market facilitates the attraction of investment, effective application of the legal framework, and promotion of business, and has a major role to play in boosting the EU’s competitiveness. It is important that Latvia be involved in initiatives with like-minded EU member states, thereby enabling fuller utilisation of the potential of the Single Market and building an image of Latvia as a positive and active country.

In 2015, more than ever before, it will be important for the EU to maintain its own unity and cohesion. The main tasks of Latvia’s Presidency are related to the **policy to promote growth** and an **active and dynamic common EU foreign policy** with an emphasis on the EU’s economic recovery and growth, enhanced competitiveness, unlocking of digital potential, the establishment of an energy union and strengthening the EU’s energy independence.

Working closely with the European Union’s High Representative, Latvia will be working for security, economic and social stability in the EU’s neighbourhoods and in the wider world. An economically-powerful and socially-stable EU which pursues an active common foreign policy will increase public trust in the European project, as well as reinforcing the EU’s attractiveness around the world.

### *Priorities and challenges of Latvia’s Presidency*

#### *of the Council of the European Union*

The Presidency of the Council of the EU will enable Latvia to have an impact on European Union policies in line with Latvia’s **economic growth objectives**. In the first semester of 2015, Latvia will be in the international spotlight. More than 200 high-level events will take place in Riga and many visits by high-ranking foreign officials are expected. Cultural events will take place in Latvia, Brussels and abroad. The Presidency will offer an opportunity for promoting and enhancing the image of Latvia as a country that cultivates growth, competitiveness, jobs, new (digital) technologies, and cares about ensuring stability, security and welfare both in EU’s neighbourhoods and the world as a whole. A number of events scheduled for the first

half of 2015 including the Digital Assembly and the Eastern Partnership Business Forum will give an opportunity for Latvia's businesses to develop new contacts and demonstrate their achievements. The experience gained during Latvia's Presidency can be used in support of Latvia's interests in the future.

The **central task of Latvia's EU Presidency** will be the promotion of a common understanding among EU Member States on the balance between fiscal discipline and stimulating growth, accelerating the EU's economic recovery from the financial crisis and ensuring sustainable growth.

Working closely with civil society and NGOs, much effort has been invested to prepare for Latvia's Presidency of the Council of the EU. The Latvian Presidency Work Programme has been drawn up and it presents three lines of action in a comprehensive and detailed fashion. The objectives of Latvia's Presidency and priorities for each line ministry have also been formulated. The six-month programme of Latvia's Presidency has three priorities – **the EU's competitiveness, a digital agenda, and the EU's global role.**

Considering competitiveness, the main emphasis will be placed on improving quality of life and investing in future development. The digital sector should explore opportunities to stimulate the EU's competitiveness. At the global level, stronger relations should be built, first of all, with the Eastern Partnership countries, Central Asia and North America.

In pursuit of its priorities, Latvia's Presidency will exploit the opportunities that come along with the new institutional cycle in the EU. In June 2014, strategic priorities were confirmed at the level of the EU Heads of State and Government, and the European Commission made a commitment to **promoting growth, employment, job creation, digital potential, and the solution of questions related to energy**; and this corresponds with the priorities of the Latvia's EU Presidency.

The main activities will be related to **EU investment promotion**, supervising the activities of the banking union, launching discussions on a capital markets union, evaluating and, if necessary, enhancing the EU economic governance instruments, and continuing work on the 315 billion investment package. The Latvian EU Presidency will actively support the progress of this initiative in EU institutions.

Latvia's Presidency is planning to devote attention to **development of the EU's internal market**, including the reinforcement of four fundamental freedoms, facilitating an inclusive and sustainable employment policy and the policy of support for small and medium-sized companies (SMEs). A special focus will be placed on the upcoming European Commission's proposals in the review of the Digital Agenda for Europe and the Digital Market Strategy. Security and confidence in cyberspace, including data protection, cyber security and the exploitation of digital opportunities will be highlighted. The work started earlier will be continued on streamlining the European Economic and Monetary Union, which includes an emphasis on social dialogue in the promotion of inclusive economic growth.

Priority will be given to the expected European Commission proposals on the establishment of the **European Energy Union**. The main focus will be placed on the development of the energy market and infrastructure, diversification of energy resources, and energy security, along with the development of energy diplomacy, which includes dialogue with third country suppliers.

Regarding the **EU's foreign and security policy**, the aim of Latvia's Presidency of the Council of the European Union is promotion of economic and social stability, and security in the EU neighbourhood and around the world. Latvia, working closely on security policy with the High Representative of the Union for Foreign Affairs, will make the strengthening of political and economic relations with the Eastern Partnership countries a main priority. Attention will also be drawn to EU relations with the Central Asian countries, strengthening transatlantic links, and adapting the EU Common Security and Defence Policy (CSDP) to the new security conditions in Europe. The Latvian Presidency is ready to support the work of the European External Action Service (EEAS) and other institutions on maritime security and cybersecurity.

Work will also be undertaken to define a common European Union position and represent it in negotiations (in UN format) on the post-2015 goals of sustainable development and reducing poverty, as well as the international climate policy after 2020 (United Nations Climate Change Conference in Paris in December 2015).

The Latvian EU Presidency will give attention to challenges related to migration. An equal amount of attention will be devoted to the Mediterranean and the EU's southern neighbourhood and to the EU's eastern neighbourhood. Addressing challenges posed by migration will be vital for strengthening security in the EU, including Latvia. Presentation of the common EU position on behalf of the EU in the UN formats will strengthen Latvia's position in the international environment and enhance the image of Latvia as a country supporting sustainable development.

#### **A STRONGER LATVIA IN A WIDER EUROPE**

**Latvia's fundamental interests are security, stability and peace in Europe. Latvia will engage in an active dialogue with Europe's neighbours, promoting the spread of European values and norms. Although there are no plans for a new round of EU enlargement for the coming years, Latvia strongly supports a close political dialogue with all aspirants.**

#### *Eastern Partnership (EaP)*

In 2014, Latvia focused attention on two Eastern Partnership countries – Ukraine and Belarus. The presidential and parliamentary election in Ukraine in 2014 concluded the process of transformation, consolidating Ukraine's course towards integration with Europe. This perspective brings hope and offers a serious basis for the continuation of reforms that are needed. Latvia advocates a common EU policy for supporting **Ukraine**, aimed at facilitating the **implementation of reforms** and financial support. Latvia provided various types of bilateral assistance to Ukraine, including humanitarian aid. Latvia supports a policy of non-recognition of the annexation of Crimea and the application of a number of restrictive measures against the Russian Federation, responding with the force of law to Russia's appropriation of territory by military force, its annexation of Crimea, and Russia's support to separatists in eastern regions of Ukraine.

In 2014, the intensity of relations and contacts between the EU and **Belarus** increased. There was a positive trend on issues of mobility, and consultations on the European Dialogue for Modernisation began. Belarus demonstrated a constructive approach to the Ukrainian crisis. Latvia actively advocated closer cooperation between the EU and Belarus. The Latvia-Belarus bilateral political dialogue grew

more intensive, and active cooperation continued in transport, transit, border management, education, science, and others fields. Together with other EU member states, Latvia continued the call on Belarus to uphold human rights and the rule of law as prerequisites for bringing relations back to normal.

Since the launching of the **Eastern Partnership (EaP) initiative** (involving Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine) in 2009, great progress has been achieved in its implementation. However, the initiative is also facing the greatest challenges in its history, related primarily to Russia's separate understanding of the Eastern Partnership policy and its attempts to undermine it, and the realisation of the Eurasian Economic Union project. Russia's aggression against Ukraine highlights the importance of the Eastern Partnership and its continuation, and has led to a consolidation of the European Union's position on the Eastern Partnership.

The increasing importance of the **Eastern Partnership policy** for the EU means that it would make sense to heighten the level of attention it is given in the overall EU agenda, and underline its strategic importance. This policy should continue to exist as a uniform platform underpinned by the principle of differentiation. A deeper integration should be pursued with the partner countries which want to move closer to the EU. At the same time, an individual approach and cooperation tools should be sought for Armenia, Azerbaijan and Belarus, to enable their ongoing participation in the EaP.

The year 2014 was marked by the signing of **Association Agreements** between the EU and Georgia, Moldova, and Ukraine. The process of ratification of the agreements by the parliaments of partner countries has been completed and is underway in the EU member state parliaments. All the three countries have begun implementation. Ukraine has requested that the implementation of the free trade part be postponed till the end of 2015. At the same time, Ukraine can still enjoy unilateral benefits in trade with the EU over that period.

The Eastern Partnership countries are demonstrating remarkable progress with visa liberalisation. Visa-free travel with Moldova took effect in April. The second phase in the Action Plan for Visa Liberalisation with Georgia and Ukraine was launched, and negotiations started on Visa Facilitation and Readmission Agreements with Belarus. Belarus indicated its intention to sign a Mobility Partnership with the EU. In advance of the Eastern Partnership Summit in Riga, it would be essential to achieve progress on visa liberalisation with Georgia and Ukraine, and on the issues of visa facilitation and readmission with Belarus.

The key event of the Eastern Partnership policy in 2015 will be the fourth **Eastern Partnership Summit** in Riga. The outcomes of the Riga Summit will include the assessment of achievements since the summit in Vilnius, including the initial assessment of the implementation of the Association Agreements. In parallel, initial proposals for the overall review of the European Neighbourhood Policy will be prepared in advance of the Riga Summit. It is important to make progress in the process of visa liberalisation, especially with Belarus.

Further areas of cooperation must also be identified and strategic guidelines laid out for the future implementation of the Eastern Partnership policy. It will be important to see that the Riga Summit embraces **the principle of differentiation** so that the EU's relations with each partner are deepened in line with the interests of each partner, while at the same time maintaining the Eastern Partnership as a common

platform. Latvia believes that special attention should be paid to **strengthening political association and economic integration with partners and the engagement of civil society**, as well as further deepening of multilateral cooperation and cooperation with particular sectors of the economy and society. A number of events at various levels, which Latvia intends to organise during its presidency of the Council of the EU, will facilitate implementation of these goals.

Particular attention should be paid to the **security situation in the EaP region**. We must not permit escalation or destabilisation of the situation. Attention should be devoted to the Eastern Partnership countries with zones of protracted conflict. These areas are particularly vulnerable to escalations of tension incited by external forces. It should be borne in mind that Russia will retain substantial influence on the development of conflicts in Transnistria, South Ossetia, Abkhazia, and Nagorno-Karabakh. Together with allies and partners, Latvia actively contributes to international efforts at **ensuring stability in Ukraine** and preventing the formation of a new frozen conflict. An important instrument in achieving this objective has been the establishment of the OCSE Special Monitoring Mission (SMM) to Ukraine in March 2014. Currently the SMM has six experts which were provided by Latvia. In 2015, Latvia will continue its participation in the OCSE Special Monitoring Mission to Ukraine with the deployment of ten civilian experts.

#### *Support for the European Union's enlargement process*

Latvia continues supporting the process of **EU enlargement** and the overarching process of European integration. The efforts of candidate countries to put in place reforms in line with EU requirements and values help also to promote peace, democracy and stability in Europe, as well as strengthening Europe on a global scale. On the whole, the year 2014 was a dynamic year in enlargement policy. In 2014, accession negotiations were launched with Serbia and preparations completed for the opening of the first negotiation chapters. Albania was granted candidate status in June 2014 and the Stabilisation and Association Agreement with Kosovo was initialled a month later (July 2014).

Latvia supported the opening of new negotiation chapters with Montenegro. Taking advantage of the new Instrument for Pre-accession Assistance, IPA II, Latvia will contribute funding and know-how in support of the reform process. In coming years, though there are currently no plans to accept any new member states, the Council of the EU will continue work on accession matters, and the progress in negotiations will depend on the individual performance and merit of each country.

During its presidency, Latvia will facilitate further development of the enlargement process based on accomplishments made during the Italian Presidency and taking into consideration the individual performance of the countries involved in the process. Latvia, when chairing the enlargement working group at the Council of the EU, will work towards the opening of new chapters with countries involved in the enlargement process. Latvia will encourage western Balkan countries to actively engage in the **reform process**. We expect that progress in reforms will be sufficient to enable the opening of new negotiation chapters with Montenegro and Serbia.

Taking advantage of Latvia's role as a moderator during the EU Presidency, Latvia will be working to achieve progress on Turkey's integration with the EU. The assessment of Albania's reform progress will continue especially in the field of justice and home affairs, depending on the decision to start accession negotiations. Latvia hopes for a resumption of the Belgrade-Pristina dialogue, which is an essential tool

for enhancing stability in the Western Balkans region. Work will continue to prepare for signing the Stabilisation and Association Agreement with Kosovo. It is important that Bosnia and Herzegovina resume the reform process so as not to lag behind other countries in the region on its course towards the EU.

### *Central Asia*

Latvia is interested in enhancing the EU presence in this region and boosting closer cooperation with the EU. Considering the increasing strategic importance of Central Asia, especially in terms of security of the wider region, and the withdrawal of ISAF forces from Afghanistan, Latvia continues active participation in the **BOMCA** (*Border Management Programme for Central Asia*) project under the auspices of the EU border management programme. Latvia has taken the lead in Phase 9 of the **BOMCA** for 2015–2017 and the leading role in the consortium of the EU Member States to implement the programme. The fight against terrorism and narcotics trafficking will certainly be addressed during Latvia's EU Presidency.

Special attention has been given to boosting cooperation in the **transport sector** by developing connections with China and Southeast Asia, and discussing the possibilities to extend existing railway connections with Central Asian countries to China. The work on extending the air routes to Central Asian countries (Kazakhstan and Turkmenistan) is underway. Direct flights between Riga and Ashgabat will be available starting from February this year.

In 2014, Latvia intensified **bilateral cooperation** with the countries in Central Asia, establishing high-level political contacts and exchanging visits with all Central Asian countries, acting as a reliable partner that contributes to stronger economic cooperation. Latvia provided expertise including in the fields of agricultural development, environment, and education in 2014. Latvia also contributed to the development of good governance at the resource centre *Marta* in Kirghizstan, and the implementation of a grant project in Tajikistan with an aim to build capacity of NGO's and local public administration and to increase cooperation. In the past year, 366 students from Uzbekistan were attending universities in Latvia placing the country third in the standings on study in Latvia. Latvia's attractiveness to Central Asia as a place to receive higher education has been increasing steadily.

In 2015, the Latvian Presidency will focus on three priorities in relation to Central Asia – **security, education and sustainable development** (transport and transit, energy, environment). Therefore, Latvia in association with the European External Action Service, the European Commission and others connected with these questions, plan a number of events, and, of these, the upcoming EU-CA Education Ministers Meeting in Riga is the most important.

Latvia plans to participate actively in **the assessment and improvement of the report** on the EU Central Asia Strategy. Latvia would like the report to provide a modern approach applying best practices to the development of relations with the region and it would involve an appropriate responsiveness to the current situation and provide common EU political support to the region. Latvia will strongly support the appointment of the EU Special Representative (EUSR) for Central Asia; this would reinforce the EU's presence in the region, activate the EU-CA high-level security dialogue and boost practical cooperation in bilateral and multilateral formats through the implementation of specific projects.

**In regional cooperation, Latvia's primary interest is implementation of trilateral cooperation projects for infrastructure and to further enhance security and prosperity for the region. In 2015, Latvia will pay special attention to activating the *EU Strategy for the Baltic Sea Region* and stand up for its interests at the Council of the Baltic Sea States (CBSS) and NB8.**

**Cooperation amongst the three Baltic States** is based on their common interests and goals in the areas of foreign and security policy. Latvia will contribute actively to trilateral cooperation for 2015 as defined by the Baltic Council: strengthening regional security, implementing the EU Eastern Partnership policy, facilitating energy security in the region, improving information security, and boosting the cooperation between the Baltic and the Nordic states.

Dynamic cooperation has taken place between **Latvia, Lithuania and Estonia** in 2014. The joint venture of the *Rail Baltica II* project was established on November 13, 2014. This was a big step toward further implementation of the project in order to prepare and submit a project application for the construction of new European-width railway (*Rail Baltica II* project) by February 2015 and request up to 85 % of the co-financing through the ES CEF (*Connecting Europe Facility*). The construction of the new railway is expected to begin in 2020 and will be completed in 2024. The reconstruction of existing broad-gauge railway line is expected to be completed in 2015 within the *Rail Baltica* corridor.

Apart from the annual events like the Baltic Unity Day or Latvian-Estonian translation award, the work on the drafting of the agreement on economic cooperation between Latvia and Lithuania in the economic zone and continental shelf of the Baltic Sea started in 2014. Work was continued on the Latvian-Estonian and Latvian-Lithuanian Cooperation Reports to see they are being implemented. The joint meeting of the Latvian and Lithuanian governments will be held in the second half of 2015 with a particular focus on the experience of the Presidency of the EU Council.

Latvia takes an active part in different regional formats of the **Baltic Sea Region**, the NB-8 (Nordic-Baltic 8) and the Council of the Baltic Sea States (CBSS) in particular. The new governments in Latvia, Estonia, Finland, Sweden and Poland will keep pursue closer cooperation in the region, at the same time taking a fresh look at the regional challenges. Within the Northern Dimension (ND), the Ministry of Foreign Affairs in close cooperation with the Ministry of Culture and participation of Latvian embassies have obtained approval to act as the **temporary host of the Secretariat** of the Northern Dimension Partnership on Culture in Riga.

The implementation and activation of the *EU Strategy for the Baltic Sea Region* will be one of the priority areas of the Latvian Presidency of the EU Council. In June 2015, during the Presidency, the 6<sup>th</sup> annual **Strategy Forum** will be held in Jūrmala with an emphasis on certain topics Latvia has selected, namely, culture, energy, science, health and spatial planning. Consideration of each of the topics will be related to and inspired by the digital agenda and the theme of connecting the region. The Strategy Forum will show how Latvia is an important player in the region and that Jūrmala is a good venue for large-scale regional events.

In addition to multilateral formats, Latvia will continue developing close bilateral cooperation with Germany and Poland, the countries in the region that are steadily growing and, economically, the most capable.

## ENERGY SECURITY

**In 2015, Latvia's energy policy will place an emphasis on creating the Energy Union and those aspects of energy security that reduce the chances of isolation, diversify energy sources and supply lines, and creation and improvement of interconnections.**

During the Latvian Presidency, a greater emphasis will be placed on the preparation and drafting of an **Energy Union Concept** and encouragement for creation of an Energy Union. We plan to present the concept of the Energy Union at a conference entitled "European Energy Union" during which European Ministers responsible for energy will be gathering in Riga.

The EU Energy Security Strategy was adopted in 2014. The Strategy is in line with Latvia's goals and interests for facilitating the maintenance of energy security in the longer term. Latvia has achieved visible results in the application of the energy and climate policy. Unlike other EU countries, the Baltic States operate their power systems in a parallel and synchronous mode with the IPS/UPS area. A post-2020 priority for the Baltic States is to **integrate the power grids of the Baltic States** into the European electricity networks and to synchronize them with the power grid systems of the rest of the EU Member States.

In order to enhance the energy security of the natural gas sector, the development of a natural gas infrastructure for the Baltic States and Finland is something we highlight. Latvia has managed to arrange favourable terms concerning **the framework on climate and energy** for 2030 with respect to emission reduction targets that are based on the specific features of Latvia – the high share of non-ETS sectors and the low GDP. In 2015, Latvia will continue working on the creation of a clear and transparent supervision mechanism for achieving the EU energy targets, and that includes the binding renewable energy target and the indicative energy efficiency target that was decided at the EU level.

In the context of EU energy policy in 2014, the Baltic States were able to include a number of significant long-term projects on the first list of projects under the **Baltic Energy Market Interconnection Plan** (BEMIP). The CEF co-financing of over EUR 167.4 million will be invested to implement electricity infrastructure projects in Latvia, including the 3<sup>rd</sup> electricity interconnection between Latvia and Estonia and the 3<sup>rd</sup> stage of Kurzeme Ring.

In 2014, amendments have been made to the Electricity Market Law such that the electricity market became fully available to individual households as of January 1, 2015. The amendments to the Energy Law providing free access of third parties to Latvia's natural gas distribution and storage system are in force as of 2014. In 2015, Latvia must continue to work on the implementation of the **Third Energy Package** in the gas sector in order to prepare for the second stage of market liberalisation.

Latvia must also keep moving forward with the work of improving the **regional energy infrastructure**. Construction of natural gas interconnections (GIPL, Balticconnector) and further development of the electricity infrastructure are important for Latvia. At the same time, Latvia hopes to reach an agreement on the construction of an economically beneficial regional liquefied natural gas (LNG) terminal. Considering that the BEMIP Action Plan related to the integration of internal energy market will expire in 2015, work on the BEMIP reforms will be taking

place during the Latvian Presidency, setting the next targets for the development of energy market.

## **POLITICAL DIALOGUE AND COOPERATION WITH THE USA AND CANADA**

**A strategic partnership for realisation of NATO goals remains the most important area for cooperation with the U.S. and Canada. At the same time, Latvia's interests lie in strengthening partnership over a wide spectrum with the transatlantic partners, including in the field of free trade, cybersecurity, energy security in Europe, freedom of speech and freedom of the press on the internet.**

Russia's aggression in Ukraine and its illegal annexation of Crimea concentrated U.S. attention on NATO partners in the Baltic region. The active U.S. response to the Russia-Ukraine conflict demonstrated that **the United States of America was and is Latvia's closest ally**, and a guarantor of security. The U.S. was the first of the NATO member countries to announce sending six additional fighter jets to reinforce the NATO air policing mission over the Baltic States, rapidly implementing this and a number of other preventive measures.

Following the aggression in Ukraine, U.S. Vice President Joe Biden travelled to Lithuania (March 2014) and U.S. President Barack **Obama** went to Tallinn (September 2014) on the day before the NATO Wales Summit. The U.S. initiative to arrange such meetings at this time with the leaders of Latvia, Estonia, and Lithuania had special meaning.

Latvia is interested in boosting strategic partnership with the U.S. to facilitate reaching NATO objectives and enhancing international security. The high-level political dialogue with the U.S. needs to be maintained, including through official visits addressing issues of policy and trade. And Latvia wants the U.S. to be more engaged in the strengthening of energy security in Europe.

For Latvia, it is important to have U.S. support for the development of cybersecurity capabilities at a national and regional level, and especially in critical infrastructure related to energy. In 2015, Latvia will continue to play an active role in fostering bilateral cooperation in cybersecurity. In late 2014, the first experts from Latvia participated in the cybersecurity training hosted by the United States and similar training in 3+1 format (the Baltic States + USA) is expected to take place throughout 2015.

Latvia is interested in working together with the United States of America in **the Eastern Partnership countries and Central Asia** and to cooperate on support and assistance in the fields of justice, border security and customs procedures, as well as on education. The Russia-Ukraine conflict has increased the need to provide more sources of objective information in Russian language and to strengthen the development of free media environment. Based on the U.S. experience, both countries should continue the cooperation launched with an aim to promote fundamental freedoms of speech, the media and expression, and respect for democratic principles in the information space.

## *Transatlantic Trade and Investment Partnership*

Among the priorities of the Latvia's EU Presidency is creating forward movement on the negotiations on the Transatlantic Trade and Investment Partnership (TTIP). Latvia will strongly support the European External Action Service and the European Commission in the **TTIP negotiation process** with the aim of signing an agreement in 2016. Latvia advocates increasing the transparency of the negotiation process. The TTIP agreement will facilitate economic relations between Latvia and the U.S. and have a positive effect on the standard of living and prosperity of Latvian citizens, as well as offering new opportunities to businesses and entrepreneurs in Latvia, especially in the field of pharmaceuticals, wood and food processing. The agreement is also of geopolitical significance as it represents the strong and united partnership between the EU and the U.S. The agreement will serve as platform for the next generation of 21<sup>st</sup> century trade and investment agreements, providing a model for the development of standards worldwide.

Both parties are working on finding the best solution in a number of areas. Latvia is particularly interested in the integration of **a section on energy** in the TTIP agreement text thereby encouraging involvement of the United States in strengthening European and regional energy independence and the diversification of suppliers, as well as the maintenance of high standards in the field of food safety and public health.

### *Canada*

Under current geopolitical circumstances, it is of vital importance to strengthen transatlantic links and demonstrate unity amongst Euro-Atlantic partners. As a result of Russia's aggression in Ukraine and annexation of Crimea, **Canada** has been paying additional attention to NATO partners in the Baltic region. The government of Canada has for the first time made the decision to become involved in NATO's air policing mission in the Baltic States. Canada is contributing financially to the NATO Centre of Excellence for Strategic Communications in Riga and a Canadian expert is employed by the centre.

In autumn of 2014, the EU and **Canada** finished the negotiations on the Comprehensive Economic and Trade Agreement (CETA) and the Strategic Partnership Agreement (SPA). In 2015, both agreements are to be examined from a legal standpoint and it is in Latvia's interests to support the provisional application of the agreements. The free trade area between the EU and Canada will dynamise the existing economic relations between Latvia and Canada and cause the bilateral trade to expand into new fields. It is in Latvia's interests to continue the bilateral economic **projects in aviation and mining** which have already been successfully launched.

### **EXTERNAL ECONOMIC RELATIONS**

**With accession to the OECD, the Latvian Foreign Ministry's primary goals are entering new foreign markets and increasing the diversification of external economic relations. In order to facilitate development of economic and trade relations, the Latvian Ministry of Foreign Affairs, along with other ministries responsible for relevant sectors, will continue the OECD accession negotiations, expand the network of diplomatic missions, and continue its work abroad in fostering the positive image of Latvia as a place for doing business.**

As an OECD Member, Latvia will benefit from OECD resources, tapping into

its expertise, advice and best practices. Membership in the OECD will be an opportunity for Latvia to work alongside the world's most developed economies and to influence the design and implementation of key initiatives and instruments to improve governance worldwide in the economic, social and environmental fields. Compliance with the high **OECD standards** for the business environment and public administration will promote long-term economic stability of Latvia and contribute to export promotion and other external economic activities.

In 2014, the technical aspects of the OECD accession process continued. Discussions with OECD committees took place according to schedule and the negotiations on technical matters may be concluded by the end of 2015. In 2014, the Ministry of Foreign Affairs submitted the Initial Memorandum for **Accession Negotiations** to the OECD. The technical accession discussions involve preparation of information and the organization of fact-finding missions to Riga by committees and the OECD Secretariat. Each of 21 committees and working groups listed in the roadmap for Latvia's accession to the OECD evaluates and analyses the current situation in Latvia in each policy area. Certain committees have also provided initial recommendations for possible improvements. Discussion on these recommendations will be continued in 2015.

In 2014, Latvia made an enormous step towards becoming an OECD member and improved the business environment and the quality of public administration, becoming the 41<sup>st</sup> country to accede to the **OECD Convention on Combating Bribery of Foreign Public Officials** in International Business Transactions. Latvia also joined the Convention on Mutual Administrative Assistance in Tax Matters aimed at improving the operation on national tax laws, while respecting the fundamental rights of taxpayers. Latvia also continued the reform of state ownership of enterprises and adopted a law which harmonises Latvia's legislation with OECD standards and best practices.

#### *Diversification of economic contacts and links*

Retaliatory measures instituted by the Russian Federation in response to EU sanctions have impacted a range of Latvian businesses, especially in food industry. This situation, along with the economic recession that Russia is currently experiencing, has led Latvian enterprises to seek **new export markets** for their products. In this regard, the Latvian Foreign Ministry's work over the past few years in developing coordination of external economic policy, the expansion of the network of embassies and promotion Latvia's positive image abroad will serve as a basis of support to Latvian enterprises.

**Diversification** of relations was a Foreign Ministry priority in 2014. The diligent common efforts of entrepreneurs and government agencies did indeed result in an increase in the exports of Latvian goods to several markets (in the first 9 months of 2014, for example, exports to Pakistan increased by 256 %; to Uzbekistan by 150 %; to Egypt by 85 %; to South Korea by 66 %; to Canada by 48 %; to Azerbaijan by 30 %; and to China by 25 %). Latvian businesses were also competing well in EU markets during this period, with exports to Spain increasing by 82 %; to the United Kingdom by 44 %; and to Ireland by 35 %.

Given the predicament of Latvia's food industry, the Ministry of Foreign Affairs in association with the Food and Veterinary Service and other public institutions are playing an active role in issuance of **food export certificates** for new export markets in Asia, the Gulf States, Latin America and North Africa. In 2015, the

first shipments of Latvian food products (dairy and fish) will be made to China, and delegations of Latvian businessmen will be visiting India, Pakistan and the Gulf States.

Latvia's transport and logistics infrastructure is crucial for the promotion of exports and attraction of transit cargo. Taking this into account, in 2014, the Ministry of Foreign Affairs, in cooperation with companies offering services in transport and logistics, hosted a **high-level transport conference** "Connecting Asia with Europe". Such an event is also planned for 2015.

#### *Expanding the network of diplomatic missions abroad*

In 2014, Latvia continued to expand diplomatic missions abroad, thereby laying the groundwork for conditions conducive for the entry of Latvian enterprises into new markets and for encouraging foreign direct investment. **New diplomatic missions** were opened in India and the United Arab Emirates in 2014. Latvia's presence in India will facilitate educational exports and encourage cooperation in the field of information technology and transport. The United Arab Emirates and the Persian Gulf states markets with good potential for Latvia's food products, cosmetics and perfumes, as well as in design, architecture, construction, and entertainment.

In 2015, the Ministry of Foreign Affairs will be **opening an embassy in South Korea** and continue to work on the expansion of Latvian diplomatic missions in fast-growing regions worldwide, as well as in the countries belonging to the key trading blocs.

Last year, the **network of honorary consuls** of Latvia abroad has continued to enlarge. New honorary consulates of Latvia have been opened in India (Bangalore), Mongolia (Ulaan Baatar), Ukraine (Chernigov Oblast), Turkey (the region of Alanya), and the EU Member States. In 2015, the Ministry of Foreign Affairs will be expanding the network of honorary consuls in regions of Africa, Latin America, the Middle East and Southeast Asia that are not yet well covered.

#### **EU STRATEGIC PARTNERS**

**In relations with China, Latvia is interested in seeing progress with the EU-China negotiations on investment agreements during the Presidency, as well as promotion of cooperation with China in the area of transport and logistics within the framework of the 16+1 format. It is in Latvia's interest to consistently deepen relations with Japan, the Republic of Korea, as well as with Latin America, and Brazil in particular, focusing on expanding economic relations.**

Relations with China are especially significant for the EU and Latvia, taking into account the **growing** economic and political power of China in the region and the world as a whole. China is the second largest economy in the world and the second largest EU trade partner.

Looking ahead to 2020, the *EU-China 2020 Strategic Agenda* is comprehensive programme for action in all areas of cooperation that was adopted at the last EU-China Summit. During the Summit, it was agreed that negotiations should be launched on the signing of an **investment protection agreement** between the EU and China. The EU investment treaty with China would, in effect, replace the Latvia-China bilateral investment agreement. The next EU-China summit meeting may take

place during Latvia's Presidency. Latvia wants to see positive forward movement on the EU-China investment protection treaty negotiations during its Presidency.

Latvia is interested in the promotion of economic relations with China and increasing its exports to China, especially of food products. Although China is ranked 13<sup>th</sup> amongst Latvia's trade partners, economic cooperation between the countries has great potential. Since 2012, Latvia has been cooperating with China not only bilaterally and via the EU-China Strategic Partnership but also in the China, Central and Eastern Europe 16+1 cooperation format. The meetings at the level of Prime Minister between Latvia and China have taken place in the margins of these summits and provide a good opportunity to discuss issues important for Latvia, including especially business and trade. The key priority of Latvia in the 16+1 format is cooperation with China in transport and logistics. In June 2014, Latvia and China organized a high-level conference on transport issues. A conference of this kind will be held also at the end of April 2015 within the *ASEM* framework.

Japan is an active G7 member country and a valuable partner for NATO. Latvia has important strategic relations with **Japan** both within the EU and bilaterally. Cooperation with Japan is vital on matters of global security, including in the context of peacekeeping missions. Untapped potential exists and there is the opportunity to increase trade and investments. During its Presidency, Latvia will be strongly supporting work on the EU-Japan strategic partnership agreement and the free trade agreement. Signing of these agreements will offer more opportunities for Latvia to exploit what Japanese markets have to offer. The intergovernmental and high-level business dialogue establishes conditions conducive to wider business cooperation with Japan and attraction of investments. And, in this regard, the Japanese business visits, including the visit of the Vice President of *Keidanren* (the Japan business federation) and several visits of high-level officials held in 2014 are quite important. To improve the environment for business, various agreements are being discussed including the proposed convention on double taxation. In 2015, Latvia will continue to strengthen bilateral relations and promote business contacts in association with other ministries responsible for specific sectors.

Latvia will seek opportunities to take full advantage of the benefits provided by the free trade agreement signed between the EU and the **Republic of Korea**. The upcoming opening of the embassy of Latvia in the Republic of Korea will contribute to activities to promote economic relations. In 2014, the Ministry of Foreign Affairs has participated in a number of export seminars and worked actively with the Embassy of Korea in Riga in order to deepen economic cooperation.

It is in Latvia's interest to consistently deepen relations with **Latin America and countries in the Caribbean** within the EU and on a bilateral level, with a particular focus on expanding economic relations. Latin American countries are important export markets for Latvia's offerings in higher education. It is in Latvia's interests to strengthen relations with Brazil which is the seventh largest economy in the world and with aspirations to have growing influence in its region and around the world. Latvia will contribute to the successful organization of the meeting of EU-Latin America and the Caribbean (EU-CELAC) Heads of State and Government during the Latvian Presidency of the EU Council.

## RELATIONS WITH RUSSIA

**In view of Russia's aggression against Ukraine, Latvia backs the EU's strong and common stand on a policy that combines the instruments of diplomacy and restrictive measures. In 2015, the EU will have to work actively on a new approach in relations with Russia, with the main goal of encouraging Russia to once again act in accordance with international law and honour the commitments it has made. At the bilateral level, Latvia will continue cooperating with Russia in solving practical problems.**

The fact that Russia caused a conflict in the centre of Europe in 2014 has had a serious impact on EU-Russia relations, and this conflict has unfortunately still not been resolved in line with international norms. Latvia backs the EU's firm common stand on a policy that combines the instruments of diplomacy and restrictive measures.

In response to Russia's actions in Ukraine, the EU has instituted a number of diplomatic, political and economic measures. The EU halted a variety of activities underway in the framework of EU-Russia cooperation and, has applied various sanctions including visa bans and asset freezes against specific individuals and entities, as well as restrictions on EU imports and exports.

In addition, the EU introduced a **policy of non-recognition of the annexation of Crimea**, and this includes limiting contacts with Crimean authorities, prohibition of any investment in Crimea, prohibition of the import into the EU member states of goods originating in Crimea, and restrictions of trade related to transport, telecommunications, energy, or for the exploration and production of oil, gas and mineral resources. EU tourism agencies are not permitted to offer services in Crimea or Sevastopol, except in the cases of emergency, and European cruise ships may no longer call at ports along the Crimean peninsula. The EU has regularly requested that Russia engage in a dialogue to resolve the conflict in Ukraine, and has offered a number of paths to de-escalating the crisis.

In 2015, the difficulties being experienced in EU-Russia relations are bound to create additional challenges for Latvia as the country presiding over the Council of the EU. The main objective in EU-Russia relations at present is to expend efforts so that Russia moves once again into compliance with international law and begins again to honour its international obligations. During its Presidency, Latvia is ready to constructively address topics that are high on the agenda of the EU-Russia relations while adhering strictly to the framework of recognised international principles.

Normalisation of relations will depend on actions Russia will take and what now happens in Ukraine. The crisis in EU-Russia relations reminds us of the need to review the strategic partnership and develop an appropriate model for relations with Russia. Rather than isolating Russia, the basic mutual goal of Latvia and the EU is seeing that Russia acts in compliance with the principles of international law.

The developments in Ukraine and the overall state of relations between the EU and Russia have had an impact on the atmosphere of bilateral relations between Latvia and Russia, and also on particular elements of that cooperation. In line with the common position of the EU, high-level political contacts are frozen and restrictive measures are applied. Cooperation continues in various sectors at the expert level to deal with issues important to Latvia (consultations between the Foreign Ministries;

work of the commission on border demarcation; and cooperation in transport, border protection and customs.

In 2014, utilising a number of modes and formats, Russia continued spreading disinformation about the human rights situation in Latvia and the myth about a "rebirth of Nazism". Latvia has worked systematically to refute the disinformation with facts, while pointing out restrictions on democracy in Russia. Specific steps were taken to restrict Russia's efforts to circulate propaganda.

In 2015, the dynamics of the bilateral relations will depend to a great extent on developments in Ukraine and the overall course of EU-Russia relations. Latvia will continue practical cooperation with Russia in different fields and at different levels in line with Latvia's national interests. Additional measures will be put in place to counter **Russia's propaganda activities** in international organisations and the media. In view of Russia's increasing use of the concept of the so-called "Russian world", Latvia will oppose attempts to divide our society or undermine Latvia's security and democratic system of government.

Latvia will promote coordinated action with partner countries at the regional level and at the EU with the aim of strengthening the EU's information space and the information space in Eastern Partnership countries. Latvia will be supporting a high quality, free media environment and access to unbiased information. Latvia will keep questions of democracy and human rights in Russia high on the agenda of international organisations and international fora.

## **SUPPORT FOR HUMAN RIGHTS, FREEDOM ONLINE, AND MEDIA FREEDOM**

**Adherence to the principles of the international law, democracy, justice, respect for human rights and fundamental freedoms are the underlying principles of long-term security, growth and prosperity. Latvia's work at international organizations is based on defending, introducing and implementing these fundamental principles in Europe and across the world.**

In 2014, Latvia followed these principles and took active steps to promote the involvement of international organizations (for example, the United Nations, the OSCE, European Council, etc.) involved in stopping the Russian Federation's aggression against Ukraine, pushing for withdrawal of Russian military forces and terminating support for the separatists. Efforts were made to keep these issues high on the agenda of international organizations, on ensuring an international presence and assistance for Ukraine, as well as providing objective information about the events in Ukraine. The **severe violations of the rights of Crimean Tatars and the Ukrainians** in Russia-annexed Crimea were raised again and again in international fora and in bilateral discussions.

In 2014, the policy of Latvia, its implementation results and progress made in the field of human rights were actively presented within the framework of the **monitoring mechanisms** of the UN, OSCE and the European Council. These presentations included: Government comments on the opinion of the Advisory Committee on the Framework Convention for the Protection of National Minorities; Government comments on the implementation of interim recommendations of the European Commission Against Racism and Intolerance; and the Government

comments on the report on the visit to Latvia prepared by the European Committee for the Prevention of Torture and Inhuman or Degrading Treatment or Punishment.

During her visit to Latvia, the OSCE High Commissioner on National Minorities, Astrid Thors expressed appreciation for Latvia's progress made with respect to policies related to societal integration and national minorities. The High Commissioner particularly highlighted the positive progress achieved through amendments to the Citizenship Law.

The intense and sustained lobbying efforts for Latvia's candidacy for the UN Commission on Human Rights have resulted in Latvia's successful election to the Commission for a period of three years from 2015 to 2017. Membership in the Council will offer Latvia an opportunity to take part in the development of different initiatives, thus contributing to the promotion of human rights and fundamental freedoms world-wide. High-level events for member countries of the *Equal Futures Partnership* and *Lifeline*, a fund supporting civil society organizations initiated by the United States of America took place in the framework of the UN General Assembly. Latvia supports and uses the membership in both of these initiatives to pursue its goals of encouraging respect for human rights and fundamental freedoms in Latvia and the world over.

Latvia continued promoting **the protection of human rights and fundamental freedoms in the virtual online environment** by condemning any effort to restrict the freedom of speech on the Internet. Latvia also continued its active membership in the *Freedom Online Coalition*.

In 2015, Latvia will be pursuing its priority goals in the field of human rights - the promotion of the universality of human rights, women's rights and gender equality, freedom of expression including in online communities, and the development of a free and independent civil society. Latvia will encourage the UN member countries to cooperate and maintain an open dialogue with the UN rapporteurs and working groups. The priority goals are going to be implemented in close cooperation with Latvia's civil society. During the Presidency of the Council of the European Union, Latvia will pay special attention to **freedom of expression and media freedom**, gender equality, and support for civil society. The events of the World Press Freedom Day will be held in Riga on May 2–4, 2015.

In 2014, Latvia concluded its presidency of the UN Executive Board for Gender Equality and the Empowerment of Women (*UN-Women*). The Executive Board managed to adopt important documents for the organization's success. In 2015, as a member country of the Executive Board of *UN-Women*, Latvia plans to organize a number of events devoted to the role of women in the media and education.

## DEVELOPMENT COOPERATION

**In 2014, development cooperation was strengthened as an important foreign policy instrument which was particularly relevant to the priority regions of Latvia's foreign policy - the *Eastern Partnership and Central Asian countries*. Bilateral cooperation priorities contributed to the field of good governance and the rule of law, gender equality and sustainable economic growth.**

Funding for the implementation of bilateral development cooperation in 2014 amounted to EUR 213813 which was a triple increase in comparison with 2013. Another EUR 25000 was allocated for this purpose. The implementation of projects in progress was continued, while new projects were launched in **Moldova, Georgia, Belarus and Uzbekistan** in the field of good governance and the rule of law, the justice and regional development sectors, public administration reforms, regional cooperation, development and strengthening of exportability of small- and medium-sized enterprises, social security, employment and education. Co-operation with Afghanistan was also continued in the field of technological sciences. Considering the developments in **Ukraine** in 2014, Latvia focused particularly on supporting the democratic reforms in Ukraine. Latvia engaged in a successful cooperation by sharing its experience in the field of regional development, e-governance, and good governance, as well as the promotion of the fight against corruption. A support was also provided to the activities and capacity building of Latvian non-governmental organizations by ensuring co-financing for projects financed by the European Commission and other donors.

In 2014, the Ministry of Foreign Affairs in association with Riga Graduate School of Law launched a **training programme for representatives from the public administration and civil society of the Eastern Partnership region and the Central Asian countries** in Latvia. The programme offered an in-depth training course on the EU and international economic, political and legal issues, as well as sharing the knowledge and experience of Latvia as the EU Member State.

Funding in amount of EUR 413813 will be available for the implementation of bilateral development cooperation in 2015, thus allowing to continue the development cooperation activities initiated in 2014. The key tasks in 2015 are related to the leading role of Latvia within the European thematic year devoted to development cooperation. Latvia is also going to participate actively in discussions at the EU and the UN level on the **new UN post-2015 development agenda**. Latvia has expressed strong support for integration of good governance and the rule of law, gender equality and sustainable economic growth in the new agenda. The UN *intergovernmental negotiations* on *post-2015* development agenda and its funding takes place at the time of the Latvian Presidency of the Council of the European Union, and therefore Latvia play an important role in representing a common position of the EU in the UN negotiations.

#### **COOPERATION WITH THE DIASPORA AND THE CONSULAR SERVICE**

**It is in Latvia's interest to assist in maintaining connections with compatriots all over the world and to fully engage them in the ongoing social processes of Latvia. The key mission is to provide support to Latvians living abroad who have chosen Latvia as a tourist destination, for its employment opportunities, and as a place to invest and establish companies.**

Practical work of the Foreign Service and the Consular Service will be further oriented toward preserving Latvian identity and maintaining and strengthening **links with Latvia**. This work promotes the spread of the Latvian language and literature in the world, facilitates the civic and political engagement of the diaspora and closer interaction with the diaspora in areas of business, culture, education and science. It is also important to provide support for those who wish to return to Latvia.

There are over 370,000 people permanently residing outside Latvia that identify themselves with Latvia. Currently, the largest Latvian communities are those in the EU Member States, the USA, Canada, Australia, Russia, and Israel. There are about 1000 Latvian organizations and about 100 Latvian schools, camps and summer schools all over the world. The majority of them receive teaching materials and support from Latvia.

Cooperation with the World Federation of Free Latvians and their organizations takes place in the fields of **education, culture and business**. The Latvian Ministry of Foreign Affairs provides support for the preparation of nationwide and regional celebrations of song and dance. The First Latvian Youth Forum has been held in 2014. The Second World Latvian Economic and Innovation Forum will be held in 2015.

The Ministry of Foreign Affairs assisted a group of researchers to conduct the most important study on the diaspora that ever done. It also helped the University of Latvia to establish the Diaspora and Migration Research Centre. In order to strengthen information support for the diaspora, the Ministry of Foreign Affairs created an informational guide on its website for expatriates abroad. The Ministry of Foreign Affairs developed cooperation with the media and websites related to the diaspora. Support was provided for the citizens who wish to return and those who did in fact return to Latvia within the framework of the Re-emigration Plan for 2013–2016.

In order to guarantee the right to take part in civic affairs that is granted by the Latvian Constitution (*Satversme*) to Latvian citizens, the Latvian Foreign Service opened 98 polling stations in 41 countries for Latvian citizens to take part in the **election for the 12<sup>th</sup> Saeima (Parliament)**, as well as giving nationals abroad an opportunity to vote in European parliamentary elections.

Due to amendments of the Citizenship Law adopted in 2013, the range of individuals qualified to be citizens has been broadened. In 2014, Latvia's missions abroad have accepted 4,125 applications for registration of citizenship. This figure is around four times higher than in 2013. The Consular Department of the Ministry of Foreign Affairs in association with the Office of Citizenship and Migration Affairs have sent mobile passport workstations to Australia, the UK, Ireland, New Zealand, the USA, Canada and Iceland facilitating applications for passports and personal identity cards and providing other consular services. This service provides Latvian compatriots the opportunity to receive consular assistance close to their places of residence while strengthening the bond between Latvia and its citizens residing abroad. Most applicants for Latvian citizenship received their passports in a timely manner, thereby ensuring their participation in the election for the 12<sup>th</sup> Saeima.

In 2014, the Office of Citizenship and Migration Affairs, in cooperation with the Ministry of Foreign Affairs, were introducing new portable passport workstations at Latvia's missions in place of those that had been stationary. As of January 2015, customer service will be faster and more convenient. In the first 3 quarters of 2014, the number of visa applications received at the Latvian diplomatic and consular missions abroad has increased by 5 % (there were a total of 152,270 visas), and EUR 6,017,327 have been collected in fees for visa issuance, compared with the corresponding period of 2013.

The Ministry of Foreign Affairs continued expanding the network for issuance of visas. Agreements with other Schengen member states for visa issuance on behalf of Latvia facilitate legal migration from countries where Latvia does not have its own

missions and discussions on such agreements will continue in 2015. There is an interest in facilitating the opportunities for travel to Latvia of individuals from specific third countries.

The negotiations on amendments to the agreement between **Latvia and Belarus** on the simplification of cross-border travel for residents living near the border are approaching finalisation. The amendments are expected to come into force in 2015.

#### **THE MAIN DIRECTIONS OF LATVIA'S FOREIGN POLICY DURING THE 12TH SAEIMA**

During the 12<sup>th</sup> Saeima, in tandem with domestic policy, Latvia's foreign policy will be affected by developments in the EU and its neighbourhood. The developments in Europe, and in eastern Ukraine in particular, will be an important aspect in shaping security policy. Europe's overall growth, the unity of member states and effective cooperation among EU institutions will, to a great extent, also determine the scenarios for Latvia's economic development. In shaping its foreign policy, Latvia should also take into account common challenges in EU foreign policy, such as conflicts in the Middle East and the threat of terrorism. The foreign policy agenda may also be substantially influenced by other events and developments, for instance, fluctuations in energy prices, the issue of recognition of the state of Palestine, and the outcome of talks with Iran.

Latvia's foreign policy priorities during the 12<sup>th</sup> Saeima will be cooperation with partners in NATO and the EU. The domestic and external security of Latvia and long-term presence of the Allies in the Baltic Sea region should be reinforced. In the EU framework, the issues of key importance for Latvia are the strengthening of the economic growth in the Union, cooperation in banking, the establishment of a resilient Energy Union and a Digital Single Market. Equally important is the strengthening of the Common Foreign and Security Policy, which includes building up the European dimension of security.

Latvia's primary interest in the area of external economic relations is entering new markets and **strengthening competitiveness** in the EU market. It is essential for Latvia to keep supporting the high political priority assigned by the new European Commission to the strengthening of the EU's Single Market, and to promote growth in the Single Market by removing obstacles to doing business in the EU, supporting the attraction of investment, and an effective application of regulations.

The link with the **diaspora** should be strengthened. Interaction between the citizens of Latvia in their home country and beyond its border should be pursued, thereby promoting the formulation of an inclusive diaspora policy from the perspective of Latvia's future development.

To address these challenges, Latvia will act as a dynamic and constructive member of the international community, a member of the EU and NATO which contributes to the implementation of a common foreign policy, actively advocating Latvia's essential interests, both at the global and regional level.