Nordic-Baltic Cooperation – Progress report 2013

1. Introduction
In January 2013, Sweden took over the coordinating role for the Nordic-Baltic foreign policy cooperation from Lithuania. During the year the Swedish Government has given this task high priority.

In a globalised world our immediate neighbourhood is more important than ever before. We live in a dynamic region. The Nordic and Baltic countries are among the most competitive in the world. Fifteen per cent of global trade is estimated to take place in and around the Baltic Sea. Although the current economic situation remains uncertain, large structural reforms and economic stimuli have contributed to a slow but steady recovery in the rest of Europe. Furthermore, the underlying competitiveness of the region remains strong. Cooperation on many different levels, and between a variety of actors, contributes to make this region strong and vital.

2. Swedish priorities
During the year special attention has been devoted to the Eastern Partnership, Russia and energy issues in the region.

The year began with the first-ever meeting of Foreign Ministers of the NB8 and the Visegrad 4 countries. Held in Gdansk on 20 February, the ministerial meeting was co-hosted by Sweden and Poland. The Ministers engaged in informal and frank discussions on matters concerning the Northern and Central Europe for Growth, Eastern Policy, Eastern Partnership and EU enlargement. Discussions were also held on EU foreign policy and security issues (NATO, CSDP, EGS and EIP). Given the positive outcome of the meeting Estonia will host a follow-up meeting in March 2014.

The Eastern Partnership has required particular attention in 2013, due to the summit held in Vilnius in November, as well as the challenges posed by developments in some of our partner countries. This topic was high on the agenda at the NB8 and Visegrad 4 foreign ministers’ meeting in Gdansk, and on the agenda of the NB8 foreign ministers’ meeting 2–3 September in Visby. At the latter, ministers issued a statement expressing concern regarding the use
of economic threats and political pressure directed against Eastern partners. The NB8 countries share a common interest in encouraging partners to make progress on reforms and embrace common European standards. The need to coordinate clear, coherent and consistent messages on topics such as selective justice and reform agendas makes the NB8 a valuable forum. In view of the developments taking place throughout the region and the upcoming elections in several partner countries, the Eastern Partnership is likely to remain a key topic for NB8 discussions.

Russia remains a strategic political partner and one of the key economic partners to the NB8 and the EU. It is in the interest of our common region that the country develops into a true democracy and is integrated into the international economic and political system. The developments in Russia have been discussed at NB8 meetings during this year. In Russia, legal amendments have been introduced, restricting civil society and political activity. We continue to monitor progress and look for ways to constructively engage Russia in our region. While we are deeply concerned by the trends in Russia, continued engagement is essential, combined with clear and constructive criticism where justified.

Energy cooperation continues to be an important priority within our region. Work in this field is primarily carried out by the market operators, and energy policy is well established within the EU structures. The aim of the NB8 in this context should therefore not be to create new structures, but rather to provide political support for ongoing processes. The Baltic Energy Market Interconnection Plan (BEMIP) is of special significance, and the Swedish Presidency has liaised closely with the EU Commission services in order to follow developments. In anticipation of a formal progress report, a special brief on progress to date was produced for the benefit of the NB8 Foreign Ministers. Clearly, there are also wider foreign policy implications of energy in the Nordic-Baltic region which merit attention. For instance, relations with Russia in the gas sector continues to present some challenges and planned nuclear power projects in neighbouring countries need to apply required consultation procedures as well as internationally accepted safety standards.

3. Recommendations

In 2010 Mr Valdis Birkavs and Mr Søren Gade presented a report containing 38 recommendations on how to advance cooperation amongst the NB8 countries.
Certain areas were highlighted, such as foreign and security policy dialogue, embassy cooperation, civil security including cyber security, defence cooperation, energy and the NB8 brand.

It is clear that the Nordic-Baltic cooperation continues to deepen. The recommendations have been discussed throughout the year and most of the fast-track recommendations have already been implemented. Just to mention a few: more efficient and relevant meetings with focused agendas including current foreign policy issues; coordinated cooperation within international organisations, including promotion of candidates and forming of alliances; exchange of positions prior to EU meetings and the signing of a memorandum of understanding on embassy cooperation.

We now aim to add more value to the existing cooperation – a cooperation that on different levels, and between a variety of actors, contributes to making this region even stronger and more vital.

3.1 Foreign and security policy dialogue

The meetings of the NB8 this year have centred on current international issues of common concern. More specifically, they have focused on developments in Syria, the Middle East Peace Process, Egypt, Iran and Afghanistan. Two statements on Syria have been issued. The first statement condemned the use of chemical weapons and was made in connection with the Foreign Ministers’ meeting in Visby on 2–3 September. The second NB8 statement was issued at the ministerial meeting of the Friends of the Syrian People held in New York on 26 September.

The NB8 constellation also engages within multilateral organisations such as the Council of Europe, the OSCE, the United Nations and the EU.

At the Council of Europe (CoE) ambassadors meet on a regular basis to discuss issues of common concern. Once a year meetings are held in an NB8 capital. In May this year the host city was Reykjavik. Among other things the group agreed to support the Swedish candidature for the CoE Budget Committee. Discussions were also held at the annual meeting of the Committee of Ministers and CoE monitoring mechanisms. Next year’s meeting is expected to be held in Tallinn in May.
At the OSCE, NB8 representatives meet frequently and on a regular basis. Issues such as bilateral support to OSCE field projects and preparations for OSCE summits are discussed. Meetings are held on a yearly basis in the capital cities, this year in Helsinki.


In May an annual NB8 meeting on the Chemical Weapons Convention was held in Helsinki. Views were exchanged on outreach to industry and academia to ensure adherence to the convention at national level. The next meeting is expected to take place in Riga in 2014.

The annual Nordic-Baltic Export Control Meeting was held in Reykjavik in June 2013. Discussions focused on the Arms Trade Treaty (ATT) and its implementation, the implementation of the ICT directive as well as joint NB8 interests in the Working Group on Conventional Arms Exports (COARM) and the Dual Use Working Party (DUWP).

Meetings have also been held within the IMF and the World Bank on several levels and occasions during the year. Discussions revolved around the most topical IMF and World Bank matters, such as quota and governance reforms, and a new strategy for the World Bank.

Furthermore, within the EU context, the NB6\(^1\) countries meet on a regular and informal basis prior to EU meetings.

### 3.2 Embassy cooperation

The Memorandum of Understanding on Principles for Locating Diplomats within the Premises of the Parties’ Missions entered into force in September 2012. Since then a number of bilateral agreements have been signed between different NB8 countries. In April 2013, Estonia and Iceland signed a cooperation agreement regarding the location of the Icelandic Embassy in Estonia’s chancery building in Beijing, and in July 2013 an agreement between

\(^1\) Denmark, Finland, Sweden, Estonia, Latvia, Lithuania.
3.3 Civil and cyber security

In March, Finland hosted a joint Nordic-Baltic nuclear safety exercise at the Loviisa Nuclear Power Plant. The aim of the exercise was to test cooperation, communication and coordination of actions between NB8 countries’ radiation and nuclear safety organisations and between the Ministry of Foreign Affairs of Finland and the NB8 embassies in Helsinki. Altogether more than 1000 experts took part in the exercise. NB8 countries agreed to further pay due attention to nuclear safety in the region and neighbouring countries, and welcomed joint exercises aiming at improving emergency preparedness and response measures.

In April, Estonia and Finland co-hosted a second Nordic-Baltic Cyber Experts Seminar in Tallinn. The aim of the seminar was to promote cooperation and policy-oriented debate among national cyber security experts. The seminar included discussions on the role of cyber in future conflicts, national cyber security strategies and the new EU cyber security strategy, as well as a presentation of the NATO Cooperative Cyber Defence Centre of Excellence. It was suggested that a Nordic-Baltic cyber expert’s seminar take place on a yearly basis. Nordic-Baltic coordination of EU cyber policy and the work on council conclusions on a European cyber security strategy was identified as a possible theme for further cooperation in the near future.

3.4 Defence cooperation

The NB8 cooperation on defence policy dialogue and finding joint projects has a long tradition. Nordic-Baltic countries continue to develop defence cooperation on joint training and exercises, coordinating their participation in operations and exchange of experience. The ministers, political directors, experts, chiefs of defence and armament directors meet on a regular basis.
throughout the year in various formats. A Nordic-Baltic Defence Ministers meeting was held in Finland on 3–4 December.

During the year, NB8 countries have continued to work together on ISAF operations in Afghanistan, particularly in the northern part of the country. The development of the Nordic-Baltic Task Support Unit with Latvia continues in ISAF/Regional Command North. In March 2013, Finnish-led Nordic-Baltic Training Team (together with Sweden, Lithuania, Latvia and Estonia) has joined EU Training mission in Mali. Nordic and Baltic countries also jointly participate in regional military exercises (e.g. Saber Strike, Open Spirit, BALTOPS etc.) and jointly participate in the EU Battle Group’s standby periods. Estonia, Latvia and Lithuania will contribute to the Nordic Battle Group in 2015.

Developing training activities and education are an important part of NB8 cooperation. The Nordic and Baltic countries jointly contribute to Baltic Defence College (BALTDEFCOL) courses and activities. Within the Nordic-Baltic Initiative (NBI) there are joint projects supporting defence and security sector reforms in the Western Balkans, Georgia and Ukraine. In May 2013 the Nordic-Baltic Initiative hosted the South Caucasus and Moldova Clearing House in Tartu, Estonia.

Since 2010 the Baltic countries participate in Nordefco meetings on a regular basis. The Baltic countries take part in several Nordefco projects, such as Combined Joint Nordic Exercise Programme (CJNEP) and Veteran Issues.

A NB8 Chief of Defence meeting was held in the beginning of 2013 in Klaipeda, Lithuania. The latest meeting between the Nordefco Military Coordination Committee (MCC) and Baltic counterparts was held in May 2013. On 18–19 September a Nordic-Baltic-US Defence Planners’ meeting was held in Stockholm.

### 3.5 Energy

Cooperation in the energy sector is a vital part of Nordic-Baltic cooperation. The objective of the BEMIP Action Plan is to integrate and develop the energy markets and enhance security of supply for the countries around the Baltic Sea. Overall the progress achieved in the implementation of the plan in electricity is on schedule. The implementation of identified electricity infrastructure projects, e.g. Estlink II between Estonia and Finland; Nordbalt between Sweden
and Lithuania, as well the implementation of related legislation, are on good track. These connections will be essential in connecting the Nordic and the Baltic countries in a joint electricity market. The implementation of the LitPolLink will further enhance integration in the region. There are ongoing negotiations between the Commission, the Russian Federation and Belarus on technical operation of the Baltic electricity systems, in order to allow full implementation of the EU legislation.

Progress in the gas sector has been slower than in electricity. The first priority is to end the isolation of the three Baltic States and Finland through the promotion of a minimum set of infrastructure projects, namely the Polish-Lithuanian gas interconnector (GIPL), the Estonian-Finnish gas interconnector (Baltic Connector) and, importantly, one regional LNG plant in the Eastern Baltic.

In line with the newly adopted infrastructure Regulation, the BEMIP regional working groups have during the past year identified the electricity and gas projects of European interest and proposed them for the Union-wide list of projects of common interest. Provided they meet the criteria, the Baltic infrastructure projects are good candidates to receive EU financial support from the Connecting Europe Facility.

### 3.6 The NB8 brand and regional cooperation

This region continues to benefit from an exceptionally strong network of institutions and projects. The large number of regional organisations and networks, sometimes with overlapping objectives, provides an ideal arena for regional cooperation attracting interest internationally. Collaboration is characterised by pragmatism and flexibility.

One such regional constellation is the Enhanced Partnership in Northern Europe (e-PINE), a Nordic-Baltic-US cooperation format at Political Directors’ level. Sweden hosted a human rights meeting in Stockholm in February for discussions on the human rights situation in Russia and Eastern Europe, and a Political Directors’ Meeting in Tbilisi, Georgia, in April. The latter focused on the Eastern Partnership, Russia, including cooperation with North-Western Russia, and regional economic integration in Central Asia/Afghanistan. The Annual Academic Meeting for participating think tanks took place in connection with the meeting, focusing chiefly on the European
Global Strategy. On 23–24 October, Stockholm hosted a back-to-back Russia/Eastern Europe Directors Meetings on Central Asia/Afghanistan and Eastern Europe respectively. The final e-PINE meeting under the Swedish Chair took place in Washington DC in early November.

Since 2011, the Prime Ministers of the Nordic and Baltic countries and the UK have met regularly to discuss issues of common concern at the Northern Future Forum. At the Northern Future Forum in Riga in February, discussions centred on the green economy and its competitiveness, as well as the digital divide.

4. Other achievements

On 23–24 May, a group of 14 diplomats gathered in Stockholm for the annual Young Diplomat Seminar. This year’s programme included a visit to the Riksdag (Swedish Parliament), lectures on Nordic-Baltic security trends, internet freedom and security, economic dynamics of the crisis in Europe and a workshop on EU enlargement.

Partly as a follow-up to the NB8-V4 meeting in Gdansk and in preparation for the upcoming European Council in October, Sweden and Poland hosted a meeting in June in Stockholm to discuss how the EU single market will contribute to boosting growth and competitiveness in the EU. More specifically, views were exchanged on matters concerning the single market, the service sector, the digital economy and the FTA with the United States and its impact on the single market.

During the year Japan showed clear interest in meeting with the NB8 countries and circulated a non-paper with proposed topics for discussion. A first-ever meeting between the NB8- and Japanese Foreign Ministers was arranged in the margins of ASEM in New Delhi 11 November. Among the issues mentioned were peace and security, economic growth and inclusion of women on the labour market.

During autumn new guidelines for the Nordic Council of Ministers cooperation with Estonia, Latvia and Lithuania for 2014 and onwards have been adopted.
5. Final words

During 2013 developments in the world gave us, the NB8, reason to act. The turn of events in Syria and in our eastern neighbourhood required deliberation and we contributed by issuing joint statements. Furthermore, we gave these matters top priority at our meetings on various levels. The Eastern Partnership has been a priority during the year, and the summit in Vilnius made it clear that the matter will stay on top of the agenda. It is imperative that we continue our efforts in view of the Riga summit.

We have also taken new steps to increase our dialogue with neighbouring regions. Foreign ministers of the NB8 and V4 met for the first time and held constructive discussions on several matters of common interest. The success was evident and a follow-up meeting will be held in Estonia early next year. The President of the United States expressed interest in our regional cooperation, both when he met the three Baltic presidents in Washington at the end of August and during his visit to Stockholm in September. Japan also communicated their interest and a meeting was organised in the margins of ASEM in November – also a first. It is clear that our NB8 cooperation is seen as a model for sub-regional cooperation.

Part of our uniqueness, besides geographical and historical ties, lies in the strength of our close and informal cooperation. It gives us the means to act swiftly when events demand our attention. Sweden would like to thank you all for contributing to make our NB8 cooperation so relevant and look forward to meeting next year’s challenges under the guidance of Estonia.