

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

The Prime Minister of Estonia Mr Jüri Ratas, the Prime Minister of Latvia Mr Māris Kučinskis and the Prime Minister of Lithuania Mr Saulius Skvernelis met within the framework of the Baltic Council of Ministers on 18 December 2017 in Tallinn, Estonia. The Prime Ministers discussed the key issues of regional and trilateral co-operation, as well as current foreign policy and EU issues. They reviewed the progress in the implementation of the joint priorities during Estonia's chairmanship of the Baltic Council of Ministers. In their assessment the Prime Ministers emphasized the need for continuing co-operation to further enhance regional security, to develop regional energy market and transport connections and cross-border digital services. The Prime Ministers also reiterated the importance to consolidate their positions to ensure the interest of the Baltic states in the European Union.

Strengthening security in the region

The Prime Ministers:

Thanked the Allied nations contributing to NATO's enhanced Forward Presence (eFP) and underlined its importance as a crucial component of NATO's strengthened deterrence and defence posture. It represents strong unity within the Alliance and commitment to collective defence.

Stressed the need to fully implement the decisions of NATO Summits in Wales and Warsaw, to ensure overall coherence of current efforts and to address existing gaps in order to secure a credible deterrence and defence posture across all domains and readiness to meet a full range of security challenges to the Euro-Atlantic area. Emphasised the importance to fully implement decisions regarding the eFP, including joint enablement and credible reinforcement strategy.

Remain convinced that close transatlantic relationship is indispensable for security and defence of the Euro-Atlantic area. Implementation of Defence Investment Pledge, which Allies agreed in 2014, would further strengthen the transatlantic bond and ensure resources needed to meet current security challenges.

Emphasized the great value of support provided by Allies in strengthening defence of the Baltic region. Expressed gratitude to the United States Government for the increased and unwavering support in form of the European Deterrence Initiative.

Reaffirmed the Baltic states' commitment to international security and stability by increasing participation in international missions and operations.

Underlined the importance for the Baltic states' to invest in modernisation of the defence forces, infrastructure and take a comprehensive approach towards ensuring defence and security of the Baltic region. Stressed the Baltic States' efforts to provide important expertise in the areas of energy security, strategic communication, cyber security and countering hybrid threats.

Agreed to aim for close coordination and information sharing on initiatives to strengthen security and defence, including joint exercises, common operational picture, cooperation on ensuring a well-functioning crisis management system, enhancing the security and surveillance of the external EU and NATO borders.

Welcomed the European Union's commitment to take more responsibility in security and defence, which contributes to a more balanced burden sharing, development of new capabilities and complements the work done in NATO. In this context particularly emphasized the launch of Permanent Structured Cooperation (PESCO) on 11 December 2017 as the main driving force for closer defence cooperation and a sign of political will to commit additional resources for defence.

Welcomed the interest of Member States in the military mobility project to be launched under PESCO aiming to simplify the procedures of military mobility and ensure the quick deployment of forces.

Expressed support to the continuing and increased EU-NATO cooperation with emphasis on practical initiatives aimed at increasing the defensibility of Europe. The full set of proposals, including the additional ones agreed in December both in EU and NATO, should be implemented. Military mobility and cyber security are the areas where building synergies between civilian and military instruments would significantly surpass individual efforts.

Developing a competitive regional energy market

The Prime Ministers:

Reiterated their commitment to continue the close co-operation to secure a competitive, well-connected, transparent and open Baltic energy market and in that regard acknowledged the work done by the Baltic Council of Ministers' Committee of Senior Energy Officials.

Emphasised the importance of the Baltic electricity system synchronisation and integration with the European network as a strategic energy security goal. Recalled that synchronisation with the Continental European Network (CEN) via Poland was chosen as the most appropriate synchronisation option due to the cost-effectiveness found by the Joint Research Centre.

Expressed their support to the outcomes of the 19 September 2017 meeting in Tallinn between the European Commission, Poland and the Baltic States and the 7 December 2017 meeting of the BEMIP High Level Group.

In that regard welcomed the launch of the dynamic study to identify technical conditions of all CEN synchronisation scenarios by the Baltic and Polish transmission system operators as well as the Baltic system frequency stability analysis to be completed by the Baltic TSOs, noting the importance of the outcomes of these studies on technical, economic and market aspects of all CEN scenarios.

Stressed that these studies should be finalised in spring 2018 and provide comprehensive information to ensure the making of an informed political decision by summer 2018 and moving forward without further delays with the most feasible, reliable and time- and cost-

efficient synchronization scenario. Particularly highlighted that Connecting Europe Facility funding and its availability is crucial for the successful implementation of the project.

Reiterated the importance of implementing the highest international nuclear and environmental safety requirements for all nuclear facilities within the EU as well as in the EU neighbourhood, inter alia in Belarus.

Stressed the need to establish level playing field for electricity trade with third countries and in this regard welcomed the ongoing work of the Committee of Senior Energy Officials with the assistance of the Baltic transmission system operators to develop the regional solution and encouraged the transmission system operators to implement the results of the work as soon as possible.

Underlined the importance of creating a unified framework of market rules of the common Baltic-Finnish gas market as well as the cooperation with Poland and emphasised the delivery of timely results of the action plan being monitored by the Regional Gas Market Coordination Group.

Prioritised the implementation of the vital electricity and gas market infrastructure projects that contribute to enhancing the security of supply and competitiveness of the Baltic energy market. Encouraged to move ahead with only cost-efficient infrastructure investments.

Acknowledged the importance of the timely construction of the Gas Interconnection between Poland and Lithuania (GIPL), which is essential for securing the cost-efficient diversification of gas supply, integrating the Baltic-Finnish gas market to the European gas market and increasing regional energy security.

Noted that the Nord Stream 2 project, if implemented, must be in full compliance with the EU *acquis* and the Energy Union principles.

Developing transport connections

The Prime Ministers:

Expressed their satisfaction with the progress on the trilateral Intergovernmental Agreement on the development of the Rail Baltic/Rail Baltica railway connection which entered into force on 24 October 2017.

Reiterated the importance of the Rail Baltic/Rail Baltica railway connection within the North Sea - Baltic Trans-European Network Transport corridor. Recalling the conclusions of the feasibility study by Ernst & Young of 24 April 2017 confirming the high-level socio-economic potential of the Rail Baltic/Rail Baltica railway connection, they agreed that the project should be implemented jointly at the agreed fast pace.

Welcomed the initiative to establish a ministerial working group in order to start discussing the issues related to future agreement on infrastructure management, and to elaborate the common framework for such an agreement.

The Prime Ministers assured that while recognizing the multi stakeholder-characteristics of the Rail Baltic/Rail Baltica project, the main lead and responsibility will be taken by the governments of Estonia, Latvia and Lithuania.

Welcomed the growing support and increased involvement of Poland and Finland in the Rail Baltic/Rail Baltica project framework. The reconstruction of the railway route between Warsaw and Polish/Lithuanian border, aimed to adapt it to the standards of a fast railway connection, would also serve wider regional interests.

Agreed that the overall completion of Rail Baltic/Rail Baltica project by 2025 will be only feasible if the EU financial support for the development of priority projects in Trans-European infrastructure networks will remain on the level comparable to the current EU support rate during the next Multiannual Financial Framework. In this context, the Prime Ministers acknowledged the value of European Union co-financing that has been provided to this cross-border project to date, and underlined importance of maintaining a similar support rate in future, especially in 2021-2027 MFF.

European Union - common interests, shared values

The Prime Ministers:

Welcomed the strong commitment of the European Council to develop the **digital Europe** and to complete the Digital Single Market Strategy in all its elements by the end of 2018.

Recognised that digital development and cross border services are the foundations of building socio-economic cooperation in the region.

Agreed that the three countries will continue work on electronic identity and signatures to seek way forward to common electronic signature format and possible joint sourcing of electronic signature and eID solutions, to ensure their sustainability.

Expressed their commitment to pursue the data-driven approach in modern healthcare to make advances in providing optimal healthcare through a meaningful use of health information technologies and contributing to the economy at the same time. Three states will seek way forward to make the digital prescriptions fully functional in the region.

Underlined that to develop new business models and services the free flow of data is the foundation for various sectors and stressed the need to speed up the work with the free flow of non-personal data proposal.

Emphasised the importance to implement the Ministerial Declaration on e-Government - the Tallinn declaration, 5G Action Plan and the Cybersecurity Action Plan in order to enhance the European digital ecosystem.

Emphasized the need to continue thriving towards EU common objectives and implementing common policies. They reiterated that it is of utmost importance to maintain the adequate levels of financing of the EU policies during the **next Multiannual Financial Framework**. While acknowledging new challenges the EU is facing, the Prime Ministers stressed the continuing relevance of the traditional policies, which should be taken into account when planning the next MFF. The EU value added should be the main criterion of EU policies, also enabling to minimize the national burden based approach to EU budget policies.

Underlined the urge to increase economic security and connectivity within the EU through the reinforced development of the trans-European networks. Major infrastructure projects, notably those currently financed through the Connecting Europe Facility Instrument, are contributing to the common objective of completing the EU single market and should benefit from sufficient financing from the common resources.

Reaffirmed that a stable, prosperous and democratic neighbourhood is in the interest of the European Union and expressed a joint commitment to strengthen the **Eastern Partnership** in this regard.

Welcomed the results of the 5th Eastern Partnership Summit in Brussels taking place under the Estonian Presidency of the Council of the EU, and agreed to ensure their effective implementation.

Reaffirmed their firm support to associated partners' European aspirations and European choice. Welcomed the increased differentiation of Eastern Partners based on sovereign right to choose the level of ambition as well as on our common interests. Noted with satisfaction the entry into force of Association Agreements with Georgia, Republic of Moldova and Ukraine as well as the visa free regime between the EU and Schengen area and Georgia and Ukraine. The Prime Ministers underlined the importance of full implementation of the Association Agreements as well as ensuring EU's targeted support to that end, including through a foreseen format between the EU and the associated partners for exchange on association related reforms.

Emphasized the need for the European Union together with the other international financial institutions and donors to help Ukraine and other Eastern Partners to maintain a reform momentum and boost economic growth. In this context, the Baltic States agreed to continue discussions on possible new initiatives how to best support Ukraine and other Eastern Partners and remain ready to share with our Partners their experience of enhancing reforms and development through the efficient use of support and financial instruments.

Underlined the importance of EU's continued engagement with Armenia, Azerbaijan and Belarus on the basis of tailor-made approach. In this regard, welcomed the signature of Comprehensive and Enhanced Partnership Agreement with Armenia as well as looked forward to a speedy conclusion of the negotiations of the new agreement with Azerbaijan.

Encouraged the Eastern Partners to stay the course and continue reform efforts and underlined that EU financial support is clearly linked to concrete reform progress. With a view to build political and economic resilience and to strengthen strategic communications, the Prime Ministers welcomed the new political and economic objectives to be achieved in the Eastern Partnership by 2020, as set out on the strategy "20 deliverables for 2020", and called upon all relevant stakeholders to implement them without any delay.

The Prime Ministers once again condemned the continued Russian aggression against Ukraine as well as illegal annexation of Autonomous Republic of Crimea and city of Sevastopol and underlined its unwavering support for effective non-recognition policy of the annexation. Reaffirmed support for Ukraine's independence, sovereignty and territorial integrity, within its internationally recognised borders.

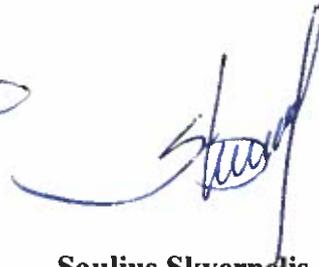
Expressed its conviction that sanctions must remain in place until Russia fully implements Minsk agreements and Ukraine's sovereignty and territorial integrity is fully restored. Deplored the fact that Georgian territories of Abkhazia and Tskhinvali region/South Ossetia remain under *de facto* occupation by Russia as well as the illegal borderization and creeping annexation of both occupied territories is continuing.

Expressed concern about increased restrictions on non-governmental organisations, civil society actors and most recently, on foreign media in Russia that go against human rights obligations of the Russian Federation.



Jüri Ratas
Prime Minister
of the Republic of Estonia

Māris Kučinskis
Prime Minister
of the Republic of Latvia



Saulius Skvernelis
Prime Minister
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Tallinn, 18 December 2017