

# **Report on activities of the Baltic Council of Ministers 2008**

## **Content:**

**Committee on Defence**

**Committee on Energy**

**Committee on Environment**

**Committee on Home Affairs**

**Committee on Transport and Communications**

**Baltic Council of Ministers**

**Committee on Defence**

**Activity Report 2008**

## **Tartu, Estonia**

### **20-21 November 2008**

The Baltic defence co-operation has had an intensive year with one completely new initiative started and others seeing some major developments. The Ministers of Defence so far have had one Ministerial Committee meeting on 30 May 2008 in Latvia. Next Ministerial Committee meeting will be held in Lithuania on December 4-5, 2008.

#### **1. DEVELOPMENT OF BALTNET/AIR POLICING**

The most important project in this field of co-operation is the analysis concerning the future of Air Policing after 2018.

Common Political Guidelines for solution of Air Policing operation beyond 2018 were approved by Baltic Ministers of Defence at the end of May 2008. In accordance with Political Guidelines trilateral Air Policing working group is established consisting of civilian and military experts from three Baltic countries. The working group has a task to analyze all political, financial, economical and legal aspects of possible solutions after 2018 and present their conclusion and recommendations.

Analysis must be done till the end of 2009, leaving the time for reaching a decision about future Air Policing solution till the end of 2010.

#### **2. BALTIC DEFENCE COLLEGE (BALTDEFCOL)**

The main function of the Baltic Defence College is to continue the training of senior staff officers and civil servants. The priority of all Baltic states is to keep BALTDEFCOL's high standard as a widely recognized and multinational staff college, preparing staff officers and civil servants - both from Baltic states as well as other countries to participate in multinational staff positions and lead transformation in their organizations.

Aside from regular activities, the most important event regarding the future and plans of BALTDEFCOL was the conference of BALTDEFCOL participating countries in October. The aim of the conference was to facilitate information exchange and dialogue between the participating nations and BALTDEFCOL. The conference clarified the issues of concern for participating countries. Special attention has to be paid to management, manning issues and Host Nation Support in order to sustain wide multinational character with regard to the teaching staff and students.

#### **3. BALTIC BATTALION IN NRF-14**

Participation in NRF-14 is currently one of top priorities of Baltic States. Baltic States have signed a Memorandum of Understanding to endorse the preparation process for our common rotation in 2010 with the necessary support;

The Chiefs of Defence of Baltic states signed the much-needed Mission Preparation Plan of the Battalion in September which gives the guidelines for the rest of the preparation until the readiness period of the battalion.

#### **4. BALTIC NAVAL CO-OPERATION**

An important milestone for the Baltic Naval Co-operation was the political guidance approved by the Ministers of Defence in May. For the future of the Baltic naval co-operation the Baltic states have set the following objectives: 1) Provision of naval military presence in

Baltic Sea and demonstration of solidarity between Baltic states; 2) Provision of continuous Mine Counter Measures capability for international and national operations and exercises in peacetime and periods of crisis and conflicts;

#### **4. CO-ORDINATION OF EFFORTS IN THE FIELD OF DEFENCE PROCUREMENTS**

Joint defence procurements between Baltic states are of true strategic importance. Joint procurements would increase the interoperability between Baltic countries and possibly decrease the procurement and life-cycle costs.

In order to achieve any major joint procurement, it is important to increase the working contacts between defence planners of Baltic states and harmonize procurement requirements set by each country. In May 2008 Baltic Ministers of Defence also endorsed the political guidance that formalizes the goals and process for achieving common defence procurements in the future.

#### **5. ANNUAL BALTIC CONFERENCE ON DEFENCE (ABC/D)**

The ABC/D, conducted already since 2006, is the first and only pan-Baltic conference with security dimension that brought representatives from the majority of NATO and EU member states to our region, thus offering all of us the unique opportunity to discuss defence policy issues important for us. The third conference "*The International Security Environment in 2030 – the Utility of Military Power*" co-organised by the Baltic states' Ministries of (National) Defence and BALTDEFCOL was held at BALTDEFCOL on 24-26 September 2008. ABC/D has become an intellectual milestone in the annual Baltic defence co-operation, contributing to the co-operation of common mindset in addition to the practical co-operation projects.

#### **6. CIVIL SERVANTS EXCHANGE**

2008 has been also marked by the start of a completely new initiative in the Baltic defence co-operation - exchange of civil servants between Ministries of Defence. In the first half of 2008 the pilot-project was conducted between Estonia and Latvia. The exchange project took place in the field of outreach co-operation. The first project was a most definite success and both countries now are discussing over areas for future exchanges. It is quite clear, that civil servants exchange can be a driver for enhancing co-operation in other fields - defence planning, crisis management or defence procurements.

**Baltic Council of Ministers**

**Committee on Energy**

**Activity Report 2008**

**Tartu, Estonia**

## 20-21 November 2008

Current report describes the activities of the Baltic Council of Ministers Committee of Energy during the year 2008. The report describes the progress in relation to the Energy Committee's priorities for 2008 under Estonia's presidency in the Baltic Council of Ministers:

1. Implementation of the Common Baltic Energy Strategy
2. Co-operation in the area of energy security
3. Co-operation and exchange of information on topical EU issues

Energy markets of the world have been very turbulent during this year. The crude oil prices have reached all-time highs during the summer, natural gas prices have followed the path. In the EU level, detailed discussions have started to develop new Energy and Climate Package, which has also a significant impact to the Baltic Energy markets in the future.

The members of the Committee of Energy currently are:

Einari Kisel, Deputy Secretary General for Energy, Ministry of Economic Affairs and Communications of Estonia (Chairman for 2008)

Ugis Sarma, Director of Energy Department, Ministry of Economy of Latvia;

Jonas Kazlauskas, Deputy Director, Energy Agency of Lithuania

During its Presidency, Estonia is continuing the work which begun already in previous years. Common Baltic Energy Strategy has formed a vision of the ways forward and the actions to be implemented. The discussions on the energy security issues have become the clear issue in the public and among the policy-makers and politicians. Intensive work on the EU 3<sup>rd</sup> energy package and on Climate Package has also intensified the discussions on these issues of the experts and officials from the Baltic States.

### 1. Implementation of the Common Baltic Energy Strategy

The Common Baltic Energy Strategy sets tasks for the different sectors to be developed. Below one can find an overview on the progress on these tasks

#### TASKS FOR THE POWER SECTOR

In order to ensure the strategic reliability of electricity supply and integration into the EU internal market, the following measures must be taken under CBES:

- 1) To develop cooperation and collaboration of the Baltic States - to facilitate a competitive environment, to enhance transit and to promote common electricity market; to create a framework for green house gases (GHG) allocations;

During 2008, an analysis of the viability of introduction of the power exchange in the Baltic power market has been carried through. Several issues of power market regulations, disturbing

the implementation of the power exchange in the Baltic region, have been identified in each Baltic State. The authorities have to address these issues identified in the regulations to ensure the proper functioning of the power market in the Baltic region and to encourage the introduction of the Baltic power exchange.

In parallel the new Energy and Climate Package is developed in the EU. New principles planned for Emission Trading Scheme will have also a major impact to the Baltic energy markets.

- 2) To prepare an action plan regarding further integration of the Baltic power systems into markets of Central Europe and Nordic countries;

The European Commission has initiated recently a Baltic Interconnection Plan (BIP) and called upon the High-level Group from the representatives of the Baltic countries, Poland, Finland and Sweden. The draft of the BIP will be discussed first time on 20. November in Brussels. BIP should set the clear investment plans for interconnecting the Baltic power and gas networks to the EU networks.

- 3) To renew and build transmission and distribution facilities;

The Transmission and Distribution System Operators of the Baltic States carry currently through the intensive renovation programs.

- 4) To renew the large power production capacities;

Environmental Impact Assessments (EIA) for the new Nuclear Power Plant in Lithuania and for renovation of Narva Power Plants were carried through during 2008. Also the preparations for building the new coal plant in Latvija were started.

- 5) To use possibilities and benefits from development of distributed electricity generation;

Several new CHP projects are lately initiated due to the updated legislation in the Baltic States, distributing substantially the power production.

- 6) To increase the share of renewable energy sources in the electricity mix.

Several windpark projects are in construction phase currently in all Baltic States. In addition, above-mentioned CHP projects are in several occasions based on biomass.

## TASKS FOR THE NATURAL GAS SECTOR

In order to enhance reliability of the natural gas supply, the Common Baltic Energy Strategy foresees following tasks:

- 1) To prepare feasibility study for construction of the regional liquefied gas import terminal and development of necessary infrastructure;

The different interest groups on LNG and LPG terminals and their infrastructure currently carry through several studies. These studies are planned to be finalised in the end of 2009.

- 2) To prepare feasibility study for interconnection of Lithuanian and Polish natural gas systems;

Feasibility Study is planned.

- 3) To strive for financial support from the EU Structural Funds for construction of strategic pipelines connecting the Lithuanian and Estonian natural gas systems with gas networks in Poland and Finland.

Preparations of the projects are on the way. After feasibility studies the financial support can be applied for. Also BIP must provide financial support for these projects.

## TASKS FOR THE LIQUID FUELS SECTOR

In order to enhance strategic reliability of the supply of the liquid fuels it is necessary:

- 1) To maintain the diverse structure of the liquid fuels market in the Baltic States;

The diversity is maintained, even after large fluctuations in the global oil market.

- 2) To develop biofuels and non-conventional energy sources;

Several projects for bio-fuels production are currently under construction, also experiments for refinement of shale-oil have been successful.

- 3) To build up efficiently the mandatory stocks of liquid fuels.

The Stocks have been increased in all Baltic States in accordance with requirements.

## **2. Co-operation in the area of energy security**

For all Baltic States one of the priorities of the energy policy is to ensure the security of energy supply. In this regard it is important to integrate the Baltic energy market in the EU network thus reducing dependency of energy and raw material supplies from Russia and other states of the former Soviet Union.

Several meetings of the politicians, officials, companies, TSO-s, etc. have discussed the ways to cope with increased risks in the energy security. In order to ensure the energy security, additional investments in power production are planned in each Baltic State: new nuclear power plant in Lithuania, coal and gas plants in Latvia, biomass/peat, oil-shale and wind plants in Estonia.

Also additional interconnections from the Baltic States to Finland, Sweden and Poland are under discussions. These discussions will be elaborated in more detail under the Baltic Interconnection Plan.

### **3. Co-operation and exchange of information on topical EU issues**

The preparations of the Energy and Climate Package and 3<sup>rd</sup> Energy Package have also intensified the co-operation of the Baltic States. Though the Baltic States have had different positions and approaches to these packages, the exchange of views has been very important for the officials and representatives in the EU.

**Baltic Council of Ministers**  
**Committee on Environment**

**Activity Report 2008**

**Tartu, Estonia**  
**20-21 November 2008**

To date Estonia has organized one meeting of the Senior Officials and a meeting of the Ministers of Environment. The second Senior Officials meeting is planned to be held at the end of November or beginning of December 2008.

## **1. Meeting of the Senior Officials**

**The Senior Officials met on 8 April** in Tallinn. The topics discussed included climate and energy, HELCOM and the Baltic Sea Action Plan, information on the Baltic Ministerial meeting, bilateral co-operation issues, information on Estonia's accession process to the OECD. The meeting also listened to the report by waste experts who met back-to-back with the Senior Officials.

### *1.1 The EU climate change and energy package*

The EU climate change and energy package and the EU Emission Trading System (ETS) were discussed. In general, the countries welcomed the climate and energy package because it would increase energy security, promote the use of renewable energy sources, encourage the increase of energy efficiency and reduce the dependence from an only external energy supplier. Estonia, Latvia and Lithuania noted to have similar problems concerning the climate and energy package, the most crucial problems concerning energy security, CO<sub>2</sub> storage and their impact on the growth of the economy and social environment.

### *1.2 Baltic Sea marine environment issues*

On the Baltic Sea marine environment issues the problems of the future and objectives of the HELCOM were discussed. There have been problems with the efficiency of implementation of HELCOM budgetary means, which is not very clear for the member states. However, the countries agreed that HELCOM was still the most suitable for running the Baltic Marine Strategy. As concerns the Baltic 21, it was a common attitude that the Baltic 21 was not working as it should, was not a priority for Latvia and in Lithuania's (LT) view had lost its importance already after accession to the EU of the Baltic countries. LT would support to disband the Baltic 21 and transfer its functions to the HELCOM. Estonia (EE) had not formed its official position yet, but tended to support the idea of transforming the Baltic 21 into an organization with voluntary contributions.

It was agreed that the marine experts would meet in autumn back-to-back with the Senior Officials meeting.

EE informed about the preparations for the Ministerial meeting, which was suggested to be held in August at Saaremaa. For the time being the agenda remained open, still, it clearly included climate and energy, Baltic Sea and waste related issues.

Estonia informed about its ongoing accession process to the OECD, which would take 1 to 2 years. Before formal negotiations Estonia had to prepare a number of documents and the Ministry of the Environment of Estonia needed to forward their input by the end of April. Latvia noted that they had had some initiative in 2004 but were not actively considering accession at the moment. Lithuania has observers in some committees, and hopes to be invited by 2011.

The waste experts managed to discuss the implementation of the beverage packaging deposit system and lead batteries collection. Their meeting proved to be both interesting and useful and it was agreed that they would meet again in autumn.

Under the AOB item Estonia distributed initial information on the International Conference on the conclusion of the Sillamäe Radioactive Tailings Pond Remediation Project which was held at Sillamäe, East-Viru County on 29 -30 October. Latvia informed about the Aarhus MOP3 (Meeting of the Parties to the Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice regarding environmental matters), which was held in Riga in June.

## **2. Meeting of the Baltic Ministers of Environment**

The **Baltic Ministers of Environment met on 29 August in Kuressaare**. The ministers discussed the EU climate and energy package, the EU Baltic Sea Strategy, common policy of the Baltic countries concerning mandatory deposit system for packaging waste collection, lead batteries collection, the possibility to establish a GMO free zone at the regional level and cooperation between environmental inspectorates.

### *2.1 EU climate change and energy package*

It was noted that although the situation in the Baltic countries differs, we have similar problems concerning the climate change and energy package. The ministers agreed that exchange of views and protection of common positions of the Baltic countries in the EU was necessary. There was also a need for closer co-operation concerning the possible International Emissions Trading.

### *2.2 EU Baltic Strategy*

A general overview of the **EU Baltic Strategy** currently under development was given, stressing that it would increase the EU's engagement in the Baltic Sea Region. The Strategy should be helpful for resolving the environmental challenges related to the Baltic Sea, ensure sustainable economic growth and competitiveness of the Baltic Sea Region and efficient use of available resources at all levels. Estonia is going to focus on spatial integration of the region, maritime environment and navigation, and knowledge based society. All regional organizations and co-operation platforms in the Baltic Sea area have their special role and value added to the strategy, however, their activities should not be duplicated. Also transboundary pollution issues as well as establishment of marine protection areas were discussed. It was decided that marine experts would meet again later this autumn back-to-back with the Senior Officials meeting.

### *2.3 Deposit system of beverage packaging*

As concerns the implementation of the deposit system of beverage packaging Latvia and Lithuania are currently preparing the introduction of a mandatory deposit system. The system in Estonia was introduced in 2005. Estonia has its experience to share. In addition to the previous expert meetings a delegation from the Latvian Ministry of the Environment led by the Minister visited the colleagues in Estonia on 23 July to discuss in more detail the bases and principles of the system. In Kuressaare it was decided that Estonia would organize an expert meeting again in autumn back-to-back with the senior officials meeting.

Problems evolving from the different taxation systems on the collection of lead batteries were discussed and decided that more co-operation in all questions concerning waste (incl. lead batteries) is necessary. It was a common opinion that also inspectorates should be more involved in these matters.

#### *2.4 GMO free zone*

Latvia proposed exchange of information on the possibility of establishing a **GMO free zone** at regional level. In Estonia, the Ministries of Agriculture and the Environment have explored the possibility to establish GMO free zones in Estonia while working out the so-called co-existence measures (rules for growing together the GMOs and conventional crops), and have reached a consensus that legally it would be possible only in case all the farmers and landowners in a particular region wish to do so and sign a written declaration that they do not wish to grow GMOs. This view is in line with the opinion of the European Commission. It was decided to continue to **exchange information** on the ideas and developments concerning GMOs in the Baltic countries.

After having had an overview of the joint activities of the environmental inspectorates the Ministers agreed to continue co-operation between inspectorates, putting more focus on waste issues. Latvia and Lithuania promised also to **invite top management** of the Estonian Environmental Inspectorate to join the relevant meetings of the Latvian and Lithuanian colleagues.

**Baltic Council of Ministers**

**Home Affairs Committee**

**Activity Report 2008**

**Tartu, Estonia  
20 – 21 October 2008**

Estonia is holding the presidency of the Baltic Cooperation for the year 2008. Since there has not been necessity for trilateral ministers meeting the Estonian Ministry of the Interior has organized under the Home Affairs Committee several bilateral meetings between the ministers instead. Concerning the meeting of senior officials Estonian Ministry of the Interior intends to send an invitation soon to the colleagues from Latvia and Lithuania to discuss further cooperation and to hand over the presidency to the Lithuanian colleagues.

**During the Estonian presidency of the Baltic Council of Ministers in 2008, the following issues were prioritized in the committee on Home Affairs:**

1. The intensification of cooperation between various institutions in connection with accession to the Schengen judicial area;
2. Active development of the SIS II process;
3. Combating cross-border organised crime and other misdemeanours;
4. Preventing and combating illegal migration.

**1. The intensification of cooperation between various institutions of the Baltic countries in connection with accession to the Schengen judicial area** has been very successful – joint patrols of the Estonian and Latvian police and border guards have been successfully launched with the goal of effectively monitoring public order and checking individuals' bases for staying in the Schengen visa area, joint operations have been conducted, and bilateral agreements have been concluded with Finland, Latvia and Lithuania for the exchange of DNA profiles. Joint meetings of police chiefs of the Baltic countries have also taken place, where the specific activities were coordinated based on Schengen compensation mechanisms, including joint training, seminars for exchanging best practices, compiling a cross-border handbook for police work, etc.

**2. In respect to the active development of the SIS II process,** work is in progress. The introduction of SIS II will significantly increase the security of the Schengen area and will contribute to the increased efficiency of security agencies. As of 2005, all three Baltic countries have actively participated in the process to develop the second-generation Schengen information system (SIS II), and the preparation for the implementation of SIS II have progressed according to plan. According to the initial plan, the information systems of the authorised SIS users (Police, Border Guard, Citizenship and Migration Board, Security Police, Tax and Customs Board) would be able to process SIS II data by 30 September 2009. However, since the execution of some of the activities related to the project has been delayed, strong signals have been received from the European Commission regarding the postponement of the SIS II deadline. For the Baltic countries, the quality of SIS II is very important, and although costs related to the postponement are inevitable, the launch of SIS II continues to be a priority.

**3. In respect to combating cross-border organised crime and other misdemeanours, cooperation has also been very good.** Several successful criminal proceedings have been carried out in cooperation with Finland, primarily in the fight against narcotics-related crime. According to the Nordic Police and Customs Cooperation Agreement (the cross-usage of communications officers) continues to be an objective. In respect to misdemeanours, no joint activities have been conducted. A successful form of cooperation with the Baltic Sea countries in the fight against crime continues to be the Baltic Sea Task Force on Organised Crime (BSTF) which was presided over in 2007 – 2008 by Estonia. During the presidency, the work

methods and structure of the cooperation were made more flexible and the focus was on information-based work, while making better use of the opportunities and products provided by the European Police Office (Europol).

Close cooperation is also carried out between the central criminal police units of the Baltic countries, which helps to increase security in the entire North-Baltic region.

#### **4. Preventing and combating illegal migration**

No separate working groups have been formed in the field of illegal migration within the framework of Baltic cooperation, although there is active cooperation and information exchange between the agencies responsible for the given area of activity in the Baltic countries for preventing and combating illegal migration. In addition to the above, active data exchange based on the Schengen information system takes place between the Baltic countries, which makes it possible to effectively identify individuals that are staying without legal basis in the common Schengen visa area, including the Baltic countries.

There is also active participation in the development of the VIS system, which in the near future will be one of the most important instruments for preventing illegal migration and subsequently for combating illegal migration in the Baltic countries as well as throughout Europe. For the Baltic countries, in the field of illegal immigration, it is critically important to achieve readiness to join the VIS system and later to actively participate in the work of the system.

#### **Meetings between the corresponding ministers responsible for internal security**

**During the current presidency, no trilateral meetings between the Ministers of the Interior of the Baltic countries have taken place, although the following bilateral meeting were organised:**

On 7 – 8 April 2008, Mareks Seglinš, the Latvian Minister of the Interior visited Tallinn, Estonia with an accompanying delegation and met with Estonian Minister of the Interior Jüri Pihl. The main topic of the meeting was the internal security of both countries. The topics of discussion included the internal security situation in Estonia and Latvia following accession to the Schengen judicial area, the preparations for joining the United States visa waiver program, as well as the cooperation between the joint patrols in Valga-Valka, the intensification of the rescue-related cooperation between the two countries, the compatibility of the Estonian and Latvian telecommunications systems. Furthermore, the recent developments at the ministry as well as the project for merging the Police, Border Guard and Citizenship and Migration Board were introduced. The Latvian colleagues were also interested in the structure of the police and its cooperation with the Prosecutor's Office, as well as the current operations of the Public Service Academy and the Border Guard School and their future plans. During the visit, an introduction was also provided of the work of the Control Centre of the Northern Police Prefecture.

As the Baltic countries have accessed to the Schengen Area and the experts are of the opinion that it is reasonable to terminate the Trilateral Agreement between of the Ministry of the Interior of the Republic of Lithuania, Ministry of the Interior of the Republic of Estonia and Ministry of the Interior of the Republic of Latvia on mutual exchange of information by telecommunication signed in Palanga on 2002. Relevant letters between the Ministries have been exchanged.

On 19 September 2008, Estonian Minister of the Interior Jüri Pihl met in Tallinn with his Lithuanian colleague, Minister of the Interior Regimantas Čiupaila and the delegation accompanying him. The main topics of the meeting included the merger of the Police, Border Guard and Citizenship and Migration Board, the police reform carried out in Estonia in 2004 and the appointment of the presiding country for the Baltic Sea Task Force on Organised Crime (BSTF). In the course of the visit, the visitors also went to see the Control Centre of the Northern Police Prefecture and the firing range, familiarized themselves with the e-police vehicle and its functions, and met with Lieutenant Colonel Roland Peets, the Director General of the Border Guard Administration. After the meeting in Tallinn, a visit was made to the administrative area of the Western Police Prefecture and the Western Border Guard District, where the parties discussed the field management system, the cooperation between border guard agencies (joint patrols), the remote information technology administration systems, the process of servicing small islands (in cooperation with the border guard and island watch institutions), etc.

## **Activities within the subcommittees:**

### **Subcommittee on Protection from Criminal Influence**

Operational Department of the Estonian Central Criminal Police has been successfully cooperating with the respective Latvian and Lithuanian services in accordance with the trilateral governmental agreement “On cooperation in the sphere victims and witnesses protection” signed in the year 2000.

The subcommittee held a meeting on 6-7 of November in Saaremaa (Estonia) whereat the following issues were discussed:

- transfer of the detained persons from foreign countries using the prison protection facilities;
- armed escorting of the protected persons within the Baltic countries’ territories.

### **Subcommittee of State Border Guarding**

The objectives for the current year have mostly been achieved, and compared to previous years, cooperation has been broader and more productive. The following joint activities have been organised with the border guard experts of Latvia and Lithuania:

1. A meeting of the directors of the Border Guard Academies/Colleges of the three participating countries was carried out.
2. A meeting was organised for the employees of the units responsible for the personnel work in the three states, featuring introductions of the units and discussions on personnel and recruiting policies, as well as other problems and challenges encountered in personnel work.
3. In June, the first phase of the joint Via Baltica operations for preventing and combating cross-border crime was carried out. During the operation, inspections were performed regarding the functioning of common contact points and mobile units, as well as the speed and adequacy of information exchange. Phase II of the joint operation was carried out on 10 – 11 October 2008. The joint operation involved ports with international traffic, airports, and the mobile units patrolling the border areas between Estonia and Latvia. In the course of the joint operation, a joint risk analysis was also compiled.
4. At the end of July, the officials from the Tallinn border inspection point made an on-site visit to the Vilnius Airport at the invitation of their Lithuanian colleagues. This exchange of experiences was continued at the end of September with a visit to the Riga Airport. On 28

October 2008, an introductory visit of Latvian and Lithuanian experts to the Tallinn border inspection point took place with the aim of becoming familiar with border control at the Tallinn Airport in particular.

5. On 6 – 7 October 2008, a meeting of experts from the External Borders Fund (EBF) took place at the Border Guard Administration, aimed at determining common points of departure and creating opportunities for cooperation. The compatibility problems of procured equipment was discussed, the EBF area of application in the Baltic countries was introduced, and a thorough treatment was made of the management of affairs and the administrative aspect of the EBF (directives, supervisors, instructions, control levels in the country, etc.).
6. At the proposal of the Lithuanian Border Guard, a visit was made on 24 October 2008 by representatives of the Estonian and Latvian Border Guard to the centre for the registration of foreigners located in Pabrades, Lithuania. The visitors familiarised themselves with the work organisation and conditions at the centre.
7. On 19 – 20 November, the representatives of the border guards of the three countries will meet in Tallinn to discuss issues related to the internal border and to identify the bottlenecks that have developed in everyday work as well as to find solutions.
8. On 6 – 7 November 2008, a meeting of the heads of international cooperation of the Estonian, Latvian and Lithuanian border guards took place in Tallinn. The results achieved within the framework of the BMN and cooperation activities for 2009 were discussed, and the opportunities for applying for and utilising joint projects were considered. The directing of the joint ILOs of the three Baltic countries to Belarus and Georgia was discussed separately.
9. On 4 – 5 November 2008, a meeting of the chiefs of staff of the border guard authorities of the three Baltic countries will be held in Lithuania.

In addition to the aforementioned events, the visit of the Lithuanian border guard experts to the border section of the Narva and Mustajõe guard stations in April should be emphasized. The purpose of the visit was to exchange experiences, and the Estonian Border Guard provided an introduction of its surveillance system on the eastern border. The visit was followed by a return visit by the experts of the Logistics and Border Security Departments of the Estonian Border Guard to Lithuania in order to become familiar with their sea monitoring system.

The exchange of experiences regarding the training of service dogs continued through participation in competitions that took place on the parties' territories. In January 2009, there are plans to participate in a joint seminar conducted by the Lithuanian colleagues regarding the development of common standards and opportunities for making better use of each other's experiences regarding the training of service dogs in the future.

In respect to the efficiency of regular information exchange, the following should be highlighted: information exchange between the travel document assessment centres of the parties regarding travel documents and their counterfeiting, and counterfeiting methods. In cooperation with the Latvian Border Guard, our Border Guard will participate in the project financed by the European Union for the joint dispatch of communications officers to third countries.

**Subcommittee on Migration Affairs** has not reported of any activity within the BCM framework during the year 2008.

### **Police-related cooperation**

Cooperation between police authorities is very good and several meetings have taken place at different levels.

In February 2008, the Estonian Police Board was visited by a delegation from the Latvian Ministry of the Interior with the purpose of becoming familiar with Estonia's experiences related to the police reform that was carried out in 2004. The topics discussed at the meeting also included the police education system, the creation of the large prefectures in 2004, the management and work organisation of the criminal police, the criteria for measuring the efficiency of police work, the organisation of traffic supervision and the cooperation of police with the society.

On 17 – 18 April 2008, the Estonian Police Board was visited by Vizgirdas Telyčenas, the Director General of the Lithuanian Police, whose objective was to become familiar with the reasons and factors influencing the population's high level of trust in the Estonian police. The goals for guaranteeing the maintenance of law and order (active work directed at the public, cooperation, increased patrols and traffic supervision) were also introduced, as was the plan for reducing the number of criminal police officers carried out in Estonia during 2008. The discussion also touched upon the topic of the average salaries of police officers in Estonia and Lithuania. The specifics of signing the agreement related to the exchange of DNA data were also discussed in the course of the meeting.

On 7 – 8 April 2008, Mareks Seglinš, the Latvian Minister of the Interior visited Tallinn, Estonia with an accompanying delegation and met with Estonian Minister of the Interior Jüri Pihl. The Latvian delegation included Aldis Lieljuksis, the head of the State Police of the Latvian Ministry of the Interior. The main topic of the meeting was the internal security of both countries. The topics of discussion included the internal security situation in Estonia and Latvia following accession to the Schengen judicial area, the preparations for joining the United States visa waiver program, as well as the cooperation between the joint patrols in Valga-Valka, the intensification of the rescue-related cooperation between the two countries, the compatibility of the Estonian and Latvian telecommunications systems. Furthermore, the recent developments at the ministry as well as the project for merging the Police, Border Guard and Citizenship and Migration Board were introduced. The Latvian colleagues were also interested in the structure of the police and its cooperation with the Prosecutor's Office, as well as the current operations of the Public Service Academy and the Border Guard School and their future plans. During the visit, an introduction was also provided of the work of the Control Centre of the Northern Police Prefecture.

On 14 April 2008, the Estonian Police Board, the Estonian Forensic Examination Institute and the Latvian Police signed a trilateral cooperation agreement regarding the exchange of DNA profiles and comparing DNA registers.

On 17 – 19 June 2008, the Directors General of Police of the Baltic countries met in Tallinn. The topics discussed at the meeting included the calculation of police working hours, pensions for police officers, and conditions for organising public events. The legal status of joint patrols, the countries of location of the communications officers as well as their assignments and workloads, and the topic of police service dogs were also discussed. Furthermore, information was exchanged on new criminal groups and the parties agreed to cooperate more closely in exchanging information about major events in the Baltic countries, including football matches.

On 17 June 2008, the Estonian Police Board, the Estonian Forensic Examination Institute and the Lithuanian Police signed a trilateral cooperation agreement regarding the exchange of DNA profiles and comparing DNA registers.

On 16 – 17 September 2008, the Estonian Police Board was visited by a delegation of the Lithuanian Police, headed by Police Vice Director General Mr. Algirdas Stončaitis. The purpose of the visit was to become thoroughly familiar with the police reform carried out in Estonia in 2004, as well as the management of the prefectures/police authorities after the reform and in its current form. Special attention was paid to the activities of the Estonian Police trade union and social guarantees given to police officers. The visitors were also provided with an overview of the principles for preparing the budget and distributing funds between the divisions, the nature of the salary system and the principles for its determination, as well as the specifics of electronically servicing the population.

On 19 September 2008, the Police Board was visited by a delegation from the Lithuanian Ministry of the Interior headed by Lithuanian Minister of the Interior, Regimantas Čiupaila. The main purpose of the visit was to receive an introduction to the police reform carried out in Estonia in 2004 and related topics. The Lithuanian Minister of the Interior was also interested in the structure and work system of the Estonian Bureau of Forensic Medicine, as well as the work organisation and the chain of command at the Personal Protection Service. The topics of police education and the population's high level of trust in the Estonian police were also discussed. At the end of the meeting, the delegation visited the Police Museum, the Control Centre of the Northern Police Prefecture and the firing range, and familiarized themselves with the e-police vehicle and its functions. After the meeting in Tallinn, a visit was made to the administrative area of the Western Police Prefecture and the Western Border Guard District, where the parties discussed the field management system, the cooperation between border guard agencies (joint patrols), the remote information technology administration systems, the process of servicing small islands (in cooperation with the border guard and island watch institutions), etc.

Close cooperation with Latvian and Lithuanian colleagues has also taken place in the course of meetings of the Baltic Sea Task Force. During the period from January 2007 to December 2008, Estonia was the presiding country of the BSTF. During the Estonian presidency, the established work organisation was reviewed and made more flexible. The presiding country has compiled and the BSTF has passed a regional strategy with a clear vision for the future. Currently, the next presiding country has not been determined.

A meeting of the Prime Ministers of the Baltic Sea countries took place in June 2008, where the BSTF presented a report compiled by the presiding country. At this meeting, the BSTF mandate was extended until 2010.

This year, the BSTF met on 12 – 13 May in Narva, Estonia, with the next meeting scheduled to take place on 8 – 9 December in Tallinn.

In 2008, three meetings of the Operational Committee have taken place to date, and a fourth meeting will take place on 17 – 18 November in The Hague.

### **Police-related cooperation within the framework of a joint European Union project**

In July 2008, a one-year Twinning project was launched, with Northern Ireland (Northern Ireland Public sector Enterprises Ltd – NI-CO) as the Senior Partner and Estonia as the Junior Partner, and Latvia as the beneficiary.

The title of the project is: *Strengthening the capacity of State Police to implement the National Criminal Intelligence Model*

The general objective of the project is the reduction of the volume and propagation of economic and organised crime through the effective organisation of tools to combat organised crime. Within the framework of the given project, the aim is to strengthen the enforcement capacity of the State Police to improve the fight against crime by enacting the Concept on the Implementation of the National Criminal Intelligence Model at the State Police and to establish a uniform intelligence information system.

### **Rescue-related cooperation**

The rescue-related cooperation between the three Baltic countries is excellent. This year, the cooperation included the preparation of the draft module on the topic of flooding (BaltFloodCombat) and its submission to the European Commission. The objective of the project is to for the countries to create, based on their internal capability, a joint high-powered pumping unit which could be used if necessary in the Baltic countries as well as elsewhere in Europe. The two-year project specifies the acquisition of similar equipment (partially with project resources, partially funded by the national budgets), the joint training of module personnel, field training and possible real missions. Currently the project is being reviewed by the Commission whose decision is expected by the end of this year.

On 20 – 22 August, the Directors General of the Rescue Services of the Baltic countries met in Valmiera, Latvia within the framework of the Baltic Fire Fighting Games. In connection with the BaltFloodCombat project, it was decided to abandon the idea proposed last year for conducting the international exercise *PanBaltic*.

On 27 – 28 November, the Director Generals of the Rescue Services of the Baltic countries will meet in Pärnu, Estonia, where they will discuss the current situation and future cooperation between the agencies.

During the Latvian presidency in 2007, the need arose for preparing and signing a bilateral cooperation agreement between the Estonian and Lithuanian Rescue Services. This agreement is currently being reviewed by the Lithuanian Rescue Service and the Estonian side is waiting for feedback from the Lithuanians.

On 11 October 2008, the traditional Estonian-Latvian frontier exercise took place (for the fifth year in a row) in Valka, where the two rescue services practiced cooperation for the liquidation of a major accident.

**Baltic Council of Ministers**

**The Committee on Transport and Communication**

**Activity Report 2008**

**Tartu, Estonia  
20-21 November 2008**

## **1. Development of Transport Infrastructure**

To achieve the efficient and balanced development of the whole Baltic Sea region, the Baltic States recognize the need to develop in a complex and coordinated way the whole transport network. The safe, with opened transport service market and interoperable infrastructure is a precondition to economic growth and therefore this item is continues issue for the further cooperation between the Baltic States transport authorities in different levels<sup>1</sup>.

In the XXXI Annual Meeting of the Ministers of Transport of the Baltic States of Estonia, Latvia and Lithuania ministers exchanged views on actual national priorities regarding transport infrastructure and services.

The European Commission has started the preparation of the revision of TEN-T guidelines and the Commission will publish a Green Paper on the revision probably in January 2009. In the year 2009, the content of the Green Paper will be analyzed with the Member States and a proposal for revised guidelines and financial regulations will be published by the Commission in the year 2010. The Baltic transport ministers support the idea of Nordic and Baltic ministers to establish a regional working group to analyse and exchange views on the TEN-T process. The purpose of this Working Group is to share ideas and discover common interests in making proposals for the revision of TEN-T guidelines. During the process the transport specialist emphasized among the others that the connections to third countries are important for all Baltic countries for promoting further development in the region. Therefore, these connections should be emphasized in the list of criteria and taken into consideration in the revision of TEN-T guidelines, where relevant.

### **1.1 Further implementation and development of Via Baltica Project**

Reconstruction and improvement works, mostly based on EU funds, have been continued on all the national sections of the road Via Baltica.

During the meeting on 11.12.09.08 in Riga the transport ministers of Estonia, Latvia and Lithuania exchanged information on the latest development of the implementation of Via Baltica project.

Estonian side informed that according to the Transport Development Plan for the years 2007-2013 and referring the Estonian Road Maintenance Programme investments projects of Via Baltica for the period 2006-2013 are:

- Reconstruction of Pärnu bypass, period of works 2009-2011 and approximate cost is 51 Meur;
- Reconstruction of Tallinn bypass- period of works 2011-2013, approximate cost is 119 Meur.

Necessary investments will be allocated from the State Budget co-financed by the EU Cohesion Fund.

Taking into account the rapid growth of traffic volumes and development activities around the cities in 2008 the pre-design works for possible 4 lane first class road from Pärnu towards the Ikla and Tallinn direction (approximately 10-15 km only) will be started. Some new traffic interchanges close to Tallinn is foreseen in the future.

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<sup>1</sup> Cooperation between the Baltic States Road Administrations; Different bilateral meetings of maritime administrations; bilateral meetings on the ministerial level to coordinate the EU 2007-2013 Cohesion Fund Programming and etc.

Latvia have been successfully implemented the 2<sup>nd</sup> Via Baltica Investment Programme for the period 2001-2007 on the main route. There are eight investments projects of Via Baltica planned to implement on the main route and access roads for the period 2007-2013 with the total amount of investments 434 million EUR. Latvia has announced its first public private partnership pilot project Road E77 section Riga bypass – Senite.

Lithuania reported about the further implementation and extension of Via Baltica project and stressed that with the growth of transport volume Via Baltica becomes more significant, as this is the only road linking Baltic countries with other EU member states. This project is strategically important not only for the development of countries of the Baltic Sea region, but also for the whole European Union. In this regard the Republic of Lithuania will be continuing the development of this transport corridor. In 2007-2013 147 million EUR is allocated for modernisation works of Via Baltica.

## **1.2 Further implementation and development of Rail Baltica Project**

The issue of an interoperable North-South railway corridor RailBaltica linking the Baltic Countries with Poland and subsequently with the rest of the EU rail network can be seen as pivotal in the perspective of development of the railway mode in the region. In a medium-to-long term horizon it can provide a credible alternative to road transport whilst enabling railways to sustain its current levels of market share within the region.

By the end of the year 2007, all four partner countries had agreed to commit funds to the RailBaltica project, by sharing the costs of the TEN-T fund allocations from national funds or by using Cohesion Funds or railway company finance for the sections where the TEN-T would, or could not be used. This agreement represented a major breakthrough in the negotiations on the project, as clearly there will now be available sufficient funds to ensure that the "step-by-step" approach<sup>2</sup> can go ahead and that work can start well before the end of the current financial perspective. The declared aim continues to be that there should be a system operating at 120 km/hr by the year 2013.

On 26 April 2008 a passenger service was resumed between Riga and Valka/Valga on the border with Estonia. This followed a break of several years. Meanwhile the Lithuanian authorities are hoping to restart passenger services between Vilnius and Riga in the short term while the Lithuanian and Polish authorities have held preparatory discussions on a new faster service between Warsaw and Vilnius.

In Estonian the reconstruction works on Tartu – Valga section including Valga railway border - station reconstruction works started in August 2008 and will be completed in 2010. The Estonian Government approved Cohesion Fund 2007-2013 investment plan and 45.4 million EUR will be allocated for the Rail Baltica Tallinn – Tartu section. The period for reconstruction works is 2009-2011. Estonia in close cooperation with other project partners will continue the preparatory works to start with the feasibility study on European standard Rail Baltica railway line.

Latvia is looking forward to start the following action implementation in 4rd quarter of 2008, after receipt of EC decisions:

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<sup>2</sup> Step by Step approach – signed agreements between the Baltic States to start firstly with the reconstruction of infrastructure to achieve the 120 km/h speed using existing 1520mm route; Second step is 160 km/h along the existing 1520mm infrastructure in EST and in LV. LT has different approach which includes the 1435 mm standard infrastructure construction up to Kaunas.

- feasibility study on European standard Rail Baltica railway line;
- reconstruction of the existing infrastructure along the Rail Baltica route: cross border sections Valka – Valmiera, Jelgava – Meitene and domestic section Jugla – Valmiera.

Lithuania has plan on implementation of the national part of Rail Baltica project in 2 stages:

- studies, design and construction of European gauge track from the Lithuanian/Polish state border to Kaunas;
- studies, design and reconstruction of existing gauge track from Kaunas to Lithuanian/Latvian state border.

The new International Coordination Group (ICG) on development of “Rail Baltica” project is established and the first meeting held in Vilnius on February 2008.

The Baltic States transport ministers agreed to address the following issues at the second meeting of ICG to be held in Poland (the chairmanship will rotate) this autumn: current opportunities for freight transportation on Rail Baltica railway, creating a common data-table of “Rail Baltica” project as well as definitions of strategic aims and functionalities of “Rail Baltica” project in a long-term perspective. Also Ministers stressed the need to dedicate political support to “Rail Baltica” project as a priority project in the context of undergoing revision of TEN-T guidelines. It was agreed to address this issue at the second meeting of ICG.

## **2. Exchange of views on actual EU issues:**

### **2.1. EU strategy for the Baltic sea Region**

During the meeting of Baltic transport ministers on 11-12.09.08 in Riga the issue of EU strategy for the Baltic Sea Region was discussed. Parties agreed that issues related to the development of transport sector should constitute an integral part of this Strategy.

Estonian side considers that the regional and sub-regional disparities in the Baltic Sea region are still considerable. This hinders achieving the full potential of the EU’s internal market. Estonian strategy should aim not only to improve the existing TEN-T cooperation in infrastructure but also create new means as safety, security, intermodality in addition to the existing instruments of cooperation in the transportation sector. Estonia looking forward that the cross-border issues between the neighbour countries should be a subject of concrete actions of EU strategy for the Baltic Sea Region.

Latvia considers sustainable development and competitiveness of the Baltic Sea Region (including competitiveness into the European-Asian transport corridor) as the main goals of cooperation. Regarding concrete projects Latvia suggest to include in the Strategy issues like promotion of the competitiveness of transport and logistics, increase of border crossing capacity on the EU external border (simplifying administrative procedures in border crossing, improvement of border crossing infrastructure), the TEN-T network development of connectivity with neighbouring countries as coordinated development based on potential transport flows.

Lithuanian side stress the importance of the Baltic Sea Strategy, which would provide framework to create conditions for growth and competitiveness in the Baltic Sea Region. Also Lithuanian side emphasized the importance of linking development of the EU Baltic Sea Strategy with the revision process of TEN-T guidelines, which has been already started.

### **2.2. EU – Russia border crossing**

The border-crossing questions have been critical point for the all Baltic States during the last ten years. The transport officials and specialist of Baltic States have been participated (2004-2008) in the EU- Russia cooperation frameworks:

- The High Level Group to better connect the EU with the neighbouring countries (transport corridors);
- The *ad hoc* group on transport logistics to look in more detail into delays occurring at the borders of the European Union and Russia.

In 2008 the work with the results and recommendations of both activities was continued in close cooperation with the Baltic States authorities:

- The main High Level Group recommended activities for the international transport sector for further cooperation between the EU-Russia was transformed to the Northern Dimension Partnership on Transport and Logistics. The Baltic States actively participated in the working group process and on 28.11.2008 the new long-term infrastructure cooperation structure between the EU and Russia was approved<sup>3</sup>;
- Following the results of ad-hoc working group and according to the DG TREN “Call for proposals”, Estonia and Latvia prepared proposals to co- finance the project of new parking areas for the HGV<sup>4</sup>.

Estonian Ministry of Economic Affairs and Communications prepared the Governmental decision for the participation in the grant awarded by the European Commission to contribute a preparatory action aiming at facilitation of cross-border traffic at the European Union's North-Eastern external border by promoting secure parking areas at the main border crossing points to the Russian Federation. The plan is to construct of a new parking area for 500 trucks as a first stage.

The government of Latvia has approved the plan for modernization of border crossing points on Latvian – Russian border: Terehova (up to 1000 vehicle units per day), Grebņeva (up to 700 vehicle units per day), Vientuļi (up to 300 vehicle units per day). In order to improve situation on border crossing points there will be special parking areas built at Terehova and Grebņeva border crossing points.

Lithuanian side informed that the most problematic railway and road border crossing point is Kybartai-Černyševskoje, because the Russian side has not implemented into exploitation the station.

Parties agreed on the 11-12.09.08 Riga meeting that more cooperation with Russia is needed on issues of both traffic management and coordination of infrastructure development.

### **2.3. Exchange of information about EU GNSS Satellite navigation Programme Galileo**

Estonia, Latvia and Lithuania have exchanged views on EU GNSS Satellite navigation Programme Galileo in order to find out common interest and to benefit from the further development of the system. Parties agreed to cooperate and analyze the common possibilities to attract and to facilitate private sector involvement.

### **2.4. Countries overview on implementation of road charging systems and plans for the future**

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<sup>3</sup> EU Member State and Russia will sign the MOU for further development of transport corridors of common interests; Establishment of permanent secretariat for the process coordination.

<sup>4</sup> HGV – Heavy Goods Vehicles

Considering the growing volumes of HGV on the international routes and the need for more investments to the road infrastructure sector the introduction of the road user charge system is the reality in the Baltic region.

On the Baltic transport ministers meeting in Riga the issue of implementation of road charges was discussed.

Estonian side informed that an analysis about the feasibility of establishing road vignette system on Estonian road network for heavy goods vehicles with permissible total weight over 12 tons has just been carried out by the Ministry of Economic Affairs and Communications. The results show that due to relatively low intensity levels of transit on Estonian roads and the non justified administrative cost burden of managing the system, it is currently not feasible to introduce road vignette in Estonia. Still it will be open for debate on governmental level, especially considering that Estonia is carrying through a survey on internalization of external costs in the whole road transport sector. Taking into account the recent EU legislative amendments on the internalisation of external cost to road user charges systems Estonia considers that it should be voluntary and not discriminative for EU non core regions.

Latvian side informed that Latvia is planning to introduce road vignette for trucks with permissible total weight over 12 tons starting from 1<sup>st</sup> June, 2009. This vignette will be proportional to the duration of use of infrastructure (day, week, month and year vignettes). After 2010 this vignette system will also be applied to vehicles over 3.5 tons. The road user charge as a payment shall be returned back for the improvement of infrastructure's conditions in order to reduce the negative impact of pollution to environment and people. At the moment Latvia is facing certain difficulties in implementation of the Directive 1999/62/EC, because it is necessary to make amendments in bilateral agreements on international road transport with the third countries such as Russian Federation and Belarus.

Lithuanian side informed that road vignette system has been introduced since the 1<sup>st</sup> July of 2007 in order to facilitate user charge administration. Lithuania has 4 types of vignettes: daily, weekly (7 days), monthly (30 days) and yearly.

It is planned to differentiate the user charge according to a vehicle's "EURO" classification. In the future the vignette system may be replaced by a mileage-based electronic road charge collection system.

## **2.5 Progress report in the field of road traffic safety**

According to the agreement of Baltic transport ministers on the cooperation in the field of road traffic safety the meeting of the Baltic State road traffic safety experts on 4 June 2008 in Pärnu took place. The Agenda of this meeting included informal presentation about the current road traffic safety situation, the developments and trends, planned actions and measures dedicated for improvement of road traffic safety issues in each country.

The participants denoted that the road traffic safety situation tended to improve in all participant countries at the beginning of year 2008.

In more detail the changes in legislation were discussed - traffic law, traffic code, level of austerity of penalization the lawbreaking, traffic accident registration, drivers' training and about requirements to technical conditions of the vehicles etc. Opinions were exchanged on Cross Border Enforcement Directive. The meeting has been estimated as a good example of intergovernmental cooperation and the shared information valued beneficial for road traffic safety work in each country.

The next expert meeting will be arranged in Lithuania in 2009.

According to the Latvian information the comparison of seven months of 2007 and 2008 shows that the number of road accidents (with injured) has decreased by 9.1 %, the number of death toll has decreased by 20.5% and the number of injured decreased by 6.8%. This result has been achieved by amending the legislation, active involvement of the State Police, introduction of photo radars and public awareness campaigns.

Lithuanian have produced the data that situation concerning road accidents is getting better. During the period of 8 months of 2008, in comparison with the same period of 2007, were saved 180 lives.

## **2.6 EU legislation and the reform process in the OSZD; situation of the Baltic States as OSZD members and bilateral agreements in the field of railway sector.**

The reform process of OSZD and its relation with the EU law and membership commitments is also one of the relevant agenda point for the Baltic States in 2008. There is an obvious need for better coordination and Ministers of Estonia, Latvia and Lithuania agreed to coordinate the positions on issues concerning reforms of OSZD considering provisions of EU law.

On bilateral agreements Ministers agreed on the following: Latvian, Lithuanian and Estonian experts will elaborate amendments in bilateral agreements in the field of railway sector of Latvia, Lithuania and Estonia and provide the Ministers with the proposals by December, 2008. The first meeting with all stakeholders took place on 23.10.2008 in Tallinn.