

Annual Report of the Minister of Foreign Affairs on the accomplishments and further work with respect to national foreign policy and the European Union 2019

Introduction

The overarching goal of Latvia's foreign policy is to ensure the irreversibility of the independence of Latvia, promoting its security and strengthening the values enshrined in the Satversme (the Constitution). This goal is pursued by facilitating an increasingly closer integration into international institutions, bringing Latvia closer to EU standards and those of the Organisation for Economic Cooperation and Development (OECD), deepening bilateral relations and expanding their geographical scope, promoting economic growth and international economic cooperation projects, strengthening global and regional development, security, democracy, the rule of law, protection of human rights, and international law, as well as forging a stronger link with the Latvian diaspora and raising Latvia's profile across the globe.

In 2019, we marked 15 years since Latvia acceded to the European Union and NATO and we also celebrated the 70th anniversary of the North Atlantic Alliance. Since the renewal of its independence, Latvia has continued along its clearly chosen path toward gaining a foothold in the West, in the Euro-Atlantic space of values and security. Latvia is an active and reliable member of the European Union and an Ally in NATO, honouring its commitments. Over the years, Latvia has made its voice better heard in the European Union, especially concerning subjects like the Single Market and compliance with its fundamental freedoms, energy security and diversification of energy sources, digital development and security, as well as relations with the Russian Federation and the European Union's Eastern Partnership countries. The European Union is an increasingly active player in the shaping of security policy, and Latvia is a dedicated and dependable participant in the European Union's missions and operations, where we confirm our solidarity with allies on security in the European Union framework. For strengthening and ensuring the defence of our country, there is no substitute for NATO; at the same time, it is important that Latvia is contributing to the collective defence of the Alliance as a whole. Taking care of its security and being a responsible Ally, Latvia participates in NATO operations, ensures the required host nation support for the allied troops in Latvia, as well as spending 2% of its GDP on defence and thereby applying and implementing collective decisions. As a member state of the both international organisations, Latvia takes part in decision-making at the highest level, and this has a direct influence on the pursuit of Latvia's interests and on the prosperity and security of our country.

One of the tasks of Latvia's foreign policy is to be able to pursue and achieve our goals in a dynamic and changing international environment. The historically established international order institutionalised in the past century is undergoing change; we are witnessing new developments in the quadrangle of the U.S. – China – European Union –

Russia relationship. This affects not only institutions and organisations but also the values and norms of the existing international order. International institutions, international law, free trade and democratic values are no longer self-evident and the need to stand by them and stand up for them has never been higher. As history shows, with shifts and fluctuations in the global balance of power, crises flare up and risks increase. It is Latvia's task to be able to accurately assess the international situation, and challenges and opportunities triggered by changes, and to formulate its foreign policy in accordance with the conclusions that we draw.

At the same time, Latvia, being an actor in the Euro-Atlantic space, highly values current relations with the countries that look upon one another as partners, that not only pose no threat to one another but for whom the use of force is inconceivable, and that are furthermore united by common Western values and norms.

Geopolitical situation, processes, challenges

Multilateral world order and main global challenges

In the 21st century, international challenges are of increasing complexity: traditional political, security and economic challenges are acquiring new dimensions due to globalisation, advancing technologies and new platforms for information exchange. At the same time, with the line between military and non-military threats becoming more blurred, an increasing foreign policy role is being played by new technologies such as media, information and communication technologies (5G ecosystems) as well as artificial intelligence and related technological opportunities and challenges in the area of arms control. Antidemocratic trends and climate change are challenges on a global level that have an additional impact in the field of international security and migration. Competition that emerges among main actors and power centres as the result of those processes creates a serious threat for the current multilateral world order. These developments are bound inevitably to affect our region as well.

Russia continues its efforts to alter the order of international relations without shying away from confrontation with the West and strengthening contacts with authoritarian regimes in various parts of the world. Russia's activities in foreign policy and its revisionist interpretation of events in European history raise additional concerns about how the provisions of international law and the current political order are thereby put at risk. The restoration of the Russian delegation's voting rights at the Council of Europe Parliamentary Assembly undermined the Council of Europe's authority and was in contradiction with the values and principles the organisation represents; this move brought neither improvement to the human rights situation in Russia or fostered progress in the settlement of the conflict in Ukraine or the fulfilment of the Minsk agreements. From Latvia's perspective, the development of the Nord Stream 2 infrastructure project is unacceptable, exposing, as it does, efforts by Russia to ensure energy dependency of European countries upon the Russian Federation. Russia, furthermore, continues developing its capabilities in its western military district and in this way feeds and sustains military tensions in the region.

For several decades, China has been one of the fastest growing economies in the world. China's role internationally has grown in recent years. China's increasing engagement in global processes creates both opportunities and challenges. During the past year, the relations between the U.S. and China have grown tenser. Trade negotiations and tit-for-tat increases in tariffs are in the foreground of this confrontation. However, behind such disagreements there are deeper contradictions not only with the United States but also the rest of the Western world, and these cover human rights issues as well as security in the realm of high technologies, including the development of 5G, fifth generation wireless technology for digital cellular networks, and also other areas of innovation. Taking this into account, disagreements can be seen as stemming from a certain model for economic, political and

military development that is being implemented by China along with attendant instruments of influence for securing its global objectives.

In light of China's increasing influence around the world, an in-depth review of opportunities and challenges presented by China's international policy to the Euro-Atlantic security and values was carried out in NATO in 2019. In its global-scale activities, China has approached the Euro-Atlantic space by investing intensively in Europe's critical infrastructure, purchasing companies and enhancing its presence in the Arctic and Africa, as well as intensifying activities in cyberspace. NATO will continue to engage China in a political and military dialogue in accordance with NATO values and international law. NATO must go on observing and analysing changes in the security environment to ensure continued implementation of the organisation's fundamental tasks.

The "Belt and Road" initiative pursued by China should be viewed in a broader context that just an infrastructure project connecting China with the other world economic centres. Infrastructure development is one of the dimensions of this project, which is leading to a closer economic and political cooperation with China. A comprehensive analysis should be carried out and a medium and long-term strategy formulated at the European Union level concerning this major project and the influence of its implementation in all dimensions.

The development of strategic balance and interaction between the European Union, the United States of America, China and Russia has an essential role to play in the region's security and the state of Latvia.

The situation in the Middle Eastern countries remains tense. An escalation of tensions in the Persian Gulf region could have far-reaching repercussions. Therefore, the defusion of strains and tensions is of key importance for a sustainable solution to be achieved on questions related to Iran's nuclear programme, its ballistic missile programme and an aggressive regional policy. Work should be done to build a comprehensive regional dialogue with the aim of establishing a new Middle Eastern security infrastructure: the current balance of power is constantly changing, and this is evidenced by the increasing military presence of Russia and Turkey during recent military operations in the northeast of Syria and the fact that conflict in Syria remains unresolved. To amend the already fragile humanitarian and security situation in Syria and Iraq, the European Union Member States should present a united and firm position. The decades-long efforts to find a solution to the Middle East peace process have not seen any noteworthy progress. Although the internationally established principles retain their importance, the development of new initiatives could revitalise the peace process. Stability and conditions conducive to the restoration of functional public governance in Libya and Yemen must be brought about, as well as continuing the stabilisation process in Afghanistan.

New challenges keep emerging in Africa. Weak economic development in many places across the continent, unemployment, difficulties of establishing a stable, just and legitimate model of governance, fiscal crises and the consequences of climate change alongside the instability of security situation caused by conflicts on various scales provide a good breeding ground not only for the activities of terrorist groupings but also for irregular migration. These conditions pose a direct threat to the European Union, including Latvia. The European Union should be able to help African countries to overcome the numerous challenges, supporting sustainable development and in view of the fact that both China and Russia are increasing their activities on the continent, including by gaining control over natural resources.

Security challenges in Latin America are caused not only by the exacerbation of social and political problems but also by the fact that Venezuela has been undergoing a protracted political, economic and humanitarian crisis and encountering challenges to democracy and human rights. Current efforts of the international community to involve the Maduro regime in negotiations with the opposition under the Oslo process have borne little fruit.

The ever-increasing importance of the Arctic region should be underlined in the overall context of global challenge. The adverse impact of climate change in the Arctic is felt

more keenly than anywhere else on the Earth. With the Arctic warming up rapidly, ice sheets, glaciers and permafrost are melting at an alarming rate, and this causes an even greater temperature rise in the region and influences climate change well beyond the borders of the Arctic, including in Latvia. At the same time, these processes have an impact on the economic potential of the Arctic region, opening up opportunities for the development of shipping and transportation networks and access to valuable natural resources. The Arctic region is thus emerging as an arena of global competition and its geopolitical role is increasing, and this also increases security risks in the region. With an acute awareness of the consequences of climate change and the growing strategic role of the Arctic, Latvia is closely following developments in the region and advocates a transparent international approach to addressing the Arctic-related issues.

Some of the challenges for Latvia's foreign policy are found in the European Union itself: Brexit, the protracted withdrawal of the United Kingdom from the European Union; the diversity of opinions on the defence and security policy; and stagnation concerning enlargement, for instance the postponing of talks with North Macedonia and Albania; these are all questions that are reducing the weight of the European Union in international politics. All that indicates that the European Union, its Member States and the new European Commission will have to make effort to achieve specific results.

With Brexit delayed and the possible impact of the process on developments in the European Union and on the idea of the European unity in general, the European Union has to undergo a certain restructuring. This, as it merges and overlaps with global processes, renders the overall picture even more complicated and intricate.

Latvia in the United Nations

The United Nations is the most important protector of international law and the rule of law worldwide. Latvia's UN membership and work in the UN system as a whole is essential for a country that has experienced the loss of independence and suffered through totalitarian regimes. Latvia, in standing up for human rights and the rule of law, also supports peace, security, democracy and sustainable development for all. At a time when the universality of human rights is questioned in many places and the space for civil society appears to be shrinking, Latvia strongly advocates respect for human rights. Attacks on journalists, and attacks on activists supporting human rights and civil society are unacceptable, as are actions contrary to individuals' rights to freely express their political will in elections, which is a fundamental value of democracy.

In 2020, under the aegis of the 75th anniversary of the UN, we shall recommit ourselves to abiding by UN values and principles and strengthen support for the system of multilateral values, as well as taking stock of the UN's contribution to resolving transnational challenges, which also have an influence on Latvia.

Latvia has been elected to the UN Economic and Social Affairs Council from 2020 to 2022. Building on its earlier experience, Latvia will engage, in its new capacity, in promoting sustainable development, climate and digital environment. Latvia shall be offering its contributions to the ongoing UN debate on sustainable development opportunities through digitalisation, new technologies and artificial intellect, while also identifying security risks, including socioeconomic, that these could pose. The National Development Plan of Latvia for 2027 currently in the making will be oriented toward implementation of the UN Sustainable Development Goals in Latvia, thereby providing for Latvia's balanced and sustainable growth both in the national and global context.

Latvia has been elected to the UN Committee against Torture from 2020 to 2023 and is a candidate in the 2022 election for the UN Entity for Gender Equality and the Empowerment of Women, also known as UN Women. An increasing presence of Latvian

experts in structures of international organisations is one of the prerequisites for the pursuit of Latvia's foreign policy interests.

In 2019, Latvia recognised the compulsory jurisdiction of the International Court of Justice. This step is important for Latvia in both legal and political terms and it is evidence of Latvia's preparedness to fully participate in the international system and strengthening the rule of law, as well as providing Latvia with the opportunity, if needed, to bring countries before the court that are not fulfilling their international commitments with Latvia.

Latvia's candidacy for the seat of a non-permanent member on the UN Security Council for the term of 2026–2027 is both a contribution to the security of the Latvian state and an opportunity to take part in resolving global issues of peace and security. At the international and national level, the Ministry of Foreign Affairs is leading and coordinating the campaign for the election of Latvia to the UN Security Council. The involvement of Latvia's officials, institutions, non-governmental actors and other cooperation partners is of vital importance in this process. Having received a mandate from the Cabinet of Ministers, the Foreign Service has carried out diplomatic work to gain support through strengthening diplomatic relations with UN member states in various regions, planning and developing Latvia's diplomatic representation by means of strengthening its network of embassies. Latvia, as it continues to participate in UN-led international operations and peacekeeping missions and in strengthening of development cooperation support beyond the regions that are Latvia's traditional beneficiaries, will be increasing its role in the UN and raising its prospects of being elected to the UN Security Council.

Membership of the Security Council is another instrument that could be used in pursuit of Latvia's foreign policy interests. UNSC membership will make Latvia better known at the global level, including in regions with which Latvia has not had intensive cooperation, while at the same time creating prerequisites for new trade opportunities. The work at the council will demonstrate Latvia's ability to take responsibility and engage in resolving global level political processes. In the UN and other international organisations, Latvia has been firmly advocating respect for human rights and territorial integrity; the country has been active in matters that promote sustainability and development in Latvia and on a global scale alike.

Development cooperation

In 2019, we marked 15 years since Latvia, as a European Union Member State, has been providing assistance to developing countries. It is a vital and practical foreign policy instrument by which Latvia supports positive change and development in partner countries, and an essential means for achieving global security and addressing the causes of migration at their roots through strengthening democracy and local economies, in partner countries, and in the Eastern Partnership countries and Central Asia in particular. Latvia has continued working in the areas of its expertise. Members of civic society, public authorities, local governments, higher education institutions and private sector organisations offered their assistance towards the strengthening of public administration capacity, business development, support for decentralisation processes and promoting democratic participation in partner countries, including in the field of gender equality. The cross-sectoral approach in projects deserves special mention as an expression of best practices.

The year 2020 will be a crucial year in the formulation of Latvia's development cooperation policy guidelines for the future. This will be an opportunity to highlight Latvia's priority partner countries and the scope of involvement so as to reinforce development cooperation as part of foreign policy and to facilitate the fulfilment of Latvia's international commitments. Development cooperation tools will be used to ensure Latvia's engagement and visibility outside its traditional regions for engagement. Latvia's experience and expertise and solutions created in Latvia in cross-cutting matters such as sustainability, involving the general public and digitalisation are relevant in many regions. For a more active engagement in addressing these global and partner country development challenges, and to uphold Latvia's

international obligations, it would be vital to increase funding allocated for development cooperation. It is also essential that work be continued to expand the involvement of various sectors in policy coordination and enabling coherence.

Contributions to peace and international security

Latvia continues its participation in international military operations and civilian missions carried out by the UN, the European Union, NATO, the Organisation for Security and Cooperation in Europe (OSCE) and other international organisations in eastern Europe, the Middle East and Africa thereby contributing to strengthening of international security. As of January 2020, 78 representatives from Latvia including 53 military staff and 25 civilian experts are taking part in eight international missions and operations. Latvian military staff have been sent to a NATO advisory and training mission, Resolute Support, in Afghanistan, an operation by the Global Coalition to Defeat Isis; to Inherent Resolve in Iraq; to the United Nations Multidimensional Integrated Stabilisation Mission in Mali (MINUSMA); to the European Union Training Mission Mali (EUTM Mali); and to the EU operation in the Mediterranean (EUNAVFOR MED Sophia). Latvian civilian experts are taking part in the European Union Advisory Mission in Ukraine (EUAM Ukraine), the European Union Monitoring Mission in Georgia (EUMM Georgia) and the OSCE Special Monitoring Mission to Ukraine (OSCE SMM Ukraine).

In 2019, Latvia concluded its presidency of two export control fora for the Nuclear Materials Supplier Group and the Arms Trade Treaty. As of 1 January 2019, Latvia took over the rotating two-year chairmanship of the Experts Group for the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies. Not only have the chairmanships of these export control regimes raised Latvia's profile internationally and its expertise in the matters of international security and export control, they also demonstrated Latvia's interest and efforts in strengthening the rules-based international order. The Latvian presidency of the Nuclear Materials Suppliers Group promoted the reinforcement of international norms covering the non-proliferation of nuclear materials. During its presidency of the Arms Trade Treaty, Latvia brought to the fore the issue of the impact of the circulation of conventional arms on the escalation of gender-based violence in conflict-affected regions and the need for a concerted international effort to address the problem.

Latvia in Europe

2019 was a year of Brexit negotiations and talks on the European Union's Multiannual Financial Framework and institutional change. The newly-elected European Parliament and the European Commission began their work and a number of new European Union officials have been approved. Institutional change promoted a discussion on the European Union's future, including priorities and directions for the further development of the Union. It is expected that the discussion will be continued at the Conference on the Future of Europe which will be taking place from 2020 to 2023. The initiative has evolved from the call launched by the French President in March 2019 to begin a broad and comprehensive debate on issues related to political and economic integration within the European Union. The new Commission President has also expressed support for such an idea. The Conference is expected to engage the European Union institutions, Member States, civil society and residents, and discussions on the mandate, form and content of the Conference will take place at the beginning of 2020.

Latvia sees a need for strengthening various aspects of the European Union: the single market and its digitalisation; the introduction of a climate-neutral policy and green economy; defence and foreign policy complementing NATO's capabilities with the European Union capabilities; as well as promoting the influence of the European Union worldwide and balancing other European players. Latvia stresses the need for the EU to be fighting against

money laundering in a centralised manner. The European Union must be active in promoting stability in the European Union's eastern and southern neighbourhoods and the Balkans.

Change in the composition and leadership of the European Union institutions – new priorities

The European Parliamentary elections in May 2019 marked the transition to a new institutional cycle for the European Union. Sixty percent of the MEPs (members of the European Parliament) are new and the political majority consists of three political groups. The Group of the European People's Party (EPP) and the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament has been joined by the so-called Renew Europe Group, successor of the Group of the Alliance of Liberals and Democrats for Europe (ALDE). This means that the decision-making process in the Parliament will become more complicated. The Member States and the European Commission alike have defined new priorities – values and the rule of law, the fight against climate change, as well as the European Union's global influence. Economic, social and migration issues, as well as the opportunities and challenges of digitalisation remain on the agenda.

Latvia underscores the principles that should underpin all the European Union policy areas – unity, growth and stability. The digitalisation of economy and society is becoming an increasingly important topic on the European Union's agenda. The new European Commission has committed to ensuring that the European Union is prepared for the age of digital technologies and is successfully implementing a transition to a wider use of most advanced digital technologies and services. Latvia believes that the deepening and digitalisation of the Single Market are preconditions for the growth of the economic competitiveness of the European Union Member States and the European Union as a whole. These aspects also concern the creation of a level playing field for local businesses in relation to their third country competitors. The European Union should promote the digitalisation of economy, development and use of artificial intelligence technologies, introduction of the latest generation digital infrastructure (5G) and strengthening of digital skills among the general public. Digitalisation is one of the European Union's priorities in its Strategic Agenda for 2019–2024, while a separate programme, Digital Europe, has been set up as part of the Multiannual Financial Framework for 2021–2027. Funding from that programme will also be available to Latvia. In 2020, further work will be devoted to the European Union's legal framework in the field of artificial intelligence and security of 5G networks. From Latvia's perspective, it is essential to follow up on the European Commission's proposals related to the establishment of a digital services tax and to intensify discussions in this area.

In 2020, Latvia will place a special focus on the proposals of the new European Commission concerning the EU Industrial Policy Strategy and the Single Market Strategy. It is important that the Single Market be further strengthened avoiding potential elements of protectionism that would distort competition and interfere with fair competition, especially in the services sector. It is in Latvia's interests that no rules are adopted that run counter to the principles of the Single Market, as was the case with the Mobility Package in the transport sector.

In accordance with the Paris Agreement, all Parties to the Agreement, including the European Union, shall communicate to the UN, by the beginning of 2020, their long-term climate strategies till 2050. In view of the decision by the US to withdraw from the Paris Agreement as of November 2020, it is in the interests of the European Union to pursue a common and ambitious climate policy. In 2019, the European Union Member States held a number of discussions in order to reach an agreement on achieving climate neutrality in the European Union by 2050. Latvia supports this goal, and climate action will also be one of the priorities in the European Union's Multiannual Financial Framework. At the national level, it is vital to mainstream climate and sustainability considerations into all sectoral policies and

investment priorities and to pursue a trans-sectoral approach in this respect. It is of key importance that research and innovation are fostered in this field.

Latvia pays special attention to the fight against money laundering and terrorist financing in order to ensure a stable and secure system for control over the finance sector. The cases of money laundering in Europe during the past couple of years clearly prove that they have a transboundary character. Latvia believes that matters related to money laundering and the financing of terrorism call for a coordinating institution in the European Union and centralised supervision on the European Union scale. Support for resolving those issues and coordinating them more closely at the European Union level keeps appearing more frequently in the resolutions of the European Parliament and in opinions by the European Commission and EU Member States.

The issue of values and the rule of law has been brought to the forefront in the European Union in recent years. This also concerns the new European Commission's priorities. Latvia believes that compliance with democratic values and the rule of law calls for steady attention to be paid – both in the framework of the existing mechanisms and in seeking new forms of dialogue and cooperation. Hearings under the Article 7 procedure have not yielded clear solutions; therefore, Latvia underlines the importance of dialogue and cooperation to avoid divisive resolutions and votes. Latvia considers that the annual communication on the rule of law within the Union offered by the European Commission, together with the annual Justice Scoreboard to be good instruments to strengthen the rule of law in the European Union and its Member States. At the same time, Latvia considers that a possible suspension of the European Union funding to Member States over substantial violations of the rule of law should take place upon a decision of the European Court of Justice instead of increasing the influence of the European Commission's decisions. Values and the rule of law should be strengthened by specific instruments, and therefore the joint proposal by the European Parliament and civic society on the establishment of a European Values Instrument should be supported.

The European Union continues its pursuit of a comprehensive migration policy through strengthening the European Union's external border, countering the illegal and irregular migrant flows and promoting cooperation with the countries of origin and transit, especially in North Africa. The reform of the Common European Asylum System continues with the aim of rendering the system more resilient to the pressure of the migration flow, reducing the factors of attraction and secondary movements of asylum seekers into the European Union. No consensus has been achieved on a number of the elements to be included in the revised Dublin Regulation, the largest differences being about the mechanisms of the reallocation of asylum seekers. The new European Commission has pointed out that it will get actively involved in dealing with migration challenges and a comprehensive proposal for the reform of the migration and asylum system will be launched in 2020 including the improvement of a reallocation mechanism and paths for legal migration, the fight against trafficking in human beings, closer cooperation with the countries of origin and transit of migrants, resumption of the full functioning of the Schengen Area and introduction of an extended mandate of the European Border and Coast Guard Agency (FRONTEX) for cooperation with third countries and the return of irregular migrants.

Latvia continues supporting a comprehensive approach to migration with the emphasis on an effective management of the European Union's external borders, the fight against human trafficking, close cooperation with third countries and an effective return policy. Latvia considers activities geared toward ensuring solidarity on migration questions should not be automatic and that Member State participation in mechanisms for reallocation of asylum seekers should be voluntary.

Latvia supports the enlargement of the European Union, which is in line with Latvia's long-term interests and guarantees the strengthening of democracy and the rule of law, security and stability in the Western Balkans region and the Eastern Partnership countries.

Accession negotiations are underway with Montenegro and Serbia; Kosovo and Bosnia and Herzegovina are potential candidates. In October 2019, Latvia was one of the European Union Member States which called for accession negotiations to be launched with Albania and North Macedonia, taking stock of the reforms implemented and the Prespa agreement on the country's name. Latvia takes a negative view of the suspension of accession talks with the two countries. With such decisions, the European Union diminishes its role in the region and trust in enlargement as a criteria-based process, and this could potentially create a new zone of instability. In 2020, Latvia will continue standing up for the launch of accession negotiations with Albania and North Macedonia.

The application of the qualified majority vote in the field of the European Union's external relations and security has been under discussion recently. It is argued that a procedure to simplify decision making would enable the European Union to protect its interests and increase its influence worldwide. Latvia does not support this perspective; nevertheless, it supports the need for improving the effectiveness of decision-making and proposes a modified decision-making mechanism – “unanimity minus one” (the principle of constructive abstention). This would ensure that in situations where one country does not support a decision, the decision is not blocked. Thereby, the international credibility of the European Union would be preserved and its fundamental unity would not be undermined.

The European Union Multiannual Financial Framework

In 2019, negotiations continued on the European Union's Multiannual Financial Framework for 2021–2027. The negotiations, although nearing their concluding stage, will continue in 2020. With convergence of living standards being one of the goals set out in the European Union treaties, this should be retained as a priority in the talks about the new multiannual budget. Latvia will also stand up for the convergence of direct payments to farmers. It should be noted that at present there is no common understanding among the Member States as to several vital issues – the total amount of the budget, the breakdown of funding for the various categories of expenditures, and with regard to budget revenues. The negotiation process is made even more complicated by Brexit and emerging challenges that should be addressed at the European Union level – migration, security and climate change.

Latvia has firmly asserted that the European Union's Multiannual Financial Framework must ensure adequate funding for both the new priorities and traditional Treaty-based policies – the cohesion policy and the common agricultural policy. Latvia considers that the main emphasis should remain on an upward convergence of living standards among the Member States fostering economic growth through innovative and environmentally friendly technologies. The main objectives in the negotiations are: 1) to ensure cohesion funding appropriate for Latvia's development level; 2) to promote convergence of direct payments as soon as possible while ensuring appropriate funding for rural development; 3) to envisage appropriate funding for the Rail Baltica project; 4) to achieve the inclusion of more favourable criteria for centralised actions managed at a European level, for instance, Horizon Europe, Digital Europe, the European Defence Fund and others.

With new global and climate challenges emerging, the European Union's budget should be adapted and modernised in order to promote competition and innovation through changing the budget structure and a focus on the allocation of funding. It is expected that funding will be increased to address challenges concerning security, migration and climate change, to support cross-border projects, as well as digitalisation, innovation and research. It is envisaged that costs related to climate policy will be distributed across the multiannual budget and amount to at least 25% of all expenses.

Alongside Latvia's economic growth and changes to the structure of the European Union's budget, the understanding of the absorption of the European Union funds should also change among Latvian institutions, local authorities and the public. Latvia should be able to change with the time and develop its capabilities to attract funding from the new European

Union programmes. Latvia should become more active, competitive and open to cooperation with other Member States and participation in the open calls for proposals under European Union programmes in order to make use of all the opportunities offered by the European Union's Multiannual Financial Framework. This would make it possible to absorb funding from programmes such as Horizon, InvestEU, Digital Europe and the European Defence Fund, as well as the military mobility component of the Connecting Europe Facility.

The Ministry of Foreign Affairs will continue actively negotiating and protecting Latvia's interests at all levels – the General Affairs Council, the European Commission and the European Parliament – as well as in consultations with the European Union Member States. We shall continue close cooperation with like-minded countries, including in coordinating our positions. The representation of Latvia's interests in negotiations on the European Union's Multiannual Financial Framework is also essential in various sector-related working groups.

Brexit and future relations with the United Kingdom

One of the main challenges affecting the development of the European Union is Brexit, the withdrawal of the United Kingdom from the European Union, and building the future relationship with the United Kingdom with the EU. It is essential that the United Kingdom and the European Union honour their obligations, including in the field of citizens' rights, the UK's financial commitments with respect to the EU budget and the issue of the border between Ireland and Northern Ireland.

It is important for Latvia to build a close future relationship with the United Kingdom. This country is a partner of strategic importance to Latvia bilaterally, as well as in the European Union and NATO, concerning cooperation in both external and security policy and cooperation in economy, trade, science and education. Also in the future, the presence of the UK forces in the Baltics will contribute significantly to the strengthening of the region's security. This country will remain one of Latvia's major partners in external economic contacts. It is in the interests of EU residents and the United Kingdom to establish a mutually positive perspective in the areas such as mobility, social security and the quality of family life. Latvia has special interest in these matters taking into account the sizeable Latvian community in the United Kingdom. The Latvian Ministry of Foreign Affairs has been appealing to Latvians to register their permanent status in the United Kingdom to ensure their legal status following Brexit and will continue to make that appeal.

Security and defence cooperation of the European Union

In recent years, in response to the complex and increasing challenges in the international security environment, cooperation in the defence and security sector in the European Union has considerably deepened. This concerns both the intensification of the political dialogue and practical cooperation initiatives, which are mainly based on the priority directions and tasks set out in the European Union's Global Strategy for Foreign and Security Policy. For instance, at the end of 2017, Latvia, together with 25 EU Member States agreed on launching Permanent Structured Cooperation (PESCO) with the aim of increasing defence capabilities of the Member States. Membership in PESCO requires that the Member States would make larger financial investments in defence, including, inter alia, the purchase of equipment, taking part in PESCO projects.

Latvia, being a European Union Member State, also supports those efforts and applies instruments offered by the European Union to enhance its defence capabilities. Latvia is taking part in three PESCO projects. Under the new round for project proposals, Latvia has applied to join one of the projects in the capacity of an observer while also considering a possibility of participating as a project member. A possibility is also being considered to submit Latvia's own application in the next rounds of PESCO project proposals. As for European Union

defence industry support measures, Latvian companies and research institutions will be encouraged to make use of the opportunities offered by the European Defence Fund to implement cross-border cooperation projects, including those under the auspices of PESCO.

At the same time, it is important for Latvia that the European Union's efforts in the field of security and defence complement those of NATO and strengthen the transatlantic link and deepen its meaning. Therefore, we support close cooperation between the European Union and NATO and that the European Union security and defence initiatives are open to third countries – the Allies.

In the context of the development of the European Union's security and defence cooperation it should be underlined that it is in Latvia's interests to maintain as close as possible cooperation between the European Union and the United Kingdom on security and defence after the United Kingdom leaves the European Union, since the United Kingdom will always have a major role to play in European security and our common challenges will remain.

Facilitation of military mobility in the territory of the European Union remains among Latvia's priorities. Therefore, the European Union needs to continue work on the simplification of legislation and procedures and the adjustment of infrastructure to military needs in close coordination with NATO.

The development of the European Union's capabilities is vital for the promotion of security and stability in the European Union's neighbouring countries and regions. The European Union's civilian missions and military operations provides support for partner countries in carrying out reforms in the home affairs and justice sector, in military exercises and fostering resilience in the fight against hybrid threat, and with regard to other present-day threats.

As part of developing Europe's defence capabilities, work is underway on the strengthening of the European Union's civilian capabilities. Strategic guidelines and political commitments set out in the civilian Common Security and Defence Policy compact envisage that the European Union's civilian missions, when implementing their tasks, should be flexible, targeted and effective. They should work in close connection with the justice, home affairs and defence sector and should be able to respond to hybrid threats. Latvia supports this initiative and is playing an active part in the implementation of the tasks, including the improvement of the national legal framework and procedures for deployment of experts. One of the tasks set for 2020 is the improvement of training for civilian experts.

In 2019, progress was achieved on a coordinated European Union level approach in the fight against challenges posed by hybrid threats and disinformation, including through establishment of a permanent and dedicated Horizontal Working Party on Enhancing Resilience and Countering Hybrid Threats of the Council of the European Union. In 2019, Latvia approved its experts for work in the NATO Counter Hybrid Support Teams (CHSTs) and the European Centre of Excellence for Countering Hybrid Threats. It will remain very much in Latvia's interests to strengthen the capabilities to counter hybrid threat both at the national level and in the European Union and NATO. The fight against hybrid threats was one of the priorities of the Finnish Presidency of the Council of the European Union in the security sector and the Croatian Presidency is expected to follow up on this in 2020, keeping these questions on the agenda and in the spotlight.

In 2019, the European Union has improved the cyber diplomacy toolbox at its disposal through establishing a cyber sanctions regime (restrictive measures against cyber-attacks) to safeguard the pursuit of the European Union's common foreign and security policy goals. The cyber sanctions regime is a diplomatic instrument enabling the European Union to respond to cyber-attacks threatening its security and economic interests. In this context, cyber-attacks sponsored by other countries continue to cause concern. In 2020, upon encountering further threats in cyber space, the European Union can respond by applying cyber sanctions. For Latvia, together with like-minded countries, it is essential to promote responsible behaviour by countries in cyber space and strengthen the application of the existing international norms

and rights in the virtual environment. In 2019, the European Union saw the introduction of a legal framework for cybersecurity certification of ICT products, processes and services. This is a major step towards strengthening the digital single market. During 2019, the European Union has also coordinated activities to jointly address the cybersecurity issues related to 5G networks.

Baltic and Nordic cooperation

Latvia is working successfully in the Baltic-Nordic cooperation format (NB8) at the level of both senior officials and experts. The NB8 region is linked by shared democratic values and by future and present challenges. Climate change and environmental sustainability are values on the global agenda on which the NB8 countries have a similar viewpoint. The NB8 region must also take into account the challenges in the context of Europe's future. After the withdrawal of the United Kingdom from the European Union, it will be in the interests of both the NB8 region and the United Kingdom to maintain a close relationship.

The dialogue should continue between the Baltic States and Nordic countries on regional security issues, including hybrid threats, and this is equally emphasised by all NB8 countries. The economy of the NB8 region is closely interconnected; however, challenges are expected to emerge in this area as well in view of the global economic growth forecasts. Given the labour shortage, it is essential to focus on the information and communication technology sector – digitalisation, development of artificial intelligence, innovations, products and services with a high value added.

In 2019, Latvia coordinated the work in the Baltic cooperation formats – the Baltic Assembly and the Baltic Council of Ministers. As Latvia took on its leading role, these formats were used to foster security and cooperation in the region as well as promoting the region's growth. The work of the Baltic Council of Ministers focused on the strengthening of security in the region, the development of regional transport and energy projects and standing up for common interests in the European Union.

The Baltic States continued close cooperation in the security sector by representing the region's interests in NATO and carrying out important initiatives, including with regard to the improvement of the Baltic Air Surveillance Network (BALTNET) to enable each of the Baltic States to take over Baltic airspace control thereby boosting the overall security of the Baltic States' airspace. The close cooperation between the Baltic States is also demonstrated by the certification of the Baltic Battalion (BALTBAT) in October 2019 for participation in the NATO Response Force in 2020. This year the Baltic Defence College (BALTDEFCOL), which ensures joint training of Baltic States officers and other representatives of the defence sector according to common standards, celebrated its 20th anniversary.

In the field of regional connectivity, the Latvian presidency of the Baltic Assembly worked on the implementation of the Rail Baltica project. During the Latvian presidency, progress was achieved with the establishment of a free and fully functional regional energy market and the Agreement on the Conditions for a Future Synchronous Interconnection of the power system of the Baltic States and the power system of Continental Europe entered into force. Following Latvia's initiative, a permanent coordination mechanism of experts has been established to develop the Baltic States' cooperation in the field of military procurement.

Latvia is a constructive partner in the energy sector building a safe and reliable regional electricity and gas market. A regional gas market covering Latvia, Estonia and Finland will begin functioning at the beginning of 2020. An enlarged market will encourage competition between natural gas producers, create pathways for diversifying supplies and open up new opportunities for private investment, thereby strengthening overall energy security. The establishment of a common market can also serve as a successful model for regional cooperation elsewhere in Europe. The synchronisation of the Baltic States' electricity networks with the Continental European grid is a priority not only at the regional but also at the European Union level, since it improves the function of the European Union's internal

energy market and the achievement of the Energy Union goals. In 2019, both technical and political roadmaps were adopted to complete the synchronisation of the Baltic States electricity networks with the rest of Europe by 2025. Latvia has continued to draw attention to the issue of safety of the Belarusian Astravets Nuclear Power Plant and the need for compliance with all international standards.

Latvian Presidency of the Council of the Baltic Sea States

In June 2019, Latvia successfully concluded its presidency of the Council of the Baltic Sea States (CBSS) by organising a final high-level meeting. During the presidency, the evaluation of the organisation's work was carried out and proposals offered to improve its work. The Baltic Sea Region NGO Forum on "Sustainability, Security and Identity" was also held and it brought together experts from 20 countries. The work that Latvia had accomplished was reflected in the CBSS concluding documents – the Jūrmala Declaration and the Roadmap of the CBSS Reforms 2018–2020. The Roadmap of the CBSS Reforms lays the foundation for improving the organisation's work in the future: the CBSS will become more flexible, innovative and productive in its activities, with an ability cooperate more closely and more effectively with other partners in the region, while retaining its capacity to implement practical cooperation projects that are important for the region.

The Latvian Presidency of the CBSS focused on three priority areas. Firstly, combating organised crime, strengthening border management, the fight against trafficking in human beings (including minors), and initiatives in civil protection. Secondly, fostering the region's sustainable development goals set out in the strategic framework titled "Baltic 2030 Action Plan", an environmentally-responsible approach to consumption and manufacturing and solutions to mitigate climate change. Thirdly, an important aspect of the Latvian presidency was related to cultural heritage issues in the region, with the focus on the opportunities offered by technologies in the research and preservation of cultural heritage.

European Neighbourhood Policy/Eastern Partnership

The Eastern Partnership is one of the priorities in Latvia's foreign policy. After celebrating one decade of the Eastern Partnership this year, the European Union opened structured consultation with EU Member States and the Eastern Partnership countries on the future strategic direction of the partnership after 2020.

Latvia maintains contacts with partner countries at all levels as well as sharing Latvia's reform experience. Latvia maintains a position supporting deeper political and economic integration with the European Union of the partner countries who wish to do so, have accomplished a lot and who are ready to invest even more effort. Latvia will continue recalling, at the European Union level, the right enshrined in the Treaties of the European Union for every European country that meets the Copenhagen criteria to become a full member, as well as the motivating aspect of such prospects with regard to political reforms in the neighbouring countries. Latvia will retain the strengthening of democracy as its priority while paying additional attention to socio-economic matters.

The Latvian side provides support for Ukraine in the implementation of reforms, which improve its economic and legal environment as well as bringing the country closer to the European Union and NATO. Ukraine is a priority country for Latvia in the implementation of development cooperation policy and provision of assistance. This year the provision of medical and humanitarian assistance to Ukraine continued: 14 Ukrainian soldiers injured in Russia's aggression against Ukraine were given medical assistance in Latvia. In addition, rehabilitation in Latvia was offered to Ukrainian political prisoners held and then released by Russia, and their family members.

Latvia supports Moldova's course toward integration with the European Union. Alongside changes to the internal political situation in Moldova, it is vital to move ahead with

reforms and to work on the implementation of the Association Agreement. Support provided by the European Union's partners to Moldova in its reform process is indispensable.

On the whole, the reform process in Georgia is successful and Latvia appreciates Georgia's efforts of bringing its national legislation in line with the European Union standards in accordance with commitments under the Association Agreement and the DCFTA, Deep and Comprehensive Free Trade Area. Latvia will continue supporting Georgia in the field of integration with the European Union and NATO through provision of support and through consultations with Georgian officials and experts in various fields. Latvia's political and economic cooperation with Georgia keeps expanding.

Cooperation between the European Union and Belarus is developing gradually. This does not mean that Belarus is finding itself put into a position where it must decide on two options – the European Union and Russia. It is important for Latvia and the European Union to strengthen the statehood of Belarus and promote its economic development. Support should continue for signing the European Union-Belarus Partnership priorities in the near future as well as signing a Visa Facilitation and Readmission Agreement. It is essential for Latvia that its neighbouring country Belarus be independent, economically strong and stable.

The deepening of relations is underway with the South Caucasus countries in view of their interests and wishes in cooperation within the Eastern Partnership. Support and sharing of experience with Azerbaijan and Armenia should continue to enable them carry out internal reforms and promote eurointegration processes. We hope that the other EU Member States will soon ratify the Comprehensive and Enhanced Partnership Agreement between the European Union and Armenia and we hope for the successful conclusion of the negotiation process on the Comprehensive Agreement between the European Union and Azerbaijan. New agreements are going to enhance cooperation between Armenia and Azerbaijan, and the European Union, thereby laying a long-term basis for the further development of the relationship.

EU Strategy on Central Asia / Bilateral relations between Latvia and Central Asian countries

Positive tendencies in Central Asian regional cooperation, increased openness to political and economic reforms, the significant role of Central Asia in developing Euro-Asian connectivity as well as the initiative of the Central Asian countries to engage in ensuring stability in a broader region have opened new avenues for cooperation with Central Asia. In order to highlight the European Union policy in the region, a new EU Strategy on Central Asia was adopted in 2019. The strategy focuses on promoting resilience, prosperity, and better cooperation, which are also in line with Latvia's perspective of the further development of relations between the European Union and Central Asia. Latvia has successfully proved its worth and gained appreciation and visibility through engaging in the European Union's border management and education projects. In the coming years, Latvia will continue to take a leading role in the European Union's Border Management Programme in Central Asia.

Relations between the European Union and Russia

In recent years, the relations between the European Union and Russia have been characterised by lack of mutual trust and a lack of dynamism. At the same time, a dialogue is being maintained on thematic and regional issues and officials engage in consultations and exchanges of visits take place. In its relationship with Russia, the European Union observes the five principles approved at the Foreign Affairs Council and follows a two-track policy, which envisages, on the one hand, a diplomatic dialogue, and, on the other hand, restrictive measures. Latvia firmly advocates the continuance of a sanctions policy and maintains that only full compliance with the Minsk agreements could be the grounds for removal of sanctions.

Latvia firmly stands up for pursuing the policy of non-recognition concerning the annexation of Crimea and condemns actions undermining Ukraine's sovereignty and territorial integrity. Latvia, together with the entire Western world, has condemned the so-called elections to legislative bodies in Crimea and Sevastopol organised by Russia and regards them as illegal and illegitimate. Neither has Latvia recognised the legitimacy of the so-called presidential elections in Georgia's region of Abkhazia. Thereby Latvia has often reiterated its support for the territorial integrity and sovereignty of Georgia and Ukraine in the internationally established borders of those states.

Latvia's interests lie in a common understanding between the European Union and NATO about how to address security issues in Europe. There has been a call from individual European Union Member States to consider the formation of a new European defence architecture, which includes the establishment of a common security space with Russia and a review of sanctions. Latvia is open to exchanges of opinions between allies on the strengthening of Europe's resilience against the present-day threats and the need for building a dialogue with Russia on matters of mutual importance. In this process, we advocate a pragmatic and rational approach, while not deviating from our values. Under conditions when Russia is not changing its aggressive policy and is violating international law, the building of qualitatively new relations with Russia, including in the security sector, would run counter to our principles and those of our allies (NATO, the European Union and transatlantic partners).

Cooperation between Latvia and Russia takes place in the areas that are not to subject to sanctions, for instance, transport, logistics, cross-border cooperation, the fight against organised crime and illegal and irregular migration. People-to-people cooperation is also underway – cooperation between universities, cross-border cooperation projects, cultural projects and such cooperation occurs not only in the largest Russian cities, but also in remote regions, as well as in training programmes for journalists.

At the same time we consider that support for civic society in Russia is essential. From Latvia's perspective, how Russian authorities have been targeting non-governmental and human rights organisations, and increasingly often, journalists, are things which must not go unnoticed. We have voiced concern about the decision to close down, for technical reasons, an organisation, "For Human Rights", which is well-known internationally. In response to the repression of protest rallies taking place in Moscow, an opinion has been voiced that Russia must stop unjustified violence against innocent people, release the detained, and honour its obligations under international law. Russia's actions abroad, which target persons in the territory of foreign countries employing unlawful means, as was the case in Salisbury (the United Kingdom) or the recent incident in Berlin (Germany), are reprehensible and totally unacceptable.

Latvia voices its concern over the implementation of the Nord Stream 2 project, which will increase the energy dependence of the European Union on one supplier. The United States, pointing to the need for protecting the integrity of the European energy sector, has imposed sanctions on companies building the Nord Stream 2 pipelines. The United States decision is a serious signal to the European Union Member States and their companies taking part in the development of the Nord Stream 2 project about the negative consequences of the project. Latvia will continue to speak out about the necessity for a transatlantic dialogue and to promote that dialogue also on questions related to energy.

Transatlantic relations and international security

Key challenges in the transatlantic space

Traditional threats and emerging challenges

NATO retains its indispensable role consolidated during the decades of its existence and ensures collective action by member states vis-à-vis a full spectrum of military threats as well as hybrid threats and international terrorism.

The main challenges to security in the Baltic region are Russia's increasing military capabilities combined with its provocative actions of a military nature. This behaviour clearly demonstrates Russia's desire to gain an advantage with respect to its rivalry with NATO. Although the probability of real incidents is currently assessed as low, given the high centralisation of political power in Russia and its long-standing ambition to control its neighbours, the security situation in the region could be subject to change in a relatively short period of time. Russia continues acting against the principles of international law and its actions are oriented toward confrontation with the West. The concentration of a wide spectrum of military forces and weapons and military build-up going on in Kaliningrad and the Western Military District as well as the mock blocking of maritime routes staged during a naval exercise this summer is Russia's deliberate demonstration of force. In this context, we must remain alert to Russia's military cooperation with Belarus, given the latter's geographical and strategic proximity and Russia's interest in consolidating its military presence in Belarus. Violations of the Intermediate-Range Nuclear Forces Treaty (INF Treaty), Russia's announcement on withdrawal from the jurisdiction of the International Fact-Finding Commission established pursuant to Protocol Additional to the Geneva Conventions, and relating to the Protection of Victims of International Armed Conflicts (Protocol I) pose additional new challenges to the international security order.

Alongside traditional military threats, nuclear weapons and their potential development are increasingly used in international political rhetoric as a means of intimidation and bargaining. If from a historical perspective such rhetoric was characteristic of the moments of the highest political tension, then at present statements like this included in the rhetoric of certain countries are becoming a daily communication tool for the achievement of their domestic and foreign policy goals. This is also evidenced by Russia's continued violations of the INF Treaty and disregard for repeated calls from the United States and NATO Allies to allay their concerns, which has led to the dissolution of the treaty altogether. Russia should assume responsibility for the dissolution of the treaty since an arms control agreement to which only one party adheres does not strengthen international security in any way.

We continue to encounter challenges posed by hybrid threats, when various non-military means, including cyber-attacks, large scale information campaigns, spread of disinformation, economic pressure and operations by intelligence and security services, are used alongside military means. Information technologies, which have a rapidly increasing influence on political, economic and social processes, are actively applied with malicious intent of undermining democratic and open societies and call into question a rules-based international order. In response to the fact that manifestations of hybrid threats are magnifying, these are given increasing attention at the European Union and NATO level. Although the strengthening of resilience is the national responsibility of each individual country, initiatives to enhancing resilience for national and collective security are being developed in the European Union and NATO as well.

Weapons of mass destruction and challenges posed by new technologies

The development of illegal programmes of weapons of mass destruction and weak control over exports in certain regions in the world are a threat to international peace and

security. The fight against those challenges requires targeted, joint and closely coordinated action by the international community.

Latvia supports the efforts of strengthening the global regime of nuclear disarmament and non-proliferation, with the Treaty on the Non-Proliferation of Nuclear Weapons at its core. In 2020, the Review Conference of the Parties to the Treaty will take place. It is important for Latvia that the Review Conference reconfirms the importance of the Treaty on the Non-Proliferation for promoting international security and stability. Latvia, like the other NATO member states, considers a safe and verifiable denuclearisation can be achieved only step-by-step, taking into account the international security context and strategic stability along the way. Such a position is in line with NATO's collective defence principles, the nuclear deterrence being one of the three core elements of NATO deterrence and defence posture along with conventional forces and ballistic missile defence. Russia's aggressive rhetoric concerning nuclear weapons, violations of the INF Treaty, the long-term efforts to realise denuclearisation of North Korea, and the issue of the future of the Joint Comprehensive Plan of Action, or the Iran nuclear deal, confirm that denuclearisation is a complicated process fraught with challenges.

It must be borne in mind that the rapid development of technologies results in a broader access to knowledge and dual-use materials, thereby adding to threats posed by non-governmental actors (terrorist groupings, organised crime, cyber-criminals, etc.). International efforts to prevent the proliferation of nuclear weapons, and other weapons of mass destruction and their precursors, have a major role to play in this context. With those efforts in mind, Latvia held the chairmanship of the Nuclear Suppliers Group in 2019 and will continue supporting international non-proliferation formats, whose activities strengthen international security and create an environment more conducive to disarmament processes.

The fight against terrorism

The number of terrorist acts perpetrated in Europe remains low, the ISIL/Daesh grouping no longer exercises control over populated areas in Iraq and Syria, and the flow of foreign terrorist fighters from Europe to conflict zones has practically ceased. At the same time, there are developments that could further destabilise the state of affairs in the region and increase the influence of ISIL/Daesh.

In 2019, on an international scale, great attention was paid to the phenomenon of foreign terrorist fighters, on returning them to their countries of origin and bringing them to justice; attention was paid also to the spread of information of an extremist nature and causes contributing to the phenomenon, such as violence, political instability and socio-economic factors, as well as the issue of financing of terrorism. Those topics are expected to retain their relevance in the year ahead as well.

As part of an effective anti-terrorism policy, Latvia is taking part in the Global Coalition to Defeat ISIS and engaging in international processes in the formats of the United Nations, NATO and the European Union, in which the country continues its cooperation with partners to fight terrorism and prevent radicalisation.

Sanctions

Sanctions have recently emerged as an essential foreign policy instrument to safeguard international security. To build Latvia's capacity to apply that instrument, substantial amendments were made to the Law on International Sanctions and national sanctions of the Republic of Latvia in 2019. The Ministry of Foreign Affairs is the coordinating authority in liaison with international organisations and the competent international authorities concerning the imposition and introduction of sanctions as well as with regard to the application of exceptions in Latvia, and a Sanctions Division was established at the Foreign Ministry in 2019 for the purpose of fulfilling all these tasks.

In 2019, in view of the need for ensuring a uniform understanding of the substance of various sanctions regimes and their enforcement, the Cabinet established a Sanctions Coordination Council comprised of 30 representatives of the private and public sector, which enables all stakeholders – both public authorities and private sector representatives to share information and offer solutions on specific issues. The Sanctions Coordination Council has also set up a separate working group tasked with rapid response to new challenges in the field of sanctions, for instance, considering the enforcement in Latvia of national sanctions imposed by a NATO member state.

On 9 December 2019, the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury imposed sanctions on several persons in Latvia including the Ventspils Freeport and the Ventspils Freeport Authority. The Ministry of Foreign Affairs in association with the Ministry of Transport and the Ministry of Justice and thanks to a swift response by the Saeima (Latvian Parliament) and the Cabinet, were able to lift the sanctions imposed on the Ventspils Freeport and the Ventspils Freeport Authority, and this was done in light of the decisions by the Cabinet and the Saeima on the change to the model of administration of the Ventspils Port in accordance with OECD standards.

Transatlantic relations, strategic partnership with the USA and cooperation with Canada

Transatlantic unity is indispensable for European and global security. The practical military support offered by the United States to the Baltic region and European security has been increasing in recent years. October 2019 saw a regular rotation of U.S. troops in Europe, including through the Baltic region as part of the Atlantic Resolve operation, which also involved the Port of Riga. The agreement achieved this year on the strengthening of the U.S. presence in Poland, which is to have a positive impact on security across the region, is particularly welcome. In addition, the United States of America has announced its intention of conducting the Defender Europe 20 exercise, which involves the largest deployment of U.S.-based troops to Europe for an exercise in the past 25 years. Latvia will also take part in the exercise, some elements of which will be located in Latvia. Alongside the U.S. contribution, focus should also be placed on Canada's active practical engagement in the strengthening of European security, with the central role of Canada as the lead nation for the NATO enhanced Forward Presence battle group in Latvia.

European allies continue the positive trend of increasing their defence spending in view of the increasingly assertive message sent by the United States on the need for honouring joint commitments concerning a fairer burden-sharing on defence contributions between Allies.

2019 saw the continuation of a dynamic political dialogue with the United States Administration and the Congress of the United States, which brought a valuable contribution to the further strengthening of strategic partnership between Latvia and the USA. An important task for 2020 will be the enhancement of the U.S. military presence in Latvia thus putting in practice the US-Latvia Defense Cooperation Strategic Roadmap on bilateral cooperation in defence for the next five years signed in Washington in 2019.

The United States is a major partner in the strengthening of the energy security and independence of the European Union. As part of the U.S. Partnership for Transatlantic Energy Cooperation (P-TEC) initiative, the Baltic States and the USA have established a "3+1" format for cooperation in the energy sector. It envisages the launch of a number of joint activities next year, including the strengthening of cybersecurity and energy security, as well as the development of innovative low-emission technologies.

The presence of Canadian troops remains a vital safeguard of Latvia's security and a strong proof to Allied solidarity in the face of common challenges. Canada's long-term plans concerning its military presence in Latvia are also confirmed by the beginning of construction of a new headquarters building for the Canadian Armed Forces in Latvia in 2019. The close

cooperation between Latvia and Canada on security and defence constitutes a good basis for a political dialogue between senior officials of the two countries and contacts at expert level. It is in Latvia's interests to make good use of the openness to political contacts demonstrated by the Canadian government and support for security so that this positive trend could be further channelled, with an eye to future prospects, towards intensifying cooperation in business, trade, investment, education and other areas.

NATO collective defence and results of the London Summit

NATO'S collective defence measures are a basic element of Latvia's security. The Alliance is undergoing a process of adjustment that began following Russia's aggression in Ukraine in 2014. During this period, the Alliance has increased the speed of its decision-making, the readiness level of its forces and the ability to move and deploy them across NATO territories. The presence of NATO forces on the eastern flank of the Alliance plays a significant role in this approach, since it ensures an immediate engagement by the Alliance in the case of potential threat. In 2020, work should continue with the Allies in the NATO battle group concerning their further involvement. Additional contributions to enhancing the forward presence is provided by the Headquarters Multinational Division North opened at Camp Ādaži together with Denmark and Estonia.

At the same time, it should be noted that the process of NATO adjustment has not been concluded. The implementation of decisions made at the 2018 Brussels Summit is underway, which will make it possible, amongst other things, to ensure deployment of larger and mutually interoperable high readiness forces of the Allies at sea, in the air and on land, in particular. Given the specific character of our region, collective steps for strengthening air defence capabilities are particularly important for Latvia. The development of capabilities that correspond to the current level of challenges is a long-term matter; therefore, Latvia will continue to pursue efforts to maintain awareness and understanding of Allies on security issues in our region. The NATO Foreign Ministers Meeting in Latvia scheduled for 2021 will contribute positively to those efforts. The meeting will reaffirm the importance of strengthening the presence of NATO Allies in the region, which is so vital to Latvia's security and sovereignty.

A common understanding of the indispensable importance of transatlantic relations in protecting values and interests vital for the Allies, which was reaffirmed at the NATO Leaders Meeting in London on 3–4 December 2019, is of equal importance. Regardless of the rhetoric during the preparation process, at the Leaders Meeting in London, the Allies demonstrated unity and trust in the Alliance as the security guarantor for the Euro-Atlantic area. Both the United States and Canada, and the European Allies have confirmed that the Alliance is a unique instrument for transatlantic security in countering current security challenges. NATO leaders agreed to collectively continue the process of adjustment of the Alliance to ensure the capacity to effectively respond to a full spectrum of challenges, which include the shift of balance in global power, and military threats, including the consolidation of Russia's military capabilities, and the risks and opportunities presented by new technologies. Progress achieved at the meeting in the matters of regional defence planning is highly important to Latvia. Political approval of NATO's revised defence plan for the Baltic States and Poland is a vital step that reinforces our security. The Allies have confirmed their understanding of threats posed by Russia's aggressive actions to Euro-Atlantic security, while also making a commitment to continued efforts of countering the threat of international terrorism and other challenges. The Alliance's agenda also includes the topic of the increasing international role of China and related opportunities and challenges.

The Allied presence in Latvia is not only a pledge of solidarity but also the recognition of Latvia's responsible approach to the strengthening of its security. In this context, it is

essential to continue investing at least 2% of its GDP in defence through development of national defence capabilities and providing host nation support for the Allied forces.

Latvia is actively supporting the partnership policy implemented by NATO, which envisages the deepening of political dialogue and practical cooperation with countries that are not part of the Alliance thereby strengthening security beyond NATO's borders. It is of special importance to Latvia to further develop NATO's close cooperation with Sweden and Finland thereby strengthening security in the Baltic Sea region. In order to maintain good neighbourly relations and strengthen the relationship between NATO and partner countries Latvia has contributed to the strengthening of NATO–Belarus relations. Latvia also actively advocates the Alliance's open door policy. It is expected that North Macedonia will soon become a NATO member state thus demonstrating that NATO doors are open to new members.

One of the most relevant issues on the transatlantic agenda is the facilitation of military mobility across the European Union – both the simplification of laws and procedures, and the adjustment of infrastructure for military needs. For Latvia, being located on the external border of the European Union, a rapid movement of the European Union and NATO forces is of special importance. Therefore, the European Union must carry on working in close coordination with NATO.

Latvia strongly supports cooperation between the European Union and NATO, and at this point it is closer than ever. Latvia believes that concerted efforts of the European Union and NATO in the defence and security sector contributes substantially to building a secure Europe and strengthening NATO. We are satisfied with the results achieved in the implementation of the Joint Declaration on EU–NATO Cooperation. Cooperation in the field of military mobility which is of special importance to Latvia; the areas of hybrid threat, cybersecurity, coordinated training and exercise are of equal relevance.

Strengthening of Latvia's economic competitiveness

Multilateral cooperation formats

The European Union's external trade policy and free trade agreements with third countries

In view of the vital role of external markets for successful economic growth, Latvia is working on new export opportunities and on expanding the existing ones. Latvia is taking part in the formulation of the European Union's common trade policy thereby pursuing the economic interests of our country. The free trade agreements concluded by the European Union open up new export prospects for our manufacturers as well as bringing benefits to people in our country in the form of greater accessibility to goods and services and wider range of good and services being made available.

Regardless of the trends of protectionism still present in the world, the European Union successfully continues to enter into bilateral trade agreements. This can be explained by the desire of the European Union and its partner countries to improve the framework for their bilateral trade relations thereby counterbalancing the effects of protectionism. Two important agreements entered into force in 2019: the European Union–Japan Economic Partnership Agreement and the European Union–Singapore trade agreement, both which strengthen economic ties and open up new avenues for EU and Latvian exports.

In summer 2019, following 20-year-long negotiations, the European Union and Mercosur countries finally reached a political agreement on this key trade agreement. This would be one of the largest and most important trade agreements ever signed by the European Union, opening huge opportunities for exports to South America. It is expected that the agreement could enter into force before the end of 2020. In parallel, work is ongoing on the modernisation of the existing agreements with Chile and Mexico bringing them in line with contemporary standards and needs. An agreement with Vietnam is pending ratification; trade

negotiations are underway with Indonesia, Australia and New Zealand. And there are plans to resume talks with Thailand.

In the framework of the European Union's external trade policy, the Latvian Ministry of Foreign Affairs supports Latvian businesses, identifying our economic interests in a dialogue with business organisations and companies and protecting those interests.

Latvia will support the promotion of economic relations between the European Union and the United States, being well aware of the hurdles those relations currently face. Notwithstanding challenges to the world trading system, Latvia will consistently advocate its preservation and strengthening.

The Global Trade Order

Under the conditions of change caused by globalisation, the trade system based on free trade principles are increasingly questioned. The World Trade Organisation (WTO) has failed to prevent and effectively deal with trade hurdles on a global scale in a timely manner as well as to adjust to economic and trade conditions of the modern world. The differing interests of the WTO members and outdated rules of the functioning of the organisation prevent the reaching of meaningful decisions and agreement on multilateral solutions to trade issues. Taking this into account, there is widespread awareness of the need for reforming and modernising the WTO, although this has not led to any significant development and results. An urgent matter is the resumption of the full functioning of the WTO dispute settlement system. Membership of the WTO provides Latvia with more predictable conditions in international trade. The WTO system also enables resolution of trade disputes and, in the context of accession of applicant countries, makes it possible for Latvian businesses to address questions of market access that are important to them.

China is a major trade partner for the European Union, with their mutual trade amounting to more than 1 billion euros daily. However, tension is caused by China's economic and trade policy, characterised by strong state interference in the economy, the absence of transparency and subsidies which are not in compliance with WTO rules. At the same time, China is simultaneously a major systemic rival, competitor and cooperation partner to the European Union. We must pursue a balanced policy aligning economic interests with security risks and our values. In the wake of the European Union-China Summit held in April, the parties have succeeded in achieving progress concerning negotiations on a Comprehensive Agreement on Investment, the WTO reform, the opening of the public procurement market and other topics.

The United States trade policy is still dominated by the goal of reducing the trade deficit through restricting imports, promoting market access to third countries and support for domestic production. This has an influence on all main actors in the global market, including the European Union. The United States currently focuses on the revision of its trade relations with China. The United States is pursuing a rather strict trade policy using import tariff rates as a lever: practically all imports from China are subject to increased customs duties. The tariffs imposed by the United States on steel and aluminium from the European Union have not been removed yet and the European Union's retaliatory measures in the form of raised tariffs on U.S. goods remain in force. Regardless of the efforts of the European Union to achieve a mutually advantageous solution in its dispute with the United States on subsidies to the aircraft industry, in October 2019, the United States began applying increased tariffs on certain goods originating in the European Union. The United States has also expressed its readiness to set new tariffs following France's stated intention to introduce a Digital Services Tax. At the same time, the European Commission and the Member States are seeking solutions to improve trade relations with the United States.

Good transatlantic relations, including in trade matters, are important to Latvia. Latvia has been firmly asserting that position in the European Union formats for trade policy discussions and in bilateral meetings. Successful trade relations between the European Union

and the United States of America are important to Latvia in the context of both economic and broader geographical interests. The Three Seas Initiative project, which comprises 12 European Union Member States in the regions of the Baltic, Black and Adriatic seas and which has potential for advancing regional cooperation and improving infrastructure connectivity, energy supply and energy security, could bring its contribution in this field. The Three Seas Initiative will help promote the European Union's internal cohesion and the engagement of the United States in Central Asia and Eastern Europe, thereby strengthening the transatlantic link.

Changes to the European Union's trade policy in the Brexit context

Latvia's interests lie in having trade arrangements with the United Kingdom that are as simple and effective as possible also after its withdrawal from the European Union. However, as a consequence of Brexit, export and import deals between the European Union Member States and the United Kingdom could become more complicated and costlier. The processes will become more time-consuming since exporters, most likely, will have to undergo additional customs clearance procedures, additional certification and do other things necessary to continue to engage in trade with the United Kingdom. It is important for Latvia that European Union Member States and the United Kingdom maintain close trade relations also after Brexit and prevent to the greatest extent possible any emergence of new obstacles and constraints, and this could include amongst other things the conclusion of a new comprehensive trade agreement.

Adopting best international practices (OECD)

Latvia is actively involved in the work of the Organisation for Economic Cooperation and Development (OECD), especially in the areas that are a priority for promoting growth in the country. In 2019, Latvia has made active use of the opportunities offered by OECD membership by receiving assessments and recommendations on topics important for the country: active labour market policy measures, digital transformation, effective functioning of a system for the prevention of money laundering and terrorist financing, and skills strategy.

Cooperation on digitalisation will be essential in 2020. An OECD review of digital transformation of Latvia will provide the analysis of reasons hampering digital transformation in the economy and the society. The review will offer recommendations on the formulation of digital policy and map out new potential areas that need to be developed so that Latvia could adapt more successfully to the tendencies of the changing world.

Stemming illegal financial flows

2019 was a pivotal year for making the needed improvements to Latvia's financial sector in order to rectify deficiencies identified in a report by Moneyval, the Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism. The comprehensive reform of the financial system carried out by the Latvian Government, extensive amendments made to laws and regulations, measures taken by competent authorities to effectively apply international standards, and intensive international cooperation – all those steps are evidence that Latvia has resolved to irreversibly establish and strengthen transparency in its financial sector. Latvia is interested in the effectiveness of the reforms since failure may have far-reaching and serious consequences for the business environment, especially the export sector, capital costs and security interests. At the same time, it should be borne in mind that money laundering and the financing of terrorism and proliferation are most frequently transboundary crimes and their prevention calls for international efforts. With this in mind, Latvia will further advocate the promotion of international cooperation and the creation of new effective mechanisms to counter international crime.

Support for Latvia's exports and entering new markets

One of the fundamental tasks of the Latvian Foreign Service is to represent and advance Latvia's economic interests by means of all instruments at its disposal: the WTO, the European Union's trade agreements with third countries, bilateral agreements, visits by public officials, information seminars, and support for incoming and outgoing business delegations. Active work took place in both well-known markets and more distant, less familiar regions with the aim of developing new markets and diversifying current risks.

The Latvian Foreign Service focuses on both traditional manufacturing sectors such as timber, pharmaceuticals, food, transport and logistics, and the rapidly growing services sector, especially in ICT, information and communication technology. In November 2019, Riga hosted 5G Techritory, the second annual Baltic Sea Region 5G Ecosystem Forum, with the Foreign Service being involved in its promotion. It can now be said that Latvia has become a promoter of 5G technologies across the Baltic Sea region. The forum was held in association with the Nordic Council of Ministers with the aim of strengthening development of digitalisation in the Baltic and Nordic countries.

One of the ways to promote business cooperation with other countries is through the visits by high-ranking public officials and business delegations that accompany them. By taking part in official visits, business people raise their visibility and expand contacts, which contributes to building of trust and makes it easier to further develop their business. This usually takes place at business forums held in parallel to visits: in 2019, the President of Latvia with business delegations visited Germany and Italy. At the business forum in Germany, the focus was placed on information and communication technologies, transport and health care sectors, while the business forum during the visit to Italy addressed the sectors of information and communication technologies, biotechnologies and finance. Businesses also retain high interest in the U.S. market. In 2019, the second Spotlight Latvia business conference took place in the United States with the aim of promoting the export of Latvian goods and services.

Another format for the promotion of foreign trade and creating conditions favourable for business development is the work of inter-governmental commissions, which focus on the problems of economic and business contacts. Last year, under the chairmanship of the Ministry of Foreign Affairs, a regular meeting was held of the Working Group for Economic Cooperation in the context of the Latvia-Russia Intergovernmental Commission, which highlighted the issues of mutual trade, including in relation to the renewal of exports of Latvian food and agricultural products to Russia.

This is an annual format in cooperation with Belarus and such meetings deal with cooperation on expanding contacts in transport and logistics, information technologies, tourism, science and trade. The transport subgroup of the Latvia-Belarus Intergovernmental Commission has succeeded in promoting exchanges of visits important for Latvia's transport and logistics sector in 2019.

Strengthening cooperation with Asian economies

South Korea, India, Japan and China remain the major partners for economic cooperation in Asia. In 2019, in view of the European Union-Japan Economic Partnership Agreement entering into force, the Ministry of Foreign Affairs organised an information seminar on the opportunities for doing business with Japan, which brought together businesses from the timber processing, pharmaceutical, cosmetics, food and other sectors. An intensive exchange of visits of an economic character continued throughout the year, confirming that Japan's interest in Latvia is higher than ever. The agreements signed with Japan at the European Union level open up wider opportunities for business cooperation and partnership in the field of connectivity and infrastructure.

In relations with another partner in the region – South Korea – the three charter flights organised in 2019 and the bringing of Korean tourists to Latvia deserves special mention. That kind of cooperation will also take place in 2020. Cooperation in the field of startups should

be noted in particular: in 2019, a Memorandum of Understanding was signed between the Ministry of Economy of Latvia and the Ministry of SMEs and Startups of South Korea on mutual support for cooperation between startups.

In 2019, Latvia welcomed a high-level political and business delegation from India, which strengthened the increasing economic dialogue between the countries. The Latvia-India Business Forum focused on the sectors of information and communication technologies, pharmaceuticals and food production. Representatives from information and communication technology companies and higher education institutions took part in the India-Europe 29 Business Forum in New Delhi, highlighting Latvia's offerings in the area of "smart cities" and digital technologies.

In 2019, against the backdrop of the rapidly increasing Southeast Asian market, the Latvian Ministry of Foreign Affairs organised a seminar for businesses about the opportunities for doing business in Singapore, Vietnam and Indonesia. In view of interest among businesses and trade negotiations with the region's countries, a delegation headed by the Minister of Foreign Affairs accompanied by businesses representing the sectors of pharmaceuticals, timber industry, information and communication technologies and engineering solutions made a visit to Vietnam and Indonesia. Taking part in high-level talks and business forums, business people had the opportunity to present their interests firsthand as well as directly building contacts with local companies and organisations representing businesses. The visit saw the signing of an agreement between Latvia and Vietnam on cooperation in the field of education, which will promote cooperation in higher education, including student and teacher exchanges and the export of higher education.

Exploring the potential of economic cooperation with countries in the Middle East, Africa and Latin America

To facilitate access by Latvian businesses to markets in the Middle East, Africa and Latin America, cooperation is being intensified in a number of areas.

The market of the Persian Gulf region and the opportunities it offers are in the focus of interests of Latvian businesses. By holding the first meeting of the Latvia–United Arab Emirates Joint Economic Committee in December 2019, a major step has been taken towards building a dialogue with the United Arab Emirates, which is one of the major economic cooperation partners in the region.

In 2019, a business mission by the Egyptian Business Council for International Cooperation arrived in Latvia, which provided information for Latvian exporters of chemicals and companies representing the information and communication technology sector on opportunities to begin negotiations with the Egyptian side.

In 2019, the Government of the Republic of Latvia and the Government of the Kingdom of Saudi Arabia signed a Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital, which will facilitate further economic cooperation between the two countries and strengthen trade contacts.

For the first time in Latvia, the Ministry of Foreign Affairs in association with the European Commission organised a Market Access Day, at which its participants received information about the current EU trade regime with Africa. Participants at the meeting analysed how Latvian businesses working in food production, information and communication technologies and chemical industry can access markets in Morocco, Nigeria and South Africa.

High-level visits planned to Benin and Ghana in the early 2020 as well as regional visits to North Africa (Egypt, Morocco, Tunisia) would facilitate access for Latvian businesses to new markets.

For Latvian exports, the Latin American market is still relatively new and unexplored; it holds potential not only for Latvia's traditional exports, for instance, peat products, but also

modern technological solutions. For instance, in 2019, Latvia welcomed an Argentinian delegation with the aim of promoting cooperation in the field of transport, logistics and technologies. At the same time, Latvia's leading communication technology companies and developers of IT solutions are interested in expanding into Brazilian and Argentinian markets.

A political dialogue should be further pursued with the Latin American countries, including Brazil and Argentina, to explore prospects for cooperation in business, education and science. In view of the political agreement reached this year between the European Union and the Mercosur countries (Argentina, Brazil, Paraguay, and Uruguay) on a trade agreement, there are plans to organise a seminar for businesses to inform them about the opportunities to cooperate with Latin America offered by the conclusion of the long-awaited deal. In 2020, greater attention will be devoted to closer cooperation with the members of the Pacific Alliance: Chile, Colombia, Mexico and Peru. The openness of the economies of these countries and their close regional integration create good preconditions for building cooperation.

Expanding the embassy network

The Ministry of Foreign Affairs has approached the development of embassies and missions abroad in a responsible manner including through a careful evaluation of the budgetary constraints and public interests involved. From a short term and medium term perspective, Latvia must be expanding its network of missions in the coming years in order to protect its interests, to strengthen Latvia's visibility with its international partners, to support Latvian businesses in exploring new economic opportunities on distant continents, to enhance provision of consular services to Latvian nationals worldwide and to support the Latvian diaspora. Coverage provided by existing missions is not optimal, and opening new ones is a task for the coming years.

The matter of opening an embassy in Australia has long been on the agenda of the Ministry of Foreign Affairs. An embassy would ensure an effective representation of Latvia's interests in the Pacific and foster a link with the Latvian community, the development of bilateral relations and economic cooperation. Although there were plans to open an embassy in Australia in 2020, the Ministry of Foreign Affairs, taking into account the overall government priorities, consented to postpone the opening of the mission. The matter will be taken forward in the process of planning upcoming state budgets.

Brazil is the largest country in Latin America with the largest Latvian community in the region and which is also well organised; therefore, this country is a logical choice as a location for an embassy with a regional coverage. Brazil is the largest economy in South America and one of the largest global economies. A full implementation of the European Union– Mercosur agreement will offer new opportunities for businesses and residents of all parties to the agreement.

The possible opening of an additional embassy in Africa is under consideration, and its location will be specified in liaison with business organisations and in accordance with the needs assessed by the Consular Department of the Ministry of Foreign Affairs.

Southeast Asia is a region of strategic importance: it comprises rapidly growing economies, in which China, the United States and European countries vie for influence. An embassy of Latvia in Indonesia would create various opportunities, including for the export of higher education to the region's largest developing country, the most influential in the United Nations framework. From among Southeast Asian countries, it is with Indonesia that Latvia has the most active bilateral political dialogue. Indonesia is a member of G20 and has an important role to play in the United Nations Group of 77 (G-77) and the Non-Aligned Movement.

The Ministry of Foreign Affairs is compiling its proposals for the expansion of the network of embassies and representations into a separate information report to be considered by the Cabinet.

Involvement of Civil society and public diplomacy

The daily work of the Latvian Ministry of Foreign Affairs is inconceivable without the involvement of civil society, and its support and understanding of the key aspects of foreign policy. As part of public diplomacy, the Ministry of Foreign Affairs has implemented a series of activities aimed at the involvement of the general public in explaining, discussing and presenting foreign policy and related topics. There is a continuous dialogue with various groups of society – associations, non-governmental organisations, foreign policy and security policy research centres, the academic environment and a broad range of experts. The annual Riga Conference, organised in association with LATO, has a prominent role in the dialogue with society in Latvia, foreign politicians and experts. Also in collaboration with the Ministry of Foreign Affairs, LATO has organised a NATO Summit simulation game for young people. The Latvian Institute of International Affairs is a continuing long-time cooperation partner with the Ministry of Foreign Affairs and it organises discussions and seminars and issues publications on foreign policy topics highly relevant to Latvia.

Large-scale public communication campaigns on the 15 years of Latvia's membership of the European Union and NATO, the centenary of the Latvian Foreign Service, and to inform people about the effects of Brexit were carried out in 2019. Such campaigns evaluated the benefits of Latvia's membership of the European Union and NATO, thereby strengthening public support for the Euro-Atlantic course of the country. Communication campaigns help raise awareness about the functioning of the Foreign Service and the pursuit and realisation of Latvia's foreign policy interests.

In order to create public understanding of the role of the European Union in Latvia's development and to explain opportunities and benefits from Latvia's membership of the European Union, the Ministry of Foreign Affairs in collaboration with the European Movement in Latvia, the Representation of the European Commission and the Liaison Office of the European Parliament in Latvia is organizing European Union Information Providers' Forums twice a year alongside other events of informative and educational nature. The Ministry of Foreign Affairs organizes regular consultations with representatives of civil society, including Providus, the Employers Confederation of Latvia, the Latvian Association of Local and Regional Governments, the Free Trade Union Confederation of Latvia, on the agenda of the European Union and topics to be considered at the European Council. With support from the Ministry of Foreign Affairs and the Permanent Mission of Latvia to the United Nations and as part of the United Nations Youth Delegate Programme, representatives from a non-governmental youth organisation The Club "The House" – Youth for the United Europe took part in the UN High-Level Political Forum on Sustainable Development and the UN General Assembly High Level Week.

Cooperation with civil society is of special importance in the field of development cooperation. In 2019, such cooperation took place in both public consultations on legislative amendments and development cooperation and global education projects. Last year, the Ministry of Foreign Affairs also supported the implementation of projects and activities by the Centre "Marta", the Latvian Association of Local and Regional Governments, the Foundation of Public Participation, New Door, *Risinājumu darbnīca* (Workshop of Solutions) and Green Liberty associations. A particularly close cooperation in various formats takes place annually with the Latvian Platform for Development Cooperation (LAPAS). In 2020, consultations will be held with civil society, the private sector and public authorities to formulate development cooperation guidelines for the subsequent period.

The Latvian Ministry of Foreign Affairs is also implementing a public diplomacy programme for the Centenary of the Republic of Latvia, supporting cooperation between institutions and the private sector in Latvia and abroad. The main objective is to strengthen Latvia's intellectual and economic potential and competitiveness. Latvian diplomatic and consular missions, the Investment and Development Agency of Latvia, Latvian honorary consuls and diaspora organisations abroad are involved in the implementation of the centenary programme. The centenary public diplomacy programme increases attention of our partners with regard to Latvia's achievements and promotes further cooperation in economy, security, culture and education.

The Latvian Foreign Service appreciates the opportunities offered by modern technologies and the challenges they present also in digital diplomacy. Parallel to the existing traditional diplomatic channels, the Ministry of Foreign Affairs is increasingly often using social networks to spread its strategic messages. Latvian diplomats are active participants in online platforms to inform the general public in Latvia about the country's foreign policy priorities in pursuit of specific objectives in politics, economy and culture as well as in countering disinformation. With the increasing role of digital diplomacy in international policy, in order to strengthen security in the information space it is vital to address issues of responsibility for internet platforms and social media. Mutual cooperation and coordination in public administration is essential in this respect. The Ministry of Foreign Affairs promotes media literacy and critical thinking among the public. The Ministry of Foreign Affairs supports projects by the Baltic Centre for Media Excellence, which foster the development of Latvia's media environment and resilience against disinformation.

Cooperation with Latvians abroad and consular work

Link with Latvians abroad

Since the Diaspora Law took effect in 2019, the Ministry of Foreign Affairs has become the authority coordinating the diaspora policy. The Ministry of Foreign Affairs continues developing cooperation with the diaspora umbrella organisations: the World Free Federation of Latvians, the American Latvian Association, the European Latvian Association as well as – through embassies – with diaspora organisations abroad. In order to facilitate cooperation and concerted action between public authorities and diaspora organisations involved in the implementation of the diaspora policy, the Diaspora Advisory Council was established in 2019. The council has agreed on drawing up of a joint cross-sectoral Action Plan for Work with the Diaspora for 2021–2023. The development of the plan will cover five main areas: 1) strengthening the Latvian identity and sense of belonging to Latvia among the diaspora, studies of the Latvian language and culture, their preservation and development outside Latvia; 2) promotion of civil and political participation of the diaspora; 3) the involvement of the diaspora in the development of Latvia's economy and science, and public administration; 4) support for remigration; 5) media and information.

Planning of a common budget intended for diaspora policy initiatives has begun, pending submission. State support for the diaspora in 2019 amounted to 3.4 million euros. In 2020, funding allocated to diaspora policy initiatives is to be included in the basic budgets of institutions for the first time. In the form of various projects, the state supports the initiatives of diaspora organisations, which foster the preservation of the link with Latvia. The Ministry of Foreign Affairs supported 120 projects in 25 countries in 2019 with the aim of strengthening cooperation with the diaspora.

In the context of the main tasks in the diaspora policy, special mention should be made of activities to strengthen the Latvian identity and sense of belonging, preservation of culture and language, political participation, the transfer of best practices to Latvia, and the promotion

of remigration. A current task of special importance is providing information to the diaspora about the opportunities for working and living in Latvia.

Under the conditions of globalisation, every Latvian national can contribute to Latvia's growth. Those living abroad bring new ideas, values and practice to Latvia, and the Ministry of Foreign Affairs is cooperating with the organisation titled *Ar pasaules pieredzi Latvijā* (Bringing Global Experience to Latvia). In their daily work, at this point already, Latvia's public authorities appreciate the diaspora's competence and the support it has provided in the implementation of various activities. In pursuit of the intention expressed in the Diaspora Law, work is underway on specific directions of cooperation and activities having potential for the involvement of the diaspora. The World Latvian Economics and Innovation Forum, which brings together representatives of the Latvian business community and the diaspora from various countries, has already taken root. For the second consecutive year, the forum took place in Valmiera. On the initiative of the Latvian diaspora in the United States, a Spotlight Latvia business conference was held in Denver, Colorado.

Work of the Consular Service

The Latvian Consular Service is constantly working on making consular services more accessible so that Latvians abroad would be provided with better opportunities to maintain a stronger link with Latvia.

In 2019, members of the Latvian community abroad could take part in the elections to the European Parliament, voting by mail and – for the first time in the history of the European parliament elections in Latvia – also in person, in 44 polling stations set up in 38 countries. In total, 2,955 Latvian citizens voted abroad, which is by 2.31% more than voted in 2014.

In For more convenient authentication of documents with an apostille, which was done only in Riga thus far, this function was taken over by Latvian sworn notaries in 2019, the way it is in many other European Union Member States. This releases resources, making it possible to focus more on the provision of consular assistance in emergency situations, which falls within the exclusive competence of the Ministry of Foreign Affairs and may not be delegated to other agencies. 2019, the embassies also organised missions of mobile passport workstations to various cities in the United Kingdom, Ireland, Germany, the United States, Canada and Spain to enable Latvian nationals to receive consular services closer to their place of residence; a mobile passport workstation was also provided on consular trips to Sydney, Adelaide and Melbourne in Australia.

A new consular price list came into effect in 2019 balancing the rates of consular service fees. In total, 99,033 consular services were rendered in missions and Riga in the first three quarters of 2019. In 2020, an online booking system will begin operating at embassies and consulates enabling customers to electronically apply at any time for a visit to any of Latvian missions abroad.

Given that the importance of cooperation between the European Union Member States is increasing in the provision of consular services, a new consular convention of the Baltic States was drawn up replacing the intergovernmental agreement of 1999. The convention enshrines consular protection at other European Union Member State missions in third countries guaranteed by the European Union law. The convention also enables Latvian citizens to receive consular protection at the Estonian and Lithuanian missions in the European Union Member States where Latvia has no representation.

The consular service actively informs people about travelling safely. From June to August, by means of information notices on mass media and information materials titled "Travel Safely in the European Union" and "Travel Safely with your Family in the European Union", people all over Latvia were reminded of travel advantages offered by Latvia's membership of the European Union. The Consular Department and the Embassy of Latvia to the United Kingdom were active in informing Latvians in Latvia and in the UK about the consequences of Brexit and how to prepare for them.

2019 saw a keen interest of foreign nationals in Latvia as a travel destination, which is evidenced by 130,925 visa applications received in the first three quarters of 2019, for which more than 5 million euros were collected in fees. The number of student visa applications received at the Latvian embassies has been increasing considerably: in the first three quarters of 2019, the number of student visa applications at the Embassy in India increased by 19% year-on-year amounting to 2,138 applications; at the Embassy in Uzbekistan, the increase soared to 76%, that is, 650 applications. Following amendments to the Immigration Law, which facilitate the entry of foreign nationals for the purposes of employment, the number of work visa applications has also increased at the Embassy in Uzbekistan. The efforts of Latvian higher education institutions to attract foreign students create the need to expand cooperation with external service providers for receiving visa applications, and in 2019 such services were also outsourced in Turkey. There are plans to start cooperation of this kind in Egypt, Vietnam, Indonesia and Thailand in 2020. When considering visa applications, the embassies invest large resources in the assessment of the risks of irregular and illegal migration and risks to security. In close cooperation with other public authorities in Latvia, this work will remain a high priority for the Ministry of Foreign Affairs well into the future.

Conclusion

In 2019, we marked the centenary of the Latvian Foreign Service and diplomacy. 29 July 1919, when the Minister of Foreign Affairs, Zigfrīds Anna Meierovics, issued the first order on the appointment of four key employees, is considered the date of the establishment of the Ministry of Foreign Affairs. The Foreign Service is the only institution of the Republic of Latvia that functioned without interruption since the proclamation of the state in 1918. Following the establishment of the Latvian Foreign Service, regardless of the difficult military and internal political situation in the country, Latvian diplomats worked successfully to earn *de iure* recognition of Latvia by the world's great powers on 26 January 1921. And so it is with this history of Latvia in the making that we welcome one more centenary – the anniversary of Latvia's recognition *de iure* and *de facto* in 2021 which will officially conclude the programme of Latvia's centenary events.

In foreign policy, we must be able not only to set goals and implement them but also to objectively analyse the ongoing processes as a testimony and a legacy for generations to come. Next year, the Ministry of Foreign Affairs will also be contributing in a special way to the history of the Latvian diplomacy and to leaving a record of it. The personal experience of diplomats working in Riga and abroad will be gathered into a collection of articles. Since the restoration of independence, those were usually historians, political scientists, journalists and sometimes legal scientists who have been speaking and writing about the Latvian diplomacy, foreign policy and international relations. Nevertheless, it is diplomats in the Foreign Service who are engaged in those matters directly and on a daily basis. In addition, Latvian diplomats have gathered special knowledge and specific experience over the years.

Latvia's national security, its successful development and the welfare of its people is the daily concern of Latvian diplomats. Latvia's image is projected internationally by every public authority, by civil society, the diaspora, various organisations, businesses, athletes, artists, politicians and by every person living in Latvia. The Ministry of Foreign Affairs also does its part. Our diplomats implement the economic and cultural diplomacy, raise the visibility of Latvia and build international contacts, and Latvia's foreign policy in general is sending a clear message of our nation and society belonging to the Western family of nations, linked by the values of democracy, the rule of law, respect for human rights within the Trans-Atlantic security space.

The Foreign Service is actively explaining Latvia's history, exposing efforts to re-writing Latvian and European history, and the Foreign Service is thereby also contributing to the formation of an objective historical memory, and elucidating those efforts to its international partners in precise language. The image of the country is created by each

individual and the entire society together. In its activities, the Latvian Foreign Service has been fostering and will continue to foster the western course of our country and its belonging to the European space of culture and democratic values.