

**Annual Report**  
**on**  
**accomplishments and further work with respect to national**  
**foreign policy and the European Union**

**Riga, 2016**

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## **Introduction**

In 2015, Europe and countries across the world continued facing serious challenges: attempts to call into question international order and international law; terrorism; and uncontrolled flows of migration. These challenges have posed an existential threat to our system of values and require swift and effective action. Russia's aggression in Ukraine continued in 2015, undermining peace and stability in Europe. Notwithstanding the fragile truce in the east of Ukraine, no significant progress was achieved toward resolution of the crisis.

The ongoing conflict in Syria escalated in 2015 with Russia becoming even more directly involved. Russia has been engaging in unilateral military activity uncoordinated with the international community and consequently contributed to the tension in the overall conflict. Despite the efforts to seek a peaceful settlement in Syria, military conflicts and destabilisation of countries in the Middle East and North Africa on the whole create grounds for the strengthening of terrorist groups. The recruiting of fighters on a global scale by ISIL/Da'esh terrorist organisation and its campaign of hatred and violence increased the threat of transnational terrorism to countries in the European Union. Terrorist attacks in France and Denmark highlighted how conflicts taking place outside Europe can have a direct impact on the stability of European societies and the security of their residents.

In fact, however, a long term contribution to addressing the causes of conflicts and instability was made over the past year. An agreement was achieved on the United Nations new 2030 Agenda for Sustainable Development, which is an unprecedented framework for global action to achieve sustainable development. The global agreement reached at the UN Climate Change Conference in Paris will both help to prevent changes in climate while also ensure resilience when dealing with climate changes that do take place. This is the most ambitious global environmental deal ever reached. Sustainable development is instrumental in efforts to lessen poverty, violence and lawlessness while at the same time being essential in managing the consequences of such problems.

In 2015, with the active involvement of the European Union diplomacy, an agreement was achieved with Iran that paves the way for a peaceful development of its nuclear programme and provides an opportunity for positively affecting the course of events across the Middle East region.

Across the world, democracy and human rights have been eroded. Journalists face legal restrictions and violence that undermine the media freedom. Freedom online has been increasingly curtailed by censorship, by increasingly intrusive surveillance and by limitations to privacy. This negative trend is also present in the EU's neighbouring regions and this will have a negative effect on the EU in the longer term.

The past year was a test for the EU's unity and capacity to act. In surmounting the economic crisis in Greece, the EU proved it is indeed able to find joint solutions. On the other hand, a new long-term challenge to Europe emerged – uncontrolled migration flows from a number of crisis-affected regions.

In the context of global challenges, the need to respond to the hybrid threat in regions neighbouring Latvia came to the forefront. Meanwhile, the embargo imposed by Russia on agricultural goods, raw materials and food products required the Latvian economy to adapt itself to the new circumstances and seek fresh export markets.

Under such difficult and complicated conditions, Latvia successfully passed through its first Presidency of the Council of the EU, which not only facilitated further economic growth of the Union, the establishment of a common Energy Union and the Digital Single Market, closer relations with the Eastern Neighbourhood and Central Asian regions, but also increased Latvia's visibility in the world. In the field of security, work began on the implementation of the NATO Wales Summit, in particular, on the strengthening of collective defence. Progress was achieved in the reinforcement of the Allied military presence in Latvia in the long-term perspective. An intensive negotiation process has been taking place on Latvia's accession to the Organisation for Economic Cooperation and Development (OECD) which has brought Latvia closer to full membership in this institution so important for global economic cooperation.

In view of the above-mentioned trends and developments, the **primary goal of Latvia's foreign policy also in 2016 will be the promotion of national security and economic interests**. Therefore, the foreign policy of Latvia in 2016 will focus on the following tasks: 1) strengthening external security by arranging NATO's long-term presence in our region and facilitating an effective fight by the EU and NATO against terrorism; 2) reinforcing EU unity and effectiveness; 3) facilitating stability in the EU's neighbourhood; 4) promoting foreign economic relations and entering new markets; and 5) completing the process of accession to the OECD.

## **Trans-Atlantic space of security and cooperation**

Since Latvia regained its independence, the strengthening of the trans-Atlantic space of security and cooperation has been closely connected to Latvia's statehood and security. This space is built on the principles of international law, the democracy and the rule of law, which are the basis of development and security in any country, including Latvia. The more the United States is directly engaged in Europe and powerful institutions concerned with the trans-Atlantic space, the better for Latvia's security. Therefore, one of the basic tasks of Latvia's foreign policy now and in the future is the strengthening of the space of trans-Atlantic security and cooperation.

## **NATO**

It is in Latvia's interests to strengthen NATO's collective defence and deterrence, especially its ability to respond to threats, and this is related primarily to NATO's ability to respond and its military presence, including in Latvia, as well as

the building of closer relations between NATO and partner countries, including Sweden, Finland, Georgia and Ukraine.

NATO's central role in the Euro-Atlantic space of security has increased since the aggression of Russia against Ukraine, as well as Russia's stepped up military activities near the borders with Latvia and in the world in general. More and more, Russia is apt to apply military force in the protection of its interests, and this includes changing the borders of independent states as has been the case with the illegal and illegitimate annexation of Crimea.

In view of the deteriorating security environment near NATO's borders, the Wales Summit in September 2014 marked the beginning of NATO's adaptation to the new security environment. One of the most important components of this is strengthened **collective defence** based on an effective and reliable deterrence policy. Only an effective and credible deterrence policy will be able to address potential threats. Military presence is an integral part of any successful deterrence policy. A collective defence, which complements national defence, means that Latvia will never have to deal with threats completely on its own. Latvia's allies continue to show with their words and deeds, their readiness to contribute and give attention to Latvia's security. With the budget for defence having reached 1.4% of GDP in 2015, and with the firm commitment to spend 2% of GDP on defence by 2018, Latvia is not only attending to the building of its defence capabilities but emphasising that it is a dependable ally.

In 2015, Latvia began strengthening collective defence in a political and practical manner with an eye to NATO response capabilities and a visible **military presence in Latvia**. The NATO Response Force has been increased to 40,000 troops. 5,000 of these make up the Very High Readiness Joint Task Force (VJTF) that can deploy within 24 to 48 hours. In 2015, the NATO Baltic Air Policing Mission was handled by eight fighter planes and the NATO Force Integration Unit (NFIU) was established to ensure support for deployment of Allied forces during exercises or crises.

To take part in joint military exercises together with troops from Latvia and other Allies, a number of partners are maintaining their troops and military equipment in Latvia on a rotational basis, including the United States, Germany and the United Kingdom. A key task in the context of Latvia's foreign policy in the field of security in 2016 will be the further strengthening of NATO's long-term military presence in Latvia with the result that every NATO country is protected from any kind of threat.

Latvia supports the so-called NATO **Open Door policy** which enabled Latvia to join the Alliance in 2004 and which also enhances peace and security in Europe today. The invitation to Montenegro to join NATO confirms not only NATO's indispensable role in European security, but also the continuation of the Open Door policy and its current importance. At the same time, Latvia will continue facilitating the process of Georgia's Euro-Atlantic integration by providing political and practical support. For instance, in 2015, Latvian experts provided support for Georgia in the planning of military exercises, public procurement and maritime security.

**The improvement of NATO's cooperation with Sweden and Finland** not only enhances security of NATO and the security of these particular partners but also improves the security climate in the Baltic Sea region. More intensive cooperation is

underpinned by a common understanding of the root causes of the increasing threat and the ways to address those. Latvia will be continuing its support both for a more active NATO political dialogue and closer practical cooperation with Sweden and Finland on military and crisis management exercises.

## **The United States and Canada**

The United States of America is Latvia's main strategic partner and a dependable ally. Without close cooperation with the United States, the strengthening Latvia's national and regional security is inconceivable. In today's difficult geopolitical circumstances, the preparedness demonstrated by the U.S. and Canada for even closer cooperation is important for Latvia.

Russia's aggression in Ukraine had the effect of causing the United States to concentrate even more attention on guarantees of Baltic State security. Latvia will continue strengthening trans-Atlantic links and maintaining a comprehensive political dialogue with the United States, while enhancing the **strategic partnership** in various areas including security policy, free trade, economic cooperation, European energy security, cyber-security, strategic communications, education, freedom of expression and freedom of the media.

In 2015, senior Latvian officials maintained an active **dialogue** with their U.S. counterparts. Intensive political dialogue has taken place as part of parliamentary cooperation between the members of the Saeima and U.S. Congressmen. Support from the U.S. Congress for Latvia's security interests is vital, and joint work with the Congress will continue in 2016. A number of congressional delegations and senior officials from the U.S. Department of State, the Department of Defense, Armed Forces, the Department of Homeland Security, the Department of Justice, the Department of the Treasury and other institutions and agencies as well as national experts visited Latvia. Cooperation in the area of education also took place with the United States. Thanks to scholarships granted by the Fulbright Program and the Baltic-American Freedom Foundation, many Latvian students, teachers and researchers have been able to pursue studies, conduct research and take part in internships in the U.S.

During 2015, the political dialogue between Latvia and Canada has developed and intensified. Latvian-Canadian cooperation in security has become closer and more active. The Canadian Government has provided financial support for the **NATO Centre of Excellence for Strategic Communications** in Riga. Canadian troops took part in the joint "Winter" military training, Saber Strike 2015, and Silver Arrow exercises in Latvia. Latvia continued supporting the provisional implementation and early ratification of the Comprehensive Economic and Trade Agreement (CETA) and the Strategic Partnership Agreement (SPA). Both agreements are additional instruments that are important in the strengthening of bilateral relations between Latvia and Canada.

In 2016, Latvia will proceed with the intensive political dialogue with the U.S. and Canada, including on the planning of exchanges of official visits and with a focus on the political, security and economic dimension.

## **European security and global security**

During its Presidency of the Council of the EU, Latvia actively advocated the review of the European Security Strategy (2003) and drafting of a new EU strategy that would reinforce the EU's role in neighbouring countries and across the world. And following up on this, in June of 2015, the European Council took the decision to prepare a new EU Global Strategy on Foreign and Security Policy by June 2016. It is important for Latvia that this strategy shall reinforce the trans-Atlantic link and the U.S. role in Europe thereby improving NATO-EU cooperation and providing response to security risks, including the hybrid threat. As the result of concerted action between EU institutions and EU Member States, the EU Global Strategy on foreign and security policy should not only promote European values and support European interests but also guarantee sustainable peace and security in Europe while at the same time helping the EU's neighbouring regions care for their own security and development.

### *Terrorism*

Risks posed by international terrorism are present not only in remote regions of the world but also in Europe. The barbaric terrorist attacks in Paris and Copenhagen were reminders of the constant presence of these risks in 2015. Latvia's national security interests call for involvement in a common policy of combating terrorism together with Latvia's allies.

Reacting to these tragic incidents, a major achievement of the Latvian Presidency of the EU Council is the adoption of decisions on EU joint action against terrorism: priorities for EU internal and external action in the fight against terrorism approved; increased cooperation and information exchange between EU institutions and Member States; intensified cooperation in counter-terrorism with other international organisations, especially the United Nations and the Global Counterterrorism Forum (GCTF). In response to the decision of the European Council, special attention was devoted to emergency measures of EU internal action: strengthening the Schengen framework; establishment of the EU Internet Referral Unit; addressing the issue of illicit trafficking in firearms; and ensuring better information exchange between Member States.

To support the priorities of EU external action and promote the EU's cooperation with the Central Asian countries in the fight against terrorism, Latvia organised an EU-Central Asia counter-terrorism seminar. Repeated terrorist attacks in Paris and an increase in the terrorist threat in Brussels and other European capitals in November mobilised the EU Member States to step up cooperation in counter-terrorism. Latvia together with other Member States actively advocated the approval of legislation on the Passenger Name Record at the European Parliament by the end of 2015, the implementation of a stricter control at the EU's external borders and closer cooperation between security services. To succeed in fighting terrorism, attention should also be paid to various aspects of external relations. Therefore Latvia will continue supporting political dialogue on counter-terrorism issues with countries in North Africa and the Middle East and the development of an action plan to reinforce counter-terrorism capabilities of these countries. Latvia will be supporting closer cooperation between the EU and Central Asian countries on combating terrorism thereby continuing the initiatives launched during the Latvia's Presidency of the EU Council.

Due to the contribution by Latvian experts during the Presidency an agreement was achieved on the signing of the Additional Protocol to the Council of Europe Convention on the Prevention of Terrorism (the so-called **Riga Protocol**), providing for a unified approach to preventing the phenomenon of foreign fighters. At the same time, the Saeima (Latvian Parliament) has made amendments to legislation in order to prevent illegal involvement of the residents of Latvia in conflicts abroad. Latvia will actively call on the Council of Europe's member states to sign and ratify the Riga Protocol thereby facilitating the implementation of the United Nations Security Council Resolution 2178 (concerning foreign terrorist fighters).

One of the instruments in the fight against terrorism is the **Global Coalition to counter ISIL/Da'esh**. Latvia has joined the Coalition and is represented in four out of five working groups set up to coordinate efforts of more than 60 member countries. Latvia works together with the Coalition's members to counter terrorist propaganda, prevent terrorism financing, and establish cooperation formats to detect the recruitment and deployment of foreign fighters. At present, Latvia is represented by one officer in the military cooperation group, and considering the possibility of taking part in the training of Iraqi troops.

#### *Border security*

Due to the increasing migration flows from the crisis-affected regions in North Africa and the Middle East and the emerging hybrid threat, security risks have considerably increased and so has pressure on the eastern border of Latvia, which is also the external border of the EU and NATO. To complement the measures for the strengthening of the eastern border, the Foreign Ministry has fostered cooperation with international partners. For instance, the issue of border security has been highlighted in a dialogue with the European Commission and other EU institutions, and various allies. Latvia is considering opportunities for cooperation with the United States of America.

Latvia is contributing to the strengthening of the EU and NATO borders by supporting international initiatives. Latvia is actively engaged in Frontex (European Agency for the Management of Operational Cooperation at the External Borders) operations and in Phase 9 of the EU-funded Border Management Programme in Central Asia (BOMCA 9), which provides support for the EU's partner countries in Central Asia in the field of border security and management. To achieve the established goals and effectively implement the priority measures, it is vital to strengthen cooperation between institutions and information sharing; to this end, the Foreign Ministry will continue to actively support coordination between the relevant authorities.

One of the major tasks for the Foreign Ministry will be engagement and coordination of support from Allied countries and EU institutions for the practical implementation of priorities under the "Concept for Integrated Management of the Border of the Republic of Latvia for 2013–2018" and the "Concept for Control and Management of the Eastern Border" in the planning.

#### *Hybrid threat*

In 2014, Russia's illegal and illegitimate annexation of Crimea overrunning wide areas in the east of Ukraine while avoiding direct and open armed bilateral confrontation and responsibility made the international community aware of **the**



**potential of hybrid warfare.** Although hybrid or asymmetric warfare and its separate elements are not something invented in the 21<sup>st</sup> century, it is for the first time that a nuclear superpower has applied it against a neighbouring country in a concerted manner, covering a broad range of military and non-military instruments both direct and indirect, combining asymmetrical tactics with the application of modern technologies both in cyber space and information space, while not reaching the threshold of a bilateral military conflict and delaying the response of the affected country and the international community.

To **reduce and prevent the risks of hybrid warfare**, Latvia continued advocating full implementation of the NATO Wales Summit decisions and the development of new policy initiatives which enable the Alliance to adapt to the new security threats of the 21<sup>st</sup> century. The **NATO strategy to counter hybrid warfare** was produced and approved at the ministerial level with Latvia's active involvement. The strategy applies collective defence guarantees, including a potential allied military response, to any member state at its request at any stage of hybrid warfare. The strategy provides for strengthening the preparedness, deterrence and defence capabilities of the Alliance and adapting those to the conditions of hybrid warfare as well as promoting closer cooperation with the European Union. Latvia also encouraged EU institutions and Member States to devise common solutions for strengthening the resilience of the EU and partners against the hybrid threat focusing in particular on strategic communications, responding to propaganda, cyber defence and border security.

In 2016, Latvia will work on drafting the implementation plan of the NATO strategy and on putting it into practice, which includes strengthening cooperation and coordination with the EU in advance of NATO Warsaw Summit. Latvia will also take care of the implementation of the recommendation set out in the framework document on the hybrid threat and support closer cooperation between the EU and NATO, including in the context of the preparation of the first EU Global Strategy on Foreign and Security Policy. Latvia will advocate raising awareness among the general public in the countries in the Euro-Atlantic space, including Latvia, concerning the hybrid threat.

### *Cyber security*

Cyber-attacks occur increasingly more often, are ever more complex and with a higher potential for damage. Therefore, cyber security and defence occupy a central place in enhancing Latvia's resilience, as well as the EU and NATO in conditions of hybrid war.

Latvia's interests in the area of cyber security have been defined in the Cyber Security Strategy for 2014-2018. The document outlines the goal of the cyber security policy: a secure and safe cyberspace which guarantees a secure, safe and uninterrupted reception of services that are important for the state and society. Five lines of action have been set out to achieve that goal: management and resources of cybersecurity; the rule of law in cyberspace and reduction of cybercrime; public awareness, education and research; preparedness and capabilities to act in crisis situations; and international cooperation.

Due to the active foreign policy of Latvia during its Presidency of the Council of the EU, a common understanding in the area of cyber security was promoted among EU institutions, including the conclusions on cyber-diplomacy adopted by the

Council in February. Work was also ongoing to put the Cybersecurity Strategy of the EU into practice and draw up an Action Plan for its implementation. Progress was made in consultations between EU institutions on the development of the first Network and Information Security Directive. Latvia proposed that work be done at the EU level on responsible detection of cyber-incidents and joined the Global Forum on Cyber Expertise launched in The Hague in 2015. Latvia built on the current cooperation between the Baltic States, the Nordic countries, the United States, Poland and the UK to promote cooperation in cybersecurity.

Cybersecurity will be one of Latvia's priorities in 2016 as the country that coordinates the programme of Baltic and Nordic cooperation (NB8). Latvia will work to promote collective defence solutions in cyberspace in preparation for the Warsaw Summit. Latvia will also develop the capabilities and expertise of national cyber-defence and cybersecurity, as well as taking forward the implementation of the Cybersecurity Strategy of the EU and highlighting the topic as work is undertaken on the EU's Global Strategy.

#### *Strategic communication*

Russia's aggression in Ukraine revealed challenges which the international community was not ready for. It was information war waged alongside Russia's military operation in Crimea and is ongoing in the east of Ukraine. Behind the smokescreen of media freedom, propaganda outlets controlled by the Russian government attempt to overload the European information space, and 'troll farms' are active on the Internet. While Russia is obstructing the activity of non-governmental organisations in numerous ways, it nevertheless makes active use of international platforms intended for civil society so that members of government-funded "NGOs" would reiterate the official rhetoric. Western countries are slandered both in the media and international organisations questioning the right of sovereign states to choose their democratic path of development, and the very democratic values are often equalled to permissiveness which will lead to degeneration of the West.

Terrorist attacks have shaken a number of countries across the globe. Moreover, terrorist organisations also stage aggressive campaigns propagating hatred and violence. These campaigns are a constant security challenge and cannot be tackled by military means. An ideological campaign of a particularly broad scale is run by the ISIL/Da'esh terrorist organisation. Its aim is to attract supporters and recruit foreign fighters, and on the other hand – to intimidate opponents and those who are not like-minded.

The fight for hearts and minds is ever-present – from newspapers in the media space to the Internet – and has the broadest coverage. In a democratic system, society cannot be fully isolated from information that flows non-stop through different channels and in large volumes.

Latvia responds to these challenges working closely together with partners in the region, namely, in the EU, NATO and other countries. First, disinformation is being refuted, lies exposed, and the relevant institutions are closely following the contents of the media broadcasting in Latvia so that a strong response will follow incitement to violence and other violations of the law.

Second, Latvia is increasing critical thinking abilities among the general public by strengthening independent media and professional qualities of journalists. A Feasibility Study by the European Endowment for Democracy supported by Latvia and entitled *Bringing Plurality and Balance to the Russian Language Media Space* containing a number of recommendations helped increase understanding of the state of play in the Russian language media space. One of the recommendations is related to the **Baltic Media Centre of Excellence** established by journalists and media professionals in November 2015 and is expected to have a vital role in raising the quality of journalism in the Baltic States and the Eastern Partnership countries. In 2016, the Ministry of Foreign Affairs will support the Centre's activities aimed at enhancing the quality of the media in the Eastern Partnership countries.

In the EU framework in 2015, Latvia facilitated the approval of the Action Plan on Strategic Communication in order to follow the European Council's conclusions of 20 March 2015 and challenge Russia's ongoing disinformation campaigns. Latvia has seconded its expert to a special EU strategic communications unit – East StratCom Team – established in the second half of the year. The team cooperates with more than 450 experts and journalists, NGOs and think tanks. In 2016 will continue its participation in the review of the EU **Audiovisual Media Services Directive**. The directive aims at promoting technological development, enabling the emergence of new audiovisual media, preserving cultural diversity, protecting minors and consumers, preventing incitement to hatred on grounds of race or religion, as well as ensuring independence of national regulatory bodies.

Latvia's contribution to NATO strategic communications capabilities is the Riga-based **NATO Strategic Communications Centre of Excellence** established by Latvia, Lithuania, Poland, Italy, Germany and the United Kingdom. The Netherlands, the United States and Finland have also posted their staff at the centre. The centre's research in regard to Russian propaganda and information campaigns by ISIL/Da'esh as well as training for public officials from various countries demonstrate allied solidarity and NATO's preparedness to respond to the changing security challenges so that our entire region could continue enjoying peace and security.

In 2016, Latvia will be strengthening EU and NATO capabilities in strategic communications and promote closer cooperation between both organisations both at the political and practical level.

#### *Participation in international organisations, missions and operations*

As a member of international organisations, Latvia has continued providing contributions to the strengthening of European and global security, underscoring respect for principles and commitments under international law. Also in the future, we shall direct attention to the importance of compliance with international commitments for maintaining an effective international order. Latvia will advocate compliance with democratic and legal principles and keep this issue on the agenda of international organisations.

In 2015, Latvia was elected to the Board of Governors of the International Atomic Energy Agency for a term of two years, and a Latvian Ambassador is Vice-Chair of the Board of Governors. Latvia has also been charged with chairing the working group that is to develop the IAEA Medium Term Strategy.

Latvia has also presented its candidacy for the 2025 election to the **UN Security Council** for the term of 2026-2027. In 2015, Latvia's diplomatic service was working actively to achieve support for Latvia's membership of the UN Security Council. Election to the UN Security Council will provide Latvia with unprecedented opportunities for taking part in resolving matters of international security and at the same time influencing the UN agenda.

Latvia's membership in international organisations and participation in missions demonstrates solidarity with allies, while allowing Latvia to exert influence and an opportunity to take part in crisis resolution abroad. In 2015, Latvia has taken part in **missions and operations of the OSCE, the EU and NATO** and intends to do so in 2016. And Latvia is planning to participate in a UN operation for the first time.

Today, the region undergoing a crisis which is closest to Latvia's borders is Ukraine. Missions led by the OSCE and the EU are currently operating there. Latvia has sent civilian experts to both missions and this shows Latvia's interest in supporting Ukraine's reform process and stabilising the situation in the east of the country. Latvia has facilitated political decision-making that ensures the OSCE's involvement in Ukraine and provides for reinforcement of the role of the **OSCE Special Monitoring Mission in Ukraine**. This mission ensures that the international community is kept informed of what is going on in this crisis region. The mission is also a vital element in implementation of the peace process.

In 2015, Latvia continued its active support for the OECD Special Monitoring Mission by sending nine civilian experts and made a voluntary contribution to funding of the mission. In view of the long-term character of the mission in Ukraine, Latvia also intends to send its experts to this mission in the future.

With two experts, Latvia also participates in the **EU Advisory Mission for Civilian Security Sector Reform Ukraine** (EUAM Ukraine). The mission has just been launched and sending of Latvian experts will take place in 2016.

Participation in the EU Training Mission in Mali (EUTM-Mali) is important from the perspective of counter-terrorism and controlling migration. Latvia has sent 7 soldiers from the armed forces to EUTM-Mali. This approach will be continued and further enhanced by participation, as of January 2016, in the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA). Latvia also supports the EUNAVFOR MED operation SOPHIA in the Mediterranean Sea aimed at disrupting the networks of smuggling illegal immigrants. One Latvian officer has been sent to the operation's headquarters in Rome. One officer has also been deployed to the EU NAVFOR Operation ATALANTA off the coast of Somalia launched.

In 2015, thirty soldiers of the Latvian armed forces took part in the NATO-led Resolute Support **mission in Afghanistan**, which replaced the earlier combat mission with one providing advice and training thereby continuing to offer the international community's backing for promotion of peace and security in Afghanistan. In 2016, important decisions will have to be made on further involvement in Afghanistan, including continued support for the Afghan National Security Forces (ANSF) as well as a civilian-led civil-military presence.

Beside the above listed missions, Latvia will continue taking part in the EU civilian missions in Georgia and Afghanistan, providing two experts to each.

## **A united, socio-economically developed and globally competitive Europe**

In 2015, the main task for Latvia was its Presidency of the Council of the EU. Latvia was not only able to fulfil its strategic priorities<sup>1</sup> but also in presenting a positive image of Latvia throughout the world. Latvia's EU Presidency was very successful in introducing Europe and a wider world to Latvia, its culture and traditions, promoting Latvian products and services internationally and presenting Latvia as an advanced and well-developed country. Latvia's civil servants and civil society gained valuable experience which shall be useful in standing up for Latvia's interests in the EU and building a secure and prosperous country.

The main challenges to be faced by the EU in 2016 are terrorism, uncontrolled migration flows, ensuring stability and economic growth in the eurozone, and security at EU borders. In parallel, consultations will continue on the United Kingdom's relationship with the EU. In response to those challenges, Latvia will be guided by its **basic interests in the EU**: maintaining EU unity and solidarity, including the preservation of the EU's fundamental values and the Schengen system; ensuring cohesion and socio-economic development in the EU and its global competitiveness; and reinforcing the EU's role as a global actor.

### **EU unity and solidarity**

Over the past year, the European Union faced extraordinary developments regarding **migration** and asylum seeking. Over one million asylum seekers<sup>2</sup> arrived in the EU in 2015. The future of the Schengen area and free travel in the EU countries without border control will depend on the EU's ability to find a solution. Latvia advocates a complex solution for the formation of a comprehensive EU migration policy. Its priority actions are as follows: reinforcing the EU external borders; an effective return and readmission policy; the fight against organised crime, especially in regard to illegal migration; and the implementation of the existing decisions. Latvia will honour its commitments under international law and as an EU Member State in regard to persons in need of international protection. At the same time, Latvia is backing a voluntary approach with regard to EU efforts at resettlement of asylum seekers.

In 2016, there will be further discussion on the future of the relationship between **the United Kingdom and the EU**. The UK is an important partner to Latvia. It is in Latvia's interests to have a strong UK within a strong and united European Union. Latvia will be abiding by the principle that we are "united in diversity" and

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<sup>1</sup>Results of the Latvian Presidency of the Council of the European Union <http://www.mfa.gov.lv/en/policy/european-union/results-of-the-latvian-presidency-of-the-council-of-the-european-union>

<sup>2</sup>According to the International Organisation for Migration (IOM), 1,005,504 asylum seekers had arrived in the EU by 21.12.2015.

respects different cultures, historical experiences and constitutional structures of the Member States. Latvia will continue defending EU fundamental principles and results achieved in the process of EU integration, as well as supporting observance of the **principle of solidarity** in the EU.

## **A socio-economically developed and globally competitive European Union**

The renewal of strong economic growth in the EU is also conducive to Latvia's economic growth. In 2016, Latvia will further support political and economic processes in Europe which aim to increase the EU's unity and solidarity as well as its growth and global competitiveness. Work must continue with the implementation of initiatives launched during the Latvian Presidency.

During Latvia's Presidency, an agreement was reached on the **European Fund for Strategic Investments (EFSI)** which will mobilise 315 billion euros in additional investment in favour of the EU's economy. Latvia will support rapid and effective implementation of the EFSI with a special focus on the enhancement of the investment environment in order to improve access to funding for businesses, and SMEs in particular. Latvia will work actively to absorb EFSI funding.

The lengthy and complicated process of negotiations, from January to end of July 2015, on Greece's economic adjustment programme exposed shortcomings in the architecture of the European Economic and Monetary Union. Although an agreement was achieved with Greece, and the country has returned to the path of reform, further action is nevertheless required to ensure stability and growth not only in Greece but in the eurozone as a whole.

In 2016, the enhancement of the Economic and Monetary Union will remain on the agenda, and Latvia will be actively engaged in these discussions since a stable, more resilient Economic and Monetary Union is in our best interests, and its improvement would facilitate the elimination of economic and social disparities (convergence) between countries and regions. Negotiations should take place in as inclusive manner as possible, such that countries outside the eurozone are not excluded.

The Latvian Presidency contributed to the formation of the **European Digital Single Market** through holding broad political discussions on the Digital Single Market strategy and achieving agreements on vital legislation. The Latvian Presidency reached an understanding with the European Parliament on a significant reduction in roaming fees by 30<sup>th</sup> April 2016, and the complete elimination of roaming surcharges by 15<sup>th</sup> June 2017, as well as reaching agreement on the first EU-wide open internet access rules.

Latvia facilitated agreement on the data protection regulation, both with respect to increasing the level of personal data protection and increasing business opportunities in the Digital Single Market. In 2016, Latvia will be promoting work on proposals regarding the further removal of barriers, improvement of standards and updating legislation to protect copyrights. Latvia will support the EU's strategic perspective toward European cloud computing and the flow and processing of data.

Latvia will advocate an approach which is careful and well thought out vis à vis reforms in the field of **telecommunications**.

The Latvian Presidency contributed to the formation of the **European Single Market** by holding discussions and supporting the adoption of European Council conclusions on the Single Market policy, which formulated main lines of action for the upcoming Single Market Strategy for Europe. The directions outlined in the Council conclusions have in general been taken into consideration in the EU Single Market Strategy published in October 2015. In the framework of the Single Market Strategy, it is important for Latvia that the business environment in the EU be improved in particular for small, medium-sized enterprises and start-up companies, as well as increasing the quality of jobs and employment, strengthening the principle of mutual recognition of professional qualifications, and boosting opportunities for cross-border cooperation of businesses in goods and services. It is important for Latvia that a full and equal application of requirements be encouraged in the services sector across the EU to eliminate considerable differences in Member State rules and thereby removing obstacles to the development of the services market. In 2016, Latvia expects several measures the Single Market Strategy to be published, and consequently broad consultations in a specific sector will be required to identify Latvia's interests and present them in discussions with EU institutions. In the context of workforce mobility, Latvia will support solutions that do not create conditions for discrimination against job seekers and obstacles to service providers.

The mid-term review of the **EU Multiannual Financial Framework** for 2014-2020 has been scheduled for 2016, and discussions are expected on the adjustment of the EU budget to meet the current internal and external policy needs. During this review, it is important for Latvia to see to it that the EU budget for funding of cohesion and agriculture does not diminish.

## **Cooperation in the Baltic Sea Region**

It is vital for Latvia to make good use of opportunities offered by traditional regional cooperation formats, and this begins with the Baltic Assembly, the Baltic Council of Ministers, and Baltic Nordic cooperation in the NB8 format. The experience of working in these regional frameworks opens up additional opportunities for actively pursuing Latvia's main interests, especially concerning the matters of foreign policy, security and the EU agenda in which the Baltic and Nordic countries have shared interests. It is in Latvia's interests to advance the economic cooperation in the region making use of these current cooperation frameworks including the EU Strategy for the Baltic Sea Region. The year 2016 opens broader opportunities for proactive cooperation, since Latvia is taking on the chairmanship at the **Baltic Assembly and the Baltic Council of Ministers** as well as coordination of **Baltic and Nordic cooperation (NB8)**.

Latvia has identified three priority areas for cooperation in the **Baltic Council of Ministers**: strengthening security in the region including cooperation in defence planning; reinforcing national borders and the implementation of a well-managed migration and asylum policy; cybersecurity; cooperation in promotion of effective strategic communications; and the development of infrastructure for transport and energy. Traditional meetings of Prime Ministers, Foreign Ministers and Presidents

have been scheduled in 2016 and moving forward on priorities will be at the centre of their attention.

In 2016 Latvia will once again assume the role of coordinator of the **Baltic and Nordic cooperation (NB8)**. Availing itself of the NB8 format, which has gained strength and increased its visibility since 2010, Latvia will focus on cooperation to reinforce security in the region. Special attention will be paid to energy security through regional cooperation on the establishment of the European Energy Union. Attention will also be devoted to strategic communications, cybersecurity and hybrid threats. NB8 will be unflagging in its attentiveness to the range of Eastern Partnership issues. Latvia intends to offer an intensive schedule of events – the traditional meetings of foreign ministers, a number of expert meetings and measures for promoting cooperation between civil society organisations. Depending on the international agenda, the successfully launched **extended formats of NB8 cooperation** will continue operating, including in the format of NB8 with the Visegrad Group where a meeting of foreign ministers is to be hosted by Latvia in the spring of 2016.

## **EU enlargement**

During its Presidency of the EU Council, Latvia facilitated the achievement of agreement on the opening of four new chapters in negotiations on Montenegro's accession to the EU. Latvia continued supporting the process of EU enlargement. This is quite important given the way in which the process directly concerns the Western Balkans region and affects its security environment. Two more chapters in the talks with Montenegro were opened by the end of the year. Latvia supported the opening of the first chapter of negotiations with Serbia and the positive dynamic in Turkey's accession process.

## **Latvia's interests and its contribution to strengthening the EU's global role**

It is in Latvia's interests to have a common **European Neighbourhood Policy (ENP)** that is based on an individualised approach and matches each partner's particular level of ambition to cooperate with the European Union. In 2015, Latvia played an active role in the **review of the Eastern Neighbourhood Policy**, as well as preparing the agenda for the Eastern Partnership's "Riga Summit". The ENP review sets the EU's top priorities for stabilisation of the political, economic, and security situation in the EU's neighbourhood to the east. At the same time, the EU continues to stand up for reinforcement of values of its neighbours, seeking effective means for each country to develop democracy and human rights, basic freedoms, and the rule of law.



## Eastern neighbours

The Eastern Partnership Summit in Riga reaffirmed that the Eastern Partnership is a strategic and ambitious policy of the EU that is continuing to evolve. The Summit outlined a clear vision of the policy extending till the next Summit in 2017. The declaration of the Summit marked **four future priority areas of cooperation** within the Eastern Partnership format – strengthening of institutions and good governance, promotion of mobility and people-people contacts, further development of economic cooperation, regional energy and the transport infrastructure in the partner countries. The Summit approved the Eastern Partnership's aim of developing an individualised approach to partners on the basis of a single platform facilitating inclusivity. Likewise, the Summit confirmed that the Eastern Partnership aims at creating a shared environment of democracy, prosperity, stability and cooperation within the region, and that this policy is not directed against anyone.

Important discussions and ministerial level meetings were held alongside the Riga in various areas including health, **economy, agriculture, trade** further highlighting the Eastern Partnership as one of the most important issues on which Latvia focused during its Presidency in the area of the EU's external relations policy. The Eastern Partnership media conference entitled "*Role of Media in the Eastern Partnership*" was held for the first time, the 3<sup>rd</sup> Eastern Partnership Business Forum was organised, this time on the theme "*Cooperation across Borders: Eastern Partnership and Beyond*", and a Civil Society Forum also took place.

In order to implement the decisions of the Riga Summit, a series of next steps has to be taken in regard to Eastern Partnership. Putting into practice the **Association Agreements of Ukraine, Georgia and Moldova** is the top priority, since they ensure modernization and economic development in these countries. From 1 January 2016 onwards, great emphasis will be put on initiating the implementation of the EU-Ukraine Deep and Comprehensive Free Trade Area. It is also important that the process of ratification of the Association Agreements be completed in the parliaments of each of the EU Member States.

In 2015, Latvia's political dialogue and practical cooperation with **Ukraine** became broader and more intensive. It was important for Latvia to declare its solidarity and provide all means of support for Ukraine, which, under the circumstances of military aggression, continued on its course of moving closer to the EU, moving ahead diligently with the work on a number of reforms that are of great importance for the country. This work was evidenced during the numerous mutual visits made by the senior officials of both countries, through consultations between experts and by technical and financial support provided to Ukraine. In the field of corruption prevention, Latvia made practical bilateral contributions as well as providing financial support to the anti-corruption programmes of international organisations. In 2015, Latvia continued to develop cooperation with Chernigov region, which was visited by experts of several major industries, and provided practical development cooperation support for Ukraine by sharing its experience of reforms in the fields of regional cooperation, anti-corruption, civic participation, energy efficiency and agriculture. Also in 2015 Latvia sent its experts to work on the EU Advisory Mission for Civilian Security Sector Reform in Ukraine in the agricultural sector, as well as providing humanitarian aid to Ukraine.

In its relations with **Belarus**, Latvia actively contributed to the EU Member States' agreement on a common approach for the EU's response to the release of all political prisoners in Belarus on August 2015. This approach provides for a four month extension till the end of February 2016; the suspension of the EU's restrictive measures against Belarus; further implementation of the "29 step plan" which includes visa facilitation and readmission agreements with the EU, a Mobility Partnership; starting implementation of the European Dialogue on Modernisation with Belarusian society, strengthening EU-Belarus bilateral cooperation, supporting Belarus in the process of accession to WTO, and supporting its cooperation with international financial institutions. At the same time, Latvia will continue to call on Belarus for the country to take the next steps in strengthening norms of democracy and human rights.

While implementing Riga Summit decisions on a differentiated and flexible approach to partner countries, it is also important to develop a new EU legal framework with **Armenia**. In the autumn of 2015, the EU Council confirmed the mandate for negotiations on a new EU-Armenia framework agreement. It is also necessary to agree on a new framework agreement with **Azerbaijan**.

Progress in the field of **mobility** is of major importance, especially to the residents of partner countries. In this regard, it is noteworthy that the European Commission presented its final report on progress on the EU-Georgia and EU-Ukraine Action Plans on Visa Liberalization in December 2015. Such reports by the Commission enable the EU Council to initiate the decision-making process in relation to visa waiver for Georgia and Ukraine and are in line with decisions made at the Riga Summit. The citizens of three Eastern Partnership countries will be able to enjoy a visa-free regime with the European Union as early as in 2016 as a result. Work on assessing the implementation of the visa facilitation agreement will continue and help shape decisions on launching of a Visa Liberalisation Dialogue with Armenia and Azerbaijan.

In 2016, work will continue on the development of **transport connections** between the EU and partner countries. In this area, a very important goal is the conclusion of the EU-Ukraine Common Aviation Area Agreement, as well as the launch of negotiations on aviation agreements with Armenia and Azerbaijan. Looking also at the energy sector, for cooperation on the further development of interconnections, it is important to move ahead with the creation of the Southern Gas Corridor, modernization of the Ukrainian transit system and Georgia's accession to the Energy Community.

## **Southern Neighbours and the Middle East**

Deterioration of the situation in North Africa and the Middle East demonstrates that more attention must be paid to the **southern neighbourhood**. Developments have left a negative impact on the security situation in the region, contributing to the flow of refugees to Europe. Deterring and ending conflicts in the region is in Latvia's interests. During its Presidency of the EU Council, Latvia took part in the strengthening of dialogue and cooperation with countries in the Southern neighbourhood. Latvia makes annual contributions to the Anna Lindh Foundation to

promote cooperation with its southern neighbours, especially in the fields of education and culture.

In 2015, the crisis in **Syria** deepened, negatively affecting the security climate across the region. Latvia engaged in international efforts to seek solutions to the conflict by supporting the idea that a political settlement is the only long term solution. In 2015, with continuing violence and a humanitarian crisis, Latvia offered financial support for the region's needs by making contributions to the assistance fund for the Syrian Regional Response Plan of the United Nations High Commissioner for Refugees, to the European Regional Trust Fund in Response to the Syrian crisis (the "Madad" Fund), to the World Food Programme's target programme for supporting Syrian refugees in the region, as well as the European Union's Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa.

It should be mentioned that a serious crisis in domestic policy, security and the humanitarian sector is unfolding in **Libya**. Latvia has been supporting the UN's peace negotiations and calls for the establishment of a national unity government to ensure peace, stability and improvement in the security situation in Libya.

The year 2015 also marked positive developments as the E3+3 negotiations (France, United Kingdom, Germany, USA, China, Russia) were successfully concluded with Iran on a **joint comprehensive plan of action to limit Iran's nuclear programme**, which plays an important role in stabilizing the security situation in the Middle East. The agreement has also given new vitality to the EU-Iran relationship.

## **Relations between the EU and Russia**

In 2015, the relations between the EU and Russia continued to be affected by the **conflict in Ukraine and the illegal and illegitimate annexation of Crimea**. Although toward the end of 2015, there was a decrease in the number of ceasefire violations in the East of Ukraine, the situation in the region remained unstable and the risk of escalation was high.

The goal of Latvia and the EU is to secure Russia's compliance with the principles of international law. Latvia advocated a united and consistent EU policy in its relations with Russia by combining diplomacy and restrictive measures. This approach has so far proved to be appropriate and effective, helping to limit a further escalation of the situation in the east of Ukraine, as well as promoting the process of a political resolution of the conflict. A prerequisite for a review of restrictive measures is total **fulfilment of the Minsk agreements**.

In 2016, the dynamics of the **EU-Russia** relations will continue to be affected by the policy Russia pursues. It should be noted that in 2014 and 2015 Russia has shown preparedness to engage in unilateral military action as an instrument of foreign policy, resulting in a distinct change in the security environment and cooperation in Europe. The issue of how to build relations with Russia in future will be on the EU's agenda. Latvia will insist that the EU policy of non-recognition of the illegal annexation of Crimea be continued and retained high on the agenda of EU-Russia relations until Russia returns to full compliance with the international law.

The content and intensity of bilateral cooperation between Latvia and Russia will be affected by the overall condition of the EU-Russia relationship, the actual security situation, particularly in regard to developments in Ukraine, and the political and economic course taken by Russia. At the same time Latvia will cooperate with Russia, especially at the expert level and in specific sectors, on issues of major importance to Latvia (for example, in consultations between Ministries of Foreign Affairs, work of the border demarcation commission, cross-border cooperation, cooperation in transport, border control, customs, etc.).

In 2015, Russia went ahead with its traditional **propaganda campaign** concerning the human rights situation in Latvia and what it dubs the "rebirth of Nazism" in Latvia, thereby actively implementing its policy of support for its so-called "compatriots" abroad and "soft power" in attempt to negatively impact the process of societal integration in Latvia. Latvia consistently refuted the misleading and false information that Russia promulgates. Latvia also expressed concerns about the restriction of democratic freedoms and human rights violations in Russia. In 2016, Latvia will also remain ready to respond to attempts to divide Latvian society or endanger democracy and security in the country. Counteracting Russian propaganda activities in international organisations and the media will continue in tandem with work to strengthen the information space. Latvia will keep the democracy and human rights situation in Russia high on its agenda.

## **The EU-Central Asia relationship**

The foreign policy interests of Latvia in Central Asia are related to regional security and stability, the development of transport and transit connections, modernization of the education sector, an increase in environmental standards, and the promotion of gender equality. In 2015, the strategic importance of Central Asia in the European Union's common foreign policy continued to increase. In this respect, a Latvia made significant contributions, by making the strengthening of the EU's cooperation one of the priorities for its Presidency. During Latvia's Presidency, the political dialogue and practical cooperation between the EU and Central Asian countries were promoted in across a wide range of areas (border security, clean environmental technologies, new transit routes, university level education and technical and vocational education and training). These will be the priority directions also in 2016, alongside the further development of intergovernmental dialogue with the countries in the region through organisation of high-level visits, organisation of the intergovernmental Commission's work, and consultations between foreign ministries.

As a matter of priority, Latvia actively promoted and supported the review of the **EU-Central Asia Strategy**. The results of the review were presented in the Council Conclusions adopted in June 2015. While the priorities existing at the time were maintained, several new elements and accents appear in the Conclusions: the message is that when planning the EU policy in the region, the individual character and specific needs of each country in the region has to be taken into account to a greater extent than it was earlier (the "principle of differentiation" should be applied). Other results of the review included placing additional emphasis on the need to improve coordination between EU institutions and EU Member States in the region

and to grant the Member States a greater role in the implementation of EU projects; a regular assessment of European Commission programmes with the aim of adapting them to the current needs of Central Asian countries; highlighting the need to increase the exchange of experience and knowledge transfer to the countries of the region in the sectors of energy efficiency and rural development; with a particular emphasis placed on education as the basis for strengthening national institutions. Another development which took place during Latvia's Presidency was the renewal of the post of the European Union Special Representative for Central Asia so crucial for increasing the EU's visibility in the region and enhancing the dialogue.

For the sake of strengthening security, Latvia took a lead role in a consortium of EU Member States in the European Commission's **Border Management** Program for Central Asia BOMCA and launch of practical preparatory work for the implementation of this project. In the framework of its EU Presidency, Latvia led the EU-Central Asia political dialogue on questions related to the fight against drugs.

For the first time within the framework of cooperation between the EU and Central Asia, the Presidency of Latvia in the EU Council in cooperation with the European External Action Service (EEAS) and the European Commission organised a meeting of the EU and Central Asian Ministers of **Education** in Riga on 25 and 26 June. The Indicative Roadmap of Activities of the EU and Central Asia Education Platform (2015-2018) was adopted, setting out specific cooperative measures in the fields of higher education and vocational education and training between the EU and Central Asia and amongst the Central Asian countries.

In 2016, the foreign policy of Latvia towards Central Asia will focus on active intergovernmental dialogue and the continuation of cooperation efforts. In the security sector, as the lead country of the consortium for the EU Border Management Programme, *BOMCA 9*, Latvia will continue implementation of the programme. In the transit sector, Latvia shall remain engaged in the development of the European and Asian transport connections in line with its interests. In the education sector, alongside Poland, Latvia will lead the EU-Central Asia Education Platform, promoting the development of vocational education. In the environmental sector, Latvia will move forward with support for the implementation of clean technologies in the region, including in the areas of water purification and waste management. Latvia will also participate in the EU-Central Asia Rule of Law Platform, promoting cooperation to support law and justice.

## **Asia**

Latvia is actively engaged in co-operation of the Central and Eastern European countries with China (the "16+1 format"), which is a part of the comprehensive "New Silk Road" (*One Belt, One Road*) initiative, aiming to promote cooperation between Europe and Asia. Latvia's active work in the initiative has yielded several important results including an agreement on the organisation of the next 16+1 Summit and the first meeting of Ministers of Transport in Riga 2016. Latvia will begin coordinating cooperation in the field of transport within the 16+1 format and host a Secretariat for coordination of logistics and transport coordination in Riga. Latvia's upcoming leadership role within the 16+1 format will contribute to deepening of economic cooperation with Asia while furthering business cooperation across a wider region.

The 3<sup>rd</sup> Asian and European (ASEM) Transport Ministers' Meeting was organised during the Latvian Presidency. At the event, the ASEM member states committed themselves to strengthening of cooperation in the transport sector with the emphasis placed on unlocking the potential in multi-modal transport and development of transport corridors between the two continents.

The 5<sup>th</sup> ASEM Education Ministers' Meeting, which also took place in Latvia during the Presidency, contributed to the development of job skills and facilitating mutual recognition of diplomas and documents certifying education between Europe and Asia, and to a wider use of new learning technologies in education.

## **Promotion of European Union values and support for the realisation of sustainable development**

*Fostering sustainable development in the world and in particular regions which are a priority for Latvia*

To eradicate poverty and promote sustainable development throughout the world, on 25th September 2015, new **Sustainable Development Goals** (*Agenda 2030*) were approved within the UN framework; this agenda succeeds the existing Millennium Development Goals adopted in 2000. Under the Presidency of Latvia, the EU's position for the Addis Ababa International Conference on Financing for Development was developed, and the guidelines were prepared for the United Nations Post-2015 intergovernmental negotiations. Latvia also played an important role in the formulation of a **common EU position** in these discussions. Latvia, in various formats, advocated and stressed the importance of the inclusion of issues concerning good governance, the rule of law, gender equality and sustainable economic growth on the new development agenda.

2015 was a year especially dedicated to citizen awareness and engagement in development cooperation throughout the European Union. The Latvian Ministry of Foreign Affairs coordinated the activities of the **European Year for Development** in Latvia, cooperating closely with civic society in the non-governmental sector, with international institutions, and with representatives from various levels of educational institutions, businesses and local governments. A high level conference for the opening of the European Year for Development took place in Riga. Several new initiatives were implemented at the national level, for example, the Ministry of Foreign Affairs together with the Sustainability Index have created a new tradition – an award for fair trade. The Fair Trade Award lauds and highlights companies which observe OECD principles and the principles of corporate social responsibility in their foreign trade and manufacturing in their work with less developed countries.

**Bilateral development cooperation** was strengthened as an important tool in foreign policy, particularly in the regions prioritised in Latvia's foreign policy including the Eastern Partnership and Central Asian countries, where the focus has been put on support for good governance and the rule of law, and sustainable economic growth. 413,813 euros in funding was granted for the realisation of bilateral development cooperation in 2015, twice the amount allotted in 2014. Projects already underway were continued and new ones launched in – **Moldova, Georgia and Uzbekistan** in the areas such as good governance and the rule of law, reforms of

national administration, regional development, border management, development of small-and-medium-sized enterprises, social security and education. Cooperation with **Afghanistan** on training in technical sciences was continued. Given the situation in **Ukraine**, Latvia gave an additional 150,000 euros in support for Ukraine's democratic reform process in 2015. Successful cooperation was launched in the sharing and transferring of Latvia's experience in the areas such as promoting good governance, with the focus on the fight against corruption, agriculture and rural development, regional development, education as well as the experience of integration with the EU. A particularly important contribution to bilateral development cooperation in the above-mentioned areas was provided by non-governmental organisations of Latvia. In 2015, support was provided to the operation and capacity building of Latvian NGOs, by continuing to ensure co-financing to their projects funded by the European Commission and other donors.

In 2015, the Ministry of Foreign Affairs in collaboration with Riga Graduate School of Law continued the **training programme for EU Neighbourhood Policy and Central Asian countries** launched in 2014 offering public officials and civil society representatives an interdisciplinary course in Latvia on the EU and international economics, politics and law, and ensuring the transfer of Latvia's knowledge and expertise as an EU Member State. Thanks to the grant provided by the United States, students from Central Asian countries had the opportunity to attend the programme in the autumn semester.

In 2016, within the framework of the bilateral development cooperation, projects are planned for supporting the Eastern Partnership and Central Asian countries including existing projects in areas such as strengthening the rule of law, the promotion of economic development that will be continued, and support will be provided for fostering democracy and civil society. 451,400 euros will be allocated towards these projects with participation of government authorities, NGOs, social partners and the private sector.

#### *Gender equality, human rights, freedom online and freedom of the media*

Gender equality was one of the thematic priorities in the field of development cooperation during the Latvian Presidency, and therefore, the EU Council conclusions on **gender equality and development cooperation** were prepared, stipulating the development of a new EU Gender Action Plan for 2016-2020. The Latvian EU Presidency also organised several high-level international events for the promotion of economic opportunities supporting sustainable development.

In 2015, Latvia continued to actively participate in **UN Women**, the Executive Board of the United Nations Entity for Gender Equality and Empowerment of Women, promoting gender equality and taking part in the Equal Futures Partnership initiative.

Due to diligent lobbying, on 21<sup>st</sup> October 2014, Latvia was elected to the **UN Human Rights Council** for the period of 2015 to 2017. Latvia is actively promoting its priorities in the field of human rights within the Council – freedom of the media and of expression including freedom online, gender equality, and participation of civil society. In 2015, Latvia's National Report on human rights was submitted in the context of the second cycle of the UN Universal Periodic Review. The report is scheduled for review in January 2016. Latvia also facilitated the participation of civil

society by financially supporting the “Lifeline” Embattled Civil Society Organisations Assistance Fund.

Development of information society and ensuring freedom of the media are a long-standing foreign policy priority for Latvia. On the 3<sup>rd</sup> to the 4<sup>th</sup> of May 2015, UNESCO’s **World Press Freedom Day** events took place in Riga, including the World Press Freedom Prize award ceremony. Latvia continued its efforts to promote freedom of expression and the media including online, by engaging in the work of the **Freedom Online Coalition**. Latvia participated in the annual conference of the Coalition and provided financial support to the Digital Defenders Partnership grant-making mechanism of the Coalition. From the 15<sup>th</sup> to the 16<sup>th</sup> of December 2015, the high level **World Summit on the Information Society** decennial review took place in New York City. The Latvia’s Ambassador to the United Nations in New York was one of the two Co-Facilitators of the review process appointed by the President of the UN General Assembly.

## **Latvia's place in the global economy**

The security and sustainability of Latvia and its society is backed by strong integration into institutions of economic cooperation and global markets, connectedness to European energy networks, as well as a potential for strong and diversified exports and an opportunity to develop this potential through active foreign trade. As an exporting country, Latvia is interested in free trade on a global scale, particularly in the Trans-Atlantic area, so supporting the conditions for free trade is one of Latvia's foreign policy objectives.

## **Institutional integration into the Organisation for Economic Cooperation and Development (OECD)**

Latvia's membership in the OECD will anchor the country even further into modern and forward looking **institutions of global economic cooperation**, facilitating development of the economy. Latvia will gain new means for improving public administration and economic policy in accordance with the highest standards. In the context of external economic policy, OECD membership will also provide an assessment for what is already accomplished and send a message to foreign investors and economists about the positive business environment in Latvia. For foreign investors, Latvia’s membership in the OECD signifies compliance with the highest standards in areas such as international business, financial transactions, corporate governance, the fight against bribery in international business transactions, the quality of public administration, environment, and social policy.

The year 2015 was the most intense in Latvia's OECD **accession process**. Discussions were concluded with most of the OECD committees and working groups that have been assessing Latvia's compliance with OECD standards. As a result, the government of Latvia has received valuable recommendations based on best practices in each policy area. Issues remain in which progress must still be demonstrated but the general course of discussions indicates that Latvia could become a full member of the OECD in 2016.



## Energy Security

Work on energy security continued in 2015 with the aim of ending the energy isolation of Latvia and the Baltic States, and the creation of a free internal market for energy.

The Latvian Presidency of the EU Council laid the foundation for **the European Energy Union**, strengthening the EU's energy independence, and moving towards a common energy policy for the European Union. In early February, a high-level Energy Conference was held in Riga, launching the so-called “Riga Process” in the creation of the European Energy Union. Within the context of the Energy Union, we see the need to work on specific initiatives that focus on energy security, especially in the gas market, as well as energy independence, including promotion of transparency in energy agreements with third countries and developing a political framework for joint gas purchases. It is also important for Latvia to achieve a fair and agreed redistribution of the 2030 commitment to reduction in the greenhouse gas emissions between EU Member States in the economic sectors which are not covered by the European Union's emission allowance trading scheme.

In the context of energy security, an important role has been assigned to strengthening of regional cooperation. In January 2015, a Declaration on security of energy supplies to the Baltic States was signed, aiming to highlight the importance of regional cooperation in the termination of the Baltic energy market isolation, and to ensure the integration of the Baltic States into a common European energy market. In October 2015, an MOU between Latvia and Lithuania on cooperation on the gas market was signed, aimed at diversification of natural gas supplies, and developing a free gas market in the Baltic States from 2015-2017.

Work continued on the implementation of the **EU third energy package** in Latvia, and on regional infrastructure projects within the framework of **the Baltic Energy Market Interconnection Plan (BEMIP)**. In this context, of great importance is the agreement reached on the continuation and the expansion of the scope of BEMIP operations. The commercial launch of the Klaipeda LNG Terminal on 1 January 2015 is considered to be a significant shift in the diversification of the natural gas supply sources. By continuing work on connecting the Baltic and EU natural gas markets, an agreement was also reached on funding for the development of the Polish-Lithuanian gas interconnector. This project is yet another step towards the creation of a free and well-functioning regional market, reducing dependence of Latvia and the Baltic States on one source of energy.

The dialogue with the USA was taken forward as a strategic partner to Latvia in energy security and Latvia has supported the strengthening of cooperation with the United States within the framework of European Energy Union, as well as in terms of America's liquefied natural gas exports entering the Baltic market.

In the power supply sector, the work on the new Lithuanian **electricity interconnections** with Poland (LitPolLink) and Sweden (NordBalt), was completed by the end of 2015. In the future, these new interconnections will help to balance the wholesale market prices for electricity in the Baltic Sea region. In 2015, work also continued on the EU's regional projects of common interest (PCIs) to be implemented

in Latvia, for example, for transmission lines such as *Kurzemes loks* (the Courland Loop) and the 3<sup>rd</sup> Estonia-Latvia interconnection – and their inclusion on the second list of the PCIs. Projects which are included on the list are not only eligible for financial support from the EU, but also benefit from fast and efficient permit granting procedures while at the same time being in compliance with environmental protection requirements.

## **Transatlantic Trade and Investment Partnership (TTIP)**

Transatlantic partnership has and will have an important geopolitical role in Latvia, and TTIP will help strengthen Latvia's socio-economic security and offer alternative export markets and sources of investment in today's insecure world. Negotiations on the TTIP agreement were presented as the main priority for external trade and investment policy during the Latvian Presidency of the EU. In negotiations during 2015, significant progress has been achieved on matters concerning regulatory cooperation, and proposals for the agreement's wording have been prepared in multiple sections, thereby raising expectations for rapid progress in the future. An internal discussion on the development of EU investment protection system was continued. In 2016, Latvia will continue to inform the public about the opportunities created by the TTIP and its effects on the economy.

Latvia supports the intensification of negotiations on the TTIP to ensure rapid progress already in the first half of 2016. At the same time, together with other EU Member States, Latvia has adopted a firm position that intensification of the negotiations does not mean giving up the EU's strict standards on health, requirements with respect to animals and plants, food safety, consumer and environmental protection in compliance with the EU legislation in the veterinary, food and phytosanitary sectors, and upholding EU principles and standards for animal welfare, food production technologies and practices. The high level of data protection will also be maintained. The resulting agreement must provide better competitive conditions for the EU's manufacturers, and Latvia's interests must also be taken into account regarding the sensitive production and service sectors.

## **Strengthening and diversification of Latvia's foreign trade**

Latvia's economic development depends on utilising opportunities for export expansion, and these are affected by **the state of the global economy**. The IMF estimates that the global economy will experience an increase of 3.1% in 2015 and an increase of 3.6% in 2016. Risks to the global economy are posed mainly by deflation, currency exchange rate fluctuations, the drop in oil prices, resulting in losses to oil-exporting countries and benefits for oil-importing countries. Currently, the developing markets (in the People's Republic of China and Latin America) are the weak areas globally, while in the Eurozone, a growth of 1% can be considered a good result, since it exceeds the growth indicators of the previous years. Factors that could potentially slow down the EU's economic growth are stagnating growth rates of third countries, ramifications of the *Volkswagen* crisis, and the EU's refugee crisis. The growing internal demand is the main driving force behind the EU's growth.

The sanctions imposed by the EU and **Russia's countermeasures** have had a range of effects on Latvia's economy. On the one hand, these measures, together with the general worsening of Russia's economic situation, had a negative impact on certain sectors of Latvia's economy. Estimates show that Russia's response to EU sanctions has caused a loss of 0.25% of the GDP to the Latvian economy. However, more serious damage to the economy was sustained due to Russia's own economic recession and the 0.6% drop in its GDP. Latvia's exports to Russia have decreased by over 20%.

Nevertheless, Latvia's manufacturers have been able **to diversify their export markets** and despite the problems in the Russian market, Latvia's total exports continued to increase in 2015. While there was little growth in exports to EU countries, exports to third countries increased by twenty percent. Given the current geopolitical circumstances, medium term export growth will be limited by the low demand in eastern and Central Asian markets. At the same time, Latvia's export opportunities will be positively influenced by further improvements in the economic situation of the largest market – the European Union.

During the past year, the Ministry of Foreign Affairs continued to support Latvian businesses **entering new export markets**, with a particular emphasis on the shift of food industries market from Russia to new markets in Europe and Asian countries. In promoting entry to new export markets for the fish processing industry, the Foreign Service did an analysis on competitors to Latvian fish processing industry abroad. Support was also provided to the Ministry of Agriculture and the Food and Veterinary Office to speed up the certification process for Latvian food exports. Through joint efforts, 19 new export markets for Latvian farmers and food producers were opened. In 2015, advances in the export of Latvian dairy product to China deserve highlighting.

In line with the interests of Latvian businessmen, the Ministry of Foreign Affairs continues to expand its **network of embassies and consulates**. In 2015, the first Latvian diplomat was posted to Seoul with the aim of opening an embassy in South Korea. In 2016, the Ministry of Foreign Affairs will continue to actively support Latvian businessmen in strengthening their positions in EU export markets, and will encourage exploration of export opportunities in North America, the Far East, countries in the Persian Gulf and Latin America. The appointment of experienced honorary consuls to promote economic relations is also planned.

## **Cooperation with the diaspora, consular services and Latvia's centennial**

One of the important tasks of the Ministry of Foreign Affairs is to maintain links with the Diaspora and engage Latvians living abroad as fully as possible in efforts and work ongoing in Latvia, as well as offering effective consular services. In 2016, a priority in public relations will be ensuring that preparations for Latvia's centennial celebration in various parts of the world are on track.

### *Cooperation with the diaspora*

Latvian citizens live in more than 120 countries around the world. Currently, the largest communities are located in the EU, the USA, Canada, Australia, Russia, and Israel. There are more than 100 Latvian schools, camps and summer schools around the world. To preserve links with Latvia, diplomats and consular officers encourage the spread of Latvian language and culture. In 2015, the Latvian Ministry of Foreign Affairs provided **support for diaspora organisations** and cultural, educational, scientific, economic and sports projects in Ireland, the UK, the USA, Germany, Russia, Spain and many other host countries. The Foreign Service has also supported projects specifically for conservation of the culture of Latvians living in exile and those living abroad and research about their experiences, including through the European Latvian Festival of Culture in Brussels organized by the European Latvian Association.

In July 2015, the World Federation of Free Latvians (PBLA), in collaboration with the Ministry of Foreign Affairs and other partners, organised the 2<sup>nd</sup> **World Latvian Economics and Innovations Forum** (PLEIF). The Forum contributed to the involvement of the diaspora in the Latvian economy, strengthened the cooperation between professionals of different business sectors in Latvia and the world, as well as the fostering of innovation, and the attraction of investment and know-how to Latvia. The next forum will be held in Australia at the end of 2016. In the autumn of 2015, a high level diaspora business council was established under the auspices of the Prime Minister's Office. In 2015, the second **youth forum** was held to promote involvement of young Latvians living abroad as well as various events in Ireland, the UK and Belgium.

With support from the Foreign Service, the National Electronic Mass Media Council (NEPLP) held a second contest to support preparation of stories and **programmes on the diaspora** with the aim of making them available to the diaspora and the general public in Latvia.

The Ministry of Foreign Affairs has also provided support to **the Diaspora and Migration Centre** of the University of Latvia. The research centre has carried out studies in the field of diaspora and migration, and organised conferences and seminars on these topics. Studies and surveys have been conducted and information published on the history of the diaspora, its political representation in the European Union and Latvia, and on different aspects of life in the diaspora.

For the sake of achieving foreign policy goals, the Ministry of Foreign Affairs will be active in mustering and mobilising all intellectual resources available for Latvia, including the expertise of Latvian citizens who work in international organisations and the potential of Latvian diaspora organisations.

### *Consular services*

62,712 individual services were performed (not including issuance of visas) by Latvia's diplomatic and consular missions abroad while collecting fees of EUR 1,992,668. The Foreign Ministry's Consular Department in collaboration with the Office of Citizenship and Migration Affairs continues to make available **mobile passport workstations** for the processing of personal identification documents. In 2015, Latvian embassies located in the United Kingdom, Ireland, the USA, Canada,

Germany and Spain visited 17 cities with the mobile passport workstations. 2,293 applications for passports and identity cards were processed. In 2015, the first trip with a mobile passport workstation was organised to the United Arab Emirates and to Venezuela, Argentina and Brazil.

Following the **amendments to the Citizenship Law**, registration of citizens continues with 3,916 applications for registration of citizenship accepted at the Latvian diplomatic and consular missions in 2015. Most of the applications were received via embassies in the United Kingdom, Ireland, Germany, the United States and Israel.

During the Latvian EU Presidency, the Council Directive on facilitating access of EU citizens to consular services in third states where their own country cannot provide protection was adopted and entered into force. The Directive means that Latvian nationals are entitled to seek consular protection from any other EU member state in case they find themselves in an emergency situation while travelling in countries where Latvia does not have diplomatic and consular missions.

In 2015, the Latvian diplomatic missions and consular offices abroad accepted 127,551 visa applications, 20% less than in 2014; and EUR 4,550,159 were collected in fees for processing of those applications. In 2015, the Ministry of Foreign Affairs continued work on the expansion of its visa representation network by signing agreements on the issuance of visas to Latvia with Congo, Kyrgyzstan, Brazil, Bulgaria, Cambodia, Laos and Myanmar.

#### *Latvia's Centennial*

The Latvian Foreign Service has commenced work on the organisation of the celebration of Latvia's centennial around the world. To strengthen a positive image of Latvia in all its aspects, the Ministry of Foreign Affairs has established three lines of action for its missions abroad – Latvia's sustainable future, celebrating Latvia's exceptionally rich culture and talent, and what Latvia and Latvians have given the world. Discussions, seminars, and conferences organised by the embassies will be oriented toward a sustainable future for Latvia in terms of foreign policy, security policy and development of the European Union. Latvia will be promoted as a valuable partner in business, tourism, education and many other areas of cooperation, and Latvia's history and statehood will be highlighted. The one hundredth anniversary of Latvia will be commemorated and celebrated with a cultural programme that shows the ways in which Latvia is a cultural powerhouse in Europe and across the globe. Latvia's missions, together with local Latvian communities and other partners, will seek to raise awareness of Latvians living abroad and to convey a lasting positive impression of contributions being made by Latvia and Latvians in the development of the countries where they live.

## **Conclusion**

In 2015 and in prior years, Latvia's foreign policy agenda and its work rhythm were oriented to the task of preparing and running Latvia's first ever Presidency of the Council of the European Union. By successfully managing the

Presidency, it could be said that the process of Latvia's integration with the EU that was launched 20 years ago has been concluded, our European identity was reinforced, and in effect, Latvia's foreign policy has entered a new phase in its development. The task for the coming years will be to follow up and build on experience gained during the Presidency and use this international authority, to pursue national interests. In doing this, the Ministry of Foreign Affairs shall continue cooperation with social partners, NGOs and academia on the formulation of Latvia's foreign policy interests in a medium-term perspective.

The challenges of recent years in Europe and the world have stimulated Latvia to significantly increase its contribution to NATO's collective defence thus demonstrating maturity and preparedness to assume responsibility for security in the region and beyond. It should be recognised that Latvia is no longer a new EU Member State or a new member of the North Atlantic Alliance, but rather a full member of these organisations and a dependable trans-Atlantic ally.

In 2016, Latvia's accession to the OECD will have entered its concluding phase and OECD membership is certain to promote growth, welfare and sustainable development as Latvia takes its place in the global economy with the democratic countries that possess advanced market economies.

These integration processes create conditions conducive for Latvia to effectively respond to challenges to global and regional security in the rapidly changing international environment. The fight against terrorism, settlement of the Syrian conflict, addressing the migration crisis, reinforcement of the external borders of the EU, promoting stability in the EU's neighbourhood, and ensuring economic growth in the eurozone can be counted amongst the top challenges to be faced in the coming years. To effectively achieve its goals, Latvia must continue to demonstrate responsibility and maturity as a member of the international community and proactively engage in global processes.