

CONFIDENTIAL

# 10 DOWNING STREET

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FILE TITLE:

RELATIONS

SERIES

Annex 1: Programme for Baltic Trip  
11-15 Sep.

BALTIC STATES

PART:

2

PART BEGINS:

4 August 1999  
~~24 August 1999~~

PART ENDS:

01 December 2000  
~~7 JUNE 2001~~

CAB ONE:

LABOUR ADMINISTRATION

Part closed

PREM49/1737

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T.S.O. Order No. N0064510 3/98 C5 59064



PART  
CLOSED

DATE CLOSED

7 JUNE 2001



Series : BALTIC STATES

File Title : Relations

Part : 2

Date	From	To	Subject	Class	Secret
04/08/1999	FCO	FA/APS	Latvia: Message from the Prime Minister	U	0
13/08/1999	Latvia/Pres	PM	Message from President Vaira Vike Freiberga	U	0
11/11/1999	FCO	FA/APS	Lithuania - message from the PM	C	0
14/11/1999	Estonia/HME	Taoiseach	Not attending a summit of OSCE countries	C	0
22/11/1999	Lithuania/PM	FCO	(H) Message from PM re appointment	C	0
06/12/1999	PM		(H) To Lithuanian President Adamkus: Helsinki European Council a	U	0
06/12/1999	PM		(H) To Latvian Prime Minister Skele: Helsinki European Council: A	U	0
08/12/1999	Latvia/Pres	PM	(H) - Helsinki European Council: Accession Negotiations	C	0
15/12/1999	FA/APS	FCO	Letter from Latvian PM	C	0
17/12/1999	FCO	FCO	Letter from lithuanian PM	C	0
18/12/1999	Latvia/Ambo	FCO	Letter from Latvian PM	U	0
24/12/1999	Lithuania/PM	PM	(H) re european council in helsinki and lithuania to start negotiations	C	0
12/01/2000	FCO	FA/APS	Lithuania: letter to prime minister from president adamkus	C	0
27/03/2000	FA/APS	FCO	(H) Letter from Estonian President: Cooperation on Drugs in Europe	U	0
07/04/2000	FCO	FA/APS	Estonia: Letter from the Prime Minister	U	0
11/04/2000	FCO	FA/APS	Latvia: Message from the Prime Minister	U	0
13/04/2000	PM	Estonia/PM	Support for the initiative on enhanced co-operation on drugs within E	U	0
10/05/2000	Lithuania/PM	PM	(H) Decommissioning of Unit 1 at the Ignalia Nuclear Power Plant	R	0
16/05/2000	PM	Latvia/Pres	(H) Letter of congratulations to Andris Berzins	U	0
06/06/2000	Latvia/Pres	PM	Latvia PM - Latvia's membership of the EU	U	0
04/09/2000	FCO	FA/APS	Latvia: Visit of President Vike-Freiberga 25 Oct - 1 Nov	R	0
05/09/2000	Latvia/Ambo	FA/APS	Visit to London of President Vike-Freiberga	U	0
06/09/2000	Latvia/HME		Draft programme for the visit of Roger Liddle and Michael Tatham to	C	0
10/09/2000	FCO		Annex 1 - Programme for M Tatham and R Liddle Baltics Trip 11-15	C	
29/09/2000	Telegram/IN		Telno 103 Lithuania: Proposed visit by the President to the UK	C	0
30/10/2000	FA/APS	PM	Latvia: president Vike-Freiberga	C	0
30/10/2000	FCO	FA/PS	Photocall with Latvian President, 31 October	R	0
31/10/2000	FCO	FA/APS	Lithuania: Message from the Prime Minister	R	0
03/11/2000	Latvia/Ambo	FA/APS	Thank you for arranging meeting between PM and Latvian President	U	0
10/11/2000	Latvia/Pres	PM	(H) Thank you for meeting during visit to London	U	0
01/12/2000	FCO	FA/APS	Lithuania: possible visit by president adamkus to the UK	C	0



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Foreign &  
Commonwealth  
Office

London SW1A 2AH

1 December 2000

MATRIX

Dear Tidel,

JP  
JS  
KG  
AC

Lithuania: Possible Visit by President Adamkus to the UK

Since President Adamkus' election in 1998, the Lithuanians have been hoping to secure an invitation for him to visit the UK. Our inability to set dates is turning into a handicap for bilateral relations. The Lithuanians point out that they are the only Baltic State whose Head of State has not been granted an official visit to the UK since the restoration of independence. This came up when Mr Vaz met Adamkus on 9 November.

There is a good case for a visit. 2001 is the tenth anniversary of Lithuania's regained independence. Lithuania is making good progress in its EU accession negotiations. It is also a NATO aspirant. Of all the Balts, it has the best relations with Russia and has made a constructive contribution to the handling of Kaliningrad. Domestically, Adamkus wields considerable influence. Following parliamentary elections in October and a knife-edge result, he played a crucial role behind the scenes to ensure that an old-style Government did not take office, with a platform based on delaying reform and reviewing the closure of the Chernobyl-style nuclear power station at Ignalina.

We would be grateful for permission to issue, this year, an invitation for Adamkus to visit some time in 2001. We propose a short call on the Prime Minister on the lines arranged recently for President Vike-Freiberga of Latvia. As a Guest-of-Government, we would put together a full programme of meetings for him, built around the photo call. Since time with the Prime Minister will understandably be very constrained, we will need to find dates which would also allow an audience with The Queen and lunch hosted by the Foreign Secretary.

(Tim Barrow)  
Private Secretary

Michael Tatham Esq  
10 Downing Street

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*Latvijas Valsts prezidents*

Rt Hon Tony Blair MP  
Prime Minister  
Downing Street 10

SUBJECT  
MASTER

Riga, 10 November 2000  
N°405

1000 00

*Dear Prime Minister,*

*I would sincerely like to thank you for sparing the time to meet me during my recent visit to London. I am aware how busy your schedule is, in particular given the recent fuel crisis and enormous difficulties caused by the bad weather over the past few weeks.*

*I was particularly pleased to hear your strong support towards the expansion of the EU and NATO, two subjects that for us are the flip sides of a single coin. I am confident that Latvia will be one of the first countries to enter both organizations, provided that the principle of judging real progress is maintained. As you very rightly pointed out in your recent address in Warsaw, there should not be "free entrance tickets" and we are not looking for such.*

*I would also like to thank you for asking the Minister for European Affairs Mr. Keith Vaz to show me the Government buildings. Besides the quite natural interest in seeing the practical aspect of your Government's work from within, it turned out to be a very fruitful discussion of European matters shortly before his working visit to Latvia.*

*I wish you all success in your endeavours as Head of the Government.*

*Yours truly,*

*Vaira Vīķe-Freiberga*

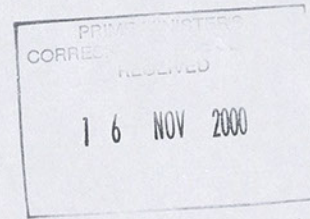
Vaira Vīķe-Freiberga  
President of Latvia



EMBASSY OF LATVIA  
LONDON

Top- ~~MT~~ MT

cc JS  
JL  
AC  
TL



Note No 07/ 101

The Embassy of the Republic of Latvia presents its compliments to the Prime Minister's Office and has the honour to forward a letter from the President of Latvia H.E. Prof. Vaira Vīķe- Freiberga to the Prime Minister Rt Hon Tony Blair MP.

Embassy of the Republic of Latvia avails itself of this opportunity to renew to the Prime Minister's Office the assurances of its highest consideration.

14<sup>th</sup> November, 2000

To: Prime Minister's Office  
London





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AMBASSADOR OF  
THE REPUBLIC OF LATVIA  
LONDON

November 3, 2000

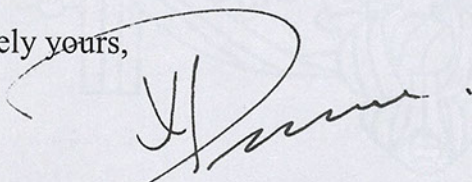
Ms. Anna Wechsberg *cc JS JRO*  
Assistant  
Prime Minister's Office

Dear Ms. Wechsberg,

I would like to express my deepest gratitude for your and your colleagues' efforts to arrange the meeting between Latvian President Mrs. Vaira Vīķe-Freiberga and Prime Minister Mr. Tony Blair. It was an excellent opportunity to exchange views on mutually important topics and I personally thank you very much for this opportunity.

Thank you again for your kind cooperation.

Sincerely yours,



Normans Penke



Rec 6111

AMBASSADOR OF  
THE REPUBLIC OF LATVIA  
LONDON

November 3, 2000

Mr. Michael Tatham  
Prime Minister's Office

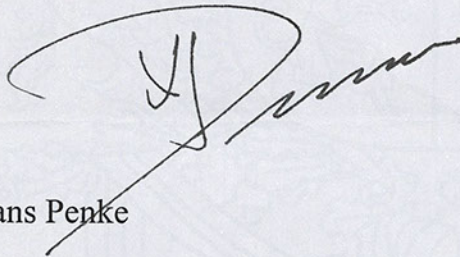
olr cc JS  
JPO

Dear Mr. Tatham,

I would like to thank you for your efforts in arranging the meeting between Latvian President Mrs. Vaira Vīķe-Freiberga and Prime Minister Mr. Tony Blair. Latvian President is very satisfied with her visit to London and appreciated the possibility to exchange view with Prime Minister Mr. Tony Blair on such topics of mutual interest as EU and NATO enlargement.

Thank you again for your kind cooperation.

Sincerely yours,



Normans Penke



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Foreign &  
Commonwealth  
Office

31 October 2000

London SW1A 2AH

*Dear Richard,*

*AW  
C:JB  
JS  
Prem*

Lithuania: Message from the Prime Minister

Our Ambassador in Vilnius has recommended that the Prime Minister send a short message to Rolandas Paksas, the new Prime Minister of Lithuania.

Paksas is leader of the Liberals, the main party in the ruling coalition. He was briefly Prime Minister in 1999. We believe he is well-disposed towards the UK. He has said that EU accession will be a priority for his Government.

We do not believe that a message is required for the outgoing Prime Minister, Andrius Kubilius.

... I enclose a draft message from the Prime Minister to Paksas.

*Yours ever,  
Sherard*

(Sherard Cowper-Coles)  
Principal Private Secretary

Michael Tatham Esq  
10 Downing Street

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**DRAFT LETTER FROM THE PRIME MINISTER TO ROLANDAS PAKSAS,  
THE NEW LITHUANIAN PRIME MINISTER**

I send you my warmest congratulations, and best wishes,  
on your appointment as Prime Minister of Lithuania.

I look forward to the continued development of  
British-Lithuanian relations. Keith Vaz, our Minister for  
Europe, will visit Lithuania on 9 November. I hope you will  
have the time to see him. He will be keen to discuss  
Lithuania's progress towards EU accession and other issues.

As a firm supporter of EU enlargement, I have been  
greatly impressed by the progress Lithuania has made in  
preparing for accession to the European Union. I hope this  
will continue. We will maintain our support for your reform  
efforts.

Geoff Collier  
CNWED, FCO

7270 2422

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Foreign &  
Commonwealth  
Office

London SW1A 2AH

30 October 2000

JS  
cc: JPO  
Press  
BUP  
AM

Dear John,

Photocall with Latvian President, 31 October

We are grateful that the Prime Minister has agreed to a short photocall with Mrs Vike-Freiberga at 1445 on 31 October. She will be accompanied by **Mr Normans Penke**, Latvian Ambassador, **Mr Romans Baumanis**, Foreign Policy Adviser to the President, **Ms Aiva Rozenberga**, Press Secretary, and **Ms Dace Treija**, First Secretary, Latvian Embassy.

There will not be enough time for substantive discussions. But, if time permits, the Prime Minister might:

- underline the UK's strong support for EU Enlargement;
- welcome Latvia's progress in negotiations;
- make clear that reform, especially in public administration, is the key to progress, and that Britain is prepared to help.

EU Enlargement was the main subject of discussion when the President called on the Foreign Secretary on 26 October. She welcomed the Prime Minister's Warsaw speech.

If Mrs Vike-Freiberga mentions NATO Enlargement, the Prime Minister might encourage Latvia to pursue its Membership Action Plan (MAP) as the best way to strengthen its case. The UK is helping Latvia's MOD and armed forces with advice and training.

Mrs Vike-Freiberga is visiting the UK privately as a guest of honour of the American Academy of Achievement's second annual International Achievement Summit. On 25 October she had an audience of HM The Queen and called on the Foreign Secretary on 26 October. On 30 October, she will call on the Defence Secretary and CDS, and Baroness Kennedy QC, Chair of the British Council. On 31 October, in addition to her call on No 10, the Lord Mayor will host a breakfast meeting with British businessmen. Alan Howarth will accompany her on a visit to Tate Modern.

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... I enclose the President's CV and the Ambassador's scene-setting telegram.

*Yours ever, Sherard*

(Sherard Cowper-Coles)  
Principal Private Secretary

John Sawers  
10 Downing Street

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## Vaira VIKE-FREIBERGA

### President of Latvia

Vike-Freiberga, who is 63, was elected President by the Saeima (Latvian parliament) in June 1999. She spent most of her adult life in Canada, where she was actively involved in the public life of the expatriate Latvian community as a teacher of folklore. She only returned to Latvia at the end of 1998. She is a member of the Harvard University Council of Women World Leaders, and also President of the French language section at the Royal Society of Canada.

An unexpected choice for Latvia's top job, Vike-Freiberga was not among the original candidates for President, but when none of them secured the required number of votes, she was put forward. Despite having no political base, Vike-Freiberga has proved hugely popular with ethnic Latvians and early on in her Presidency made a favourable impression on the large ethnic Russian community too.

Vike-Freiberga has been described as open, clear-headed, and alert. Her aim is for Latvia to enter the EU in 2003. When tensions rose in recent months between Latvia and Russia over the conviction in Latvia of a former Soviet partisan for war crimes, Vike-Freiberga's initially conciliatory line towards Russia gave way to some sharp pronouncements about the Russian threat to Latvia.

Vike-Freiberga speaks Latvian, as well as French, German and Spanish. She said last year that she would learn Russian.

Vike-Freiberga is married and has two children. She and her husband, Imants, have a daughter, Indra, and son, Karlis. Karlis came to Latvia in 1990 and set up an English language newspaper.

### Background

Vike-Freiberga was born in Riga in 1937. Her parents left Latvia during the war. She was educated at the Latvian school in a refugee camp in Luebeck, Germany, and at a French school in Casablanca. She has an English language degree and a masters in psychology from the University of Toronto, and a Doctorate in experimental psychology from McGill University in Montreal. She worked as a Professor of Psychology at the University of Montreal from 1965 until 1998. From October 1998, she was a Director of the Institute of Latvia. She represented Canada and chaired the panel of the NATO research programme "Humanitarian Factors". In 1989, she was invited to represent Canada as an adviser to the Brazilian parliament's constitutional reform committee. In the late 1980s, she wrote a book on Latvian folklore.

July 2000  
Research Analysts, FCO



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FM RIGA  
TO IMMEDIATE FCO  
TELNO 209  
OF 200705Z OCT 00  
INFO IMMEDIATE MODUK, DTI, ACTOR

SCENE SETTER: VISIT OF PRESIDENT VIKE-FREIBERGA

MOD FOR: MARTIN HOLMES, DCEE

SUBJECT: SCENE SETTER: VISIT OF PRESIDENT VIKE-FREIBERGA  
TO THE UK, 25 OCTOBER - 1 NOVEMBER

#### SUMMARY

1. This visit comes at a time when Latvia needs encouragement in the process of accession to the EU and NATO, and in working out a modus vivendi with Russia. It will give an opportunity for us to express our concerns about some aspects of Latvia's internal development, - the national integration programme, corruption, public administration and privatisation. And will provide a stimulus to UK trade and investment.

#### DETAIL

##### Background

2. This is Vaira Vike-Freiberga's first visit to the UK as President of Latvia. She became President in July 1999, when she, to most people's surprise (her own included), won the vote in the Saeima (parliament) after the front-runners failed to get sufficient support. She has since grown in stature and popularity.

3. Mrs Vike-Freiberga was born in Latvia just before the Second World War, and left as a young girl in the wake of Soviet annexation in 1944. After a period spent in refugee camps in Germany (waiting in vain for the western allies to liberate her homeland), her family, after a period spent in Morocco, settled in Canada, where she spent all her adult life. Her career as an academic culminated in a professorship in Psychology at the University of Montreal. Her family maintained links with Latvian language and culture, in which she is an acknowledged expert. In 1998 she was appointed director of the Latvian Institute in Riga (for promoting Latvian culture) before being elected President the following year. Her husband Immants Freibergs, also a Canadian Latvian, has had an academic career in computer science.

4. Because she is a newcomer to the Latvian political scene, Mrs Vike-Freiberga is seen, correctly I hope, to be above the corruption-tainted world of party politicians. Latvians already appreciate this and her popularity ratings are far above those of Prime Ministers and others.

##### Foreign Relations

5. Since regaining its independence in 1991, Latvia has gone a long way in shaking off its Soviet past. Like the other Baltic States, it distanced itself from Russia by refusing to join the



5. It has made clear that its priorities are EU and NATO accession, and has made considerable progress towards both.

6. Included in the Helsinki Six group of EU candidate countries, Latvia opened negotiations in February this year, and has made fair progress since then. They have closed five acquis chapters already, and had hoped to open a further eight during the French Presidency : this goal now looks as if it will not be achieved. They have high hopes of achieving more rapid progress under the Swedish Presidency. The government's stated aim is to complete the negotiating process by the beginning of 2003, and to achieve full membership two or three years later. The Prime Minister's Warsaw speech will have given some encouragement in this. There is some opposition to EU accession, especially in the depressed agricultural sector, and overall support is still less than 50%.

7. Most Latvians, probably including Mrs Vike-Freiberga, feel instinctively that NATO membership is an even higher priority, given Latvia's susceptibility to bullying by large neighbours. Latvia has strong hopes that it, together with the other Balts, will receive an invitation in 2002. Expectations have been raised by the plethora of encouraging noises from NATO HQ, most recently from Assistant Secretary-General Klaiber. The UK line has been that it is too early for us to be able to judge whether Latvia will earn an invitation by 2002. We have concentrated on providing military training to the Latvian military and to the Baltic Battalion. We have also placed a Defence Adviser in the Latvian defence ministry, who plays a crucial role in the area of budgeting and planning. Our (NATO) Military Action Plan liaison team visited Riga this month and concluded that the Latvians still had much ground to cover. Mrs Vike-Freiberga's visit presents a good opportunity to share the team's conclusions with her.

8. Latvia assumes the Chairmanship of the Council of Europe next month, but is, much to its annoyance, still subject to monitoring on human rights issues. The rapporteurs for Latvia, led by Terry Davis MP, are due to visit Latvia again early next month.

9. Relations with Russia remain difficult, with Moscow prepared to take any opportunity available to score points off Latvia, with threats of economic sanctions and much invective. Mrs Vike-Freiberga tends to be pessimistic about Russia. In a TV interview earlier this year, she (inadvertently ?) said that she still saw a danger of Russian attack on Latvia. Her officials seemed to distance themselves from this remark. Our advice has been that the Latvians should continue to work hard on positive areas in their bilateral relationship. There are recent signs of a more co-operative Russian attitude (change of tactics ?), but no movement on the most important issues such as the signing of a border agreement. There is concern, probably more in western capitals than in Riga, at the prospect of a harsh Russian reaction to the Baltic States' move towards NATO membership.

#### Internal

10. There are aspects of the internal situation which worry us (and Mrs Vike-Freiberga). Latvian governments tend to be short-lived the right-of-centre coalition led by Prime Minister Andris Berzins (of the liberal Latvia's Way party) is the tenth government since 1991, but there has been overall policy continuity on the main issues. The problem of corruption was highlighted in a recent World Bank report: this theme was then taken up by the body representing foreign investors here. We have not seen any indication to date that



government will grasp this nettle. Public administration is also a weak area and we have given strong backing to a report by Sir Robin Muntfield (former Permanent Secretary in the Cabinet Office) as to how this problem should be addressed. Another Achilles heel has been the failure of successive governments to proceed with the privatisation of the big public sector enterprises, including energy, telecommunications and shipping (Berzins recently boasted to Madam Speaker that 97% of privatisation had been completed, - but the remaining 3% represents 40% of GDP!). The failure to proceed with these privatisations is generally put down to the inability of political parties to agree on the dividing of the spoils.

11. Issues concerning the Russian speaking community have been high on the political agenda, and EU member states and the OSCE have been pushing the Latvians hard on these. Latvia still has over 550,000 non-citizens, nearly a quarter of the total population (a world record?). Mrs Vike-Freiberga came into the Presidency at a time of controversy concerning the language law, which prescribes how the Russian language can co-exist with Latvian, and took the courageous decision to send the law back to the Saeima unsigned. Finally in December last year, a more liberal law emerged which received Van der Stoel's blessing. Currently the Latvians are engaged in some fine-tuning (at Van der Stoel's behest) of the language law's implementing regulations.

12. Mrs Vike-Freiberga has strong views on the need to preserve the Latvian language, and reacted coldly to a suggestion I made to her on my arrival that the Canadian model of two State languages might be worth considering.

13. The government claims to be putting its weight behind a national integration programme which will lay the ground for solving Latvia's communal problems in the longer term, but they have failed so far, because of pressure from the right-wing of the coalition, to find money in the budget for this. We should make clear to the President that Latvian money must be made available for this.

14. Mrs Vike-Freiberga has played a prominent role in getting Latvia to address the issue of the Holocaust, and she will be meeting leading members of the British Jewish community at a dinner hosted by Lord Janner. She provided the impetus for an international conference on the Holocaust in Latvia held in Riga earlier this week, and made a moving opening address (text by fax to CNWED), in which she referred to the need to bring to justice those Latvians who might have shared responsibility i.e. Konrad Kalejs, against whom the Prosecutor-General has started proceedings for possible extradition from Australia.

#### Bilateral

15. Our bilateral relationship is good. This stems from our support for Latvia during its first period of independence, including Royal Naval action in 1919, and our failure to recognise Soviet jurisdiction here. Since opening our Embassy in 1991, we have become one of Latvia's main trading partners (in 1999 we took GBP 270 million worth of Latvian exports, mainly timber, while our exports valued 70 million). We are the fifth largest foreign investor, in sectors including fuel distribution (Shell), timber processing, textiles and property. The Trade & Industry Select Committee has recommended that greater effort should be made to persuade a British bank to open up in Riga, which is now the most important banking centre in the Baltic States. The breakfast to be hosted by the Lord Mayor of London (who visited Riga in July) will



provide an opportunity to pursue this.

The Latvians value high-level visits from the UK, and have been hoping for a visit this year by the Secretary of State. Mr Vaz is due in November. On the defence side there has been more recent contact, with visits by Mr Spellar, the First Sea Lord and most recently the Commandant General of the Royal Marines. It is important that the rate and level of visits be maintained during the period leading into Latvian accession to the EU and NATO.

17. The British Council, whose Baltic States operation is managed from Riga, is an important component in our relationship, and I trust that the implementation of their strategic review will not undermine this. The Minister for the Arts, Alan Howarth, visited here earlier this month and several doors were opened for future cultural co-operation. We have our sights set on a British Week, both commercial and cultural, to be held here on 18-25 May next year, when Riga celebrates its 800th anniversary.

NASH

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[\*\*RIGA, TALLINN, VILNIUS\*\*]

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NEWS D	0
NPD	0
OSCE/COED	0
PLANNERS	0
PROTOCOL RHS//PALACE	0
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PRIME MINISTER

f  
From: Anna Wechsberg  
Date: 30 October 2000

cc: Jonathan Powell  
John Sawers  
Tim Livesey

**LATVIA: PRESIDENT VIKE-FREIBERGA**

Vaira Vike-Freiberga, in the UK on a private visit, is coming to shake your hand/have her picture taken on Tuesday. She had a substantive meeting with Robin Cook last week.

Vike-Freiberga, now 63, was elected President in 1999. She has spent most of her adult life in Canada – she left Latvia as a refugee in 1944, in the wake of Soviet annexation. She worked as a Professor of Psychology at the University of Montreal from 1965 to 1998.

Main points, if you have time are:

- Underline UK support for **EU enlargement**, and **welcome Latvia's progress in negotiations** (Latvian Government's stated aim is to complete negotiations by the beginning of 2003, achieving full membership two or three years later);
- Make clear that **reform, especially in public administration, is the key to progress**, and that the UK is ready to help.

You might also:

- Encourage Latvia to work hard on the positive aspects of their bilateral relationship with **Russia** (relations remain very difficult);
- If raised, encourage Latvia to pursue its **NATO Membership Action Plan** as the best way to strengthen its case for joining NATO (we are helping them with military advice and training).

Anna

**ANNA WECHSBERG**



**CONFIDENTIAL**  
**LITHUANIA: PROPOSED VISIT BY THE PRESIDENT TO THE UK**  
**From: VILNIUS**

TO DESKBY 291530Z FCO  
 TELNO 103  
 OF 291330Z SEPTEMBER 00

FOR CNWED (PLEASE PASS TO NO 10 AND TO PS/MR HOWARTH)  
 REF: LETTER RAMSDEN/ROBBINS (19 SEPTEMBER) AND MINUTE COLLIER/WRIGHT  
 (29 SEPTEMBER)

**SUMMARY**

1. The difficulties bedevilling the arrangement of this visit are now a major irritant in the bilateral relationship at a delicate time. I recommend that Mr Howarth bring positive news with him when he meets the President on 6 October.

**DETAIL**

2. My telno 97 (not to all) warned of the Lithuanians' acute disquiet at the news that the Latvian President may get both an audience with HM The Queen and a call on the Prime Minister when she is in London. I believe the Lithuanians would accept that, if a president of Mrs Vike-Freiberga's standing is in London, we should naturally wish to take up the opportunity to arrange these calls. But they regard our continuing inability to arrange a date for their President's visit as a serious setback for the bilateral relationship.

3. In late 1999 I suggested informally to the Lithuanians that they arrange for the President to visit London (on e.g. commercial business) and then approach No 10 for a call. But the President responded by ruling this option out (in private conversation with me).

I believe his view is that - since the Constitution gives him overall responsibility for foreign relations - it is on that basis that he would visit the UK.

4. President Adamkus simply cannot understand why, over 30 months since his election, we have been unable to find a half-hour slot for him at No 10. He has told me recently that he can only suppose that the UK regards him as persona non grata. I believe his reaction will be stronger still when he hears that we have been able to arrange calls for the Latvian President but have given him no news about his own proposed visit. If No 10 can find a slot now for one President, why can't they at the same time identify a slot for another?

5. This apparent snub to the President will come at a delicate time. The 8 October election may result in a hard left government led by ex-President Brazauskas (some polls put him in the lead). The hard left are committed to reversing some economic reforms and thus to slowing progress towards EU membership. President Adamkus could exert a constructive influence on a Brazauskas government intent on keeping Lithuania's Chernobyl style power station open (as they have said they wish to do). I believe that, over the coming months, we shall need - even more than we do now - to be able to influence Adamkus on matters of direct interest to the UK.

6. I have arranged for Mr Howarth to call on the President when he is here on 6 October. I should like to do the same for Mr Vaz when he visits Vilnius in November. But both will face substantial embarrassment unless they can assure the President that he will soon be offered a definite date for his visit to the UK.

*John S*

*The only reason for seeing Adamkus is that the Lithuanians are making a fuss about it. In policy terms it is a weak bid and Stephen Wright says other bids from his command are higher priorities (Nazarbaev, Stoltenberg, Zeman, Kucan). We've raised it in previous diary meetings and been dumped on. Try again? Or draw a line?*

*Michael*

*Just not possible now.*

*We should try to get him to see our*

*3 Baltics in one go later next year.*

*fr*



RECOMMENDATION

7. I recognise the difficulties faced by the diary team at No 10. But I recommend that No 10 make strenuous efforts now to identify a slot in the next few months for Adamkus to call at No 10, ideally so that Mr Howarth can come armed with some good news when he visits next week. Progress on this matter would set the right tone for Mr Vaz's visit in November.

ROBBINS

Sent by VILNIUS on 29-09-2000 13:30  
Received by No10 on 29-09-2000 16:28



+371 7338132

MT  
CC: RL  
G/R  
KR (PU)**British Embassy  
Riga**British Embassy  
5. J. Alunāna iela  
LV-1010 Riga  
LATVIATel.: (+371) 7338126-31  
Fax: (+371) 7338132**DRAFT PROGRAMME FOR THE VISIT OF ROGER LIDDLE AND  
MICHAEL TATHAM TO LATVIA, 12-13 SEPTEMBER****12 September**

20:40 Arrival in Riga, met by Embassy car, taken to Radisson SAS  
hotel/Ambassador's residence

**13 September**

- 07:45 Breakfast with Nick Carter DHM, and Mr Stephen Nash HMA (tbc)
- 08:45 Depart with Embassy Driver (Gints booked).
- 09:00 Call on Ainars Dimants, President, Raita Karnite, Vice President and  
Gunars Meierovics, honorary President of the European Movement,  
Latvia Basteja Bulvaris 14 ground floor.
- 10:00 Call on Eduards Kušners, Director of the EU Integration Bureau  
Basteja Bulvaris 14 third floor.
- 11:00 Call on Gunter Weiss, Head of the EU Commission Delegation  
Tornu iela 4, Jakobs Barracks 1C
- 12:00 Call on Andris Kesteris, EU Chief Negotiator, Ministry of Foreign  
Affairs, Brivibas Bulvaris 36
- 12:40 Working Lunch with Maris Riekstins State Secretary, Ministry of  
Foreign Affairs (with HMA) (venue tbc)
- 14:10 Call on Mr Atis Sjanitis, Foreign Affairs Adviser to the Prime Minister  
(with HMA) Brivibas Bulvaris 36
- 15:00 Call on Mr Romans Baumanis, Foreign Affairs Adviser to the  
President tbc (with HMA) Pils Laukums 3
- 16:00 Call on Edvins Inkens, Chairman of the EU Affairs Committee,  
Saeima Jekaba iela 10/12, room 302
- 17:00 Departure to Vilnius with Lt Col Andrew Tuggey, DA.



*f* Reverends?

AMBASSADOR OF  
THE REPUBLIC OF LATVIA  
LONDON

No 03/1063  
September 5, 2000

Mr. Michael Tatham  
Foreign Policy  
Private Secretary to the Prime Minister

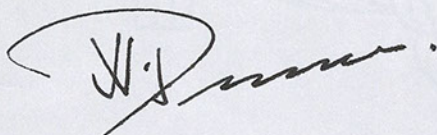
*Dear Mr. Tatham,*

I would like to inform you that the Latvian President Mrs. Vaira Vīķe-Freiberga will be visiting London from October 26 to November 1. Mrs. Vaira Vīķe Freiberga will be the guest of honour at the second annual International Achievements Summit to be held in London from October 26-28. With the kind assistance of the Ministry of Defence the appointments for Mrs Vaira Vīķe Freiberga to meet Mr. Geof Hoon and Sir Charles Guthrie have already been made. It is also anticipated that during her stay in London the Latvian President will address Royal United Service Institute, London School of Economics as well as proposals have been sent to have calls on Her Majesty the Queen and Foreign Secretary Mr. Robin Cook.

During her visit the Latvian President would appreciate the possibility to meet with the Prime Minister Rt. Hon Mr. Tony Blair. This proposal has already been passed over to the Foreign and Commonwealth Office as well as to the Diary Secretary to the Prime Minister Miss Kate Garvey.

I would very much appreciate if you could enquire about the possible dates for the meeting within the period starting from October 26 to November 1. I remain at your disposal for any further information you may require. Meanwhile I wish you a very good trip to Latvia and please let me know if there is anything I can do before your flight to Riga.

Sincerely yours,



Normans Penke



RESTRICTED



Foreign & Commonwealth  
Office

*Dy fax*

4 September 2000

London SW1A 2AH

*Dear Michael,*

*1-PS* Latvia: Visit of President Vike-Freiberga  
25 October - 1 November

*cc JS  
JP  
KG  
AC*

You asked for advice on the Latvian Ambassador's letter of 8 August to the Diary Secretary requesting a meeting between the Prime Minister and President Vike-Freiberga during her visit to UK in October.

Mrs Vike-Freiberga will be visiting UK from 25 October - 1 November. It will be her first visit to UK as President of Latvia. She will be guest of honour at the second annual International Achievements Summit to be held in London from 26-29 October (which we understand the Defence Secretary will be attending). The Latvians have requested an audience of HM The Queen and calls on the Foreign and Defence Secretaries.

Mrs Vike-Freiberga was an unexpected choice for President when the Latvian Parliament elected her to the post in June 1999. A former Latvian emigre (she was brought up in Canada), she has proved to be popular, but also courageous. Her first act after assuming office was to return an unacceptable draft language law to Parliament for reconsideration. As a result, Latvia pulled back from the brink of adopting a piece of legislation on a human rights related issue which would have clearly been incompatible with EU and OSCE standards.

The President is an important force for good in Latvia. The meeting - even if very short - would demonstrate clearly the UK's support for EU enlargement and a reform-minded, forward-looking Latvia. UK media interest in a meeting with the Prime Minister would be very low, but there would be massive coverage in Latvia. The Prime Minister would also be able to speak frankly about the difficulties in managing a complex relationship with Russia. These same points could be made in meetings with other senior members of the Government, but these meetings would lack the symbolic importance in Latvia of a meeting with the Prime Minister.

*Yours ever,  
Tim*

(Tim Barrow)  
Private Secretary

Michael Tatham Esq  
10 Downing Street

RESTRICTED





f Top: FA/EAPS  
✓ COS  
FA/PS

LATVIJAS REPUBLIKAS MINISTRU PREZIDENTS  
Prime Minister of the Republic of Latvia

36 Brīvības Blvd., Riga LV-1520, Latvia, tel. +371 7332232, fax +371 7286598

Riga, 6 June 2000

The Right Honourable Tony Blair, M.P.  
Prime Minister of the United Kingdom of Great Britain  
and Northern Ireland

SUBJECT  
MASTER  
FILED

*Dear Prime Minister,*

Please accept my sincere thanks for your kind words and congratulations on my appointment as the Prime Minister of the Republic of Latvia.

I highly appreciate the trust you put in Latvia's accession to the European Union and the support you give to the EU enlargement. Latvia continues to implement its reforms pragmatically and consistently in order to be among the first states joining the EU. The United Kingdom's steady interest and support to Latvia during the last years has been of great help in this process. I believe that we can rely on it in the future.

With assurances of my highest consideration,

*Yours sincerely*

Andris Bērziņš

SKP 15/6/00



EMBASSY OF LATVIA  
LONDON

Note No 07/ 52

The Embassy of the Republic of Latvia presents its compliments to the Foreign and Commonwealth Office and has the honour to forward a letter from H.E. Mr. Andris Berzins, Prime Minister of the Republic of Latvia to The Rt Hon Tony Blair MP, Prime Minister of the United Kingdom.

The Embassy of the Republic of Latvia avails itself of this opportunity to renew to the Foreign and Commonwealth Office the assurances of its highest consideration.

12<sup>th</sup> June, 2000

TO: Foreign and Commonwealth Office  
London





File

ds

3000120  
MASTER



10 DOWNING STREET  
LONDON SW1A 2AA

cc: FWO  
HMA, Riga

Filed on:

THE PRIME MINISTER

16 May 2000

Dear Mr. Berzins,

I would like to send my warmest congratulations, and best wishes, on your appointment as Prime Minister of Latvia.

I have been impressed by the progress Latvia has made in many important areas, particularly on accession to the European Union. I look forward to this continuing.

Membership of the European Union is one of the key issues for Latvia in coming years. As a firm supporter of EU enlargement I was delighted that the European Council at Helsinki invited Latvia to open accession negotiations for EU membership. I welcome the recent opening of negotiations on eight chapters of the acquis.

I also look forward to the continued development of British-Latvian relations. The visit of Foreign Minister Indulis Berzins to London in January this year was a great success. I hope that this will be followed up with a visit to Latvia later this year by Keith Vaz, the Minister for Europe.

Yours sincerely

Tony Blair

Mr Andris Berzins

ds





PRIME MINISTER  
OF THE REPUBLIC OF LITHUANIA



MEMBER  
OF THE EUROPEAN COMMISSION

SUBJECT  
MASTER

MATRIX  
Top-Ad  
JS  
JPS  
JSM  
MT  
AC

Vilnius / Brussels, 10 May 2000

Dear Prime Minister,

The Seimas of the Republic of Lithuania approved the Energy Strategy on 5 October 1999. It is with great pleasure that we can inform you that in accordance to it the Seimas on 2 May 2000 gave its approval to legislation enabling the process of de-commissioning of Unit 1 at the Ignalina Nuclear Power Plant (INPP) to commence. This decision will benefit the citizens of Lithuania and of Europe, as a whole.

In the course of the preparation of the new legislation, the Government of Lithuania has started its planning with regard to the process of de-commissioning, with particular emphasis on its timing and costs. Lithuania enjoyed active international support during this planning period, which has shown that the de-commissioning process, though, manageable, will be complex and costly. Further international assistance for this effort is therefore indispensable.

In order to clarify the scope of the de-commissioning process, the various activities it requires and the nature of the assistance needed, the Government of the Republic of Lithuania with the support of the European Commission will be hosting an international Donors Conference to take place in Vilnius on 20 and 21 June, 2000. Conference participants will be offered an opportunity to contribute to the discussion and to make pledges in the form of grants or loans.

In recognition of the significance the international community attaches to the de-commissioning process, the Government of Lithuania and the European Commission would very much value participation at the highest possible level. It is with this in mind, that we are extending to you, Prime Minister, this invitation to come to Vilnius on the occasion of the Donors Conference. Similar invitations have gone out to your colleagues in all Members States and Candidates Countries of the European Union, a select group of other countries and international financial institutions.

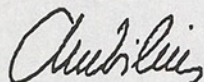
The Rt Hon Tony Blair,  
Prime Minister  
United Kingdom  
London



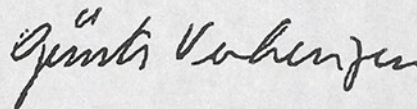
- 2 -

*We further take the opportunity to seek your kind personal mediation to make our effort to secure international support for the de-commissioning of Unit 1 of the INPP a success.*

*Reiterating our appreciation of your country's active interest in and support of Lithuania, we very much look forward to welcoming you in Vilnius.*



*Andrius Kubilius*  
Prime Minister



*Günter Verheugen*  
Member of the European Commission



FILE

MFT

SUBJECT  
MASTER  
Filed on:



CC HMA, TALLINN  
FCO

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

13 April 2000

Dear Prime Minister,

I am grateful for your letter of 10 March and for your prompt support for the initiative on enhanced co-operation on drugs within Europe. I welcome your government's continued commitment to tackling drugs issues.

As you are aware, this is a major issue of concern for me. I was pleased that President Meri had the opportunity to discuss this with Charles Clarke at the Home Office during his visit to the United Kingdom in March. We are looking at how we can follow up these discussions. Your support for this initiative demonstrates, once again, the closeness of our bilateral relationship.

It is clear we share many of the same values and that we both wish to work to defeat the evil of drugs.

Yours sincerely  
Tony Blair

His Excellency Mr Mart Laar

JL





Foreign &  
Commonwealth  
Office

London SW1A 2AH

11 May 2000

Dear Michael,

cc SS  
JP  
prem.

Latvia: Message from the Prime Minister

Our Ambassador in Riga has recommended that the Prime Minister send a short message to Andris Berzins, the new Prime Minister of Latvia.

Berzins is a member of the Latvia's Way Party, one of the leading members of the ruling coalition. He was previously Mayor of Riga, where he consistently received high ratings in public opinion polls. We believe he is well disposed to the United Kingdom. The Embassy believe he will be more effective in reconciling the differing views of coalition members than previous Prime Ministers. Berzins has already succeeded in convincing colleagues of the benefits of bringing a fourth party into the coalition thereby increasing the Government's majority in the one-hundred seat Parliament (Saiemas).

We do not believe a message is required for the outgoing Prime Minister, Andris Skele. Skele had no high-level contacts with UK Ministers, and is currently subject to allegations about his involvement in an ongoing paedophilia scandal.

... I attach a draft message from the Prime Minister to Berzins.

Yours ever,

Tim

(Tim Barrow)  
Private Secretary

Michael Tatham Esq  
10 Downing Street



**DRAFT MESSAGE FROM THE PRIME MINISTER TO ANDRIS BERZINS,  
NEW LATVIAN PRIME MINISTER**

I would like to send my warmest congratulations, and best wishes, on your appointment as Prime Minister of Latvia.

I have been greatly impressed by the progress Latvia has made in many important areas, particularly on accession to the European Union and integrating non-Latvian communities. I look forward to this continuing.

Membership of the European Union is one of the key issues for Latvia in coming years. As a firm supporter of EU enlargement I was delighted that the European Council invited Latvia to open accession negotiations for EU membership. I welcome the recent opening of negotiations on eight chapters of the acquis.

I also look forward to the continued development of British-Latvian relations. The visit of Foreign Minister Indulis Berzins to London in January this year was a great success. I hope that this will be followed-up with a visit to Latvia later this year by Keith Vaz, the Minister for Europe.

[Gregory Quinn CNWED  
270-2422]



119921

7 April 2000



2 COS  
FAIR/5 Q/R  
AC/Press

Foreign &  
Commonwealth  
Office

London SW1A 2AH

Dear Michael,

**Estonia: Letter from Prime Minister**

The Estonian Prime Minister, Mart Laar, wrote to the Prime Minister on 10 March expressing his support for the initiative for enhanced cooperation on drugs within Europe (your letter of 27 March refers). Laar also issued a press release welcoming the Prime Minister's initiative. Laar has made it clear that he is happy for the Prime Minister to release the contents of the letter to the public, and/or cite it on any occasion.

Our Ambassador in Tallinn has recommended that the Prime Minister send a short reply to Laar thanking him for his prompt support. The Estonians would welcome such an acknowledgement.

... I attach a draft message from the Prime Minister to Laar.

Yours ever,  
T

(Tim Barrow)  
Private Secretary

Michael Tatham Esq  
10 Downing Street

SKP 7/4/00



T

DRAFT REPLY FROM THE PRIME MINISTER TO MART LAAR, ESTONIAN  
PRIME MINISTER

<sup>am grateful</sup>  
~~I would like to thank you~~ for your letter of 10 March, and  
for your prompt support for the initiative on enhanced  
cooperation on drugs within Europe. I welcome your  
Government's continued commitment to tackling drugs issues.

As you are aware this is a major issue of concern for me.  
I was pleased that President Meri had the opportunity to  
discuss this with Charles Clarke at the Home Office during his  
visit to the United Kingdom in March. We are looking at how  
we can follow-up these discussions.←

~~Unfortunately, few countries have escaped the menace that  
drugs pose to our communities, especially to children. As you  
say, close international cooperation is important in dealing  
with this menace. I, along with my European partners, look  
forward to working with you in this area.~~

~~Your support for this initiative demonstrates, once again,  
the closeness of our bilateral relationship. It is clear we  
share many of the same values, and that we both wish to work  
to defeat the evil of drugs. [I look forward to being able to  
discuss this matter with you in the future.]~~

[Gregory Quinn CNWED 270-2422]





10 DOWNING STREET  
LONDON SW1A 2AA

From the Private Secretary

27 March 2000

SUBJECT  
MASTF

Filed on

Dear Tim

**LETTER FROM ESTONIAN PRESIDENT**

I attach a letter from the Estonian President supporting the Prime Minister's initiative for enhanced cooperation on drugs within Europe. I would be grateful for a draft reply, if you feel one is needed.

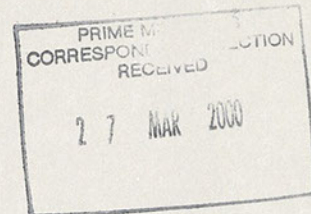
Yours sincerely

Michael

**MICHAEL TATHAM**

Tim Barrow Esq  
FCO





*Eesti Vabariigi Suursaatkond*  
*The Embassy of the Republic of Estonia*

MT  
C: JB  
JS  
DN  
PJ.

Private Secretary to the Prime Minister

24 march 2000

Dear Sir/Madame,

Please forward the enclosed letter from the Prime Minister of the Republic of Estonia  
Mr Mart Laar to the Prime Minister The Rt. Hon. Mr Tony Blair.

Yours faithfully,

Tiina-Maria Väravas  
Secretary to the Ambassador



*Prime Minister  
Republic of Estonia*

Tallinn, 10 March 2000

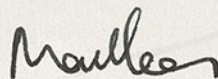
*Dear colleague,*

May I tell you that I strongly support your new initiative to step up co-operation on drugs within Europe. The fight against drugs is high up on the agenda of my Government and we are currently introducing new practical measures in this field. Our priority is to protect our youth from the evil of drug addiction.

Fight against drug trafficking and connected crimes can only be successful with the help of close and effective international co-operation. I have discussed stepping up this co-operation with my Nordic and Baltic colleagues. Most recently we have reinforced our joint efforts with Finland.

British support and joint EU action would certainly help the Estonian agencies concerned in their practical work. As recently as on March 8<sup>th</sup> this year the President of Estonia Mr. Lennart Meri discussed co-operation opportunities in this field with the Minister of State, Home Office, MP Charles Clark in London. I would be happy to discuss your anti drug initiative and other European matters with you in person. I hope to welcome you in Tallinn at the earliest convenient opportunity. Your visit to our rapidly progressing region could add even more optimism into your vision of the 21<sup>st</sup> century Europe.

Yours sincerely,



Mart Laar

The Right Honourable  
Tony Blair  
Prime Minister  
United Kingdom

LONDON





Foreign &  
Commonwealth  
Office

London SW1A 2AH

12 January 2000

~~Top-MT~~  
~~CS~~  
~~JP~~  
AC  
JB  
file

De- M.L.L.

Lithuania: Letter to Prime Minister from President Adamkus

...

I enclose a letter to the Prime Minister from President Adamkus. Adamkus recalls the President's conversation with the Prime Minister at Helsinki, thanks the UK for its support for EU enlargement and refers to defence assistance and commercial relations. HMA Vilnius has commented that the letter clearly bears Adamkus's personal stamp. But we do not believe that a reply is required.

Yours etc,

  
Tim

(Tim Barrow)  
Private Secretary

Michael Tatham Esq  
10 Downing Street



AMBASSADOR OF  
THE REPUBLIC OF LATVIA  
LONDON

**SUBJECT  
MASTER**

**Filed on:**

To p-JS  
cc JP  
PB  
AC  
VJB

- 1, cc *Shepard Cooper Coker, ECO*  
*Not sure if this was delivered to ECO or not.*  
*No reply needed.*  
2, *Richard J. Fatham* - *Action taken on*  
*boxed copy*

Note No 156

*John Sam*

*(file)*

The Embassy of the Republic of Latvia presents its compliments to the Foreign and Commonwealth Office of the United Kingdom of Great Britain and Northern Ireland and has the honour to enclose the original of the letter of Mr. Andris Šķēle, Prime Minister of the Republic of Latvia addressed to Rt.Hon. Tony Blair, MP, Prime Minister of the United Kingdom of Great Britain and Northern Ireland.

The Embassy of the Republic of Latvia avails itself of this opportunity to renew to the Foreign and Commonwealth Office the assurances of its highest consideration.

December 18, 1999

To Foreign and Commonwealth Office  
United Kingdom of Great Britain  
and Northern Ireland  
London







LATVIJAS REPUBLIKAS MINISTRU PREZIDENTS  
Prime Minister of the Republic of Latvia

36 Brivibas Blvd., Riga LV-1520, Latvia, tel. +371 7332232, fax +371 7286598

Riga, 8 December 1999

Rt. Hon. Tony Blair, M.P.  
Prime Minister  
the United Kingdom of Great Britain and the Northern Ireland

*Dear Prime Minister,*

Let me thank you for your encouraging letter I received on the eve of the EU Helsinki Council. I would like to express my gratitude for the continuing support of the British Government and for your personal commitment to Latvia's efforts in preparing for the EU membership. In this occasion I would like to share with you some of my considerations about the EU enlargement.

Latvia has always stressed the political importance of the EU enlargement. Therefore we support the inclusive decision to open the accession negotiations with all the remaining candidates. At the same time we are all aware of the different degree of preparedness of the candidates, highlighted in the Commission's Progress Reports. This calls for specification of the term '*differentiation*'.

The Helsinki summit conclusions should refer to two basic principles, guaranteeing both speed and quality of the enlargement process, namely: inclusiveness and individualisation of the negotiation process from the very outset. This approach will maintain the necessary impetus for all the candidates to move on with their internal reforms, and also with the negotiation process.



The Composite paper stated that Latvia could be added to the advanced group of the candidate states. This as well as the Commission's notable experience in its negotiations with the first six should allow to open a sufficient number of both easier and more difficult chapters with Latvia. That in turn would allow us to come fully into step with the other candidates within a short time span.

As a Prime Minister I bear a political responsibility to the people of Latvia to explain what are the results of their efforts invested in the reform process, which allowed Latvia to receive one of the best Progress Reports among all the candidates for the second year in turn. I sincerely hope that I will be able to refer to such a decision of the EU Member States which allows Latvia to proceed in the accession negotiations in accordance with its preparedness.

On our part, we are committed to continue our internal reforms consistently and pragmatically in order to be among the first countries joining the EU.

I am looking forward to meet you in Helsinki.

*Yours sincerely,*

Andris Šķēle

A handwritten signature in dark ink, appearing to be 'A. Šķēle', written over a large, light-colored triangular shape that serves as a background for the signature.





SUBJECT  
MASTER

Filed on

*Lietuvos Respublikos Prezidentas*

Translation  
Vilnius, 24 December 1999

*Dear Prime Minister,*

*With pleasure I remember our recent discussion at the European Council in Helsinki, where Lithuania was invited to start negotiations on the membership of the European Union. This invitation is the evaluation of a consistent work of the people of our country and the expression of support of all EU Member States to our aspirations. At the same time, it opens up to Lithuania new possibilities for co-operation within the European framework.*

*I take this opportunity to thank the United Kingdom for its active support of the EU enlargement. I would also like to note that you personally have greatly contributed to a greater dynamism of the enlargement process and the progress of all candidate countries in reforming and developing their economies, so they could meet the EU standards. Your letter to me, the President of Lithuania, and the words of encouragement conveyed in the Lithuanian press were most warmly received and fortified the hopes of the people of Lithuania.*

*We are well aware that the process of negotiations will be neither short nor easy. However, we are full of determination to follow the chosen path.*

*It is gratifying that the relations between Lithuania and the United Kingdom are gaining momentum. Your experience in European affairs, especially in economy and finance, is highly valuable. We highly appreciate your initiatives designed to promote direct relations between the public institutions of our states. In this respect I would like to single out the work of the British experts who assist our Ministry of National defence in budget planning and improvement of finance management.*

*The Lithuanian and British entrepreneurs are expanding the network of contacts in various fields of economic activity. Therefore I hope that the next year will bring more British capital to Lithuania and will mark the growth of bilateral trade. It is also*



*gratifying that the EU Member States have been taking considerable efforts to create favourable conditions for a more rapid integration of the associated countries into the Community's common market by reducing or totally eliminating the still existing barriers to trade and economic co-operation.*

*Lithuania is becoming increasingly aware of the growing role of the United Kingdom in Europe, its intensifying interest in Central and Eastern Europe and plans to participate in the projects on energy, environmental protection and fight against crime within the framework of the Baltic Sea region and the EU Northern Dimension Initiative.*

*I believe that this role of the United Kingdom – an active member of Europe closely engaged with the United States – meets the interests of the entire continent.*

*I have no doubt that in the future we shall have many opportunities to meet and discuss these as well as other issues of interest to us.*

*I avail myself of this opportunity to convey my most sincere wishes of the best of success in all your endeavours. In the name of the people of the Republic of Lithuania, I wish all the people of the United Kingdom well being and prosperity.*

*Yours very truly,*

*/s/*

*Valdas Adamkus*

*The Right Honourable  
Tony Blair  
Prime Minister  
London*





## *Lietuvos Respublikos Prezidentas*

*Vilnius, 1999 m. gruodžio 24 d.*

*Gerbiamasis pone Ministre Pirmininke,*

*Maloniai prisimenu neseniai įvykusį mūsų pokalbį Helsinkyje, Europos Sąjungos viršūnių susitikime, kuriame Lietuva buvo pakviesta pradėti derybas dėl narystės Europos Sąjungoje. Tai - visų mūsų šalies gyventojų nuoseklaus darbo įvertinimas ir visų ES šalių narių paramos mūsų siekiui rezultatas. Kartu tai ir Lietuvai atsiveriančios naujos europinio bendradarbiavimo galimybės.*

*Naudojuosi šia proga, norėdamas padėkoti Didžiajai Britanijai, kuri aktyviai remia Europos Sąjungos plėtimąsi. Pažymėčiau ir Jūsų itin reikšmingą asmeninį indėlį į tai, kad plėtimosi procesui būtų suteikta daugiau dinamizmo, kad visos valstybės galėtų artėti prie ES pagal individualius pasiekimus reformose ir ūkio plėtroje. Jūsų laiškas man, kaip Respublikos Prezidentui, bei padėsinantis žodis, išskirtas Lietuvos spaudoje, sulaukė didelio atgarsio tarp mūsų šalies gyventojų.*

*Mes puikiai suprantame, jog derybų procesas nebus trumpas ir lengvas. Tačiau esame apsisprendę ir pasiryžę tvirtai žengti pasirinktu keliu.*

*Džiaugiuosi, kad santykiai tarp Lietuvos ir Didžiosios Britanijos vis aktyviau plėtojami. Jūsų šalies europietiškoji patirtis, ypač ekonomikos bei finansų srityse, yra labai sveikintina. Vertiname ir iniciatyvas skatinti tiesioginius ryšius tarp mūsų valstybių atskirų žinybų. Ypač daug mums padeda Didžiosios Britanijos ekspertai, kurie talkina mūsų Krašto apsaugos ministerijai planuojant biudžetą bei tobulinant finansų sistemą.*

*Lietuvos ir didžiosios Britanijos verslininkai randa vis daugiau tarpusavio ekonominių interesų. Todėl tikiuosi, jog ateinančiais metais bus tvirtingesni ir britų investicijomis Lietuvoje, ir nuolat augančia dvišale prekyba. Mus džiugina tai, kad ES šalyse narėse stiprėja nuotaikos sudaryti palankesnes sąlygas asocijuotoms šalims grei-*



čiau integruotis į Europos Sąjungos bendrą rinką, mažinant ir visai panaikinant dar vis esančius ekonominio bendradarbiavimo bei prekybos barjerus.

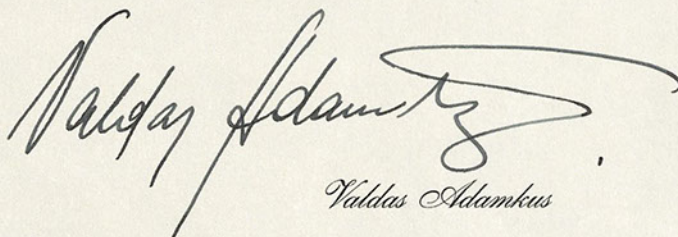
Lietuvoje pastaruoju metu vis labiau pastebimas Didžiosios Britanijos pirmaujantis vaidmuo Europoje, didėjantys interesai Vidurio ir Rytų Europoje, ketinimai dalyvauti energetikos, aplinkosaugos, kovos su nusikalstamumu projektuose Baltijos jūros regione ES Taurės dimensijos iniciatyvos rėmuose.

Manau, kad toks Didžiosios Britanijos vaidmuo - aktyvios Europoje, palaikančios glaudžius ryšius su Jungtinėmis Valstijomis - atitinka viso žemyno interesus.

Neabejoju, jog ateityje turėsime ne vieną progą susitikti ir aptarti šiuos ir kitus mus dominančius klausimus.

Priimkite mano nuoširdžiausios pagarbos žodžius ir linkėjimus geriausios kloties atėjančių švenčių progą. Lietuvos Respublikos gyventojų vardu visiems Didžiosios Britanijos žmonėms linkiu gerovės bei klestėjimo.

Pagarbiai,



Valdas Adamkus

Gerbiamajam Tonii Blairui  
Didžiosios Britanijos  
Ministrui Pirmininkui



1. u MTO/r

2. file

PNB  
17/12

1) cc (+11p) / Barton  
2) TB

1. 11-xii

From: Gregory Quinn, CNWED  
Date: 17 December 1999

27/12  
cc: PS/Mr Vaz  
PS/PUS  
Mr Wright  
Hds: CNWED  
EUD(E)  
HMA Vilnius

BALTIC STATES  
leds  
p. 4

To: Private Secretary

SUBJECT: LITHUANIA: MESSAGE FROM PRIME MINISTER

/  
A 1. The Lithuanian Ambassador, Justas Paleckis, has passed us the attached letter from Andrius Kubilius, the Lithuanian Prime Minister, for onward transmission to the Prime Minister. It expresses gratitude for the message of congratulation sent by the Prime Minister on Kubilius's appointment, and extends an invitation to visit Lithuania.

2. Kubilius's Government is not expected to survive beyond the Parliamentary elections in October/November 2000. It is highly unlikely either that the Prime Minister will have an opportunity to visit Lithuania, or that Kubilius will be able to come to London, within this timeframe

3. We do not believe any reply is required.

GDD Quinn

Gregory Quinn  
W105  
Tel: 270-2422  
Fax: 270-2152  
ced.fco@gt.net.gov.uk

NO. OF ATTACHMENTS: 2





10 DOWNING STREET  
LONDON SW1A 2AA

*File  
cc JS  
JPO*

From the Private Secretary

15 December 1999

*Dear Tim*

**LETTER FROM LATVIAN PRIME MINISTER**

I attach a letter from the Latvian Prime Minister thanking the Prime Minister for British support on EU enlargement in the run-up to the Helsinki Council. Unless you feel strongly otherwise, I do not think a reply is needed.

*Yours ever*

*Michael*

**MICHAEL TATHAM**

Tim Barrow Esq  
FCO

*[Handwritten mark]*



AMBASSADOR OF  
THE REPUBLIC OF LATVIA  
LONDON

SUBJECT  
MASTER

Filed on:

PRIME MINISTER'S  
CORRESPONDENCE SECTION  
RECEIVED

10 DEC 1999

December 8, 1999

Rt.Hon. Tony Blair, M.P.  
Prime Minister  
United Kingdom of Great Britain and Northern Ireland

Dear Prime Minister,


In reference to the upcoming Helsinki summit, I would like to enclose the copy of the letter of Prime Minister of Latvia Mr. Andris Šķēle in which Latvia's position on EU enlargement process is being outlined. The original of the letter will follow shortly.

I would like to express my gratitude for the support of the Government of Great Britain, as well as your personal commitment to the EU enlargement and note that Latvia is looking forward to start EU accession negotiations early next year.

Let me also stress that bilateral cooperation between our two countries is excellent and has been developing rapidly during the past years. The assistance Great Britain has provided to the bilateral projects has contributed immensely to the acceleration of the reform process in Latvia.

We are committed to continue reforms consistently and pragmatically and be among the first countries to join the European Union.

Sincerely yours,



Normans Penke





LATVIJAS REPUBLIKAS MINISTRU PREZIDENTS  
*Prime Minister of the Republic of Latvia*

36 Brīvības Blvd., Riga LV-1520, Latvia, tel. +371 7332232, fax +371 7286598

Riga, 8 December 1999

Rt. Hon. Tony Blair, M.P.  
Prime Minister  
the United Kingdom of Great Britain and the Northern Ireland

*Dear Prime Minister,*

Let me thank you for your encouraging letter I received on the eve of the EU Helsinki Council. I would like to express my gratitude for the continuing support of the British Government and for your personal commitment to Latvia's efforts in preparing for the EU membership. In this occasion I would like to share with you some of my considerations about the EU enlargement.

Latvia has always stressed the political importance of the EU enlargement. Therefore we support the inclusive decision to open the accession negotiations with all the remaining candidates. At the same time we are all aware of the different degree of preparedness of the candidates, highlighted in the Commission's Progress Reports. This calls for specification of the term 'differentiation'.

The Helsinki summit conclusions should refer to two basic principles, guaranteeing both speed and quality of the enlargement process, namely: inclusiveness and individualisation of the negotiation process from the very outset. This approach will maintain the necessary impetus for all the candidates to move on with their internal reforms, and also with the negotiation process.



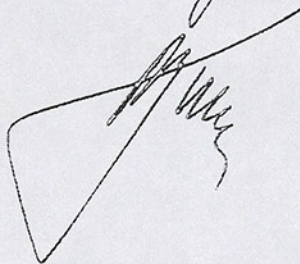
The Composite paper stated that Latvia could be added to the advanced group of the candidate states. This as well as the Commission's notable experience in its negotiations with the first six should allow to open a sufficient number of both easier and more difficult chapters with Latvia. That in turn would allow us to come fully into step with the other candidates within a short time span.

As a Prime Minister I bear a political responsibility to the people of Latvia to explain what are the results of their efforts invested in the reform process, which allowed Latvia to receive one of the best Progress Reports among all the candidates for the second year in turn. I sincerely hope that I will be able to refer to such a decision of the EU Member States which allows Latvia to proceed in the accession negotiations in accordance with its preparedness.

On our part, we are committed to continue our internal reforms consistently and pragmatically in order to be among the first countries joining the EU.

I am looking forward to meet you in Helsinki.

*Yours sincerely,*

A handwritten signature in dark ink, appearing to be 'A. Šķēle', written over a large, stylized triangular graphic element.

Andris Šķēle



Handwritten notes in the top right corner:  
Kater  
P. J. Sedon  
Baltic States  
Leds pt 2

Vilnius, 22 November 1999

Dear Prime Minister,

Permit me to express my sincere thanks for your kind words and congratulations on my appointment as Prime Minister of the Republic of Lithuania.

As the Head of Government I shall aim to take Lithuania further along the road of decisive reform. This process of reform is inseparable from the integration into the European Union, and I am convinced that this is the only way of guaranteeing the well being of the people of Lithuania and ensuring its continued development as a modern state. The realisation of this strategic national objective will call for an especially significant role for the United Kingdom, with which we have traditionally had constructive political relations and vigorous economic contacts. We hope to be able to count upon the continued strong support of the United Kingdom for Lithuania in the pursuit of our strategic goals.

Prime Minister, I would like to extend an invitation to you to come to Lithuania any time at your convenience. During the visit we could discuss European integration, economic co-operation, and other matters of concern to both countries.

May I, Your Excellency, avail myself of this opportunity to express the assurances of my highest consideration.

/s/

Andrius Kubilius  
Prime Minister

The Rt Hon Tony Blair  
Prime Minister  
United Kingdom of Great Britain and Northern Ireland  
Downing Street 10  
London





LIETUVOS RESPUBLIKOS AMBASADA  
LONDONAS

EMBASSY OF THE REPUBLIC OF LITHUANIA  
LONDON

cc: WMA *AP 5/12*  
*Rel/mis (b) Ex)*

Mrs Kathryn Colvin  
Head of Protocol Department  
Foreign and Commonwealth Office  
King Charles Street  
London  
SW1A 2AH

Thursday, 09 December 1999

Dear Mrs Colvin,

Please find enclosed a letter from the Prime Minister of the Republic of Lithuania, Mr Andrius Kubilius to the Prime Minister of the United Kingdom, the Rt. Hon Tony Blair, MP.

Sincerely,

Justas Vincas Paleckis  
Ambassador

84 Gloucester Place  
London W1H 3HN  
United Kingdom

Tel: 0171-486 6401 0171-486 6402  
Fax: 0171-486 6403  
e-mail: lralon@globalnet.co.uk





## LIETUVOS RESPUBLIKOS MINISTRAS PIRMININKAS

Vilnius, 1999 m. lapkričio 22 d.

*Jūsų Ekscelencija,*

*Leiskite nuoširdžiai padėkoti už sveikinimus ir palinkėjimus man tapus Lietuvos Respublikos Ministru Pirmininku.*

*Būdamas Vyriausybės vadovu sieksiu, kad Lietuva toliau žengtų ryžtingų reformų keliu. Mūsų reformų procesas yra neatsiejamas su integracija į Europos Sąjungą. Esu įsitikinęs, kad tai yra vienintelis būdas užtikrinti Lietuvos žmonių gerovę bei modernią valstybės plėtrą. Įgyvendinant šį strateginį Lietuvos siekį ypatingas vaidmuo tenka Jungtinei Karalystei, su kuria turime tradiciškai aktyvius ekonominius ryšius bei konstruktyvius politinius kontaktus. Tikimės, kad ir toliau turėsime tvirtą Jungtinės Karalystės paramą Lietuvai įgyvendinant strateginius tikslus.*

*Gerbiamasis Ministre Pirmininke, norėčiau pakviesti Jus atvykti į Lietuvą Jums patogiu laiku. Šio vizito metu galėtume aptarti Europos integracijos, ekonominio bendradarbiavimo ir kitus abiems šalims rūpimus klausimus.*

*Naudodamasis proga, Jūsų Ekscelencija, reiškiu nuoširdžiausią pagarbą.*

*Andrius Kubilius*

*Didžiai gerbiama Tony Blair  
Jungtinės Didžiosios Britanijos ir Šiaurės Airijos Karalystės  
Ministrui Pirmininkui  
Downing Street 10  
Londonas*



TELEGRAM RETRIEVED FROM DATABASE 15 December 1999

UNCLASSIFIED  
FM FCO  
TO IMMEDIATE VILNIUS  
TELNO 92  
OF 121212Z NOVEMBER 99

LITHUANIA: MESSAGE FROM PRIME MINISTER TO ANDRIUS KUBILIUS

SUBJECT: LITHUANIA: MESSAGE FROM PRIME MINISTER TO ANDRIUS KUBILIUS

1. Please pass the following message from the Prime Minister to Andrius Kubilius, the new Lithuanian Prime Minister.

Begins:

I would like to send my warmest congratulations, and best wishes, on your appointment as Prime Minister of Lithuania.

I look forward to the continued development of British-Lithuanian relations, and hope that Keith Vaz, our new Minister for Europe, will be able to visit Lithuania early next year to build on the progress already made.

One of the key issues for Lithuania is membership of the European Union. As a firm supporter of EU enlargement I was delighted that the European Commission last month recommended that the December European Council should invite Lithuania to open accession negotiations for EU membership. I am confident that the European Council will do so, and we look forward to welcoming Lithuania into the EU when it is ready.

Ends

2. There will be no (no) signed original.

COOK

YYYY

MAIN 8

[\*\*RIGA, TALLINN, VILNIUS\*\*]

CNWED	0
CEEARG	0
CFSPD	1
CVG1	0
EASTERN D	0
EUD(B)	0
EUD(E)	0
EUD(I)	0
EASTRG	0
ECPOL	0
GIRG	0
HRPD	0
INFO D1//BRIEFWR/VERB	0
INFO D2//BRIEFWR/VERB	0
LEG ADV	0
NEWS D	0
NPD	0
OSCE/COED	0
PLANNERS	0





10 DOWNING STREET  
LONDON SW1A 2AA

CE HMA  
FLO

THE PRIME MINISTER

6 December 1999

Dear Mr. President,

As you know, I called last May for the Helsinki European Council to invite Lithuania to start formal negotiations to accede to the European Union, in recognition of your remarkable efforts on economic reform and towards integration with the European family of democratic market economies.

We are now on the threshold of a decision at Helsinki which will recognise Lithuania's progress. I fully expect, and support, a positive decision by the European Council at Helsinki to extend an invitation to Lithuania. Ten years after the fall of Communism, it is time for a decisive move forward. We have an historic opportunity to build a wider and stronger Union, in which Lithuania should take its rightful place.

Lithuania has made great progress in preparing for EU membership, and for the hard business of accession negotiations. This will be a searching, detailed process, but I know there is the momentum and the will on both sides to progress – and to succeed. This means difficult choices, and a willingness to look ahead to a time when Lithuania will play a full part in Europe's shared future.

J



Britain, for its part, will continue to work constructively with you once negotiations begin, to ensure that Lithuania's progress is as rapid as possible. You can continue to count on the full support of the United Kingdom.

I look forward to seeing you at Helsinki.

Yours sincerely,  
Tony Blair

His Excellency Mr Valdas Adamkus





10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

6 December 1999

Dear Prime Minister,

As you know, I called last May for the Helsinki European Council to invite Latvia to start formal negotiations to accede to the European Union in recognition of your remarkable efforts towards economic reform and integration with the European family of democratic market economies.

We are now on the threshold of a decision at Helsinki which will recognise Latvia's progress. I fully expect, and support, a positive decision by the European Council at Helsinki to extend an invitation to Latvia. Ten years after the fall of Communism, it is time for a decisive move forward. We have an historic opportunity to build a wider and stronger Union, in which Latvia should take its rightful place.

Latvia has made great progress in preparing for EU membership, and for the hard business of accession negotiations. This will be a searching, detailed process, but I know there is the momentum and the will on both sides to progress – and to succeed. This means difficult choices – not least on the draft language law – and a willingness to look ahead to a time when Latvia will play a full part in Europe's shared future.

#



Britain, for its part, will continue to work constructively with you once negotiations begin, to ensure that Latvia's progress is as rapid as possible. You can continue to count on the full support of the United Kingdom.

I look forward to seeing you at Helsinki.

Yours sincerely,  
Tony Blair

His Excellency Mr Andris Skele





President  
Republic of Estonia

MT

1. ca Philip, No 10  
No need for reply,  
(winning)  
2. Back to dept

Kadriorg, November 14, 1999

cc: JS  
JP  
AC

Dear Mr. Prime Minister,

Not attending a summit of the OSCE countries is an especially difficult decision for the leader of Estonia, someone who remembers how hard we tried to get into the halls of the OSCE a decade ago and how important we believed our acceptance into that organization as a full and equal member was for our nation's development.

And consequently, I want to take this opportunity to explain to you why I have decided not to go to Istanbul. I am convinced that there are developments in the world we in the OSCE should be focusing on - the tragic events in the Caucasus, the rise of anti-semitism and other forms of xenophobic extremism, and the retreat from our commitments to free media and free societies. But when I look at the program of the Istanbul sessions, I find that the OSCE will be celebrating when it should be acting.

well - not  
captured

Only by staying away can I register my profound fears about the consequences of such an attitude. In fine, I am not attending because I believe in the ideas of the OSCE, and I look forward to working with you in the future to realize these goals.

Sincerely yours,

Lennart Meri

His Excellency  
Mr. Bertie Ahern  
Prime Minister of Ireland



Told Tim Barrow this was RHE.  
Deliver by tel. No signed  
original.



Foreign &  
Commonwealth  
Office

Fik

11 November 1999

London SW1A 2AH

Dear Philip,

cc: PB or  
Pam

Lithuania: Message from the Prime Minister

Our Ambassador in Vilnius has recommended that the Prime Minister send a short message to Andrius Kubilius, the new Prime Minister of Lithuania.

Kubilius is a member of the Homeland Union (Lithuanian Conservatives) faction, which currently holds power in coalition with the Christian Democrats. He was previously Chairman of the Parliamentary European Affairs Committee. He speaks excellent English, visited the UK as leader of an Inter Parliamentary Union delegation in December 1998, and is a good friend of the British Embassy. He is a good choice to lead Lithuania in the run-up to elections, scheduled for Oct-Nov 2000. The Lithuanian Government must make tough financial decisions, and faces a period of fiscal restraint to counter-act a difficult economic situation (partly caused by the Russian economic crisis).

The Ambassador does not believe a message is required for the outgoing Prime Minister, Rolandas Paksas. Paksas only held office for some five months, and had no high-level contacts with UK Ministers.

... I attach a draft message from the Prime Minister to Kubilius.

Yours ever,  
Tim

(Tim Barrow)  
Private Secretary

Philip Barton Esq OBE  
10 Downing Street



DRAFT MESSAGE FROM THE PRIME MINISTER TO ANDRIUS KUBILIUS,  
NEW LITHUANIAN PRIME MINISTER

I would like to send my warmest congratulations, and best wishes, on your appointment as Prime Minister of Lithuania.

I look forward to the continued development of British-Lithuanian relations, and hope that Keith Vaz, our new Minister for Europe, will be able to visit Lithuania early next year to build on the progress already made.

One of the key issues for Lithuania is membership of the European Union. As a firm supporter of EU enlargement I was delighted that the European Commission last month recommended that the December European Council should invite Lithuania to open accession negotiations for EU membership. I am confident that the European Council will do so, and we look forward to welcoming Lithuania into the EU when it is ready.





*Latvijas Valsts prezidents*

Riga, 28 July 1999

His Excellency Tony Blair  
Prime Minister of the United Kingdom  
of Great Britain and Northern Ireland

Your Excellency,

I wish to extend to Your Excellency and the people of the United Kingdom my warmest thanks and appreciation of your kind message of congratulations and good wishes on my election as President of the Republic of Latvia.

Relations between Latvia and the United Kingdom of Great Britain and Northern Ireland are based on goodwill, cooperation and mutual understanding. I am confident that the ties of friendship linking our two countries and peoples will witness further enhancement by Latvia's integration into the European Union and we are looking with optimistic expectations forward to the decisions to be made at Helsinki.

Please accept, Your Excellency, the assurances of my highest consideration.

Respectfully yours,

A handwritten signature in black ink, reading "Vaira Vīķe Freiberga".

Vaira Vīķe Freiberga  
President of the Republic of Latvia



EMBASSY OF LATVIA  
LONDON

1. cc Tim Barrow, FCO

2. file

17/8

Note No 88

The Embassy of the Republic of Latvia presents its compliments to the Foreign and Commonwealth Office and has the honour to herewith enclose the letter of Her Excellency President of the Republic of Latvia Mrs. Vaira Vīķe-Freiberga addressed to Rt Hon Mr. Tony Blair, Prime Minister of the United Kingdom of Great Britain and Northern Ireland.

The Embassy of the Republic of Latvia avails itself of this opportunity to renew to the Foreign and Commonwealth Office the assurances of its highest consideration.

August 13, 1999

Foreign and Commonwealth Office  
London







cc: PB  
Jlo

Message agreed for  
delivery as telegram.

Foreign &  
Commonwealth  
Office

4 August 1999

file

London SW1A 2AH

~~Dear Ricket,~~

Latvia: Message from the Prime Minister

Our Ambassador in Riga has recommended that the Prime Minister send a short message to the new Prime Minister of Latvia, Andris Skele.

Skele was previously Prime Minister (twice) from 1995 to 1997. He leads a centre-right coalition comprising the People's Party, For Fatherland and Freedom, and Latvia's Way. It controls 62 seats in the 100-seat Parliament (Saeima). Skele's main priorities are EU and NATO accession, and the economy.

... I attach a draft letter from the Prime Minister to Skele.

Yours ever,  
Tim

(Tim Barrow)  
Private Secretary

Michael Tatham Esq  
10 Downing Street



DRAFT MESSAGE FROM THE PRIME MINISTER TO ANDRIS SKELE, NEW  
LATVIAN PRIME MINISTER

I would like to send you my warmest congratulations and best wishes on your appointment, for the third time, as Prime Minister of Latvia.

This is a time of great opportunity for Latvia. We are greatly encouraged by your progress towards EU accession and are looking forward to opening a new phase in the enlargement process at Helsinki. Our bilateral relationship remains strong and I am confident that it will continue to be so under your leadership.

We look forward to further cooperation between the United Kingdom and Latvia and I hope we will have the opportunity to meet soon.

Gregory Quinn  
CNWED, FCO

270 2422



BALTIC STATES: Relations pt 2

Annex 1: Programme for Baltics Trip  
11-15 September

**niceday**



**PROGRAMME FOR BALTICS TRIP 11-15 SEPTEMBER**


**MONDAY 11 SEPTEMBER**

*Sue Marley*

*Pine Williams - PCP*

- 18.00 Depart Gatwick on flight OV102 Estonian Air
- 2155 Arrive Tallinn airport. Met by HM Ambassador and John Flint, Third Secretary (tel 00 372 6674 722)
- 2230 Arrive Hotel St Petersburg. Informal briefing over drinks at Hotel Bar.

**TUESDAY 12 SEPTEMBER**

- 0915 Car will collect at Hotel.
- 0930 Meeting with Foreign Minister Ilves at MFA accompanied by HMA. *(Moderate)* 
- 1015 Meeting with Alar Streimann, EU Chief Negotiator
- 1115 Meeting with Henrik Hololei, EU Integration Office and Mare Haab, EU Information Secretariat
- 1230 Lunch with Deputy Chairs of European Affairs Ctte, Mrs Ivi Eemmaa, MP; Mrs Liia Hanni MP and member of the Foreign Affairs Ctte, Mr Ivar Tallo MP + *Märt Kivike*.
- 1430 Walking tour of Old Town
- 1530 Meeting with Prime Minister's Foreign Policy Advisor, Simmu Tiik
- 1630 Meeting with Enn Soosaar, Prominent Freelance Journalist and social commentator.
- 1800 Return to Hotel
- 1830 Check out and proceed to airport
- 1945 Depart Tallinn for Riga on flight BT314 Air Baltic Corp



20:40            Arrival in Riga, met by Embassy car, taken to Radisson SAS  
                 hotel/Ambassador's residence (tel 00 371 7338 12631)

**WEDNESDAY 13 SEPTEMBER**

07:45            Breakfast with Nick Carter DHM, and Mr Stephen Nash HMA (tbc)

08:45            Depart with Embassy Driver (Gints booked).

09:00            Call on Ainars Dimants, President, Raita Karnite, Vice President and  
                 Gunars Meierovics, honorary President of the European Movement,  
                 Latvia Basteja Bulvaris 14 ground floor.

10:00            Call on Eduards Kušners, Director of the EU Integration Bureau  
                 Basteja Bulvaris 14 third floor.

11:00            Call on Gunter Weiss, Head of the EU Commission Delegation  
                 Torna iela 4, Jakobs Barracks 1C

12:00            Call on Andris Kesteris, EU Chief Negotiator, Ministry of Foreign  
                 Affairs, Brivibas Bulvaris 36

12:40            Working Lunch with Maris Riekstins State Secretary, Ministry of  
                 Foreign Affairs (with HMA) (venue tbc)

14:10            Call on Mr Atis Sjanitis, Foreign Affairs Adviser to the Prime Minister  
                 (with HMA) Brivibas Bulvaris 36

15:00            Call on Mr Romans Baumanis, Foreign Affairs Adviser to the  
                 President tbc (with HMA) Pils Laukums 3

16:00            Call on Edvins Inkens, Chairman of the EU Affairs Committee,  
                 Saeima Jekaba iela 10/12, room 302

17:00            Departure to Vilnius with Lt Col Andrew Tuggey, DA. (Emb in  
                 Vilnius 00 370 2222 070)



**THURSDAY 14 SEPTEMBER 2000**

830-945	Attend opening and introductory discussion of Lithuanian-British Round Table
950	Depart for Ministry of Foreign Affairs
1000-1045	Call on Mr Algirdas Saudargas, Minister for Foreign Affairs
1050	Depart for the Seimas
1100-1145	Call on Mr Rimantas Dagys MP (Social Democracy 2000), Vice Chairman of the Seimas, Chairman of the European Affairs Committee
1150	Depart for Europe Committee (Government of Lithuania)
1200-1245	Call on Mr Gediminas Paunksnis, Acting Director General
1250	Depart for Shakespeare Hotel
1330-1415	Buffet lunch at the Shakespeare Hotel
1420	Depart for the Seimas
1430-1500	Call on Mrs Roma Dovydenienė MP (Social Democratic Party), Deputy Chairman of European Affairs and Member of Social Affairs and Labour Committees
1505-1535	Call on Gediminas Kirkilas MP (Lithuanian Democratic Labour Party), Member of National Security and European Affairs Committees
1540	Depart for President's Office
1550-1630	Call on Mr Raimundas Mieželis, the President's Advisor
1700-1730	Attend the concluding discussion of the Lithuanian-British Round Table



1850 Depart Hotel for British Embassy

1900 Attend Musical Supper at British Ambassador's Residence

**FRIDAY 15 SEPTEMBER**

13.15 Depart Vilnius on TE452 Lithuanian Airlines

15.15 Arrive Heathrow



## **LITHUANIA**

### **ESSENTIAL FACTS**

Capital	- Vilnius
Population	- 3.71m (80% Lithuanian, 8.6% Russian, 7.7% Polish)
President	- Valdas Adamkus (1998)
Prime Minister	- Andrius Kubilius (1999)
Foreign Minister	- Algirdas Saudargas (1996)
HM Ambassador	- Christopher Robbins (1998)

### **Historical introduction and overview**

1. Lithuania was independent during the years between the First and Second World wars. In 1940 it was occupied by the Soviet Union under the provision of the 1939 Molotov-Ribbentrop Pact. Occupation by German forces followed during 1941-1944. In 1944 the Red Army drove back the Germans. Society and industry was modelled along Soviet lines and absolute power rested with a Communist Government subservient to Moscow.

2. Lithuania declared independence from the Soviet Union on 11 March 1990, but this independence only achieved wide international recognition after the Moscow coup of August 1991.

### **Internal Political**

3. In a popular backlash against the hardships of independence (in the main due to a Soviet blockade) a left-wing government was elected in late 1992. This remained in power until defeated by a right-wing coalition in November 1996. The coalition Government elected at that time was led by Gediminas Vagnorius. In March and April 1999 a public dispute surfaced between President Valdas Adamkus and Vagnorius, with Adamkus calling on the Prime Minister to resign as a result of his ineffective leadership. Vagnorius did so on 30 April. He was replaced by Rolandas Paksas, a member of Vagnorius's Conservative Party and previously Mayor of Vilnius. However, Paksas subsequently resigned on 27 October following disagreements with other members of the Cabinet over the terms of a privatisation deal. The new Prime Minister is Andrius Kubilius, also a member of the Conservative Party, and previously Chairman of the Parliamentary Committee on European Affairs.

4. President Adamkus was elected in January 1998 by the narrowest of margins. Since he has spent most of his life as an emigre in the United States, he was something of a dark horse; he has proven to be a generally shrewd operator.

### **Economy**

5. The Soviet blockade imposed after Lithuania's declaration of independence deprived the country of its traditional markets (95% of exports). This, and some early reforms, led to the economy contracting with a sharp fall in living standards in 1991/93. GDP growth was stagnant at 0% in 1999 (largely due to the impact of the Russian economic crisis); inflation fell to 1.6% - the lowest in the three Baltic States.

6. The rapid privatisation of agriculture, traditionally an



important economic sector, led - paradoxically - to much power remaining in the hands of the managers of the former collectives while at the same time creating widespread rural poverty: agricultural reform is a high priority. Foreign direct investment (FDI) has increased significantly from approximately \$76 per head in 1996 to some \$300 per head in 1998. This is less impressive than in the other Baltic States, but has picked up with the more radical privatisation policy pursued since 1996.

### Foreign Policy

7. Full membership of Western institutions is Lithuania's overriding foreign policy goal. Lithuania signed an Association (Europe) Agreement on 12 June 1995. The European Commission's November 1998 Progress Report noted that Lithuania met the political criteria established at the Copenhagen European Council of 1993, and had made considerable progress on other criteria. However, work remained to be done on structural reform and administrative capacity. In October 1999 the European Commission produced its second Review of Progress. This recommended that an invitation to begin accession negotiations be extended to Lithuania. This recommendation was endorsed at the Helsinki European Council on 10-11 December 1999. This is a major step forward in the policy of enlargement; a policy which has the full backing of the United Kingdom.

8. Lithuania's application to join NATO in January 1994 was the first by a Central/East European state. The NATO Summits in Madrid in July 1997 and Washington in April 1999 both noted the progress towards greater stability and cooperation by the states in the Baltic region. The Washington Summit set out a clear path for aspiring members of NATO, and reconfirmed that the door to membership remained open. Lithuania is an active participant in Partnership for Peace. Lithuania joined the Council of Europe in 1993 and became an Associate Partner of the WEU in May 1994.

9. The withdrawal of Russian troops (August 1993) was a major step towards improved bilateral relations. The problem of rail transit to and from the Russian exclave of Kaliningrad was resolved in early 1995, although the questions of air and road transit has yet to be resolved. There is also some concern at the number of troops and the quantity of materiel based in Kaliningrad. The government's policy is to help promote the civilian economic development of Kaliningrad, and to this end it has provided much assistance and advice.

10. An important step forward in relations with Russia was the signature of a border agreement on 24 October 1997. Lithuania is the first ex-USSR state to conclude such an agreement. It has yet to be ratified by the Russian Duma, but the Lithuanian Parliament unilaterally ratified the agreement in October 1999. Since the deterioration of Russia's relations with Estonia and Latvia, Lithuania has been held up by Russia as an example for the other Baltic States to follow.

11. Citizenship and the treatment of ethnic minorities are much less contentious issues in Lithuania than in the other two Baltic states. Citizenship (with no language requirement) was available to all residents at the time of independence, and most of the non-Lithuanian minority (c 20%) took it. There are



periodic complaints about discrimination from elements in the Polish community, but the Polish government has not sought to become involved.

12. Lithuania has agreed its land borders with Latvia, Belarus, Poland and Russia. The maritime border with Russia (Kaliningrad) remains undetermined. An agreement on the demarcation of the maritime border with Latvia was signed in July 1999.

#### **UK/Lithuania relations**

13. Britain's links with Lithuania are weaker than those with Latvia and Estonia, as we were not involved in Lithuania's struggle for independence in 1918. However, the UK never recognised de jure the Soviet annexation of 1940. Together with EU partners, we recognised Lithuania's independence on 17 August 1991. The British Embassy in Vilnius opened in October 1991 and new, owned premises, were formally inaugurated in April 1994. Britain's relations with Lithuania remain close and friendly.

14. Lithuania has benefited from many projects under the Know How Fund. The UK is also a significant contributor (16%) to the EU PHARE technical assistance programme which focuses on economic reconstruction. The British Council have a Resource Centre in Vilnius and seven Outreach Centres in other cities. The main thrust of British military assistance to the Baltic States is English-language and basic infantry training for BALTBAT, the Baltic Peacekeeping Battalion.

15. There is a bilateral group in the Lithuanian parliament chaired by Mr Audronius Azubalis. Following the death of Michael Colvin, Tom Clarke will take over chairmanship of the British-Lithuanian Parliamentary Group.

16. British exports to Lithuania have risen from £7.2m in 1992 to £96m in 1999. Our market share is around 3.5%. Principal products are textile yarn, leather goods, petroleum, industrial machinery and road vehicles. Lithuania's exports to the UK totalled £163m in 1999 and consisted principally of petroleum products, fertilisers and metals. A substantial portion of these are re-exports from CIS countries.

17. Since the earliest days of independence, there have been numerous high-level visits in both directions, including the Duke of Kent in 1993 and the Prime Minister (Mr Major) in 1994. President Brazauskas visited the UK in 1993 and again in 1995 (VE Day Commemoration). In February 1997 Earl Howe (PUSS MOD) visited Lithuania, and the Lithuanian Foreign and European Affairs Ministers (Mr Saudargas and Mrs Andrikiene) visited the UK in January and June 1997 respectively. The Foreign Secretary, Mr Cook, met Mr Saudargas and his Baltic colleagues at the Nato Council in Sintra, Portugal, on 30 May 1997. Mr Henderson, Minister for Europe, visited Lithuania in 11 November 1997. Professor Landsbergis, chairman of the parliament, visited the UK in May 1998 on an unofficial visit, when he met Lord Whitty (then an FCO spokesman in the Lords). The Foreign Secretary met Mr Saudargas when he visited London on 26 August 1998. The FCO PUS visited Lithuania in September 1998. Mr Spellar (Min (Armed Forces)) visited in February 2000. Mr Milaknis and Mr Dudendas, Lithuanian Ministers of, respectively, Economy and Finance, visited UK in April/May 2000.



Foreign and Commonwealth Office  
June 2000



# LITHUANIA FACT SHEET

Population	3.7 million
Area	25,174 square miles
Capital	Vilnius
Neighbouring Countries	Belarus, Poland, Latvia, Russia
President	Valdas Adamkus
Prime Minister	Andrius Kubilius
Government	Coalition of: Homeland Union (HU). Christian Democrats (CD)
Other Main Parties	Centre Union (CU), Lithuanian Democratic Labour Party (LDDP), Lithuanian Social Democratic Party, Lithuanian Democratic Party
Last Elections	
Parliamentary	Oct-Nov 1996
Presidential	Dec 1997-Jan 1998
Next Elections	
Parliamentary	Oct-Nov 2000
Presidential	2002
Currency	Litas
Exchange Rate (Litas/£)	6.50
GDP (1998)	US\$10.5 billion
UK Exports (Jan-Dec 1999)	£96 million
UK Imports (Jan-Dec 1999)	£163 million



## LITHUANIA: CURRENT GOVERNMENT AND POLITICAL PARTIES

### **The Lithuanian Government**

Prime Minister Andrius Kubilius, a Conservative, heads a Cabinet of 14 Ministers (seven are Conservatives, two Christian Democrats and five non-party). The Christian Democrats support the Conservatives in the parliament (Seimas), even though their formal coalition agreement ended in June 1999. The Conservatives split in February 2000. Kubilius' government is now technically a minority administration at the fag-end of the session: the next parliamentary election will be held on 8 October.

The Conservatives came to power in 1996 after four years of drift and *nomenklatura* privatisation under an ex-communist government. The first Prime Minister of the new government, Vagnorius, set out to create a free market economy. He successfully privatised telecoms and set the EU accession process on a firmer footing. But in early 1999 President Adamkus became concerned at Vagnorius' refusal to cut public spending in response to the Russian collapse of 1998. The President also hinted in a TV broadcast that Vagnorius had allowed rampant corruption in the energy and transport sectors. Vagnorius resigned under pressure.

The then Mayor of Vilnius, Paksas, took over as Prime Minister in May 1999. He became reluctant to incur unpopularity by cutting public spending. He resigned in October 1999 on the pretext that he opposed a deal to sell 33% of the oil industry to an American company, Williams. (That deal went through anyway.)

Kubilius inherited a financial mess: the Vagnorius and Paksas governments had failed to bring order to public finances. Kubilius balanced the budget, negotiated an IMF standby loan and revived confidence in the economy. This year he masterminded a successful donors' conference for Ignalina – Lithuania's Chernobyl style nuclear power station – which the G8 and the EU want to see closed within ten years. He pushed the processes of privatising banks, electricity and gas forward. Despite these achievements, the Conservatives are deeply unpopular: Kubilius' cuts have caused problems in universities, schools, hospitals, the police and local authorities.

Algirdas Saudargas has been Foreign Minister under all three Prime Ministers since 1996. He and his Christian Democrat colleagues have steered a clearly pro-EU and pro-NATO policy, giving due attention also to relations with Lithuania's neighbours, especially Russia.

### **GOVERNMENT PARTIES**

#### **Conservatives (Homeland Union)**

Professor Vytautas Landsbergis (who was the hero of Lithuania's resumption of independence) leads the Party and is Chairman of the Seimas. He exerts considerable overt and covert influence over government policy. The party favours EU accession and NATO membership. Landsbergis believes that the West has a moral obligation to take Lithuania into NATO.

The Conservatives have 53 seats in the Seimas. The party lost control of all but one council in local elections in March but got a higher percentage of the vote (11%) than expected. This result reflected the party's unpopularity: the Conservatives will not get enough votes in the Election to form a government. They may seek pacts with the **Moderate Conservatives** (a group of 12 MPs



led by Vagnorius who split from the main party) and the **Christian Democrats** (14 MPs including Defence and Foreign Ministers) led by Foreign Minister Saudargas.

#### **"CENTRE" PARTIES**

The so-called centre parties, made up of the New Union, Liberal Union, Centre Union and Modern Christian Democrats, have formed a loose coalition at President Adamkus' behest. But they have been unable to agree to divide up single mandate seats for the election so their candidates will probably run against each other.

**New Union (Social Liberals):** Led by a former Prosecutor General – who narrowly lost to Adamkus in the 1997/8 presidential election – Paulauskas. The party achieved success in local elections this year and has a leading position in the polls. It did this by espousing populist causes and presenting an all-things-to-all-men alternative to the Left and to the Right.

Paulauskas has, for example, led a campaign to transfer 21% of the defence budget to education. He claims to follow the "Third Way" and supports EU accession in the short-term and NATO membership in the long-term. His list of candidates includes no public figures (with the possible exception of the Rector of Vilnius University).

#### **Liberal Union**

The Liberals – led by Paksas who defected to them after resigning as Prime Minister – currently have one seat in the Seimas. But they got 13% of the vote in the local elections in March. They are strong in Vilnius (where Paksas has got his old job as Mayor back) and Klaipeda (the port). They favour EU accession, NATO membership and economic reform, especially of the business climate. They may be less keen on NATO accession than the Conservatives.

#### **Centre Union (CU)**

The CU has 16 seats in the Seimas. They won just under 10% of the vote in the local elections. They are led by Ozolas, an old-fashioned nationalist. The CU has few strong policy commitments. They say they favour EU accession and NATO membership. But Ozolas claims to admire "British eurosceptics". He has said that Lithuania need not hasten to join NATO. He clings to the hope that Lithuania will be able to remain a nuclear power producer by replacing Ignalina.

#### **THE "LEFT"**

The Social Democrats, Democratic Labour Party and the New Democracy Party (led by the Prunskiene who was Prime Minister when Lithuania regained independence) have formed a coalition. They have agreed: (a) to have ex-President Brazauskas as figurehead and notionally as Prime Minister and (b) not to put up candidates against each other in the election (unlike the Centre group).

The **Democratic Labour Party**, the ex-communists, have 14 seats in the Seimas. They received 8.5% of the vote during the local elections. Their leader Brazauskas came out of retirement this year to save the nation. He accused the Conservatives of economic mismanagement and of selling off key utilities to foreign capitalists. The **Social Democrat** and **New Democracy Parties** are smaller. They share the ex-communists' reservations about foreign investment, selling agricultural land to foreigners and privatisation (other than the voucher method). When pushed they say that they support the objectives of EU accession and NATO membership. But Brazauskas has begun thinking aloud about neutrality instead of NATO. Observers say that he would not object if the EU accession process slowed to a virtual standstill.



## OTHERS

**Peasants' Union (Farmers' Party) and Christian Democratic Union:** each did well in the local elections by offering generous hand-outs to country folk. The peasants' leader is Kabauskis, a young successful farmer with eurosceptic tendencies. The Christian Democratic Union began life as a party in exile in the US. Its leader, Bobelis, is an ageing but popular TV guru.

## THE OCTOBER 8 ELECTION

The Seimas is a unicameral parliament with 141 seats, 71 of which are constituency seats and 70 elected on the basis of PR. The Conservatives recently pushed through the abolition of a second voting round for the constituency seats. This makes predicting the result very hazardous.

The Centre bloc's failure to share out constituencies would – if it persists – dash the President's hopes of a moderate Centrist government unless the New Union does even better than the polls suggest. If the Centre bloc failed to get a majority, the most likely result would be a Centre/ex-communist coalition including five or more parties.

Observers predict, in any case, six months of chaos as the coalition partners try to sort out agreed policies. This would slow up EU reforms and harm Lithuania's negotiating position in Brussels. On the defence side, a leftish government might – observers say – move to minimise Western policy influence and might even replace pro-Western officers by ex-Soviet Army officers.

As for the election result itself, the most recent prognostications are as follows:

<u>Opinion Poll published 8 August</u> <u>(figures exclude don't knows)</u>		<u>Range Forecast (total seats won)*</u>	
		<u>(a) if the Centre bloc</u> <u>agree to share out</u> <u>constituencies</u>	<u>(b) If they don't</u> <u>(more likely)</u>
1.	New Union (Paulauskas) 16.5%	32-39	19-26
2.	Liberal Union (Paksas) 6.9%	20-22	20-22
3.	Centre Union (Olekas) 5.4%	22-26	13-17
4.	Left Coalition (Brazauskas) 12.3%	22-23	27-28
5.	Peasants' Party (Karbauskis) 5.7%	11-15	11-15
6.	Cons. Party (Landsbergis) 3.6%	15-20	15-20
7.	Chr. Democrats (Saudargas) 1.5%	0-7	0-7
8.	Others ----	11	11

\* an academic's estimate, based partly on extrapolations from the local election results. Senior politicians' views naturally differ: e.g. a senior Centre Party man puts his party's likely result at 12 seats in total and predicts well over 40 for the New Union. The Liberals say they'll get 30 seats.

**British Embassy  
August 2000**



### **Background Scene-setter**

1. Emyr Jones Parry's visit comes at a crucial moment: Lithuania's next Seimas (parliamentary) election will take place on 8 October. No one expects the governing Conservative/Christian Democrat coalition to retain power. The government's unpopularity stems from the coalition's economic mismanagement in 1998 and 1999 after the Russian economic collapse. Two successive Prime Ministers resigned in 1999 after failing to cut public expenditure. The third (Kubilius) put Lithuania's finances in order, but only by instituting a rolling austerity programme. Hospitals, universities, schools and farmers are all feeling the pinch.
2. There are two blocs with a chance of winning power: **the so-called Left** – a coalition of the ex-communists and the social democrats – oppose further reductions in the role of the state in the economy. They say that foreign investors may enter the economy but only under Lithuanian control. They in effect rule out clean-break privatisation and many EU-related reforms. They will never say they would prefer not to see EU or NATO membership but in practice most of them don't like the idea.
3. The so-called **Centre**, a loose group of centrists (Ozolas), liberals (Paksas) and social liberals (Paulauskas' "Third Way" disciples) is broadly pro-EU and mildly pro-NATO. It has combined support of over 30% in the opinion polls. But its leadership is largely composed of prima donnas, opportunists and misfits. So the coalition may either split before the election or provide unstable government thereafter. If it doesn't achieve a majority it (or parts of it) may ally either with the Left to win power, or with the Peasants' Union, a grass-roots anti-EU movement. An alliance with the out-going Conservatives is the least likely outcome.
4. As usual, the economy will be top of the voters' concerns on 8 October. But **EU accession** will also be an issue. Older people fear that joining the EU will mean losing sovereignty – only ten years after regaining it. Farmers and small businessmen fear they will not be able to compete with their EU counterparts. The *nomenklatura* will resist economic reforms (including privatisation) which will reduce their incomes: since independence, state industries in the energy and transport sectors have provided rich pickings for the habitually corrupt ex-Soviet managerial class.
5. **NATO accession** will be less discussed. But the New Union leader, Paulauskas, has promised to transfer 21% of the defence budget to education. The Centre Union leader, Ozolas, has said Lithuania need not hasten to join NATO. Ex-President Brazauskas has begun thinking aloud about neutrality *à la Finlande*. The government coming to power after 8 October will be less insistent about NATO accession and in less of a hurry. But they are unlikely to drop it as a formal commitment.
6. **Bilateral Relations** are good. But our failure to set up a guest of government visit for the President (since his election in 1998), and the lack of an FCO Ministerial visit since 1997, tempt some Lithuanians to think that we have little interest in their country. Numbers of Lithuanian asylum seekers are also a worry: the Lithuanians understand our concern at the cost of processing their claims (none of which has ever been successful) and have worked with us to reduce the flow (currently between 30 and 60 per month).



## LATVIA

### ESSENTIAL FACTS

Capital - Riga  
Population - 2.46m (56% Latvian, 33% Russian)  
President - Mrs Vaira Vike-Freiberga (1999)  
Prime Minister - Andris Berzins (2000)  
Foreign Minister - Indulis Berzins (1999)  
HM Ambassador - Stephen Nash (1999)

*President - Vike-Freiberga  
PM - Andris Berzins  
For. Min - Indulis Berzins  
Pop. 2.46  
33% R*

### Historical introduction and overview

1. Latvia was independent during the years between the First and Second World War. In 1940 it was occupied by the Soviet Union under the provisions of the 1939 Molotov-Ribbentrop Pact. Occupation by German forces followed during 1941-1944 when the Red Army drove back the German Army. Society and industry was modelled along Soviet lines and absolute power rested with a Communist Government subservient to Moscow.

2. The more tolerant political atmosphere in the Soviet Union in the late 1980s allowed pro-independence and reform groups to come to the fore. Independence was proclaimed in August 1991 after the failed coup in the Soviet Union.

### Internal Political

3. In June 1993 Latvia's first post-independence parliamentary elections resulted in the formation of a minority centre-right nationalist coalition government committed to free market reform. Centre-right Governments have been the norm since then. Guntis Ulmanis was elected President by Parliament in 1993, and was elected for a second term in 1996. Mrs Vaira Vike-Freiberga (the first woman President in the Former Soviet Union) was elected by Parliament on 17 June 1999 and took up office on 8 July 1999.

4. Following the resignation of PM Skele following a series of corruption scandals in July 1997, Prime Minister Guntars Krasts came to power. His right-wing nationalist government confirmed its commitment to economic reform and membership of the EU and NATO.

5. However, the political situation in Latvia has been (and remains) fluid. A General Election took place on 3 October 1998. After several weeks of negotiations a minority coalition Government was formed by Vilis Kristopans of Latvia's Way on 26 November. However, Kristopans' Government resigned on 7 July 1999 after one of the coalition members (For Fatherland and Freedom) signed a cooperation agreement with the largest opposition party (Andris Skele's People's Party). A new coalition was put into office on 16 July with Skele as Prime Minister and Indulis Berzins (previously Deputy Speaker of Parliament) as Foreign Minister. Skele resigned on 12 April 2000 following an internal dispute over privatisation. On 5 May the Saeima approved the appointment of Andris Berzins (Latvia's Way), the popular Mayor of Riga, as the new Prime Minister. Indulis Berzins (no relation) remains Foreign Minister.

### Economy

6. The break-up of the Soviet Union led to real GDP falling by perhaps 50% during 1990-93. Since then the economy has begun to recover: GDP increased by 1.5% in 1999 (less than in previous years as a result of the impact of the Russian economic crisis) and



inflation has fallen from 951% in 1992 to 2.2% in 1999. Latvian economic policy has been a success.

7. Latvia has stuck to its reformist path, and grasped the nettle of economic reform. Privatisation moved at a steady pace until 1998 when political disputes held up sales schedules. Trade is being steadily reoriented to the West, Germany is now Latvia's biggest trading partner (16% of total exports in 1999), followed by Russia (whose share of total exports dropped to 12% in 1999).

#### Foreign policy

8. Latvia signed a Free Trade Agreement with the EU in 1994, and an Association (Europe) Agreement in 1995, paving the way for eventual accession to the EU. All members of the coalition share a commitment to integration with the EU. The European Commission's initial Opinion on Latvia's application for EU membership issued on 15 July 1997. It noted that Latvia met the political criteria - while stressing the need to promote the integration of the Russian minority. The Opinion also argued that Latvia needed to make further progress before she would be able to cope with competition with the EU economy, improve administrative capacity and improve the approximation of legislation to EU norms. On 13 October 1999 the European Commission recommended that an invitation to begin accession negotiations should be extended to Latvia. This recommendation was endorsed at the Helsinki European Council on 10-11 December; negotiations began in March 2000. This is a major step forward in the policy of enlargement, which has the full backing of the United Kingdom.

9. Latvia also seeks eventual membership of NATO. The NATO Summits in Madrid in July 1997 and Washington in April 1999 both noted the progress towards greater stability and cooperation by the states in the Baltic region. The Washington Summit set out a clear path for aspiring members of NATO, and reconfirmed that the door to membership remained open. Latvia has participated enthusiastically in NATO's Partnership for Peace, and became an Associate Partner of the WEU in 1994. Latvia joined the Council of Europe in 1995 (and will chair the CoE later this year) and the World Trade Organisation in 1998.

10. Latvian-Russian relations continue to be complicated by the position of the ethnic Russian minority in Latvia. Deportations and an influx of Russians in the Soviet period have ensured that Latvians are now almost a minority in their own country, forming only 54% of the population. The remaining 46% have the right to apply for citizenship, but must pay a fee and pass a language exam. Russian allegations of systematic violation of the human rights of ethnic Russians have been judged unjustified by UN, OSCE and Council of Europe experts.

11. Latvian-Russian relations deteriorated sharply in March 1998 following a series of events including the breaking-up of a predominantly Russian pensioners' rally and a bomb explosion outside the Russian embassy. The Russian reaction was disproportionate to the events themselves and provoked ill-considered responses from Latvia.

12. In June 1998 the Latvian Parliament adopted a series of changes to the citizenship law which eased the process of integration for the Russian minority. This decision was ratified by a referendum on 3 October 1998. The result (53% to 47% in favour of the changes) demonstrated the electorate's support for

*Citizen ship law - Oct 98 (columnar)*



the changes, the amended citizenship law has now been enacted.

13. A difficult issue in the relationship with Russia has been that of the proposed language law. As initially drafted, this sought to impose the use of Latvian on private enterprises and in public, against international norms. In December 1999, following pressure from the OSCE, Council of Europe, EU, and bilaterally, the Latvian Parliament adopted a largely acceptable law. The law will come in to force on 1 September 2000. The OSCE (on whose guidance we rely on such matters) continues to work with the Latvian authorities to ensure the law is implemented correctly. The Russians have also complained about the new Latvian education law, but it is broadly acceptable to the OSCE. Concerns about the ability of the Latvian authorities to implement the law are being closely monitored by the OSCE.

14. Russia has acknowledged (to a certain degree) the progress made by Latvia on minority issues, but is still exerting substantial pressure over implementation of citizenship reforms and the language and education laws.

15. Although a border agreement with Russia was agreed in all technical respects in Spring 1996, in the current political climate signature is highly unlikely. It is unlikely that the Communist and Nationalist faction in the Russian Duma (which resents Latvian independence) would ratify such an agreement. We continue to urge Russia to sign the agreement and to not make any link between it and the citizenship issue.

#### UK/Latvia relations

16. Britain had strong links with Latvia before the Soviet occupation and annexation in 1940, which the UK never recognised de jure. Latvia's struggle for independence in 1918 was assisted by the Royal Navy. With her European Partners, the UK recognised the restoration of Latvian independence on 27 August 1991. Diplomatic relations were restored in early September 1991 and the British Embassy reopened in Riga in October of the same year. The British Council has an office in Riga and there is also an active and steadily growing UK Chamber of Commerce. Relations with Latvia are close and friendly.

17. Latvia has benefited from many projects under the Know How Fund, HMG's technical assistance programme. The EU also has a large PHARE programme of technical assistance, of which the UK share is 16%. The main feature of British military assistance to the Baltic States is English language and basic infantry training for BALTBAT, the joint Baltic peacekeeping battalion.

18. The UK's trade with Latvia continues to be significant. UK exports to Latvia in 1999 totalled £71 million. Imports from Latvia to the UK in the same period totalled £270 million; the negative balance of trade is mainly due to the transit trade through Latvia of Russian oil. Trade levels were lower in 1999 than 1998 as a result of the ongoing impact of the Russian economic crisis.

19. There has been a regular flow of high level visits under way since 1991. The then Foreign Secretary, Douglas Hurd, visited in 1994. President Ulmanis visited the UK in 1994, 1995 and again as a Guest of Government in 1996, when he and Foreign Minister Birkavs met Mr Blair, then leader of the Opposition. Dr Birkavs met Mr Cook during a visit to the UK in March 1997, with his Baltic



colleagues at a NATO meeting in Portugal in May 1997, at the CBSS Ministerial in Nyborg, Denmark in June 1998 and at the NATO Ministerial meeting in Brussels in December 1998. The FCO PUS visited in September 1998. The Latvian Foreign Minister visited the UK on 24-25 January 2000, when he met the Foreign Secretary. Mr Spellar (Minister of the Armed Forces, MOD) visited in February 2000.

Foreign and Commonwealth Office  
July 2000



# LATVIA FACT SHEET

Population	2.46 million
Area	24,938 square miles
Capital	Riga
Neighbouring Countries	Estonia, Russia, Belarus, Lithuania
President	Mrs Vaira Vike-Freiberga
Prime Minister	Andris Berzins
Government	Coalition of: People's Party, Latvia's Way (LW), For Fatherland and Freedom-Latvian National Independence Movement (FFF-LNNK), and New Party.
Other Main Parties	Social Democratic Workers Party, Association for Human Rights Party (formerly Harmony Party)
Last Elections	
Parliamentary	Oct 1998
Presidential	June 1999
Next Elections	
Parliamentary	Oct 2002
Presidential	June 2003
Currency	Lat
Exchange Rate (Lat/£)	0.95
GDP (1998)	US\$6.5 billion
UK Exports (Jan-Dec 1999)	£71 million
UK Imports (Jan-Dec 1999)	£270 million



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INFO ROUTINE UKDEL STRASBOURG, MODUK, ACTOR

LATVIA: SCENE-SETTER FOR VISIT OF POLITICAL DIRECTOR,

FCO PLEASE PASS TO BRITISH TRADE INTERNATIONAL

SUBJECT: LATVIA: SCENE-SETTER FOR VISIT OF POLITICAL DIRECTOR,  
EMYR JONES PARRY (30-31 AUGUST)

SUMMARY

1. EU and NATO accession remains Latvia's top priorities. Latvians will seek reassurances on both scores. Good opportunity to spell out the implications for them of EDSP. Continuing concern over Latvia's relationship with Russia. We need their reassurances on aspects of minority rights policy i.e. language law, naturalisation and the social integration programme.

DETAIL

2. Emyr Jones Parry will meet the main MFA players involved in EU accession, including the Foreign Minister, Indulis Berzins. They will seek our view on target dates and transition periods. So far the Latvians have closed five chapters (Statistics; SMEs; Science and Research; Education and Training; CFSP), they aim to open eight more during the French Presidency. They have already prepared 16 position papers, and will complete the remainder in time for the Swedish Presidency. Less than half of Latvians approve of joining the EU. Farmers are particularly sceptical, and more needs to be done to win them over. The Latvians are keen to know how the CAP will be applied to them.

3. NATO membership is supported by a majority. The Latvians are always on the look-out for signals as to whether we can support their best-case scenario, - an invitation in 2002, possibly as part of a big bang. The PolMil talks held here in June were useful in buying time for us on this question. They accepted our line that it was still too early for us to make firm statements on which applicants might be ready.

4. We are planning for Jones Parry to address LATO (Latvian Transatlantic Organisation), under Chatham House rules. 10 minutes of talk followed by discussion would be fine. I think that he should broach EDSP (as well as NATO enlargement), as this is a subject which is less well understood here. A title might be: "European Defence and Security Policy in the context of NATO enlargement". The Latvians, for whom security is still the first preoccupation, do not want to find themselves unhooked from defence links with the US.

5. The Latvians appreciate our practical support in the defence training field, co-ordinated by DA Lt Col Andrew Tuggey. We



Recently welcomed back the first contingent of Latvians who had served with our forces in Kosovo; a second contingent has just arrived there.

#### RUSSIA

6. Still the major bogey. Latvia's relations with Russia have been at a low ebb during the past year, and there is still fear about what measures Putin might choose to implement, especially in response to the Baltic States' move towards NATO membership. There is a pending threat of economic sanctions, and concern about the future of the transit trade (15% of Russia's crude oil), which possibly contributes a quarter of GDP. The Latvians have not helped themselves by bringing a string of octogenarian former "partisans" to trial on war crimes charges. They must be persuaded to work on positive areas such as cross-border links and trade with neighbouring areas of Russia. One positive sign was the recent naming by the Russians of their new representative to the bilateral inter-governmental commission, which should start work in the autumn, on issues including the unsigned border agreement (the Secretary of State raised this with Ivanov in Moscow in February).

#### HOLOCAUST

7. Latvia still haunted by its World War II experiences. (The 90,000 strong Jewish community was all but eliminated). President Vike-Freiberga has been instrumental in trying to improve Latvia's image in this area. Latvia will host a Holocaust conference next month, which we shall help fund. Also next month, we shall attend the second international meeting in Riga to consider whether there is sufficient evidence to bring Konrad Kalejs to trial here.

#### INTERNAL

8. In May, Andris Berzins (of the liberal Latvia's Way party), previously mayor of Riga, succeeded Andris Skele (right of centre People's Party) as Prime Minister. His mandate runs until 2002. Skele's government appeared to founder primarily on disagreements among the coalition parties on privatisation of the major utilities which remain in government hands (energy, gas, telecommunications, shipping). Berzins enjoys a bigger majority (some 65 seats in the 100 seat Saeima) and may be better than his predecessor at carrying his coalition partners with him. The government will probably have breathed a sigh of relief when the Saeima voted recently to shelve the most contentious privatisation, the energy monopoly Latvenergo.

9. Internal security received a shock last week with two explosions in a crowded Riga shopping centre. Over thirty people were hospitalised and one has since died. I subscribe more to the theory that this was a business-related bombing, and nothing to do with tensions between Latvians and Russians.

10. Minority rights is a controversial area, where we, together with the OSCE and EU, are trying to persuade the Latvians to adopt best practice. The Political Director should reiterate to the Foreign Minister the need for further progress in this area. The language law regulations are currently the key issue. At the time of writing, it is still not clear whether the regulations adopted by the Cabinet on the 22 August, and which will be implemented on 1 September, are satisfactory. I am concerned that they may have steam-rolled a text through which does not fully take on board van der Stoep's concerns on language proficiency in employment and the enforced Latvianisation of names. By the time Jones Parry



lives here, all this should be clearer i.e. the OSCE will have translated and studied the text, and we should have received van der Stoep's pronouncement on it.

11. We should be concerned also at government reluctance to provide funding. The Naturalisation Board complains that it does not have sufficient resources to step up the rate of naturalisation (there are still some 570,000 non-citizens). And the much vaunted national integration programme will not receive any government funds until 2002, given the failure to provide for it in the 2001 budget. (DFID last year contributed GBP 100,000 to the government's Latvian language training programme).

12. Local elections will be held in March 2001, and there is a campaign to extend the franchise to non-citizens (Prime Minister Berzins expressed personal support for the idea). The Political Director should encourage Latvia to ratify the Council of Europe's Framework Convention on the Protection of National Minorities, a move which is opposed by right-wing parties in the coalition.

13. Jones Parry will meet the outgoing OSCE Head of Mission, Torsten Oern, who is likely to be replaced by another Swede. Oern's view is that Latvia has largely fulfilled its obligations under the OSCE mandate. The debate (started by the Americans) on the closure of the mission continues. Some hawkish Latvians (Pundurs in the MFA for example) would like to see it closed as soon as possible. We are arguing that a closure plan should seek further compliance by the Latvians in certain areas.

#### BILATERAL

14. Britain is seen as a firm friend, dating back to Royal Naval support for Latvia's independence struggle in 1919 and our failure to recognise Soviet jurisdiction here. We are number 5 foreign investor (timber processing, fuel distribution, property and textiles). The Latvians have a very substantial trade surplus with us. Their exports to us last year were worth GBP 270 million, against only GBP 70 million worth of UK exports. More than half of the non-EU timber imported into the UK comes from Latvia. A recent House of Commons Trade and Industry Select Committee report recommended a British banking presence (we think this unlikely to come about in an already "overbanked" Riga), and improved premises for our commercial section.

15. Ministerial contacts this year have consisted of a visit here by Mr Spellar (MOD), and visits to the UK by Latvian Foreign Minister Berzins (who lunched with the Secretary of State), Defence Minister Kristovskis (who called on Baroness Symons), and Welfare Minister Pozarnovs (who called on Angela Eagle). The Secretary of State told Berzins in January that he would visit here within six months. A visit by Mr Vaz is mooted for November, and Betty Boothroyd is due in October. President Vike-Freiberga plans to visit London in late October. Lord Robertson, the Lord Mayor of London and Lord Wallace have also visited Riga in recent months.

16. The British Council has a regional centre (for the Baltic States) here in Riga, and hopes to maintain its level of involvement in the wake of the recent managerial review. They are involved with us in planning a British Week for 18-25 May 2001, - the year in which Riga celebrates its 800th anniversary.

17. The Political Director will not find No. 5 J. Alunana Street looking at its best. The office area is still undergoing major



shaping, and most of us are operating from temporary space.  
Also, the outside of the building is now coated with scaffolding and plastic sheeting in preparation for redecoration.

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CNWED 0

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CONSULAR D 0

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NEWS D 0

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RESIDENT CLERK 0

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RMU WIDE EUROPE 0

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WLDSS 0

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PS PUS 1

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DUS ECON EU 1

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DIR RESOURCES 0

DIR SE EUROPE 0

ADDITIONAL 0

CAOFF1 0

CAOFF2 0

DFID1 0

DFID2 0

MOD 0



## ESTONIA

### ESSENTIAL FACTS:

Capital - Tallinn  
Population - 1.47m (64% Estonian, 29% Russian, 7% other)  
President - Lennart Meri  
Prime Minister - Mart Laar (1999)  
Foreign Minister - Toomas Hendrik Ilves (1999)  
HM Ambassador - T (Timothy) J Craddock (1997)

President: Lennart Meri  
PM: Mart Laar (since March 99)  
For. Min: Toomas Ilves

### Historical introduction and overview

1. Three years of effective autonomy followed the 1917 Russian revolution. Estonian independence was formalised with the Treaty of Tartu of 1920 signed with the post-revolution Russian Government. This independence continued until 1940 when Estonia was annexed by the Soviet Union, with German sanction, following the Molotov-Ribbentrop pact of 1939. Following a rigged election an Estonian Parliament declared Estonia a constituent part of the Soviet Union in August 1940. Estonia was occupied by the German army from 1941 until the Red Army repelled the German advance in 1944. Society and industry was modelled along Soviet lines and absolute control rested with the Communist Party of Estonia.
2. The more tolerant political atmosphere in the Soviet Union in the late 1980s allowed pro-independence and reform groups to come to the fore. In March 1990 these groups took control of government. Independence was proclaimed in August 1991 after the failed coup in the Soviet Union.

### Internal Political

3. The first post-independence elections in September 1992 were won by the free-market and nationalist centre-right. A series of coalition governments held power following Estonia's second Parliamentary elections of March 1995. The minority coalition Government of Mart Siimann (which had governed since March 1997) was defeated in the General Election of 7 March 1999. The most popular party in the election was the Centre Party with 28 seats and 23% of the vote. However, it was unable to command a majority of seats in the Parliament and a centre-right coalition was subsequently formed by the Pro Patria Union, Reform Party and the Moderates which holds 53 seats in the 101 seat Parliament. The Prime Minister is Pro Patria leader Mart Laar (who was Prime Minister from October 1992-October 1994), Toomas Hendrik Ilves (Moderates) returns to the position of Foreign Minister which he held until resigning from the previous Government in October 1998, and another former Foreign Minister, Siim Kallas, (Reform Party) is Finance Minister.

### Economy

4. Of all the countries formerly in the Soviet Union, Estonia has made the most remarkable progress in the move to a market economy. It started serious reforms even before independence. Estonia has shown impressive GDP growth (11% in 1997, 4% in 1998,



but 0% in 1999 as a result of the Russian economic crisis). Inflation fell to 3.3% in 1999. Estonia has followed tough macroeconomic policies, with support from IMF Stand-By Arrangements. Estonia has also been very successful in attracting foreign investment and in reorienting its trade from east to west, with Finland replacing Russia as its major trading partner. Its banking system is healthy although the downturn in Russia has had some impact on banking confidence. Privatisation, a major priority, has been largely completed in the industrial sector, though some infrastructure (ports, energy etc) remains to be sold. The agricultural and food production sectors have, however, been severely affected by the Russian economic crisis. Russia was a major export market for such goods. Estonia was admitted to the World Trade Organisation on 21 May 1999, and formally acceded on 13 November 1999.

### Foreign Policy

5. Closer ties with, and eventual membership of, the European Union and NATO are the highest priorities. Estonia has had a Free Trade agreement with the EU since January 1995, and agreed an Association (Europe) Agreement, in June 1995. The European Commission recommended in its Opinion of July 1997 that Estonia - alone among the three Baltic States - was ready to start accession negotiations with the EU; Estonia began these negotiations on 31 March 1998; they are progressing smoothly.

6. Estonia is an enthusiastic participant in NATO's Partnership for Peace programme, and has joined peacekeeping operations in former Yugoslavia. The NATO Summits in Madrid in July 1997 and Washington in April 1999 both noted the progress towards greater stability and cooperation by the states in the Baltic region. No invitations were issued to begin negotiations to join NATO. The Washington Summit set out a clear path for aspiring members and reconfirmed that the door to membership remained open. Estonia became an Associate Partner of the Western European Union in May 1994. It joined the Council of Europe in 1993, and was an effective Chairman of its Council of Ministers for 6 months from May-October 1996.

7. Relations between Estonia and Russia are an important factor in the stability and security of the Baltic region. A number of difficulties exist which stand in the way of improved relations. Although the remaining Russian troops were withdrawn from Estonian territory by 31 August 1994, some problems remain over the numerous retired Russian military personnel still in the country (although these are being addressed with OSCE assistance).

8. The most sensitive issue in Estonia/Russia relations is the position of the ethnic Russian minority in Estonia. As a result of the Soviet occupation (deportation of the indigenous population and inward migration by Russians), the ethnic Estonian component of the population has fallen significantly since 1940. Ethnic Estonians account for only 64% of the population; 29% are ethnic Russian and 7% other (mostly Russian-speaking former Soviet) nationalities. Most ethnic Russians live in the industrialised North East (Narva is 97% Russian) or Tallinn (50% Russian).

9. The major difficulty in relations with Russia has concerned citizenship. The Estonian Parliament passed a revised Citizenship Law on 19 January 1995, with a 5-year residence requirement (+1 year processing) and a new requirement for knowledge of the constitution in addition to knowledge of the Estonian language.

29% ethnic Russian  
(50% in Tallinn)



Many Russians, especially the elderly, cannot or will not learn the Estonian language to the required level, and thus remain stateless. The Estonian government extended the deadline for applications by these people for residence permits, and almost all have them. Non-citizens with residence permits are entitled to aliens' passports for foreign travel. Over 100,000 Russian speakers in Estonia have become citizens of the Russian Federation.

10. Russian allegations of widespread human rights abuse by Estonia have been consistently judged unfounded by UN, OSCE and Council of Europe missions. However, those missions and the OSCE High Commissioner on National Minorities (HCNM) recommended the easing of citizenship requirements to help integrate minorities and promote better communal relations. In particular the HCNM recommended that Estonia should grant citizenship to stateless children born after 1992. Legislation on this was debated in the Estonian parliament in June 1998 and adopted on 8 December 1998. Estonia has now satisfied all the HCNM's recommendations on the citizenship law. Then in June 2000 the Parliament adopted amendments to the language law that brought the law into line with international standards.

11. Since mid-1993 various mechanisms, including a Presidential Round Table, have been set up to develop a better dialogue with Russian speakers. The UK has given financial assistance to the Round Table and is actively helping to integrate Russian speakers, including by funding Estonian language training. Former Prime Minister Siimann promised to put more resources into Estonian language teaching for Russians, and the EU has offered to provide concrete assistance to integration. The OSCE has had a resident Mission in Estonia since early 1993. Its reports are widely accepted as reliable and objective, and indicate that there is no evidence to sustain many of the Russian allegations of human rights abuses.

12. A dispute over the Estonia/Russia border also affects bilateral relations. No border Treaty has yet been signed. After protracted negotiations, a border was agreed in all technical respects in Spring 1996 and an agreement was finally initialled on 5 March 1999. The Russians however are linking signature to resolution of the problems of the Russian minority, and there are concerns that this will encourage them not to sign and ratify the agreement. It is also unlikely that an agreement would be ratified by the Russian Parliament (Duma) given the opposition of the Nationalist and Communist faction which resents Estonian independence. We and other EU Member States will not hold Russian-induced delays against Estonia in the context of EU accession, and have encouraged early signature.

#### **UK/Estonia relations**

13. Before Soviet occupation and annexation in 1940, which we never recognised de jure, the UK had good links with Estonia, having been instrumental (through the Royal Navy) in its gaining of independence in 1918. With our EU partners, we recognised the restoration of Estonian independence on 27 August 1991. Diplomatic relations were restored in September, and our Embassy opened in Tallinn in October of the same year. The Embassy moved to a prestige new building in May 1999 which is a "Showcase" for the United Kingdom. Our relations remain close and friendly.

14. The UK has helped Estonia consolidate its independence, build up democratic institutions, and undertake economic reform. Estonia



has benefited from many projects under the Know How Fund. The EU also has a large PHARE programme of technical assistance. The main feature of our military assistance to the Baltic States is English language and basic infantry training for the Baltic Peacekeeping Battalion (BALTBAT). We also help with specialised training for other personnel. In addition, the British Council has a successful resource centre in Tallinn.

15. Britain is a major investor in Estonia, and British exports to Estonia are significant, (£53m in 1999). Estonian exports to the UK, notably food and timber products (£188m in 1999), give Estonia a surplus. This surplus can be accounted for by the many Russian raw materials, particularly oil and chemicals, which are exported through Baltic ports such as Tallinn. There are growing Estonian trade links with Scotland in particular. There is a UK-Estonia All-Party Parliamentary Group chaired by John Wilkinson MP and an equivalent in Estonia.

16. Since the earliest days of independence, there have been numerous high-level visits in both directions, including a visit to Estonia by the then Foreign Secretary, Mr Hurd, in 1994, and visits by President Meri to the UK in 1993, 1995 and 1998. The Foreign Secretary, Mr Cook, has met Mr Ilves on several occasions, including at the Washington NATO Summit in April 1999. The Foreign Secretary also met then Foreign Minister, Raul Malk, in November 1998. The FCO PUS visited in September 1998. The then Secretary of State for Defence, Mr Robertson, visited in February 1999 for the inauguration of the Baltic Defence College. The Foreign Secretary visited in July 1999 to formally open the new British Embassy. The MOD Minister for the Armed Forces visited in August 1999. President Meri visited the UK from 6-12 March 2000.

Foreign and Commonwealth Office  
July 2000



# ESTONIA FACT SHEET

Population	1.47 million
Area	17,458 square miles
Capital	Tallinn
Neighbouring Countries	Russia, Latvia
President	Lennart Meri
Prime Minister	Mart Laar
Government	Coalition of: Pro Patria Union, Reform Party, and Moderates
Other Main Parties	Centre Party, Coalition Party, Country People's Party, and Estonian United People's Party
Last Elections	
Parliamentary	March 1999
Presidential	September 1996
Next Elections	
Parliamentary	March 2003
Presidential	2001
Currency	Estonian Kroon
Exchange Rate (Kroon/£)	23.42
GDP (1998)	US\$5.3 billion
UK Exports (Jan-Dec 1999)	£53 million
UK Imports (Jan-Dec 1999)	£188 million



TELEGRAM RETRIEVED FROM DATABASE 30 August 2000

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FM TALLINN

TO IMMEDIATE FCO

TELNO 104

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INFO ROUTINE RIGA, VILNIUS, MOSCOW, HELSINKI, STOCKHOLM

INFO ROUTINE UKREP BRUSSELS, UKDEL NATO, WASHINGTON,

INFO ROUTINE UKDEL VIENNA

ESTONIA: VISIT BY THE POLITICAL DIRECTOR, 28-29 AUGUST:

SUBJECT: ESTONIA: VISIT BY THE POLITICAL DIRECTOR, 28-29 AUGUST:  
SCENE SETTER

#### SUMMARY

1. Excellent opportunity for a tour d'horizon with the Estonians on a range of current issues including EU and NATO enlargement, Russia, the Russian-speaking minority and the OSCE mission in Tallinn.

#### DETAIL

2. The Political Director will visit Tallinn on 28-29 August, the first senior FCO visitor for more than a year. Despite the unavoidable absence of the Foreign Minister we have put together a programme which will enable all the current, important issues to be covered at a senior level. The main hosts will be MFA Deputy Secretary Harri Tiido (until recently one of Estonia's best Foreign Policy journalists, now seconded to the MFA) and their Political Director, Vaino Reinart (former Ambassador to the OSCE). Jones-Parry will also meet the Defence Minister (Juri Luik, former ambassador to NATO) at lunch, and have meetings with EU Chief Negotiator, Alar Streimann and the Head of the Office of European Integration, Henrik Hololei. He will also give a lecture at the MFA on EU enlargement and European defence, give a media interview and see the new showcase Embassy. Jones-Parry will meet the Ethnic Affairs Minister Katrin Saks and Russian speaking MP, Sergei Ivanov.

3. Despite the complete absence of ministerial visits this year, a fact which the Estonians have begun to comment on after last year's record number, bilateral relations could hardly be better. The UK is seen as high profile and active and as a country which has recently increased its help enormously to the development of Estonia, particularly in the area of integration of the Russian speakers (largely through our extensive use of CPB funds, but also a one-off grant from DFID). Estonians demonstrate particular warmth towards the UK because of our historical role here, and because they perceive us as similar in outlook, and occupying the same northern European cultural space. But they would like us to do even more, and sometimes speak of a special relationship with the UK. Their one regret is that we do not trade more (though they enjoy a large trade balance with us) or invest more here. British companies are, however, now quite active in the defence sector and rail and water privatisations.

#### 4. The Issues



#### EU Enlargement

The Estonians expect a relatively favourable progress report this year. At times there is a danger of over-optimism. But the country is justified in being at the head or close to the head of the 'fast track' applicants. The pace of change surprises visitors. Problem areas such as the reform of the public administration and environmental clean-up are soluble but require a little more time and money. The public mood is, if anything, becoming more eurosceptic but soft security considerations and the notion of returning to Europe will almost certainly win over public opinion as accession approaches. The visit will be an opportunity to congratulate them on progress, go over the remaining difficulties, and discuss our draft EU accession action plan which they have welcomed.

#### ii) NATO Enlargement

The most difficult area for us. Estonians regard it as their right to choose their own security arrangements. NATO countries are busy developing the Estonian armed forces so that they reach NATO levels of interoperability. And yet they realise that the Russian factor may mean that this is not enough. They will point to a paradox in UK policy and are not particularly attracted by alternative scenarios involving the development of European defence structures. There is a higher level of public support for NATO membership than for joining the EU. The Estonians will expect us, and principally the Americans, to take an essentially political decision when the time comes.

#### iii) Russia

The Estonians remain deeply suspicious of Russia. They understand our policy of critical engagement but are sceptical of Russia's chances of success. The visit will provide an opportunity for an exchange on recent developments and to persuade them to continue on the path of developing a good relationship with Russia to help spread EU values and prosperity into North-West Russia. At a practical level the Estonia/Russia relationship is making progress but it is always susceptible to swings of opinions in Moscow, though for the last two years the spotlight has been Latvia, not Estonia.

#### iv) The Russian Minority and the OSCE Mission

The Political Director needs a good brief on our attitude to the future of the OSCE mission which I hope will say that very little needs to be done by the Estonian government before we can contemplate closure of the mission. The last two years have seen remarkable progress in implementing the national strategy to help integrate the Russian speakers. There can be no realistic accusations of discrimination, though some Russians in the minority, still perceive themselves at a disadvantage in this society, much as some minorities do in western Europe.

#### v) Political Asylum

Almost 500 Estonians claimed asylum in the UK last year. Since our new legislation was introduced, and because of Embassy/MFA/ Ministry of the Interior cooperation, numbers have gone down drastically. But it is still worth making points about this problem, including thanking them for helping to combat it.

#### 5. COMMENT

The Political Director will find his interlocutors practical, sophisticated, on the same wavelength, and western European in outlook. They will also be friendly and warm. So we can afford to



Make any difficult points with frankness and candour. The EU accession action plan in particular will show that we remain committed to their early accession to the EU and that we are among the main supporters of one of their two (the other being NATO) foreign policy goals.

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CEEARG		0
CFSPD		1
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JECU		0
NEWS D		0
OSCE/COED		0
PLANNERS		0
PRP		0
RABD		0
PROTOCOL D		0
PROTOCOL RHS		0
PROTOCOL RHS//PALACE		0
RMU WIDE EUROPE		0
SECPOL D		0
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WLDGC		0
WLDSS		0
WLDVC		0
WSERG		0
PS		5
PS MR VAZ		0
PS PUS		1
POLDIR		0
CHIEF CLERK		0
DUS DEFINT		0
DUS ECON EU		1
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DIR EU		0
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TELEGRAM RETRIEVED FROM DATABASE 30 August 2000

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FM TALLINN

TO PRIORITY FCO

TELNO 107

OF 251318Z AUG 00

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INFO ROUTINE UKREP BRUSSELS, MOSCOW, UKDEL NATO, MODUK

INFO ROUTINE DFID, HOME OFFICE ACTOR, WHIRL

ESTONIA: FINAL THOUGHTS

SUBJECT: ESTONIA: FINAL THOUGHTS

#### SUMMARY

1. Departure after three years. Change in Estonia and in British contribution and influence here. But more to do. Foresight. Political asylum.

#### DETAIL

2. I leave Estonia today after three years in a rapidly changing country. Our Eastern neighbour frequently seems jealous or irritated about the speed with which Estonia has left the Soviet past. There still seems to be little realisation of the benefits of having a modern, EU country on its doorstep. The border with Russia, its lack of traffic, and immensely complicated crossing procedures are reminiscent of another age.

3. The Mayor of Tallinn former Hansa Bank Chairman, Mois, said to me yesterday that when reading the Estonian papers of five years ago recently he thought he had been reading about a different country. This is true. The Soviet legacy is now barely visible. Estonia deserves her place as a leading fast track country in EU negotiations.

4. When I arrived we were regarded as a priority for rapid reinforcement. The Embassy was under severe strain, with just three UK based staff in 1997, and occupying tiny, shabby offices at the heart of the American Embassy. We are now 8 UK-based and through a variety of means, including the extensive use of command funds, have increased the level of resources we devote to this country. We have been well served by London and have had few requests for visits or money refused. My only concern is the lack of a defence attache. Expansion and hard work by my team have led to us occupying, as an Embassy, perhaps the most influential and high profile role of all Embassies in Tallinn. We are the only Embassy to have had TV programmes made about us (and many of those). We are the only Embassy to have established a close and effective relationship with the MFA in keeping them abreast of our thinking in the day-to-day development of CFSP and our policies in other areas.

5. I am concerned that London (particularly some large Whitehall departments who have EU enlargement sections) do not understand the importance of this warm relationship, albeit with a small country. There is a tendency to link the Baltic States together when they should be treated separately. Estonia is more different from Lithuania than Sweden is from Norway. There is a little arrogance



Whitehall and many businessmen also still say why bother. But Estonia will be like-minded in the EU; and it will be a dynamic, small economy worth trading with. The doors are open to us given our excellent local image, which makes us a preferred partner, an attractive tourist destination, and a country, which they think of as modernising and successful. The Estonians know that in the EU it is really only the UK and France which have global foreign policies and can lead in crisis areas outside and inside Europe. They respect us and wish to work with us more.

6. I am sure that this post is at the cutting edge when it comes to foresight philosophy, partly because of our high-tech, attractive new building and its working environment. As a result we have high morale. But we do need to be aware of cultural differences. The new British informality, such a change from the usual foreign image of us, can lead to local problems, not only because local nationals expect Embassies to be rather dignified institutions, but also with our crustier colleagues. As recent U.S bank studies have shown ideas such as dress-down days (which we do here frequently) can lead to slackness. Not here. But I do think we need to maintain a balance so that standards do not slip.

7. Finally one gripe to do with the only bilateral problem in my time here-last year's large number of asylum seekers from Estonia to the UK. Is it really impossible for us to devise legislation, which would simply exclude the possibility of seeking asylum in the UK for citizens from certain countries? Finland and Sweden do it. It is unthinkable that we would grant asylum to anyone from Estonia. Yet we spend time and money analysing applications from countries (Estonia, Canada? Switzerland? for all I know) whose systems and institutions can deal with the allegations themselves.

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NEWS D

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OSCE/COED

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PLANNERS

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PROTOCOL RHS//PALACE

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# EU ENLARGEMENT

*Estonia: 29 of 31 opened,  
13 closed.*

## 1. **Enlargement is a high priority for UK. It will:**

- Reinforce peace, democracy and freedom throughout Europe and heal the unnatural divisions of the Cold War.
- Increase prosperity: Enlargement will be an engine for economic development. Research suggests UK GDP would increase by £1.75 billion a year on accession of the seven largest CE countries. UK companies will benefit from access to the largest single market for trade and investment in the world, with more than 500 million consumers.
- Enhance security: The UK will benefit from increased co-operation in fighting crime and the drugs trade, and from the implementation of international human rights and environmental standards in applicant countries.

## **The Accession Process**

2. New members of the EU must meet basic standards of human rights, democracy and market economy (the "Copenhagen Criteria") and be able to implement its existing laws and practices (set out in 80,000 pages of the "acquis communautaire", divided in to 31 thematic "chapters" eg Environment, Telecommunications) in full on accession. Progress in negotiations depends on each applicant's ability to implement the acquis. The EU has endorsed the principle that a country which began negotiations in 2000 could catch up and overtake a country which began in 1998.

3. Accession negotiations with Poland, Hungary, the Czech Republic, Estonia, Slovenia and Cyprus (the Luxembourg Six) were opened in March 1998. So far, these countries have opened 29 (out of 31) chapters. Hungary and Poland have provisionally closed (ie no further negotiations are required at this stage) 11 chapters each, the Czech Republic and Estonia 13 each, Slovenia 12 and Cyprus 16.

4. At the Helsinki European Council in December 1999, six more countries (who were not considered ready in 1998) were invited to open accession negotiations. These six (Lithuania, Latvia, Bulgaria, Romania, Slovakia and Malta - the Helsinki Six) opened between five and eight chapters during the Portuguese Presidency: a reflection on their different states of preparedness. So far Malta has provisionally closed 7 chapters; Slovakia 6; Latvia, Lithuania and Romania 5 each; Bulgaria 4.

5. Turkey is a candidate for EU membership. But, unlike other applicants, Turkey does not meet the "Copenhagen" political criteria for membership which is a prerequisite for opening negotiations. The EU will agree an Accession Partnership for Turkey in October/November, which will set out priorities for action on meeting the membership criteria. The EU and Turkey are also beginning preparations for screening (the process of comparing Turkey's legislation with the acquis); and the EU is doubling pre-accession funding to Turkey to around €180m a year.

*Latvia - 5 chapters closed.*



## 6. Forthcoming Issues:

- **The Commission's Progress Reports:** In November, the Commission will report on each applicant's progress towards implementing the *acquis*. The reports are authoritative and detailed. The Commission will also provide a Composite Report, with general recommendations on the conduct of negotiations. They have not started drafting the report yet, but it is likely to consider scenarios for accession, perhaps setting out the minimum progress necessary for accession (eg meeting the *acquis* in core areas such as the single market) and areas where the EU might be prepared to grant transition periods (for example, some areas of environment legislation which require high capital investment). We welcome this practical approach.
- **French Presidency:** Progress in the enlargement negotiations is not a top priority. The French plan to press ahead in one or two difficult areas, but they have no intention of tackling the really sensitive issues (eg Agriculture). They expect to make sound, but unspectacular, progress with the Helsinki 6. The French will adopt a cautious approach at the Nice European Council in December. They will want to agree a situation report on each of the Luxembourg 6 applicants which identifies and prioritise the remaining obstacles to the completion of negotiations (ie they want to identify the key problems, but they do not want to try to solve them). They also want to avoid a major strategic review. The French see a successful conclusion to the IGC (see below) as the main contribution of their Presidency to enlargement.
- **Accession Dates:** The Luxembourg Six have set themselves an ambitious target for accession of 1 January 2003. The candidates want the EU to commit itself to finishing negotiations next year (ratifying the relevant Treaties will take 12-18 months), to help them motivate the process at home, and to keep the EU on track. The EU has so far resisted pressure on target dates, emphasising instead the importance of implementing the *acquis* as the key to progress.
- **Related Reforms:**
  - The current IGC is preparing the EU institutions for enlargement. We are optimistic that the IGC will be completed during the French Presidency and that the EU will be in a position (after ratifying the IGC) to welcome new members from the end of 2002.
  - Reforms to the Common Agricultural Policy (CAP) were agreed in March 1999. Further reforms would be highly desirable both for their own sake and to ease accession negotiations. But, further reforms are not necessary for enlargement to take place.

7. The UK will push the French Presidency to sustain the momentum of the enlargement process and for a major strategic review at Nice. The Secretary of State said in a speech in Budapest in July that the UK will be a champion of enlargement throughout the negotiations. He also said:

- Target dates have been important in galvanising previous accession negotiations. Time is approaching when the EU could concentrate minds by setting a target



date for the conclusion of negotiations with those countries ready for membership.

- EU must conclude the IGC at Nice in December and meet its Helsinki commitment to be ready to welcome new members by 2003. First new members should join us round the table before decisions are taken in another IGC. And work on future IGCs must not delay work on enlargement.
- EU must be realistic about terms of accession. We need to enter a new phase of solving problems through negotiation. This will require the EU to adopt a constructive approach to the negotiations. On the applicants' requests for transition periods, the EU should be fair, realistic and generous.

8. **The EU has three programmes of assistance** worth more than € 3 billion a year to help the applicants meet the membership criteria:

- The PHARE programme focuses on encouraging inward investment and building institutional capacity in the applicant countries, mainly through Twinning (the Commission's programme to second experts to applicants' ministries to advise and work on EU accession).
- ISPA: funds programmes in environment and transport development;
- SAPARD: promotes rural development in the applicant countries.

9. **The UK is actively engaged in supporting applicants' preparations for membership.**

- We have won contracts for 44 Twinning projects: the third highest number of any member state.
- We have provided more than £300m of bilateral assistance and advice through the Know How Fund in CE countries in the last ten years.
- This year, "Action Plans" (bringing together in one coherent package all the UK's pre-accession activity in each country) have been announced for Hungary and the Czech Republic (in July). Slovenian and Estonian Action Plans will be announced later in the year. The pilot, launched in Poland last year, was widely acclaimed. We want to extend the plans to other candidates in FY 2001-2.

Enlargement Section  
European Union Department (External)  
FCO

18 August 2000



## LATVIA

### EU ENLARGEMENT

#### Objectives

- to emphasise that the UK supports Latvia's goal of EU accession.
- to highlight to Latvia that implementation of reforms, especially in public administration, is the key to progress.
- to highlight British support for Latvian efforts and encourage further Twinning projects.

#### Background

1. In December 1999 the Helsinki European Council invited six more countries, including Latvia, to start accession negotiations. These were launched on 15 February. Out of a total of 8 chapters opened so far, Latvia has closed five. The French Presidency proposes to open a further 8 chapters with Latvia. This is same amount as for Lithuania and Slovakia but more than Bulgaria (5) and Romania (4).

1. In the **accession negotiations**, Latvia is keen to catch up with the "Luxembourg 6", including neighbouring Estonia. Latvia has set a target for accession of 2003. To have even a theoretical hope of achieving this, accession negotiations would have to be concluded by the end of 2001. But the Latvians are privately wary that political considerations will mean all three Baltic States are left behind the Visegrad states in the queue to join the EU. They are therefore keen have a realistic chance to catch up the first wave, and that no barriers are put between the two waves. The UK supports their goal of catching up the first wave, provided they meet the necessary criteria.

2. The Commission has identified **public administration** as a continuing weakness which seriously affects Latvia's ability to deliver effective programmes, to co-ordinate its activities, and to process EU pre-accession funds. A report for the Latvian government, by Sir Robin Mountfield, on Public Administration Reform recommended the creation of a unified civil service, the establishment of a strategic body at the heart of government and the need for political consensus in favour of reform. The government has committed itself to action but there have been no concrete changes as a result of the report yet.

3. The protection of **minorities** is part of the Copenhagen Political Criteria for EU Accession. Approximately a quarter of the population of Latvia is minority Russian speakers. Latvia had been criticised for its citizenship and language legislation. In December 1999 Latvian passed a revised language law which was welcomed by the OSCE and the EU. DFID have provided £100,000 to Latvia's National Programme for Latvian Language Training. Latvia now fulfils OSCE recommendations on citizenship and naturalisation. Latvia has a major programme of social integration for minorities. However, allocation of sufficient funds for the programme, and political support within the government for it, are problems.

4. The UK has been involved in one **twinning project** in Latvia. HM Customs and Excise worked as a partner to Germany on an indirect taxation project. The 2000 round of twinning projects has yet to be released but the UK will be keen to bid for projects when it is.



## LITHUANIA

### EU ENLARGEMENT

#### OBJECTIVES

- to emphasise UK support for enlargement process.
- to emphasise that Lithuania must keep up the current pace of reform.
- to highlight UK support for Lithuania and encourage further Twinning projects

#### DETAIL

1. In December 1999 the Helsinki European Council invited six more countries, including Lithuania, to start accession negotiations. These were launched on 15 February. Out of a total of 8 chapters opened so far, Lithuania has closed five. The French Presidency proposes to open a further 8 chapters. This is same amount as Latvia and Slovakia will open but more than Bulgaria (5) and Romania (4).
2. In the **accession negotiations**, Lithuania is keen to catch up with the "Luxembourg 6", including Estonia. Lithuania has set a target for accession of 2004. This is one year later than Estonia and Latvia but Lithuania says this reflects their realistic approach to the accession process. Lithuania could be in a position to close all chapters by 2004 but this will only be possible if the current pace of reform is maintained after October's election.
3. The Lithuanians are privately wary that political considerations will leave them and the other two Baltic States behind the Visegrad states in the queue to join the EU. They are therefore keen have a realistic chance to catch up the first wave, and that no barriers are put between the two waves. The UK supports their goal of catching up the first wave, provided they meet the necessary criteria.
4. Lithuania has been criticised for **corruption** however this year new laws and an anti- corruption plan have been introduced. There is evidence that the Lithuanian government is making efforts to get to grip with the problem e.g. charges have been brought against a judge for accepting a bribe. The judiciary still needs more general attention. Court procedures are slow and there are 59 vacancies for judges. Regional courts are especially weak.
5. **Agricultural reform**, after ten years' paralysis, is now urgent. Agricultural operations are still very traditional. Agriculture will be one of the most difficult chapters facing Lithuania.
6. The UK is involved in two **twining projects** in Lithuania. One project is concerned with economic crime, the other with social assistance. We hope Lithuania will select the UK for further projects when the 2000 round begins on 13 September.



## ESTONIA

### EU ENLARGEMENT

#### Objectives

- To congratulate Estonia on progress so far and emphasise that the UK supports Estonia's goal of EU accession.
- To emphasise that implementing the *acquis* and administrative reform are the keys to further progress.
- To highlight UK support for Estonian efforts and encourage further twinning projects with the UK.

#### Background

1. Estonia was proud to be the only Baltic country in the Luxembourg Six. But, with the **extension of negotiations to include the Helsinki Six**, the Estonians are fearful that their head start over neighbouring Latvia and Lithuania will be quickly eroded. While they are negotiating the difficult later chapters their Baltic neighbours in the Helsinki Six will appear to be making faster progress with the earlier, easier chapters. They are concerned that the apparent relative slowing of progress will affect public support for accession. Of the 29 chapters Estonia has opened, 12 have been closed.
2. The Estonians are concerned that the **first group to join the EU** will be selected on political grounds and comprise the Visegrad countries, with the Balts left one step behind in the queue. The Estonians point to their record of progress with reforms over the last few years as grounds for their joining the EU in any first group. The UK supports the principle of **differentiation** in the enlargement process with every applicant progressing at its own pace. The UK wants an objective enlargement process. If there is to be group ratification and accession, membership of any group has to be based on merit.
3. Estonians want the EU to set **target dates** for finishing negotiations to help them motivate the process at home, and to keep the EU on track. Estonia's target date for accession is 2003. This is probably ambitious (though we don't need to spell this out to them). Prime Minister Laar said that he was concerned with reports that Commissioner Verheugen is in favour of a large enlargement of ten countries in 2005. This will penalise Estonia if it is ready to accede before.
4. **The Agriculture and Environment chapters** will be challenging chapters for all the applicants, including Estonia. Estonia wants its farmers to receive direct payments in full from Day One, but has also requested 14 transition periods. Estonia has made 8 requests for transition periods in the **Environment** chapter. The Commission is currently considering these. We support the applicants in arguing that the time is now ripe to start negotiating in earnest on transitional requests.



5. **Public administration** was criticised in the 1999 Commission progress report for Estonia and there has been little progress since. Estonia created a Public Administration Bureau in the State Chancellery but there is still a need for a coherent government strategy at a national and local level. Nationally some ministries are weak because of the difficulties of retaining staff or poor resource management.

9. The UK has submitted two proposals for the **2000 Twinning Round**. One with the Estonian Economic Ministry in market surveillance and the other through the CONSENSUS scheme (concerned with social security issues). Later this year, we will announce "**Action Plans**" for Hungary and the Czech Republic (in July) and Slovenia and Estonia later in the year. The pilot, launched in Poland last year, was widely acclaimed.



Isinki Six – Progress so far (15 June 2000)

Chapter	Latvia	Lithuania	Slovakia	Romania	Bulgaria	Malta
1 Free movement of goods						
2 Freedom of movement for persons						
3 Freedom to provide services						
4 Free movement of capital						
5 Company law						
6 Competition policy	X	X	X			
7 Agriculture						
8 Fisheries						
9 Transport policy						
10 Taxation						
11 Economic and monetary union						
12 Statistics	☺	☺	☺			
13 Social policy and employment						
14 Energy						
15 Industrial policy						☺
16 SMEs	☺	☺	☺	☺	☺	☺
17 Science and research	☺	☺	☺	☺	☺	☺
18 Education and training	☺	☺	☺	☺	☺	☺
19 IT & telecoms						☺
20 Culture and audio-visual policy	X	X	X		X	X
21 Regional policy						
22 Environment						
23 Consumers and health protection						
24 JHA						
25 Customs union						
26 External relations	X	X	☺	☺	X	☺
27 CFSP	☺	☺	☺	☺	☺	☺
28 Financial control						
29 Budget						
30 Institutions						
<b>Total closed</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>4</b>	<b>7</b>

X Chapter open  
☺ Chapter provisionally closed



**xembourg Six – Progress so far (15 June 2000)**

Chapter	Cyprus	Hungary	Poland	Estonia	Czech Rep	Slovenia
<b>1</b> Free movement of goods	X	X	X	X	☺	X
<b>2</b> Freedom of movement for persons	X	X	X	X	X	X
<b>3</b> Freedom to provide services	X	X	X	X	X	X
<b>4</b> Free movement of capital	X	X	X	☺	X	X
<b>5</b> Company law	☺	X	X	☺	X	☺
<b>6</b> Competition policy	X	X	X	X	X	X
<b>7</b> Agriculture	X	X	X	X	X	X
<b>8</b> Fisheries	☺	☺	X	☺	☺	☺
<b>9</b> Transport policy	X	X	X	X	X	X
<b>10</b> Taxation	X	X	X	X	X	X
<b>11</b> Economic and monetary union	☺	☺	☺	☺	☺	☺
<b>12</b> Statistics	☺	☺	☺	☺	☺	☺
<b>13</b> Social policy and employment	☺	X	X	X	X	X
<b>14</b> Energy	X	X	X	X	X	X
<b>15</b> Industrial policy	☺	☺	☺	☺	☺	☺
<b>16</b> SMEs	☺	☺	☺	☺	☺	☺
<b>17</b> Science and research	☺	☺	☺	☺	☺	☺
<b>18</b> Education and training	☺	☺	☺	☺	☺	☺
<b>19</b> IT & telecoms	☺	☺	☺	☺	☺	☺
<b>20</b> Culture and audio-visual policy	☺	X	X	X	X	X
<b>21</b> Regional policy	X	X	X	X	X	X
<b>22</b> Environment	X	X	X	X	X	X
<b>23</b> Consumers and health protection	☺	☺	☺	☺	☺	☺
<b>24</b> JHA	X	X	X	X	X	X
<b>25</b> Customs union	☺	X	X	X	☺	X
<b>26</b> External relations	☺	X	☺	☺	☺	X
<b>27</b> CFSP	☺	☺	☺	☺	☺	☺
<b>28</b> Financial control	☺	☺	☺	X	X	☺
<b>29</b> Budget	X	X	X	X	X	X
<b>30</b> Institutions						
<b>Total closed</b>	<b>16</b>	<b>11</b>	<b>11</b>	<b>13</b>	<b>13</b>	<b>12</b>

X

Chapter open

☺

Chapter provisionally closed



## ESTONIA - ECONOMIC SNAPSHOT

**Key Message:** To praise the Estonians for their handling of the economy; to welcome the success they have achieved since transition began; and to urge them to continue to implement policies that promote strong and sustainable growth.

### Background:

Estonia is one of the most successful transition economies. The current government took office in Spring 1999. It inherited an economy in excellent shape: 4 consecutive years of strong growth and low inflation. The foundations of this economic success have been a liberal trade policy, a currency board that has maintained a fixed exchange rate, balanced budgets, and openness to foreign investment. The Russian financial crisis stopped the economy in its tracks in 1999. But, the authorities responded sensibly and the economy has made a strong recovery this year (4-5% growth is expected). The authorities are also taking steps to ensure that the recovery does not give rise to inflationary pressures and a serious widening of the current account deficit. Despite Estonia's economic success, average income levels in Estonia are still very low and poverty is a serious problem. Unemployment is also an increasing problem, particularly in regions with a high proportion of Russian speakers.

The privatisation process is largely complete (the Privatisation Agency is expected to close at the end of the year). Rapid restructuring of the banking sector has taken place, though better banking supervision is still needed. The government's priorities for 2000 include finalising proposals for pensions and healthcare reform. Tax and public sector reform (to contain spending) and restructuring of the electricity and oil shale sectors are also needed.

### Macroeconomic Indicators and Key Facts and Figures:

	1995	1996	1997	1998	1999	2000
GDP Growth (%)	4.3	3.9	10.6	4.7	-1.4	4.0
Inflation (%)	29.0	23.1	11.2	8.2	3.3	4.5
Unemployment (%)	9.8	10.0	9.7	9.9	11.7	
General Govt balance / GDP (%)	-1.3	-1.9	2.2	-0.3	-4.7	-2.0
Current Account / GDP (%)	-4.4	-9.1	-12.2	-9.2	-6.2	-7.0
External Debt / GDP (%)	22	32	57	53	59	
FDI (USD million)	200	110	130	570	230	250

<b>GDP (1999):</b>	USD 5.1 bil	<b>Area:</b> 45,000 km <sup>2</sup> (18% of UK and 1.3% of EU total area)
<b>Private Sector Share in GDP:</b>	70%	<b>Population:</b> 1.45 mil (2.6% of UK and 0.4% of EU total)
<b>GDP per capita (1999):</b>	USD 3,530	<b>Share of Population in Poverty:</b> 40%
(as % of EU15 average at PPS)	(36%)	<b>Share of agriculture in GDP:</b> 4.6%

<b>Total Exports (1999)</b>	USD 2.5 bil	<b>Major Export Markets</b>
as % of GDP:	49%	Finland 23%
% of total exports to EU:	73%	Sweden 22%
% of total exports to UK:	4.5%	Germany 8%

<b>Total Imports (1999)</b>	USD 3.3 bil	<b>Major Import Suppliers</b>
as % of GDP:	65%	Finland 37%
% of total imports from EU:	65%	Sweden 10%
% of total imports from UK:	2.0%	Germany 10%

**Exchange Rate Mechanism:** Currency Board (fixed rate: 8 Kroon to the DM)

Estonia is a member of: IMF, World Bank, EBRD and WTO

Last updated: 16 Aug 2000



## LATVIA - ECONOMIC SNAPSHOT

**Key Message:** To congratulate the Latvians on their handling of the economy and to encourage them to maintain policies promoting strong and sustainable growth.

### Background:

Between 1996 and 1998, economic growth in Latvia averaged 5% and inflation fell to EU levels. Responsible fiscal and monetary policies, trade liberalisation and a stable currency explain Latvia's economic success. The financial crisis in Russia (still a key export market) cut GDP growth to zero in 1999, but a recovery is now well underway (growth is forecast to return to 3-4% in 2000). To cushion the impact of the Russian crisis, the government relaxed fiscal policy in 1999. Sensibly, a tighter fiscal stance is planned this year. The current account deficit is extremely high and, although it is mainly financed by FDI inflows and long term (rather than short term) debt, it remains a cause for concern. Latvia is one of the poorest countries seeking EU membership and unemployment remains stubbornly high.

On 10 December, the IMF approved a 16 month Stand By Arrangement (worth \$45m) to support the government's economic programme. Latvia does not intend to draw on the funds.

Good progress has also been made on structural reform, despite some delays in the privatisation of some large state owned enterprises, and the utilities in particular. Latvia needs to complete large-scale privatisation and implement an effective regulatory regime for each of the utilities. The banking sector is now operating reasonably well, following crises in the early years of transition and a shakeout in the aftermath of the Russian crisis.

### Macroeconomic Indicators and Key Facts and Figures:

	1995	1996	1997	1998	1999	2000
GDP Growth (%)	-0.8	3.3	8.6	3.9	0.1	3.0
Inflation (%)	25.0	17.6	8.4	4.7	2.4	4.0
Unemployment (%)	18.1	19.4	14.8	14.0	14.4	
General Govt balance / GDP (%)	-3.9	-1.8	0.3	-0.8	-3.8	-2.5
Current Account / GDP (%)	-0.4	-5.4	-6.1	-11.7	-10.2	-9.6
External Debt / GDP (%)	32	39	48	50	61	
FDI (USD million)	245	380	515	300	365	300

<b>GDP (1999):</b>	USD 6.2 bil	<b>Area:</b> 65,000 km <sup>2</sup> (27% of UK and 2% of EU total area)
<b>Private Sector Share in GDP:</b>	65%	<b>Population:</b> 2.4 mil (4% of UK and 0.7% of EU total)
<b>GDP per capita (1999):</b>	USD 2,580	<b>Share of Population in Poverty:</b> 23%
(as % of EU15 average in PPS)	(27%)	<b>Share of agriculture in GDP:</b> 4.2%

<b>Total Exports (1999)</b>	USD 1.9 bil	<b>Major Export Markets</b>	
as % of GDP:	31%	Germany	17%
% of total exports to EU:	63%	UK	16%
% of total exports to UK:	16%	Sweden	11%

<b>Total Imports (1999)</b>	USD 2.9 bil	<b>Major Import Suppliers</b>	
as % of GDP:	47%	Germany	15%
% of total imports from EU:	55%	Russia	11%
% of total imports from UK:	3%	Finland	9%

**Exchange Rate Mechanism:** Lat has been Fixed at 0.7997 to the SDR (basket of currencies) since 1994

Latvia is a member of: IMF, World Bank, EBRD and WTO

Last updated: 16 August 2000



## LITHUANIA - ECONOMIC SNAPSHOT

**Key Message:** To encourage the new government in their efforts to get the economy back on track and to press ahead with structural reform.

### Background:

Until last year, Lithuania had a good track record on macroeconomic management. Inflation was at EU levels and the economy was growing strongly (at 5% a year). But the economy went off the rails in 1999. The current account deficit hit double figures, the economy shrank by 4% (mainly as a result of the loss of trade with Russia - still Lithuania's largest export market) and unemployment rose significantly. The previous government was partly to blame for this. In response to the Russian financial crisis, it significantly relaxed fiscal policy - the budget deficit in 1999 was more than 8% of GDP (higher than in any other CE applicant country). The recession is now over, but only very modest growth (1-2%) is expected this year. The new government has launched a new macroeconomic programme to restore stability. The lynchpin is the 2000 budget, which aims to cut the fiscal deficit to less than 3% of GDP. The government is making solid progress, but there is no room for complacency.

On 8 March, the IMF approved a 15 month Stand By Arrangement (worth \$83m) to support the new government's economic programme. Lithuania does not intend to draw on the funds.

Structural reform has moved ahead, but unevenly and slowly (in banking, energy and oil). Large state-owned companies still dominate industry. These need restructuring or liquidating. Lithuania must also reform its electricity sector and its railways; strengthen its banking system (including by privatising the remaining state banks) and reform its pensions system.

### Macroeconomic Indicators and Key Facts and Figures:

	1995	1996	1997	1998	1999	2000
GDP Growth (%)	3.3	4.7	7.3	5.1	-4.1	1.0
Inflation (%)	39.6	24.6	8.9	5.1	0.8	2.2
Unemployment (%)	6.2	7.0	5.9	6.4	10.0	
General Govt balance / GDP (%)	-4.5	-4.5	-1.8	-5.8	-8.6	-2.8
Current Account / GDP (%)	-10.2	-9.2	-10.2	-12.1	-11.2	-9.1
External Debt / GDP (%)	14.	30	34	35	40	
FDI (USD million)	70	150	330	920	480	710

**GDP (1999):** USD 10.7 bil

**Private Sector Share in GDP:** 70%

**GDP per capita (1999):** USD 2,890  
(as % of EU15 average) (31%)

**Total Exports (1999)** USD 3.1 bil  
as % of GDP: 29%  
% of total exports to EU: 38%  
% of total exports to UK: 7%

**Total Imports (1999)** USD 4.6 bil  
as % of GDP: 43%  
% of total imports from EU: 50%  
% of total imports from UK: 4%

**Area:** 65,000 km<sup>2</sup> (27% of UK and 2% of EU total area)

**Population:** 3.7 mil (6% of UK and 1% of EU total)

**Share of Population in Poverty:** 46%

**Share of agriculture in GDP:** 8.8%

#### **Major Export Markets**

Russia	17%
Germany:	13%
Latvia:	11%

#### **Major Import Suppliers**

Germany:	20%
Russia:	20%
Latvia:	4%

**Exchange Rate Mechanism:** Currency Board (Fixed at 4 Litai to the USD)

Lithuania is a member of: IMF, World Bank, EBRD

Last updated: 16 August 2000



SPEECH BY THE RT HON ROBIN COOK MP, SECRETARY OF STATE FOR  
FOREIGN AND COMMONWEALTH AFFAIRS, TO HUNGARIAN  
AMBASSADORS, BUDAPEST, 25 JULY 2000:

“CHAMPIONING ENLARGEMENT”

Ladies and Gentlemen,

I am grateful to my colleague and good friend Janos Martonyi for his invitation to address this Conference of his Ambassadors. I am also honoured to be asked to address the Ambassadors. I know that my failures are all my own responsibility. My successes as a Foreign Minister are all my Ambassadors' achievements and therefore I know how important it is that we should make a success of today's conference.

I am privileged too, to address representatives abroad of a nation that has already shown so much courage at home. A few years ago, on a private visit, I called at the military museum in the citadel. I still remember how deeply moved I was at the graphic images from the uprising against tyranny in 1956. Then the people of Hungary showed great physical courage against impossible odds. It was here in Hungary that the Iron Curtain was first undermined.

In the past dozen years the people of Hungary have shown immense intellectual and moral courage in facing up to the challenge of transformation to a market economy and a modern democracy. I am proud that in those dozen years British companies have helped the process by investing over a billion pounds in the economy of Hungary and now employ well over 20,000 of the workforce of Hungary.

And as many of you will know, Britain and Hungary work together in many international organisations from the OSCE to the OECD. And we are joint allies in NATO. British and Hungarian troops support each other in Kosovo, where they are working together to establish freedom and stability.

I want us soon to be partners also within the European Union. I spoke in Budapest three years ago when I addressed the National Assembly. I promised then that Britain would launch the accession negotiations with Hungary while Britain was President of the EU. I kept that promise. Today I promise you that Britain will be a champion of enlargement throughout the negotiations.

I believe the greatest challenge the European Union faces today is to complete the Reunion of Europe. We must right the wrongs of the past century. I want to see a zone of peace, prosperity, stability and democracy from the Baltic to the Black Sea and from Portugal to Poland. Another of my predecessors as Foreign Secretary once said, “My foreign policy is to take a ticket at Victoria Station and go anywhere I damn well please”. Enlargement will make that freedom of movement a reality throughout our continent.

The fall of the Iron Curtain ended the division of our continent by political systems. Enlargement will end the division of our continent by standards of prosperity.

The EU has not only brought peace to its nations. It has made us more prosperous, created more jobs and liberated our citizens to live, work, and travel anywhere within the EU's



borders. I look forward to the day when Hungarian kalacs, Polish keilbasa and Czech knedlicky are as common in British shops as croissants, salami and pumpernickel already are. As a start, we could work make Bikaver as common as Beaujolais.

I believe the people of Hungary, and of the other applicant countries, can benefit from EU membership in the same way that the British people already have. On average, accession to the European Union could add one and a half percent to the annual growth rate of each of the Central European applicants. You will gain more opportunity from membership of the world's largest single market.

But I think it is important those of us who are existing members of the European Union should remember that enlargement is not a project which the EU is doing as a favour to the applicants. Enlargement is in the EU's own interests. Accession of the Central Europeans will boost the GDP of the present member states by 11 billion Euros every year.

It will make all member states richer – because it will create by far the largest single market in the world. With half a billion people, it will be more than twice the size of the second largest single market of the United States. It will make us all stronger: because the bigger the club the bigger the clout. It will remove tension in the halls of power: because EU member states settle their differences by discussion not confrontation. It will make our streets safer: because the threats to Europeans today – crime, terrorism, drugs, pollution – can only be addressed through joint action across the continent. All member states of the European Union have a strong incentive to count the benefits of enlargement.

European integration has been a major force for security and freedom in Europe for the last fifty years. It has made partners out of France, Germany and Britain – countries who have found themselves at war twice in the last fifty years. It has laid the ghost of fascism in southern Europe by consolidating democracy in Greece, Spain and Portugal. Enlargement will help make our continent more stable by integrating more countries into a Union that promotes the principles of democracy, good governance, the rule of law and respect for human and minority rights.

I am conscious those are fine words, but words alone will not turn the vision into reality. It will take hard work.

Hungary has already shown its capacity for hard work in its preparations for and adaption to membership of NATO. Now you have expressed your commitment to the new European Security and Defence Policy. Britain is keen that candidate countries who are already members of NATO should have every opportunity to contribute to the new European security initiative. Your contribution to the military capabilities available for European-led operations will be welcome. Britain wants you to have a full opportunity to put forward the contribution you can make at the forthcoming Capabilities Conference.

Your commitment also in meeting the requirements of membership has also been impressive. There is still a lot of work to be done to complete the task of transferring 80,000 pages of EU legislation into Hungarian law. There are high standards to meet in areas like tackling organised crime, developing your public administration, protecting the environment and meeting the acquis on food safety and animal health. But Hungary has shown sustained effort in rising to the challenge.



I believe that the EU must treat each applicant country individually on the progress it has made. Each country should be eligible to join as soon as it is ready to do so, and is not delayed while others catch up. I have no doubt that Hungary is among those at the head of the queue. Only your efforts can ensure you remain there.

I know that you are, rightly, impatient to make progress. EU accession is on the horizon, but horizons have a tendency to recede continually before you. You want to see a map of your road to accession, and to have a clear idea of how long it will take to travel down that road.

Target dates have played an important role in galvanising previous accession negotiations. They are a useful spur on both existing members and on applicants to make progress. Britain believes that the time is approaching when the EU could concentrate minds by setting a target date for the conclusion of negotiations with those countries ready for membership.

And in order to meet such a target, the EU has work to do as well. At Helsinki we committed ourselves to be ready to welcome new members by 2003. Britain believes that we must keep to that commitment. There is much work still to be done.

We need to continue the process of reforming the Common Agricultural Policy. Its reform would release more room for enlargement within our present budget. But we need to reform it also for ourselves. In the medium-term the liberalisation of world trade will compel us to reduce the protectionism of Europe's Agricultural Policy.

The most immediate task for the EU is to complete the Intergovernmental Conference by December. We must agree all of the institutional reforms we need to make, to be ready for a larger EU.

I fully support the determination of the French Presidency to achieve a successful conclusion to the IGC in Nice in December. I don't pretend that the issues are easy. We ducked them at Amsterdam. I was there. I vividly remember, Janos, that we reached agreement that we could go to bed on the basis that if we could not solve these problems, we would put them off until the next time. This time we cannot put them off again.

Democratic reweighting of votes in the Council, and a manageable size for the Commission are issues which will require member states to make tough choices. But they are choices which we can and must make to enable enlargement to happen.

Nor is the present IGC the last word on the future shape of the EU. But that future shape cannot be a question for only the present member states. We cannot change the rules before you even begin to play the game. The new members of the club must play their part in making the club's rules. The first new members should join us round the table before decisions are taken in another IGC. And work on future IGCs must not delay work on enlargement.

To bring that day closer when you sit around the table as equal members, the EU must be realistic about terms of accession. Britain believes that negotiations need to go through a step change. We need to enter a new phase of solving problems through negotiation, not only identifying the problems in negotiation.

The history of the EU is full of examples where, with imagination and hard work, we have found solutions to the most intractable problems – from the problems of Arctic farmers in



Finland to the use of snuff in Sweden. I am confident that with similar certainty and effort, we can resolve the negotiating difficulties that we face today. But it will require a constructive approach by the EU to the negotiations.

We should be fair. Existing member states benefited from transitional arrangements when they acceded. The EU should be sympathetic to requests for transitional periods from the present applicants as it has been to past applicants.

We must be realistic. It is clearly in your own interest to be full members accepting the whole *acquis* once any transitional periods have expired. But the obligations of membership will be costly to implement. The EU should not expect every expensive capital investment to be completed on the date of accession.

We should be generous. Existing members of the EU have a huge economic advantage over the applicant countries. The EU can afford to open its markets rapidly to the new members. Britain has been a firm opponent of protectionism in the EU. Britain will also be a strong advocate of terms of entry that provide generous and early market access to the new members.

And if we take that constructive approach to negotiations, then I believe we can maintain the timetable we have set ourselves in order to make Europe ready for enlargement to help the applicants to be ready for membership. Janos, in conclusion, can I recognise the immense contribution that Hungary has made in the past century to European life and culture. Bartok made his own distinctive contribution to our range of classical music. Solti influenced how we heard the classical music of our own nations. Biro made life easier for millions across Europe whenever they needed to jot something down. And Rubik drove demented the same number of millions with his geometric device. It is a measure of the scientific and artistic talent of this country that it has produced no fewer than 11 Nobel Prize winners.

A country so rich in talent will bring added strength to the European Union. Britain wants your future to be inside the European Union. We want it so that the Governments of Hungary and Britain can be even closer partners. And we want it also so that the people of Hungary can say with pride that they are citizens of a European Union member state.



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0171 270 2368

29 October 1999

Stephen Nash Esq  
HM Ambassador  
Riga

(by faxlok)

**BALTIC STATES: NATO MEMBERSHIP**

- / 1. Martin Shearman (Sec Pol D) has commented on the line in my letter of 28 October. For the record, I attach a revised version incorporating Martin's changes.

John Ramsden  
CENTRAL AND NORTH WEST EUROPEAN DEPARTMENT

cc: Tim Craddock Esq, HMA Tallinn (faxlok)  
Chris Robbins Esq, HMA Vilnius (faxlok)  
Bruce Cleghorn Esq, UKDel NATO  
Stephen Pollard Esq, DCEE, MOD (by fax: 7 2188 6486)  
Mr Wright  
Mr Thomson, Sec Pol Dept  
Mr Bond, Eastern Dept  
Chancery Warsaw (faxlok)  
Ms Waugh, News Dept

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NATO POINTS: BALTICS

- We would like to see you in NATO.
- We are committed to enlargement.
- But all applicants need to do more.
- That is why we are strong supporters of the MAP process. We are spending approximately £1m in defence assistance to the Baltic States this FY, including £300,000-£400,000 on multilateral projects, eg BALTBAT, BALTRON.
- Next review of membership will take place in 2002. Can assure you that the door remains open.
- But must remember that any decision on issuing further invitations will be a political one, taken by NATO, based on its readiness, the readiness of the individual aspirant to take on the responsibilities of membership, and the effect on wider European security.
- Russia has no veto; nor has anyone else.
- Will you support [x Baltic country] in 2002?  
As I said, we would like to see you in NATO. For now, we are working to help you prepare the strongest possible candidacy.
- When will we get in? Later than 2002?

Procedure is as set out above. But repeat - we would like to see you in NATO.

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Geoff

Off the shelf briefing on enlargement / MAPs  
as requested, including:

- general brief
- NATO enlargement PAB paper
- overview of first year of MAP
- executive summary of MAP progress report  
of 3 Baltic
- Vilnius conference reporting
- info on UK MAP Liaison Teams

Please see on how or as little as appropriate Matthew Hedges



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Security Policy Department  
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NORTH ATLANTIC COUNCIL AND RELATED MEETINGS, 24-25 MAY 2000

NATO ENLARGEMENT

Objective

To focus aspirants on facing the challenges set out in their Membership Action Plans and to avoid opening up of the wider debate on enlargement.

Background

1. The Washington Summit deferred a further NATO review of enlargement until the next NATO Summit (almost certainly 2002). The NATO debate in the run-up to 2002 is likely to be difficult and perhaps divisive. We have no interest in an early opening of that debate or a premature closing off of NATO options for 2002. In Florence Ministers will note a Consolidated Progress Report on the Membership Action Plans (MAPs) and some Ministers may wish to comment on enlargement during their NAC interventions, but there should not be substantive discussion.
2. Aspirants have completed the first MAP cycle. They have taken the process seriously and set out ambitious plans. Implementation of these plans will now be the major issue in the next cycle. The cycle culminated in 19+1 meetings of the NAC, at which many aspirants were represented by the head of state or government and/or defence and foreign ministers.
3. If raised in the margins, the Secretary of State might draw on the following:
  - Too early to say what the Alliance's decision on enlargement will be at the next summit.
  - NATO aspirants can best demonstrate their readiness for invitation by delivering real progress on political, economic and defence reforms set out in their MAP.
  - We want to make a real success of the MAP process. Glad that UK has been able to:
    - \* provide frank feedback during the first MAP cycle
    - \* support implementation of the plans through bilateral defence assistance programmes
  - NATO will also need to consider the effect of further invitations on overall European security and on the Alliance's strategic interests.
4. The nine aspirants are Albania, Bulgaria, Estonia, Latvia,

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Lithuania, Macedonia, Romania, Slovakia and Slovenia. With unofficial US encouragement, the nine aspirants have recently pressed their case for invitation en bloc in 2002 at a conference hosted by Lithuania and Slovenia in Vilnius on 19 May.

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## NATO ENLARGEMENT

### Summary

1. NATO's next review of enlargement will be difficult, potentially divisive and set the course for the long term future. Decisions on the who and how many in the next round of enlargement will need to take account of four key questions:

\* What NATO decision in 2002 will best serve European security and stability?

\* Can we handle the potential impact of enlargement on NATO operational effectiveness and relations with Russia?

\* How can we lessen the negative impact on any non-invitees in 2002?

\* How far and how fast should NATO be prepared to spread the net beyond the current aspirants, given that new aspirants could apply at any time?

### Introduction

2. The Washington Summit agreed that the next Summit, in no later than 2002, should review enlargement. Nationally we are combining political support for aspirants' NATO ambitions (most notably the Prime Minister's speeches in Romania and Bulgaria last May) with extensive practical help for aspirants' NATO Membership Action Plans (MAPs) and frank feedback on performance. We are also stressing that, as stated at the Madrid and Washington Summits, the 2002 review will consider the Alliance's political and strategic interests and enlargement's impact on overall European security and stability as well as aspirants' readiness.

### The NATO process

3. Unlike EU enlargement, the NATO process does not depend on applicants fulfilling specific conditions. NATO decisions will be political rather than technical, the key test being the effect on European security and stability. There is no prior NATO commitment to issue invitations in 2002, nor a timetable for accession should invitations issue.

4. The 1997 invitees had two years to get up to minimal scratch before accession. With good progress on the Membership Action Plans launched at the 1999 Washington Summit, aspirants invited in 2002 could accede at least as quickly. Many Alliance obligations to invitees (e.g. virtual extension of the Article 5 guarantee, inclusion in much NATO business) in practice come with invitation rather than accession. So it is the invitation that aspirants are looking for. In theory all aspirants could be invited together (a



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"regatta start") with accession taking place on merit. In practice it would be difficult to differentiate and to arrange for aspirants to join in small groups.

5. The declared aspirants are Albania, Bulgaria, Estonia, Latvia, Lithuania, Macedonia, Romania, Slovakia and Slovenia. These could conceivably be joined in 2002 by an EU neutral, with Austria the most likely to step forward (though the Haider factor is relevant).

6. Other potential aspirants (e.g. Azerbaijan, whose application for MAP status has been deflected, Georgia and Ukraine) are being steered towards intensification of their Partnership relations with NATO. This should hold until 2002, provided Georgia is not seriously destabilised by spillover from the Chechnya conflict. But NATO's treaty-based openness to all European states will make this a more difficult trick to pull off after even a limited 2002 round. Much more than in 1997 therefore, invitations in 2002 will be seen as setting an irreversible course for the Alliance.

The impact on NATO

7. At some point, enlarging NATO membership will undermine NATO coherence and effectiveness. Business will become harder to transact. Consensus will be harder to achieve. The impact on NATO's collective command and planning structures will be real. At least in the short and medium terms the number of military passengers carried by the five or six net contributors to the Alliance will grow. Integrating and bringing up to speed new members will add costs to NATO's common budgets and require existing Allies to improve nationally-funded reinforcement capabilities.

8. Strengthened Close Ally steering, which we are pursuing, and streamlining of the NATO machinery, which Lord Robertson is considering, could help to reduce the impact. Real MAP progress and keeping future rounds small would ease integration: NATO is still absorbing the three 1999 accessions.

9. But growing membership will bring a gradual OSCE-isation, making NATO less able to act as a timely and effective crisis manager.

10. Operational deployment constraints under the CFE Treaty could also complicate delivery, and undermine the credibility, of the collective defence guarantee to new members (but these same constraints could also be helpful in Russia-handling).

The aspirants

11. The aspirants have high expectations for 2002. Slovenia and Slovakia are probably currently best prepared. All nine will, with varying justification, play up progress against



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their MAPs. But none would be a net military contributor to NATO in 2002 or for a long time after.

12. Polish, Hungarian, and Czech membership has helped to extend stability eastwards. The prospect of membership, given substance by the new members' accession, strengthened support for NATO during the Kosovo campaign, often in the face of domestic opposition and remains an important stabiliser for the Balkans aspirants. More widely it provides a spur to reform and to western orientation. Non-invitation in 2002 could shake that discipline, although other important incentives to reform (most importantly the EU accession process) would remain.

13. Romania and Slovenia, which feel they lost out in the final cut at the 1997 Madrid Summit, might take rejection in 2002 hardest. Slovenia would weather the storm. But Romania, whose candidature is not enhanced by its dubious political stability, could be hard hit, with political reform perhaps knocked off course. Bulgaria and Slovakia would have difficulty accepting earlier accession by neighbours whom they see themselves as matching or even beating in MAP terms.

14. Non-invitation for the Balts would deepen their fear, and encourage Moscow to believe, that Russia had an effective veto over their security arrangements.

**Ukraine/CIS**

15. Kuchma has been careful to avoid saying openly that he aspires to join NATO. But further enlargement could face Ukraine with the difficult and internally divisive choice of whether to seek NATO membership. A Ukrainian application would be uniquely sensitive for Russia. Russia would probably work hard on ethnic Russian and Russian speakers in Ukraine, particularly in Crimea and Eastern Ukraine, to encourage opposition to NATO membership, and seek to increase Russia/Ukraine military cooperation.

16. Applications from other European CIS members, particularly the Caucasian countries, would also prompt strong Russian opposition.

**Relations with Russia**

17. Russia will remain hostile to NATO enlargement. The 1999 enlargement and NATO's action in Kosovo entrenched a widespread conviction in Russia that NATO is aggressive and expansionist.

18. Invitations in 2002 would provoke fierce Russian opposition. The duration and degree would depend on who was invited. A resentful Russia would probably swallow South East and Central European invitations, although cooperation on European and global security issues would be impeded. But the



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fall-out from a Baltic invitation, crossing the red line of enlargement to territories regarded by Russia as part of the former Soviet Union, would be severe. Russian options could include, e.g., build-up of forces in Kaliningrad and Belarus, obstructionism on non-proliferation and arms control, worsened behaviour in the Caucasus, further rapprochement with China.

19. NATO would need to consider reaffirming the assurances on permanent stationing of troops and deployment of nuclear weapons on new members' territory given before Madrid, but these would not allay Russian fears.

20. NATO's ability to engage with Russia on enlargement in, e.g., the Permanent Joint Council will be restricted by Allies' own uncertainty about the shape of decisions in 2002.

21. This could be made much worse by deteriorating US/Russia relations over NMD or by continuing problems in Chechnya or elsewhere in the Caucasus.

22. Much depends on how Putin's Russia develops. The limited evidence we have of Putin's views indicates tough-minded suspicion of NATO intentions tempered by pragmatic recognition of the need for engagement. But he is unlikely, particularly early in his term, to want to expose himself to nationalist criticism by taking a soft line on enlargement.

23. Putin has, at least for the domestic audience, backtracked on his remarks on Russian NATO membership. This would be conceivable only in the context of a fundamental re-ordering of the Russian worldview. Even so it would be a very different NATO, having lost its essential nature as the expression of the US/West European security and defence link.

**Alliance opinion**

24. US views will be key in 2002. Strong US support for, or opposition to, the invitation of any aspirant will be decisive. Enlargement is not an election issue. Only the Balts have a sizeable domestic lobby. The foreign policy priority will be Russia. Congress will be uneasy about the extension of the Article 5 guarantee. A new administration will not want a re-run of the rough Congressional ride for V3 ratification. But it is nevertheless unlikely that the new administration will set its face firmly against enlargement.

25. Geography and established relationships will weigh heavily with other Allies. France's main interest will be in being seen to argue for Romanian invitation. Italy and Turkey will support, the latter adding Bulgaria as will Greece. Denmark, supported by Poland, Norway and Iceland, will press the Baltic case. The new members may support, arguing in favour of tackling Russian opposition head-on. They will also press for Slovakian accession to bring in the Visegrad fourth, tidying up NATO's borders. Germany, having met its main



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objective of removing itself from NATO's eastern frontier through Czech and Polish accession, may be lukewarm but would be unlikely to want a purely Balkan round.

26. NATO consensus on specific invitations will be hard to achieve. Stalemate and no invitations is one possibility. But, unchecked, the conclusion of Alliance horse-trading would more probably be a large wave of further invitations giving rough regional balance between Balts, Balkans and Central Europeans. As in 1997 Alliance decisions are likely to go to the wire, involving divisive internal debate.

European Union enlargement/European defence

27. Seven of the nine NATO aspirants are now EU candidates, bolstering their sense of security and integration with the west. That would grow with full membership of an EU with a developing security dimension. But this will not by 2002 have lessened aspirants' premium on NATO invitation, and the US engagement and collective security guarantee it brings, least of all for those who feel most exposed to threat and instability - in particular the Balts but also the Balkans.

28. Slippage in the EU enlargement calendar could increase pressure for early NATO invitation.

29. The combined effect of NATO and EU enlargement on those unlikely to join either organisation, such as Ukraine, could create a new and pronounced dividing line in Europe between those who are members of both and those who belong to neither.

Beyond Europe

30. Beyond Europe, further NATO enlargement is likely to be viewed with concern by the likes of India, China and others who harbour deeply held suspicions (reinforced by Alliance action in Kosovo) that NATO is trying to usurp the role of the UN and act as a peace enforcement organisation or global policeman. But we cannot say at this stage how they would react in practical terms to a future enlargement phase.

Foreign and Commonwealth Office  
Ministry of Defence  
March 2000



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NATO ENLARGEMENT: MEMBERSHIP ACTION PLAN PROCESS

SIC

SUBJECT: NATO ENLARGEMENT: MEMBERSHIP ACTION PLAN PROCESS

SUMMARY

1. The MAP is proving a powerful tool to shape defence reform in the 9 candidate countries. They have been told frankly that their plans are over-ambitious and that the key test will be implementation. The Baltics and Slovenia currently ahead, with Slovakia making good progress. We have so far avoided venturing into the political minefields which lie ahead. Help, candour and encouragement should remain our guidelines.

DETAIL

2. The MAP process, agreed at the Washington Summit to help the nine applicants with their technical preparations for NATO membership, completed its first cycle this week. Three impressions stand out from what is proving to be a time-consuming but effective process:

(i) candidates are taking the MAP seriously at a high level. Foreign and Defence Ministers have been forced to face the four central issues: restructuring, budgeting, prioritisation and implementation. All candidates have set out a maximal stall for 2002 and all have declared targets which are probably beyond their budgetary or personnel resources. But they have been told clearly that the Allies will be more impressed by fewer goals that are actually achieved;

(ii) the Allies have given quite frank feedback, in detailed progress reports which the candidates have more or less swallowed. The US and UK had to take the lead in giving a "tough love" message (which the aspirants say is what they want). Overall there has been less clientism than in 1997. The Scandinavians played fair with the Baltics and asked some probing questions. The Club Med countries were over-generous to Bulgaria and Romania; but, except in the case of Slovenia, there were few explicit promises of support for 2002. We have rightly avoided opening the debate about future invitations;

(iii) comparisons are odious and premature, but irresistible. On this year's showing, there are four clear categories:

- the Baltics and Slovenia make up the Premier league, with Latvia struggling against relegation;
- Slovakia has moved into Division 1 and could become a serious candidate for promotion;



Bulgaria and Romania are firmly in Division 2. Each has different strengths and weaknesses: both are politically committed, have excellent PR and should in the long run be able to make a serious contribution to collective security. But each faces daunting problems of implementation and, despite Romania's claims in last week's pol/mil talks, neither is close to fulfilling its MAP obligations;

- Macedonia and Albania are not yet in the league. Albania simply lacks the infrastructure and culture; and Macedonia, though better placed, showed its unreality by a blatant call to be invited in 2002.

3. These rankings may change in the next 12 months, as the emphasis moves from policy to delivery. But as the 2002 Summit draws closer, the temperature will rise and honest appraisal in the MAP will increasingly be affected by the broader membership criteria and other political pressures. For the next 12 months, we would do well to continue our current formula: practical support for defence restructuring, especially through seconded UK personnel and ELT; combined with candid feedback and clear statements of support for further invitations when the Alliance and European security - as well as individual candidates - are ready.

4. Contact: Patrick Moody, UKDEL NATO, telno: 00 32 2 707 7514, fax: 707 7548 (unclassified).

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YYYY	
MAIN	8
SECPOL D	0
AMRG	0
CNWED	0
CEEARG	0
CFSPD	1
CMU	0
CTPD	0
EAD	0
EASTERN D	0
EASTRG	0
EUD(B)	0
EUD(E)	0
EUD(I)	0
ECPOL	0
EPD	0
GIRG	0
INFO D1	0
INFO D2	0
LEG ADV	0
NAD	0
NEWS D	0
NPD	0
OSCE/COED	0
PLANNERS	0
PROTOCOL RHS//PALACE	0
RABD	0
RMU WIDE EUROPE	0
SED	0
UND	0
WLD	0
WLDGC	0
WLDSS	0



## NATO Document

The NATO document which was enclosed on this file has been removed and destroyed.

Such documents are the responsibility of NATO and as the originators they reserve ownership of the documents they issue. NATO documents are, therefore, not public records even when they are kept in UK government records. When released they will be available in the NATO Archives in Brussels.

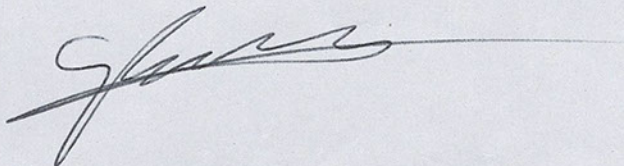
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annex to PO(2000)44

**Document Date:** UNDATED

**Destruction Date:** 1 JULY 2022

**Signed:**

A handwritten signature in dark ink, appearing to be 'G. Jones', written over a horizontal line.

COPRA  
London



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From: Matthew Hedges, Sec Pol Dept  
Date: 22 May 2000

cc: Martin Shearman  
John Colston, UKDel NATO  
Ernie Manley, UKDel NATO  
Julian Evans, CNWED  
Ian French, NEPG, MoD  
Michael O'Neill, Washington  
HMA Vilnius  
DA Vilnius

To: Adam Thomson

SUBJECT: LITHUANIA-SLOVENIA NATO CONFERENCE IN VILNIUS, 19 MAY

SUMMARY

1. Aspirant Foreign Ministers stepped up the pressure for invitations in 2002 for all nine declared aspirants to join NATO and signed the Vilnius Statement (attached, not to all). Vilnius telno 58 reports Lord Robertson's visit and speech at the conference.

DETAIL

General

2. John Colston (UKDel NATO) and I attended this one day conference in Vilnius, co-sponsored by Lithuania and Slovenia, on 'NATO's role in the changing security environment in Europe'. Over three discussion sessions, the Foreign Ministers of the nine aspirant countries spoke of the need to move from a "beauty contest" approach to enlargement, which encouraged regional rivalries, towards "fighting as a team" to ensure that all nine aspirants were invited to join NATO in 2002. They agreed that the Alliance was engaged in the technical preparations for enlargement (through the Membership Action Plan) but recognised that this decision would be a political one and called for the political debate to get underway. Support for the Ministers' statement from Ron Asmus (who spoke of 2002 as a "rendez-vous with history") and the US Committee on NATO, and letters from Gore and Bush were particularly well received by the audience.

3. During a press conference, the various levels of pragmatism among the aspirants became more apparent. In answer to a question whether they would be disappointed should fewer than nine receive invites in 2002, some were



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keener to emphasise that, while invitations for all nine was an aim, aspirants would have to be judged individually (Lithuania, Slovenia) while others made more of the Alliance's opportunity to embrace this solidarity by making a bold move (Latvia, Bulgaria).

Aspirants

4. Berzins (Foreign Minister, Latvia) was most explicit in calling not just for Baltic solidarity, but for invitations for all nine aspirants. (Vilumsons (Head, NATO Division, Latvian MFA) told me that Berzins thought that this could be a regatta style accession. He felt that this option was what most Foreign Ministers were signing up to in the Statement and that few thought that all nine could join simultaneously. He had no view on the implications for Article V guarantees between invitation and accession.)

5. Rupel (Foreign Minister, Slovenia) highlighted the difficult ratification processes for accession in each of the Alliance's countries. He felt therefore that there was "a growing school of thought that a critical mass of countries is needed to mobilise ratification processes" - especially in the US.

6. Saudargas (Foreign Minister, Lithuania) called for an acknowledgement of the Vilnius Statement at Florence. Albright has since written to the Foreign Secretary recommending such an acknowledgement and the US is following up in Brussels.

Allies

7. During the first session Ron Asmus (formerly State, now Senior Fellow at the Council for Foreign Relations) gave clear support for the aspirants' show of solidarity. He explained that one of the big goals for Europe for the next decade was to complete its unification. 2002 would be a "watershed event" in that project, a "rendez-vous with history" where the unification agenda could be set. (Later, at a US Committee on NATO press conference, Asmus also said that he could not imagine asking the Senate to ratify the accession of any country with a defence budget below 2% of GDP and without a 65-70% public support rating for membership.)

8. Bruce Jackson (US Committee on NATO) spoke to a "an internal" powerpoint presentation which he admitted might be too basic for the audience. Clearly sympathetic to the 'big bang' approach, his slides however repeatedly failed to include Albania and Macedonia in his projections of a post-2002 NATO and referred to a NATO of 26 (which he corrected orally to 28).

9. The most senior representative from a NATO country was Geremek (Foreign Minister, Poland). He hoped that the



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Consolidated Progress Report being considered by Ministers at Florence would help to launch the political debate on enlargement within the Alliance. He reassured the audience that 2002 should see "good news" for Allies and aspirants and that he hoped to see all aspirants accede, although he had particular hopes that for Poland's neighbours it would be soon.

COMMENT

10. Despite frequent over-egging, this conference succeeded in making a clear fetish of 2002 and in revealing areas of the Alliance keen to open up the political debate on enlargement very soon.

Matthew Hedges  
NATO Section  
WH424D  
Tel: 020 7270 4090  
Fax: 020 7270 6386

NO. OF ATTACHMENTS: 0



~~DRAFT~~

05 July 2000

Dear Colleague

After one year of the MAP Process, the UK has considered how we might better focus our bilateral efforts to help aspirant countries to prepare for membership, drawing together our contacts through London, Brussels and your capital.

We have therefore decided to establish a new UK MAP Liaison Team, primarily staffed by members of the UK delegation to NATO. (Contact numbers: Patrick Moody, 02 707 7514; John Dickinson, 02 707 7511). We would hope that the team could meet, at a working level with the key personnel in your capitals who are responsible for ANP implementation under each of the MAP Chapters. For follow-up, we are compiling a directory of UK experts covering all the MAP areas, which could then form the basis for any appropriate further expert contacts.

I would welcome your thoughts on how we can use the team to most effect, and look forward to continuing to work closely with you on the MAP process.



John Goulden

HE Mr Artur Kuko, Albanian Mission  
HE Mr Konstantin Dimitrov, Bulgarian Mission  
HE Mr Sulev Kannike, Estonian Mission  
HE Mr Jovan Tegovski, FRY Mission  
HE Mr Imants Liegis, Latvian Mission  
HE Mr Linas Linkevicius, Lithuanian Mission  
HE Mr Lazar Comanescu, Romanian Mission  
HE Mr Peter Burian, Slovakian Mission  
HE Mr Matjaz Sinkovec, Slovenian Mission



POLITICAL DIRECTOR'S VISIT TO THE BALTIC STATES: 28-31 AUGUST

OSCE MISSIONS IN ESTONIA AND LATVIA

POINTS TO MAKE

- Welcome efforts of Estonia and Latvia to integrate national minorities. OSCE Missions have reported much progress.
- Appropriate to work towards a clear Exit Strategy for the Missions.
- Missions should leave when they have fulfilled their mandates. Both Missions judge that this moment is close.
- Important that they are seen to go out on a high note having done all they set out to do.
- UK working within the OSCE and the EU to achieve a clear path towards this goal. Welcome your cooperation.
- Envisage continuing OSCE support (eg visits by the High Commissioner for National Minorities).
- Want OSCE Ministerial in November to set matters firmly on this course.

Austrian Paper on Estonia (if raised)

- Preliminary reaction: good in substance. Urge constructive response.
- (If necessary) Agree paper should have been cleared with Estonia first.
- (For Latvia) Envisage a similar exercise for Latvia soon.



## BACKGROUND

1. The OSCE has maintained Missions in both Latvia and Estonia since 1993. Both Missions have different mandates, though with broadly similar objectives. These focus on matters related to the integration of the large Russian speaking communities in these states.

2. The issue of the future presence of these Missions is highly sensitive. Russia alleges that the rights of the Russian minorities in Latvia and Estonia are insufficiently protected - a view not supported by the Missions themselves. Latvia and Estonia regard the Missions as a badge of shame, do not share the view of the UK and others that the presence of these Missions assists greatly in rebuffing tendentious Russian criticism. They wish to see the Missions pulled out. Russia wants to keep them.

3. The Missions themselves, whilst falling short of recommending their own withdrawal, have both reached the conclusion that they are fast approaching the end of their respective mandates. They have pointed to a number of very significant steps by the two governments in the field of legislation on use of the official language and on citizenship issues (Russians who arrived in Estonia and Latvia during the Soviet occupation and did not have citizenship of the pre-war Estonian and Latvian states were not granted citizenship on the restoration of independence). OSCE experts have professed themselves satisfied that these laws meet relevant international standards. The primary task is now to assist both countries with effective arrangements for implementation.

4. Putting aside the Russian angle, There is as yet no consensus within the EU as to the best way to construct an Exit Strategy for the Missions. Discussion has remained confined to generalities. There is broad agreement on the basics: that the Missions seem close to fulfilling their mandates and should leave once they do so. There is no agreement on how this might be translated into an operational decision to terminate the Mission. This gives rise to a high risk of the Missions remaining in situ by default.

5. The Austrian OSCE Chairmanship has started working on brokering an Exit Strategy. They have drafted a paper specific to the Estonia Mission, on which they are consulting key OSCE states. They envisage starting a similar exercise on Latvia soon. We want this process to remain objective, and support the idea that the Missions should depart once it can be demonstrated that they have fulfilled their respective mandates. We have impressed upon the Austrians our view that an objective assessment should be based on an agreed list of outstanding tasks for the Missions to complete. The Austrians have produced a very satisfactory draft strategy for Estonia from this point of view. We would like the OSCE Ministerial in November to endorse the Austrian approach.

- Mission not depart soon - and fulfilled respective mandates  
- Need a clear path  
- Adv. OSCE MINISTERS will be route



RESTRICTED

From: John Ramsden, CNWED  
Date: 24 August 2000

cc: Stephen Wright (o/r)  
Jack McIver  
Geoff Collier  
Mr Jenkins, Eastern Dept  
HMA UKDEL Vienna  
HMA Tallinn  
HMA Riga

To: Mr Tauwhare, OSCE Dept

**SUBJECT: OSCE MISSIONS: ESTONIA AND LATVIA**

**SUMMARY**

1. Austrian draft exit strategy for the OSCE Mission in Estonia looks good in substance. But their tactics need careful watching.

**DETAIL**

2. Since our meeting on 23 August I have now seen the draft paper on the OSCE Mission in Estonia, prepared by the Austrian CiO. In substance the paper looks good. It reflects the ideas we have been feeding to them. The paper:

- satisfies Estonia's need for an exit strategy, without which they are unlikely to cooperate much longer. It provides a basis for renewing the Mission's mandate this Autumn;

- it sets out a number of specific tasks that must be completed before the Mission leaves, so that it can be seen to go out on a high note having clearly fulfilled its task. It is reassuring that Van der Stoel and the Mission Leader Doris Hertramp have both approved the paper;

- the paper also suggests a mechanism for winding up the Mission without a prolonged debate in Vienna - or the risk of a Russian veto.

3. So far so good. I spoke to John de Fonblaque on 24 August. He shares my initial view that this is a helpful paper. But we both agree that Austrian tactics need careful watching. The Austrians have now given the paper to the Estonians and to selected Missions in Vienna (including, John thinks, the Russians). In my view, the Austrians should have squared the Estonians first.

4. Grateful if you (and Tallinn) could let us have any comments as quickly as possible on the substance of the Austrian draft, for feeding into the Austrians through UKDEL



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Vienna.

5. John de Fonblanque was reassured that his Estonian colleague in Vienna has not rejected the paper out of hand. The Estonians will want amendments and may well bridle at the apparent Austrian failure to pre-cook with them. Tallinn may need to smooth ruffled feathers. Emyr Jones-Parry could urge the Estonians to respond constructively - we will prepare a brief accordingly.

6. Subject to any detailed comments, we should both support the thrust of the Austrian plan in COCEN/COARM next month. If necessary we can send a supporting COREU. But the EU has done little to help so far with this dossier - which is probably best left to the Austrians to broker through informally.

7. I am very grateful to UKDEL Vienna for getting the Austrian CiO onto the right tracks (bearing in mind Nordic pressure for the earliest possible closure). Grateful if UKdel would continue to shadow Austrian tactics. Subject to your views I think we should urge them to avoid set piece discussions and push through their game plan, as far as possible, by informal consultation.

8. I did speak to my Austrian Opposite on 24 August, as agreed. In Isabelle Rauscher's absence this turned out to be a Mr Forst-Battaglia (on 531 153249). He was clearly behind the game. But he did say that the Austrian understanding was that the Mission would take most of next year to complete its tasks. This is in line with the Mission's own views, as put to me in Tallinn last year. The UK has no interest in a premature departure of the Mission. But we must not appear to shy away from discussion of an exit strategy. Otherwise we will forfeit Estonian goodwill, painfully re-built after last year's crisis in relations between Estonia and the OSCE.

9. John de Fonblanque told me that the Austrians intend to proceed in exactly the same way on Latvia, once the Estonian exercise is safely under way.

John Ramsden

W73

Tel: 020-7270 2368

Fax: 020-7270 2152

NO. OF ATTACHMENTS: 0



NON-PAPER

cc HMA Tallin

e: UNWED

Richard Tawhah, OSCE D received this morning

This is a good draft which the 24/8 UNWED Vienna  
does seem to show a way forward. ft 24/8

Earlier this year the Austrian Chairmanship tasked Ambassador Doris Hertrampf, HoM in Estonia, with the preparation of a confidential report to assess progress made in the fulfillment of the Mission's mandate. She provided a confidential report to the Austrian Chairmanship of the OSCE on 15 April 2000. On the basis of her report and additional other sources, the Austrian Chairmanship intends to send a letter to Ambassador Hertrampf with the following contents:

Proposed Guidelines to the OSCE Mission to Estonia

The Austrian Chairmanship is aware of the considerable progress that has been made by Estonia concerning democracy and social integration in the years since the OSCE Mission was established. Recognizing the positive developments underlying this progress and keeping in mind the temporary nature of the OSCE Mission in Estonia, the Austrian Chairmanship considers that a point in time has been reached at which

- a) those issues which may still require attention should be identified;
- and, on this basis;
- b) ways and means should be considered of how the Mission could be led towards successful termination of its mandate.

Your confidential report contains a comprehensive evaluation of the relationship between the two predominant resident communities in Estonia, with a particular focus on the measures taken by national authorities to ensure the observance of the rights and freedoms of the minority communities. In order to form an even more comprehensive and objective impression of the situation in Estonia, the Austrian Chairmanship has consulted with the OSCE High Commissioner on National Minorities, Mr Max Van Der Stoel and other institutions with activities and/or interests in the country.

Upon careful analysis of all of the reports provided and opinions rendered on this subject, it is evident that Estonia has made substantial progress towards providing the structures necessary for eventual integration between the non-Estonian (predominantly Russian-speaking) and Estonian populations. The Estonian State has also made considerable progress in implementing the various recommendations made by the OSCE High Commissioner on National Minorities since 1993 as well as those made by other international institutions. Positive legislative changes have also taken place in recent months in the domains of citizenship and residency (*Law on Citizenship* and *Law on Aliens*) which facilitate citizenship for disabled persons and



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alleviate family reunification cases for some select categories of persons. Notice has also been taken of amendments made to the *Law on Language* on June 14, 2000 which bring this law largely into conformity with Estonia's international commitments. And, the adoption in March 2000 of a State Integration Programme for the period 2000-2007, is welcomed as a step forward toward the goal of integration.

Nevertheless, this analysis has also indicated that some essential issues do remain which need to be addressed by Estonian authorities. Consequently, and without limiting the scope of the Mission's activities in any way, the Austrian Chairmanship now asks the Mission to Estonia to attach particular importance to the following issues:

1. *Law on Language:*

The scope of application of this *Law* was restricted by the amendments of June 2000. But a proper and just implementation of the *Law's* scope must be ensured with particular reference to the private sphere. The legislative task now at hand for Estonian authorities is to designate in implementation decrees or regulations which areas of private sphere activity will fall under the notion of "justifiable public interests". The decrees or regulations which ensue must be in accordance with the international legal understanding of justifiable public interests. And, the language obligations which arise for individuals must be proportional to the objectives of the measure in question.

The Mission is requested by the Chairmanship to attach particular importance to the monitoring and reporting of developments in this field. Furthermore, the Mission is asked to continue to support the work of the Office of the High Commissioner on National Minorities in this area.

2. Changes to the laws on *Parliamentary Elections* and *Local Elections*:

Amendments to the *Law on Parliamentary Elections* and to the *Law on Local Elections* were adopted in December 1998, which further specified the Estonian language requirements for citizens to stand as a candidate for the Riigikogu or for local elections. Both laws must be brought into conformity with international standards, i.e. the language requirements for candidates running for political office need to be removed.

The Mission is requested to keep in contact with the relevant Estonian authorities in this matter and to report on efforts toward bringing the legislation into line with international legislation.



### 3. Improving the Work of the Ombudsman and Establishment of a Regional Office

Throughout the democratic world, the ombudsman institution plays a crucial role in mediating between the state and the individual with respect to fundamental rights and freedoms. We know that in Estonia the Legal Chancellor is at the same time the Ombudsman in the country. This office has had but one year's experience in this role. The Chairmanship believes this office could be further strengthened so as to be able to fulfill its tasks more efficiently. In particular, it is regarded by the Chairmanship to be of utmost importance that a regional representation of this office be instituted in the Ida-Virumaa region, preferably in the City of Narva. This office would be catering especially to the particular concerns of the population living in this region, *inter alia* on citizenship, residency and language issues. In this manner, the Austrian Chairmanship believes the Legal Chancellor's office could assume some of the tasks currently being undertaken by the Mission and thereby assume the confidence entrusted to the Mission by the local population.

The Mission is requested to keep in contact with the relevant Estonian authorities in this matter; to assist actively, as appropriate, in the task of establishing such a regional office; and to report on developments taking place, in particular by paying attention to how the institution of the Legal Chancellor, both, in law and in fact responds to the needs of National Minorities.

### 4. Implementation of the *State Integration Programme*

The *State Integration Programme* contains the structure and means for implementation of the integration strategy up to the year 2007. But, as is evident from the programme's own structure, actual implementation will require some further monitoring, particularly the development of the sub-programmes. This is especially relevant concerning the reforms and implementation of laws in the education sector, especially with regard to the transformation of Russian upper-secondary schools into schools where 60% of the language of instruction will be Estonian, as well as with regard to a strategy of support for the minority languages. In that connection, particular attention should be paid to the necessary human and infrastructural resources to complete those tasks. Equally, it is believed that the participation and representation of Minorities in the integration policy would still need some enhancement by the State.

The Mission is therefore requested to continue monitoring the implementation of the State Integration Programme in all relevant fields, to report upon developments and to support, wherever appropriate,



institutions concerning Minorities, in particular the Presidential Roundtable on National Minorities.

5. Residency Issues and Naturalization Process:

Although a large-scale process of converting temporary residence permits to permanent ones is now underway, there are obstacles in this process including limited administrative capacities and delays which often cause problems for individuals trying to apply for and obtain their permits. More importantly, it is noted that the present immigration quota regime constitutes a significant obstacle for individuals residing permanently in Estonia in their efforts at reuniting with their families. If this humanitarian consideration were addressed in a more comprehensive manner, it would represent a considerable achievement. Equally, the existence of an unknown number of people residing in Estonia without valid residence permits gives cause for concern. Finally, recent Estonian statistics indicate a significant decline in the overall number of persons obtaining citizenship through naturalization.

While it is generally understood that Estonia possesses the legal instruments and structures to deal with these issues, the Mission is asked to keep close contact with the relevant Estonian authorities, to assist them, and to monitor and report on efforts to identify and remove obstacles so as to facilitate the processes of naturalization, family reunification, the provision of residence permits to those legally entitled to receive one, and the conversion of temporary residence permits to permanent ones.

It is the Austrian Chairmanship's understanding that once the outstanding issues have been satisfactorily resolved (Nos. 1, 2 and 3) or, respectively, are being in the process of being resolved in a satisfactory manner (Nos. 4 and 5), a decision by the Host Government to not extend the Mission's Mandate, thus officially ending the OSCE Mission to Estonia, would find large support by OSCE participating States. The successful resolution itself could be ascertained through the regular Activity Reports of the Mission and, if deemed necessary, possibly through another assessment by the OSCE.



## POLITICAL DIRECTOR'S VISIT TO THE BALTIC STATES

### Latvia: Relations with Russia/Minorities

- Important to get the implementing regulations for the Language Law right. They must conform to international norms.
- Urge Latvia to ratify the Council of Europe's Framework Convention on the Protection of National Minorities.
- Urge Latvia to provide adequate funding for both the State Integration Programme and Naturalisation Board.
- Avoid megaphone diplomacy with Russia. We will stand up for Latvia against any unjustified Russian complaints.

### Background

Latvian difficulties with Russia stem from the large numbers of Russian who reside in Latvia: approximately 37% of the population. At independence only those who held Latvian citizenship at the point of the Soviet annexation period and their descendants automatically became Latvian. The considerable number of – mostly – Russians who settled in Latvia under Soviet rule were left stateless. A law setting out the requirements for naturalisation exists, but there are still 570000 non-citizens. Part of the process involves applicants passing an exam in Latvian language. Up to now just over 30000 have successfully naturalised. But the number of those coming forward remains modest.

The Government has been criticised for failing to do enough to encourage non-citizens to naturalise. Both the Naturalisation Board and the State Integration Programme lack adequate resources – funding has been blocked by Fatherland and Freedom, the nationalist member of the Government coalition.

But much has been achieved. The recent OSCE assessment of Latvian progress in integrating its minorities has been largely positive. Please refer to the separate brief on the future of the OSCE missions in the Baltic States.

### Language Law

In December 1999, under pressure from the OSCE, Council of Europe and EU, the Latvian Parliament adopted a largely acceptable language law that comes into effect on 1 September.

Early drafts of the implementing regulations were heavily criticised by Max van der Stoep, the High Commissioner for National Minorities, for unreasonable levels of intervention in private sector activities. The authorities appear to have taken his concerns on board and later drafts have been better.

The Prime Minister and Foreign Minister are well aware of the need to ensure that the implementing regulations conform to international norms, but Fatherland and Freedom, the nationalist member of the governing coalition, has been the stumbling block. They wanted to insist, for reasons of political dogma, on the use of Latvian in areas where it makes no sense to do so. The Cabinet adopted by a majority vote most of the regulations on 22 August. Work on the

*Dec. 99 - adoption of language law*



two remaining regulations (on language in employment and the names of institutions and private businesses) about which van der Stoep still has concerns, is continuing.

The UNDP Latvian language programme, to which we have contributed £100000, is playing a crucial role providing language training for many with little or no knowledge of the Latvian language.

#### Russian Views/Border Agreement

There have been constant Russian claims that their minorities in both Estonia and Latvia (who in reality are much better off than most Russians in Russia) are ill treated. No evidence for such ill treatment exists. There is little expectation that this hard line will abate. There remains a strong Nationalist and Communist faction in the Duma which resents Baltic independence. But beyond this both sides are quick to resort to megaphone diplomacy in their efforts to persuade the international community of the merits of their case. This does nothing to promote regional confidence, and we keep urging both sides to avoid public recriminations and build on more constructive aspects of their bilateral relationship.

Russia has used the minority issue to block the signature of a border agreement with Latvia. We and EU partners are urging Russia not to make linkages between border agreements and minority issues, but instead to ratify agreements as important confidence-building measures.

Russia has also been angered by the trials by Latvia of alleged Soviet war criminals – ethnic Russians – while as they see it, Latvia does nothing to bring to account alleged Nazi war criminals, ethnic Latvians. See separate brief.



## POLITICAL DIRECTOR'S VISIT TO THE BALTIC STATES

### **Estonia: Relations with Russia/Minorities**

- Estonia is managing relations with Russia well.
- Congratulate Estonia on the progress made to integrate its minorities.
- There are few remaining tasks.

### **Background**

Estonian difficulties with Russia stem from the large numbers of Russian who reside in Latvia: approximately 28% of the population. While there are differences of scale and degree to the problem, the basic tenets are similar to Latvia, with concerns over citizenship and language laws uppermost in our preoccupations (see also Brief on Latvia/Russia). But Estonia has made good progress in integrating its minorities. We share the OSCE's assessment that there are few remaining tasks. (Please refer to the separate brief on the future of the OSCE missions in the Baltic States, including the draft letter from the Austrian OSCE chairman-in-office to the Head of Mission in Tallinn.) They are:

- Proper implementation of the language law
- Bringing the electoral law into line with international norms
- Establish a branch of the Ombudsman's office in the Ida-Virumaa region (high percentage of ethnic Russians)
- Implementation of the State Integration Programme

The UNDP Estonian language programme, to which we have contributed £100000, is playing a crucial role providing language training for many with little or no knowledge of the Estonian language.

### Russian Views/Border Agreement

There have been constant Russian claims that their minorities in both Estonia and Latvia (who in reality are much better off than most Russians in Russia) are ill treated. No evidence for such ill treatment exists. There is little expectation that this hard line will abate. There remains a strong Nationalist and Communist faction in the Duma which resents Baltic independence. But it is notable that Russian attitudes do not match those of their minority in Estonia.

Russia and Estonia initialled a border agreement in March 1999 but ratification remains a problem given the strong Nationalist and Communist faction in the Duma. We and EU partners are urging Russia not to make linkages between border agreements and minority issues, but instead to ratify agreements as important confidence-building measures.

Estonia has managed its relations with Russia rather better than Latvia. The two heads of the Intergovernmental Commission (IGC) met, informally, in St Petersburg at the beginning of July for the first time since 1998. The meeting was positive and held in a constructive atmosphere, opening the way for a full plenary session of the IGC in November.



## POLITICAL DIRECTOR'S VISIT TO THE BALTIC STATES

### Immigration/Asylum Brief:

#### Lithuania

- Concerned at the figures: a 52% rise over the same period in 1999. As many claimants as Poland.
- Lithuania took effective action in late 1999 – numbers fell from about 120 to about 25 per month. Need to repeat urgently.
- Prefer to work with you. But cannot rule out option of a visa regime on current trends.

#### Estonia/Latvia

- Welcome fall in asylum claims. Grateful for effective co-operation. Must remain vigilant.

### Background:

In the Central and Eastern European "league table" of asylum applications Lithuania comes third behind the Czech Republic and Romania, and is equal with Poland despite the huge population disparity.

Figures for the first six months of this year show a 52% rise on the corresponding period last year (335 applications compared to 220). Up-to-date figures for all three Baltic States are attached.

The Ambassador in Vilnius has raised this at Ministerial level. The Lithuanians are aware of the problem and are doing what they can to tackle it – they do not of course want a visa regime imposed. Much of the problem is down to organised crime and that is the area on which the Lithuanian authorities are concentrating. Action is co-ordinated through an inter-departmental working group.

The Metropolitan Police have recently begun, with the co-operation of the Lithuanian police, an undercover operation in London to try to infiltrate the Lithuanian criminal gangs masterminding the immigration scams at the UK end. Initial results have been encouraging.

Figures have improved for Estonia and Latvia. But we agree with Tallinn that we should flag up the problem here – and in Riga.

*g*



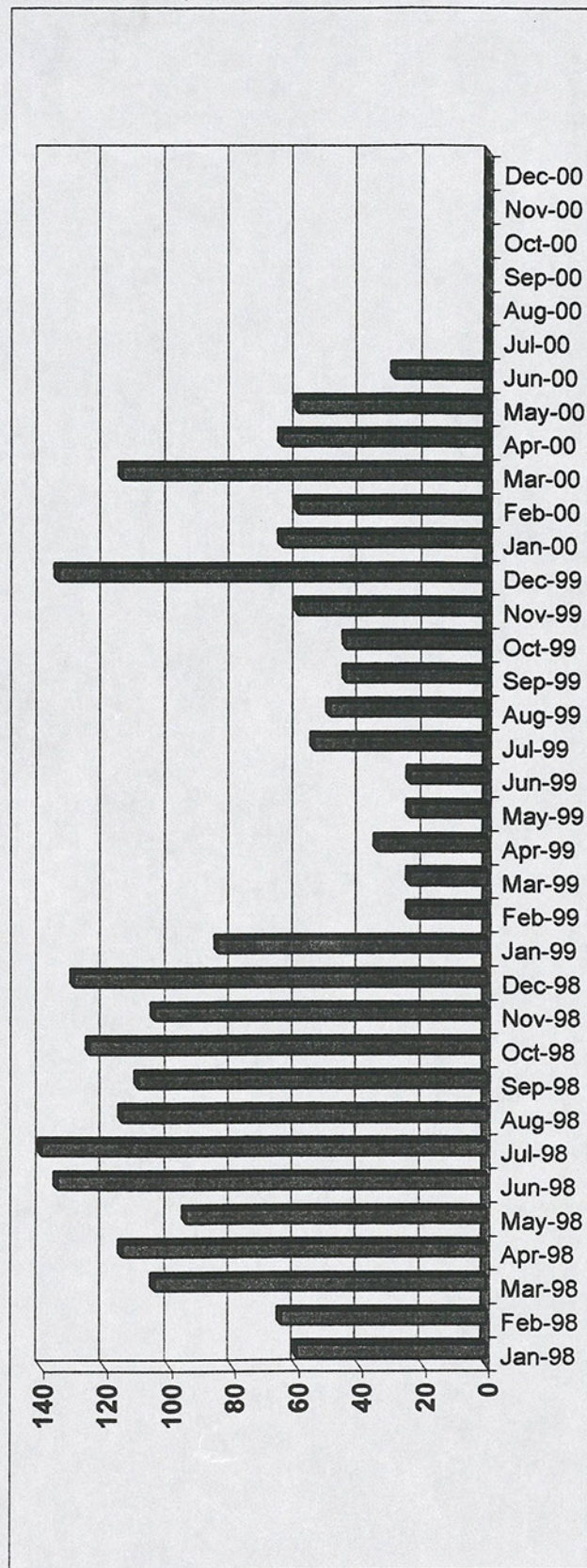
## Lithuania

Number of principal asylum seekers (ie excluding dependants) applying for asylum in the United Kingdom

Month	Jan 98	Feb 98	Mar 98	Apr 98	May 98	Jun 98	Jul 98	Aug 98	Sep 98	Oct 98	Nov 98	Dec 98	Total
Number	60	65	105	115	95	135	140	115	110	125	105	130	1300

Month	Jan 99	Feb 99	Mar 99	Apr 99	May 99	Jun 99	Jul 99	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	Total
Number	85	25	25	35	25	25	55	50	45	45	60	135	610

Month	Jan 00	Feb 00	Mar 00	Apr 00	May 00	Jun 00	Jul 00	Aug 00	Sep 00	Oct 00	Nov 00	Dec 00	Total
Number	65	60	115	65	60	30	0	0	0	0	0	0	395





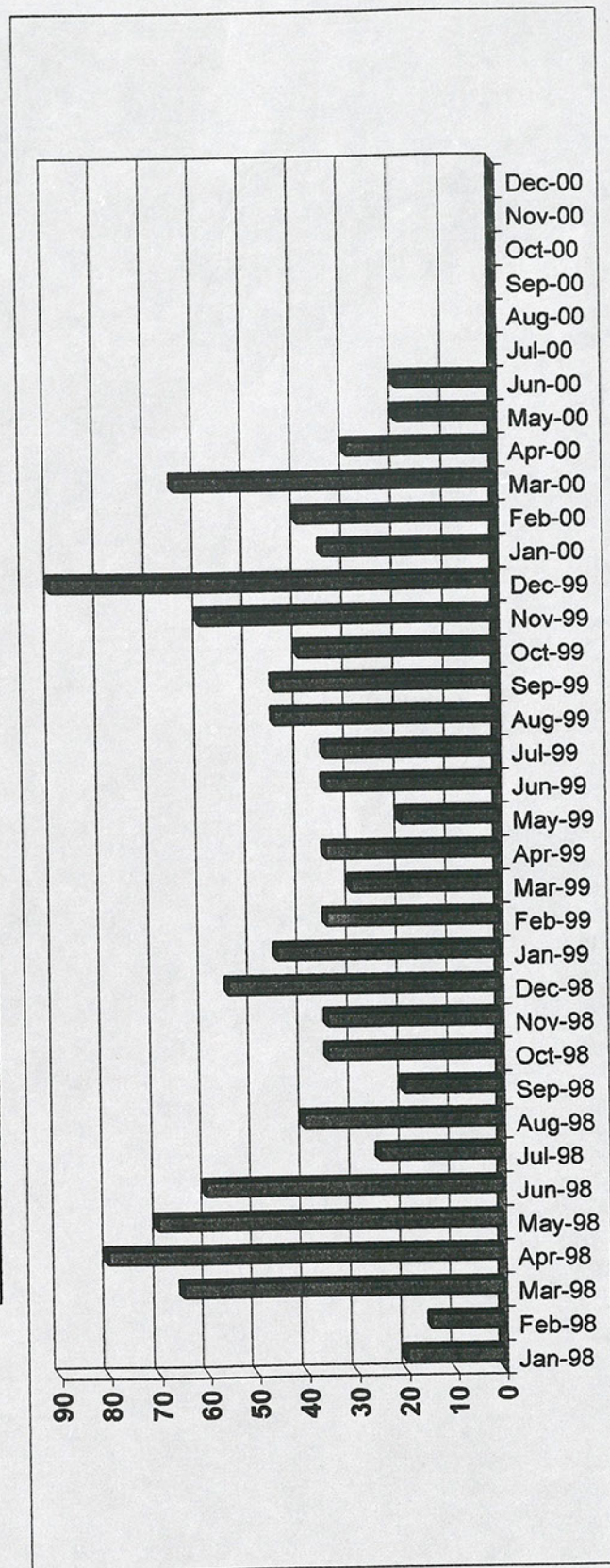
## Latvia

Number of principal asylum seekers (ie excluding dependants) applying for asylum in the United Kingdom

Month	Jan 98	Feb 98	Mar 98	Apr 98	May 98	Jun 98	Jul 98	Aug 98	Sep 98	Oct 98	Nov 98	Dec 98	Total
Number	20	15	65	80	70	60	25	40	20	35	35	55	520

Month	Jan 99	Feb 99	Mar 99	Apr 99	May 99	Jun 99	Jul 99	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	Total
Number	45	35	30	35	20	35	35	45	45	40	60	90	515

Month	Jan 00	Feb 00	Mar 00	Apr 00	May 00	Jun 00	Jul 00	Aug 00	Sep 00	Oct 00	Nov 00	Dec 00	Total
Number	35	40	65	30	20	20	0	0	0	0	0	0	210





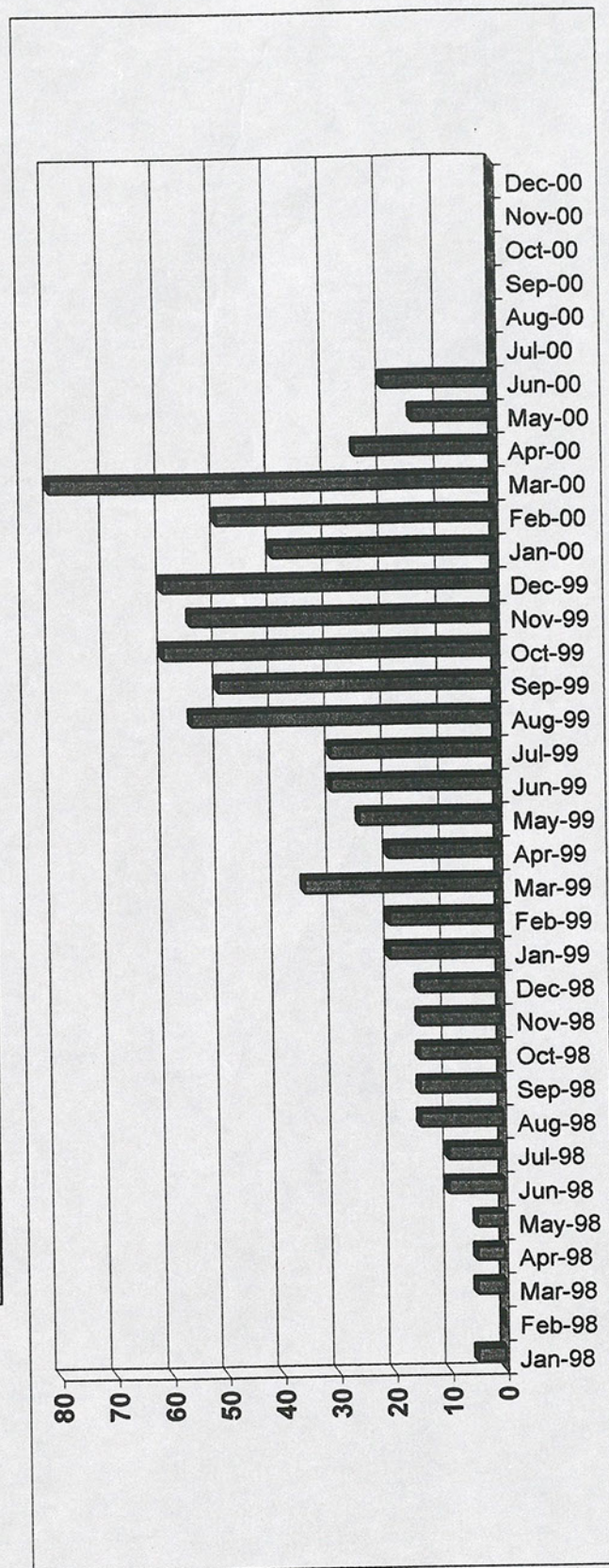
## Estonia

Number of principal asylum seekers (ie excluding dependants) applying for asylum in the United Kingdom

Month	Jan 98	Feb 98	Mar 98	Apr 98	May 98	Jun 98	Jul 98	Aug 98	Sep 98	Oct 98	Nov 98	Dec 98	Total
Number	5	0	5	5	5	10	10	15	15	15	15	15	115

Month	Jan 99	Feb 99	Mar 99	Apr 99	May 99	Jun 99	Jul 99	Aug 99	Sep 99	Oct 99	Nov 99	Dec 99	Total
Number	20	20	35	20	25	30	30	55	50	60	55	60	460

Month	Jan 00	Feb 00	Mar 00	Apr 00	May 00	Jun 00	Jul 00	Aug 00	Sep 00	Oct 00	Nov 00	Dec 00	Total
Number	40	50	80	25	15	20	0	0	0	0	0	0	230





## POLITICAL DIRECTOR'S VISIT TO THE BALTIC STATES

### Lithuania only

#### Ignalina Brief:

- Welcome Lithuania's commitment to close Unit 1 of the Ignalina Nuclear Power Plant by 2005 and to fix a date for the closure of Unit 2 by 2004. Essential that new Government carries through with this on schedule.

#### If raised

- During the last 5 years, UK has funded projects worth approximately £3m to improve nuclear safety in Lithuania.
- In addition UK is already funding bilaterally a number of projects to help with the decommissioning of Ignalina. These all involve either transferral of UK decommissioning skills and knowledge or help with efforts to alleviate the social impact of plant closure in the local area.
- UK is contributing through the EU to PHARE funding (165 meuro) for decommissioning Ignalina. This money, plus contributions from Lithuania and other donors means that funds are available to meet the estimated pre-decommissioning costs Lithuania will face over the next 6 years.
- While UK was not in a position to make a pledge to the Ignalina Decommissioning Fund at the Donors Conference in June 2000, the possibility of contributing to the fund will be kept under review.

#### Background:

As part of the EU accession negotiations, the Lithuanian Government has agreed to close the two Soviet designed (Chernobyl type) RBMK reactors at the Ignalina Nuclear Power Plant. It has been agreed that Unit 1 will close before 2005 and a decision will be taken on the date for Unit 2 at the time of the next National Energy Strategy (2004). This has been very unpopular domestically and Ignalina provides a large proportion of Lithuania's electricity. But decommissioning is seen as a "must" for EU accession.

Decommissioning is an expensive process. Lithuania has provided 32 meuro so far and an EBRD managed fund has been set up to meet the initial costs of closure. As part of the agreement to close the plant the EU have committed PHARE funding of 165 meuro to the Fund to be used between 2000-2006. In June 2000 Lithuania held a pledging conference to raise bilateral funds at which a further 19.5 meuro was offered by 9 donor countries. The Lithuanians saw the conference as a reasonable success, although none of the G7 countries made a pledge (Germany have since said that they will contribute 7 meuro). The Ambassador and Ian Downing, Director of the DTI Nuclear Industries Directorate, represented the UK.

Though we made no pledge at the conference, we are contributing through the EU and supporting bilaterally a number of small scale decommissioning and social impact of plant closure projects through the DTI's Nuclear Safety Programme. Details of specific projects are attached. We also announced at the Conference that UK would be funding a consultant to work alongside the Vice-Minister for Ignalina at the Ministry of Economy to help co-ordinate work on decommissioning the plant. Lithuania is due to issue its decommissioning plan in November.



## CURRICULUM VITAE

Name, surname: Petras Auštrevičius

Date of birth: May 16, 1963

Place of birth: Juodšiliai, Vilnius region, Lithuania

Languages: Lithuanian (mother tongue), fluent in English and Russian

Marital status: married, two sons

## Career:

1981-1986 Student of the Vilnius University, Department of Industrial Economics

1986-1991 Institute of Economy, the Lithuanian Academy of Sciences, Junior Research Fellow

1988-1991 Post-graduate course

1991-1992 Senior Official and later First Secretary at the Ministry of Foreign Affairs of the Republic of Lithuania, MFA

1992-1993 Head of the Northern European Division, MFA

October 1993 Charge d'Affaires ad interim of the Republic of Lithuania to the Republic of Finland

September 2, 1994 - December 20, 1997 Ambassador of the Republic of Lithuania to the Republic of Finland

February 1998 - Advisor to Prime Minister on Foreign Affairs

May 1998 - Director General of the European Committee under the Government of Lithuania

November 16, 1999 - Government Chancellor

Co-author of two books on economics and dozen other articles and publications



**Curriculum Vitae****Deividas Matulionis**

born September 2, 1963 in Vilnius, Lithuania.

1981 – graduated from the secondary school in Vilnius;

1981-1986 – studies of Economy at Vilnius University.

**Working experience:**

1986-1991 – Junior research fellow, lecturer of the chair of Economics at Vilnius University;

1991-1993 – First secretary of the North European Division at the Ministry of Foreign Affairs;

1993-1994 – Charge d'affaires of the Lithuanian Embassy in Estonia;

1994-1995 – Counsellor at the Embassy in Norway;

1995-1997 – Deputy Head of mission, Counsellor at the Embassy in Denmark;

1997-1998 – Head of North European Division, later West European Division at MFA;

Since June 1998 – Adviser on international affairs at Prime Minister's Office.

Married to Rima Matulionienė and they have two sons.





**Talks on Baltic Security, Vilnius**  
**13 – 15 September 2000**

Enclosed are your ticket (not Roger Liddle or Michael Tatham), the British participants list, the draft programme and a background brief.

Travel

The Lithuanian Air flight leaves from Heathrow Terminal 3 at 16:15 on Wednesday 13 September.

Please don't give me an anxiety attack by cutting it too fine. The return flight arrives at 15:15 on Friday 15 September.

Hotel

The Shakespeare

Bernadinu st 8/8

Vilnius

Tel: 00 372 31 45 21

Fax: 00 372 31 45 22

e-mail: [info@shakespeare.lt](mailto:info@shakespeare.lt)

It is a comfortable, old fashioned hotel in a quiet street in the Old Town.

Weather

15 – 20° C. Like a good English September. The Lithuanian Ambassador promises sun.

Talks

The talks will be at the Shakespeare Hotel. I shall be asking some of you separately to lead off on each subject for the British side. I have also told the Lithuanians we want discussion, not statements.

Visits

On Friday we hope to visit a food market and a military installation.

50 Hans Crescent (4th Floor), London SW1X 0NA  
Telephone: 020 7584 0766 • Facsimile: 020 7584 8831  
E-mail: [bacee@bacee.org.uk](mailto:bacee@bacee.org.uk)

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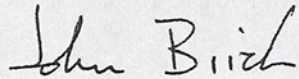
Expenses

We will meet the full cost of the visit, including travel in the UK. Please let me have a note of your expenses. Credit cards are widely used and there are plenty of places to change money.

Extra Briefing

On Thursday 7<sup>th</sup> September at 5pm at Chatham House Mr Petras Austrevicius, the Head of the Lithuanian Prime Minister's Office, will lead a discussion meeting on Lithuania's integration into NATO and the EU and relations with her neighbours. Julie Smith has kindly agreed members of our group may attend. If you would like to, please telephone Laura Hamilton on 020 7957 5710. The address is Chatham House, 10 St James Sqaure, SW1.

I very much look forward to being with you for the visit.

A handwritten signature in dark ink, appearing to read 'John Birch'. The script is cursive and fluid, with the first name 'John' and last name 'Birch' clearly distinguishable.

John Birch





**Talks on Baltic Security, Vilnius**  
**13 – 15 September 2000**

**British Participants**

Alyson Bailes	British Ambassador (designate) to Finland, former Political Director, Western European Union
Brigadier Andrew Bellamy	Executive Co-ordinator (designate), International Military Staff, NATO, Brussels
Michael Binyon	Leader writer, The Times and former Moscow correspondent.
Sir John Birch	British Association for Central and Eastern Europe
Dr Jonathan Eyal	Royal United Services Institute
Lieutenant General Sir Scott Grant	former Commandant, Royal College of Defence Studies
Roger Liddle	Policy Unit, No. 10 Downing Street
Andrew Noble	Security Policy Department, The Foreign and Commonwealth Office
Lord Ponsonby	House of Lords
Dr Julie Smith	Head of the European Programme, The Royal Institute for International Affairs, Chatham House
Michael Tatham	Assistant Private Secretary (Foreign Affairs) to the Prime Minister



**Lithuanian – British Round Table Discussion on the  
European Security Issues  
Vilnius, Lithuania  
13 – 15 September 2000  
(Preliminary Outline No.2)**

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**Thursday 14 September**

- 9:00 – 9:10      Introduction (TBD)
- 9:10 - 10:00      **Lithuanian Political Situation**  
Introductory speaker: *E.Nekrašas, Professor, Institute of  
International Relations and Political Science of Vilnius University*  
(Lithuania)
- 10:00 - 10:45      **Preparing for NATO Membership: Political and Military Aspects**  
Introductory speakers: *R.Juknevičienė, Vice-chairwoman of Seimas,  
G.Ėekuolis, Director of Multilateral Relations Department, MFA, V.  
Butrimas, Director of Policy Planning Department, MoD* (Lithuania)  
(UK)
- Discussion
- 10:45 - 11:00      Break for coffee/tea
- 11:00 - 12:00      **Russia under President Putin- New Foreign Policy? Implications  
for Lithuania and Regional Co-operation Around the Baltic Sea**  
Introductory speakers: *A.Medalinskas, MP, A.Taurantas, Director of  
Second Bilateral Relations Department, MFA, R.Lopata, Director,  
Institute of International Relations and Political Science of Vilnius  
University, P.Zapolskas, MFA* (Lithuania) ... (UK)
- 12:00 - 13:00      **Relationship between Lithuania and Belarus: pragmatic point of  
view**  
Introductory speakers: ... *A.Taurantas, J.Paslauskas (Ambassador in  
Minsk)* (Lithuania), ... (UK)
- Discussion
- 13:00 - 14:30      Lunch buffet / walk in the Old Town of Vilnius
- 14:30 - 15:30      **Lithuanian policy towards Kaliningrad district**  
Introductory speakers: *E.Ignatavičius, Head, Eastern European  
Division, MFA, R.Lopata* (Lithuania), ... (UK)



15:30 - 16:30    **The EU enlargement and Common European Security and Defence policy**

Introductory speakers: *V.Uðackas, Vice-minister, MFA, K.Maniokas, Deputy Director, European Committee, R.Dagys, Vice-chairman of Seimas, G.Vitkus, Professor, Institute of International Relations and Political Science of Vilnius University* (Lithuania), ... (UK)

Discussion

16:30 - 16:45    Break for coffee/tea

16:45 - 17:30    Concluding discussion: *National Security Strategy for Lithuania: What should it reflect? How it can be implemented?*

... - ...        (social function organised by *British Ambassador*)

**Friday 15 September**

Cultural and/or informational programme (possibly visiting lake castle in Trakai/or military installation/i.e. Rûkla training battalion/ /or business establishment/i.e. Utena brewery/Klaipėda port)

13:15            British participants depart



## LITHUANIA

### ESSENTIAL FACTS

Capital	- Vilnius
Population	- 3.71m (80% Lithuanian, 8.6% Russian, 7.7% Polish)
President	- Valdas Adamkus (1998)
Prime Minister	- Andrius Kubilius (1999)
Foreign Minister	- Algirdas Saudargas (1996)
HM Ambassador	- Christopher Robbins (1998)

### Historical introduction and overview

1. Lithuania was independent during the years between the First and Second World wars. In 1940 it was occupied by the Soviet Union under the provision of the 1939 Molotov-Ribbentrop Pact. Occupation by German forces followed during 1941-1944. In 1944 the Red Army drove back the Germans. Society and industry was modelled along Soviet lines and absolute power rested with a Communist Government subservient to Moscow.
2. Lithuania declared independence from the Soviet Union on 11 March 1990, but this independence only achieved wide international recognition after the Moscow coup of August 1991.

### Internal Political

3. In a popular backlash against the hardships of independence (in the main due to a Soviet blockade) a left-wing government was elected in late 1992. This remained in power until defeated by a right-wing coalition in November 1996. The coalition Government elected at that time was led by Gediminas Vagnorius. In March and April 1999 a public dispute surfaced between President Valdas Adamkus and Vagnorius, with Adamkus calling on the Prime Minister to resign as a result of his ineffective leadership. Vagnorius did so on 30 April. He was replaced by Rolandas Paksas, a member of Vagnorius's Conservative Party and previously Mayor of Vilnius. However, Paksas subsequently resigned on 27 October following disagreements with other members of the Cabinet over the terms of a privatisation deal. The new Prime Minister is Andrius Kubilius, also a member of the Conservative Party, and previously Chairman of the Parliamentary Committee on European Affairs.
4. President Adamkus was elected in January 1998 by the narrowest of margins. Since he has spent most of his life as an emigre in the United States, he was something of a dark horse; he has proven to be a generally shrewd operator.

### Economy

5. The Soviet blockade imposed after Lithuania's declaration of independence deprived the country of its traditional markets (95% of exports). This, and some early reforms, led to the economy contracting with a sharp fall in living standards in 1991/93. GDP growth was stagnant at 0% in 1999 (largely due to the impact of the Russian economic crisis); inflation fell to 1.6% - the lowest in the three Baltic States.
6. The rapid privatisation of agriculture, traditionally an



P.02

important economic sector, led - paradoxically - to much power remaining in the hands of the managers of the former collectives while at the same time creating widespread rural poverty: agricultural reform is a high priority. Foreign direct investment (FDI) has increased significantly from approximately \$76 per head in 1996 to some \$300 per head in 1998. This is less impressive than in the other Baltic States, but has picked up with the more radical privatisation policy pursued since 1996.

### Foreign Policy

7. Full membership of Western institutions is Lithuania's overriding foreign policy goal. Lithuania signed an Association (Europe) Agreement on 12 June 1995. The European Commission's November 1998 Progress Report noted that Lithuania met the political criteria established at the Copenhagen European Council of 1993, and had made considerable progress on other criteria. However, work remained to be done on structural reform and administrative capacity. In October 1999 the European Commission produced its second Review of Progress. This recommended that an invitation to begin accession negotiations be extended to Lithuania. This recommendation was endorsed at the Helsinki European Council on 10-11 December 1999. This is a major step forward in the policy of enlargement; a policy which has the full backing of the United Kingdom.

8. Lithuania's application to join NATO in January 1994 was the first by a Central/East European state. The NATO Summits in Madrid in July 1997 and Washington in April 1999 both noted the progress towards greater stability and cooperation by the states in the Baltic region. The Washington Summit set out a clear path for aspiring members of NATO, and reconfirmed that the door to membership remained open. Lithuania is an active participant in Partnership for Peace. Lithuania joined the Council of Europe in 1993 and became an Associate Partner of the WEU in May 1994.

9. The withdrawal of Russian troops (August 1993) was a major step towards improved bilateral relations. The problem of rail transit to and from the Russian exclave of Kaliningrad was resolved in early 1995, although the questions of air and road transit has yet to be resolved. There is also some concern at the number of troops and the quantity of materiel based in Kaliningrad. The government's policy is to help promote the civilian economic development of Kaliningrad, and to this end it has provided much assistance and advice.

10. - An important step forward in relations with Russia was the signature of a border agreement on 24 October 1997. Lithuania is the first ex-USSR state to conclude such an agreement. It has yet to be ratified by the Russian Duma, but the Lithuanian Parliament unilaterally ratified the agreement in October 1999. Since the deterioration of Russia's relations with Estonia and Latvia, Lithuania has been held up by Russia as an example for the other Baltic States to follow.

11. Citizenship and the treatment of ethnic minorities are much less contentious issues in Lithuania than in the other two Baltic states. Citizenship (with no language requirement) was available to all residents at the time of independence, and most of the non-Lithuanian minority (c 20%) took it. There are



periodic complaints about discrimination from elements in the Polish community, but the Polish government has not sought to become involved.

12. Lithuania has agreed its land borders with Latvia, Belarus, Poland and Russia. The maritime border with Russia (Kaliningrad) remains undetermined. An agreement on the demarcation of the maritime border with Latvia was signed in July 1999.

#### UK/Lithuania relations

13. Britain's links with Lithuania are weaker than those with Latvia and Estonia, as we were not involved in Lithuania's struggle for independence in 1918. However, the UK never recognised de jure the Soviet annexation of 1940. Together with EU partners, we recognised Lithuania's independence on 17 August 1991. The British Embassy in Vilnius opened in October 1991 and new, owned premises, were formally inaugurated in April 1994. Britain's relations with Lithuania remain close and friendly.

14. Lithuania has benefited from many projects under the Know How Fund. The UK is also a significant contributor (16%) to the EU PHARE technical assistance programme which focuses on economic reconstruction. The British Council have a Resource Centre in Vilnius and seven Outreach Centres in other cities. The main thrust of British military assistance to the Baltic States is English-language and basic infantry training for BALTBAT, the Baltic Peacekeeping Battalion.

15. There is a bilateral group in the Lithuanian parliament chaired by Mr Audronius Azubalis. Following the death of Michael Colvin, Tom Clarke will take over chairmanship of the British-Lithuanian Parliamentary Group.

16. British exports to Lithuania have risen from £7.2m in 1992 to £96m in 1999. Our market share is around 3.5%. Principal products are textile yarn, leather goods, petroleum, industrial machinery and road vehicles. Lithuania's exports to the UK totalled £163m in 1999 and consisted principally of petroleum products, fertilisers and metals. A substantial portion of these are re-exports from CIS countries.

17. Since the earliest days of independence, there have been numerous high-level visits in both directions, including the Duke of Kent in 1993 and the Prime Minister (Mr Major) in 1994. President Brazauskas visited the UK in 1993 and again in 1995 (VE Day Commemoration). In February 1997 Earl Howe (PUSC MOD) visited Lithuania, and the Lithuanian Foreign and European Affairs Ministers (Mr Saudargas and Mrs Andrikiene) visited the UK in January and June 1997 respectively. The Foreign Secretary, Mr Cook, met Mr Saudargas and his Baltic colleagues at the Nato Council in Sintra, Portugal, on 30 May 1997. Mr Henderson, Minister for Europe, visited Lithuania in 11 November 1997. Professor Landsbergis, chairman of the parliament, visited the UK in May 1998 on an unofficial visit, when he met Lord Whitty (then an FCO spokesman in the Lords). The Foreign Secretary met Mr Saudargas when he visited London on 26 August 1998. The FCO PUS visited Lithuania in September 1998. Mr Spellar (Min (Armed Forces)) visited in February 2000. Mr Milaknis and Mr Dudendras, Lithuanian Ministers of, respectively, Economy and Finance, visited UK in April/May 2000.

*Foreign & Commonwealth Office*

*11.00 2000*



## LITHUANIA FACT SHEET

Population	3.7 million
Area	25,174 square miles
Capital	Vilnius
Neighbouring Countries	Belarus, Poland, Latvia, Russia
President	Valdas Adamkus
Prime Minister	Andrius Kubilius
Government	Coalition of: Homeland Union (HU). Christian Democrats (CD)
Other Main Parties	Centre Union (CU), Lithuanian Democratic Labour Party (LDDP), Lithuanian Social Democratic Party, Lithuanian Democratic Party
Last Elections	
Parliamentary	Oct-Nov 1996
Presidential	Dec 1997-Jan 1998
Next Elections	
Parliamentary	Oct-Nov 2000
Presidential	2002
Currency	Litas
Exchange Rate (Litas/E)	6.50
GDP (1998)	US\$10.5 billion
UK Exports (Jan-Dec 1999)	£96 million
UK Imports (Jan-Dec 1999)	£163 million



**British Association for Central and Eastern Europe**

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**Date:** 20 July 2000

**Pages:** 1+ 4

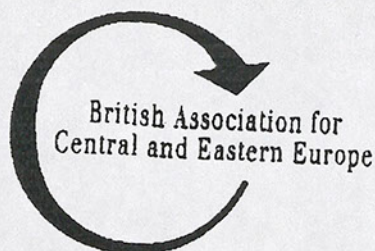
**To:** Roger Liddle

**From:** Sir John Birch

**Fax:** 020 7930 5520

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12 July 2000

## LITHUANIA AND BALTIC SECURITY: AN INVITATION

I have been asked by the Lithuanian Foreign Ministry to take a small team to Vilnius on 14 & 15 September to discuss Baltic security. I very much hope you can join us. The FCO support this initiative.

The origin of the Lithuanian request is their wish to present their case for NATO membership to people in Britain who influence security policy. They want to extend their contacts beyond government and officials. The talks themselves will cover European security and defence policy, preparations for NATO membership, developments in Russia and Belarus and Lithuanian defence policy. There will be an opportunity to see Vilnius and something of the countryside. I enclose the draft programme.

The timetable is as follows:

### *Wednesday 13 September*

Depart from London Heathrow	16:15
Arrive Vilnius	20:05
Stay at The Shakespeare Hotel	

### *Thursday 14 September*

Talks (revised agenda to follow)  
Dinner given by HM Ambassador.

### *Friday 15 September*

Visit to a military establishment	
Visit to a brewery or other attraction	
Depart Vilnius	13:15
Arrive London Heathrow	15:15

We will pay the full cost of the visit, including travel in the UK, air fares and hotel.

I enclose a list of those being invited so that you can consider the company as well as the event.

Please let me know soon, even if only provisionally, whether you can come. I think it will be an interesting and stimulating occasion.

Sir John Birch  
Director

50 Hans Crescent (4th Floor), London SW1X 0NA  
Telephone: 020 7584 0766 • Facsimile: 020 7584 8831  
E-mail: [bacee@bacee.org.uk](mailto:bacee@bacee.org.uk)

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**Lithuanian Security, Vilnius  
13 - 15 September 2000**

**Invited Participants**

Jonathan Eyal	Royal United Services Institute
Paul Keetch MP	(Liberal Democrat)
Doug Henderson MP	(Labour)
Mats Berdal	International Institute for Strategic Studies
Lieutenant General Sir Scott Grant	former Quartermaster General and Commandant Royal College of Defence Studies
Stephen Wagstyl	The Financial Times
Alyson Bailes	Political Director, Western European Union
Andrew Noble	Security Policy Department, FCO
Martin Fletcher	Brussels correspondent
Michael Evans	The Times
Roger Liddle	Policy Unit, No. 10 Downing Street
Brigadier Andrew Bellamy	Chief of Staff (designate) to the UK Military Representative, NATO, Brussels
Sir John Birch	British Association for Central and Eastern Europe



# Lithuanian – British Round Table Discussion on the European Security Issues

Vilnius, Lithuania  
September 2000  
(Preliminary Outline)

## Organisers

Ministry of Foreign Affairs of the Republic of Lithuania, British Embassy in Vilnius, BACEE

Preliminary place of the meeting: Hotel Astoria

## Proposed dates:

September 14-15, 2000 /or/  
~~September 21-22, 2000~~

## Proposed objectives:

To bring forward the issues of outstanding importance to Lithuania; to contribute to the evolving ties among the Lithuanian and British politicians, officials and experts; to initiate a continuous dialogue in the area of the national security; to encourage the experts and officials interest in the Lithuanian and the regional security/economic issues

## Proposed participants:

10 ~15 British participants nominated by the British Embassy in Vilnius and BACEE ;  
~15 Lithuanian participants nominated by the Foreign Ministry (see list attached\*);

## Proposed programme:

### September 14 /or 21/

- |             |   |
|-------------|---|
| 9.00–9.10   | introduction (TBD)  |
| 9.10-10.30  | introductory speaker:<br>• (Lithuania): <i>Preparing for NATO Membership: Political and Military Aspects</i><br>Discussions |
| 10.30-11.00 | break for coffee/tea  |
| 11.00-12.30 | introductory speaker:<br>• (UK): <i>The EU enlargement and Common European Security and Defence policy</i><br>Discussions   |
| 12.30-14.30 | lunch buffet  |
| 14.30-16.00 | introductory speaker:   |



- (UK): *Russia under President Putin- New Foreign Policy? Implications for Lithuania and Regional Co-operation Around the Baltic Sea*  
Discussions

16.00-16.30 break for coffee/tea

16.30-17.15 introductory speaker:  
 • (Lithuania): ~~*Business in Lithuania: Economy and Energy Issues*~~  
 Discussions

17.15-18.15 concluding discussion: *National Security Strategy for Lithuania: What should it reflect? How it can be implemented?*

19.00 departure by bus for dinner at Restaurant "Senas malūnas"

September 15/ or 22

Cultural and/or informational programme (possibly visiting lake castle in Trakai/ or military installation /i.e. Rūkla training battalion/ / or business establishment /i.e. Utena brewery/Klaipėda port)

\* Preliminary list of Lithuanian participants:

1. R.Lopata, Director, International Affairs and Political Science Institute of Vilnius University
2. E.Leontjeva, President, Free Market Institute
3. M.Starkevičiūtė, Lithuanian Banking, Insurance and Finance Institute
4. A.Ažubalis, Chairman, Seimas' Foreign Relations Committee
5. R.Juknevičienė, Chairwoman, Seimas' NATO Integration Commission
6. A.Medalinskas, Member of Seimas
7. P.Gyls, Member of Seimas
8. K.Maniokas, European Committee of the Lithuanian Government
9. V.Uackas, Viceminister, MFA
10. G.Čekuolis, Director, Multilateral Relations Department, MFA
11. A.Brūzga, Director, First Bilateral Relations Department, MFA
12. A.Taurantas, Director, Second Bilateral Relations Department, MFA
13. E.Bajarūnas, Head, Policy Planning, MFA
14. R.Paulauskas, Head, NATO integration division, MFA
15. R.Kilikauskas, Viceminister, MOD
16. J.Kronkaitis, Chief Commander, Lithuanian Armed Forces
17. A.Krivas, Director, International Relations Department, MOD



**Lithuanian – British Round Table Discussion on the European Security Issues**

Vilnius, Lithuania

September 2000

“Shakespeare” Hotel, Bernardinų st. 8/8, tel. +370-2-314521, fax. +370-2-314522

Working language: English

**September 13**

~ 20.00                      Arrival of British participants

**September 14**

8.30–9.00                      Introduction by *V.Ušackas, Vice-minister, MFA* and  
*Ch.W.Robbins, British Ambassador*

9.00-10.00                      *Preparing for NATO Membership: Political and Military Aspects*  
Introductory speakers: *R.Juknevičienė, Vice-chairman of Seimas, Chairman of Seimas' NATO Affairs Commission, V.Butrimas, Director of Policy Planning Department, MoD (Lithuania) ... (UK)*

Discussion

10.00-11.00                      *Russia under President Putin- New Foreign Policy? Implications for Lithuania and Regional Co-operation around the Baltic Sea*  
Introductory speakers: *A.Medalinskas, MP, A.Taurantas, Director of Second Bilateral Relations Department, MFA (Lithuania) ... (UK)*

Discussion

11.00-11.30                      break for coffee/tea

11.30-12.30                      *Relationship between Lithuania and Belarus: pragmatic point of view*  
Introductory speakers: *J.Paslauskas, Ambassador in Minsk (Lithuania) ... (UK)*

Discussion



- 12.30-13.30      *Lithuanian policy towards Kaliningrad district*  
Introductory speakers: *E. Ignatavičius, Consul General in Kaliningrad district (Lithuania) ... (UK)*
- Discussion
- 13.30-15.00      lunch buffet
- 15.00-16.00      *The Enlargement of the EU*  
Introductory speakers: *R. Martikonis, Director of European Integration Department, MFA (Lithuania) ... (UK)*
- Discussion
- 16.00-17.00      *A Common European Security and Defence*  
Introductory speakers: *G. Čekuolis, Director of Multilateral Relations Department, MFA, E. Vareikis, Adviser to the Foreign Affairs Minister, Professor, Institute of International Relations and Political Science (Lithuania) ... (UK)*
- Discussion
- 17.00-17.30      concluding discussion: *National Security Strategy for Lithuania: What should it reflect? How it can be implemented?*  
*R. Lopata, Director, Institute of International Relations and Political Science of Vilnius University (Lithuania)*
- 19:00              Music supper at the British Embassy for round table participants
- September 15**
- Cultural and/or informational programme
- 13.15              British participants depart



**Lithuanian – British Round Table Discussion on the European Security Issues**  
Vilnius, Lithuania  
September 2000

**LIST OF PARTICIPANTS**

UK participants:

Alyson Bailes, British Ambassador (designate) to Finland, former Political Director, Western European Union,  
Brigadier Andrew Bellamy, Executive Co-ordinator (designate), International Military Staff, NATO, Brussels,  
Michael Binyon, Leader writer, The Times and former Moscow correspondent,  
Sir John Birch, British Association for Central and Eastern Europe,  
Dr. Jonathan Eyal, Royal United Services Institute,  
Lieutenant General Sir Scott Grant, former Commandant, Royal College of Defence Studies,  
Roger Liddle, Policy Unit, No. 10 Downing Street,  
Andrew Noble, Security Policy Department, The Foreign and Commonwealth Office,  
Lord Ponsonby, House of Lords,  
Dr. Julie Smith, Head of the European Programme, The Royal Institute for International Affairs, Chatham House,  
Michael Tatham, Assistant Private Secretary (Foreign Affairs) to the Prime Minister

UK Embassy participants:

Cristopher William Robbins, Ambassador Extraordinary and Plenipotentiary,  
Lieutenant Colonel Andrew Tuggey, Defence Attaché

Lithuanian participants:

Rasa Juknevičienė, Vice – chairman of Seimas, Chairman of Seimas' NATO Affairs Commission,  
Alvydas Medalinskas, Member of Parliament,  
Devidas Matulionis, Advisor on Foreign Relations, Government of the Republic of Lithuania,  
Egidijus Meilūnas, Deputy Advisor on Foreign Policy, Office of the President,  
Vygaudas Ušackas, Vice – minister, MFA,  
Justas Vincas Paleckis, Ambassador in London,  
Jonas Paslauskas, Ambassador in Belarus,  
Giedrius Čekuolis, Ambassador, Director of Multilateral Relations Department, MFA,  
Aurimas Taurantas, Ambassador, Director of Second Bilateral Relations Department, MFA,  
Rytis Martikonis, Director of European Integration Department, MFA,  
Dr. Egidijus Vareikis, Adviser to the Foreign Affairs Minister, Professor, Institute of International Relations and Political Science,



Algirdas Gričius, Chairman of the Council of the European Integration Studies Centre,

Darius Semaška, Head of North European Division, MFA,

Vytautas Butrimas, Director of Policy Planning Department, MoD,

Andrius Krivas, Director of International Relations department, MoD,

Klaudijus Maniokas, Deputy Director, European Committee,

Evaldas Ignatavičius, Consul General in Kaliningrad district,

Giedrė Statkevičiūtė, Head of Security Policy Division, MoD,

Tomas Gulbinas, Associate European Correspondent, MFA,

Laimonas Talat – Kelpša, Office of the President,

Raimundas Lopata, Director, Institute of International Relations and Political Science of Vilnius University,

Evaldas Nekrašas, Professor, Institute of International Relations and Political Science of Vilnius University,

Marius Laurinavičius, Daily newspaper "Lietuvos rytas",

Audrius Matonis, Baltic News Service Agency

Organizers:

Eitydas Bajarūnas, Head of Policy Planning Division, MFA,

Aušrinė Simanaitienė, First Secretary of West European Division, MFA,

Violeta Popovaitė, Third Secretary of Policy Planning Division, MFA,

Kęstutis Vaškelevičius, Attaché of Public Relations Division, MFA.



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