

BUILDING ON SUCCESS: THE ENHANCED PARTNERSHIP IN NORTHERN EUROPE

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U.S. has always been committed to Northern Europe. There have been a number of times when the United States might well have walked away from this region. In 1945, we could have accepted Soviet annexation of Latvia, Lithuania, and Estonia. We did not. In 1991 when those states regained their independence, we could have turned our attention elsewhere. We did not. In spring 2004 Northern Europe becomes a home to six EU members and six NATO members and we could decide to channel all our cooperation through those two organizations. We have not. The United States and Northern Europe are bound together by common interests and shared values. We have been partners in the successful development of the Baltic Sea region, and we intend to work with the Nordic and Baltic states to continue and expand this success in coming years.

Once they had freed themselves from Soviet rule in the early 1990s, the three Baltic States set themselves the goal of full integration into the community of European democracies. In September 1997, the Department of State launched the Northern Europe Initiative (NEI) to help the Baltics achieve this objective. Former Deputy Assistant Secretaries of State, Ron Asmus and Dan Hamilton, successfully guided this policy from 1997 to 2001, and so they have contributed to U.S. foreign policy.

NEI was first described by then-Assistant Secretary of State Marc Grossman at a meeting with Foreign Ministers of the Nordic and Baltic nations assembled in Bergen, Norway. He laid out three priorities for the U.S. First, we pledged to help Lithuania, Estonia, and Latvia become the best possible candidates for membership in NATO and the European Union. Second, we undertook to promote cooperation and integration between Northwest Russia and its Baltic Sea neighbors. Finally, we pledged to work with the Nordic States, Germany, Russia, Poland and the EU to reach these goals.

We implemented NEI in various ways. The U.S. became an observer at the Council of Baltic Sea States and the Barents Euro-Arctic Council. We signed the Baltic Charter, a pledge of support to Lithuania, Latvia and Estonia that remains valid to this day. We also undertook a host of assistance programs designed to benefit the Baltic States, and the whole region.

Some of these programs were small in cost, great in impact. An Estonian NGO used \$11,000 to conduct a unique project called "Theater in Education: Promoting Behaviors That Reduce the Spread of HIV/AIDS." They produced an interactive theater performance that reached an impressive audience: 7,500 people have already seen the play, and it has garnered critical acclaim. In addition to the plays run in Tallinn, 21 performances of the play have taken place or will take place outside of big cities, including the final seven performances, which will be in Russian-speaking areas of Estonia, with translation.

Then there have been the big activities that made a big splash. The Helsinki Women Business Leaders Summit of 2003 was the brainchild of Ambassador McElveen-Hunter. 50 American women CEO's were brought together with businesswomen from the Baltic States and Northwest Russia. They met with officials from the Department of State, Department of Commerce, the Small Business Administration and the White House. Presidents Tarja Halonen of Finland and Vaira Vike-Freiberga of Latvia, among many others, spoke to the women. Most importantly, they spoke with one another, swapping business ideas and business cards. They shared best practices on accessing capital, secrets for success, surviving failure and being a good corporate citizen.

The benefits of this program have been astounding. Leila-Mari Ryynanen, a Finnish participant, told "I have already started cooperation negotiations with one of the participating companies. My mentor introduced me to several important people and they are helping me to find new customers.... I saved months and months of work with the help of my mentor." One of the

American CEO's, Ann Jackson, said, "I will start looking at more importing and exporting...I learned that there are resources to help with this, more than I thought were available."

Another large project, and one that we will be continuing in 2004, is the Partners for Financial Stability program, or PFS. Aply managed by USAID until this current fiscal year, PFS provides training and technical assistance designed to strengthen capital and financial markets. The U.S. Embassy in Riga has lauded this program for helping Latvian banks and government authorities detect, deter and prosecute financial crimes. PFS has organized multiple anti-money laundering seminars for the Latvian Association of Commercial Banks and provided related technical assistance on know-your-customer procedures to interested banks and Latvia's financial services regulator, the Financial and Capital Markets Commission. PFS also sponsored a regional conference, which included banking and government representatives from all three Baltic States, on compliance with the U.S. Patriot Act and combating terrorist financing. NEI's greatest success, however, has to be the obvious one - Baltic State membership in NATO and the EU. When we launched the policy in 1997 it was not certain that these states would be able to join those organizations. They proved themselves ready, and we look forward to working with them in those fora.

It is exactly this success that has caused us to revisit NEI. We reviewed what has been accomplished and considered what should happen next. During this process we detected some unease on the part of our friends, concern that we might seek a diminished role in the region. That will not be the case. Our overriding conclusion is that the United States and the eight states of the Baltic Sea region share common interests that we can advance together. We want to remain part of the multilateral network of cooperation that has developed in this region over the past decade. We want to deepen our dialogue on ways to address remaining challenges within the region. We want to work with our friends to extend success to the states beyond the new borders of NATO and the EU.

We believe that the issues we face can be divided into three broad categories. First is political security, dealing with terrorism, weapons of mass destruction, working within NATO and the Partnership for Peace to develop capabilities. Second is an area we call "healthy societies, healthy neighbors," addressing problems that threaten national and regional stability, including disease, trafficking in persons, and environment. Finally, we want to develop our trade, investment, economic and business ties, creating bridges between U.S. and businesses in the Nordic-Baltic region, and fostering entrepreneurship. The Helsinki Women Business Leaders Summit I mentioned earlier is the kind of activity we have in mind.

To help us advance this shared agenda the U.S. have proposed regular consultations of the Nordics, Baltics, and U.S. This "eight-plus-one" meeting at roughly the level of Political Directors will focus on the three agenda items. The states of the region welcomed this idea, and the first meeting was held in New York in late September. In a fitting bit of symmetry, the meeting was hosted by Marc Grossman, now Under Secretary of State for Political Affairs, the man who launched NEI in 1997. We hope to have the next meeting in the region in April. Between meetings we expect to share information on policies and assistance projects in order to foster joint action, by the whole eight plus one or in smaller groups, to address the items on our agenda.

Enhanced Partnership in Northern Europe, or e-PINE, has been called this because that title accurately reflects the state of our ties: partnership, and more. The U.S. believes that with this policy it will continue positive relationships in northern Europe and achieve common ends that benefit all of us.