

# Estonian Review

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## FOREIGN NEWS



**Foreign Minister Urmas Paet, Portuguese State Secretary for European Affairs Petro Lourtie, UK Minister of State for Europe and Parliamentary Under-Secretary of State for Foreign Affairs Chris Bryant in Brussels, 17 November.**

The Council of the European Union

## European Union Foreign Ministers Expect Karzai to Fulfil Campaign Promises

17 November - **On Monday, 16 November, Foreign Minister Urmas Paet participated in the meeting of European Union foreign ministers in Brussels, where they discussed developments in Afghanistan.** At a joint meeting of the European Union foreign and defence ministers with NATO Secretary General Anders Fogh Rasmussen, opportunities for intensifying EU-NATO co-operation were discussed. The foreign ministers also spoke about the future of the Lisbon Strategy.

The European Union foreign policy leaders discussed developments in Afghanistan with the UN Secretary General's Special Representative for Afghanistan Kai Eide, and they agreed that new president Hamid Karzai must begin to fulfil his campaign promises immediately following his 19 November inauguration. "After the long, drawn-out election marathon, it's essential that an effective, far-reaching and trustworthy government is formed which will be willing and capable enough to face the problems standing before it in the nation," noted Foreign Minister Urmas Paet.

The European Union foreign ministers agree that the new government must take on considerably more responsibility in resolving problems that have already gone on for years, including fighting against corruption, and to quickly begin working out a plan to address the existing challenges. Foreign Minister Urmas Paet stated that while preparing for the parliamentary elections that will presumably take place in 2010, it is important to analyse the elections that took place in August of this year in order to avoid the same mistakes and to better co-ordinate military and civilian co-operation.

In the meeting with NATO Secretary General Anders Fogh Rasmussen, the topic of discussion was how to make European Union-NATO co-operation more effective, particularly in crisis management. Foreign Minister Urmas Paet said that NATO-EU co-operation at the moment is modest compared to the potential of the two institutions together.

**Continued on page 2**

## FOREIGN NEWS

### Ilves Met With President of Montenegro

11 November - **"Estonia supports presenting a MAP or NATO Membership Action Plan to Montenegro at the meeting of foreign ministers of the alliance in December, as we value and acknowledge your strong political desire and definite actions for the European-Atlantic integration of your country,"** assured President Toomas Hendrik Ilves yesterday at his meeting with Serbian Head of State Filip Vujanović, who is in Estonia on a working visit.

The Estonian head of state described Montenegro's decision to send military medics to NATO's operation in Afghanistan, as well as its further plans to contribute an infantry unit, as positive.

"Consequently Montenegro is showing itself to be a responsible member of the international community by participating in ensuring general security and not just its own," said President Ilves.



**President Toomas Hendrik Ilves with Montenegrin President Filip Vujanović, 11 November.**

**Continued on page 2**

## EU Foreign Ministers

(continued from page 1)

"In order to ensure Euro-Atlantic security and the general enlargement of the secure zone, we must use our existing resources and opportunities more rationally," asserted Foreign Minister Paet.

The European Union foreign policy leaders emphasised the vital importance of European Union and NATO co-operation in achieving stability in Afghanistan, keeping in mind the need for co-operation in both civilian and military reconstruction work. Foreign Minister Urmas Paet believes that an appropriate form and common ground for co-operation must be found between two missions with very different roles, the European Union Police Mission (EUPOL Afghanistan) and the NATO Training Mission (NTM-A), on both the regional and local levels.

The European Union foreign ministers discussed the future and direction of the Lisbon Strategy—the so-named "continuation strategy". Foreign Minister Urmas Paet said that the European Commission is currently working out the new strategic draft legislation "European Union 2020". "In the current economic situation, in addition to continuing to work out strategies for exiting the crisis in the member states, it is also essential to continue re-organising economic structures and making reforms, as is stated by the Lisbon Strategy," acknowledged Foreign Minister Paet. "The new strategy should focus on economic growth and employment and address the effect of climate change on competitiveness," Paet elaborated.

## Montenegro

(continued from page 1)

The Estonian head of state assured the diversified support of his country in Montenegro's approach to the European Union.

"This is beneficial for both Montenegro and the European Union," emphasised President Ilves. "Estonia would like to and hopes to support your euro-integration in the future, by sharing our accession and reform experiences."

In this the Estonian head of state proposed the subject of administrative capacities, which is considered one of the key issues according to the European Commission, as highly important for Montenegro.

When speaking of bilateral contacts, Ilves acknowledged that the relations between Estonia and Montenegro are good, but relations need to be enhanced at all levels, including economically, where co-operation has been limited to date.

## Ansip Discussed Economic Co-operation with Finnish Prime Minister

12 November - **At today's meeting, Prime Minister Andrus Ansip and Finnish Prime Minister Matti Vanhanen discussed co-operation between Estonia and Finland.** The prime ministers stated that great strides had been made in strengthening co-operation in the fields of information and communications technology, developing energy infrastructure and improving the business environment.

According to Prime Minister Ansip, success has accompanied the development of cross-border energy infrastructure, and co-operation has been good between Estonian and Finnish transmission network operators in connection with preparations for the construction of the Estlink-2 electric cable and the amalgamation of the energy markets of the Nordic and Baltic countries.

"Work on the construction of the cable is smoothly proceeding according to plan," Prime Minister Ansip stated. According to him, work is also continuing in Estonia on the transposition of the rules of the NordPool energy exchange and the full opening of the energy market by 2013.

Projects involving e-identification have also been initiated in the fields of information and communications technology. This year, the cross-border recognition of digital signatures between Estonia and Finland was launched, as a result of which Finnish citizens, like the citizens of Portugal, Lithuania and Belgium, are now able to create companies in Estonia over the Internet. "With respect to several services, Estonia has definitely beaten Finland to the punch, and we are going to start developing these in Finland in co-operation with the Estonians," the prime minister of Finland said.



**Prime Minister Andrus Ansip and Finnish Prime Minister Matti Vanhanen in Stenbock House, 12 November.**

## Estonia Would Like More Co-operation with USA on European Union Topics

13 November - **Estonian Foreign Ministry Undersecretary for European Union Affairs Kaja Tael and Director for EU Affairs of the State Chancellery Mariin Ratnik were on a working visit in Washington from 11-15 November.** They had meetings with the US Senate, the National Security Council, and higher officials from the State Department and the Department of Energy. They also met with representatives from various think tanks.

The goal of the visit was to expand the spectrum of Estonia-USA co-operation to include more European Union topics. Prior to the Copenhagen Climate Conference, the preparations for achieving an international climate agreement were of particular interest. The meetings clearly confirmed that the US Senate and administration are ready to make a serious contribution.

After the EU-USA summit, co-operation opportunities were specified in the areas of energy,

justice and internal affairs, and development co-operation, as well as within the framework of EU Neighbourhood Policy and Eastern Partnership. Kaja Tael and Mariin Ratnik expressed satisfaction over the USA's clear readiness for expanded co-operation and communication in all of these sectors.

The US side was interested in the Treaty of Lisbon coming into effect and further EU enlargement, as well as Estonia's general economic situation and efforts to join the euro-zone.

### **Estonia Expects Successful Developments in EU During Spanish Presidency**

11 November - **During a meeting in Madrid with Foreign Minister of the next EU presidency Spain, Miguel Ángel Moratinos, Foreign Minister Urmás Paet said that Estonia would like for the Treaty of Lisbon to be implemented soon and for the work of the Council chairman and the high representative for foreign affairs to have a successful start.** Spain will take over the EU presidency starting from 1 January.

Paet stated that Estonia hopes to reach an agreement on the European Union high representative and the co-ordinating Council chairman soon. "The approval of the Treaty of Lisbon by all member states is a requirement for the further development of co-operation formats in the European Union. We anticipate progress in both in the internal market and in the areas supporting the Common Foreign and Security Policy," said Paet. "We can also be more active now in formulating the European Union External Action Service," he noted. Paet added that Estonia also expects progress in the accession negotiations of Iceland and Croatia during the Spanish presidency.

The main goal of Estonia's economic policy is to join the euro-zone, Paet confirmed during the meeting in Madrid. "We are working in order to fulfil the Maastricht criteria and adopt the euro on 1 January 2011," said Paet.

Paet noted that Estonia also hopes for significant progress to be made regarding preparations for the creation of a European Union IT agency during the Spanish presidency. "Utilising information technology more effectively than before in the European Union internal security sector is necessary, and therefore we feel that the creation of a separate IT agency is very important," Paet stated in Madrid.

The meeting in Madrid addressing the priorities of Spain's presidency with Spanish Foreign Minister Miguel Ángel Moratinos was also attended by the foreign ministers of Greece, Lithuania, Luxembourg, Finland, and Hungary.

### **Paet: Cervantes Institute Could Open Centre in Estonia**

12 November - **In Madrid, Foreign Minister Urmás Paet discussed the possibility of opening a centre of Spain's Cervantes Institute in Estonia with the secretary general of the institute Carmen Pérez-Fragero.** At his meeting with Pérez-Fragero, Paet proposed opening a Cervantes Institute centre for introducing Spanish culture and language instruction in Tallinn.

Paet stated that interest towards Spanish culture and language are growing in Estonia. Pérez-Fragero noted that Tartu and Tallinn universities do good work in teaching the language and culture of Spain. "Opportunities to learn Spanish could be expanded

in Estonian primary education as well," added Pérez-Fragero.

Pérez-Fragero confirmed that Spain is interested in opening a Cervantes Institute in Tallinn. "However, we must wait for the recovery from the economic crisis, which will create new financial possibilities," she said.

The Cervantes Institute has over 70 centres in over 40 countries. Spanish Foreign Minister Miguel Ángel Moratinos has also expressed support for the idea of opening a Cervantes Institute in Tallinn.

### **EU Considers Close Co-operation With Ukraine to be Very Important**

17 November - **Foreign Minister Urmás Paet participated in a meeting with Ukrainian Foreign Minister Petro Poroshenko in Brussels.**

At the meeting with Petro Poroshenko, the new foreign minister of Ukraine, topics of discussion included the situation prior to the presidential elections and economic developments in Ukraine. The foreign ministers also discussed matters related to the European Union-Ukraine summit taking place at the beginning of December.

Ukrainian Foreign Ministers Poroshenko expressed thanks to the countries of the European Union for providing rapid aid to help Ukraine deal with its flu epidemic. Estonia was among those who provided aid to Ukraine.

Foreign Minister Paet expressed hope that Ukraine would be able to progress more quickly with the necessary reform process. The Ukrainian foreign minister confirmed that Ukraine would continue with both the implementation of constitutional reforms as well as co-operation with the International Monetary Fund and other international institutions and would stay on track with its current efforts to integrate with the European Union.

The foreign ministers agreed that it's necessary to move forward with the European Union-Ukraine association agreement and visa dialogue as well as with negotiations for a European Union-Ukraine free trade agreement. Foreign Minister Urmás Paet stated that visa facilitation and moving towards visa freedom would play an essential role in supporting Ukraine's reforms. "Facilitating travel to the European Union would help for Ukrainian society to grow closer to the European Union," Paet noted.

The foreign ministers also addressed matters of energy security. For the European Union, it is essential that the gas crisis of January 2009 does not recur.

At the European Union-Ukraine summit on 4 December, the main topics will be the economic crisis and reforms, climate change and energy, Ukraine's domestic political development, European Neighbourhood Policy, and European Union-Ukraine relations in general.

Also participating in the meeting with the Ukrainian foreign minister were the foreign ministers of Lithuania, Latvia, Poland, France, Sweden, Romania, Slovakia, Finland, Great Britain, the Czech Republic, and Hungary.

### **Ansip: Copenhagen Climate Agreement to Have Positive Effect on Economy**

11 November - **According to Prime Minister Andrus Ansip, the Copenhagen climate agreement will have a positive effect on the economy as well, because the security of**

**investors to utilise renewable energy on a wider scale will increase and, as a result, the need for state benefits will decrease in the long run.**

"Today, security for investment into renewable energy will be created through the aid of state benefits and policies, but it is important to appreciate the positive effect of the Copenhagen climate agreement on the economy as well," said Prime Minister Ansip when opening the energy conference "A Clean Energy Future", organised in co-operation with the Danish Embassy and Parliament, at the Riigikogu.

"In 2009, an estimated MEEK 456 will be spent to support wind energy in Estonia," he said. Ansip recalled that a large proportion of the wind turbines in the world have been manufactured right here in Estonia, which means jobs and tax proceeds. "The security of investors is essential, as their contribution to the economy and the development of the new green cluster is extremely important," he stressed.

According to the head of government, it is important to remember that the termination of the use of fossil fuels is a gradual process and in addition to the introduction of new solutions, attention must be paid to making existing technologies cleaner. According to Ansip, it is remarkable that today, virtually every country in the world is thinking about how to be the most environment-friendly and participating in the international climate negotiations process. "The world has understood that the climate change issue must be dealt with. And in my opinion, this is a great result," Ansip said.

The prime minister was also hopeful that an ambitious climate agreement will be reached in Copenhagen. "Estonia is ready to make its contribution to achieve that," said Ansip, who will also be attending the Copenhagen Climate Conference to be held on 17 and 18 December.

### **Foreign Ministry Secretary General Participated in Northern Dimension Meeting in Stockholm**

13 November - **At the meeting of the deputy foreign ministers of the Northern Dimension nations in Stockholm, Foreign Ministry Secretary General Marten Kokk welcomed the creation of a Northern Dimension Institute and Business Council.** "We soon expect to have valuable support and advice from the institute and business council to intensify our co-operation," said Kokk.

Kokk emphasised that Estonia anticipates interior development from the Northern Dimension's new co-operation initiative and transportation and logistics partnership, and that its implementation will help to resolve border-crossing problems in the region as well.

In addition to the aforementioned topics, the deputy foreign ministers of the Northern Dimension talked about developments in environmental and social partnership. In addition to the Northern Dimension Institute and Business Council, a joint cultural partnership was also established, within which Estonia sees good opportunities for developing co-operation in the creative industries sector.

The Foreign Ministry secretary general also expressed fundamental support for raising the level

of participation of Belarus within the framework of the Northern Dimension.

The Northern Dimension is a primarily project-based EU foreign policy instrument for regional co-operation. The European Union, Norway, Iceland, and the Russian Federation all participate as equal partners. The Northern Dimension's everyday work also includes many other co-operation partner, like for the four so-called Nordic councils— the Council of Baltic Sea States, the Nordic Council of Ministers, the Arctic Council, and the Barents Euro-Arctic Council. The Northern Dimension is also an external dimension of the Baltic Sea Region Strategy.

### **Estonian Ambassador to Andorra Presents Credentials**

16 November - **The Republic of Estonia's new ambassador to the Principality of Andorra, Toomas Kahur, presented his credentials to Co-Prince of Andorra Bishop Joan Enric Vives i Sicília of Seu d'Urgell on Monday, 16 November.**

In the discussion following the credential-presenting ceremony, the new Estonian ambassador expressed condolences to the co-prince of Andorra over the bridge that recently collapsed in the north-western part of Andorra and claimed many lives. Joan Enric Vives i Sicília thanked the ambassador for the condolences and asked that the ambassador pass along the bishop's best wishes to the Estonian president and people.

Ambassador Toomas Kahur and Bishop Joan Enric Vives i Sicília discussed relations between Estonia and Andorra at their meeting. The co-prince of the Principality of Andorra stated that currently Andorra is undergoing comprehensive tax reforms, one goal of which is to introduce Andorra as a nation with an open and transparent economy. "Estonia supports the implementation of reforms in Andorra and is prepared to share its own experiences if necessary," said Ambassador Kahur.

They also discussed opportunities for intensifying contacts between the nations. One potential co-operation sector mentioned by Ambassador Kahur is tourism. "Andorra is an attractive tourist destination for Estonians, and we should certainly develop tourism ties between the two countries," acknowledged Ambassador Kahur.

Diplomatic relations between Estonia and the Principality of Andorra were established on 11 April 1996. The Estonian ambassador to Andorra resides in Madrid.

Estonian Ambassador to Andorra Toomas Kahur was born in 1963. Kahur has worked in the Estonian foreign service since 1992. Kahur worked in the Foreign Ministry's political department and foreign economic policy department and has served as the economic diplomat at the Estonian Embassy in Vilnius. From 1998-1999 Toomas Kahur participated in the OSCE Kosovo Control Mission. From 1999-2002 he was a counsellor in the Estonian Embassy in Madrid and from 2002-2003 he was the division director for Asia, Africa and Latin America in the political department. From 2003-2006 he was a counsellor at the Estonian Embassy in Helsinki and from 2006-2007 Kahur led the Estonian Special Mission in Afghanistan. Before assuming the position of ambassador, Toomas Kahur was the division director for Nordic and Baltic countries in the political department. Toomas Kahur has been the Estonian ambassador to Spain since 2009.

## Estonian Ambassador to Georgia Opens Estonian Honorary Consulate in Batumi

17 November - **Estonian Ambassador to Georgia Toomas Lukk opened the Estonian Honorary Consulate in Batumi, the capital of the Autonomous Republic of Adjara in Georgia, on Monday, 16 November.** Estonia's honorary consul in Batumi is Otar Sharadze.

Ambassador Toomas Lukk stated that Batumi and the Adjara region is developing rapidly. "The region is visited by more and more people each year, including Estonians, and therefore opening an honorary consulate in Batumi is a necessary step," said Ambassador Lukk. The ambassador added that expanding the network of honorary consuls is important for Estonia, because the honorary consuls play an essential role in deepening bilateral contacts in the economic, cultural, educational, and tourism sectors. Honorary consuls also provide Estonian citizens with consular aid. "In August 2008, when he was just a candidate to be an honorary consul, Otar Sharadze was already providing aid to Estonian alpinists in Batumi," Lukk noted.

Ambassador Lukk stated that Honorary Consul Sharadze feels that Batumi could continue to be an interesting travel destination for Estonians. "Our new honorary consul in Batumi is ready to work to develop tourism contacts, because Batumi is a wonderful place for both summer and winter holidays," said Ambassador Lukk. Ambassador Lukk expressed hope that, as an entrepreneur familiar with the building and real estate sector, Honorary Consul Sharadze could help to develop business contacts between Estonia and Georgia. "Estonia's new honorary consul is definitely the right man to support the Estonian Embassy in the business diplomacy sector," Lukk asserted.

The consular region of the new Estonian honorary consul is the Autonomous Republic of Adjara. The honorary consulate is located at 39, Vazha Pshavela Str., Batumi, Georgia. The honorary consul can be reached by phone at +995 222 7-09-10 or +995 99 55-58-46 or by email at konstruktor-21@rambler.ru.

Otar Sharadze was born in 1953. He graduated from the Tbilisi Institute of Technology in the field of civil engineering. Sharadze has worked in Adjara's Ministry of Building for over ten years and his posts have included that of deputy minister. Since 2007 the honorary consul has primarily worked with his own engineering design firm Konstruktor-21, which he established in 1998. Otar Sharadze also gives building lectures at Batumi State University. The honorary consul speaks Georgian and Russian. He has visited Estonia on several occasions.

## Travellers in Russia Can Apply for Estonian Visas by Courier Service

13 November - **The Foreign Ministry concluded an agreement with the company Freight Link (Pony Express), which offers courier service, so that Russian residents would have the opportunity to apply for visas to visit Estonia even from the more distant areas of the country.** The agreement will allow people to apply for an Estonian visa without having to go to Moscow.

Director General of the Foreign Ministry's consular department Lauri Bambus stated that the new service will make applying for a visa easier for those who wish to visit Estonia by helping to avoid the excessive expenditure of time and money.

"When applying for a visa, it is generally required that the visa application be brought to the embassy in person. In accordance with this agreement, people in Russia can now apply for visas to Estonia via a courier service, without having to go to Moscow themselves," said Bambus. "With this new opportunity, people will no longer have to spend money on travel to and lodging in Moscow," he added.

Starting this month, the courier service will transport visa applications to the Estonian Embassy in Moscow and return travel documents to applicants from 38 service locations all over Russia, except for in Moscow, St. Petersburg and Pskov. To use the service, the visa applicant must pay a service fee (1 600 roubles) in addition to the visa fee. The courier service does similar co-operation with Latvia, the United States, and Canada.

It is possible to bring visa application to the service locations listed on the company's website. If they wish, visa applicants still have the option of presenting their visa application directly to the Estonian representations in Russia.

The Foreign Ministry will monitor the implementation of the courier service and currently is not considering employing a similar service in other countries. In order to facilitate applying for Estonian visas in third countries, Estonia has concluded agreements for the issuing of Schengen visas with many European Union nations.

## DOMESTIC NEWS

### Estonia's Rating in Corruption Perception Index Remains Unchanged

17 November (BNS) - **Estonia's rating in the Transparency International corruption perception index published on Tuesday was unchanged.** The list published on Tuesday is of 180 countries.

Estonia is 27<sup>th</sup> in the list, at exactly the same position where it was last year, and equal with Cyprus and Slovenia. The rating of the countries is also the same, 6.6 points.

According to the index, New Zealand is the least corrupt country with a score of 9.4 points. New Zealand has improved its position in the list compared with the 2008 list, where the country was equal with Denmark and Sweden at 9.3 points.

This year Denmark is second in the list with 9.3 points, with Singapore and Sweden placing third and fourth, both with 9.2 points.

Switzerland is number 5 on the list with 9 points, Finland and the Netherlands 6<sup>th</sup> and 7<sup>th</sup> with 8.9 points and Australia, Canada and Iceland at 8<sup>th</sup>-10<sup>th</sup> with 8.7 points.

Lithuania is 52<sup>nd</sup> with 4.9 points and Latvia 56<sup>th</sup> with 5.4 points. Last year Lithuania was 58<sup>th</sup> with 3.6 points and Latvia 52<sup>nd</sup> with 5 points.

Among countries of the European Union and the European Economic Community Denmark is first<sup>t</sup>, Sweden 2<sup>nd</sup>, Switzerland 3<sup>rd</sup>, Finland and the Netherlands 4<sup>th</sup> and 5<sup>th</sup>, Iceland 6<sup>th</sup>, Norway 7<sup>th</sup>, Luxembourg 8<sup>th</sup> and Germany and Ireland 9<sup>th</sup> and 10<sup>th</sup>.

Next among European countries come Austria, Great Britain, Belgium, and France. Spain and Portugal come after Estonia, Slovenia and Cyprus, which stand in places 15 to 17. The most corrupt among countries of the European Union are

Bulgaria, Greece and Romania, which rank 71-73 with 3.8 points according to world rankings.

The most corrupt countries according to the Transparency International list are Somalia, which was last (180) on the list with 1.1 points. Although Somalia was the most corrupt country in last year's list, the result of the country has slightly improved, as last year it only had 1 point. The next country from the bottom, 179 in the list, was Afghanistan with 1.3 points, coming after Burma (178 and 1.4 points). Iraq and Sudan ranked 176<sup>th</sup> and 177<sup>th</sup> with 1.5 points, Chad was 175<sup>th</sup> with 1.6 points and Uzbekistan 174<sup>th</sup> with 1.7 points.

Russia's score in the list was 2.2 points, sharing the result with Cameroon, Equador, Kenya, Sierra Leone, East Timor, Ukraine and Zimbabwe in positions from 146-153.

Last year Russia's score was 1.2 points at position 147 in the list.

A country that gets ten points in the list is free of corruption, while zero would show that the country is corrupt to the roots.

### Tallinn Christmas Market Named Best in Europe



#### Tallinn's Christmas market held annually on Town Hall Square.

17 November - **The online edition of the reputable English newspaper The Times has compiled a top 20 list of Europe's best Christmas markets.** The top position on this list has been given to the Christmas market in Tallinn, which will operate from the 29<sup>th</sup> of November 2009 to the 7<sup>th</sup> of January 2010.

The first Christmas tree in Tallinn's Town Hall Square was erected in 1441, making it the first public Christmas tree ever put on display in Europe. Single merchants and city girls had the tradition of dancing around the Christmas tree and later burning it down. The modern Christmas market is now taking place in Tallinn for the eighth time and during 40 days about two hundred thousand guests are expected to visit it.

Wooden huts will be set up on Town Hall Square, where merchants will offer visitors various Christmas-themed temptations – from handcraft candles and sweaters to mulled wine, sauerkraut and blood sausage. The Christmas market is also home to Tallinn's Santa Claus, who will listen to children's gift wishes. Among other activities, various Estonian artists, children's choirs and ensembles will give performances, a public decorating of the Christmas tree and a golf tournament will take place during the 40 days. The

article about Europe's best Christmas markets can be read at the following web address:

[http://www.timesonline.co.uk/tol/travel/holiday\\_type/breaks/article6874921.ece](http://www.timesonline.co.uk/tol/travel/holiday_type/breaks/article6874921.ece)

## DEFENCE NEWS

### Aaviksoo Met With President Filip Vujanović of Montenegro

11 November - **At today's meeting with President Filip Vujanović of Montenegro, Minister of Defence Jaak Aaviksoo affirmed Estonia's continued support for Montenegro's accession to NATO and the European Union.**

According to Aaviksoo, Estonia continues to support Montenegro's aspirations to join the European Union and NATO. "Montenegro has been making rapid progress to meet the criteria for accession to NATO," Minister of Defence Aaviksoo said.

Aaviksoo also emphasised that the support of the population is very important for accession to NATO. "When a country joins NATO, yet the decision lacks wide-ranging support amongst the people living there, it will be difficult for the country to meet its obligations toward NATO," the minister of defence pointed out.

Aaviksoo also assured President Vujanović that representatives of Montenegro are welcome to study at the Baltic Defence College in Tartu. In addition, the political and economic situation in the Western Balkans was discussed at the meeting. Montenegro petitioned for accession to NATO's Membership Action Plan (MAP) in 2008.

Besides Georgia, Ukraine and Afghanistan, Montenegro is one of the principal target countries of Estonian outreach policy. To date, Estonia has provided assistance mainly in the area of training members of the armed forces.

Minister of Defence Aaviksoo visited Montenegro in April 2009, where he concluded a bilateral framework agreement on defence co-operation with Minister of Defence Boro Vučinić.

### Defence Minister Aaviksoo Attended Meeting of NATO-Ukraine Commission



17 November - **Yesterday, Minister of Defence Jaak Aaviksoo attended a high-level meeting of the NATO-Ukraine Commission in Brussels to discuss strategic aspects of NATO-Ukraine co-operation as well as current co-operation projects.**

#### Defence Minister Jaak Aaviksoo in Brussels, 17 November.

The Council of the European Union

The previous meeting of the NATO-Ukraine Commission (NUC) at the level of defence ministers was held in Tallinn in November 2008. At the NUC meeting of foreign ministers following the Tallinn meeting, Ukraine was offered its first Annual

National Programme (ANP) to join NATO. Yesterday's meeting concentrated on the Ukraine Strategic Defence Review of 2009 and on security and defence sector reforms. The meeting's emphasis was primarily on setting priorities for the European-Atlantic integration of Ukraine and the provision of budgetary funds required to ensure their implementation.

According to Minister of Defence Aaviksoo, NATO delivered a clear message to Ukraine at the Bucharest summit that the doors of the Alliance are open and that Ukraine needs to implement the required defence reforms with determination and efficiency. "The current complicated economic situation, however, is seriously challenging the implementation of the reforms," Aaviksoo pointed out.

This year, Ukraine is implementing its first ANP. "Implementation of the ANP, with clear goals set, resources provided and clear departmental spheres of responsibility allocated, is important not only for NATO but also for development of the Ukrainian state and society as a whole," Aaviksoo said. Besides Georgia, Afghanistan and Montenegro, Ukraine is one of the four priority countries of Estonian defence-related assistance. Estonia advises Ukraine on the implementation of its security and defence reforms both bilaterally, within the Nordic-Baltic format and in NATO.

### **Estonian, Finnish Army Chiefs Map Out Further Co-operation**

11 November (BNS) - **Commander of the Estonian Defence Forces Lt. Gen. Ants Laaneots and his Finnish colleague Gen. Ari Puheloinen made plans for future military co-operation at Wednesday's meeting in Finland.**

Laaneots also met with Finnish Defence Minister Jyri Hakamies and visited the Utti Jaeger Regiment and the National Defence University at Santahamina. Under discussion were officer education and continued education opportunities for the Estonians who started their military studies in Finland, a spokesman for the General Staff said.

He said more than 100 Estonian officers have obtained military education in Finland as the northern neighbour was the first country to open the doors of its military schools to future Estonian officers after the Baltic nation regained independence.

"We have had and have a very special, brotherly relationship with Finnish officers and Finland in general," Laaneots said after the meetings. "Our talks with our kinsmen have always been direct and open."

Finnish officers gave the Estonian army chief an overview of the development of military national defence and Finland's experiences with international operations, mobilisation system and wartime command of national defence.

Laaneots participated in the opening of an exhibition dedicated to the Estonian War of Independence at the National Defence University, which tells the story of the start of Estonian-Finnish brotherhood in arms when the Finns fought side by side with the Estonians for Estonia's independence. The army chief laid wreaths at the monument to the fallen and the grave of Marshal Mannerheim in the Hietaniemi cemetery.

Laaneots was on an official visit to Finland from Monday to Wednesday.

### **Ministry of Defence Launched Pilot Project of the C2IS/Battle Management System**

11 November - **Last week, the Ministry of Defence signed a contract with the Danish software company Systematic Software Engineering for the acquisition of the C2IS/Battle Management System for the Estonian Army.**

The C2IS/Battle Management System is software used by Army staffs, allowing the commander of a unit to conduct various management operations. According to Captain Vahur Parve, Chief of the Communication and Information Systems Training and Development Centre of the Defence Forces, the system enables the managing of units more efficiently and accurately, using more and more operative information.

"The system provides a real-time overview of the location and activities of subordinate units or, if necessary, individual soldiers. It also allows for the management of a unit in battle faster and with a better situation awareness, as well as the planning of activities for units and conducting various control operations," Captain Parve explained.

In the framework of the pilot project, the system will be first tested in the staff of the 1<sup>st</sup> Infantry Brigade and in the units of the Scouts Battalion to determine how the system satisfies the needs of the Defence Forces and which reorganisations should be made to make it comply better with the needs of future users. After that, the system is planned to be acquired in full and implemented in the entire Army. The initial pilot project is small and includes both the use of software licences and the manufacturer's support and necessary development works provided by Systematics.

To provide the system with the best domestic support, Systematic also signed a partnership contract with the Estonian company Webmedia, which is one of the largest software development companies in the Baltic States.

One of the main priorities of the Defence Development Plan 2009-2018, approved by the government in January of this year, is the development of command and communication systems of the Defence Forces, both at the strategic and tactical level.

### **ECONOMIC NEWS**

#### **Moody's Praises Estonia's Fiscal Policy**

17 November (BNS) - **In its fresh sovereign credit report on Estonia, the international ratings agency Moody's Investors Service praised the country's financial strength and flexibility in the deteriorated economic situation.**

Moody's specifically said that Estonia's A1 government bond ratings with a negative outlook are based on its high economic, institutional and government financial strength, but are constrained by lingering risks associated with the prospects of economic recovery and the possibility of financial contagion.

"Estonia's economic strength has been deeply dented by the global economic crisis, with a one-third decrease in both industrial production and retail sales, and a significant increase in corporate

insolvencies and unemployment," said Kenneth Orchard, vice president and senior credit officer in Moody's Sovereign Risk Group and author of the report.

"However, Moody's believes that most of the impact will be transitory and can be repaired over the medium term."

The analyst said that prudent fiscal practices during the boom years mean that less consolidation is required in Estonia now than in most other EU countries, and that the government plans to continue tightening fiscal policy over the next few years.

Moody's also recognised that Estonian institutions have demonstrated impressive flexibility in responding to the difficult economic conditions over the past year.

In two supplementary budgets, expenditures were slashed, taxes increased and new revenues found. "While some of these measures are one-off in nature, it is significant that the general government deficit is expected to be only about 3% in 2009 when GDP is contracting by 13-15%," said Orchard. The EU is expected to provide funds worth about 5 percent of GDP in 2010, helping support public investment and economic growth. Foreign investment and consumer and business confidence could get a fillip from euro adoption, which may be certified in May 2010 and take effect in January 2011, the report says.

Moody's is concerned about the lingering risks associated with the regional economic recovery, particularly the possibility of contagion sparked by a potential renewal of financial problems in Latvia or another country in the region.

However, this risk has diminished in recent months and could be diffused if permission to adopt the euro does come in May, Moody's said.

### Estonia's Bigbank Opens Branch in Finland

11 November (BNS) - **Estonia's Bigbank opened a branch in Finland on Wednesday with the intention of offering time deposits on the Finnish market.**

Bigbank, which so far had branches in Latvia and Lithuania, earlier operated as a crossborder services provider in Finland. According to Bigbank, its branch is the first branch of an Estonian bank on the Finnish market.

Bigbank board chairman Targo Raus said the bank was not unknown in Finland, because it had offered opportunities of making deposits as an electronic banking service since May 2008.

Bigbank offers an interest of 2.5% on one-year deposits of 1 000 to 10 000 euros. The Finnish business paper Kauppalehti wrote that it was clearly a higher interest than those of other banks operating in Finland.

Raus told the paper that Bigbank could pay a higher interest because the main business of the bank was consumer credit, which was issued at a higher interest.

Previously Bigbank has won dozens of clients via electronic channels in Finland. After opening its branch the bank is hoping to get from 50 to 100 clients a month.

Bigbank's first banking office in Finland is located in Helsinki's Kamppi shopping centre. Next year Bigbank is planning to start providing lending

services and extend opportunities of internet banking services to Finnish clients.

As of the end of September Bigbank had a total of 27 offices in the Baltic countries, of these ten in Estonia, seven in Latvia and ten in Lithuania. The group provided jobs to 365 people, of these 170 in Estonia, 129 in Latvia and 66 in Lithuania.

### Estonian Companies Taking Part in Food Fair in St. Petersburg

17 November (BNS) - **Three companies from Estonia are taking part in the Peterfood 2009 fair that is held in the Russian city of St. Petersburg from Tuesday to Friday.**

Peterfood is the largest food fair in north-western Russia.

The combined Estonian exhibit is displayed on 30 square meters and it showcases the companies VGA Kaubandus, Salvest and Põltsamaa Meierei Juustutööstus, the Estonian Chamber of Agriculture and Commerce, which sponsored the companies' participation in the fair, said.

Põltsamaa Meierei Juustutööstus, which is attending a trade fair abroad for the first time ever, is looking for new export opportunities. The cheesemaker based in the south-central town of Põltsamaa is seeking to double its exports to Russia.

VGA Kaubandus is a maker of beef products while Salvest is a leading maker of food preserves.

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