

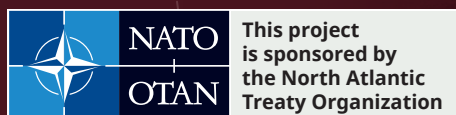


Eastern Europe
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Baltic Sea Region Security Dialogue

Onward from Vilnius 2023

EESC Discussion Paper





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The security environment in the Baltic Sea region has rapidly degraded since 2022. In the wake of the Russian full-scale war against Ukraine, Sweden and Finland applied for NATO membership, the latter fully joining in 2022, to gain invaluable collective security guarantees. States like Lithuania, Poland, Latvia, Estonia, and others significantly increased their security cooperation and defense spending and voiced the need to strengthen NATO's eastern flank in discussions within the alliance. These trends continued in 2023. The Baltic Sea region states continued a two-vector rally to increase and sustain military, financial, political, and economic support to Ukraine and strengthen the region's NATO military posture. The NATO Summit in Vilnius was a unique and symbolic moment that did address two significant decisions. Firstly, the allies agreed upon radically new defense plans for the alliance, the implementation of which should reshape the deterrence and defense posture in the region. Second, a political promise was made that "Ukraine's future is in NATO." However, budgetary, materiel, personnel, and political capital constraints still persist in implementing the above-mentioned policy changes. Even more, the tense global political agenda will continue to exert influence on the overall state of security of the Baltic Sea region.

As a consequence, the allies in the Baltic Sea region, in order to establish general consensus on key topics in the wider NATO, are engaged in direct discussions with other NATO partners regarding the future security setting in Europe, especially in regard to deterrence and defense of the Eastern Flank. The states around the Baltic Sea were heavily engaged in multiple minilateral formats and bilateral initiatives in 2023, in order to strengthen collective regional security, present a unified position in the NATO political forum, and to seek to define and establish a long-term strategy for Ukraine.

Thus, in November 2023, the Eastern Europe Study Center (EESC), for the second year straight, gathered experts and officials from Lithuania, Latvia, Estonia, Finland, Sweden, Denmark, Norway, Germany, and Poland. The main aim of the meeting was to conduct consultations, refine and compare ideas about the current state of regional security from different points of view, and exchange perspectives on how to move forward. This year's discussions were built upon the last meeting conducted by the EESC in September of 2022, which was abstractly summarized in last year's discussion paper. This year's publication builds firstly on the content of the discussions held in November, but also builds upon last year's paper. The aim of the paper is to present the participants' outlook on the current state of security in the Baltic Sea region and outline the prioritized policy vectors.

This text follows a structure in a similar fashion to the first edition released in 2022. The Baltic Sea region's strategic environment is heavily influenced by the aggressive and confrontational stance of Russian foreign policy and its ongoing full-scale war against Ukraine. Thus, the first part of the paper pertains to the strategic environment of the immediate Baltic Sea region. First, we examine the current assessment of the state of the war and on the position of the Baltic Sea region states regarding the war against Ukraine, supplies, and aid strategy vis-a-vis NATO and Ukraine. The second part consists of the current state of affairs in the North-Eastern NATO flank and Baltic Sea region positions regarding priorities in the region's own security, NATO transformation, and issues connected to defense spending.

View from the Baltics on the Russian war against Ukraine

The main challenge to Baltic Sea region security is the continuing Russian war against Ukraine. As outlined in the first edition of this paper from 2022, political, economic and security instability and uncertainty fueled by Russia still persist in 2023. In 2022, Ukraine successfully conducted two large-scale offensives against Russian forces – one liberated the majority of the Kharkiv region, while the second pushed the Russian occupational forces behind the Dnipro River. In the summer of 2023, the UAF offensive in the south of Ukraine, even with achieved fire superiority, did not produce significant results in terms of liberated territory. The second part of 2023 was marked by increasing attrition, as Russia committed more troops for offensive action and increased levels of fire. The exerted pressure on Russian forces did not achieve the strategic goals of achieving a breakthrough and severing the land bridge between the Donbas region and Crimea, leaving both Western allies and Ukrainians frustrated.

The Western allies delivered a significant amount of military aid, consulted, planned, and war-gamed various scenarios in order to maximize the possibility of Ukrainian success. Since mid-2022, Ukraine has increasingly relied on Western support, namely from the US. Significant supplies of e.g. artillery and air defense munitions played a crucial role at the front. However, the offensive used up significant quantities of artillery ammunition, and exhausted personnel, while the availability of such resources became scarce. As Western stockpiles and strategic reserves were depleted, full-scale production did not ramp up to meet the demand. Attrition levels, both on personnel and equipment, are a key factor at this point of war. The capacity to increase ammunition production is limited, as the majority of private and state enterprises are only beginning to increase production. As a result, it is likely that Ukraine will suffer ammunition shortages as the tempo of supplies and aid from the West dwindles.

Representatives from the Baltic Sea region voiced concern about the vision for the long-term cohesive strategy for Ukraine. It is unlikely that the war will

become a frozen conflict, even as the current period is more of a static nature. Both sides know they are facing a long war ahead, and Russian strategy is focused primarily on exhausting the West to the point where no supplies are delivered to Ukraine, which already has to combat the increasing attrition of its resources. In the meantime, Russians are effectively adapting, rethinking and changing their strategy to counter any Ukrainian attempts at breakthroughs and increasing their own tempo of operations upon the Ukrainians.

It increasingly looks like Ukraine will remain on the defensive in 2024 and will battle attrition imposed by the tempo of Russian operations. As representatives from the Baltic Sea states acknowledged, the aim to regain occupied territory will be increasingly difficult. Despite the fact the Baltic Sea states wholeheartedly support the Ukrainian cause, there is a clear difference between the capabilities of what is actually possible on the ground and declared political aims. Thus, dynamics on the battlefield should be distinguished from political objectives, regardless of successes or failures at the frontline. As the summer offensive showed, it would be impossible to fulfill all expectations that were set at the beginning of summer 2023, and as the counteroffensive culminated, there was a sense of deflation.

The political process should focus on supporting and sustaining Ukraine's ability to fight over the years, regardless of the success of military operations. This is especially seen by way of possible NATO membership for Ukraine. Unlinking NATO membership and either progress on the battlefield or possible concession in the diplomatic process with Russia is paramount for the future of the whole European security order. During the event, the Baltic Sea region states underlined that the push for NATO membership for Ukraine during the NATO summit in Vilnius was primarily aimed at anchoring the political and military support for Ukraine.

It was noticed that although the NATO allies share a similar assessment of the current situation and the importance of further supplies to Ukraine, the policy answer is not automatically and universally derived. The political calculus and economic variables still vary greatly among the allies. As the Baltic Sea region's representatives commented, the NATO allies know it will be a long war, but there is no concrete cohesive plan prepared for the long haul, and discussions about various platforms and supplies are still being discussed in tranches, without a holistic

approach – debates about various weapon platforms, such as long-range ballistic and cruise missiles, tanks or fighter jets are a good example of lack of coherent vision for the future. Furthermore, for Ukraine to successfully liberate occupied territories, the Western allies should provide even bigger and broader support packages that would include a wide range of capabilities that Ukraine critically needs.

In this context, the Baltic Sea states highlighted the role of the United States of America. The leadership of the US was paramount in securing Ukraine's ability to sustain large-scale, high-intensity warfighting. However, from the perspective of the Baltic Sea states, the upcoming elections in the US could increase hesitance in the American support of Ukraine. This would constitute a worst-case scenario, as the European allies do not have enough momentum in industrial capacity to replace aid from the US. With a limited supply of much-needed aid and dwindling political support to Ukraine, the Russian side would see such a policy change as a possibility to increase pressure and possibly achieve a breakthrough in the war. As the event progressed, the participants from the Baltic Sea region were more pessimistic than not about European ability to take the leadership in this matter – Europe simply does not possess such capabilities and political will.

Immediate defense priorities in the Baltic Sea region

As Europe was nearing the edge of war in late 2021 and early 2022, the Russian side issued an ultimatum, the demands of which extended far beyond Ukraine, encompassing issues like NATO and the presence of US units in the Baltic Sea and Eastern Europe. The Russian war against Ukraine is not solely about Ukraine but rather about the whole post-Cold War order in Europe. Russian aggression against Ukraine and Russia's confrontational posture vis-a-vis NATO constitute a threat to the security and independence of the states in the Baltic Sea region. As highlighted during the consultations, the Baltic Sea states see potential for Russia posing a direct challenge to the countries in the region within a timeframe of 5-7 years. With this assumption in mind, the majority of states are rethinking and cali-

brating their own national planning and contributing to international defense planning. Building capacity and increasing deterrence were outlined as being of key importance for potentially changing the Russian decision-making calculus.

In reaction to the Russian actions, Sweden and Finland decided to forgo their neutrality and applied for NATO membership, which was a historic achievement in terms of security for the Baltic Sea region (the topic was extensively touched upon during last year's session). Both Finland and Sweden have experienced one of their largest shifts in defense policy since the 1950s in regard to increasing defense spending and rapidly revamping and rebuilding their armed forces. In many cases, Sweden and Finland are examples of how to think about national defense. Without a doubt, both Finland and Sweden will bring regional security competence, and advanced and interoperable capabilities in order to boost NATO security and defense. Nonetheless, in 2023, as the Baltic Sea states observed, there was impetus – Finland entered the alliance, but structural, adaptation, and bureaucratic questions remain unanswered.

The NATO summit in Vilnius saw significant changes to NATO defense planning. There is a fundamental shift to regional planning that focuses on more robust deterrence measures and provides concrete changes on how alliance forces would defend NATO territory. As the defense plans were confirmed, NATO decision-makers and individual states are in the process of integrating bespoke command and control structures, prepositioning, arranging, identifying, and training required forces and enablers. One of the key aspects that Baltic Sea region states identified was the reduction of the political process when and which units should be positioned. This now is the prerogative of NATO's Supreme Allied Commander, who has the power to raise readiness and alert and, in need, can execute select parts of established defense planning.

There was complete consensus about the urgent need to increase defense spending, not only in CEE and the Baltic region, but to present an argument and unified stance to other NATO allies. The two main lessons from the Russian war against Ukraine are regarding strategic reserves of various munitions (ranging from small arms caliber and mortars to large bore 155 mm shells or air defense missiles) and scarcity of systems. The West has a clear technological advantage; however, scarcity of munitions and systems will be decisive factors on the battlefield. Representatives from the Baltic Sea region did reflect on

an article by UAF chief commander Valerii Zaluzhnyi regarding new enablers in warfare e.g. electronic warfare systems, assault mine breaching vehicles, and air defense systems. To improve the current status quo, states around the Baltic Sea are focused first on convincing their own population about the relevance of growing defense spending. Secondly, the Baltic Sea region aims to convince partners in NATO to boost their own defense spending at least to the level of 2% of GDP. Right now, there is a unique moment of urgency and clear motivation to do so. Thus, it is imperative to present a unified position and take leadership to push for concrete implementation of promises made at the NATO summit in Vilnius. As seen from the arguments above, there is also a need for a multifaceted approach to increase national capabilities and reserves, but at the same moment to supply aid for Ukraine necessary for their victory against the aggressor.

Conclusions and recommendations

The frank conversations between representatives from Lithuania, Latvia, Estonia, Finland, Sweden, Norway, Denmark, Germany, and Poland showed that there is a shared vision about the rising challenges in the security domain in the Baltic Sea region. There is also a common perspective about the current state of war against Ukraine. All 9 states are united in support of Ukraine and its cause. The 9 countries expressed concern about the sustainability of military, economic, and humanitarian aid to Ukraine as stocks and reserves in the West are dwindling.

There are no disagreements whatsoever in regard to Russia and the challenges posed by its confrontational policies. Russia will remain a main threat to the immediate neighborhood for the foreseeable future. The implementation of the new NATO defense plans will be a central deterrence element in North-Eastern Europe. Increased dialogue and consultations between allies in the Baltic Sea region proved to be an effective tool for presenting a common and unified position in broader NATO dialogue.

Although all 9 countries have very similar or identical outlooks on the current state of affairs and threat perception, the policy response is not automatic. There is still a sense of need to have one unified and coherent strategy to tackle rising challenges in the Baltic Sea region. Thus, it is possible to outline several policy recommendations on shared priorities and challenges as we move towards the Washington NATO Summit:

1. **Development of a long-term comprehensive strategy for Ukraine.** The war against Ukraine will be a long struggle, both attrition and fatigue are very likely to play a key challenge. Existing support frameworks mainly focus on tranche-based support, rather than a clear plan on how to modernize and supply the UAF, and sustain Ukraine's financial, economic, and humanitarian needs in the coming years.
2. **Enhance NATO Cohesion and Planning.** Advocate for improved cohesion and planning within NATO to effectively respond to the evolving security situation in the Baltic Sea region. Successful implementation of new C2 structures, NATO defense and prepositioning plans should be a key aim for the foreseeable future, ensuring a strengthened NATO posture in the region.
3. **Promote Increased Defense Spending and Deterrence Measures.** Encourage allied states to prioritize and increase defense spending to enhance capacity and deterrence against potential Russian aggression. Highlight successful examples like Sweden and Finland, and emphasize the urgency of presenting a unified position within NATO to boost defense spending to at least 2% of GDP.