

BRIEF

NATO AND THE BALTIC
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NATO's previous summits in Madrid (2022) and Vilnius (2023) took place against the background of Russia's brutal war in Ukraine. Important decisions to strengthen security on the north-east flank included bolstering NATO's military presence in the Baltic region, the adoption of a new generation of regional defence plans, and the refreshment of the pledge to spend at least 2% of GDP on defence. Regional security has been further enhanced by Finland and Sweden's accession to NATO. Major new decisions that would further strengthen the security of the Baltic region are unlikely to be taken at this year's Washington Summit. The main challenge for the Baltic states in Washington will be to ensure that the decisions of earlier years are implemented. NATO's track record of addressing gaps in Baltic defence is uneven and shortcomings and persistent problems on NATO's side remain a source of constant concern for Estonia, Latvia and Lithuania. Until these issues are addressed, the Baltic region will remain a vulnerability for NATO.

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PROGRESS

Progress in enhancing the security of the Baltic region has been made in two ways: through the steps the three Baltic states themselves have taken, and through the actions of other Allies that contribute to Baltic defence. In the region, Latvia, for example, has substantially increased defence spending. According to NATO's latest estimates, Latvia's defence budget will amount to 3.15% of GDP in 2024.¹ This is higher than the 2.4% announced by Latvia, but the NATO figure

includes the cost of the medium-range air defence system *Iris-T* (approximately €200 million per year), which is funded outside the defence budget.² The Latvian government decided to gradually increase defence spending to 3% of GDP by 2027, and defence spending was bound to remain at that level afterwards. As of now, defence spending already exceeds 3% and will likely remain at that level even after the air defence procurement is completed.

Latvia's most momentous decision, however, announced in early July 2022, was to return to conscription (Estonia had retained conscription throughout the post-Cold War period, while in Lithuania, it was reinstated in 2015).³ It took another year before the necessary legislation was passed and the first batch of approximately 250 conscripts started their 11 months of service on 1 July 2023. A second batch of approximately 120 was recruited in January 2024 and a third intake of 480 is due for July 2024. These numbers are excruciatingly small but are anticipated to increase to several thousand per year by 2026-28. Nonetheless, it will be more than 10 years before Latvia can hope to mobilise the 30 000 reservists stipulated in the State Defence Concept.⁴

Estonia's restructuring in the sphere of personnel has revolved around the creation of a division and the reallocation of reservists to increase the size of the territorial defence forces.

Lithuania, in addition to absorbing the additional reservists generated by the reinstatement of conscription, is also working towards fielding a wartime division.⁵

Ultimately, though, it is the Alliance that deters Russia. Significant progress has been achieved in increasing Allied military presence in the Baltic region. In Latvia, the upgrading of the Canadian-led enhanced Forward Presence (eFP) battlegroup is proceeding according to the road map agreed by the Latvian and Canadian governments in 2023.⁶ The brigade will have a core of up to 2200 Canadian troops, supplemented by units from other contributing nations: a Danish battalion for approximately 4 months per year; a Swedish reduced battalion, made possible by Sweden's recent accession to NATO; and several smaller contributions. Meanwhile, Germany and Lithuania are working to resolve the remaining issues that will allow a German brigade to deploy to Lithuania by the end of 2027.⁷ The UK, however, will not increase its deployment to Estonia. Instead, it has allocated an armoured brigade at high readiness for rapid reinforcement.⁸

SHORTCOMINGS

Despite this progress, there are also some shortcomings. Skyrocketing demand for key military systems whose effectiveness has been proven in Ukraine means that much of the equipment procured by the Baltic states since Russia's full-scale invasion will not be delivered for some years. It is estimated that the delivery

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of HIMARS systems, for example, which all three Baltic states are acquiring will not commence until 2027.⁹ The Naval Strike Missile Coastal Defence System that Latvia is procuring from the US is also likely to be delivered only in 2027.¹⁰ An additional issue for Latvia is the time it will take to build a sizeable military reserve manned by former conscripts.

In other areas, progress has been bittersweet. While 23 Allies will spend more than 2% of GDP on defence in 2024, nine will still not and some

may not even be planning to do so. Canada, for example, makes a major contribution to Baltic security through eFP, but it is unlikely to meet the NATO spending target any time soon.¹¹ What is essentially a peacetime contribution may fall short of what is needed to sustain military deployments in wartime.

Air defence of the Baltic states is another area where not enough progress has been made. The medium-range air defence systems that the three states are acquiring already strain their defence budgets. Acquiring more capable systems to defend Baltic cities and military installations against sophisticated Russian ballistic missiles such as *Kinzhal* is clearly not possible. Here, the Baltic states should be able to count on their Allies: it was decided at the Vilnius Summit that Allies should ensure "regular training and rotational presence of modern air defence systems and capabilities across SACEUR's Area of Responsibility, with an initial focus on the Eastern Flank."¹² Unfortunately, only limited progress has been made in implementing this pledge.¹³ Until now, for example, Latvia has not received a rotational air defence deployment, although a Spanish NASAMS unit has been deployed at Lielvārde air force base since 2022.

Sweden's and Finland's NATO membership adds significantly to the security of the Baltic region, offering more opportunities for NATO commanders to plan and fight, and potentially improving the prospects of supplying the Baltic states by sea. However, it would be a mistake to conclude that NATO has freedom to act unchecked on the Baltic Sea. Russia's Baltic Fleet is still, by some measure, the largest national navy in the region. As a recent report concludes, "Russia can achieve some degree of sea denial by hindering the ability of NATO nations to use the Baltic Sea and its environs."¹⁴

Overall, NATO's deterrence and defence posture in the Baltic region remains a work in progress, rather than a problem that has been solved. Non-military and hybrid threats are also likely to remain a constant concern, as was demonstrated by the incident in which a Chinese ship damaged the Balticconnector gas pipeline