



REPUBLIC OF LATVIA
CONSTITUTION
PROTECTION
BUREAU

2024
**ANNUAL
REPORT**

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FOREWORD

As 2024 has come to an end, the words “complicated” and “busy” come to mind.

The scope of work of the Constitutional Protection Bureau (SAB) has increasingly expanded due to the Russia’s war in Ukraine and continuous attempts to divide the unity of the Western countries by intimidating society, promoting fatigue, and reducing support for Ukraine.

Over the past year, the global situation has become more unstable. Current intelligence and counter-intelligence issues include most regions of the world. Like with the communicating vessels – any event changing the situation in one region affects the overall situation in other hot spots.

In these circumstances, we must put a special emphasis on the protection of classified information and vetting of people and companies who require access to classified information. The security of critical infrastructure has become more relevant than ever. Unfortunately, the war in Ukraine has demonstrated the consequences that damage or destruction of critical infrastructure can have. Increasingly intense cyberattacks have also become a constant in our lives. This gives an idea of the scope of our work and the level of responsibility. Ensuring the security of our society is a never-ending task.

Last year was quite a special one for SAB, as we moved into our newly renovated premises. Because it had become increasingly challenging to ensure NATO and EU security standards in our previous buildings, a part of a former military hospital in the Brasa neighbourhood in Riga was renovated to become the new headquarters of the Constitution Protection Bureau. Here historical evidence coexists with the highest security requirements: military doctors, who once protected and restored health of wounded soldiers, can now serve as an example for all our colleagues who work to protect our country, its independence and security.

Looking at potential future developments, I must say that Latvia faces many challenges in the security and, consequently, many other areas. We must be courageous and determined, acting in a way that will preserve a safe Latvia for the future generations. We will continue to fulfil our mission – to work for the security of our country.

It is my honour to serve Latvia!



Egils ZIEDRIS

EGILS ZVIEDRIS
Director of SAB



EXECUTIVE SUMMARY

In 2024, security developments and future forecasts continued to be shaped by the Russian war in Ukraine.

With the growing war fatigue in the West, stagnant battlefield, and the incoming US administration's announcements about ending the war in Ukraine, the potential peace talks between Russia and Ukraine were quite frequently discussed in 2024. However, the chance of actual negotiations or even a temporary ceasefire is low, as the goals of the two countries are diametrically opposed, and none of them is ready for significant compromises.

Our indications suggest that Russia's apparent readiness for a ceasefire does not equate to an actual interest in ending the war. Moscow just needs time to rebuild its forces for a much broader attack on Ukraine or even NATO. Gaining control over Ukraine is existentially important for Russia and Vladimir Putin in particular.

Since the Russia's full-scale invasion of Ukraine, the European countries have faced a new but increasingly significant threat – sabotages, diversions, and physical attacks on targets in Europe by the Russian intelligence and security services. In 2024, the number of cases of Russian-organized sabotages significantly increased, affecting more and more European countries. The new trend confirms that Russia is already having a direct confrontation with the West.

In our assessment, the Russian intelligence and security services are currently developing their capabilities to organize sabotages in Europe. It is part of Moscow's preparation for a possible military confrontation with NATO in the long term. The current concentration of Russian military resources in Ukraine makes the likelihood of a direct Russian-NATO military confrontation in 2025 rather low. However, if the war were to become “frozen” and Russia no longer had to suffer significant losses during the active hostilities in Ukraine, Moscow would be able to increase its military presence next to the NATO's northeastern flank, including the Baltics, within the next 5 years. This scenario would significantly increase the Russian military threat to NATO.

In 2024, the developments in the Russian political elite indicated a consistently high consolidation of power. Without changes of the external conditions, rapid changes in Russia's political elite remain unlikely. There is a growing public support for a potential end to the war, provided that the Russian conditions, e.g., retaining the conquered territories, are met. At the same time, Russian society remains highly supportive of the war, despite the negative consequences of sanctions faced by a large part of the population. It is expected that in 2025 Russian domestic policy will continue to be shaped by the needs of the defence sector to provide the Russian armed forces with the necessary weapons and equipment for the war in Ukraine as well as restore the military capabilities in case any potential peace settlement is reached.

Moscow's foreign policy in 2024 was shaped by the war in Ukraine and the following change of Russia's international position: it continued to divide and destabilize the West, while strengthening relations with Asian, African, and Latin American countries. It is almost certain that in 2025 Russia will continue its aggressive policy, using all opportunities to discredit the Western countries and their policies.

So far, Moscow has been able to mitigate the immediate impact of the war on the economy and political stability of the country. However, focusing most of the Kremlin's attention and resources on the war has left other ongoing issues neglected. This will not cause Russia to collapse, but will, almost certainly, weaken the country both domestically and internationally in the long run. As the war continues, the Russian economy will become less competitive, the public welfare will decline, the internal security will deteriorate, organized crime will escalate, and Russia's international influence will continue to decline. In the long term, the Western countries must reckon not only with Russia's external aggression but also the increasing number of various internal problems that will overwhelm the Kremlin and create wider instability both inside Russia and beyond its borders.

China and Russia have a strong and adaptable political bond. China has clearly demonstrated that it values the stability of the Russian regime. The collapse of Putin's regime or its defeat by the West is seen as a significant geopolitical threat and a limiting factor for China's foreign policy goals, i.e., transformation of the existing international order.

China-Russia relations are a key element in Beijing's strategic rivalry with the United States in Southeast Asia and globally. In 2024, the "friendship without borders", declared by Beijing and Moscow shortly before Russia's invasion of Ukraine, continued to develop, deepening

strategic coordination and cooperation in the economy and trade, investment and energy, as well as the military fields.

The growing cooperation between China and Russia highlights the contradictions between the strategic interests of China and Latvia. Beijing aims to change the existing, rules-based international order, overpower our partner – the United States –, and support the Russian regime. When cooperating with China, people must be especially careful and assess the real benefits of both parties to avoid endangering the interests of Latvia and its allies.

Alexander Lukashenko's regime remains stable, mostly due to the widespread repressions and the restricted freedom of speech. The growing dependence of Belarus on Russia, means an increasing level of Moscow's influence over Belarus. The country's foreign policy continues to be dominated by Russian interests and searching for new cooperation partners and markets for Belarusian goods.

In our assessment, it is unlikely that Belarus will get directly involved in Russia's war against Ukraine in the foreseeable future. Such move would significantly threaten the country's domestic stability and Lukashenko's positions, especially considering the strong public opposition to a direct Belarusian involvement in the hostilities.

Last year, there was an increase in all types of cyber-attacks. Politically motivated denial-of-service attacks, carried out by Russian hacktivist groups, have become an integral part of the Latvian cyberspace. These attacks are designed to revenge Latvia's political decisions and support for Ukraine, disrupt the work of public and private institutions, and cause confusion and inconvenience in the daily lives of citizens. In 2024, Latvia experienced several waves of such attacks. There were several public events where cyberattacks were to be expected, including the European Parliament elections. However, no incidents directly related to electoral systems or election security were observed.

It is possible that Russia intended to base the influence measures in Europe on its previous projects that were designed to influence the political environment, affecting the EU's unity and, consequently, its support for Ukraine. It helps Moscow to have issues like "national interests first", "limiting migration" or "redirecting budget spending to social goals instead of defence" on the European political agenda. Similarly, it is also in the Kremlin's best interests to increase scepticism about supporting Ukraine and promote restoration of the economic cooperation with Russia. In recent years, Russia has been paying special attention to political forces that have the potential to polarize society

(right and left-wing extremists, pro-Russian populists, including groups and organizations who defend minorities, peace, and human rights) to provide the necessary background for their messages.

Moscow has demonstrated its growing risk appetite and readiness to escalate the aggressive provocations and sabotages. Such background of insecurity would greatly aid the Kremlin's agenda for the local government elections to be held in Latvia in 2025.



PROSPECTS FOR RUSSIA-UKRAINE PEACE TALKS

With the growing war fatigue in the West, stagnant battlefield, and the incoming US administration's announcements about ending the war in Ukraine, the potential peace talks between Russia and Ukraine were quite frequently discussed in 2024. However, the chance of actual negotiations or even a temporary ceasefire is low, as the goals of the two countries are diametrically opposed, and none of them is ready for significant compromises.

Our indications suggest that Russia's apparent readiness for a ceasefire does not equate to an actual interest in ending the war. Moscow just needs time to rebuild its forces for a much broader attack on Ukraine or even NATO. Gaining control over Ukraine is existentially important for Russia and Vladimir Putin in particular.

Moscow wants Ukraine back under the Kremlin's influence

In 2024, Russia continued to demonstrate that it still aims to fully return Ukraine to Moscow's perceived sphere of influence. Russia is not looking for peace: it wants Ukraine to surrender and give in to Moscow's ultimatums. Having so far failed to achieve any of its initial goals, Moscow hopes that Ukraine will be forced to at least partially yield to Russia's demands.

The country's top officials regularly announce that Russia has not abandoned its maximalist goals in Ukraine. On 14 June 2024, speaking at the Russian Foreign Ministry, Vladimir Putin once again issued an ultimatum to Ukraine, stating that the Luhansk, Donetsk, Zaporizhia, and Kherson regions within their administrative borders must come under the Russian control. Given that Russia currently does not fully control any of the regions, this would involve occupying a huge part of the Ukrainian territory. Putin also maintained the fundamental demands – denazification and demilitarization of Ukraine.

Russia forces Ukraine to give in to its demands

Russia is likely aware that it currently does not have sufficient military capabilities to achieve its maximalist goals on the battlefield alone. Instead, Moscow is trying to force Ukraine towards concessions through various influence measures. Last year (similarly to the year before), the Russian elite continued to believe that a false desire to start peace talks and end the war can be signalled from a position of strength. There were also threats and blackmail in Moscow's rhetoric, namely, that Russian demands for potential peace must be met, or an escalation is to be expected.

The war fatigue of the Ukrainian army and society in general might also be a factor in the potential negotiations. In 2024, hostilities continued to stagnate, with neither side having sufficient military capabilities to launch major offensives or counterattacks and break through the front line. Russia was, however, in a better position overall, gradually continuing to occupy new territories and achieving tactical success – mostly due to Moscow's quantitative superiority in terms of human resources.

As the Ukrainian army failed to liberate the occupied territories and suffered territorial losses, the society became increasingly tired of the war. Public opinion polls show growing support for peace talks as a tool to end the war. However, many Ukrainians remain opposed to talks, and the idea of returning occupied territories to Russia in exchange for ending the war is still unpopular. Meanwhile, Russia is almost certainly counting on the war-weary Ukrainian society to force the country's political leadership to conclude a peace agreement – or at least a ceasefire agreement – with Moscow.

Last year, Russia devoted most of its efforts to exploit and deepen the war fatigue in the West. Moscow created various information influence campaigns and interfered in the domestic politics of the Western countries, including the electoral process. The Kremlin hoped to reach a critical mass that would force the West (primarily, the great powers) to reduce, if not stop, military support for Ukraine and put political pressure on Kyiv to conclude an agreement with Russia.

Fake peace talks pose long-term security risks for Ukraine and Europe

A potential agreement would still not guarantee a lasting peace in Ukraine. Russia has repeatedly violated its commitments to Ukraine – the 1994 Budapest Memorandum, according to which Ukraine had to relinquish its nuclear weapons in exchange for guarantees of Ukraine's

territorial integrity, and the 2014 Minsk Agreement on the cessation of hostilities in Donbas.

A potential peace and cessation of hostilities in Ukraine would only be temporary, threatening the country's long-term security and giving Russia time to restore its military capabilities. Concluding a peace treaty before Russia has suffered a significant political, economic or military blow will only reinforce Moscow's belief that it is just a matter of time before the Kremlin reaches its goals. It would not change Russia's perspective on the global order or what a great power is supposedly entitled to. Moscow will continue to perceive Ukraine and NATO as its existential enemies that must be resisted in every possible way.

A lasting peace can only be achieved through mechanisms that prevent Russia from launching any future attacks on Ukraine or even NATO. In the context of potential peace talks, the West needs to put pressure on Russia and limit its capabilities through intensified effort and continued sanctions. Moreover, a potential agreement should not be seen as a pretext to return to the relations that existed before Russia's invasion of Ukraine in 2022





RUSSIAN SABOTAGE IN THE WESTERN COUNTRIES

Since Russia’s full-scale invasion of Ukraine, European countries have faced a new but increasingly significant threat – sabotages, diversions, and physical attacks on targets in Europe by the Russian intelligence and security services. In 2024, the number of cases of Russian-organized sabotages significantly increased, affecting more and more European countries. The new trend confirms that Russia is already having a direct confrontation with the West. However, to avoid NATO’s reaction, Moscow tries to deny and hide its responsibility for the attack, thus complicating the identification of the Russian services’ involvement in the sabotage.

Sabotages confirm Russia’s growing aggression against the West

Russia’s war in Ukraine and the subsequent geopolitical crisis in its relations with the West have forced the Russian intelligence and security services to change their working methods, implementing influence measures or hybrid activities against the Western countries. The war has increased Russia’s determination and readiness to step up its aggressive activities, including sabotages, in Europe.

One of the main reasons behind Russia’s increasingly aggressive approach is the regime’s changing attitude towards the West, which is now perceived as the main enemy of Russia. Our information indicates that before the war Russian officials believed that influence activities alone would suffice to make the European countries adopt Russian-friendly policies and engage in cooperation with Moscow. Whereas now, the regime finds it close to impossible. Even though Russia has not entirely ceased the search for potential political partners in Europe, it is no longer a strategic priority for the Kremlin. Now Russia’s main emphasis has shifted towards weakening Europe through offensive campaigns, undermining the political, social, and economic stability of the West, thus reducing its ability to support Ukraine in the war against Russia.

Because of the war, European countries and their security services have also significantly strengthened countermeasures to Russia’s traditional influence activities. Over the past three years, they have expelled several

hundred Russian intelligence officers working under diplomatic cover, closed numerous Russian propaganda and disinformation channels, and restricted the activities of pro-Russian activist networks in Europe. While Russia continues to use and adapt its influence instruments to the new reality, the European reaction has reduced their effectiveness.

Military intelligence – central in organizing sabotages

The Russian intelligence and security services, especially the military intelligence service, the GRU¹, organize sabotages from the Russian territory, usually recruiting individuals from the European countries, including Latvia, to carry out sabotages and other tasks. They mostly recruit people by means of social media, such as Telegram. The GRU approach people who are willing to perform various tasks for a certain fee. The potential assignments include monitoring European military or critical infrastructure or committing vandalism (such as drawing the letter “Z” on walls or bus stops, pouring paint over historical monuments, organizing arson attacks, etc.).

The recruited agents often do not realize that the tasks and payments are coming from the GRU. Russia’s involvement in the attacks is hidden through a chain of recruitment intermediaries, located both in Russia and abroad. The Russian services also like to use difficult-to-track payment channels, e.g., cryptocurrencies.

The agents often come from disadvantaged backgrounds, e.g., people with addictions, who are willing to commit crimes for money. Having pro-Russian sentiments and sympathizing with Moscow’s policies increases the likelihood of being recruited. The Russian services are stepping up the recruitment for more complex tasks, e.g., looking for people associated with organized crime. The potential involvement of such “professionals” increases the threat posed by sabotage.

The Russian services are looking for potential agents both in NATO countries and Russia. There are recorded cases of foreigners traveling to or staying in Russia, who have been recruited for sabotage. SAB would like to remind that there are increased security risks for Latvian and Western nationals traveling to Russia and Belarus, including heightened interest from the Russian intelligence and security services and possible recruitment attempts. SAB recommends avoiding visits to Russia, Belarus, and other high-risk countries.

¹ Main Directorate of the General Staff of the Armed Forces of the Russian Federation

Russia develops sabotage capabilities for a possible confrontation with NATO

In our assessment, the Russian intelligence and security services are developing their capabilities to organize sabotage in Europe. Russia is expanding its capacity to carry out attacks with greater intensity, scale, and increasingly important targets, e.g., critical infrastructure. The relative simplicity and low public profile of sabotages indicate that Russia's capabilities are currently in the initial stage of development. It is very likely that the Russian services are testing the European reaction and ability to prevent such incidents.

We assess sabotage as part of Moscow's preparation for a possible military confrontation with NATO in the long term. Russia's conceptual warfare plans envisage the use of sabotage and diversion on enemy's territory during specific phases of the conflict to weaken the opponent's ability to resist Russia's military offensive. The Russian special services are currently exercising sabotage capabilities on NATO territory so that they would be sufficiently developed in the event of a real military confrontation.

It is our assessment that Vladimir Putin's regime is preparing for a possible military confrontation with NATO, even if it would still like to avoid one. This is evidenced not only by the development of sabotage capabilities but also Russia's continuous efforts to restore its military capabilities, including the structural reform of the army announced in 2023, which re-established the Leningrad and Moscow military districts. These activities envisage an increased deployment of troops, which are currently being redirected to sustain the war in Ukraine, to the borders of the Baltic states and Finland.

The current concentration of Russian military resources in Ukraine makes the likelihood of a direct military confrontation between Russia and NATO in 2025 rather low. However, if the war were to become "frozen" and Russia no longer had to suffer significant losses during the active hostilities in Ukraine, Moscow would be able to increase its military presence next to the NATO's northeastern flank, including the Baltics, within the next 5 years. This scenario would significantly increase the Russian military threat to NATO.



RUSSIAN DOMESTIC POLICY

In 2024, Russian domestic policy was largely shaped by the requirements of the continuous war in Ukraine. The need to provide weapons, ammunition, equipment, and manpower for the hostilities exceeded other national priorities, as revealed, e.g., by the distribution of the state budget.

Internal security

Several events illustrated Russia's limited ability to guarantee the country's internal security in wartime. Kyiv developed the ability to attack targets on Russian territory, increasing the number of strikes against critical and military infrastructure. Ukrainian invasion of Russia's Kursk region demonstrated the lack of coordination between the Russian armed forces, the National Guard, and other institutions responsible for defence and internal security.

The need to replenish the military personnel deployed to Ukraine, including recruiting new people motivated by a relatively higher paygrade, has reduced the internal security services' ability to replenish their own ranks. There is, for instance, a shortage of staff in Russian prisons, which saw several uprisings and hostage-takings in 2024.

Opposition and society

The regime's crackdown on the opposition continued in 2024. Since 2022, Russian legislation has been amended to restrict freedom of speech and assembly, making it impossible for non-governmental organizations to freely operate and reducing the possibility of information that is critical of Putin's regime to reach the public.

Russia continued to implement a wide range of repressions to restrict the activities of non-governmental organizations and isolate individuals who express opinions that contradict the regime's policies. In 2024, there were about 1,500 political prisoners in Russia, including people imprisoned for statements and actions opposing the official Russian position. While in prison, individuals are subjected to additional repressions, with the regulations of the Russian Federal Penitentiary

Service being used to humiliate prisoners. A notable example is the death of Alexei Navalny, the founder of the Anti-Corruption Foundation, in February 2024 while imprisoned in a maximum-security colony in the Yamal-Nenets Autonomous Okrug.

In August 2024, we saw the largest prisoner exchange between the United States and Russia since the Cold War. Russia released several high-profile opposition figures – Vladimir Kara-Murza, Ilya Yashin, and Andrei Pivovarov. Living abroad will weaken their connection to opposition groups inside Russia and reduce the ability of the Russian internal opposition to mobilize against the regime. Last year, Russia was targeting opposition groups even beyond its borders, going so far as planning physical attacks on their leaders. It is highly likely that such actions will continue in 2025.

The manifestations of public discontent, like protests in Bashkortostan in January and the widely attended memorial services of Alexei Navalny, were rather isolated events, not an indication of a growing potential for a public protest. Most of the population supports or at least does not oppose Putin’s policies, thus reducing the public willingness to mobilize against the regime.

There is, however, a growing support and more publicly available information about a potential end to the war and peace talks, provided that the Russian conditions, e.g., retaining the conquered territories, are met. At the same time, Russian society remains highly supportive of the war, despite the negative consequences of sanctions faced by a large part of the population.

Political Elite

Despite some rotations at the beginning of Putin’s fifth presidency, there have been only minor changes to the political elite, with the highest-profile cases affecting the defence sector, e.g., the replacement of the defence minister. Several more senior officers were detained in the Russian armed forces; some of these detentions were based on cases initiated by the Russian Federal Security Service (FSB). Detentions are also an indication of attempts to improve the functioning of the Russian defence sector, especially the ability of the defence industry to provide the armed forces with the necessary weapons, ammunition, equipment, and attract the necessary personnel.

The limited rotations in Russia’s top positions indicate the need to maintain the stability of the political elite in wartime, balancing the

interests and leverage of various elite groups. Russia's political elite continues to compete for the access to Putin and "positions of power".

The developments in the Russian political elite indicate a consistently high consolidation of power, reducing the likelihood of a division or an open conflict among the elite. Without any changes to the external conditions, rapid changes in the Russian political elite remain unlikely.

It is expected that in 2025 Russian domestic policy will continue to be shaped by the needs of the defence sector to provide the Russian armed forces with the necessary weapons and equipment for the war in Ukraine as well as restore the military capabilities in case any potential peace settlement is reached. This will be achieved through widespread repressions against the opposition and society in general, preventing the prevalence of opinions critical of Putin's regime and possible mobilization of society against the regime. Instead, the propaganda mechanisms, established and strengthened in recent years, will be used to continue the consolidation of society in support of the regime, e.g., through messages about external threats faced by Russia..



Moscow, Russia - March 1 2024: People who came to say goodbye to the politician Alexei Navalny. Funeral service in the church and burial in the cemetery. Image via Aleksey Dushutin / Shutterstock.com.



RUSSIAN FOREIGN POLICY

Like in the years before, Moscow's foreign policy in 2024 was shaped by the war in Ukraine and the following change in Russia's international position: it continued to divide and destabilize the West, while strengthening relations with Asian, African, and Latin American countries. It is almost certain that in 2025 Russia will continue its aggressive policy, using all opportunities to discredit the Western countries and their policies.

Russia seeks to divide and destabilize the West

Moscow continued a highly aggressive and confrontational approach towards the West. There has been a series of influence activities designed to destabilize, divide, and globally discredit the West (Kremlin's long-term goals), and reduce the Western support for Ukraine (Russia's short-term focus).

Russia continued to interfere in foreign elections, trying to ensure the coming to power of favourable politicians and political parties. As before, it was done covertly, making it especially difficult to trace the potential interference back to Russia. Several European countries, e.g., Romania and Moldova, have publicly reported Russia's attempts to influence the elections. In Romanian presidential and parliamentary elections, Russia supported a populist and nationalist candidate to potentially divide the Romanian society. During the pre-election period, Russia flooded the Romanian information space with disinformation about the impact of the war in Ukraine on Romania's socio-economic processes. Moscow also tried to influence the results of the European Parliament elections in France and Germany to maximise the number of radical politicians being elected.

Russia expanded and developed disinformation and propaganda operations and campaigns designed to make the Western countries question their support for Ukraine. This was done both openly and in a covert manner. Moscow was actively spreading the narrative of the Ukrainian President Volodymyr Zelensky's lack of legitimacy, whereas the idea of a direct connection between the deteriorating economy of

Europe and the aid it provides to Ukraine was promoted without openly expressed pro-Russian messages. In the latter case, Moscow was rather trying to increase the war fatigue in the West.

Russia also continued to actively use nuclear threats in its strategic communication. Although the Kremlin had periodically raised the issue since the invasion of Ukraine in 2022, the peak was reached with the confirmation of changes to Russia's nuclear doctrine in November 2024. The new doctrine allows Russia to use nuclear weapons against any non-nuclear state if its aggression against Russia or its allies is supported by a nuclear state. Moscow is signalling to the West that it is not afraid to escalate the military situation in Ukraine, hoping that the West will put more pressure on Ukraine to agree to a ceasefire on Russian terms.

At the same time, Russia has not completely severed its relations to the West after the invasion of Ukraine. In 2024, Moscow intensified dialogue with some of the more approachable European countries, e.g., Hungary and Slovakia. Although these countries are still on Russia's "unfriendly countries list", Moscow portrays them as more constructive compared to the other European countries. It is almost certain that Russia sees the establishment of such contacts with individual EU countries as an opportunity to influence the EU decision-making process, hindering consensus on issues like sanctions or assistance to Ukraine. Russia will continue this approach in 2025.

North Korea – the main military partner of Russia

With North Korean soldiers' direct engagement in hostilities in Ukraine, Pyongyang became the main military partner of Moscow in 2024. The deepening relations between the two countries were formalised on June 19, with the signing of a strategic partnership agreement during Putin's visit to North Korea. For Russia, the successful cooperation so far has resulted in the supply of ammunition and weapons as well as the deployment of more than 10,000 soldiers replenishing the ranks of the Russian army in Ukraine. In exchange for the significant military assistance, Russia has provided North Korea with economic and military-technological assistance, supplying food and oil products as well as air defence systems and spy satellite technologies.

Russia has also continued the military cooperation with Iran and China. Being one of the most important partners of Moscow, Iran supplies Russia with drones and missiles. While not officially providing Russia with lethal weapons, China supports the war effort by supplying various dual-use goods, thus also increasing the military cooperation between the two countries.

Russia's increasing dependence on China

In 2024, Russia continued to strengthen the political and economic cooperation with China. Despite Moscow's claims that cooperation with Beijing is mutually beneficial, Russia has become much more dependent on China since the invasion of Ukraine. To balance its growing dependence on China, Russia also sought to strengthen the cooperation with India. In July 2024, India was the largest Russian oil importer, temporarily surpassing China. India gains access to cheap energy and provides Russia with an additional outlet for resources. It is very likely that this mutually beneficial cooperation will continue to grow in 2025.

Russia seeks support from the Global South

In 2024, Russia continued its strategic foreign policy shift, strengthening relations with the Global South. Moscow wants these countries to distance themselves from the West and support Russia's foreign policy. This shift is in line with Russia's long-term goal to create a multipolar world order with Moscow as one of the centres of power with (at least) unlimited regional influence.

To achieve this goal, Russia was actively working in international organizations and developing bilateral relations with the Global South. Moscow organized various international forums to address these countries, e.g., the Forum for the Freedom of Nations or the Russia - Islamic World Economic Forum. Bilaterally, Russia continued to work on opening new diplomatic missions in Africa and Asia. In 2025, Russia plans to open embassies in Sierra Leone, Niger, and South Sudan. In relations with the Global South, Russia prioritizes quantity over quality of bilateral relations. It is essential that as many countries as possible support the Kremlin's policies.

One of the most striking achievements of Russia in relations with the Global South was organizing the BRICS summit in 2024. Last year, the summit was attended by leaders of more than 20 countries, with four new member states - Egypt, Ethiopia, Iran, and the United Arab Emirates - joining the organization. BRICS serves Russia as an alternative to Western multilateral cooperation formats like G7 and G20. By organizing the summit, Russia sought to confirm itself as a key player on the international stage whose ideas and foreign policy are supported by most of the world. The summit once again confirmed that, at the global level, Russia is not diplomatically isolated, supporting Moscow's claims that the Global South is interested in joining Russia's perceived multipolar world order.

Regime change in Syria – a blow to Russia’s position in the Middle East

Russia had expressed strong support for the Bashar al-Assad’s regime in Syria since 2015. Thus, the fall of al-Assad’s regime was a blow to the Russian position in the Middle East. Moscow is currently taking a “wait-and-see” approach in relations with the new Syrian government, hoping that a diplomatic agreement with the new leadership will enable Russia to maintain a partial military presence in Syria. Having military bases in Syria is important for Kremlin as that ensures logistical support for the Russian military operations in Africa. However, given the unstable situation in Syria, the future prospects for the Russian presence are unclear. Publicly available satellite images show that Russia is gradually moving its military resources from Syria to Libya.

Overall, the fall of the al-Assad’s regime does not significantly affect Russia’s reputation as a security guarantor for authoritarian regimes. Moscow did provide political asylum to the family and inner circle of the Syrian leader even at a critical moment and will, almost certainly, try to avoid any accusations in this regard by claiming that the fall of al-Assad was connected to the regime’s weakness.

Russia’s declining role as a security guarantor for the neighbouring countries; Belarus – an exception

The war in Ukraine has had a damaging effect on Russia’s role as a security guarantor among its closest neighbours. In the spring of 2024, Russian forces officially left Azerbaijani-controlled Nagorno-Karabakh, concluding a four-year peacekeeping mission. Although relations between Azerbaijan and Armenia remain tense, Russia’s role as a mediator in the regional conflict has significantly diminished. Now, it most probably is not considered as an option. It is very likely that Russia’s role as a security guarantor in the South Caucasus will continue to decline in 2025. Moscow will try to compensate this by increasing the economic cooperation with the region, especially in circumventing sanctions.

Belarus is the only neighbouring country where Russia’s influence has continuously grown, especially in security and foreign policy matters. In April 2024, Belarus approved the new National Security Concept and Military Doctrine, institutionalizing and repeating the Russian messages about the threat posed by the Western countries. Russian influence over Belarus was also deepened by the deployment of tactical nuclear weapons in Belarus. While there is no military strategic significance to it, the deployment allows Russia to increase its nuclear threat to the West. Last year, Russia continued to exploit Belarus for its military needs, training

personnel and receiving extensive technical assistance for the war in Ukraine. The Belarusian foreign policy should, by default, be perceived as a continuation of the Russian foreign policy.

Russia will continue its activities in 2025

The Russian foreign policy will continue to perceive the West as a strategic enemy. Moscow will continue to strengthen its relations with Africa, Asia, and Latin America, trying to spread the idea of a multipolar world order and discredit the West. It is almost certain that Russia will further intensify the cooperation with China, North Korea, and Iran to obtain military and economic support for its war in Ukraine. Even if there is a temporary, US mediated, ceasefire, the foreign policy of Moscow will still be predominantly aggressive and anti-Western, especially towards the European countries



RUSSIAN ECONOMY

Since the full-scale invasion of Ukraine, the Russian economy has become not only an indicator of the well-being of the country but also an important factor to be assessed from the perspective of security policy. The stability and developments of the Russian economy directly affect the country's ability to generate resources needed for the battlefield and determine the pace at which Russia would be able to restore the capacity of its armed forces after the cessation of hostilities, thus, once again, becoming a military threat to its neighbours.

Since the beginning of the war, the Russian economy has repeatedly exceeded initial forecasts, even the ones made by Moscow itself. The impact of the war has been significantly smaller than initially predicted. In certain areas, it even became a stimulating rather than slowing factor for the economy. There are several explanations for this: record high revenues from oil trade, a market-oriented economic structure, centralized governance, a well-developed banking system, significant public investment in the military industry, and demand for goods and services by the Russian armed forces. While the above factors have allowed Russia to maintain a viable economy, they should not be confused with a sustainable economic model that can yield results in the long term.

The forecast growth rate of the Russian economy in 2024 reached 3.6% of the gross domestic product (GDP), exceeding the indicators of 2023. However, in a wartime economy like the one currently seen in Russia, GDP is not considered a reliable indicator of a country's well-being. In our assessment, the Russian economy will remain stable in the medium term, at least for the next few years, but there will not be real growth. Unless the government manages to significantly change the direction of the Russian economy in the coming years, the current developments may lead to a major economic and social crisis.

Russian economy is serving the Kremlin's political goal – the war in Ukraine. Despite the increasing costs, it will remain the main budget priority in 2025. Military spending will remain high for the third year in a row. There is, however, also a new trend – the allocation of additional funds solely to the defence sector. Thus, it is expected that in 2025 investments in the defence and security sector will go from 8% to 10%

of the GDP, making up to 40% of the federal budget. These funds are primarily invested in two areas: production of weapons and ammunition and remuneration of the armed forces personnel.

Although the budget forecasts indicate a slight reduction in the defence sector for 2026–2027, Russia’s military spending is expected to remain high. Even if the war in Ukraine were to end in the foreseeable future, SAB estimates that Russia will need several years to renew its existing arsenal, recruit and fully train its armed forces, and man the units.

Russian military manufacturers are currently operating at full capacity, using extended shifts and overtime. Although production volumes have increased (e.g., artillery ammunition production has increased from one million to more than four million units per year), the lack of new factories and dependence on Soviet-era stocks will limit future growth opportunities. Without new investments, the Russian military-industrial complex reached its growth ceiling and the maximum production rate in 2024. Investments in the development of new factories and technologies will be one of the military industry’s main priorities in the near future. It is already happening in some areas, e.g., the development of the drone technology.

Another important aspect limiting Russia’s economic growth is the availability of labour, which has become one of the central political issues since the beginning of the war. While there is a clear need for new workers, the Russian government is rather wary of immigration as a possible solution, considering it as a potential cause for domestic instability and ethnic tensions.

Over the past year, the Central Bank of Russia has faced significant criticism for its tight monetary policy and inability to curb rising inflation rates, yet Putin’s support for its leadership remains high. The criticism of the Central Bank distracts attention from the Kremlin’s responsibility for Russia’s economic problems. In 2024, the annual inflation rate of Russia exceeded 9%, leading the Central Bank of Russia to raise its interest rates to a historical high – 21%. The interest rate is expected to remain high throughout 2025 in an effort to curb the rising inflation. At the same time, there is a common understanding among the Central Bank of Russia and the government that the ability to effectively curb inflation is impacted not only by the monetary policy but also the record-high investment of public funds in the military sector.

Without free capital movement, foreign capital or non-resident investments, which have mostly left the Russian financial market, the interest rates set by the Central Bank of Russia can no longer effectively

stabilize the rouble. The sharp fluctuations of the rouble, as seen in 2024, will become the new norm and an increasingly frequent phenomenon in the Russian economy.

While it is unlikely that the Western sanctions and restrictions will stop Russia from importing sanctioned goods, the pressure on suppliers and intermediaries will likely continue to increase, resulting in higher costs and, consequently, higher prices for Russian consumers.

Overall, the Russian economy in 2025 will be stable, but vulnerable. As risks and turbulence in the Russian economy will continue to increase, the Kremlin will do everything in its power to maintain normality and postpone solving the structural economic challenges that Russia will have to face in the future. Slowly but surely, the Russian economy will be moving towards backwardness, becoming increasingly less competitive and technologically developed.





VULNERABILITIES OF RUSSIA IN A PROTRACTED WAR

War is a serious social, economic, and political test for any country. A prolonged war can have especially far-reaching consequences, and Russia is no exception. So far, Moscow has been able to mitigate the immediate impact of the war on economy and political stability of the country. However, focusing most of the Kremlin's attention and resources on the war has left other long-term issues neglected. The longer Russia is involved in hostilities, the more problems will escalate. In the long run, this will potentially weaken Russia both domestically and internationally.

One of the long-term challenges of Russia will be its economy. The current economic stability and resilience to Western sanctions has been achieved at the expense of long-term development of economy and public welfare. Military spending supports the Russian economy, while the civilian sector stagnates due to the limited resources. Western sanctions limit the import of modern technologies and their components and significantly increase their costs, thus hindering the industrial development of Russia. It is unlikely that the Russian economy will collapse in the short term, but Russia's technological development and competitiveness will, most probably, decrease in the long term. Russia will increasingly lag behind the other world powers – the USA, China, India, and the European Union – both technologically and economically.

War and the insecurity that comes with it are worsening the already poor demographic situation: the Russian Federal State Statistics Service estimates that over the next 20 years the Russian population will decrease by 5-11%, excluding war casualties and migration. This will further escalate the problems caused by the shortage of labour. There is already a lack of personnel and financial resources for the maintenance of the communal and critical infrastructure. The degradation of the infrastructure has led to a significant increase of utility emergencies – in the winter of 2023/2024, at least 557 serious accidents were recorded in 59 Russian regions, leaving three million people without heating. The Russian Ministry of Internal Affairs and its various structures are already short of 20% of the necessary employees.

The labour shortage will not be solved by a potential conclusion of peace or ceasefire in Ukraine. As the Kremlin plans to increase the number of military personnel, and there will be a need for experienced servicemen, most of the soldiers involved in the war will likely remain mobilized. However, regardless of the outcome of the war, the demobilized soldiers will almost certainly become another long-term problem for Russia. The country is already struggling to reintegrate the demobilized soldiers into society, especially the former prisoners who commit crime and disrupt the public order.

State security services are focused on public control and the war in Ukraine, neglecting other internal threats and thus endangering the domestic security in the long term. In 2024, the Ministry of Internal Affairs recorded the highest number of serious and especially serious crimes in the last 13 years, citing the war in Ukraine, former criminals returning from the front, poverty, extremism, and terrorism as reasons for the increase. Another reason is the widespread availability of illegal weapons and explosives due to the war.

Although the war has not left Russia in international isolation, Moscow's positions in relation to the other countries have weakened, making it more sensitive to external pressure. Currently, Russia is not an equal partner to such global players as China and India, allowing them to develop cooperation on more favourable terms for themselves. For example, India and China use the Russian need for an outlet for its energy resources to purchase Russian oil and gas at a significantly lower price.

With the ongoing hostilities and military needs remaining Moscow's top priorities, Russia has very limited resources to address the many problems escalated by the war. This will not cause Russia to collapse, but will, almost certainly, weaken the country both domestically and internationally in the long run. As the war continues, the Russian economy will become less competitive, the public welfare will decline, the internal security will deteriorate, organized crime will escalate, and the Russian international influence will continue to decline. In the long term, the Western countries must reckon not only with Russia's external aggression but also the increasing number of various internal problems that will overwhelm the Kremlin and create wider instability both inside Russia and beyond its borders.



BELARUSIAN POLITICS

Alexander Lukashenko's regime remains stable, mostly due to the repressions and the restricted freedom of speech. The growing dependence of Belarus on Russia means an increasing level of Moscow's influence over the country. Belarusian foreign policy continues to be dominated by Russian interests and searching for new cooperation partners and markets for Belarusian goods. It is very likely that many Russian levers of influence in Belarus will largely remain unchanged even if Lukashenko and Putin leave their positions.

The 2024 parliamentary and 2025 presidential elections demonstrated that the regime still controls the situation in Belarus. Falsification of votes and prevention of serious alternative candidates from running ensured that only people loyal to the regime were elected to the Belarusian parliament, and Lukashenko won a landslide victory in the presidential election.

Security agencies continued to increase repressions against members of opposition and their relatives in Belarus. The Human Rights Centre Viasna reported a record increase in repressions, with 8,895 recorded cases in 2024. Authorities continued to systematically prosecute Belarusians for not supporting the regime, using imprisonment, fines, or dismissal from work. In November and December 2024, mass arrests of former political prisoners, their relatives, and friends took place throughout Belarus. State Security Committee officers conducted searches and interrogations as part of criminal cases, and some people were given protocols for receiving foreign assistance and engaging in extremist activities.

In 2024, the Belarusian opposition remained active. The elections of the Coordination Council of Belarus were especially significant for the democratic opposition. The Council was established in 2020 to represent civil society and promote democratic reforms. The representative elections were held online, allowing Belarusian nationals at home and abroad to participate in the process. There were around 280 candidates from 12 electoral lists, but the voter turnout was very low, leaving the Coordination Council without a strong political mandate to serve as a representative format for democratic forces in Belarus.

The low interest in the activities of the opposition can be explained by several reasons. First, the Belarusian regime implemented widespread repressions to discourage people from running for or voting at the Coordination Council elections. This was especially noticeable regarding the people still living in Belarus. Any involvement in such activities is considered dangerous and can result in several years of imprisonment. Second, given the strong media censorship and control over the internet, a large part of society was poorly informed or unaware of the opposition's activities. Third, after several years of protests and other activities, there is a growing dissatisfaction and fatigue among its supporters, as the democratic movement has failed to achieve a political change.

Russia tried to further integrate Belarus into the framework of the Union State. The new Union State Integration Plan for 2024 to 2026 might further increase Russian control over the Belarusian foreign and domestic policy, even though Russia is already able to influence the Belarusian decision-making process through bilateral agreements and does not need the framework of the Union State to secure decisions favourable to Moscow.

Close relations with the Kremlin have strengthened Belarusian positions in various international formats that could be regarded as analogues to some Western organizations. In July 2024, Belarus formally joined the Shanghai Cooperation Organization and became a BRICS partner country, significantly increasing the country's political capital on an international level.

In our assessment, it is unlikely that Belarus will get directly involved in Russia's war against Ukraine in the foreseeable future. Such move would significantly threaten the country's domestic stability and Lukashenko's positions, especially considering the strong public opposition to a direct Belarusian involvement in the hostilities. Belarusian cooperation with Russia serves Lukashenko as a guarantor of the president's authority, allowing him to maintain power and ensure the stability of the regime. The Belarusian leader is nevertheless aware that such support comes with certain risks for his continued ability to govern the country, leaving Lukashenko with growing concerns regarding a potential need to end the Belarusian isolation from the West to provide a counterweight to Russian influence.



CHINA-RUSSIA RELATIONS: ECONOMIC, MILITARY AND POLITICAL ASPECTS

China-Russia relations are a key element in Beijing's strategic rivalry with the United States in Southeast Asia and globally. In 2024, the "friendship without borders", declared by Beijing and Moscow shortly before Russia's invasion of Ukraine, continued to develop, deepening strategic coordination and cooperation in the economy and trade, investment and energy, as well as the military fields.

As the expanding Western sanctions have increased Russia's international isolation, China's economic relations with Russia have experienced significant growth. Beijing has replaced its previously cautious attitude towards Moscow's economic power with an increasing influence in the Russian economy. In the first 10 months of 2024, the value of the bilateral trade between China and Russia reached 202.2 billion USD, while the total trade volume has increased by 26.3%. This growth has contributed to increasingly asymmetric economic relations both in terms of import-export volume and commodity content.

China has increased the export of high-value-added and dual-use goods to Russia. Given its international position, China does not make direct military supplies to Russia, but public data indicate monthly exports of dual-use goods worth more than 300 million USD accounting for at least a third of China's total exports to Russia. These goods have been identified as high-priority raw materials for production of weapons, including missiles and drones. Thus, Beijing is supporting Russia not only in circumventing the sanctions but also continuing the hostilities in Ukraine.

Russia's fossil fuel exports to China account for 47% of its total exports. At the same time, China is actively limiting its potential dependence on Russian supplies, e.g., by refusing to invest in the "Power of Siberia 2" gas pipeline project. Beijing is also gaining financial and economic advantages by purchasing the Russian gas at a reduced price (in 2025 it will continue to be approximately 35% lower than the price at which Moscow supplies gas to Europe).

There has not been any obvious growth in the investment sector. Private companies are cautious about investing in Russia due to potential secondary sanctions, poorly developed infrastructure, labour shortages, and bureaucratic obstacles. The main investors are state-owned enterprises. China's direct investment in Russia account for less than 1% of its total foreign investment and has been declining since 2022. Beijing sees more risks than benefits from investments in Russia and prefers to invest in projects that ensure exports to China.

Last year, China publicly agreed with Russia to strengthen military relations, increasing the number, scale, and complexity of joint military (mainly naval) exercises. The two countries have also been conducting daily joint patrols in the Pacific Ocean. China uses the joint exercises to demonstrate its military potential to deter the United States. The increased frequency and geographical locations of military exercises develop the coordination between the two countries' armed forces, enabling Beijing to demonstrate its military power in the region (including in the context of the Taiwan issue). China continues to focus on the modernization of its army. From a security perspective, China's relations with Russia are based on Moscow's support for the modernization and development of the Chinese military. China is also using the war in Ukraine to increase its army's readiness for war – Chinese intelligence services collect both strategic and tactical information. Obtaining such information allows Beijing to learn from the practical experience of Russia and Ukraine on the battlefield and draw conclusions about how to effectively support Russia.

China has clearly demonstrated that it values the stability of the Russian regime. The collapse of Putin's regime or its defeat by the West is seen as a significant geopolitical threat and a limiting factor for China's foreign policy goals, i.e., transformation of the existing international order. The stability of the Russian regime is also important for the stability of the Chinese Communist Party's power and the economic growth of the country. China is interested to maintain the existing political status quo in Russia as it supports China's strategic competition with the United States and efforts to transform the existing international order into a more favourable one to authoritarian regimes. The stability of the Russian regime is also closely related to the economic benefits needed by Beijing to tackle its domestic challenges.

One of the most challenging aspects of China's cooperation with Russia was the rapprochement of the Russian and North Korean regimes in 2024. While it balances the dominance of the United States in the region, China is concerned that this cooperation could reduce Beijing's

influence and ability to control North Korea, especially the development of its nuclear program which China has so far actively limited. Even though China and Russia are united in their fight against the US global hegemony and are both striving for a change in the international order, Russia's ambitions in Southeast Asia may pose a threat to China's positions in the long term. At the moment, China sees more benefits than downsides to Russia's cooperation with North Korea. Being the dominant player in the region and having developed relations with both countries, China can, to a certain extent, manage the actions of both sides. However, in the long term, Beijing will closely monitor the developments between Moscow and Pyongyang to ensure that they do not pose a challenge to China's geopolitical positions.

China and Russia have a strong and adaptable political bond, which reflects mutual instrumentalization of policy and depends on external factors, especially China's strategic rivalry with the United States. China's asymmetric economic partnership with Russia provides several benefits to Beijing, supporting the Chinese economy and, by extension, ensuring the stability of both regimes. At the same time, there is obvious Russian dependence on Chinese imports in the military and civilian sectors. China also expects the cooperation with Russia to provide the necessary support in possible regional conflicts, e.g., in Taiwan or other possible scenarios where China would face a loss of influence, especially on a regional scale.

China's policy in the context of Latvia

The growing cooperation between China and Russia highlights the contradictions between the strategic interests of China and Latvia. Beijing aims to change the existing international order that is based on rules, overpower our partner – the United States –, and support the Russian regime. When cooperating with China, people must be especially careful and assess the actual benefits for both parties to avoid endangering the interests of Latvia and its allies.

To achieve its goals, China uses the so called “whole-of-society” approach – trying to gain influence and information on all possible topics (foreign policy, internal affairs, economy, defence, and culture) through all available instruments (diplomacy, NGOs, economic actors, diaspora, and intelligence). To promote a positive image of China, diplomats, cultural organizations, and media outlets abroad use soft power, including propaganda methods and provision of favourable conditions for further political and economic cooperation. Economic actors implement projects

that often strengthen Western dependence on Chinese goods or services and can create vulnerabilities of data security. Academics collaborate with Western researchers, gaining access to the knowledge of local experts. There is a risk of technology transfer as several Chinese scholarships require the recipient to pass on information to the authorities.

In 2024, China put great emphasis on gaining access to the Western policy makers to obtain sensitive information or influence the decision-making process. There are several methods to achieve this. Chinese nationals employed as assistants or advisors to influential Western politicians start working for China, providing direct access and influence over the decision-makers. Chinese intelligence services recruit politically or economically influential Westerners to gain indirect access and influence. Recruitment attempts often take place in China, with the Chinese side having a strict control over everything. These attempts are often difficult to identify as they are masked by offers of mutually beneficial cooperation. Finally, Chinese intelligence services carry out a massive online recruitment (mostly on the networking platform *LinkedIn*). Intelligence officers pose as employees of consulting firms and offer payments in exchange for reports on topics of interest to China. These offers are usually made to government officials having expertise in a particular field or access to sensitive information.

In addition to traditional diplomatic, economic, and cultural activities, China-related actors in Latvia have also been observed attempting to gain political and economic influence or access to information that could help achieve the strategic goals of Beijing. Cooperation with China should not be perceived as a risk to Latvia's security by default, but each offer should be critically assessed, bearing in mind China's strategic interests and their potential impact on Latvia.





EUROPEAN PARLIAMENT ELECTIONS

The 2024 European Parliament (EP) elections in Latvia was held in June. Several of our European colleagues observed election-related Russian information and cyber operations in their countries. As for Latvia, SAB did not identify any significant Russian influence or cyber operations targeting any political party or candidate to influence the result of elections or post-election debates either before, during, or after the elections.

There were some access failure or so-called DDoS attacks or information operations without any lasting consequences. In our assessment, Russia implemented an information operation to indirectly influence the public opinion. The campaign was mostly targeted at Latvian residents who support Russia and its messages, having the pro-Kremlin media as their main source of information. For example, the Russian state TV broadcasted biased pro-Russian stories about Latvia, based on the social media content (*Telegram*, *TikTok*) of Olga Petkevica, a candidate for the Latvian opposition party *Saskana*. Thus, the politician's pre-election messages were indirectly confirmed as being in line with the Kremlin's agenda. Russian media promoted the recognition and wider publicity of Petkevica and her messages in Latvia, popularizing the image of a voluntary fighter against the government's policies and defender of the Russian citizens.

This is not the first time we have seen Russia use similar tactics, indirectly pointing to candidates favoured by Moscow. Russian media and public diplomacy narratives used to portray Latvian ex-MEP Tatjana Zdanoka as the only defender of the Russian rights in Latvia. Before the invasion of Ukraine, the Russian embassy in Riga also played a significant role in confirming the pro-Russian candidates.

The current assessment indicates that the EP elections in general, including in Latvia, were not among the main priorities of Russian influence measures. It is very likely that, given Russia's war in Ukraine and the numerous sanctions imposed against the country, the Kremlin was aware of its limited possibilities to influence European anti-Russian sentiment and the EU sanctions policy.

It is possible that Russia intended to base the influence measures in Europe on its previous projects that were designed to influence the political environment, affecting the EU's unity and, consequently, its

support for Ukraine. It helps Moscow to have issues like “national interests first”, “limiting migration” or “redirecting budget spending to social goals, instead of defence” on the European political agenda. Similarly, it is also in Kremlin’s best interests to increase scepticism about supporting Ukraine and promote restoration of the economic cooperation with Russia. In recent years, Russia has been paying special attention to political forces that have the potential to polarize society (right and left-wing extremists, pro-Russian populists, including groups and organizations who defend minorities, peace, and human rights) to provide the necessary background for their messages.

Russia has also instrumentalized cooperation with its strategic ally, Belarus, to maintain relevance of the illegal migration on the EU’s Eastern borders, including Latvia. Although our country is not the primary target of this campaign, it still reduces government resources and tests the capabilities of the services to protect the state borders.

The Russian intelligence services continue to develop low-cost kinetic influence operations against Latvia. These operations allow Moscow to spread insecurity and unpredictability, intimidate society, and divide the Euro-Atlantic unity; these actions are difficult to attribute, allowing Russia to remain in the so-called “grey zone”. Moscow has demonstrated its growing risk appetite and readiness to escalate the aggressive provocations and sabotages to raise the level of insecurity in our society. As such background of insecurity would greatly aid the Kremlin’s agenda for the local government elections to be held in Latvia in 2025.





CYBER THREAT

In 2024, the level of cyber threat in Latvia has been elevated, yet stable, having significantly increased since the beginning of Russia's full-scale war in Ukraine. Last year, Russia continued to pose the main cyber threat to the Latvian institutions and society. Latvian support for Ukraine is a significant additional motive for hostile cyber-attacks. The activities of hostile states and other cyber actors were carried out in waves, contributing to a limited damage. The attacks have not caused any significant and lasting consequences, confirming that Latvian cyberspace is well protected.

Last year, there was an increase in all types of cyber-attacks. From the national security perspective, the most significant threats included various intrusion attempts, phishing campaigns, distributed denial-of-service attacks, as well as attacks on supply chains and operational technologies.

There were several public events during which cyberattacks were to be expected. Before the European Parliament elections on 8 June 2024, pro-Russian *Telegram* accounts urged people to disrupt the election process in Latvia and elsewhere in Europe, but no incidents directly related to electoral systems or election security were observed. Similarly, no significant incidents were recorded during the third parliamentary summit of the International Crimean Platform on 24 October 2024.

Politically motivated distributed denial-of-service attacks² by Russian hacktivist³ groups have become an integral part of Latvian cyberspace. These attacks are designed to revenge Latvia's political decisions and support for Ukraine, disrupt the work of public and private institutions, and cause confusion and inconvenience in the daily lives of residents. In 2024, Latvia experienced several waves of such attacks, following the visit of the President of Ukraine Volodymyr Zelensky to Riga or statements by the Latvian government regarding additional support, including military, to Ukraine. The attacks mostly targeted state institutions and specific companies (electronic communications service providers, transportation companies, the energy sector). These attacks had insignificant and short-

² Distributed Denial-of-Service attack (DDoS) – a cyberattack aimed at flooding a website's servers with a huge volume of requests from outside, in an attempt to overload the servers and make the website unavailable to the public.

³ Hacktivists – groups of cybercriminals who carry out cyberattacks due to their political beliefs.

term impact due to the well-prepared defence and expert response. An important element of defence is the centralized DDoS protection service funded by the Ministry of Defence.

There were also supply chain attacks⁴ affecting Latvian electronic communications service providers. In one case, the attacker interfered with the operation of a satellite, retransmitting the broadcasted content in Latvia. The attacker replaced the signal, for a limited time gaining the opportunity to broadcast Russian propaganda. In another case, there were two successful cyberattacks on outsourced service provider's servers in third countries, enabling the hackers to temporarily broadcast a Russian military parade and political appeals in Russian. Neither case affected the Latvian infrastructure or had Latvian audience as their primary target. They did, however, show how supply chain attacks on electronic communications service providers can be a threat not only to cyberspace but also to the security of the information space, which is especially important in the current geopolitical situation.

The cybersecurity of operational technologies⁵ has also gained relevance in the past year. Several critical infrastructure entities use operational technologies to provide essential public services – transportation, energy, water management, etc. Private companies use these technologies to achieve more efficient production. The most common operational technologies are industrial control systems (e.g., supervisory control and data acquisition (SCADA)). Since operational technologies are increasingly connected to the internet, the provision and availability of essential services depends on the cyber protection of these technologies. In many cases, the operational technologies can be compromised with relatively simple methods, such as using default access data or brute force password attack. Russian hacktivists have demonstrated readiness to attack industrial control systems in Latvia and the Western countries, causing not only inconvenience but also potentially threatening the security of critical infrastructure.

Traditionally cyberattacks tend to look for the “weakest link” of the system, therefore it is required to constantly improve the security management of information systems, perform timely updates, and follow security recommendations. SAB recommends that both individuals and organizations:

⁴ Supply-chain attacks – cyberattacks on intermediary service providers to gain influence over a target and penetrate its systems or network. Supply-chain attacks can target hardware or software manufacturers, cloud service providers, various outsourcing providers (accounting), etc.

⁵ Operational technologies – the use of hardware and software to monitor and control physical processes, devices, and infrastructure.

- take care of their cyber hygiene by not reusing passwords and using multi-factor authentication as widely as possible (for example, password + phone);
- make sure that default passwords are not used in applications, programs, and devices and are replaced as soon as possible;
- turn on automatic updates, monitor the availability of the latest updates, and notifications about critical vulnerabilities;
- in case of any doubts or actual incidents, contact security experts (CERT.lv) and supervisory authorities – timely communication will significantly reduce the potential damage.

National Cybersecurity Law came into force on 1 September 2024, establishing SAB as the institution monitoring the critical infrastructure of information and communication technologies.





PROTECTION OF NATIONAL, NATO, EU, AND FOREIGN CLASSIFIED INFORMATION

Latvian national classified information – the Official Secret – is information the loss or unlawful disclosure of which may harm the security, economic or political interests of the state. In accordance with the Law on Official Secret, protection of national classified information is carried out by all three state security agencies – SAB, State Security Service and Defence Intelligence and Security Service. The ability to provide protection of NATO and EU classified information is a prerequisite for Latvia to be considered a full-fledged partner in these organizations. SAB as the Latvian National Security Authority (NSA) is responsible for protection of NATO and EU classified information in Latvia. Regular assessment visits are conducted to check the compliance of the Latvian system for protection of NATO and EU classified information with NATO and EU security requirements. SAB is also responsible for protection of classified information of foreign states and institutions, including the drafting of international agreements on exchange and protection of classified information.

Vetting for access to national, EU, and NATO classified information

Vetting for access to national classified information is carried out by all three state security institutions. Security clearances for access to SEVIŠĶI SLEPENI (Latvian national TOP SECRET) information are issued only by SAB, based on the vetting carried out by all three state security institutions. In 2024, SAB issued 955 security clearances for the access to national classified information, including 313 security clearances for access to SEVIŠĶI SLEPENI information.

In 2024, SAB denied access to the national classified information in nine cases. No previously issued security clearances were revoked. The decision of a state security institution to deny access to the national classified information can be contested to the Prosecutor General whose decision can be further appealed to the Regional Administrative Court. In 2024, one of the decisions taken by SAB to deny access to the national classified

information was contested to the Prosecutor General. There were no appeals to the Regional Administrative Court.

Security clearances for access to NATO and EU classified information can only be issued to people who have already been granted access to the national classified information. NATO and EU clearances are issued only by SAB based on a vetting that includes analysis of the vetting materials for access to the national classified information and gathering of additional information necessary to make the final decision regarding granting access to NATO and EU classified information. In 2024, SAB issued 2179 security clearances for access to NATO classified information and 2267 security clearances for access to EU classified information.

In 2024, SAB denied access to NATO and EU classified information in 10 cases. SAB's decision to deny access to classified information of foreign states and international organisations is final and cannot be further appealed.

SAB also conducts other security checks in cases where a person does not require access to classified information, but it is still important to assess potential security risks, e.g., potential honorary consuls or people who need to access critical infrastructure, as well as in other cases specified in legislation. In 2024, the SAB conducted 1963 such checks.

SAB would like to highlight the following as particularly high-risk criteria for people who were vetted for access to the national, NATO, and EU classified information in 2024: gambling, excessive debts (including the so-called quick loans) and/or unclear financial transactions, regular contacts and/or trips to Russia, Belarus and other CIS countries, China, as well as certain negative personality traits, provision of false information or concealment of information during the vetting process.

Industrial security

Facility Security Clearance (FSC) confirms the right of a company to participate in public procurements involving access to the national, NATO and EU classified information, as well as the ability of the company to protect such information. The vetting of companies for access to national classified information is carried out by all three state security institutions, whereas the vetting for access to NATO and EU classified information is carried out only by SAB. The decisions on issuing FSCs are only taken by SAB.

As of January 2025, there were 92 valid FSCs for access to national classified information, 5 for access to NATO and 4 for access to EU classified information. In 2024, SAB has issued 26 FSCs.

In 2024 SAB refused to issue an FSC in 2 cases. The decision of SAB to refuse the issuance of an FSC or revoke a previously issued FSC can be contested to the Prosecutor General whose decision can be further appealed to the Regional Administrative Court. In 2024, SAB's decision to refuse an FSC was contested to the Prosecutor General in two cases. In one case, the decision taken by SAB is still being evaluated by the Prosecutor General, while the other one was left unchanged.

We would like to highlight the following among the main reasons for refusal of an FSC or its issuance for a reduced period of validity in 2024: company's violations regarding protection of classified information or its failure to comply with the requirements for protection of classified information, concealment of the true beneficiaries or provision of false information to the state security institutions, unclear financial transactions, violations of tax policy, as well as systematic violations of national legislation.

Physical security and management of classified information

The inspection and certification of premises of government institutions and companies used for handling of national classified information is done by all three state security institutions, while the premises for handling of NATO and EU classified information are only certified by SAB. The certification process includes inspection of the physical, electronic, procedural, and personnel security, as well as management of classified information. SAB also advises government institutions and private companies on issues regarding physical security of premises and management of classified information, as well as emergency evacuation and/or destruction of the national, NATO, and EU classified information. SAB supervises and controls the management and protection of all NATO and EU classified information released to Latvia in accordance with the systems and procedures introduced and maintained by SAB Central Register.

In 2024, SAB intensively worked to assist government institutions and private companies in implementation of the new requirements set by the Cabinet of Ministers Regulation No. 822 of 19 December 2023 "Regulation on the Protection of Official Secret, Classified Information of the North Atlantic Treaty Organization, the European Union and Foreign Institutions". SAB provided numerous consultations and initiated the development of new guidelines for the risk assessments related to handling of classified information.

Considering the deadlines set for the implementation of the new Cabinet Regulation, the number of new certifications in 2024 has decreased, compared to previous years.

International cooperation

SAB negotiates and drafts bilateral agreements on the exchange and protection of classified information (security agreements). When developing these agreements, SAB takes into account the areas where a regulatory framework for exchange of classified information is currently needed, such as the presence of NATO forces in Latvia or cooperation with a country in the field of industrial security. Negotiating agreements is a long-term process involving two countries with a different regulatory framework, both regarding the protection of classified information and drafting and ratification procedures of the agreements.

In 2024, SAB finalised the negotiations for security agreements with the United States and the Netherlands.

The draft agreement with the United States had already been approved by the Latvian Cabinet of Ministers in 2022, but the United States introduced changes to the text of the agreement in 2024. The amended version was approved by the Cabinet of Ministers on 13 August 2024 and signed by both parties on 12 December 2024.

The new agreement establishes a unified and detailed framework for the processing and protection of classified information, which is an essential aspect of the increasing political, military, and economic cooperation between our countries. This is particularly important for a full-fledged defence cooperation, enabling a common perception of threats and provision of military and technical support.

The entering into force of the new agreement will terminate the previous agreement between Latvia and the United States for protection of classified military information, concluded in 1998.

The agreement on mutual exchange and protection of classified information between Latvia and the Netherlands was approved by the Cabinet of Ministers on 17 September 2024 and signed on 15 January 2025 in The Hague.

To ensure more effective cooperation between Latvia and Ukraine, SAB has proposed to replace the existing bilateral security agreement, signed in 2003 before Latvia joined NATO and implemented significant changes to the classified information protection system, with a new agreement corresponding to the current situation.

In the meantime, we have also initiated amendments to the current security agreement to cover protection of RESTRICTED (DIENESTA VAJADZĪBĀM) information while the new agreement is being negotiated. (This information was only given the status of official secret in 2023.)

In 2024, SAB continued to work on security agreements with Poland and North Macedonia.

As the Latvian NSA SAB takes part in NATO and EU forums where member states develop a unified framework for protection of classified information: NATO Security Committee, the Security Committee of the Council of European Union, the Security Expert Group of the European Commission, and the Security Committee of the European External Action Service.

In addition to that, SAB also represents Latvia in the Multinational Industrial Security Working Group (MISWG), participating both in the ad hoc working groups and the annual plenary session. MISWG was established in 1985 to develop common principles and procedures for international cooperation in the field of defence and industrial security. Most of the procedures and documents developed by MISWG are also used by NATO and EU.





LEGAL MOBILE INTERCEPTION

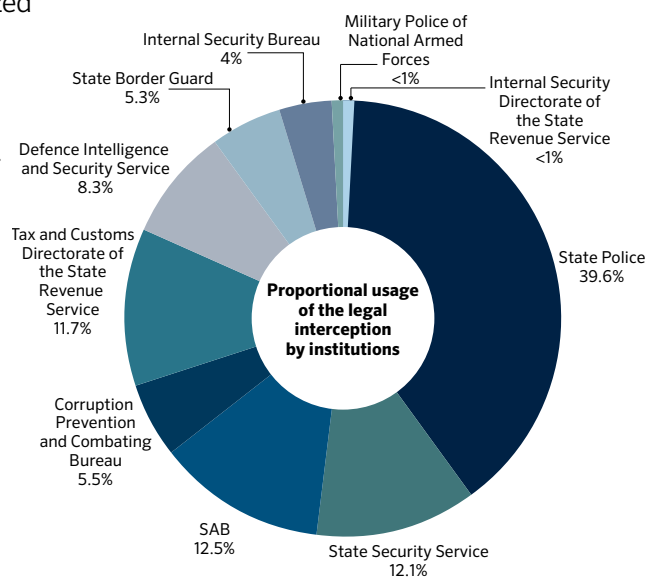
SAB hosts the technical facilities and equipment that provides legal mobile interception for law enforcement agencies and state security institutions. The data obtained during an interception are transferred to the initiator of the respective interception who has received a warrant from the Justice of the Supreme Court. The competence and responsibility of SAB include legal interception, protection of technical parameters and methodology of the interception, as well as the protection of the obtained data from an unauthorized disclosure before the data are delivered to the initiator of the interception.

Prior to the beginning of a legal interception, SAB receives the necessary documentation from the initiator of the interception, stating the following:

- The registration number of the initiating decision;
- Official who has taken the decision;
- Head of the institution who has confirmed the decision;
- Judge of the Supreme Court who has issued the warrant;
- Telephone number to be intercepted;
- Duration of the interception.

The legal supervision of mobile interception is provided by the Prosecutor General and specially authorized prosecutors. Parliamentary control is exercised through the National Security Committee of the Parliament.

As in previous years, SAB has not committed any violations regarding mobile interception in 2024. The proportional usage of the legal interception by law enforcement agencies and state security institutions is provided in the following chart.





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