Background note

Session IV: Security in the Baltic Sea Region. Russian hostilities – attempts to change borders and circumvent EU sanctions

Introduction

The Baltic Sea Region is an area of geopolitical tensions and security challenges at the strategic level. Russia continues its aggression towards Ukraine, while evading international sanctions and sending signals indicating its intention to undermine the *status quo*. The Baltic Sea has become an arena for various threats, not only military, but also economic and ecological. This has become apparent due to the increasing number of incidents, such as reconnaissance missions by Russian vessels and aircraft that are increasingly violating the airspace and territorial waters of third countries, GPS signal jamming, which leads to serious threats to the region's communication security, sabotage concerning transmission infrastructure (gas pipelines and networking cables). Moreover, the growing role of Russia's so-called shadow fleet constitutes one of the key threats. This fleet is made up of vessels having opaque ownership, often registered in countries with lax regulations. This allows Russia to circumvent sanctions, especially on oil exports. The intensified activity of the shadow fleet in the Baltic Sea calls for coordinated response and countermeasures to Russia's actions, which threaten both the stability of the region and international efforts to stop its aggression.

The security of the Baltic Sea is at the heart of the EU's efforts to stop Russia's revisionist stance and its attempts to circumvent international sanctions over the war in Ukraine. The Baltic Sea region faces many threats. On the one hand, shadow fleet allows Russia to earn on oil and natural gas and hence continue financing warfare and circumventing sanctions. On the other hand, the Baltic Sea sees an ever-increasing number of hybrid activities against critical infrastructure on water, land and in the air. This body of water is also particularly vulnerable to pollution because it is relatively shallow and enclosed. It is a catchment area for river freshwaters and is therefore heavily contaminated with pesticides and other plant protection products. What is more, the Baltic Sea is vulnerable to contamination with chemical weapons and other substances sunk during World War II, especially that hostile hybrid activities may include deliberate damaging of such sunken containers. There is no doubt that the Baltic Sea is an arena of competition between the free world and Russia, which systematically sends signals and takes actions, that can be viewed as hostile and aimed at undermining the existing international order.

Current events

Significant threats in the Baltic Sea stem from the activity of Russia's shadow fleet, a collection of approximately 300 vessels, roughly half of which are tankers, often using the so-called flags of convenience, usually poorly maintained which poses a serious risk of spills into the sea. The main purpose of the shadow fleet is to enable Russia to circumvent Western sanctions imposed due to its illegal actions in Ukraine. Through offshore oil transport and by concealing the origin of the oil, Russia secures an uninterrupted stream of revenues essential to fund its military operations.

A significant part of this illegal trade takes place via the Baltic Sea, which has become a key route for Russian oil exports. About a half of all shadow fleet operations take place in the region. These include not only circumventing sanctions, but also hybrid warfare, such as espionage and sabotage of underwater infrastructure, including power and telecommunications cables. The increasingly apparent threat of the shadow fleet also concerns endangering the Baltic Sea eco-system triggered either by the damage to the fleet vessels or by hybrid warfare. All of this undermines the security of the EU, threatening the environmental and infrastructural stability of the Baltic Sea.

In response, the European Union and its allies, in particular the United States and the United Kingdom, undertook measures to disrupt the operations of the shadow fleet. New sanctions introduced in January 2025 were aimed at restricting the activities of several key vessels and the facilities managing them. Accordingly, stricter insurance requirements and port bans, which restricted their access to ports in China and India. Nevertheless, sanctions fail to fully prevent the operations of the shadow fleet due to the challenging nature of vessel tracking and flag or ownership changes. It is also worth noting that Finland seized the Eagle S tanker suspected of involvement in sabotage activities while transporting Russian oil. This set an important precedent for unilateral action by EU Member States. Finland also hosted a summit of NATO states in January 2025, which focused on security of the Baltic Sea Region and the protection of underwater infrastructure, emphasising the importance of regional cooperation.

Several NATO member countries, including the Baltic States, have agreed to enhance intelligence sharing, monitor the movements of the shadow fleet and share data on its owners through integrated databases. A key element underpinning these efforts will be the use of satellite technology and artificial intelligence systems, while their full deployment being still under development. In addition, diplomatic efforts are being made to put pressure on the states that facilitate shadow fleet operations. These efforts are facing obstacles, and the pace of implementing reforms, including those led by the International Maritime Organisation (IMO), remains slow.

In the context of Baltic Sea security, it is crucial that the EU and its allies strengthen and coordinate their efforts to counter both the immediate threats posed by the shadow fleet and the wider geopolitical consequences of its operations. There are several areas for improvement. As a first step, oversight over shipping industry should be strengthened, using artificial intelligence technologies and satellites to monitor suspect vessels in real time. This will enable more effective tracking of tanker movements and detection of illegal activities. Moreover, more coordinated enforcement of sanctions, targeting not only vessels, but also financial institutions, insurers and logistics providers supporting these operations is required. Enhanced cooperation between the EU Member States and its allied states will be essential in closing gaps in the enforcement of legal rules.

The creation of joint working groups, such as the Baltic Task Force, operating within NATO and regional formats, such as the Joint Expeditionary Force (JEF), which will focus on preventing sabotage, ensuring maritime security and protecting critical infrastructure will constitute a vital step forward. In addition, it will be necessary to promote stronger global maritime regulations and transparency in the ship registration process to make ownership structures more transparent. It is also advisable to focus on the enforcement of the regulations established by the International Maritime Organisation for safety and pollution control, mainly in such a vulnerable area as the Baltic Sea.

Challenges

Russian activities in the Baltic Sea Region seriously threaten the stability of the Region due to illegal oil trafficking and various hybrid threats, such as espionage and sabotage of underwater infrastructure, jamming GPS signals on the water and in the air (the latter has been ongoing for almost a year, disrupting air traffic throughout the region, the most recent example being the forced landing of a LOT Polish Airlines flight between Warsaw and Vilnius). Russian spy ships, planes and drones, which photograph and analyse in detail military, transport and industrial infrastructure, are also a challenge. The deliberate and intentional violations of airspace by Russian aircraft aimed at testing the resilience of states in the region and NATO as a whole also occur in the Region. A limited ability to track vessels changing flags and owners remains yet another challenge. Moreover, some Western companies sell their own old, decrepit ships, which are then purchased and subsequently incorporated into the shadow fleet. This practice is an exceptionally delicate and sensitive issue. The sale of ships by Western companies, though profitable for them, may facilitate Russia in effectively evading the imposed sanctions. Western states, in particular the United States, recently imposed sanctions on dozens of tankers that were illegally transporting Russian oil. They also extended sanctions against the Russian energy sector. In spite of the sanctions already in place, Russia is finding

ways to circumvent them by using ships registered in countries with vague regulations. There is no uniform approach to the financial, insurance and logistical oversight of the facilities supporting the operations of the shadow fleet. The efforts are hindered by the glacial pace of reforms implemented by the International Maritime Organisation (IMO), which hampers the rapid introduction of global standards for transparency and shipping safety.

Hybrid threats caused by Russia's actions targeting critical infrastructure, which includes underwater telecommunications and energy cables, are also a challenge. There is still a lack of comprehensive coordination between states in the Region, which makes it difficult to effectively counter such threats. Limited intelligence sharing and the lack of coherent response strategies make it difficult to counter Russian hostile activities.

A constant and ever-growing challenge concerns the environmental risks in a relatively small and enclosed body of water such as the Baltic Sea. Intense maritime activity, including the growing illegal oil trade, poses a serious threat to the environment. Effective mechanisms for the enforcement of environmental standards and pollution control are still missing. We need to develop real-time data monitoring and analysis systems for faster response to threats. Nevertheless, the deployment of advanced technologies such as artificial intelligence and satellite monitoring encounters cost and infrastructure constraints.

Discussion points

1. What are the key implications of Russian actions in the Baltic Sea region for the EU and NATO? Are the current countermeasures sufficient?
2. How can the Baltic states better coordinate and strengthen their cooperation with NATO?
3. How the monitoring and enforcement of sanctions against the Russian shadow fleet can be improved?
4. How to more effectively track vessels changing flags and owners? What actions at the global level can lead to a more effective enforcement of Russia's compliance with international laws?
5. How to reduce support for Russia's shadow fleet offered by third countries?
6. How to reduce the environmental threats posed by the shadow fleet operations?
7. What scenarios are most likely in terms of Russia's further actions and how to prepare for them?