
Council of the Baltic Sea States

Youth Ministerial 2026

Draft Recommendations to the Foreign Ministers

Working Group on Artificial Intelligence

The following recommendations address the strategic, infrastructural, and governance conditions necessary to ensure that the Baltic Sea Region retains sovereign agency in the transition to advanced artificial intelligence. They begin from the premise that AI compute capability is a security issue, and proceed to the implementation measures that follow from that recognition. They are informed by OpenAI's Industrial Policy for the Intelligence Age (April 2026) and the BSRYF Working Group's analysis of European AI infrastructure requirements (November 2025).

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PART I — STRATEGIC PREMISE AND INFRASTRUCTURE

Recommendation 1

Sovereign AI Compute as National and Collective Security Infrastructure

The Foreign Ministers should recognise that sovereign AI compute capability constitutes a component of national and collective security infrastructure, comparable in strategic significance to energy independence and defence procurement. Nations without indigenous AI capability cannot independently defend critical systems against AI-enabled threats, cannot conduct sovereign intelligence analysis, and cannot ensure that the AI systems embedded in public administration, defence, and essential services reflect their own legal and democratic standards. This recognition should inform permitting, energy allocation, and investment decisions across the CBSS area, placing AI infrastructure on the same strategic footing as defence and energy security. The recommendations that follow are implementation measures in service of this premise. Classifying infrastructure as strategic must not become a pretext for reduced transparency: security and democratic accountability must be pursued jointly, not traded against each other. AI-assisted decisions by public authorities affecting individual rights must maintain meaningful human oversight, generate auditable records, and remain subject to parliamentary scrutiny and judicial review.

Recommendation 2

Emergency Permitting Reform for AI Infrastructure

Current European permitting timelines for data centre and related energy infrastructure — typically 18 to 36 months, and up to 7 to 10 years for high-voltage grid connections in congested hubs — represent the single largest structural barrier to sovereign AI capability. In the United States, equivalent facilities are approved in 6 to 12 months; in China, as little as six. Every additional month of procedural delay corresponds directly to a further month in which European institutions depend on foreign compute for functions the ministers have identified as security-critical. The Foreign Ministers should endorse the development of a CBSS AI Infrastructure Fast-Track mechanism targeting six-month approval through pre-approved site inventories, concurrent review processes, and streamlined environmental assessment. The precedent of emergency authorisation procedures for COVID-19 vaccine facilities demonstrates that such acceleration is achievable where strategic necessity is recognised. This is the recommendation with the shortest path to ministerial endorsement and the highest immediate impact.

Recommendation 3

Designation of Iceland as a Strategically Redundant European AI Energy Site

European AI compute capacity is currently concentrated in a small number of continental hubs, exposing the region to single-point-of-failure risk from energy disruption, physical attack, or regulatory change. Iceland offers a geographically isolated, energy-abundant alternative: geothermal and hydroelectric baseload, year-round ambient cooling, EEA regulatory alignment, and NATO membership. The Foreign Ministers should support a feasibility study for the phased development of large-scale AI data centre capacity powered by Icelandic renewables, connected to continental Europe via existing submarine fibre routes with sub-50ms latency to major population centres. The feasibility study must address submarine cable resilience, including requirements for route-diverse redundant fibre connections and contingency capacity — reflecting the region's post-Nord Stream awareness of subsea infrastructure vulnerability. Positioning Iceland as a secondary compute node reduces geographic concentration risk while offering training costs at or below US levels, directly addressing the structural energy-price disadvantage that currently drives AI talent and investment out of Europe.

Recommendation 4

Joint Procurement of Sovereign Compute Capacity

No single Baltic or Nordic state possesses the scale to procure AI compute at rates competitive with US hyperscaler programmes. The Foreign Ministers should consider the establishment of a CBSS-coordinated procurement vehicle for GPU clusters and associated infrastructure, pooling demand across member states to achieve volume pricing, reduce per-unit costs, and ensure that training and inference capacity resides within European legal jurisdiction. Procurement should be structured to avoid vendor lock-in and to maintain compatibility with open-weight model ecosystems. Energy sourcing should prioritise the region's competitive advantages in renewable baseload — Nordic hydropower, Baltic offshore wind, and Icelandic geothermal — positioning the BSR as the lowest-carbon AI training region globally.

Recommendation 5

A Baltic AI Commons for Open-Weight Model Development and Deployment

Sovereign compute infrastructure without competitive models is an expensive heater. Equally, closed-source foreign models embedded in critical government systems represent a supply-chain risk: they cannot be independently audited, they may be modified or withdrawn without notice, and they create permanent dependency on a foreign provider's commercial and political decisions. The Foreign Ministers should support the creation of a Baltic AI Commons: a shared, publicly funded platform hosted on regional infrastructure for the development, fine-tuning, and deployment of open-weight AI models. Open-weight models — systems whose parameters are publicly available for inspection, modification, and local deployment — are the primary lever through which smaller nations can exercise genuine AI sovereignty. The Commons should provide tiered access for citizens, educational institutions, small enterprises, and public sector bodies. It should also serve as the institutional home for dedicated European open-weight foundation model development, trained on multilingual datasets representative of Baltic Sea languages and cultures, co-financed by member states and linked to existing university AI centres including KTH, Aalto, and the University of Copenhagen. The objective is not to replicate the largest proprietary systems but to ensure that Europe possesses indigenous capability in model development, safety evaluation, and alignment research. Without this, the region remains a consumer of foreign intelligence regardless of how much compute it owns.

PART II — GOVERNANCE AND ADOPTION

Recommendation 6

Regional AI Incident and Capability Intelligence Sharing

As AI systems grow more capable, the detection and reporting of unexpected system behaviours — including dangerous emergent capabilities, novel misuse vectors, and alignment failures — becomes a collective security function analogous to cyber threat intelligence sharing. The Foreign Ministers should support the establishment of a regional AI incident-sharing mechanism, modelled on the CERT/CSIRT networks already operational in the cybersecurity domain: a trusted channel through which companies, public authorities, and research institutions can report incidents of misuse, near-misses, and unexpected capabilities without risk of punitive consequence, with appropriately classified information routed to national security authorities where warranted. Such a mechanism would give the region early visibility into emerging risks and build collective capacity for coordinated response at a speed commensurate with the threats involved. To ensure that the values embedded in AI governance reflect the societies that must live with their consequences, the mechanism should be complemented by structured channels for public and youth input into national AI strategies, such as a CBSS Youth AI Advisory Panel. Developers operating within the region should be encouraged to publish transparent model specifications and to submit to independent evaluation by national AI safety institutes, coordinated through a Baltic network consistent with the emerging international framework of AI Institutes.

Recommendation 7

Supporting AI Adoption and Labour Market Mobility Across the Region

The preceding recommendations address the strategic and infrastructural conditions for sovereign AI capability. Their economic benefits — including productivity gains for enterprises and new employment opportunities — will not materialise automatically without complementary measures at the level of firms and individuals. The Foreign Ministers are encouraged to support the development of national AI readiness programmes for small and medium-sized enterprises, financed through existing ERDF and structural fund mechanisms and building on approaches already emerging in member states, such as subsidised consulting through Germany's BAFA framework. Implementation should be designed to avoid capture by incumbent consulting firms and to ensure that enterprises gain durable internal capability. On labour markets, the ministers should prioritise investment in mobility and retraining infrastructure rather than static safety nets: portable training accounts that follow individuals across employers and borders, rapid-certification programmes developed in partnership with industry, and the removal of regulatory barriers to cross-border employment within the CBSS area. The underlying premise is that AI net-creates economic value; the policy challenge is ensuring that people can move toward new opportunities quickly, not that they are insulated from change indefinitely.

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