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COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

ORIENTATIONS FOR A UNION APPROACH TOWARDS THE BALTIC SEA REGION

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SEA REGION**

EXECUTIVE SUMMARY

Next year's enlargement of the Union to the North and the current initiatives to open negotiations for Europe Agreements with the three Baltic States, will inexorably draw the Union more into the affairs of the Baltic Sea region¹. Furthermore in view of the relations the Union has established with Poland and Russia, it seems opportune to examine the future role the Union will be called upon to play to further stability and economic development in the region.

This communication aims at developing a conceptual context for a regional Union approach to the Baltic Sea region with particular attention being paid to including the poorer areas into its general development. It contains suggestions on how bilateral relations could be developed and complemented by regional political and economic cooperation. The communication contains proposals for encouraging the liberalisation of trade throughout the area and identifies sectors and actions where a regional rather than a bilateral approach is appropriate to improve coherence and efficiency.

The measures proposed in this communication do not require additional funds. They could be implemented through financing from existing budget lines although in some cases certain reallocations or re-orientations may be necessary.

¹ Throughout this paper, the terms "Baltic Sea States", "Baltic Sea region" and "the region" are used to describe the area surrounding the Baltic Sea, including Denmark, Northern Germany, in particular Hamburg and the Länder of Schleswig-Holstein and Mecklenburg-Vorpommern, Norway, Sweden and Finland, Poland, Estonia, Latvia and Lithuania, and north-western Russia, in particular the regions of Kaliningrad, St. Petersburg, Novgorod, Pskov, Karelia and Murmansk. The term "the Baltic States" is used to describe Estonia, Latvia and Lithuania.

I. INTRODUCTION

The Baltic Sea region presents unique challenges. Historically, it was an important cultural and trading area of unusual dynamism. Although characterized by a great diversity of history, language and culture among its populations, there is a strong feeling of common heritage. The region has a long past of vigorous economic cooperation. Now, when opportunities for a revival exist, the region can again make a great contribution to Europe's political and economic development.

The Baltic Sea region is of increasing importance for the Union. The Union's enlargement to the North and the development of its bilateral relations with other countries in the area will considerably strengthen its involvement in this region. The Union has also a particular economic interest in the Baltic Sea region because of its geographical proximity, soon for the greater part within its boundaries.

Therefore, at this juncture it seems appropriate to outline the Union's future role within the region as a whole.

The Baltic Sea region is an important market and centre of economic activity. It is home to a population of about 50 million people of which 11 million Union citizens and another 18 million to enter as a result of enlargement. There is, however, a great disparity in the economic situation with the remaining 20 million; GDP per capita varies widely.

The region has also considerable potential as a crossroads between the industrialised Union - up to 370 million people after enlargement - and the developing East with rich natural resources and 250 million people. In time, a vigorous and open Baltic Sea economy will provide new trading and investment opportunities, particularly once the Russian economy will start again to grow. The political and economic interests of the Union will be served by the integration of the region into the European and world economy.

It is against this background that the Union is actively developing its bilateral relations with the countries in the region and has been supporting these developments with considerable assistance funds. Membership negotiations with three Nordic countries have been concluded with a view to their accession on 1 January 1995, subject to ratification procedures (Finland having already voted "yes" in its recent referendum), a Europe Agreement with Poland is in place, a Partnership and Cooperation Agreement with Russia has been established and new initiatives are under way for the negotiations of association agreements with three Baltic countries.

The Union's financial instruments - structural funds, Phare, Tacis, balance of payments and emergency assistance etc. and EIB-funds - have been mobilised to help develop the region economically. The Structural Funds contributed more than 235 million ECU² to areas bordering the Baltic Sea in the existing Union in the period 1989-93 and this figure will be more than 915 million ECU³ for 1994-99. 1.5 billion ECU of Phare and other Community assistance for Poland and the three Baltic States as well as 78 million ECU of Tacis directly for north-western Russia have been committed in 1990-1993 and more will follow. The Baltic Sea States have also participated in 1992-1994 Peco/Copernicus initiatives concerning scientific and technological cooperation.

² Objective 2 (Storstrom), Objective 5b (Bornholm, Schleswig-Holstein), INTERREG, RENAVAL, KONVER and 1991-93 measures for the New Länder (Mecklenburg-Vorpommern).

³ Objective 1 (Mecklenburg-Vorpommern), Objective 2 (Storstrom, Schleswig-Holstein), Objective 5b (Bornholm, Schleswig-Holstein) and INTERREG. Amounts for KONVER and other Community Initiatives not yet available.

Several Member States have also made important contributions. Besides the transfers from Germany to the Eastern Länder, important contributions have been made by Germany and Denmark: 4 billion ECU in 1990-1993 to Poland and the three Baltic States and substantial assistance for north-western Russia. The Nordic countries have committed 1.4 billion ECU to Poland, the three Baltic States and north-western Russia in the period. Other G-24 countries have also contributed.

However, to improve the coherence and efficiency of these bilateral relations and assistance programmes more attention should be paid to the benefits a complementary regional approach may bring. This paper contains suggestions for political cooperation in a regional context, for the liberalisation of trade for industrial products and for the orientation of assistance towards priorities of a horizontal nature in the region.

It should be recognised that the Union is not the only actor in the region. It is primarily the responsibility of the countries in the area and of the various actors operating at all levels in both the public (regions and municipalities) and private sectors to work towards the political and economic development of the area. However, it is in the Union's interests that there be close cooperation and coordination between the different actors. The Union and the Commission should therefore play an active role in encouraging this process.

The activities proposed in this paper should in principle not require additional funding but may imply a reorientation of existing and future priorities identified for the region as a whole within the existing budgetary allocations.

II. MEASURES TO STRENGTHEN THE REGIONAL DIMENSION OF COOPERATION

A. Political Cooperation

A key interest of the EU in the Baltic Sea region is to enhance security and ensure the stable political and economic development of the entire region. Against the background of the widespread perception that there exists a security vacuum in this part of Europe this task is a pressing one. Here, efforts made in the framework of NATO's Partnership for Peace, the Conference on Security and Cooperation in Europe, the Stability Pact and the Council of the Baltic Sea States (CBSS) should be mutually reinforcing. WEU's associate partnership for Poland and the Baltic States will also contribute to stability in the region.

Stable political development implies full respect of human and civic rights. An appropriate integration of non-citizens, in particular the Russian-speaking residents of the Baltic States, especially Latvia and Estonia, in accordance with relevant recommendations from international organisations as well as a constructive dialogue between the parties concerned would strongly contribute to the improvement of regional security and stability. In this context, the Union has a role in promoting the observance of the fundamental values which now bind the countries of the region including the rights of persons belonging to minorities. The Union is in a unique position to address plurilateral and regional issues with the objective of ensuring a harmonious settlement.

Political dialogue with countries in the Baltic region takes place in the context of the Union's agreements with each of the countries concerned. Poland participates in the multilateral dialogue which the Union has established with associated countries in central and eastern Europe. The Partnership and Cooperation Agreement with Russia

provides for an intensive political dialogue. Several rounds of the political dialogue between the Union and the Baltic States have already taken place.

The conclusion of Europe Agreements with the three Baltic States will reinforce their political dialogue with the Union. Meanwhile the existing dialogue at the level of Ministers and of political directors could be reinforced. The Essen European Council is expected to confirm the development of a structured relationship between associated countries and the Union which will intensify political dialogue with Poland and other Europe Agreement countries. As the Union's relationship with the Baltic Sea region as a whole develops, consideration should be given to ways to promote synergy between these distinct fora for political dialogue.

The Stability Pact is one of the first series of Joint Actions of the Common Foreign and Security Policy. It should provide new impetus to efforts already underway in existing fora (CSCE, CBSS, Council of Europe). The Paris Conference agreed on the establishment of a Baltic Roundtable to identify activities aimed at discussing general political issues in the region and at promoting regional cooperation relating for example to integration of populations of foreign origin, national minorities, language training, ombudsman, transborder activities and maritime cooperation as well as cooperation among regions of neighbouring countries. The first Baltic Roundtable with the three Baltic States and Poland took place on 21 September 1994, with the attendance of Russia as an observer. The meeting was marked by a forward-looking and constructive attitude. The Commission has indicated its willingness to support "Stability Pact projects" in the framework of existing Community Programmes (Phare) and is studying a number of proposals which were made by the Baltic States at the first Roundtable meeting. The second meeting of the Baltic Roundtable will be held in Copenhagen on 1 November 1994. The final conference on the Pact may take place as early as February 1995. Thereafter, the CSCE will monitor its implementation.

Cooperation in the CBSS is an important complement to the Union's bilateral relations in the region and serves important political and economic purposes for all participating countries. Founded in 1992, the CBSS has at present two EU members (Germany and Denmark) and the European Commission as full participants in addition to all the other countries in the region, including Russia. The CBSS serves as a vehicle for its members to demonstrate their political commitment to the region, while at the same time providing a forum for coordination of economic support for projects of regional or cross-border interest. It is also contributing to the further building of institutions in the new democracies. The CBSS has appointed a Commissioner on Democratic Institutions and Human Rights, including the Rights of Persons belonging to Minorities, with the task of identifying remaining problems and offering solutions in this crucial field. The financing of the activities of the Commissioner implies that some financial support from the Union should be provided out of existing budgetlines (Phare). The CBSS has also been active, through the establishment of the Eurofaculty in Riga with links as far as Tartu, Vilnius and Kaliningrad (a link to St. Petersburg is also envisaged), to promote educational cooperation and cultural exchange financed through Tempus/Phare and Tempus/Tacis.

B. Economic Cooperation

The dense network of contractual relations with the countries bordering the Baltic Sea takes into account the heterogeneity of the situation of each of them. Nevertheless, they have been conceived in a coherent way within a single policy context by the Union. Since the principal provisions are based on the same economic and legal prerogatives of the European Union, there is already a consistent approach towards the whole Baltic Sea region. These provisions would be reinforced by the measures proposed by the Commission in its "Strategy to prepare the countries of central and

eastern Europe for accession" for Poland and they would apply to the Baltic States once Europe Agreements have been concluded.

(a) Trade

The full potential of these agreements and strategies, especially with respect to their trade provisions could be further complemented by economic cooperation among the countries in the area themselves, especially in establishing free trade for industrial products which has already been agreed between the three Baltic States.

Thus, the network of bilateral agreements should provide a good foundation for three complementary processes:

- the full implementation of the existing bilateral agreements and their further development in a harmonised way;
- the adoption, where it is useful and appropriate, of a multilateral approach;
- encouragement to develop economic cooperation on a similar basis between the Baltic States, Poland and Russia.

These developments would thus constitute a valid contribution towards satisfying the conditions to be fulfilled in view of the overall objective of creating a Pan-European free trade area for industrial products.

This trade liberalisation could be supported by Phare and Tacis through the building up of administrative competence and procedures to handle free trade flows without major risks of trade distortion, over and above the existing Phare sponsored dialogue on administrative and legal issues in the economic sphere (competition, standardisation, economic legislation). Technical assistance should be particularly directed towards the development of export insurance and guarantee systems through the provision of technical cooperation, the development of insurance facilities, and support for credit facilities for the development of export services, with particular reference to promoting trade within the region.

(b) Assistance Orientations

Support to Poland, the three Baltic states and Russia has so far taken the form of humanitarian aid, technical assistance and, for certain of these countries, macro-economic assistance. Following the progress with stabilisation and reform that has been made in Poland and the Baltic States there is now a greater emphasis on improvements in infrastructure (roads, ports, border crossings, energy and telecoms) and investment promotion. The cross-border programme and the Copenhagen investment facility are a recognition of this changing emphasis. Greater attention has also been given to environmental protection as well as private and financial sector development.

The coherence of assistance could be considerably enhanced if relevant programmes and prospects were developed in a regional context and if consensus could be reached on a number of priorities of regional interest. The Commission in the framework of G-24 and the special forum of the CBSS has mobilised the international financial institutions to be part of the overall effort.

In order to ensure an approach consistent with the integration of the Baltic Sea economies with the European Union, consultation on matters of policy at all levels is of importance. A step in this direction is being taken in consultations related to the White Paper on Growth, Competitiveness and Employment, particularly on the Information Society.

(i) Infrastructure and related services

The transition to market economy in Poland, the Baltic States and Russia has entailed a change in trade flows and a need for modern transportation and other links with Western Europe and the world market.

The improvement of infrastructure in the region has clearly emerged as a priority in which the Union can promote the region's economic development. Projects and programmes of a regional and transnational character in transport, telecommunications, nuclear safety, energy and environment form an important area for EU-assistance efforts.

The Via Baltica and the Helsinki-St. Petersburg corridors have been agreed as Trans-European Network corridors. The Commission has a particular role in the framework of the G-24 for mobilising the assistance needed, not least from the international financial institutions, for the development of these corridors. Phare assistance to eliminate border crossing obstacles will remain an important instrument in this context.

The ports of the Baltic Sea region are being considered in the forthcoming Trans-European Ports Network initiatives which will influence assistance priorities for this sector. In this connection it is of importance that free and non-discriminatory access to maritime transport services and to port services be ensured throughout the countries in the region. Short-sea shipping should, as an environmentally-friendly and energy-efficient means of transport, be particularly promoted in the region.

The promotion of energy efficiency and the interconnection of electricity and gas networks to protect the environment and to improve security of energy supplies is vital for the economic development and quality of life in the region. The gas pipeline Russia-Poland-Germany has been given priority status. The Commission will, in cooperation with the international financial institutions, continue to give special attention to assistance measures in this sector.

The Commission will further develop assistance; in coordination with other countries, to improve safety of nuclear reactors in the region (Ignalina, Leningrad, Kola) and is taking part in discussions on the dismantling of the nuclear reactors in Paldiski, Estonia.

The Commission will continue to support the joint Comprehensive Environmental Action Programme of the Helsinki Commission (HELCOM) aiming at the reduction of the input of pollutants into the Baltic Sea. Of importance is cooperation with regard to the management of major transnational river basins in the Baltic Sea catchment area, the sustainable development of coastal areas and the preservation or rehabilitation of important wetlands in the region.

On the basis of elaborated sector strategies the Union will be able to substantially increase its assistance for environmental protection in the Baltic States. The LIFE Programme (Environment) has been opened for projects in the Baltic Sea region. The specific Union research and technical development programme in the area of marine science and technology includes research activities in the Baltic Sea.

Cross border telecommunications and infrastructure are strategic areas for economic and industrial development. The Commission will help enhance data networking in the Baltic States and assist in developing commercial data based services through the creation of a modern information infrastructure.

Through the Cross Border Cooperation Facility Phare can support infrastructure investment in environmental protection, energy supply restructuring and port

development. As of 1995 a multilateral approach for the Baltic States and Poland is envisaged, e.g. in such areas as land resource development and environment.

Through the structural funds, soon to be extended to the new Member States, and through the Copenhagen co-financing facility, the Union can work together with the EIB and EBRD to finance infrastructure development. It is proposed that the possibility be investigated of using Phare, Tacis and structural funds together in projects which contain a regional dimension and which promote integration. Here, INTERREG and the Phare cross border programme could be particularly important in linking regions of different countries. The involvement of Tacis in cross-border programmes should also be envisaged in the context of the revision of the Tacis regulation.

(ii) Promoting investment

Investment in the area is a high priority. The public authorities have a role to play in creating a framework which encourages investment. The Union's contractual links as well as its assistance programmes should contribute to sustaining the process of reform in the economies in transition and supporting the establishment of a favourable legislative environment for public and private investments.

The Union through the Phare programme is financing a number of measures aiming at stimulating external investment (establishing investment promotion agencies, targeted investment campaigns) and mobilising internal investment through financing schemes such as credit lines via local banks or equity funds in cooperation with the EBRD. The signing of the European Energy Charter by all countries in the region contributes to a favourable investment climate in the region.

Links between local and regional governments and nongovernmental institutions should be promoted in order to create an information network on cooperation opportunities. The setting up of professional bodies will also be supported. Private economic agents from the European Union are invited to play a more active role in promoting industrial cooperation to foster investment and trade. To this end, opportunities for and obstacles to investment could be explored with Community industry sectors in a concrete sector specific manner. Roundtables of Industrialists involving interlocutors from relevant administrations would provide appropriate platforms for discussing such opportunities and obstacles and for promoting partnership building.

Major conferences for the promotion of public and private investment in each of the Baltic States are foreseen for end 1994/beginning 1995. The Union should also welcome and where appropriate support initiatives from the private sector, such as the Baltic Chambers of Commerce Association, to promote a framework favourable for business and foreign investment. The Europartenariat conference held in Gdansk in 1994 provides a model for encouraging links between small and medium sized enterprises in the Baltic Sea region and in the Union.

(iii) Other elements for cooperation

The Union has begun to open up Community programmes to participation by the associated countries of central Europe. Once Europe Agreements have been concluded with the Baltic States, such participation will be possible for them too.

The implementation of the Phare regional programmes for the fight against drugs in central and eastern Europe in cooperation with UNDCP, in particular the programme

"Fight against Drugs", will be accelerated by the opening of the project's headquarters in Riga.

The Union could also encourage its current and new Member States to further assist their partners in the region to develop adequate police services to combat smuggling and crime. The partnership and cooperation agreement with Russia explicitly foresees cooperation in these areas. Customs cooperation which is already taking place in the framework of the various agreements should be further developed.

The Union and the Baltic States also share an interest in cooperating in the fields of immigration and asylum, particularly in setting up the machinery for the processing of asylum applications and for combating illegal immigration.

Cultural cooperation will be promoted, encouraged and facilitated with Poland with a view to strengthening its European cultural identity, notably in the fields of literary translation, exchange of artists, and the conservation and restoration of monuments and sites. Similar cooperation will be initiated with the three Baltic States after conclusion of Europe Agreements with them. Cultural cooperation with Russia will be carried out within the framework of the Partnership and Cooperation Agreement.

The work on Common Visions and Strategies for Spatial Development around the Baltic at the Horizon of 2010 was launched in August 1992 with a view to promoting the Baltic Sea region in the international context and to strengthening the region's development and cooperation potential. The strategies and common actions will be defined by the Ministers of Spatial Planning meeting in Tallinn in December 1994. The Commission intends to play an active role in the implementation of common actions to the extent these are reinforcing the options recommended by the Commission in the Europe 2000 + Communication adopted in July 1994.

The "Ouverture" and "Ecos" programmes destined to establish links between regions and cities of the Union and in central and eastern Europe already include regions and cities in Poland and the three Baltic States (2 MECU earmarked so far). The possibility is being considered to develop within the context of Ouverture/Ecos a special sub-programme for the promotion of cooperation between regional and local authorities in the Baltic Sea region. Special relationships between towns or regions could also be fostered by instruments such as the town twinning projects of Tacis and through the Phare public administration reform projects.

Cooperation of professionals within the region and the Union will be supported and enabled by exchange of information between and through mobility of professionals. In particular, the COPERNICUS programme has enabled exchange of and mobility for scientists and technologists. The Fourth Framework Programme for Research and Development will continue such support. The Union and the Baltic Sea States share also an interest in continuing scientific and technological cooperation programmes.

Finally, the role of local (regional and municipal) authorities and business organisations for the development of the area could be strengthened. Technical assistance and investment promotion programmes are of particular importance to them.

III. Coordination

The Commission should play an important role in ensuring efficient coordination with other donors - for example through the G-24 mechanism - and with the international financial institutions. It is important that institutions with particular expertise, such as the EBRD, the EIB and the Nordic Investment Bank, be persuaded of the merits of a regional approach.

The Council of the Baltic Sea States also provides in its sphere of action a useful forum for efficient coordination. This cooperation is now entering a more concrete phase. The Commission, therefore, intends to continue ensuring a permanent and active presence in this forum with a view to enhancing an efficient coordination of Union activities and programmes with those of other Baltic Sea States.

IV. Conclusions

The Commission invites the Council to approve the orientations outlined in this communication, regarding a specific Union approach to the countries of the Baltic Sea region; based upon a deepening of the Union's own bilateral relationships and complemented by the active encouragement and support of interregional and subregional cooperation. This approach should in particular be realised by:

- enhancing the political dialogue with the Baltic States in a multilateral framework on issues of common interest, with a view to promoting stability and security in the Baltic Sea region;
- addressing issues relating to stability and security in the Baltic Sea region in the Union's political dialogue with Russia;
- inviting the Commission to continue to take a full and active part, as a full member, in the work of the CBSS;
- intensifying the coordination of existing bilateral and multilateral assistance programmes to the region;
- giving priority to infrastructure, environment and investment promotion, noting that the Union's structural, Phare and Tacis funds for the area should contribute in a complementary manner to projects in the Baltic Sea region;
- stimulating and supporting the activities of the economic operators in the area at a subregional, local and private organisation level;
- encouraging regional and subregional cooperation to the regions of Russia bordering the Baltic Sea.

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FINANCIAL STATEMENT

1. Title of operation

Draft communication from the Commission to the Council on "Orientations for a Union approach towards the Baltic Sea region"

2. Budgets involved

See annex.

3. Background

(a) General

The Council agreed on 15 December 1993 to guarantee loans up to a volume of 3 billion ECU from the EIB to 11 Central and Eastern European countries including the Baltic States and Poland.

(b) Poland

Phare support for Poland has been provided to address economic and structural transformation. In 1994, priority areas for Phare cover 8 sectors including financial sector, transport infrastructure, worker protection. Cross-border cooperation with the EU is also supported in 1994 through eleven projects in eligible border regions on the Polish-German border and on the Polish seaborder with Denmark.

DG XI LIFE Programme financed in 1991 an environmental action in the framework of the Baltic Sea Joint Comprehensive Environmental Action Programme. In 1993, actions were also financed for nature parks, Baltic area development management plans for coastal lagoons and coastal wetland and for a centre in Gdansk.

Under Copenhagen Cofinancing facility, 30 million ECU have been provided in 1993 for rehabilitation and upgrading of the E 20 railway and 30 million ECU in 1994 for development of the E 4 motorway.

(c) The Baltic States

In 1991 funds were made available to the Baltic States under the Tacis programme. However, from 1 January 1992 they became recipients of funds from the Phare programme. For the most part Phare assistance has been provided through National Indicative Programmes. Such assistance has increased steadily since 1992 and this year will total 65 MECU. In addition, the new Cross-Border Cooperation Facility aims to co-finance actions of a structural nature in countries sharing a common border with the European Union: the island of Bornholm (Denmark) is included for the purposes of this programme and following tripartite meetings with each of Estonia, Latvia and Lithuania on 31 May 1994, a number of projects were provisionally accepted.

The EC has agreed balance of payments support worth 220 MECU to the Baltic States (100 MECU to Lithuania, 80 MECU to Latvia, 40 MECU to Estonia). This represented approximately half of the balance of payments gaps estimated by the IMF. The EC loan Agreements and Memoranda of Understanding were signed with Estonia and Latvia on 8 January 1993 and

with Lithuania on 2 March 1993, and the Commission disbursed the first tranches of the loans to Estonia and Latvia on 31 March 1993 and to Lithuania on 27 July 1993.

The EC set up an assistance programme of 90 MECU to grant food grains, flour and animal feed to the Baltic States in two tranches during 1991-92. Lithuania received 41.1 MECU (including 0.6 MECU of pharmaceutical assistance), Latvia 26.4 MECU and Estonia 22.4 MECU.

THE DG XI LIFE Programme in 1993 financed a Regional Environment Centre in Riga aimed at helping local authorities to make the transition to a market economy in an environmentally sustainable way.

(d) North-western Russia

The total Union assistance to the NIS from September 1990 until 1 July 1994 amounts to 4.147 MECU. Many of the emergency assistance, credit/credit guarantee and technical assistance programmes etc. for the NIS cover also north-western Russia. The following programmes could however be directly related to this area.

From its inception Tacis (B7 620) has included St. Petersburg and its surrounding area as a main objective for assistance for economic reform. In 1991-1994 the St. Petersburg area obtained 85.1 MECU, including commitments for nuclear safety.

Kaliningrad is one of the target areas in the 1994 Tacis Programme, involving 7.9 MECU for assistance, inter alia, for the development of a Free Economic Zone.

Tacis has also introduced in 1994 a project to supply training for the Murmansk Port Authorities.

The DG XI LIFE Programme (B7 8100) financed in 1993 a Regional Environment Centre of 1.2 MECU in St. Petersburg aimed at helping local authorities to make the transition to a market economy in an environmentally sustainable way.

OVERVIEW OF OPERATION FOR POLAND

	MECU				
	1990	1991	1992	1993	1994
I PHARE B7 6000 (National Programmes)	197	180.8	200	225	208.75
- of which TEMPUS	-	13.5	26	35	35
- of which Cross-Border cooperation	-	-	-	-	58.75
2. Balance of payments loans	-	-	-	-	-
3. Humanitarian, food and emergency aid	70	-	-	-	-
4. Economic cooperation - on the environment (LIFE) B7 8100	-	0.89	-	1.1	-
- for language training Heading B7.5020 (Economic commercial cooperation agreements with third countries)	-	-	-	-	-

OVERVIEW OF OPERATION FOR ESTONIA

	MECU			
	1991	1992	1993	1994
I PHARE B7 6000 (National Programmes) - 1991 figures are TACIS	4	10	12	17
- of which TEMPUS	-	2.5	-	-
- of which Cross-Border cooperation	-	-	-	1.5
2. Balance of payments loans	-	-	20	N/A*
3. Humanitarian, food and emergency aid	10.4	12	-	-
4. Economic cooperation - on the environment (LIFE) B7 8100	-	-	1.2	-
- for language training Heading B7.5020 (Economic and commercial cooperation agreements with third countries)	-	-	60,000 ECU	-

OVERVIEW OF OPERATION FOR LATVIA

	MECU			
	1991	1992	1993	1994
1. PHARE B7 6000 (National Programmes) - 1991 figures are TACIS	5.6	15	18	24
- of which TEMPUS	3.5			2
- of which Cross-Border cooperation	-	-	-	3
2. Balance of payments loans	-	-	40	N/A*
3. Humanitarian, food and emergency aid	14	12.4	-	-
4. Economic cooperation - on the environment (LIFE) B7 8100	-	-	-	-
- for language training Heading B7.5020 (Economic and commercial cooperation agreements with third countries)	-	-	-	60,000 ECU

N/A: Not yet available

OVERVIEW OF OPERATION FOR LITHUANIA

	MECU			
	1991	1992	1993	1994
1. PHARE B7 6000 (National Programmes) - 1991 figures are TACIS	7.6	20	25	34
- of which TEMPUS	4			2
- of which Cross-Border cooperation	-	-	-	4
2. Balance of payments loans	-	-	50	N/A*
3. Humanitarian, food and emergency aid	18	22.5	-	-
4. Economic cooperation - on the environment (LIFE) B7 8100	-	-	-	-

N/A: Not yet available

ASSESSMENT ON IMPACT ON SMEs

The proposal should foster the development of SMEs in view of the suggestions to encourage free trade throughout the Baltic Sea region, to support regional infrastructural solutions and to promote a favourable framework for business and foreign investment, inter alia through cooperation with the Baltic Chambers of Commerce Association.