Baltic region: current state and prospects for cooperation in the Baltic region

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OBJECTIVE: this report on the state of cooperation in the Baltic Sea region summarizes: . various actual and estimated contributions for the period 1991-1994 and . contributions which various sources could make to the Baltic region between 1995 and 1999. It takes stock of all foreign aid channeled to the Baltic states, Poland and the Russian Federation which affects the Baltic coast and summarizes both the assistance granted by the EU and its Member States (on a bilateral basis) and by the other G-24 countries and international financial institutions. CONTENT: the report states that aid channeled to the Baltic region by all donor countries and organizations from 1990-1994 totaled an estimated ECU 4,534 million (of which ECU 517 million in EC subsidies). This sum includes both Community aid per se under various programmes (PHARE and TACIS mainly) and aid from Member States and other financial backers in the G-24 countries. As far as the Union is concerned, the strategy applied was a regional strategy based on more extensive bilateral relations with the EU which actively encouraged cooperation between or within regions. This strategy is based on a number of key factors, such as reinforcing political dialogue, fostering regional stability and security, continuing the Community's commitment to the CBSS (Council of Baltic Sea States), coordinating multinational assistance, giving priority to the promotion of infrastructures, the environment and investments within the framework of combined Community resources (Structural Funds, PHARE and TACIS), supporting economic activity and encouraging cooperation between and within regions. The report details all the actions financed in the region. Most Community aid (mainly PHARE /TACIS) has been used for economic infrastructures and services (transport, communications, environment, energy), social infrastructures (education, health, public administration), the productive sector (agriculture, industry, commerce, banking and tourism), social adjustment (balance of payments) and horizontal aid for training, export credits and support for private investment and economic reforms. Inter-regional cooperation projects have been implemented, as have projects to strengthen democracy. Other Community programmes being implemented in the region are the LIFE programme (environment), the SYNERGY and SAFE programmes (energy) and the Structural Funds (mainly INTERREG II and other relating funding). The report also summarizes bilateral aid granted by Denmark, Finland, Germany and Sweden and financial institutions involved in re-launching the region (EIB for the Community, Nordic Investment Bank, EBRD, International Bank for Reconstruction and Development, IMF). . Prospects: finally, the report sets out a series of general guidelines for implementing a general initiative in the region from 1995-1999 targeting the long term, the main thrust of which is as follows: - total aid must not fall below aid for 1990-1994 (the report quotes a total of ECU 4,655 million, of which ECU 950 million in EC subsidies); - the level of technical aid should be based on investments financed by both loans and non-refundable grants; - in addition to public investments in infrastructures, resources earmarked for investment should be channeled more towards economic investment to develop the private sector (SMEs, agricultural restructuring); - EC assistance and bilateral assistance from Member States should be used to support the process of integration as part of a pre-accession strategy.