

## TEMPLATE FOR INTERREG PROGRAMMES<sup>1</sup>

CCI [15 characters]

Title [255] Interreg South Baltic

Version

First year [4] 2021

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Eligible from

Eligible until

Commission decision number

Commission decision date

Programme amending decision number [20]

Programme amending decision entry into force date

NUTS regions covered by the programme:

DE80N Vorpommern-Greifswald

DE803 Rostock, Kreisfreie Stadt

DE80M Nordwestmecklenburg

DE80L Vorpommern-Rügen

DE80K Lankreis Rostock

DK014 Bornholm

DK021 Østsjælland

DK022 Vest- og Sydsjælland

LT023 Klaipėdos apskritis

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<sup>1</sup> Without prejudice to any further alignment in relation to the outcome of inter-institutional negotiations on other legislative acts, including 2021-2027 Cohesion policy legislative acts.

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LT027 Tauragės apskritis  
LT028 Telšių apskritis  
PL424 Miasto Szczecin  
PL426 Koszaliński  
PL427 Szczecinecko-pyrzycki  
PL428 Szczeciński  
PL636 Słupski  
PL637 Chojnicki  
PL638 Starogardzki  
PL633 Trójmiejski  
PL634 Gdański  
PL621 Elbląski  
PL622 Olsztyński (proposed extension)  
SE212 Kronobergs län  
SE213 Kalmar län  
SE221 Blekinge län  
SE224 Skåne län  
Strand Strand A

## **1. Joint programme strategy: main development challenges and policy responses**

### **1.1. Programme area (not required for Interreg C programmes)**

Reference: point (a) of Article 17(3), point (a) of Article 17(9)

The Programme covers 25 NUTS 3 regions (subject to change, if the area is extended to Olsztyński sub-region), which are part of the territories of five Baltic countries: Denmark, Germany, Lithuania, Poland and Sweden. The South Baltic Area ('SBA') has a distinct blue and green character, featuring the sea basin, coastal landscapes and extensive green areas with numerous lakes and streams. At the same time, it has a largely coastal character (most of the Programme area is situated within 50 km of the coastline). The South Baltic cross-border character is strongly defined by the Baltic Sea positioned centrally within the Programme eligible area. This unique geographic nature of the region determines specific conditions for cooperation. While, on the one hand, the Baltic Sea serves as a natural physical barrier to cooperation, on the other hand, cooperation within the region has a long tradition with its roots in the Middle Ages. However, despite the shared history, the recognition of a common South Baltic identity in the local and regional communities is low. What is more, there are strong socio-economic disparities within the region.

The South Baltic Area has a non-metropolitan, mostly rural character, with scattered settlement structures. The population is concentrated in a few large urban centres, which are the main poles of social and economic development. The area is inhabited by approx. 8.9 million people (2019), with half of the population living in the Polish coastal regions.

Since the early 1990s, the emerging cross-border ties established as part of Euroregions (Pomerania, Baltic) have resulted in many diverse collaboration networks spreading across the South Baltic Area involving: regional and local authorities, business organisations, R&D institutions, and NGOs. These cooperative networks have been strengthened by joint projects under the South Baltic

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Programme 2007-2013 and 2014-2020 and have provided a solid foundation for the years ahead.

**1.2. Joint programme strategy: Summary of main joint challenges, taking into account economic, social and territorial disparities as well as inequalities, joint investment needs and complimentary and synergies with other funding programmes and instruments, lessons-learnt from past experience and macro-regional strategies and sea-basin strategies where the programme area as a whole or partially is covered by one or more strategies.**

Reference: point (b) of Article 17(3), point (b) of Article 17(9)

The overall vision of the South Baltic Area

The central location of the sea (affecting transportation patterns and socio-economic convergence processes in the SBA), the maritime character of historical trade relations, the joint asset of extensive and relatively undisturbed natural areas, and the shared importance of economic sectors utilising the rich natural resources (both land and sea-related) determine the role of the blue and green economy for sustainable and innovative regional growth in the South Baltic Area. The potential of cooperative networks between the area's knowledge-intensive services and research-intensive industries, the availability of businesses investing in and promoting clean, energy efficient technologies, and the untapped resource of tertiary education graduates are exemplary assets shared by the South Baltic regions.

At the same time, the South Baltic regions show considerable disparities in socio-economic characteristics, with visible urban-rural and west-east divides in the economic attainment of the SMEs, innovation capacity in the regions, demographic, migration and labour market trends or mobility patterns that need to be addressed by joint actions across borders.

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The South Baltic Programme's area is unique, as it covers regions from five Member States mostly without direct land borders – the border between them is on the Baltic Sea. Taking it all into consideration, the vision for the South Baltic Programme is: ***"United by the Sea into action for a blue and green future. – Innovative, Sustainable, Attractive and Active South Baltic."*** Where:

***"Innovative"*** – describes an approach to the economic growth that utilises the endogenous potential of the SBA (e.g. number of research institutions, universities and modern enterprises). It underlines that the innovation will be a foundation and competitive advantage of the South Baltic regions and will support the cross-border cooperation and growth of the most important sectors for the SBA, i.a. energy, construction, transportation, agriculture and forestry, food manufacturing and processing and also highly desirable in tourism and culture as well as other branches.

***"Sustainable"*** – means that the actions, which will be undertaken within the Programme, will bring positive impact on the regions in environmental, social and economic development.

A sustainable approach is very much connected with the green and blue economy which is essential for the regions of the South Baltic. Green economy / technologies relate to environmentally friendly solutions, that promote the sustainable management of resources and take into account energy efficiency, recycling, safety and health concerns, etc. The term relates to methods, approaches, solutions, materials, devices, products and services applied in a wide range of activities. These usually include: production and transmission of renewable energy, water and air purification, sewage treatment, environmental remediation, solid waste management, energy conservation and life-cycle solutions, chemistry, food manufacturing and processing, housing, and many more. At the same time blue economy is defined as all economic activities related to oceans, seas and coasts, and can cover the following sectors: blue energy – offshore wind power, tidal and wave power, ocean thermal energy conversion, aquaculture, maritime, coastal and cruise tourism; deep-sea and shortsea shipping, marine mineral resources (seabed

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mining), marine biotechnology (e.g. resources in the pharmaceutical and cosmetic industries), desalination, coastal protection, maritime security & surveillance and environmental monitoring. In order to ensure the proper blue and green growth of the SBA the sustainable approach is inevitable.

**“Attractive”** – emphasizes the natural and cultural values of the South Baltic Area. These regions not only have beautiful landscapes, but also a wealth of vegetation and green areas. In addition, the SBA also has a deeply rooted cultural heritage that has been visible for centuries in industry and commerce. The word "attractive" emphasizes the extremely important role played by tourism, cultural and natural heritage for the South Baltic regions.

**“Active”** – places emphasis on the need of actions aiming at ensuring the economic growth of the SBA, as well as to improve the quality of life of the South Baltic regions’ inhabitants. In addition, “active” also refers to the issue of cooperation between various groups of stakeholders from different regions. The South Baltic Area has a diverse array of actors with a huge potential for improved cooperation between them, at the cross-border level. “Active” in connection, especially with “innovative” and “sustainable” put particular emphasis on strengthening the collaboration between actors in the Quadruple Helix Model, which sets out the relationships between the industry, academia, public entities and civil society. A part of social sustainability is to involve citizens, which will lead to increased understanding, knowledge and engagement. The equal involvement of citizens and civil society will improve the quality of life in the region.

## Economic area | Key challenges

The South Baltic Area has witnessed a steady economic growth over the recent years, however the level of economic development varies considerably between countries and regions. Despite the extensive resources allocated from the EU cohesion policy, inequalities have not been completely levelled out. Large

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disparities between the regions of the South Baltic Area in the earnings of the population as well as in terms both of GDP per capita and disposable income. The richer regions from Denmark and Sweden (and the less wealthy German regions) are disproportionately richer than the Polish and Lithuanian ones. Income among the regions is distributed unevenly, indicating no common trend. Besides the differences between countries and regions, the disparities have a strong urban-rural character.

The service sector is dominant in the South Baltic Area, in line with the European trend. It is noteworthy, however, that the agriculture, forestry and fishery sector nevertheless enjoys a strong position in the eligible Programme Area compared to their respective national averages. The sector remains a significant source of employment and, on average, employs more people than in regions outside the eligible Programme area. It is also worth noting that these sectors contribute a significant portion of the value added produced within the SBA and their position is often stronger when compared to their position on the national level in the countries of the eligible Programme area.

A distinct pattern across all the eligible area is the dominance of small enterprises, which employ 1-9 people. In line with the trend at the European level, small enterprises constitute the vast majority of enterprises, followed by medium-sized companies, while firms employing above 50 employees most frequently represent only approx. 2% of all companies. The dominance of small enterprises determines their important role to the regional economy. However, cross-border cooperation in the business sector in the South Baltic Area should be further strengthened, allowing companies to further enhance collaborative culture and to reap the benefit of sharing knowledge and undertaking collaborative activities. In particular, efforts at strengthening cooperation could allow SMEs to unleash their potential for technological transformation and internationalisation.

Tourism is one of the leading industries in the South Baltic Area. However, despite the presence of varied tourist attractions, unpolluted and exciting natural

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landscapes and a decent accommodation base, relatively large disparities between SBA regions are noted in the level of development of the tourist infrastructure. The environmental and climate conditions of the SBA, created by the influence of sea water, beaches and green areas, are currently used only in a limited extent for the creation of year-round tourist offers. The sustainable use of the environmental assets for building the tourism offer, breaking the seasonality in tourism, can contribute to the development of the whole Programme area. The South Baltic Area does not have a common approach towards building a sustainable and innovative tourist sector, which would allow to more fully reap the benefits of the region's touristic potential. The Programme area could therefore benefit from cooperation in developing a common tourist product. This would bring not only economic benefits, but also elevate the SBA as a more attractive tourist destination and – allowing for the introduction of more sustainable practices – help preserve the unique environment of the region.

The South Baltic Area has a coastal zone location and large sections of the eligible Programme area have access to the sea. These features determine the huge potential of the region to develop a blue economy in a sustainable way that allows to preserve the eco-system balance of the South Baltic. The Blue Economy encompasses a number of varied sectors (including maritime transport, resource extraction, tourism and others), many of which both generate a significant value added and employ large portions of the countries' populations. While Blue Economy plays an important role in the economies of the SBA, a number of unsustainable activities are practised as well. One of them is over-exploitation of the Baltic fishery resources. Strengthened cooperation to address the issue could allow the region to reap the benefits of sustainable development of the sector. However it should be noted that over-exploitation of the Baltic fishery resources falls under the European Maritime and Fisheries Fund interventions.

Social area | Key challenges

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Overall, the eligible area has seen an upward population growth rate trend. At the same time, the eligible area has experienced an inflow of immigrants with the average crude rate of net migration at 2.08%. Highest inward migration can be observed in two Swedish regions (at the rate of 10.3). Average crude rate of natural change of population in the eligible area, however, remains negative (-1.92%). However, the trends for individual regions have varied, with some of the subregions experiencing negative growth rates. Rural regions tend to experience most heavy depopulation – a trend that is directly related to the continuing rural-urban migration towards the urban centres, including towards the key cities within the eligible area, which have seen positive growth.

The structure of society is changing in the South Baltic Area. On the one hand, due to the development of medical sciences and a lower value of birth rate, its society is getting older. This is a challenge that entails the obligation to adapt the labour market, social policy, as well as public spaces and residential buildings. It covers also aspects related to the growing number of persons with disabilities<sup>2</sup>. On the other hand, the exodus of graduates from the South Baltic Area to other regions, which often offer better financial and development opportunities, causes the loss of well-educated young people that could potentially strengthen the local labour market. This phenomenon is particularly visible in the rural areas as well as in the subregions located near larger urban centres.

While there is significant room for cooperation in the field of education, education systems across the South Baltic Area vary largely depending on the solutions adopted on the national level. Notably, the concept of lifelong learning is not consistently popular across the region and tertiary educational attainment varies, although it remains above the EU average of 40%. The eligible area is home to a

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<sup>2</sup> According to information presented in the *Disability rights strategy for 2021-2030* app. 48% of the population aged over 65 is disabled in some way

number of renowned educational institutions, which – albeit to a limited extent – are already interlinked by regional and international networks of cooperation. The cooperation and relatively strong cohesion of educational offer (especially in fields related to the blue and green industries which are of great importance for the SBA economy) constitutes a significant asset in terms of developing cross-border cooperation.

While the South Baltic Area is characterised by cultural diversity, the region nevertheless has important shared heritage, bearing an imprint of common historical experiences and influences, which continue to shape the contemporary cultural profile of the region. Shared historical experience and the proximity of the sea has led to the development of shared cultural elements as well as emphasis on the historical experiences related to the development of the maritime sector across nearly all of the SBA subregions. What is more, the eligible Programme area is home to a number of renowned cultural institutions, which attract both regional and international attention and visitors, increasing touristic potential of the subregions.

#### Environmental and Infrastructural area | Key challenges

Although significant progress has been achieved in order to address some of the most pressing environmental challenges faced by the South Baltic Areas, increased cooperation is key in order to protect the unique environment of the region and eliminate unsustainable practices. Most notably, climate change poses a major threat to the region. Among other negative consequences, it contributes to rising sea levels, which may lead to flooding across the lowland and depressed areas in the region. Moreover, the average temperature of water in the Baltic Sea has been rising, on average, by approximately 0.40°C per decade, threatening its biodiversity. Indeed, most of the Baltic Sea has been rated as “Moderate” or “Poor” with respect to biodiversity and, therefore, has been classified as a problem area. At the same time, the Baltic Sea is in a critical situation in terms of eutrophication and pollution levels. The eutrophication level is at 87%, the highest rate among European seas as of 2019. While pollution is primarily discharged into the sea from the shore,

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pollutants cumulated at sea – including those discharged from marine vessels and those emerging from dumped ammunition – remain a significant problem. These environmental problems constitute significant shared challenges faced by the region. Sea level and floods are not only threats to the environmental security of the region – there are also other negative phenomena visible, e.g. impact of climate change on crop growing, drought, shortage of water supplies and pollution with chemicals and plastics.

While diverse sources of renewable production are exploited across the eligible area, it is worth noting the significant potential of the region for the development of sectors producing (i) wind energy, (ii) bioenergy and (iii) solar energy. In addition, the SBA has a wave energy production potential. Yet, the varied and often unstable conditions in the Baltic Sea – which differ both regionally and depending on the season – create obstacles for development in this respect. Choosing the right type of technology and adapting it to the local conditions could ensure optimal wave energy production. However, while renewable energy production capacities have been steadily increasing across the region, there remains room for further development and joint actions. In particular, lack of adequate renewable energy storage capacities and facilities in several regions may slow down the rate of increase of clean energy production. There is also a need for the system to handle irregular power flows from many small production units, especially at rural areas.

Each region within the SBA has a distinct policy concerning environment issues. This impedes the opportunities for exploiting the synergy effect resulting from the neighbouring location of the regions and conduction of joint actions for environmental protection and the SBA brand building (as a leader in implementation of eco- and green solutions). Challenge is also connected with the need to improve of renewable fuels production and distribution including building proper infrastructure (e.g. charging stations).

The Programme area is characterised by a well-developed national and regional transportation network as well as the presence of several multi-modal

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transportation hubs, offering access to sea, land and air transport. The SBA has witnessed an increase in the accessibility levels in the years 2006-2016, although the accessibility indicators continue to vary across the region. Key challenges related to transport and accessibility include disparities between transportation systems of the western and eastern parts of the Programme area and poor public transport connections between rural and urban areas, a trend which corresponds with the continuing increase in car-based mobility. What is more, there is a need to develop infrastructure for renewable fuels, charging stations for electric cars etc.

Despite a number of infrastructure investments, which significantly improved the national and regional transportation systems, there are still needs in terms of internal connections from rural areas to urban centres, also taking into consideration social inclusion of all groups (i.a. accessibility for disabled persons). Developments addressing such needs could have a positive impact on, among others, the structure of the labour market and the structure of settlement developments. Such actions would also represent countermeasures against the present trend of increasing car-based mobility.

#### Technological area | Key challenges

While the SBA is characterized by relatively high level of access to IT/telecommunications infrastructure, there are still large disparities between countries and regions in terms of access to advanced ICT services (e.g. cloud computing) which impacts technological advancement of particular regions, for instance in terms of digitization of public sector services. In addition, the current model of concentrated development of ICT infrastructure and services in growth centres benefits urban areas, while putting rural areas at a disadvantage, thereby further exacerbating the rural-urban divide. It is necessary to introduce programs aiming to eliminate the existing market failure and improve access to ICT infrastructure and services.

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A significant percentage of the surveyed companies located in the South Baltic Area face the problem of an insufficient number of suitably qualified ICT specialists. The growing needs of the economy and the public sector as well as the insufficient supply of labour force in this area may constitute a significant barrier to development. Hence the need, in addition to educating new ICT specialists, to build a broad training program for the currently employed employees and to increase their digital competences. The continuing trend of low employment of women in the ICT industry is not conducive to closing the employment gap in the ICT industry and increasing women's competences in this area. This can lead to a deepening digital divide and inequality in access to jobs and the risks of discrimination. Counteracting this phenomenon requires undertaking extensive educational activities and motivating women to work in the ICT sector.

As for innovation, the results of the latest European Innovation Scoreboard 2020 study reveal a disparity between the western and eastern parts of the Programme area. The German, Swedish and Danish SBA regions have been classified as innovation leaders or strong innovators, compared to the Lithuanian and Polish regions, which are considered to be either modest or moderate innovators.

The expenditure on Research and Development (R&D) within the eligible area remains relatively low compared to the European average and varies on the regional scale. Only in a minority of regions does both public and private expenditure on R&D exceed the EU average, while the rest of the area lags behind other European regions in this respect. In addition, while at the national level the R&D expenditure pattern is one of dominance of private sector expenditure over public expenditure, in line with a wider European trend, this pattern is reversed within the SBA, when examined at the NUTS 2 level, where public expenditure on R&D dominates. Small and medium-sized enterprises based in the SBA have undertaken a diverse range of innovation activities, with a varied degree of success. The companies from the SBA have so far been preferring independent work on innovative solutions than cooperation with other entities in this field. This approach severely limits the perspective of innovation development and does not prompt

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companies to make use of external resources available in their vicinity. It is not conducive to the process of networking and sharing endogenous SBA resources and building a culture of trust and cooperation.

#### Remarks on the COVID-19 pandemic

The worldwide pandemic of COVID-19 disease has had a significant impact on the economy and society of the South Baltic Area. The pandemic caused a global lockdown stopping millions of businesses overnight and restrictions related to the pandemic have significantly affected the financial standing of enterprises and have rendered many people unemployed. Closing domestic economies or remodeling organization of the economic processes have had negative impact on many sectors important for the SBA (e.g. tourism, culture), as well as resulted in the slowing down of SMEs functioning (e.g. decline in exports). The COVID-19 pandemic situation also induced the rapid transformation of the market towards on-line solutions and education of society in the field of digital literacy. The ICT industry faced a great challenge of the growing demand for services and products in almost all spheres of life. There has been an increase in demand for solutions enabling remote work, the use of telemedicine and e-medicine services, e-learning, e-administration, e-commerce, and in the field of culture - there has been an increase in interest in digitizing resources and transferring institutional programmes to the web.

Despite some positive changes (related to fast development of several sectors) induced by COVID-19, at the time of preparing the Programme, the pandemic remained a real threat and public authorities have been taking actions to reduce its effects on an ongoing basis. The effects of the pandemic that will be visible in the long term are not completely known yet. For this reason, the trends observed in the historical perspective are subject to change, especially in the aspects most severely affected by the pandemic. The presented document, as far as possible, takes into account the impact of the pandemic. The activities presented in the Strategy to the extent possible, not only support the most affected sectors, but also aim at building a crisis-resilient economy and taking into account the changes appearing in the way

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of life of the SBA inhabitants (e.g. working, spending free time etc.). Nevertheless, due to the dynamic of the situation and the long-term impact, the Strategy of the programme is not able to cover all the effects of the pandemic. Combating the negative consequences of COVID-19 pandemic could be undertaken within all the programmes co-financed with EU funds to regain the past character of the European regions. Dealing with its negative influence on local economy and the society is one of the most important challenge for policy-makers and project leaders. Creation of a year-round tourist offers, breaking the seasonality pattern in tourism in the SBA and of the natural and climatically attractive environment and its actual role for tourists and residents, can help in recovery from the COVID-19 pandemic.

#### Consistency with horizontal principles

Developing regional, national and trans-border cooperation policies requires that special attention is paid to the horizontal principles of European Union. The main values such as sustainable development, equal opportunities and non-discrimination, and gender equality are the foundations of balanced and healthy economic, social and cultural growth and guarantee the cohesion between all the European Union nations and citizens.

Horizontal principles are incorporated in all programmes co-financed with EU funds. Therefore, including them during the Programme's strategy creation guarantees the cohesion and complementarity with other programmes co-financed by EU, regardless the level of intervention – state, region or local commune.

Horizontal principles have been considered during the programming process and will be an important component throughout the whole cycle of the Programme implementation, monitoring and evaluation. Non-discrimination principles and equal treatment shall be incorporated in the project selection procedure, while potential beneficiaries should ensure that sustainable development, gender equality and non-discrimination are promoted during the implementation of projects with

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Interreg funding. Compliance with the principle will have to be met by all projects financed under the SBP.

### Sustainable development

Sustainable development, which shall be understood as meeting the needs of the present generation without compromising those of future generations, is one of the most important principle promoted by European Union. SBP encourages project partners to promote innovative, eco-friendly solutions that contribute to build the resilience for climate changes and have a positive impact on environmental security (e.g. reduce the carbon footprint).

### Gender equality

According to the horizontal principle of gender equality, everyone shall be allowed to use the results of projects funded by European Union and the access to those results cannot be limited. SBP should promote actions and measures that have an impact of realising the principle of equality. The horizontal policy aims at resolving problems connected with differences in society due to gender and the stereotypes that determine gender segregation, activity rates, pay differences etc.

### Equality opportunities and non-discrimination

Non-discrimination covers not only gender equality, but also any other discrimination based on racial or ethnic origin, disability, age, sexual orientation, religion or belief etc. SBP places the special emphasis on equal access to the use of funds within programme regardless any personal or group characteristic.

### Consistency with the European Green Deal

The EU has committed to achieving climate neutrality by 2050. Reaching this objective will entail a transformation of Europe's society and economy, which will need to be cost-effective and just, as well as socially balanced. The European

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Commission's European Green Deal communication sets out policy initiatives aiming to help the EU achieve its 2050 climate neutrality goal.

The European Green Deal provides an action plan to boost the efficient use of resources by moving to a clean, circular economy and restore biodiversity and cut pollution. The plan outlines investments needed and financing tools available. It explains how to ensure a just and inclusive transition. Reaching the 2050 target will require action by all sectors of European economy, including:

- investing in environmentally-friendly technologies,
- supporting industry to innovate,
- rolling out cleaner, cheaper and healthier forms of private and public transport,
- decarbonizing the energy sector,
- ensuring buildings are more energy efficient,
- working with international partners to improve global environmental standards.

Considering all abovementioned information, it has to be underlined that the SBA has all necessary strengths (blue and green character, highly developed blue and green economy etc.) to contribute to the EU Green Deal implementation. As the proposed EU policy initiatives are focusing on i.a. clean energy, sustainable industries, eliminating pollution, sustainable mobility or biodiversity, the proposed intervention logic and projects which can be funded under this Programme will directly or indirectly contribute to the most of indicated areas within the EU Green Deal scope, and thus, to the energy transition processes in all South Baltic regions. The chosen Programme measures have either high or moderate contribution to achieving the goals of the EU Green Deal.

High contribution:

- Programme measure 1.1 Digitizing the region
- Programme measure 2.1 Supporting transition towards green energy
- Programme measure 2.2 Promoting sustainable use of water

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- Programme measure 2.3 Supporting a circular and more resource efficient development
- Programme measure 3.1 Developing sustainable, resilient and innovative tourism

Moderate contribution:

- Programme measure 1.2 Building connectivity of the region through internationalization
- Programme measure 4.1 Strengthen the cooperation capacity of actors based within the South Baltic Area (including civil society)

Consistency with European Union Strategy for the Baltic Sea Region (EUSBSR)

The revised EUSBSR Action Plan distinguishes three objectives (Save the Sea; Connect the Region; Increase Prosperity). Further, under sub-objectives 14 Policy Areas were developed (divided into 44 actions). They represent the main areas where the EUSBSR can contribute to improvements, either by tackling the main challenges or by seizing key opportunities. In the 2007-2013 period, the then South Baltic Programme provided substantial input to the implementation of the EUSBSR through joint actions, increasing the competitiveness of the regions and enhancing integration among people and institutions. The projects co-funded under the 2007-2013 programme addressed as many as 12 Priority Areas in the past Strategy setup, with particularly strong interest in actions promoting the attractiveness of and entrepreneurship in the Baltic Sea Region. Six projects of the South Baltic Programme 2007-2013 directly contributed to the implementation of the Strategy's Action Plan (MarTechLNG, Art Line, Enjoy South Baltic! Hardwoods are good, South Baltic Training and SEASIDE).

As continuation of this approach, the Interreg South Baltic Programme 2014-2020 supported the activities directly reinforcing the development of the Baltic Sea macroregion. Seven projects were granted the flagship status of the EUSBSR: INTERCONNECT, BioBiGG, MORPHEUS, Baltic Sea Tourism Center, InnoAquaTech,

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Attractive Hardwoods, BBVET. The majority of the 64 regular projects being implemented within the Interreg South Baltic Programme 2014-2020 contribute to the execution of the Strategy's objectives.

The Interreg South Baltic 2021-2027 operational programme stays in synergy with the revised Strategy and will play an active role in its implementation. The Programme measures are strongly linked to the main goals of the EUSBSR Save the Sea (Programme measures 2.1, 2.2, 2.3, 3.1), Connect the Region (Programme measures 4.1) and Increase Prosperity (Programme measures 1.1, 1.2).

Strong links to the Policy Areas of EUSBSR are observed and complementarity of the Specific Objectives in the Programme is expected:

PA Energy - Programme measure 2.1. Supporting transition towards green energy is dedicated to projects concerning developing, demonstrating and implementing green energy solutions in production and storage of energy as well as elaboration of green policy strategies. It aims at facilitation and popularisation of use of alternative energy sources such as wind, solar, biomass, water and other renewable energy.

PA Tourism- Programme measure 3.1. Developing sustainable, resilient and innovative tourism places the emphasis on sustainable tourism development that should be understood in two ways: (1) reducing the negative impact of tourism on the natural environment with conducting projects aimed at preserving biodiversity, protecting the area's rich and diverse natural (as well as cultural) offers, (2) meeting the needs of potential tourists without compromising those of the regular region's citizens.

PA Culture - Programme measure 3.1. Developing sustainable, resilient and innovative tourism allows to conduct projects aiming at promoting the cultural heritage of the region, especially cultural routes running through the South Baltic region, but also creative sector. Programme measure 4.1. Strengthen the cooperation capacity of actors based within the South Baltic Area (incl. civil society)

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allows to organise joint actions related to the exchange knowledge in the field of protection of common heritage and culture.

PA Innovations - Programme measure 1.1. Digitalizing the region allows to develop and implement cross-border solutions regarding digitalization of public services as well as support for digitalization process in different sectors. It can also contribute to the digital transformation of SMEs. Programme measure 1.2. Building connectivity of the region through internationalization in strongly connected with technology transfer and cooperation between enterprises, research centres and higher education sector.

As the Programme, by its nature contributes to the EUSBSR, the links and complementarity are also identified in all the others Specific Objectives addressed by the Programme.

#### Lessons learnt

The South Baltic Cross-Cooperation Programme started as pilot programme in 2007-2013. The Member States decided that cooperation between regions on local level should be the main theme of the Programme. This intention of the participating stakeholders was reflected in the Programme's motto: 'Going local. Meeting your needs. Connecting people and ideas. The continuation as Interreg South Baltic Programme aimed at unlocking South Baltic's potential for blue and green growth through cross-border cooperation between local and regional actors. Building on the maritime character of the Programme, "blue growth" addressed the economic potential of the Baltic Sea for growth and jobs across the shores of the South Baltic. At the same time, "green growth" underlined the need to pursue the path of economic growth in balance with the environment, in particular by utilising South Baltic's rich natural and cultural heritage in a sustainable and preserving manner. Implementation of two editions of the South Baltic Programme has been the first successful attempt to utilize the potential of the regions located in the Southern shores of the Baltic Sea region in alliance with Euroregions Baltic and Pomerania.

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Bearing in mind the geographical scope of the Programme area, covering 25 NUTS III regions from five EU Member States separated by maritime border, and the significant development disparities between them, the realization of joint, innovative cross-border projects as well as exchange of knowledge and good practices have led to tangible results, bringing innovation to the area and thus contributing to the overall objective of the Programme.

The cross-border cooperation within the Programme significantly benefited neighbouring regions to tackle their common challenges and to boost their competitiveness through joint actions. The successful 134 projects as well as more than 40 Seed Money concepts have been implemented, bringing together more than 500 partner institutions from all the participating regions. Moreover, several institutions from Kaliningrad Oblast of the Russian Federation and other EU countries were involved as associated partners and thus had an opportunity to gain and share knowledge and experience.

The Seed Money Facility used in the previous programming periods, delivered very good conclusions. The beneficiaries evaluated this tool as very useful and valuable, especially for small institutions. The support and opportunity given resulted in new project proposals and boosted institutional capacity for cross-border cooperation. That is why the Programme authorities decided to continue the Seed Money calls.

The capacity building activities approved by the Monitoring Committee within the Umbrella project were very well assessed by the target groups. The need for such activities had been also confirmed by the experience from perspective 2007-2013 (Capacity Building Project implemented) and a number of evaluations and analyses. As target group was defined as small, local authorities, municipalities and NGOs, the Programme learnt that the support delivered brought new project proposals, not only for the South Baltic area. The focus will be continued in this Programme period. In the social dimension, it is estimated that the Programme gathered moreover 20 000 participants directly involved in the cross-border activities and

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almost 145 000 citizens affected by the Programme, which constitutes c.a. 1,5% of the total Programme population of approx. 8,9 million inhabitants.

One of the most important aspects emphasised by the Programme bodies was the transferability of project results which served as “blueprints” for institutions and regions not involved in the projects. From the economic point of view, the Programme jointly supported development of more than 600 new innovative solutions, tools and concepts, leading to intensification of the relations between SMEs and strengthening links between higher education and the labour markets, as well as improvements in management of the environment and stronger commitment to renewable energies and energy efficiency, more efficient use of natural and cultural heritage, as well as the improvement of transport connections and services.

The project proposals developed under Specific Objective 2.2: *Increased use of green technologies in order to decrease the pollution discharges in the South Baltic area* of the 2014-2020 Programme needed more time for the preparation phase in comparison to the ideas in other SOs. The implementation bodies observed that the proposals were of the high quality and more mature, however most of them were submitted later. This experience was considered in the plan of the milestones for the implementation.

In the Specific Objective 3: *Improve the quality and environmental sustainability of transport services in the South Baltic area* of the 2014-2020 Programme, the beneficiaries met the barrier to develop the proposals in the international, cross-border scale due to the uniqueness of the area connected by the sea. The financial resources dedicated by the Programme and commercial character of the transport services seem to have also impact on the obstacles observed. A separate priority axis or measure dedicated solely to transport is not going to be continued.

The Programme bodies noticed that Specific Objective 4: *Increase the share of skilled labour force working in blue and green economy sectors of the South Baltic*

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area through joint cross-border actions of the 2014-2020 Programme, required the engagement of the labour offices/authorities on the national level or the regional institutions as such are coordinated on the national level. This fact caused difficulties in the project development and seemed to be an obstacle to deliver project ideas of high quality. Despite mitigation measures proposed by the MA, the JS and the MC, only a few proposals met high admission level of quality expected.

Having rather “soft” than infrastructural character, the Programme also supported small-scale investments, allowing for pilot activities and testing of developed solutions in practice as well investment needed to solve cross border challenges and integration of regional solutions (e.g. tourism routes). Performance indicators and evaluations carried out by the Monitoring Committee and the European Commission, also confirmed durability of results and effectiveness of the South Baltic cross-border cooperation.

#### Complementarity with other Interreg programmes

The Interreg South Baltic Programme 2021-2027 geographically overlaps with the transnational Interreg Baltic Sea Region Programme 2021-2027. It also shares parts of the area or might overlap thematically with five Interreg programmes on internal EU borders, namely:

- Interreg Central Baltic Region
- Interreg North Sea Region Programme
- Interreg Germany/Mecklenburg Vorpommern-Brandenburg-Poland Programme
- Interreg Öresund-Kattegat-Skagerrak Programme
- Interreg Poland-Russia Programme

It has to be underlined that the interest of beneficiaries has grown quickly from call to call, thus in a short period the South Baltic Programme became well recognised financial instrument in this part of the Baltic Sea. At the same time, the Programme anchored itself well in the existing structures, being complementary with other financial instruments at different levels (regional, national and international).

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## Interreg Baltic Sea Region

One of the great examples is the interaction with the transnational Baltic Sea Region Programme, where the developed strategies and solutions were tested and implemented within the cross-border dimension of the South Baltic Programme. Simultaneously, solutions created or tested in a limited cross-border dimension were lifted to the pan-baltic level.

Both PO1 and PO2, as well as Interreg Specific Objective 1 is included in the South Baltic programme, which guarantees the complementarity between actions undertaken between those two programmes (on a different levels of intervention). Common fields of intervention include: responsive public services (in SBA in terms of digitalization), sustainable water management, circular economy as well as energy transitions.

## Interreg Central Baltic Region

Selection of Policy Objectives 1, 2 and 4 and Interreg Specific Objective 1 into the South Baltic Programme, gives the possibility for cross-programme cooperation on a different levels of intervention. Common fields of intervention include: promoting business development and export capacities outside EU, circular economy, biodiversity and marine environment, as well as exchange of experiences among public authorities and increased capacities in planning.

The exchange of information between the SBP, the Central Baltic Programme and the BSR Programme took place already at the preparatory stage of the programme documents. In the implementation process, regular exchange of information will be arranged to ensure complementarities whilst avoiding double funding in the projects.

There is also worth to mention the history of existing cooperation. The Programme and the BSR and Central Baltic programmes complemented activities by setting transnational frameworks for cross-border actions, producing, using and developing

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common results, strengthening synergies and networks. The programmes were also complementary with regard to the institutional aspect. Operational contact networks were established between the implementing structures of the programmes. The complementarity of projects in the aspect of activities which were implemented was of the high interest of the Programme implementing bodies, as it allowed ensuring proper allocation of funds and thereby allowing supporting sustainable development of the regions. The aspect was assessed during the quality assessment procedure. Programmes were differentiated not only because of specific cooperation topics but also by means of exclusive project partnerships, resulting from the eligible area. Moreover, the possible overlaps as well as factors which could result in the risk of double-financing were assessed during the assessment procedure. The approach is going to be continued and developed.

#### Interreg Germany/Mecklenburg Vorpommern-Brandenburg-Poland

The Germany/Mecklenburg Vorpommern-Brandenburg-Poland shall also support the same policy objectives as the South Baltic Programme but mainly different specific objectives, namely: Policy Objective 1 (Specific Objective 1.1), PO 2 (Specific Objectives 2.4 and 2.7), PO 4 (Specific Objectives 4.2 and 4.6) as well as ISO1 (Specific Objectives 6.1 and 6.3). The selection of two common fields of interest: in sustainable tourism and culture (SO 4.6) and enhancing cooperation capacity (action 6.1) in both programmes may provide complementarity of undertaken interventions, although differentiated by varying programme areas and character of both programmes: bilateral (Polish-German) versus multilateral cooperation. The difference of border character (land border vs. maritime border) is also noticed, especially on the level of foreseen content of future projects and complementarity of initiatives between them will be ensured. The coordination between the programmes is ensured both at the programme level, as the institutions exchange information and cooperate (Managing Authorities, Joint Secretariats), as well as national, regional and Euroregional levels (cooperation of national and regional governments of Polish and German side, Euroregions).

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## Interreg Öresund-Kattegat-Skagerrak

It is worth noting that the foundations of the programme are complementary with the priority axes and specific objectives, especially in the field strengthening innovative solutions, promoting energy transition and support to the sustainable solutions in transport.

## Interreg Poland–Russia Programme

The majority of actions planned in the framework of the South Baltic Programme are complementary and cohesive with the intervention logic proposed under Interreg Poland-Russia Programme 2021-2027. This refers to the scope of PO 2, PO4 and Interreg Specific Objective 1 selected under both Programmes. Under PO 2 complementarity refers to the Specific Objectives: Promoting access to water and sustainable water management and Promoting the transition to a circular economy. In terms of PO 4 complementarity within planned interventions concerns activities enhancing the role of tourism and culture in economic development, social inclusion and innovation e.g protection of natural and cultural heritage. Approach taken under ISO 1 complements each other, however Interreg PL-RU focuses on issues regarding legal and administrative cooperation and building trust, whereas South Baltic Programme as a main challenge envisages strengthening cooperation capacity of actors in the South Baltic Area.

### **1.3. Justification for the selection of policy objectives and the Interreg specific objectives, corresponding priorities, specific objectives and the forms of support, addressing, where appropriate, missing links in cross-border infrastructure**

Reference: point (c) of Article 17(3)

#### Table 1

Selected policy objective or selected Interreg specific objective:

PO1 Smarter Europe

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## Selected specific objective

### 1.2 Reaping the benefits of digitisation for citizens, companies, research companies and public authorities

#### Priority

PA1 Innovative South Baltic – enhancing the level of innovation and internationalization of local actors

#### Justification for selection

There are still territorial disparities in innovation capacity level between the north-western and the south-eastern parts of the SBA as well as between the urban and rural territories. This situation weakens the convergence processes between the regional economies.

COVID-19 pandemic has highlighted more than ever the need to increase the level of digitization of actors in the local economy in order to ensure the proper functioning of various branches of the economy in the rapidly changing external conditions. The SBA has a significant economic potential for cross-border cooperation, especially in sectors related to the blue and green economy (especially transport and maritime sector ie. public services, small ports and marinas), nevertheless in order to ensure that it is adequately developing towards a knowledge-based and innovative, it still requires to be stimulated and supported. This will unlock the potential and illustrate the advantages of open data in the public sector as well as harmonisation of data in the field of cross-border cooperation, strengthening the sustainability dimension by improving accessibility in rural areas, inclusion of elderly and disabled people and decrease disparities between genders in the labour sector.

This Measure creates scope for developing digital skills and introducing solutions supporting the digitization of different AI and mechatronic sectors of regional economies and SME's where lack of qualified labour force is a challenge. At the

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same time supports technology transfer between regions and strengthening the cooperation between enterprises, universities and other R&D institutions in the cross-border dimension.

Selected policy objective or selected Interreg specific objective:

PO1 Smarter Europe

Selected specific objective

1.3 Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments

Priority

PA1 Innovative South Baltic – enhancing the level of innovation and internationalization of local actors

Justification for selection

The South Baltic Area economy is reliant on small- and medium-sized enterprises operating in a wide variety of economic branches, with a strong role of blue and green sectors represented by i.a. maritime industry, tourism, the forest economy, food production, sustainable transport etc. At the same time, their rapid development depends highly on the innovation and internationalization level, as well as cooperation with R&D institutions. There is still an untapped potential for the South Baltic Area economic development by stimulating SMEs to technological transformation and internationalization. The expansion of SMEs within and beyond the SBA requires efficient cross-border learning and networking platforms, business advisory services and matchmaking actions to assist them in moving from domestic to international business practices. The focus will be to create cross-sectorial partnerships and collaborations strongly connected to smart specialization and key strength areas in the regions.

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Measure 1.2 supports the Policy Objective 1 “smarter Europe” through enhancement of SMEs competitiveness and increase the level of regional economy internationalization. On the one hand, actions under this Measure will directly facilitate the economic growth of local actors, while on the other hand, they will create new platforms and opportunities through cross-border cooperation. It aims to help mitigate growing disparities in the economic standings between South Baltic urban and rural areas, as well as it will help maintain adequate economic growth rate.

Selected policy objective or selected Interreg specific objective:

PO2 A greener, low-carbon Europe

Selected specific objective

2.2 Promoting renewable energy in accordance with Renewable Energy Directive (EU) 2018/2001, including the sustainability criteria set out therein

Priority

PA 2 Sustainable South Baltic - promoting sustainable development and blue and green economy

Justification for selection

Although the SBA has important potential for green energy production, there are still areas for further improvements as well as visible challenges related to its proper storage and its efficient transport / distribution. In addition, if the SBA is to be perceived as a leader in the area of sustainable development, it must put more focus on common issues related to excessive consumption and energy production.

Measure 2.1 creates scope for a variety of projects aiming to address the Policy Objective 2 “greener, low carbon Europe”. It will allow for developing and introducing solutions supporting the transition towards green and renewable

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energy sources, through cross-border actions for the development of solutions supporting this transition.

Selected policy objective or selected Interreg specific objective:

PO2 A greener, low-carbon Europe

Selected specific objective

2.5 Promoting access to water and sustainable water management

Priority

PA 2 Sustainable South Baltic - promoting sustainable development and blue and green economy

Justification for selection

The South Baltic Area is coping with a number of pressing challenges such as contamination of soil and water by microplastics as well as pollution of the Baltic Sea through, among others, outlets of nutrients and hazardous substances from land-based activities. Measure 2.2 supports the Policy Objective “greener, low-carbon Europe”. It will support the development of cross-border solutions for the efficient and sustainable land use and water management, especially in the field of reducing the outlets of nutrients and hazardous substances into river-basins, and subsequently into the Baltic Sea, in order to combat eutrophication and various hazardous substances (such as plastics or dumped chemical munitions) in the aquatic environment including the marine environment and thus enhance the water quality.

Selected policy objective or selected Interreg specific objective:

PO2 A greener, low-carbon Europe

Selected specific objective

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## 2.6 Promoting the transition to a circular and resource efficient economy

### Priority

PA 2 Sustainable South Baltic - promoting sustainable development and blue and green economy

### Justification for selection

The unsustainable practices have threatened the environment and the rich natural heritage of the region – challenges that have been further intensified by problems related to climate change. Furthermore, the resources of the Baltic Sea have been exploited at an unsustainable rate – this refers both to exploitation of natural resources. Measure 2.3 aims also to promote the transition to circular economy and focuses on ways to establish behaviours and attitudes in support of responsible consumption and production. Achieving this will require a complete overhaul of “take-make-waste” patterns of production and consumption in favour of a circular system. As a part of a greener, low carbon Europe, the SBA will strive to develop its economy in a sustainable way, supporting the projects for the transition to i.e. environmentally-friendly production processes, resource efficiency and waste management.

Selected policy objective or selected Interreg specific objective:

PO 4 A more social Europe

Selected specific objective

4.6. Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation

### Priority

PA 3 Attractive South Baltic – activate the tourist potential of South Baltic Area

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## Justification for selection

The SBA is characterized by the presence of unique cultural and environmental features, including a number of UNESCO World Heritage sites, the sea, lakes, sandy beaches, islands and large forest complexes. These features determine the huge tourist potential of the region.

The geographical and climatic situation of the South Baltic area necessitates emphasizing the development of tourist offers such as historical tourism, religious tourism, culinary tourism, adventure tourism (including fishing, sailing, cycling, hiking), cultural and cross-border sports events. The SBA has both tourist-oriented resort infrastructure, typical for coastal areas and an abundance of relatively unspoiled nature areas, including forests, hills, lakes, rivers, beaches and islands.

Also, tourism (incl. culture tourism) is of very high importance for the regional economies (as an important source of income and provider of employment) and the societies of the SBA regions, with an impact on numerous other sectors of the economy and every-day life of inhabitants.

Reinforcing and improving natural environment conditions, together with promotion of the cultural aspects and image of the region as a place of natural beauty, is a way to achieving a competitive but sustainable tourism in the region. Measure 3.1 will support the development of sustainable and innovative tourism products as one of the most important branches within the SBA. Projects conducted will aim at enhancing the role of culture and tourism in economic development and social innovation. Furthermore, it will have a very important social dimension as it will focus also on social inclusion and can contribute to mitigation of negative consequences of COVID-19 pandemic on labour market. This will be possible through i.a. joint actions aimed at increasing the attractiveness level of the SBA, joint actions aimed at development of cross-border products or services etc.

Selected policy objective or selected Interreg specific objective:

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## ISO 1 A better cooperation governance

### Selected specific objective

6.1 Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders

### Priority

PA 4 Active South Baltic – improving cooperation governance

### Justification for selection

The South Baltic Area has a diverse array of actors among whom there exists significant potential for improved cooperation at the cross-border level. The South Baltic Area suffers from insufficient levels of knowledge and technology transfer, as well as insufficient exchange of information between different groups of stakeholders (e.g. public entities, NGOs, local bodies and organisations). At the same time, there is a low level of identification of local authorities and communities with the South Baltic Area. Hence, the region has significant untapped potential in this respect. This Measure aims to not only exploit this potential but also to address obstacles at cross-border cooperation and ensure that the benefits of cooperation are made available to diverse groups of actors across the region – from public institutions, to non-governmental organisations, to business entities. In addition, the Measure places particular emphasis on empowering local communities and civil society participation including youth. It emphasizes strengthening collaboration between the actors described in the Quadruple- (or even Penta-) Helix Model, which sets out the relationships between the industry, academia, public entities, social entrepreneurs and civil society. On the one hand, this Priority Axis will strengthen the capacity for cooperation governance and boost cross-border collaboration while, on the other hand, building awareness of the benefits of such collaboration. The actions proposed will be also influencing the capacity building of the actors and will allow to strengthen the confidence among participating stakeholders.

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## **2. Priorities**

Reference: points (d) and (e) of Article 17(3)

### **2.1 Title of the priority**

Reference: point (d) of Article 17(3)

#### **PA 1 Innovative South Baltic – enhancing the level of innovation and internationalization of local actors**

##### **2.1.1. Specific objective**

#### **1.2 Reaping the benefits of digitisation for citizens, companies, research companies and public authorities**

Reference: point (e) of Article 17(3)

**2.1.2.** Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

#### **Programme Measure 1.1: Digitizing the region**

The SBA has a significant economic potential, especially in sectors related to the blue and green economy, nevertheless in order to ensure that it is adequately developing towards a knowledge-based and innovative, it still requires to be stimulated and supported. Actions aimed at increasing the level of digitization of different sectors of regional economy may allow to reduce the negative effects resulting from the relatively low level of transport connections between the SBA regions and disparities in access to public transport especially to increase the level of access to public services (e.g. health care, etc.). Digitalisation in transport will

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lead to strong formal connection in mobility actions and the demand in developing the maritime sector and its connection to public transport (incl. digitalisation of ports and multimodal chains, transport planning and individual transport behaviour). This will unlock the potential and illustrate the advantages of open data in the public sector as well as harmonisation of data in the field of cross-border cooperation, strengthening the sustainability dimension by improving accessibility in rural areas, inclusion of elderly and disabled people and decrease disparities between genders in the labour sector.

Moreover, the digitization processes are closely related to the digital pillars of the European Commission concerning strengthening solutions in the field of i.a. artificial intelligence, cybersecurity, digital skills, connectivity etc. Thus, the actions under this Specific Objective will support the process of achieving the goals defined by the EC. Additionally, it is worth to underline that the EU's digital strategy aims to make this transformation work for people and businesses, while helping to achieve its target of a climate-neutral Europe by 2050.

Considering abovementioned facts, the activities under this Specific Objective, strongly connected to smart specialization and key strength areas in the regions, have a great potential for cross-border cooperation and may support many different groups of stakeholders.

The planned interventions may include small scale pilot actions when it is justified.

#### Exemplary actions

- developing, demonstrating and implementing cross-border solutions regarding digitization of public services (e.g. developing inclusive new e-services: in transport (e-ticket), in health care (e-Care) etc.) ,
- developing, demonstrating and implementing cross-border solutions regarding digitization of processes in different sectors (e.g. in maritime (joint security standards and applications for small ports), in logistics (optimization of transport of passengers and goods), etc.),

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- development of learning modalities that focus on digitization (e.g. online tools, apps, etc.) in the most relevant sectors (e.g. blue and green economy, sustainable transport),
- actions aimed at building platforms for cooperation of digital innovation hubs / universities / R&D institutions and SMEs to support the modernisation and digitalisation in the SBA,
- joint actions aimed at promotion of digitization processes and new digital solutions (e.g. cross-border promotion campaigns etc.)
- joint actions aimed at enhancing social aspects of digitization (i.e. digital inclusion), including development of e-services for elderly people and / or people with disabilities,
- support of development of digital competences of the employees of institutions of public sector important for effective functioning of modern administration and implementation of public policies
- transfer of knowledge and exchange of best practices on technical standards between regions.

#### Contribution to the selected specific objective

This Measure support actions aiming to address the Specific Objective 1.2 Reaping the benefits of digitization for citizens, companies, research companies and public authorities. It will allow for developing and improving solutions supporting the digitization of different sectors of regional economy. At the same time, this Measure supports technology transfer between regions and strengthen the cooperation and interaction between enterprises, universities and other R&D institutions.

#### Contribution to the EU Strategy for the Baltic Sea Region

Measure 1.1. Digitizing the region has a strong link with the Policy Area Innovations and allows to develop and implement cross-border solutions regarding digitalization of public services as well as support for digitalization process in different sectors. It can also contribute to the digital transformation of SMEs. That's why it also creates

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link with PA Health especially to public health institutions, allowing to develop solutions regarding digitalization of services connected with telemedicine and e-Care platforms as well as PA Safe, PA Ship, PA Transport and PA Skills. This Measure can be used to develop the mobile applications of early warning system, digitalize the shipping sector that helps to reduce emissions, and other projects that aim at digitalizing the maritime sector. In PA Transport can allow to develop solutions regarding digitalization of mobility services. In PA Skills can be dedicated to joint cross-border activities related to promotion of digital solutions and raising the level of awareness of the necessity to develop digital skills.

### 2.1.3. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 Output indicators

Priority 1
Specific objective 1.2
ID RCO 84
Indicator Pilot actions developed jointly and implemented in projects
Measurement unit No. of pilot actions
Milestone (2024) 0
Final target (2029) 7
ID RCO 116
Indicator Jointly developed solutions
Measurement unit No. of solutions

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Milestone (2024) 0

Final target (2029) 14

Table 3 Result indicators

Priority 1

Specific objective 1.2

ID RCR 104

Indicator Solutions taken up or up-scaled by organisations

Measurement unit No. of solutions

Baseline 0

Reference year 2020

Final target (2029) 7

Source of data Progress report

#### 2.1.4. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Main target groups

- SMEs representing blue and green sector and developing / transferring innovative solutions and services within the South Baltic area
- public institutions and equivalent public entities in the SBA
- public services users

Exemplary types of beneficiaries

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- SMEs
- formal associations, clusters and networks of SMEs
- local and regional authorities and their associations
- institutions managing and servicing public transport
- health care institutions
- maritime institutions (incl. ports managers and port authorities)
- chambers of commerce, business development agencies, business incubators, technology parks and other business support organizations
- schools, higher education and R&D institutions
- NGOs
- European Groupings of Territorial Cooperation

**2.1.5.** Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3)The Programme does not plan to use any territorial tools meant above.

**2.1.6.** Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The use of financial instruments is not foreseen.

**2.1.7.** Indicative breakdown of the EU programme resources by type of intervention Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4: Dimension 1 – intervention field

Priority no 1

Fund ERDF

Specific objective 1.2

Code 013

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Amount (EUR) 3 837 570,10

Code 018

Amount (EUR) 2 741 121,50

Code 019

Amount (EUR) 2 741 121,50

Code 119

Amount (EUR) 1 644 672,90

Table 5: Dimension 2 – form of financing

Priority no 1

Fund ERDF

Specific objective 1.2

Code 01

Amount (EUR) 10 964 486,00

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus

Priority no 1

Fund ERDF

Specific objective 1.2

Code 33

Amount (EUR) 10 964 486,00

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1.

2.

2.1.

2.1.1.

2.1.2. Specific objective

### **1.3 Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments**

Reference: point (e) of Article 17(3)

**2.1.3.** Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Programme Measure 1.2: Building connectivity of the region through internationalization

Economic growth of the SBA requires actions dedicated to the enhancement of SMEs competitiveness, innovativeness, as well as their presence on an international market. Very often, fear of the unknown market, insufficient knowledge, financial and personnel resources or even poor assistance by business support organisations in obtaining access to information about opportunities, conditions and routines of the international market operations represent key obstacles to business internationalisation. Consequently, the expansion of SMEs within and beyond the SBA requires efficient cross-border learning and networking platforms, business advisory services and matchmaking actions to assist them in moving from domestic to international business practices.

At the same time, internationalization of the SBA economy creates new opportunities for cross-border cooperation and promotion of the South Baltic Area outside its borders. There is a strong potential for technology transfer and

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cooperation between enterprises, research centres and higher education sector to foster innovative solutions.

Under this Specific Objective, beneficiaries are encouraged to carry out innovation driven activities in cooperation with different stakeholders (e.g. SMEs with universities, R&D institutions, public bodies, business support organisations). The focus will be to create cross-sectorial partnerships and collaborations strongly connected to smart specialization and key strength areas in the regions.

The planned interventions may include small scale pilot actions when it is justified.

#### Exemplary actions

- promoting and supporting cross-border cooperation between SMEs to create innovative solutions in key strengths areas, e.g. blue and green sectors (incl. maritime / offshore),
- developing and promoting on international markets joint products / solutions / services in key strengths areas, e.g. blue and green sectors (incl. maritime / offshore),
- initiation and development of sector and cross-sectoral networks (clusters) and their expansion aiming at improving i.a. innovation capacity, quality of services and internationalisation among local actors in the SBA in relevant sectors, e.g. blue and green sectors (incl. maritime / offshore),
- supporting collaborative research projects between SMEs, universities (or other R&D institutions), public entities and business support organizations,
- organisation of activities (e.g. fairs, exhibitions, marketing and joint branding campaigns etc.) promoting products and services from the South Baltic area in international markets.

#### Contribution to the selected objective

This Measure will support the Specific Objective 1.3 Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive

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investments, through enhancement of SMEs competitiveness and increase the level of regional economy internationalization. On the one hand, actions under this Measure will directly facilitate the economic growth of local actors, and from the other they will create new platforms and opportunities for cross-border cooperation.

#### Contribution to the EU Strategy for the Baltic Sea Region

Measure 1.2 Building connectivity of the region through internationalization has a strong link with the Policy Area Innovations through technology transfer and cooperation between enterprises, research centers and higher education sector.

#### 2.1.4. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 Output indicators

Priority 1

Specific objective 1.3

ID RCO 87

Indicator Organisations cooperating across borders

Measurement unit No. of organisations

Milestone (2024) 0

Final target (2029) 27

ID RCO 116

Indicator Jointly developed solutions

Measurement unit No. of solutions

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Milestone (2024) 0

Final target (2029) 7

Table 3 Result indicators

Priority 1

Specific objective 1.3

ID RCR 84

Indicator Organisations cooperating across borders after project completion

Measurement unit No. of organisations

Baseline 0

Reference year 2020

Final target (2029) 11

Source of data Progress report

Comments

ID RCR 104

Indicator Solutions taken up or up-scaled by organisations

Measurement unit No. of solutions

Baseline 0

Reference year 2020

Final target (2029) 4

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Source of data Progress report
Comments

### **2.1.5. The main target groups**

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Main target groups

- SMEs representing blue and green sector and developing / transferring innovative products and services within the South Baltic area
- Public institutions and equivalent public entities in the SBA

Exemplary types of beneficiaries

- SMEs
- formal associations, clusters and networks of SMEs
- local and regional authorities and their associations
- chambers of commerce, business development agencies, business incubators, technology parks and other business support organizations
- schools, higher education and R&D institutions
- maritime institutions and public port administrations
- NGOs
- European Groupings of Territorial Cooperation

### **2.1.6. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools**

Reference: Article point (e)(iv) of 17(3)

The Programme does not plan to use any territorial tools meant above.

### **2.1.7. Planned use of financial instruments**

Reference: point (e)(v) of Article 17(3)

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The use of financial instruments is not foreseen.

**2.1.8.** Indicative breakdown of the EU programme resources by type of intervention Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 Dimension 1 – intervention field

Priority no 1
Fund ERDF
Specific objective 1.3
Code 021
Amount (EUR) 3 289 346,20
Code 028
Amount (EUR) 1 409 719,80

Table 5 Dimension 2 – form of financing

Priority no 1
Fund ERDF
Specific objective 1.3
Code 01
Amount (EUR) 4 699 066,00

Table 6 Dimension 3 – territorial delivery mechanism and territorial focus

Priority no 1
Fund ERDF
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Specific objective 1.3

Code 33

Amount (EUR) 4 699 066,00

## **2.2. Title of the priority** (repeated for each priority)

Reference: point (d) of Article 17(3)

### **PA 2 Sustainable South Baltic - promoting sustainable development and blue and green economy**

**2.2.1.** Specific objective (repeated for each selected specific objective, for priorities other than technical assistance)

#### **2.2 Promoting renewable energy in accordance with Renewable Energy Directive (EU) 2018/2001, including the sustainability criteria set out therein**

Reference: point (e) of Article 17(3)

**2.2.2.** Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Programme Measure 2.1: Supporting transition towards green energy

It is beyond question that the South Baltic Area has an enormous potential in terms of the green technology sectors (esp. green energy). These sectors may rapidly develop thanks to cooperation between public bodies, SMEs, manufacturing industries and R&D institutions.

Furthermore, geographical conditions of the SBA mean that particular regions can use renewable energy sources (especially wind energy and biomass) much more

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efficiently. While some regions already use this type of energy sources more willingly, there is still plenty of room for improvement in this regard. Making greater efforts by particular countries and regions to increase the clean energy production and its safe storage and distribution can be one of the most important elements in the context of positioning the SBA as a leader in terms of blue and green economy. It can also strengthen the local (rural) economies, e.g. by increased employment rate connected to production of renewable energy, decreased climate impact and a more resilient and self-supporting society. Notably, the relatively low level of cooperation in this respect at present means that there exists significant potential in this context. Cross-border cooperation in order to raise awareness of the need for developing sustainable energy solutions (incl. safe and efficient energy storage and distribution) could further help implementing the energy transitions.

The planned interventions may include small scale pilot actions when it is justified.

#### Exemplary actions

- promoting areas of joint cooperation regarding energy policies, e.g. joint strategy development, joint cross-border studies, action plans and joint development of harmonisation tools, spatial development plans etc.,
- developing, demonstrating and implementing green energy solutions in production, distribution and storage of energy from renewable sources (e.g. wave, solar energy, biomass (also for fuel, heating and biogas), geothermal energy, etc.), while finding a balance with the requirements of environmental protection and laws (e.g. MSFD),
- developing and testing of innovative, applicable cross-border solutions aiming at improving and adapting energy / power grids to renewable energy specificity (e.g. development or reorganisation or integration of smart grids etc.),
- promoting the use of green energy (e.g. in vehicles) and support establishing new markets,

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- elaboration of green policy strategies and patterns to overcome challenges and mobilise regional opportunities for renewable energies, including models for cooperation with energy service companies on comprehensive energy solutions,
- elaboration and testing of common cross-border standards in renewable energy by public entities, in cooperation with universities, research centres, companies and cooperatives of farmers and residents,
- capacity building actions, transfer of knowledge and exchange of best practices on green energy, green technology solutions (incl. ways of green energy distribution and storage).

#### Contribution to the selected specific objective

This Measure creates scope for a variety of projects aiming to address the Specific Objective 2.2 Promoting renewable energy in accordance with Renewable Energy Directive (EU) 2018/2001, including the sustainability criteria set out therein. It will allow for developing and introducing solutions supporting the transition towards green and renewable energy sources.

#### Contribution to the EU Strategy for the Baltic Sea Region

Measure 2.1. Supporting transition towards green energy has a strong link with PA Energy and is dedicated to projects concerning developing, demonstrating and implementing green energy solutions in production and storage of energy as well as elaboration of green policy strategies. It aims at facilitation and popularisation of use of alternative energy sources such as wind, solar, biomass, water and other renewable energy, why links with PA Bio-economy as well as PA Transport can be established.

#### **2.2.3. Indicators**

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

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Table 2 Output indicators

Priority 2
Specific objective 2.2
ID RCO 84
Indicator Pilot actions developed jointly and implemented in projects
Measurement unit No. of pilot actions
Milestone (2024) 0
Final target (2029) 21
ID RCO 116
Indicator Jointly developed solutions
Measurement unit No. of solutions
Milestone (2024) 0
Final target (2029) 29

Table 3 Result indicators

Priority 2
Specific objective 2.2
ID RCR 104
Indicator Solutions taken up or up-scaled by organisations
Measurement unit No. of solutions

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Baseline 0

Reference year 2020

Final target (2029) 15

Source of data Progress report

Comments

#### **2.2.4. Main target groups**

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Main target groups

- Public institutions and equivalent public entities in the SBA
- Public and private transport and energy companies and associations

Exemplary types of beneficiaries

- local and regional authorities and their associations
- schools, higher education and R&D institutions
- public or private (having either public or non-profit character) companies dealing with communal and municipal environmental and energy management (such as waste and water, heating, air protection)
- SMEs
- formal associations, clusters and networks of SMEs
- forest management institutions
- National Parks and other institutions of nature protection
- NGOs
- European Groupings of Territorial Cooperation

**2.2.5.** Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

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Reference: Article point (e)(iv) of 17(3)

The Programme does not plan to use any territorial tools meant above.

#### **2.2.6. Planned use of financial instruments**

Reference: point (e)(v) of Article 17(3)

The use of financial instruments is not foreseen.

**2.2.7. Indicative breakdown of the EU programme resources by type of intervention** Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 Dimension 1 – intervention field

Priority no 2

Fund ERDF

Specific objective 2.2

Code 047

Amount (EUR) 2 819 439,40

Code 048

Amount (EUR) 4 229 159,10

Code 049

Amount (EUR) 4 229 159,10

Code 051

Amount (EUR) 704 859,85

Code 052

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Amount (EUR) 704 859,85

Code 053

Amount (EUR) 1 409 719,70

Table 5 Dimension 2 – form of financing

Priority no 2

Fund ERDF

Specific objective 2.2

Code 01

Amount (EUR) 14 097 197,00

Table 6 Dimension 3 – territorial delivery mechanism and territorial focus

Priority no 2

Fund ERDF

Specific objective 2.2

Code 33

Amount (EUR) 14 097 197,00

## **2.3.**

### **2.3.1.** Specific objective

## **2.5 Promoting access to water and sustainable water management**

Reference: point (e) of Article 17(3)

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**2.3.2.** Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Programme Measure 2.2: Promoting sustainable use of water

The Baltic Sea and its tributaries suffer from a high level of pollution (e.g. plastics and chemicals) and eutrophication. Both are consequences of the unsustainable exploitation of the local environment and water reservoirs. One of the reasons the temperature of the Baltic Sea is rising three times faster than the average temperature of other seas and oceans is water contamination. This fact may have a very negative implication not only on life of people in coastal regions but also on tourism sector in the SBA. Moreover, climate change consequences will result in enhanced risk of marine and flash floods, producing more intensive fluxes of pollutants into the Baltic Sea.

Taking into account that water is the most important resource of the SBA, actions under this measure are aimed at broad support of efficient and sustainable water management, especially in the field of reducing the outlets of nutrients and hazardous substances into river-basins, and subsequently into the Baltic Sea, in order to combat eutrophication and input of hazardous substances and thus enhance the water quality.

The relatively low level of cooperation in this respect at present means that there exists significant demand and potential in this context.

The planned interventions may include small scale pilot actions when it is justified.

Exemplary actions

- promoting areas of joint cooperation regarding water management policies, e.g. joint strategy development, joint cross-border studies, action plans etc.,

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- developing, demonstrating and implementing green technology solutions in water management (incl. sustainable land use and waste water collection and treatment) and flood water management,
- developing and testing of innovative cross-border solutions aimed at decreasing the outflows of nutrients from small and diffuse sources in catchment areas (incl. evaluation of the cost effectiveness of solutions),
- developing and testing of innovative cross-border solutions for sustainable water management aimed at enhancing nature protection and biodiversity,
- joint development of solutions which help to secure various conflicting water uses that serve public interests (e.g. recreation and free time vs. water usage, as well as water resource protection), as well as the future water supply (both for drinking water and industrial water),
- elaboration and testing of common cross-border standards in waste and water management by public entities, in cooperation with universities, research centres, companies and cooperatives of farmers and residents,
- promoting areas of joint cooperation regarding the enhancement of aquaculture,
- developing, demonstrating and implementing solutions for reducing pollution of the Baltic Sea by chemical munitions and other dangerous remains of sunken oil ships),
- capacity building actions, transfer of knowledge and exchange of best practices in the fields of water management and waste water collection and treatment.

#### Contribution to the selected objective

This Measure will support the Specific Objective 2.5 Promoting access to water and sustainable water management. The goals are aimed at broad support of efficient and sustainable land use and water management, especially in the field of reducing the outlets of nutrients and hazardous substances into river-basins, and subsequently into the Baltic Sea, in order to combat eutrophication and various hazardous substances (such as plastics or dumped chemical munitions) in the

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aquatic environment including the marine environment and thus enhance the water quality.

#### Contribution to the EU Strategy for the Baltic Sea Region

Measure 2.2. Promoting sustainable use of water contribute to PA Nutri through development and testing of innovative cross-border solutions aimed at decreasing the outflows of nutrients from small and diffuse sources in catchment areas, to PA Hazards through development and testing of innovative cross-border solutions aimed at decreasing also the leakage of hazardous substances (e.g. quicksilver and iron from large farms, processing companies) which negatively affects the water quality, as well as to PA Bio-economy through joint cooperation regarding water management as an element of practices for sustainability and adaptation.

#### 2.3.3. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 Output indicators

Priority 2
Specific objective 2.5
ID RCO 84
Indicator Pilot actions developed jointly and implemented in projects
Measurement unit No. of pilot actions
Milestone (2024) 0
Final target (2029) 17
ID RCO 116

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Indicator Jointly developed solutions

Measurement unit No. of solutions

Milestone (2024) 0

Final target (2029) 24

Table 3 Result indicators

Priority 2

Specific objective 2.2

ID RCR 104

Indicator Solutions taken up or up-scaled by organisations

Measurement unit No. of solutions

Baseline 0

Reference year 2020

Final target (2029) 12

Source of data Progress report

Comments

#### **2.3.4. Main target groups**

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Main target groups

- Public institutions and equivalent public entities in the SBA
- Landowners

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- SMEs
- Citizens

#### Exemplary types of beneficiaries

- local and regional authorities and their associations
- schools, higher education and R&D institutions
- public or private (having either public or non-profit character) companies dealing with communal and municipal environmental and energy management (such as waste and water, heating, air protection), as well as ports
- SMEs
- formal associations, clusters and networks of SMEs
- NGOs
- European Groupings of Territorial Cooperation
- Water and sea management institutions

**2.3.5.** Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools

Reference: Article point (e)(iv) of 17(3)

The Programme does not plan to use any territorial tools meant above.

**2.3.6.** Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The use of financial instruments is not foreseen.

**2.3.7.** Indicative breakdown of the EU programme resources by type of intervention Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 Dimension 1 – intervention field

Priority no 2
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Fund ERDF

Specific objective 2.5

Code 064

Amount (EUR) 7 401 028,20

Code 065

Amount (EUR) 4 934 018,80

Table 5 Dimension 2 – form of financing

Priority no 2

Fund ERDF

Specific objective 2.5

Code 01

Amount (EUR) 12 335 047,00

Table 6 Dimension 3 – territorial delivery mechanism and territorial focus

Priority no 2

Fund ERDF

Specific objective 2.5

Code 33

Amount (EUR) 12 335 047,00

## **2.4.**

### **2.4.1.** Specific objective

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## **2.6 Promoting the transition to a circular and resource efficient economy**

Reference: point (e) of Article 17(3)

**2.4.2.** Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Programme Measure 2.3: Supporting a circular and more resource efficient development

“Socio-economic challenges and demographic changes in the SBA such as ageing, depopulation, migrations and urbanization influence everyday behaviours and attitudes. They require new solutions to ensure sustainability and prosperity in the region. These solutions are expected to generate significant change to several areas such as mobility, employment, healthcare and social security systems, social structure, family policy and cultural patterns, production and consumption models, use of natural (non-renewable) resources, mature and emerging markets and business sectors. A shift towards a more circular economy will be crucial for the region’s possibility to meet the United Nations 2030 Agenda and its Sustainable Development Goals (SDGs).

An overlooked issue and shared challenge among the SB countries are how to establish behaviours and attitudes in support of responsible consumption and production. Achieving this will require a complete overhaul of our take-make-waste patterns of production and consumption in favour of a circular system with a regenerative system in which all products are designed and marketed with reuse and recycling in mind, informed by a radical shift in policies, behaviours of people and business models”.

Taking into account the abovementioned facts there is a visible potential in cross-border cooperation aimed at promotion and implementation of circular economy

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related actions, not only connected to reuse and recycling, but also circular product development and design, new resource efficient products and services, water efficiency methods for industry and public sector, in order to increase resource efficiency and close the loop of materials and nutrient substances.

The planned interventions may include small scale pilot actions when it is justified.

#### Exemplary actions

- promoting areas of joint cooperation regarding waste management policies, e.g. joint strategy development, joint cross-border studies, action plans,
- developing, demonstrating and implementing new business models (e.g. service instead of selling a product), product design (prevent waste, use non-toxic materials to prepare for reuse and recycling), production and distribution technologies / solutions / processes in waste / water management and resource efficiency (e.g. re-use, recycling, recovery), incl. optimized energy utilisation (e.g. biogas) and industrial symbiosis,
- building cross-border cooperation networks aimed at re-use of waste as resource,
- joint actions aimed at optimization of value chains for recycled materials, forest and agricultural bio-products, including the sustainable design of fishery gear with regard to recovery and recycling of 'ghostnets' etc.,
- joint inclusive innovative actions and pilot projects aimed at inhabitants on building awareness about the necessity to introduce the processes of waste management in households,
- cross-border promotional and awareness raising campaigns aimed at local public companies (waste / water / heating / facility / transport management) and SMEs to facilitate a transition from traditional management to circular oriented,
- elaboration and testing of common cross-border standards in waste management by public entities, in cooperation with universities, research centres, companies and cooperatives of farmers and residents and NGOs,

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- developing, demonstrating and implementing solutions / investments that minimizes the use of new raw-materials, including promoting the use of recycled materials, in production processes,
- capacity building actions, transfer of knowledge and exchange of best practices on waste management solutions, sharing best practices and blueprints on data sharing on current waste management practices and waste flows.

#### Contribution to the selected specific objective

This Measure contributes to Specific Objective 2.6 Promoting the transition to a circular and resource efficient economy by focusing on how to establish behaviours and attitudes in support of responsible consumption and production. Achieving this will require a complete overhaul of “take-make-waste” patterns of production and consumption in favour of a circular system. As a part of a greener, low carbon Europe, the SBA will strive to develop its economy in a sustainable way, supporting the projects for the transition to i.e. environment-friendly production processes, resource efficiency and waste management.

#### Contribution to the EU Strategy for the Baltic Sea Region

Measure 2.3. Supporting a circular and more resource efficient development contribute to PA Hazards through developing, demonstrating and implementing solutions (possible small-scale pilot actions) in reducing pollution (e.g. joint actions aimed at introducing more environmentally-friendly transportation means of urban transport). It also contributes to PA Bio-economy through building cross-border cooperation networks aimed at re-use of waste as resource (sustainable use of resources).

#### **2.4.3. Indicators**

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

#### Table 2 Output indicators

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Priority 2

Specific objective 2.6

ID RCO 84

Indicator Pilot actions developed jointly and implemented in projects

Measurement unit No. of pilot actions

Milestone (2024) 0

Final target (2029) 14

ID RCO 116

Indicator Jointly developed solutions

Measurement unit No. of solutions

Milestone (2024) 0

Final target (2029) 19

Table 3 Result indicators

Priority 2

Specific objective 2.6

ID RCR 104

Indicator Solutions taken up or up-scaled by organisations

Measurement unit No. of solutions

Baseline 0

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Reference year 2020

Final target (2029) 10

Source of data Progress report

Comments

#### **2.4.4. Main target groups**

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Main target groups

- Public institutions and equivalent public entities in the SBA
- Landowners
- SMEs
- Citizens

Exemplary types of beneficiaries

- local and regional authorities and their associations
- schools, higher education and R&D institutions
- public or private (having either public or non-profit character) companies dealing with communal and municipal environmental and energy management (such as waste and water, heating, air protection)
- SMEs
- formal associations, clusters and networks of SMEs
- NGOs
- European Groupings of Territorial Cooperation

**2.4.5. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools**

The document meets the accessibility rules

Reference: Article point (e)(iv) of 17(3)

The Programme does not plan to use any territorial tools meant above.

#### **2.4.6. Planned use of financial instruments**

Reference: point (e)(v) of Article 17(3)

The use of financial instruments is not foreseen.

#### **2.4.7. Indicative breakdown of the EU programme resources by type of intervention**

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 Dimension 1 – intervention field

Priority no 2
Fund ERDF
Specific objective 2.6
Code 067
Amount (EUR) 3 083 761,80
Code 071
Amount (EUR) 2 643 224,40
Code 075
Amount (EUR) 3 083 761,80

Table 5 Dimension 2 – form of financing

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Priority no 2

Fund ERDF

Specific objective 2.6

Code 01

Amount (EUR) 8 810 748,00

Table 6 Dimension 3 – territorial delivery mechanism and territorial focus

Priority no 2

Fund ERDF

Specific objective 2.6

Code 33

Amount (EUR) 8 810 748,00

**2.5.** Title of the priority

Reference: point (d) of Article 17(3)

**PA 3 Attractive South Baltic – activate the tourist and cultural potential of South Baltic**

**Area**

**2.5.1.** Specific objective

**4.6. Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation**

Reference: point (e) of Article 17(3)

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**2.5.2.** Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Programme Measure 3.1: Developing sustainable, resilient and innovative tourism

The blue and green character of the region together with a shared cultural heritage are some of the key advantages in terms of developing the tourism sector. Due to demographic change and urbanisation, sectors such as culture and creative industries, recreational services and other types of jobs in the tourism sector have become even more important in rural or remote areas. As one of the key sectors in SBA, tourism is a source of employment and income for local communities.

However, it should be noted that the impact of the tourism sector on local economy may vary in different regions. High indices along the coast and low tourist stay figures in hinterland areas still make the tourism intensity in the area considerably unbalanced. The accessibility to destinations – and therefore also its effects on the environment and social inclusion – also vary, why there is a need of a holistic view to tourist travel patterns.

In this measure the emphasis on sustainable tourism development that should be understood in two ways:

- reducing the negative impact of travel and tourism on the natural environment with conducting projects aimed at preserving biodiversity, protecting the area's rich and diverse natural (as well as cultural) offers, and a sustainable use of resources such as energy and water,
- meeting the needs of potential tourists without compromising the needs of the citizens.

The actions under this measure will focus on the improvement of the tourist and cultural offers as well as support creation of new ones in the SBA and taking obvious

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advantage of the geographical location. The demand for domestic nature-based and proximity tourism has increased. There is a visible increased need of answering to changed consumer behaviours and forming new and innovative services and products while repackaging mobility choices through means that are socially and environmentally sustainable. Furthermore, this measure will have a significant social dimension as it will not only positively affect the quality of life of inhabitants and quality of time spent by tourists (in the SBA), but also contribute (directly or indirectly) to the mitigation of negative effects of pandemic situation.

Creating social networks and ensuring relevant conditions for sustainable development and social inclusion will be an important element of actions for a better development of tourism sector in the area. Social inclusion plays particular role during pandemic crisis. It is also related to demographic changes in the SB area i.a. ageing of society, depopulation, brain drain, etc. It will be important to include various social groups in consultation processes, defining the social needs or identifying innovative solutions, covering improvement of infrastructure needed for social integration. In result, new products and services may be created. Social innovations are result of joint activities of public sector, private entities, NGOs and local communities. In effect, new ways of activation, giving new jobs for the inhabitants of SB area, also for people from vulnerable groups or socially excluded, may be created. Actions taken under this SO will contribute to strengthening of activity of local communities and better use of cultural and natural heritage assets. Thereby, the quality of life of inhabitants may improve and may contribute to reduction of depopulation processes in the region.

By enhancing tourism and related branches, SB area will be developing economically and socially. Increasing the value and the touristic accessibility of cultural heritage of SB area will be improving its attractiveness. The proposed activities shall allow for creation and promotion of new tourism products, services and destinations whose potential has not been fully exploited yet. The activities may also contribute to mitigation of tourism seasonality and transition towards more sustainable, all-year-round tourism. The projects will also be aiming to increase the recognisability of the

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SB area. Financed infrastructure related to heritage and better access to information will enable tourists and local communities to make better use of the area's potential.

Main interventions that can be granted with the funds include: preserving cultural heritage and natural environment of the region as the main attractions for tourism; developing tourism network products and services, building cooperation between regions and countries to strengthen the offers for tourists; conducting joint events that meet the expectations and needs of both – tourists and citizens. In addition, it will also be possible to implement actions of a cross-sectoral nature and supporting the development of the circular economy.

The planned interventions may include small scale pilot actions when it is justified.

#### Exemplary actions

- development of new tools supporting the tourism network products and services, incl. ICT tools, marketing and the promotion of cultural and natural assets of South Baltic area,
- actions to protect the biodiversity and natural heritage of the region, inclusion of natural heritage sites and protected areas in the networks and chains of sustainable tourism in the South Baltic area,
- projects aiming at preserving the cultural heritage of the region (e.g. culinary heritage, history, language),
- adapting the tourist offer (including small scale investment needed to create cross border touristic routes (e. g. signs, information stands)) to people with disabilities, activities aimed at social inclusion and the availability of e.g. open public spaces, natural and heritage sites, protected areas,
- development and testing tools, joint solutions and trainings for the tourism and cultural sector to meet e.g. the demand for future skills (e.g. digital skills), health standards (e.g. at tourism sites and when developing new offers).

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- inclusion of cultural heritage sites and protected areas in the networks and chains of eco-tourism,
- joint marketing and the promotion of cultural and natural assets,
- joint campaigns, publications, studies, strategies for enhancing tourism potential of the SB,
- preparation and implementation of new tourist offers / small cross-border solutions that enhance the sustainable tourism and meet the needs of tourists as well as citizens of the region (e.g. cross-border thematic routes),
- sharing knowledge and best practices in the field of maintenance and revitalisation of cultural/natural heritage areas and sites enhancing tourist attractiveness and potential of the SBA,
- establishment of joint networks in the field of tourism and culture (esp. networks acting in the South Baltic),
- activities aimed at creation / management / promotion of cultural heritage routes existing in the South Baltic region,
- activities aimed at promotion of creative sector connected with regional heritage (e.g. handcrafts, design),
- joint cultural activities in cooperation with creative sector enhancing tourism potential of the SBA in the field of sustainable tourism e.g. thematic tourism and culture

Contribution to the selected specific objective

This Measure is dedicated to sustainable and innovative tourism products and services and supports the development of one of the most important branches within the SBA. Projects conducted within this measure aim at enhancing the role of culture and tourism in economic development and social innovation. Furthermore, the Measure will have a very important social dimension as it will focus also on social inclusion and should contribute to mitigation of negative consequences of pandemic on labour market in the Specific Objective 4.6. Enhancing the role of

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culture and sustainable tourism in economic development, social inclusion and social innovation.

#### Contribution to the EU Strategy for the Baltic Sea Region

Measure 3.1. Developing sustainable, resilient and innovative tourism has a strong link with PA Tourism and PA Culture and places the emphasis on sustainable tourism development that should be understood in two ways: reducing the negative impact of tourism on the natural environment with conducting projects aimed at preserving biodiversity, protecting the area's rich and diverse natural (as well as cultural) offers, as well as meeting the needs of potential tourist without compromising those of the regular region's citizens. It also allows to conduct projects aiming at promoting the cultural heritage of the region, especially cultural routes running through the South Baltic region, but also the creative sector.

#### 2.5.3. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 Output indicators

Priority 3
Specific objective 4.6
ID RCO 84
Indicator Pilot actions developed jointly and implemented in projects
Measurement unit No. of pilot actions
Milestone (2024) 0
Final target (2029) 23
ID RCO 116

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Indicator Jointly developed solutions

Measurement unit No. of solutions

Milestone (2024) 0

Final target (2029) 52

ID RCO 77

Indicator Number of cultural and tourism sites supported

Measurement unit No. of sites

Milestone (2024) 4

Final target (2029) 24

Table 3 Result indicators

Priority 3

Specific objective 4.6

ID RCR 104

Indicator Solutions taken up or up-scaled by organisations

Measurement unit No. of solutions

Baseline 0

Reference year 2020

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Final target (2029) 26

Source of data Progress report

Comments

#### **2.5.4. Main target groups**

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Main target groups

- Public institutions and equivalent public entities in the SBA
- SMEs
- Cultural institutions
- Tourists of the natural and cultural heritage areas / sites in the South Baltic area
- Citizens of the region, especially in more attractive (e.g. coastal) areas

Exemplary types of beneficiaries

- Local and regional authorities and their associations
- NGOs
- Institutions of natural and cultural heritage
- Agencies supporting the development of regional and local tourism, regional development agencies, chambers of commerce, formal associations and clusters of entrepreneurs working in tourism sector
- Forest management institutions
- SMEs
- European Groupings of Territorial Cooperation

**2.5.5. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools**

The document meets the accessibility rules

Reference: Article point (e)(iv) of 17(3)

The Programme does not plan to use any territorial tools meant above.

Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The use of financial instruments is not foreseen.

**2.5.6.** Indicative breakdown of the EU programme resources by type of intervention Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 Dimension 1 – intervention field

Priority no 3
Fund ERDF
Specific objective 4.6
Code 165
Amount (EUR) 5 873 832,00
Code 166
Amount (EUR) 5 873 832,00
Code 167
Amount (EUR) 7 831 776,00

Table 5 Dimension 2 – form of financing

Priority no 3
Fund ERDF
The document meets the accessibility rules

Specific objective 4.6

Code 01

Amount (EUR) 19 579 440,00

Table 6 Dimension 3 – territorial delivery mechanism and territorial focus

Priority no 3

Fund ERDF

Specific objective 4.6

Code 33

Amount (EUR) 19 579 440,00

## **2.6. Title of the priority**

Reference: point (d) of Article 17(3)

### **PA 4 Active South Baltic – improving cooperation governance**

#### **2.6.1. Specific objective**

**6.1 Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders**

Reference: point (e) of Article 17(3)

**2.6.2. Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basis strategies, where appropriate**

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

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#### Programme Measure 4.1: Strengthen the cooperation capacity of actors based within the South Baltic Area (incl. civil society)

This measure will allow for capacity building and strengthening the cross-border cooperation of different actors functioning within the eligible area (specifically ones representing the public sectors and the civil society) in order to solve common cross-border problems and build mutual reliance in the areas of administration, regional development and cross-border mobility.

Potential beneficiaries of this measure involve a wide array of actors, especially local actors considered to be newcomers to cross-border cooperation, creating ample opportunity for networking and developing relationships between them. Notably, it will allow for developing stronger links between the civil society and public entities, through encouraging bottom up participation in decision and policymaking.

The planned interventions may include small scale pilot actions when it is justified.

#### Exemplary actions

- Delivery of initiatives (cross-border programmes, trainings, workshops etc.), aimed at strengthening the networking and cooperation capacity of local actors;
- Activities supporting joint local self-government administration/agencies and other institutions (e.g. NGOs) contributing to influencing regional, national and EU level policies and decisions affecting the local development;
- Actions aimed at developing stronger links between citizens and institutions at a cross-border level civil society and bottom-up involvement in decision- and policymaking;
- Activities increasing the involvement of local actors (e.g. NGOs, cultural institutions, non-formalized organizations, organizations supporting people with disabilities and from vulnerable groups) in project development and intercultural dialogue;
- Cross-border actions supporting youth empowerment, engagement of the youth with civil society and into local and regional decision-making processes;

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- Actions supporting exchange of experience in the field of innovative entrepreneurship among universities, high school and vocational school students as well as graduates;
- Awareness-raising and promotion measures among local actor groups to increase trust, promote cooperation culture and common identity of the actors based;
- Development and promotion of models, networks gathering diverse actors especially small institutions and those from rural and peripheral areas (e.g. research institutions, SMEs, business development organisations, universities, public entities) to improve the cooperation capacity

#### Contribution to the selected specific objective

This Measure contributes to the selected Specific Objective 6.1 Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders by aiming obstacles at cross-border cooperation and developing capacity in this respect. In addition, particular emphasis is placed on empowering local communities and civil society participation, which is emphasized in the proposed Measure.

#### Contribution to the EU Strategy for the Baltic Sea Region

Measure 4.1. Strengthen the cooperation capacity of actors based within the South Baltic Area (incl. civil society) has a strong link with PA Culture and allows to organise joint actions related to the knowledge exchange in the field of protection of common heritage and culture. It also contributes to PA Education as it is dedicated to all the people-to-people actions for increasing trust, cooperation and transfer of knowledge, good practices etc., in the field of education as well as to PA Secure as it can be used for awareness-raising and promotion measures among local actor groups to increase trust, promote cooperation culture and common identity of the local actors to build the collaborative and crime resilient communities.

#### **2.6.3. Indicators**

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Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 Output indicators

Priority 4
Specific objective 6.1
ID RCO 87
Indicator Organisations cooperating across border
Measurement unit No. of organisations
Milestone (2024) 0
Final target (2029) 140

Table 3 Result indicators

Priority 4
Specific objective 6.1
ID RCR 84
Indicator Organisations cooperating across borders after project completion
Measurement unit No. of organisations
Baseline 0
Reference year 2020
Final target (2029) 56
Source of data Progress report

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#### **2.6.4. Main target groups**

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Main target groups

- Small local actors (for instance, public entities operating at the local level, local municipalities, non-governmental organisations)
- Citizens

Exemplary types of beneficiaries

- Local and regional authorities and their associations
- NGOs
- Local action groups
- Schools, higher education and R&D institutions
- Chambers of commerce, business development agencies and other business support organisations (e.g. business accelerators, incubators, labour market institutions etc.)
- SMEs
- Institutions of natural, culture and national heritage protection
- Public health institutions
- Associations, clusters and networks of SMEs
- European Groupings of Territorial Cooperation

**2.6.5. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools**

Reference: Article point (e)(iv) of 17(3)

The Programme does not plan to use any territorial tools meant above.

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### 2.6.6. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The use of financial instruments is not foreseen.

### 2.6.7. Indicative breakdown of the EU programme resources by type of intervention Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 Dimension 1 – intervention field

Priority no 4
Fund ERDF
Specific objective 6.1
Code 173
Amount (EUR) 7 831 776,00

Table 5 Dimension 2 – form of financing

Priority no 4
Fund ERDF
Specific objective 6.1
Code 01
Amount (EUR) 7 831 776,00

Table 6 Dimension 3 – territorial delivery mechanism and territorial focus

Priority no 4
Fund ERDF
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Specific objective 6.1

Code 33

Amount (EUR) 7 831 776,00

### 3. Financing plan

Reference: point (f) of Article 17(3)

#### 3.1. Financial appropriations by year

Reference: point (g)(i) of Article 17(3), points (a) to (d) of Article 17(4)

Table 7

Fund	ERDF (territorial cooperation goal)	Total
2021	11 272 102	11 272 102
2022	11 497 544	11 497 544
2023	11 727 495	11 727 495
2024	11 962 045	11 962 045
2025	12 201 286	12 201 286
2026	12 445 311	12 445 311
2027	12 694 217	12 694 217
Total	83 800 000	83 800 000

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### 3.2. Total financial appropriations by fund and national co-financing

Reference: point (f)(ii) of Article 17(3), points (a) to (d) of Article 17(4)

Table 8

Policy objective No	PO1	PO2	PO4	ISO1	Total	Total
Priority	Priority 1	Priority 2	Priority 3	Priority 4		
Fund (as applicable)	ERDF	ERDF	ERDF	ERDF	All funds	ERDF
Basis for calculation EU support (total eligible cost or public contribution )	total eligible cost	total eligible cost	total eligible cost	total eligible cost	total eligible colt	total eligible cost
EU contribution (a)=(a1)+(a2 )	16 760 000 ,00	37 710 000 ,00	20 950 000 ,00	8 380 000, 00	83 800 00 0,00	83 800 000 ,00
Indicative breakdown of the EU contribution without TA pursuant to	15 663 552 ,00	35 242 992 ,00	19 579 440 ,00	7 831 776, 00	78 317 76 0,00	78 317 760 ,00

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Policy objective No	PO1	PO2	PO4	ISO1	Total	Total
Priority	Priority 1	Priority 2	Priority 3	Priority 4		
Article 27(1) (a1)						
Indicative breakdown of the EU contribution for TA pursuant to Article 27(1) (a2)	1 096 448,00	2 467 008,00	1 370 560,00	548 224,00	5 482 240,00	5 482 240,00
National contribution (b)=(c)+(d)	4 190 000,00	9 427 500,00	5 237 500,00	2 095 000,00	20 950 000,00	20 950 000,00
Indicative breakdown of the national counterpart National public (c)	3 771 000,00	8 484 750,00	4 713 750,00	1 885 500,00	18 855 000,00	18 855 000,00
Indicative breakdown of the national counterpart National	419 000,00	942 750,00	523 750,00	209 500,00	2 095 000,00	2 095 000,00

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Policy objective No	PO1	PO2	PO4	ISO1	Total	Total
Priority	Priority 1	Priority 2	Priority 3	Priority 4		
private (d)						
Total (e)=(a)+(b)	20 950 000 ,00	47 137 500 ,00	26 187 500 ,00	10 475 000 ,00	104 750 000,00	104 750 000,00
Co-financing rate (f)=(a)/(e)	80,00%	80,00%	80,00%	80,00%	80,00%	80,00%
Contributions from the third countries (for information )	0	0	0	0	0	0

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#### **4. Action taken to involve the relevant programme partners in the preparation of the Interreg programme and the role of those programme partners in the implementation, monitoring and evaluation**

Reference: point (g) of Article 17(3)

A Joint Programming Committee (JPC), the main decision making body was established in February 2020 and its two Working Groups (WGs) responsible for discussing programme strategic orientation and implementation arrangements were established. The JPC as well as the WGs were composed i.a. of national and regional level representatives as well as the two Euroregions active in the SBP area, Euroregion Baltic and Euroregion Pomerania.

The relevant public authorities, socio-economic, civil society, environmental and other partners were involved in the preparation of the programme, through direct participation in the JPC and WGs meetings (when they were the JPC/WG members), relevant national consultations and a series of consultation events for programme stakeholders organized by Euroregion Baltic.

This approach allowed a better organization of the programming process and effective work of the JPC and its WGs, which is a challenge for a programme with 5 Member States (MS) participating. Among the members of delegations to the JPC and WGs, there were the representatives of e.g. academia sector, business support organizations, tourism organizations, regional and local authorities, as well as the joint delegation of Euroregions, being themselves the representations of local communities from the programme area. In total, 9 formal JPC meetings (until end of August 2021) and 16 meetings of its WGs) were held.

Additionally, wide and comprehensive consultations with the relevant partners were conducted nationally in 5 Member States. With these consultations, the relevant partners were incorporated to providing their opinions and proposals on the draft documents:

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SWEDEN: more than 153 organisations (from regional and national level) identified in consultation process: local and regional authorities, science parks, museums, ports, rural and forest-oriented organisations, energy agencies, universities, tourism agencies, research institutes, cultural institutions, etc. The partners provided their input to socio-economic analysis of the Programme region, SWOT, took active part in the open surveys conducted in the programming process as well as in thematic online dialogue meetings (4 meetings organized focused on: *Blue and green growth, Green energy and mobility, Sustainable and innovative tourism, A social and inclusive society*). Additionally, involved partners provided their comments on drafts of the Programme Strategy.

DENMARK: more than 40 stakeholders at regional/subregional level from all areas relevant for the Programme invited for consultation meetings in November/December 2020: business centre, tourism, labour union, employers union, research centre, energy and supply centres, sea ports, airport, civic society representatives such as associations within rural development, local communities, environmental and social NGO's etc.

GERMANY: regional committee was established as a program-related self-governing structure, involving 22 partners: urban and public authorities, chambers of commerce and crafts, universities, trade union federation, regional associations, workers welfare association, tourist association. There have been three consultation round on the Programme drafts and preparatory documents and partners provided their comments. In parallel to the partner consultation, there have been two consultation meetings organized on the intervention areas and topics addressed by the Programme. Apart from the consultation, individual partners took direct and active role in the WG 1 (strategic programme orientation) and JPC meetings (Balticnet Plasmatec - technology network at WG1 and JPC; Baltic Sea Tourism Center at WG 1; EUCC Coastal Union Germany -Network for Sustainable Development of Coast and Sea at WG1).

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POLAND: national consultation subcommittee was established serving the consultations of the documents submitted for the JPC's and WGs discussions. There are 48 entities in this subcommittee, representing a wide variety of socio-economic partners, partners representing civic society, NGOs, regional and local administration and their associations, relevant ministries of the government, metropolitan areas, communes associations, environmental partners (e.g. WWF Poland), universities, chambers of commerce or crafts, seaports' authorities, science and technology parks, clusters of enterprises, regional development agencies, regional environment protection and water management fund, NGOs' networks and support centres, regional spatial planning offices, Central European Transport Corridor EGTC etc.

LITHUANIA: involvement of socio-economic partners in the programming and decision making process in Lithuania is ensured and proceeded by national regional policy system via involved representatives of Joint programming committee appointed by Region Development Councils, where Region Development Council Boards Partner Groups are to be created from socio-economic partners representing organisations dealing in wide range of social and economic areas. Additionally, consultations with socio-economic partners were introduced by National authority by organising information / consultation events about the new financing period 2021-2027 on territorial cooperation programmes, selection of South Baltic programme's priorities, consulting draft programme document (Note: consultation process will be performed before Governmental approval procedure). In total 15 organisations representing different socio-economic partners groups from Klaipėda, Tauragė and Telšiai regions involved during programming process and they represent such fields as environment, education, social protection, human rights, youth policy, politic of regions, disable people rights.

Thanks to the system of national/regional consultations, they were held at the level closest to the target group of the Programme. This allowed to lift the language barrier and to involve more smaller actors and organizations which were relieved

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from administrative burden, but also could have the provisions of law or processes during the programming better explained and clarified. This aspect is of particular importance during the COVID-19 pandemic and the need of concentrating the time and their efforts on fighting the pandemic and planning the economic and social recovery afterwards. Online meetings and consultations also allowed to include many more stakeholders relevant for the Programme than if it was through their direct involvement in the JPC and WGs meetings.

Apart from national and regional consultation level, there were several consultation initiatives implemented in the transnational and cross-sectoral dimension. The relevant partners and Programme stakeholders had been involved in the consultations and preparation of the 2021-2027 Programme from the very beginning. Already in September 2019, the consultations and discussions regarding the possible orientation and scope of the new Programme were conducted at the Interreg South Baltic Programme 2014-2020 Annual Event in Ostróda (PL).

In summer 2020, PwC Advisory company (the contractor of the JS) carried out an extensive survey among a wide group of relevant partners from the 5 MSs (i.e. local, regional and national authorities or associations thereof, public bodies, NGOs, clusters and networks of SMEs, higher education institutions, research and development institutions and providers of cultural services, public service providers, environmental organizations). The aim of this research was to understand best the overall vision of the south Baltic area by Programme stakeholders, existing and potential partners and other institutions. Within the survey the respondents were asked about their experience in cross-border programmes as well as challenges that the SB area has to face in the future (in the aspects of economy, society and healthcare, environment and infrastructure and technology). The third part of the survey focused on main strengths of the SB region, to verify which advantages respondents perceive as the most valuable, in which direction the Programme should go and which areas should be further developed. Almost 140 entities from

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the whole region representing different sectors fully responded to the questions. Also, 2 dedicated workshops were conducted then by PwC.

The relevant partners were further involved through national consultations of draft socio-economic analysis, SWOT analysis and Problems and Objectives' Tree for the South Baltic area. Comments to these analyses were provided by regional experts and analysts from the whole region and later to the drafts of proposal of Strategy and Priorities for the future SB Programme delivered by PwC.

The draft proposal of Strategy and Priorities was also subject of the public consultation. The Euroregion Baltic, acting as the lead partner of Umbrella project, has organized in autumn 2020 four thematic focus group workshops regarding the intervention areas and topics to be addressed by the Programme, attended by over 40 partners from the whole South Baltic area. The outcomes from the workshops were delivered by delegation of Euroregions to the JPC and incorporated in the works on the preparation of the Programme.

Additionally, numerous panel discussions and surveys were conducted on different project events (e.g. Umbrella, Interconnect) and Programme annual conferences (South Baltic Programme Annual Events in 2019 and 2020). The outcomes of those were presented and discussed by the JPC. Another 2 dedicated surveys among a group of small and medium ports of the South Baltic area were conducted by the JS in November 2019 and November 2020.

The documents agreed by JPC were provided for access of the general public on the part of the SB programme website dedicated to 2021-2027 programme. The documents were also published on the website of the programme authorities and other involved stakeholders. It was also disseminated via email to the organizations engaged in the consultation process from the beginning of programming.

The public consultations of the draft programme were held from 8 September till 15 October 2021 and included i.a. the possibility of providing comments via email to

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the JS and a series of conferences in the SB regions. The draft programme document was also available on demand in institutions involved in programme preparation. The reports from public consultations are available upon the request of Commission.

The comments and proposals received within the public consultations were discussed by the JPC and either duly included in the programme or dismissed under a proper justification.

The involvement of socio-economic and environmental Programme partners in the work of the Monitoring Committee will be ensured by the Member States in line with the Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct and the CPR. In each MS relevant partnerships, either in form of national/regional sub-committees or national/regional consultation networks, groups and fora, will be organised. Particular emphasis will be placed on involving variety of willing partners to the national/regional consultation groups and strengthening their institutional capacity for participating in international cooperation activities. The MA will be informed about the provisions taken by the MSs to ensure the involvement of relevant stakeholders in the consultation and decision-making processes of the Monitoring Committee. Furthermore, building on their long-standing experience of cross-border cooperation, the two Euroregions active in the South Baltic area, Euroregion Baltic and Euroregion Pomerania, will be represented in the Monitoring Committee through their own joint Euroregional delegation.

Appropriate measures to avoid potential conflict of interest will be taken where involving relevant partners to preparation of calls for proposals and decision making process. Involvement of relevant partners in the future evaluation of the Programme will be ensured and the outcomes from the evaluation will be also

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subject of consultations with partners. All the principles and rules of involvement will be in details specified in the Rules of Procedures for the Monitoring Committee.

**5. Approach to communication and visibility for the Interreg programme (objectives, target audiences, communication channels, including social media outreach, where appropriate, planned budget and relevant indicators for monitoring and evaluation)**

Reference: point (h) of Article 17(3)

The purpose of this chapter is to define how information and promotion activities will be implemented in the Interreg South Baltic cross-border cooperation programme during the programming perspective 2021–2027. The activities carried out by the Programme and its beneficiaries will be integrated, coordinated and complementary to the communication objectives of the Cohesion Policy. More details shall be presented in the Programme’s communication strategy.

The main objective

Supporting the implementation of the Programme’s objectives through information and promotion activities, as well as indicating the impact of the European funds in the South Baltic region.

Detailed objectives

- informing about the possibilities of co-financing cross-border projects and activating to obtain funds,
- supporting in the implementation of projects, including information and promotion activities,
- informing about activities and results of the Programme, showing the positive impact of projects on people’s lives and the added value of European Funds.

Target groups

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The core target groups of the Programme and thus its communication are beneficiaries and potential beneficiaries. They are clearly defined for each Programme measure in “the main target groups” sections of the Programme’s strategy document, which describe the thematic scope of the funding Programme.

Among others, they include general public, public authorities at local, regional and national levels; business support organisations; non-governmental organisations; higher education and research institutions; training centres.

#### Communication channels

The South Baltic Programme, considering all target groups, will use the following communication channels:

- website of the Programme and relevant institutions involved in the implementation of the Programme and EU funds in each Member State participating in the Programme,
- social media,
- traditional media (local and regional),
- information and promotion events,
- publications (including on-line publications),
- regional contact points, Information Points on European funds, EuropeDirect network.

In communication addressed to beneficiaries and potential beneficiaries, the activities will include:

- trainings and workshops,
- face-to-face and on-line consultations,
- Internet applications (ICT system for preparing applications, project settlement, on-line communication platform).

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The communication potential and abilities of the beneficiaries will be used in the information and promotion activities of the Programme through:

- building and maintaining relationships with beneficiaries,
- involving beneficiaries in roles of ambassadors of the Programme and the Interreg brand, as well as in various initiatives organised and supported by the institutions implementing the Programme.

#### Budget

The estimated budget for the implementation of information and promotion activities planned in the communication strategy will amount to approximately 4% of the Technical Assistance budget. The amounts allocated to individual communication activities will be provided in the annual information and promotion action plans.

Indicative financial plan (to be developed later)

#### Monitoring and evaluation

The level of implementation of the assumed specific objectives and the effectiveness of information and promotion activities will be assessed as part of the Programme's evaluation. Indicators will measure if specific communication objectives of the Programme were achieved.

#### List of indicators

Result indicator: Interest of potential applicants in the implementation of cross-border projects

Output indicator:

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- Number of trainings for potential beneficiaries,
- Number of consultations provided to potential beneficiaries,
- The number of users who saw on the Programme's website the information on the call for proposal,
- Number of users who saw the call for proposal posts (social media reach),
- Percentage ratio of applications that passed the evaluation process positively to the submitted applications for co-financing during the call for proposals.

Result indicator: Increased effectiveness in the promotion of the Programme thanks to beneficiaries

Output indicator:

- Number of events organised by beneficiaries supporting the promotion of the Programme,
- Number of participants in events organised by beneficiaries.

Result indicator: Increased public awareness of the benefits of implementing the Programme

Output indicator:

- Number of users who saw posts (social media reach),
- Number of visits to the website of the Programme,
- Number of participants in events.

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## **6. Indication of support to small-scale projects, including small projects within small project funds**

Reference: point (i) of Article 17(3), Article 24

*Text field [7 000]*

Small-scale projects are allowed to be implemented under all programme's priorities and within the selected specific objectives. To facilitate the implementation of small-scale projects, simplification measures will be offered by the Programme (smaller partnerships, less work packages, shorter duration, or shorter reporting periods to allow fast reimbursement etc.). The detailed Programme requirements will be outlined in the Programme Manual. The small-scale project fund is not going to be established by the Programme.

Furthermore, a seed money scheme is intended, which will allow the potential South Baltic partnerships to develop projects of higher quality and submit them within regular or dedicated (or ongoing) calls for proposals. The form of the call shall be decided by the Monitoring Committee. At the same time, the scheme can serve as an incentive for potential beneficiaries to convince their local decision makers to start developing the project, as the costs of those activities would be covered. What is in line with the Programme interest in small, local beneficiaries to be involved in the Programme activities. The seed money scheme has been used in the previous editions of the Programme and has proven to be a useful tool to these ends.

## **7. Implementing provisions**

### **7.1. Programme authorities**

Reference: point (a) of Article 17(6)

Table 9

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Programme authorities	Name of the institution	Contact name	E-mail
Managing authority	Ministry of Development Funds and Regional Policy of the Republic of Poland ul. Wspólna 2/4 00-926 Warszawa Poland	Minister responsible for regional development, Poland	kancelaria@mfipr.gov.pl
National authority (for programmes with participating third or partner countries, if	n/a	n/a	n/a

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Programme authorities	Name of the institution	Contact name	E-mail
appropriate)			
Audit authority	Head of the National Revenue Administration Ministry of Finance ul. Świętokrzyska 12 00-916 Warszawa, Poland	Dominik Zalewski Director of the Department of Audit of Public Funds at the Ministry of Finance	sekretariat.das@mf.gov.pl
Group of auditors representatives	Swedish National Financial Management Authority	Marie Blomqvist	Marie.Blomqvist@esv.se registrar@esv.se

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Programme authorities	Name of the institution	Contact name	E-mail
	Danish Business Authority EU-Controller Unit Langelinje Allé 17 DK-2100 København Ø	Fatima Krag +45 35 29 15 29 Svend Holger Welleberg +45 35 29 14 53	fatkra@erst.dk svhowe@erst.dk
	Ministry of the Interior of the Republic of Lithuania		
	Ministry of Finance Mecklenb	Head of Unit EU Financial	poststelle@fm.mv-regierung.de

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Programme authorities	Name of the institution	Contact name	E-mail
	<p>Urg-Vorpommern Schloßstrasse 9-11 19053 Schwerin</p>	<p>Control ERDF</p>	
<p>Body to which the payments are to be made by the Commission</p>	<p>Ministry of Development Funds and Regional Policy of the Republic of Poland ul. Wspólna 2/4 00-926 Warszawa Poland</p>	<p>Minister responsible for regional development, Poland</p>	<p>kancelaria@mfi.gov.pl</p>

## 7.2. Procedure for setting up the joint secretariat

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Reference: point (b) of Article 17(6)The Managing Authority, in agreement with the Member States represented in the programme will set up a Joint Secretariat (JS), which will assist the Managing Authority and the Monitoring Committee in carrying out their respective duties.

The Managing Authority shall be responsible for establishing the rules for the allocation and transfer of Technical Assistance funds, referred to in Article 27 of the Interreg Regulation, to relevant stakeholders, including Joint Secretariat. Detailed arrangements for transferring payments to eligible entities for the implementation of tasks for the Programme will be described in the dedicated document allocating Technical Assistance funds to each stakeholder.

The JS will be located in Gdańsk, Poland within the framework of the Centre of European Projects acting as a hosting institution appointed by the Managing Authority. The Joint Secretariat will use similar implementation arrangements as set for the 2014-2020 programming period. The JS shall be financed from the Technical Assistance budget. International staff shall be employed in the JS. The number and qualification of staff shall correspond to the functions carried out by the JS. The tasks of the JS will be laid down in a separate agreement with the Managing Authority and included in individual job descriptions.

The tasks of the JS, inter alia, include:

- promotion and providing information about the programme and its objectives;
- providing assistance and advice to potential programme beneficiaries;
- receiving and registering project applications,
- assessment of submitted applications,
- being in charge of the day-to-day implementation of the programme;
- preparation of the Monitoring Committee meetings and providing it with all relevant documentation;

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- assisting the Managing Authority in implementation of the programme as well as its monitoring,
- participation, in cooperation with the Managing Authority, in the Technical Assistance payment procedure, covering also Contact Points.

### **7.3. Apportionment of liabilities among participating Member States and where applicable, the third or partners countries and OCTs, in the event of financial corrections imposed by the managing authority or the Commission**

Reference: point (c) of Article 17(6)

Text field [10 500]

The Member States will bear liability in relation to the use of the SBP ERDF as follows:

1. In the event of financial corrections resulting from irregularities that can be linked to individual Member States, the Member States concerned will bear the financial consequences in proportion to the relevant irregularity detected on their territory. Art. 52 of the Interreg Regulation stays unaffected.
2. In the event of a financial correction that results from jointly taken decisions about the SBP (including situations when the targets set out in the programme are not achieved), or when the irregularities resulting in financial corrections cannot be linked to individual Member States, all Member States will be jointly liable in proportion to the ERDF contribution paid out to the respective national project partners. This ERDF contribution is calculated as on the day the final EC decision on the financial correction is issued.
3. In the event of a financial correction resulting from actions taken by programme institutions i.e. the MA and/or the JS, liability will be borne by the Member State hosting the aforementioned authorities.

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4. In the event of the financial correction imposed due to irregularities not described above, the methodology of sharing the liabilities shall be established in cooperation between the MA and the Member States and agreed by the MC.

#### **8. Use of unit costs, lump sums, flat rates and financing not linked to costs**

Reference: Articles 94 and 95 of Regulation (EU) 2021/1060 (CPR)

Table 11 Use of unit costs, lump sums, flat rates and financing not linked to costs

Intended use of Articles 94 and 95

From the adoption programme will make use of reimbursement of eligible expenditure based on unit costs, lump sums and flat rates under priority according to Article 94 CPR (if yes, fill in Appendix 1): YES / NO

From the adoption programme will make use of financing not linked to costs according to Article 95 CPR (if yes, fill in Appendix 2): YES / NO

#### APPENDICES

- Map of the programme area
- Union contribution based on unit costs, lump sums and flat rates ☐ Union contribution based on Financing not linked to cost

Appendix 1: Map of the programme area

Appendix 2: Union contribution based on unit costs, lump sums and flat rates

Appendix 3: Union contribution based on financing not linked to costs

Appendix 3a: List of planned operations of strategic importance with a timetable

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Reimbursement of eligible expenditure from the Commission to the Member State based on unit costs, lump sums and flat rates Union contribution based on unit costs, lump sums and flat rates

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**8.1. Template for submitting data for the consideration of the Commission (Article 88 CPR)**

Date of submitting the proposal

Current version

**A. Summary of the main elements**

Priority

Fund

Estimated proportion of the total financial allocation within the priority to which the SCO will be applied in % (estimate)

Type(s) of operation: Code / Description

Corresponding indicator name(s) Code / Description

Unit of measurement for the indicator

Type of SCO (standard scale of unit costs, lump sums or flat rates)

Corresponding standard scales of unit costs, lump sums or flat rates

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**B. Details by type of operation (to be completed for every type of operation)**

Did the Managing Authority receive support from an external company to set out the simplified costs below?

If so, please specify which external company: Yes/No – Name of external company

Types of operation:

1.1. Description of the operation type

1.2 Specific objective(s) concerned

1.3 Indicator name

1.4 Unit of measurement for indicator

1.5 Standard scale of unit cost, lump sum or flat rate

1.6 Amount

1.7 Categories of costs covered by unit cost, lump sum or flat rate

1.8 Do these categories of costs cover all eligible expenditure for the operation?

(Y/N)

1.9 Adjustment(s) method

1.10 Verification of the achievement of the unit of measurement

- describe what document(s) will be used to verify the achievement of the unit of measurement - describe what will be checked during management verifications (including on-the-spot), and by whom
- describe what the arrangements are to collect and store the data/documents

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1.11 Possible perverse incentives or problems caused by this indicator, how they could be mitigated, and the estimated level of risk

1.12 Total amount (national and EU) expected to be reimbursed

**C. Calculation of the standard scale of unit costs, lump sums or flat rates**

1. Source of data used to calculate the standard scale of unit costs, lump sums or flat rates (who produced, collected and recorded the data; where the data are stored; cut-off dates; validation, etc.):

2. Please specify why the proposed method and calculation is relevant to the type of operation:

3. Please specify how the calculations were made, in particular including any assumptions made in terms of quality or quantities. Where relevant, statistical evidence and benchmarks should be used and attached to this annex in a format that is usable by the Commission.

4. Please explain how you have ensured that only eligible expenditure was included in the calculation of the standard scale of unit cost, lump sum or flat rate;

5. Assessment of the audit authority(ies) of the calculation methodology and amounts and the arrangements to ensure the verification, quality, collection and storage of data:

\* Justifications on the underlying data, the calculation methodology and resulting rate or amount and related assessment by the audit authority [(in points 1, 3 and 5)] are not required when the simplified cost options submitted in this Appendix are established at Union level [(other policies or through the DA referred to in Article 88(4)].

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### **Appendix 3: Union contribution based on financing not linked to costs**

Template for submitting data for the consideration of the Commission

(Article 89 CPR)

Date of submitting the proposal

Current version

Summary of the main elements

#### **A. Summary of the main elements**

Priority

Fund

The amount covered by the financing not linked to costs

Type(s) of operation

Conditions to be fulfilled/results to be achieved

Corresponding indicator name(s): Code / Description

Unit of measurement for the indicator

Envisaged reimbursement to the beneficiaries

The overall amount covered

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**B.** Details by type of operation (to be completed for every type of operation) Types of operation:

1.1. Description of the operation type

1.2 Specific objective(s) concerned

1.3 Conditions to be fulfilled or results to be achieved

1.4 Deadline for fulfilment of conditions or results to be achieved

1.5 Indicator definition for deliverables

1.6 Unit of measurement for indicator for deliverables

1.7 Intermediate deliverables (if applicable) triggering reimbursement by the Commission with schedule for reimbursements: Intermediate deliverables / Date / Amounts

1.8 Total amount (including EU and national funding)

1.9 Adjustment(s) method

1.10 Verification of the achievement of the result or condition (and where relevant, the intermediate deliverables)

- describe what document(s) will be used to verify the achievement of the result or condition
- describe what will be checked during management verifications (including on-the-spot), and by whom
- describe what arrangements there are to collect and store the data/documents

1.10a Does the grant provided by Member State to beneficiaries take the form of financing not linked to costs? [Y/N]

1.11 Arrangements to ensure the audit trail

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Please list the body(ies) responsible for these arrangements.

**Appendix 3a: List of planned operations of strategic importance - Article 17(4)**

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