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DE40A - Oberhavel
DE40B - Oberspreewald-Lausitz
DE40C - Oder-Spree
DE40D - Ostprignitz-Ruppin
DE40E - Potsdam-Mittelmark
DE40F - Prignitz
DE40G - Spree-Neiße
DE40H - Teltow-Fläming
DE40I - Uckermark
DE5 - Bremen
DE50 - Bremen
DE501 - Bremen, Kreisfreie Stadt
DE502 - Bremerhaven, Kreisfreie Stadt
DE6 - Hamburg
DE60 - Hamburg
DE600 - Hamburg
DE8 - Mecklenburg-Vorpommern
DE80 - Mecklenburg-Vorpommern
DE803 - Rostock, Kreisfreie Stadt
DE804 - Schwerin, Kreisfreie Stadt
DE80J - Mecklenburgische Seenplatte
DE80K - Landkreis Rostock
DE80L - Vorpommern-Rügen
DE80M - Nordwestmecklenburg
DE80N - Vorpommern-Greifswald
DE80O - Ludwigslust-Parchim
DE93 - Lüneburg
DE931 - Celle
DE932 - Cuxhaven
DE933 - Harburg
DE934 - Lüchow-Dannenberg
DE935 - Lüneburg, Landkreis
DE936 - Osterholz
DE937 - Rotenburg (Wümme)
DE938 - Heidekreis
DE939 - Stade
DE93A - Uelzen
DE93B - Verden
DEF - Schleswig-Holstein
DEF0 - Schleswig-Holstein
DEF01 - Flensburg, Kreisfreie Stadt
DEF02 - Kiel, Kreisfreie Stadt
DEF03 - Lübeck, Kreisfreie Stadt
DEF04 - Neumünster, Kreisfreie Stadt
DEF05 - Dithmarschen
DEF06 - Herzogtum Lauenburg
DEF07 - Nordfriesland
DEF08 - Ostholstein
DEF09 - Pinneberg
DEF0A - Plön
DEF0B - Rendsburg-Eckernförde
DEF0C - Schleswig-Flensburg
DEF0D - Segeberg
DEF0E - Steinburg

DEF0F - Stormarn
LT0 - Lietuva
LT01 - Sostinės regionas
LT011 - Vilniaus apskritis
LT02 - Vidurio ir vakarų Lietuvos regionas
LT021 - Alytaus apskritis
LT022 - Kauno apskritis
LT023 - Klaipėdos apskritis
LT024 - Marijampolės apskritis
LT025 - Panevėžio apskritis
LT026 - Šiaulių apskritis
LT027 - Tauragės apskritis
LT028 - Telšių apskritis
LT029 - Utenos apskritis
FI1 - Manner-Suomi
FI19 - Länsi-Suomi
FI193 - Keski-Suomi
FI194 - Etelä-Pohjanmaa
FI195 - Pohjanmaa
FI196 - Satakunta
FI197 - Pirkanmaa
FI1B - Helsinki-Uusimaa
FI1B1 - Helsinki-Uusimaa
FI1C - Etelä-Suomi
FI1C1 - Varsinais-Suomi
FI1C2 - Kanta-Häme
FI1C3 - Päijät-Häme
FI1C4 - Kymenlaakso
FI1C5 - Etelä-Karjala
FI1D - Pohjois- ja Itä-Suomi
FI1D1 - Etelä-Savo
FI1D2 - Pohjois-Savo
FI1D3 - Pohjois-Karjala
FI1D5 - Keski-Pohjanmaa
FI1D7 - Lappi
FI1D8 - Kainuu
FI1D9 - Pohjois-Pohjanmaa
FI2 - Åland
FI20 - Åland
FI200 - Åland
SE1 - Östra Sverige
SE11 - Stockholm
SE110 - Stockholms län
SE12 - Östra Mellansverige
SE121 - Uppsala län
SE122 - Södermanlands län
SE123 - Östergötlands län
SE124 - Örebro län
SE125 - Västmanlands län
SE2 - Södra Sverige
SE21 - Småland med öarna
SE211 - Jönköpings län
SE212 - Kronobergs län
SE213 - Kalmar län

SE214 - Gotlands län
SE22 - Sydsverige
NO020 - Innlandet
NO02 - Innlandet
SE312 - Dalarnas län
SE313 - Gävleborgs län
SE32 - Mellersta Norrland
SE321 - Västernorrlands län
SE322 - Jämtlands län
SE33 - Övre Norrland
SE331 - Västerbottens län
SE332 - Norrbottens län
EE00 - Eesti
EE001 - Põhja-Eesti
EE004 - Lääne-Eesti
EE008 - Lõuna-Eesti
EE009 - Kesk-Eesti
EE00A - Kirde-Eesti
PL2 - Makroregion południowy
PL21 - Małopolskie
PL213 - Miasto Kraków
PL214 - Krakowski
PL217 - Tarnowski
PL218 - Nowosądecki
PL219 - Nowotarski
DK0 - Danmark
DK01 - Hovedstaden
DK011 - Byen København
DK012 - Københavns omegn
DK013 - Nordsjælland
DK014 - Bornholm
DK02 - Sjælland
DK021 - Østsjælland
DK022 - Vest- og Sydsjælland
DK03 - Syddanmark
DK031 - Fyn
DK032 - Syddjylland
DK04 - Midtjylland
DK041 - Vestjylland
DK042 - Østjylland
DK05 - Nordjylland
DK050 - Nordjylland
EE0 - Eesti
PL21A - Oświęcimski
PL22 - Śląskie
PL224 - Częstochowski
PL225 - Bielski
PL227 - Rybnicki
PL228 - Bytomski
PL229 - Gliwicki
PL22A - Katowicki
PL22B - Sosnowiecki
PL22C - Tyski
PL4 - Makroregion północno-zachodni

PL41 - Wielkopolskie
PL411 - Pilski
PL414 - Koniński
PL415 - Miasto Poznań
PL416 - Kaliski
PL417 - Leszczyński
PL418 - Poznański
PL42 - Zachodniopomorskie
PL424 - Miasto Szczecin
PL426 - Koszaliński
PL427 - Szczecinecko-pyrzycki
PL428 - Szczeciński
PL43 - Lubuskie
PL431 - Gorzowski
PL432 - Zielonogórski
PL5 - Makroregion południowo-zachodni
PL51 - Dolnośląskie
PL514 - Miasto Wrocław
PL515 - Jeleniogórski
PL516 - Legnicko-głogowski
PL517 - Wałbrzyski
PL518 - Wrocławski
PL52 - Opolskie
PL523 - Nyski
PL524 - Opolski
PL6 - Makroregion północny
PL61 - Kujawsko-pomorskie
PL613 - Bydgosko-toruński
PL616 - Grudziądzki
PL617 - Inowrocławski
PL618 - Świecki
PL619 - Włocławski
PL62 - Warmińsko-mazurskie
PL621 - Elbląski
PL622 - Olsztyński
PL623 - Ełcki
PL63 - Pomorskie
PL633 - Trójmiejski
PL634 - Gdański
PL636 - Słupski
PL637 - Chojnicki
PL638 - Starogardzki
PL7 - Makroregion centralny
PL71 - Łódzkie
PL711 - Miasto Łódź
PL712 - Łódzki
PL713 - Piotrkowski
PL714 - Sieradzki
PL715 - Skierniewicki
PL72 - Świętokrzyskie
PL721 - Kielecki
PL722 - Sandomiersko-jędrzejowski
PL8 - Makroregion wschodni
PL81 - Lubelskie

	PL811 - Bialski PL812 - Chełmsko-zamojski PL814 - Lubelski PL815 - Puławski PL82 - Podkarpackie PL821 - Krośnieński PL822 - Przemyski PL823 - Rzeszowski PL824 - Tarnobrzesci PL84 - Podlaskie PL841 - Białostocki PL842 - Łomżyński PL843 - Suwalski PL9 - Makroregion województwo mazowieckie PL91 - Warszawski stołeczny PL911 - Miasto Warszawa PL912 - Warszawski wschodni PL913 - Warszawski zachodni PL92 - Mazowiecki regionalny PL921 - Radomski PL922 - Ciechanowski PL923 - Płocki PL924 - Ostrołęcki PL925 - Siedlecki PL926 - Żyrardowski LV0 - Latvija LV00 - Latvija LV003 - Kurzeme LV005 - Latgale LV006 - Rīga LV007 - Pierīga LV008 - Vidzeme LV009 - Zemgale
Strand	Strand B: TN Transnational Cooperation Programme (ETC)

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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)

Interreg Baltic Sea Region covers nine countries, eight of them EU Member States (Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden) and one third country (Norway). The European Commission has suspended the participation of the Russian Federation and the Republic of Belarus in the cooperation programme “(Interreg VI-B) Baltic Sea region” 2021-2027 following Russia’s unprovoked and unjustified military invasion of Ukraine, and Belarus involvement, and in light of the European Council Conclusions of 24 February 2022.

The Programme covers an area of around 2.9 million km² with a population of 80 million inhabitants. It stretches from central parts of Europe up to its northernmost periphery. The programme area comprises European metropolitan areas such as Berlin, Copenhagen, Helsinki, Oslo, Stockholm and Warsaw. Still, major parts of the programme area are counted as rural. Settlement structures in the south are denser. Most rural areas are in close proximity to a city. In the northern, and to some degree also in the eastern part of the region, often, rural regions are characterised as remote. The Arctic regions in the northernmost part of the programme area represent specific challenges and opportunities in respect of remoteness, geographic and climate conditions.

The Baltic Sea region is characterised by regional differences. At the same time, the countries and regions share joint challenges. In the past two decades, many of them have successfully been addressed through transnational cooperation. A wide range of networks at national, regional and local level as well as between business, the academic sector, and civil society have long been established. They contribute effectively to the territorial development in the region. Since 2009, the EU Strategy for the Baltic Sea Region (EUSBSR) has framed cooperation in the area. The policy areas and activities are defined in the accompanying action plan.

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-learned 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)

Introduction

The EU Strategy for the Baltic Sea Region (EUSBSR) and its Action Plan provide the central reference to the Programme identifying the main joint challenges and cooperation needs in the region. In addition, the Programme draws upon a large number of existing analyses, visions and strategies pointing out the cooperation needs for the region. The Programme is built on vast experience gained from previous programme periods as well as on the know-how of experienced pan-Baltic stakeholders and networks. The programming process was participative. In 2019, a review of strategic priorities in the BSR was carried out. Relevant pan-Baltic and national documents were systematically screened and analysed. The main findings regarding potential priorities for the Programme 2021-2027 were filtered out. Following the review, a Joint Programming Committee (JPC) was set up. Supported by the Managing Authority and the Joint Secretariat, the JPC selected the priorities for the Programme.

i) Main joint challenges of the Baltic Sea Region considering economic, social and territorial disparities and joint investment needs

Environmental state of the Baltic Sea and regional water resources

Having the Baltic Sea in the middle of the region and multiple water resources on land, sustainable water management plays a crucial role in the region's well-being and prosperity.

Water management in the region has improved in recent years. Many solutions have been developed and implemented across different sectors. However, **the environmental state of the Baltic Sea and inland waters is still endangered**. The overall goal of the Baltic Sea Action Plan by the Helsinki Commission (HELCOM) to reach good environmental status of the Baltic Sea by 2021 is not reached. According to HELCOM, 97% of the region is assessed as eutrophied due to past and present excessive inputs of nitrogen and phosphorus. The level of oxygen in the deep waters of the Sea is decreasing. Pressure on the marine environment and inland water bodies from contaminants is high. The ecosystem remains impacted by hazardous substances, dumped munition and litter. Climate change amplifies eutrophication symptoms, hence urging for further nutrient reductions. Further growing **effects of climate change** on the waters as well as coasts are also observed, for example, increasing occurrences of storms, floods, droughts and coastal erosion. Due to growing pressures and limited water resources in the region, there is also a demand to reuse, retain and recirculate waters.

These challenges are recognised in the Action Plan accompanying the EUSBSR along its objective 'Save the Sea'. It calls for further reduction of nutrient inputs from agriculture, aquaculture, forestry and urban areas as well as use of hazardous substances across the macro-region. It also urges to address nutrients and hazardous substances already in the Sea and Sea bottom.

Further, the European Green Deal points out the need to more effectively reduce **negative impacts on ecosystems and pay greater attention to nature-based solutions**, including healthy and resilient seas and inland waters.

Sustainable water management has always been one of the core concerns of Interreg Baltic Sea Region. The Programme supported local and regional authorities in building up competences to prevent water pollution in urban and rural areas, develop agri-environmental measures for farms as well as administrative procedures on oil spill response. Pilot investments showcased how the application of new

technologies supported water protection. Authorities and business worked together to decrease discharges of hazardous substances in the sea, manage underwater munitions, and remove marine litter. In urban areas, small businesses and households were taught to avoid hazardous substances in their daily consumption. However, the distribution of knowledge across the BSR is still uneven and needs to be improved as noted in one of the monitoring reports of Interreg Baltic Sea Region 2014-2020. Another noted shortcoming is insufficient outreach to a broader target group beyond the experts that already cooperate on the topic of sustainable water management. There is a need to share achievements and better market activities and possibilities towards not yet involved stakeholders in the field.

Thus, there is a need to stronger coordinate water management in the region. National and regional strategies urge for a **common BSR approach** as runoff or pollution in one area of the BSR affects other areas across the countries. Further, more effective implementation of actions across the whole region is required to demonstrate an impact towards protection of the sea, coast and inland waters.

Building capacity of public authorities, industries and smaller businesses as well as local communities in the BSR to reduce emissions of nutrients and hazardous substances remains an effective measure to combat pollution and address new challenges emerging due to climate change. **The BSR can build on the achievements of recent years, strengthen implementation, and effectively support positive developments by testing new solutions.** Additionally, **new approaches and instruments** have to be made available on national, regional and local level throughout the BSR.

Sustainable economic use of the Baltic Sea, marine and water resources

The Baltic Sea and regional water resources provide also ample opportunities for sustainable economic growth for the whole BSR. Blue economy enables innovative businesses to use water and marine resources more efficiently while supporting a healthy marine environment.

Blue economy bears great potential for important sectors in the BSR such as **shipping, biotechnology, fishery, coastal and maritime tourism**. Here, the BSR is in a privileged position: **established sectors of blue economy are already strong in the BSR**. Highly competitive and **innovative research and business sectors combined with strong cooperation networks already exist**. They are supplemented by other sectors that are remarkably progressing. These are assets for further strengthening blue economy in the BSR. However, there are still gaps in knowledge and support instruments how to incentivise businesses that use marine and fresh water resources sustainably, preserve ecosystems and increase resilience to climate change. At the same time, some businesses are less advanced in their environmental performance, pollute ecosystems leaving considerable environmental footprint. There is a strong urge to change this situation on the level of the whole BSR. According to the countries' strategies, the sustainable use of water, sea traffic management as well as preventing illegal discharges from ships will be in the focus in the upcoming years. Further, as the sea and water resources are used by multiple users from different sectors, there is a threat of conflicts. Thus, there is a need to strengthen coherence of approaches in maritime spatial planning and land-sea interactions.

These needs have been identified also by HELCOM activities where countries have agreed to promote environmental sustainability of maritime activities as well as in the Green Deal which underlines the importance to build up a sustainable blue economy for 'alleviating the multiple demands on the EU's [...] resources and tackling climate change'. The call for action is further strengthened through the new communication of the European Commission on a new approach for a sustainable blue economy in the EU Transforming the EU's Blue Economy for a Sustainable Future. Furthermore, EUSBSR Objectives 'Save the Sea' and 'Connect the Region' include **the sustainable use of water and marine resources as well as clean shipping and the joint use of sea space**. Continued and intensified **transnational cooperation** are pre-requisites to build upon blue economy as a constitutional element of the future of the region:

Blue economy had been one of the Programme's thematic focus in the period 2014-2020. The Programme supported biotechnology, aquaculture, fishery and tourism businesses in developing new products from

marine resources, with a view to advancing value chains in the region. The Programme also helped regional and national authorities to do better maritime spatial planning, and to investigate how to jointly use the sea space and coastal areas by several sectors. In addition, projects worked with the shipping sector and developed solutions to make it more sustainable and cleaner. However, as blue economy represents a new policy field, institutionalised knowledge and competence still need to be enhanced, according to one of the monitoring reports of Interreg Baltic Sea Region 2014-2020. Such competences build up slowly and need to be learned by newcomers. Even for established sectors like shipping knowledge is not sufficiently distributed and transferred.

As all countries in the BSR promote blue economy as one major driver for sustainable development, **transnational coordination and cooperation** can help to make efficient joint use of the sea and inland waters, and to open up new business opportunities. Promoting **transnational capacity building for authorities, industries and local communities** in the BSR helps in developing relevant solutions as well as continuous knowledge transfer. **Sustainable blue economy needs intensified cross-sectoral and multi-stakeholder approaches to trigger investments in new, marine-based products and services.** Additionally, countries around the Baltic Sea need to **better align maritime spatial planning, sea traffic management and joint use of sea and coastal space.**

The described challenges and needs of the two topics above will be addressed in the Programme in Priority 2 'Water-smart societies' under Policy Objective 2 and the specific objective 'RSO2.5 Sustainable water' which is translated to the two Programme objectives 2.1) 'Sustainable waters' and 2.2) 'Blue economy'.

Moving Baltic Sea region's economy from linear to circular model

Considering that **the Baltic Sea region has one of the world's largest ecological footprints per capita**, the management of the available resources becomes crucial aspect of its development. **Continuous economic growth leads to growing pressure.** BSR countries use increasingly more resources and generate more waste. According to the OECD, consumption of materials such as biomass, fossil fuels, metals and minerals is expected to double in the next forty years. Half of total greenhouse gas emissions come from resource extraction and processing. Thus, moving from linear to circular consumption and production patterns bears great potential to lower the emissions. Expanding circular economy can have a valuable impact of mitigating climate change.

Circular economy is a systemic and holistic approach regarding the use, recycling and re-use of resources. While it is often associated with the waste sector, the concept of circular economy goes far beyond. It includes an integrated approach to water, energy, transport, land use etc.

Some organisations in the region are already realising the potential of the circular economy e.g. by testing business models and products ensuring a greater lifespan of resources. However, the outreach of these activities is limited to single organisations or their consortia. In the BSR scale **there is a great scope to take a step forward e.g. by creating common norms for life-cycle assessments of products and systematising eco-design approaches.**

In addition, **the BSR organisations lack knowledge and experience in building industrial strategies enabling circularity in new areas and across different sectors.** Basing on the example of the European Strategy for Plastics the BSR sectors with high environmental impact like IT, electronics, textiles, furniture, food etc. could benefit from a similar holistic perspective. Together with responsible authorities, business and intermediaries need to enhance their capacity for joint solutions. **The small size of the national markets in the BSR and cost-efficiency call for macro-regional perspective** e.g. in developing the markets for safe secondary raw materials.

Developing circular bioeconomy is a priority in many of the smart specialisation strategies of the BSR regions and countries. Designing interregional measures requires building on unique endowment of the BSR with bio resources (e.g. from forests). This aspect is particularly highlighted in the policy areas of

Innovation and Bioeconomy of the Action Plan to the EUSBSR.

To enable the change from linear to circular economy authorities of different levels have crucial role in providing the adequate framework. For example, **there is a need to remove administrative or legal barriers and agree whenever possible on common BSR standards**. The responsible authorities should continue building their capacity for **smooth application of the sustainable procurement approaches**. **Circularity also needs to be integrated in urban and regional planning processes** taking into account territorial specificities of the region. For example, there is a great scope for the BSR cities to apply circular economy principles to e.g. reclaim the inner cities as high quality spaces for new working and living experiences.

Furthermore, an analysis made in the framework of the EUSBSR shows that **only a minority of the BSR regions has put emphasis on digitalisation** as an accelerator of non-linear development. There is a need to jointly explore potentials of digital models based on common standards.

Following demographic developments in the BSR the **transition towards circular region has to consider needs of vulnerable groups** whose well-being might be influenced through the transformation processes. Evaluation of the BSR countries shows also that the progress towards circularity requires **empowering of citizens to make informed choices**. This calls for soft capacity building measures.

Above mentioned challenges and opportunities are in line with the commitments EU made in the European Green Deal and the Circular Economy Action Plan.

Circular economy gained prominence only in recent years. Still, several projects across different objectives of Interreg Baltic Sea Region 2014-2020 have already addressed it. Project partnerships supported regional stakeholders in promoting circularity. They helped translate national and regional smart specialisation strategies into practical approaches for the regions. Additionally, the Programme promoted public procurement as a means to create demand for circular products and services, and offered support to businesses to create such offers. In parallel, some projects advanced circularity in their sectors e.g. reusing specific waste, or offering solutions supporting circularity in transport. These first attempts showed opportunities as well as some limitations of circularity that should be further explored in this Programme.

The described challenges and needs will be addressed in the Programme in Priority 3 ‘Climate-neutral societies’ under Policy Objective 2 and the specific objective ‘RCO2.6 Circular economy’ and is translated to the Programme objective 3.1) ‘Circular economy’.

Energy consumption and green-house gas emissions

Looking at the level of energy consumption, the use of renewable energy and the reduction of emission of greenhouse gas we get to a mixed picture in the BSR. Since 1990, the overall energy consumption slightly decreased. Both, households and the industrial sector contributed. However, the development notably varies in different countries. More than half of **the building stock** in the BSR is still **energy inefficient** where heating systems consume excessive energy. A high proportion of industrial process heat is lost as unused waste. These sectors still rely a lot on fossil energy, **are energy inefficient and contribute to excessive green-house gas emissions**.

The share of fossil energy decreased, and there is a trend towards a rising share of renewable energy. While some countries in the BSR already succeeded in **making renewable energy a main pillar of their energy supply**, some lag behind. The EU **goals towards reduced greenhouse gas emissions** and climate neutral energy systems have **not yet been reached**. There is a need to support a **coherent approach to production of renewable energy and its storage** in a climate neutral way across borders. Considering the ongoing climate change, the need to reduce the emissions becomes even more pressing.

Further, there is an urge to **address the energy transition holistically** to achieve a **more efficient handling of energy**. It means not only extending renewable energy within the power supply, but also

integrating it in the building, industry and district heating as well as assessing green-house gas emissions in a coherent way across borders.

To underline this interconnectivity, the EUSBSR addresses more sustainable energy production and consumption as well. The objective ‘Connect the Region’ wishes to achieve an overall reduction of greenhouse gas emissions. It urges to facilitate application of the “energy efficiency first” principle in policy planning and investment decisions as well as ensure the delivery of the national renewable energy targets by 2030. Calls for action include a more efficient energy distribution, the increased use and integration of clean renewable energies, and a reduced demand for energy. The Nordic Council of Ministers’ Vision 2030 emphasizes a need to address sustainable energy production and climate neutrality through cooperation as well.

Similarly, the European Green Deal emphasizes the objective of more decarbonised energy systems in the EU. It urges for the transition towards clean energy production, increased energy efficiency and the deployment of smart and innovative technologies and infrastructures (e.g. smart grids, sector integration).

Interreg Baltic Sea Region 2014-2020 prominently addressed energy efficiency and renewable energy production. Projects supported public authorities, businesses and communities in testing and applying solutions for renewable energy production, and distributing these concepts to the local and regional levels. The projects worked with various biological resources available in the region: biomass, wind and thermal energy. In addition, the Programme supported projects working with energy efficiency in cities. However, the transfer of knowledge across the BSR is insufficient as noted in one of the monitoring reports of Interreg Baltic Sea Region 2014-2020. In addition, there is a lack of understanding about the most up-to-date solutions and how to implement them.

Thus, further and reinforced transnational action is needed. Only by **combining expertise and competences** from all parts of the BSR, urgently needed reductions in greenhouse gas emissions can be achieved. New solutions for **producing, storing and utilising renewable energy for all sectors** are required. More **energy efficiency and energy saving** initiatives must find a way to be implemented. Only by **implementing and integrating both of these elements**, true **low-carbon energy systems** can be established and **energy transition** ensured. **Enhanced capacities of public authorities** are indispensable. They are key enablers for decarbonising energy systems through future-oriented policies and regulations, development, sharing and introduction of good practices in this field as well as **mobilising citizens and industry**.

The described challenges and needs will be addressed in the Programme in Priority 3 ‘Climate-neutral societies’ under Policy Objective 2 and the specific objective ‘RSO2.1 Energy efficiency’ which is translated to the Programme objective 3.2) ‘Energy transition’.

Greener and smarter mobility

In transition to a greener Baltic Sea region the mobility in cities, towns and the regions connected to them play a central role. For the BSR countries statistical data indicate an increasing mobility demand in recent years. Freight and passenger mobility have steadily been increasing, while there is a widely acknowledged **need to reduce greenhouse gas emission and other pollution from traffic** in cities and their hinterlands. The **need to change to green and alternative fuels** as well as to further **develop multimodal mobility** is pointed out also in the European Green Deal and the “Sustainable and Smart Mobility Strategy”.

Urban areas of different size and their hinterlands are the core for transition to a greener and smarter mobility. The concept of functional urban areas is a territorial approach in developing and harmonising green mobility solutions. Due to the characteristics of the large parts of BSR also **small towns and rural areas as their hinterland need to be included**. In addition, the links between urban areas needs to be observed when developing green and smart mobility solutions. The experts reviewing capacity building processes in the framework of Interreg BSR 2014-2020 observed that there are forerunners on green

mobility in the Baltic Sea Region and in transnational cooperation. The forerunners can support the ones, in particularly small towns, lagging behind. For example, there is added value for the whole region if the existing knowledge on developing Sustainable Urban Mobility Plans (SUMP) and implementing actions in line with them is shared.

The EUSBSR also stresses the need to increase efficiency, and to minimise the environmental impact of mobility systems. For greening transport and mobility systems, it will not be enough to rely on national and regional actions. The approaches, targets and goals for sustainable mobility differ in Baltic countries. In order to make a real change to greener and smarter mobility in the region **there is a need to harmonise approaches and to create common standards** for green mobility. Despite the efforts of the past years, **silos-thinking prevails**. Additional efforts are required to break up established routines and thus to be more sensitive to inter-disciplinary ways of thinking in the BSR. This is important for the development of advanced infrastructure as a prerequisite to attract more potential users to green transport and mobility offerings. The main users of the services, citizens and companies need to be involved. Transnational cooperation is needed for learning cross the region and identifying best solutions qualifying as standards. Furthermore, transnational cooperation is needed **in development and more intense application of digital tools** supporting better use of information and so the green transition in mobility and transport.

Interreg Baltic Sea Region 2014-2020 paid particular attention to support the greening of mobility systems. One of the specific objectives focused on urban areas. Here, projects helped cities adopt their infrastructure to more environmentally friendly solutions. The objective was to create multimodal transport systems and to change the transport habits of citizens. Projects also promoted e-mobility solutions, and facilitated the provision of clean fuels.

Interreg Baltic Sea Region 2021-2027 has a good basis to build on existing results and combine them with digitalisation. Compared to the previous period, the Programme will focus exclusively on supporting green and intelligent transport and mobility solutions in cities, towns and their hinterlands including the links between them. Looking at the macroregional dimension, the Programme can become a driver of green and intelligent mobility solutions in cities, towns and rural areas connected to them. **Public authorities** will be important drivers of change. They **to need to be enabled to understand and support** green digital solutions and tools. Furthermore, **public, private and research sectors need to work together** to create and advance green mobility.

The described challenges and needs will be addressed in the Programme in Priority 3 ‘Climate-neutral societies’ under Policy Objective 2 and the specific objective ‘RSO2.8 Sustainable urban mobility, as part of transition to a net zero carbon economy which is translated to the Programme objective 3.3) ‘Smart green mobility.’

Resilience of BSR economies and communities

From early 2020, the Covid-pandemic has influenced the programming process. The Programme is not designed as an instrument to directly address its impacts. Nevertheless, the Programme countries highlighted the need to accommodate **the new socio-economic situation of the region**. They considered the pandemic as an example of major external disturbances and took strategic decision **to increase preparedness of the BSR on the macro-regional scale**.

Globalisation brought many positive effects for economies and societies of the BSR. Equally, it implied a stronger **dependency on global developments**. This dependency in recent years turned in some areas into threat. In order to safeguard the competitive advantage of the region there is a need to continue work on the BSR innovation ecosystem from this perspective. This requires **rethinking how skills for entrepreneurship, industrial transition and smart specialisation are built in the region and how they can be used as means to increase resilience**. In this context skills are understood broadly as all capacities necessary to transform BSR economies and communities towards higher levels of resilience.

Resilience describes the ability to respond to external disturbances such as severe recessions and financial

crises, downturns of particular industries, or major health crises. Resilience also refers to a society characterized by strong social cohesion and a shared system of values. Unexpected shocks can have tremendous and persistent effects. It is important for a region's economies and societies to be able to avoid the unwanted external impacts, withstand them or recover quickly from them. This also implies the ability to detect and monitor potential vulnerabilities. Building skills for resilience also **implies finding right balance between global value and supply chains as well as local and regional production patterns and services.**

One key aspect in innovative resilience building is **reinforcing capacities for smart specialisation** with a focus on topics in which the BSR is already strong and highly competitive. The experts reviewing capacity building processes in the framework of Interreg BSR 2014-2020 highlighted that the strategies took an important step forward from 2015 and the years after. But, recently, little has been done on really implementing the strategies or increasing resources or capacities in line with the proposed entrepreneurial discovery processes. Another challenge is uneven distribution of resources across the territory. **Smart specialisation processes are highly concentrated in capital and larger cities, with almost no effect on peripheral territories.**

Further, **digitalisation** needs to be accelerated to connect actors throughout the BSR, and to give quick and flexible responses to unexpected events. To further improve BSR innovation ecosystem there is a need to go beyond economic factors. This calls for **increasing engagement of social partners and strengthening the regional identity** based on the cultural diversity and heritage, and the common European values.

These needs are well backed by the EUSBSR Objective 'Increase prosperity' and the policy area 'Innovation' pointing out the importance to **further improve the global competitiveness of the BSR.** This can be achieved by supporting an **enhanced macroregional collaborative ecosystem for innovation, research, SMEs and digitalisation.** It is highlighted that region's global competitiveness depends also strongly on the **ability to adapt to changing conditions.**

The listed needs correspond as well to the European Skills Agenda for Sustainable Competitiveness, Social Fairness and Resilience.

Putting emphasis on the above-mentioned needs allows to create the innovation framework based on skills which are crucial for implementation of the challenge driven themes of green transition in Policy Objective 2.

Interreg Baltic Sea Region 2014-2020 did not directly address the concept of building resilience of economies and societies when considering the innovation potential of the region. However, some projects had incorporated elements of resilience building. This concerns in particular sustaining businesses in difficulties, and looking for successors. Additionally, the Programme explored how to model smart specialisation approaches to achieve macro-regional growth, and to sustain the economy in the long-term. In parallel, some projects identified possibilities of local sourcing of goods as a way to strengthen economies and societies. These attempts showcased feasibility of resilience building in a transnational context. The current Programme aims at **more systematic approaches.** Societal and economic resilience building will be the core of projects' interventions.

The described challenges and needs will be addressed in the Programme in Priority 1 'Innovative societies' under Policy Objective 1 and the specific objective RSO1.4 Skills for smart specialisation and transition which is translated to the Programme objective 1.1) 'Resilient economies and communities.

Innovation potential of the public sector

The BSR is characterised by the **well-established structures and strong role of public authorities.** **Public authorities face budgetary constraints** in all the BSR countries, however. There is a high **pressure on the authorities to keep or improve level of services they offer** to the public despite the budgetary cuts. Thus, there is a high need to invest in reorientation of public services in the BSR. The

public services are understood as services intended to serve all members of the community, e.g. health care, urban planning or social services.

According to the OECD Observatory of Public Sector there is **still limited knowledge of what tools public authorities can use to overcome innovation barriers** and strengthen organisations' capacity to innovate. Public sector organisations in the BSR often lack abilities to interpret demand from the users and evaluate success of the new solutions. Their organisational cultures hinder innovation by pointing out high costs of potential failures in comparison to gains.

In the context of public service delivery, many regions and countries in the BSR underline the importance to effectively manage the digital transition. **Modernisation of public services is a race against the rapid development of new technologies** e.g. blockchain, big data analytics or artificial intelligence which can increase efficiency and adapt public services specifically to the needs of all residents. In line with the study of EC Joint Research Center on the potential of digital public services, typically authorities and agencies innovate their processes in small scale pilots. However, the pilot owners have limited capacity to share results and lessons learnt in a structured way. From the perspective of regional and national decision-makers, this can only be achieved effectively through transnational knowledge transfer and collaboration between public authorities in the different parts of the BSR.

Another aspect is the **limited experience of BSR authorities in engagement of residents in transforming of public services**. This issue gained importance recently. It proved to be the key to adjusting the services to the specific needs of all residents in regions with different territorial and demographic developments. This is of particular importance considering that the **urban-rural divide** presents one of the major challenges for the cohesion of the BSR.

Further specific challenges are related to creation of transnational public services. Many of today's societal challenges in the BSR **call for interaction of the public authorities and specialised agencies across national borders**. However, the public authorities lack models how to organise such cooperation in an efficient way. Another hindrance relates to lack of technical, legal and organisational interoperability for particular services in different BSR countries.

Reorientation of public service delivery is closely linked to the European Green Deal. It highlighted the need to develop new and innovative solutions and services as a key success factor. This explicitly implies the public sector. For example, the public sector can be a forerunner of applying green solutions.

These above specified needs are also in line with the policy area 'Innovation' of the EUSBSR which points out the increased application of digital technologies and more innovative processes in public services delivery for tackling societal challenges.

Interreg Baltic Sea Region 2014-2020 did not explicitly address public service delivery. Still, several projects across different objectives had picked up the topic. The Programme particularly supported introducing innovative service offers for health and well-being. It created transport services designed especially for the needs of rural areas affected by demographic change. Other projects targeted specific vulnerable groups to deliver better social services. One example was to adjust public spaces for those groups. To summarize, the Programme 2014-2020 paved the way for "greener" solutions, created opportunities for business and whenever appropriate, cut across different sectors.

These challenges and needs will be addressed in the Programme in Priority 1 'Innovative societies' under Policy Objective 1 and the specific objective RSO1.1 Enhancing research and innovation which is translated to the Programme objective 1.2) 'Responsive public services'.

Cooperation and synergies among EU funded projects in the region

In the EU and beyond, the BSR is regarded as a front-runner of cooperation across borders. Interreg Baltic Sea Region, covering the whole region, boasts multiple achievements in several thematic areas. There are also other EU funding sources in the region: Interreg cross-border and interregional funds for regional

development, Horizon Europe programmes for research and innovation, as well as LIFE for environment and climate action. There are programmes and initiatives supporting transport and maritime sectors. Special funds support cooperation between EU Member States and neighbouring countries in the region. Projects funded by the EU and Norway cover the overall area, not only the EU part. They produce useful results for their stakeholders, like public authorities at local, regional and national level, specialised agencies, pan-Baltic organisations, NGOs, industry, and citizens.

It is, however, not an easy task to orientate oneself in these multiple results already achieved, let it be funded by Interreg Baltic Sea Region, or by other programmes. That is why public authorities and other target groups of the Programme need assistance when searching for results in one particular thematic area. The topic might have been addressed by different EU funding programmes. There is big potential to identify complementarities and create synergies of results.

In the period 2014-2020, Interreg Baltic Sea Region introduced a new instrument called 'project platforms'. The concept included linking projects from the Programme with projects from other programmes in one thematic area, and bundling the results they produced. Project platforms facilitated access to new knowledge created in many projects from various EU funding sources in a streamlined way. They helped end users navigate more target-oriented when looking for results in a specific thematic area. Platforms also created synergies across EU funds. They made sure that project results achieved a broader impact. Both policy-makers and practitioners collaborated in several thematic project platforms. Altogether nine project platforms were established. They covered the topics of smart specialisation, waste and storm water management, nutrient and water management in agriculture, energy efficiency, blue growth and maritime spatial planning, interoperability of transport modes, maritime safety and clean shipping. In addition to Interreg BSR projects, platforms included partners from Interreg Central Baltic, South Baltic, Interreg Europe, BONUS, and Horizon 2020. The platforms cooperated successfully with the coordinators of the EUSBSR policy areas as well as with pan-Baltic organisations, like HELCOM, the Conference of Peripheral and Maritime Regions Baltic Sea Commission, the Union of the Baltic Cities and the Council of the Baltic Sea States.

There is a need to continue **supporting public authorities and other organisations** in getting **easier access to multiple results of different EU funding programmes**. Covering the whole region, Interreg Baltic Sea Region have good capacity to link various projects and partnerships **in line with the Programme's thematic priorities**. Special attention should be paid to engage more projects from other programmes. This will result into even **stronger synergies among different EU funding sources** in the region. Platforms are expected to better respond to the **needs of the public authorities and other target groups** of the Programme. Setting up communication channels and learning tools to reach out to these organisations will be crucial. Organisations should be in a position to integrate results from multiple projects into their daily work. Policy makers will be addressed in a coordinated way.

The described challenges and needs will be addressed in Programme in Priority 4 'Cooperation governance' under the Interreg-specific objective 'ISO6.6 Other actions to support better cooperation governance' which is translated to the Programme objective 4.1) 'Project platforms'.

Macro-regional governance

The EU Strategy for the Baltic Sea Region (EUSBSR) provides a unique platform for cooperation and coordination on priorities important for the countries in the region. The EUSBSR focuses on challenges and opportunities which are more efficiently addressed when working in a coordinated manner across countries within the region. In order to reach this, it needs to engage a multitude of different organisations in planning and realising actions across the whole region. It should also facilitate the work on common priorities with the non-EU countries in the region. Implementing the EUSBSR Action Plan requires efficient coordination among institutions responsible for these actions and active engagement of other stakeholders. It remains a challenge of the EUSBSR to mobilise different funding sources for the implementation of the Strategy.

A well-functioning governance structure is needed for the implementation of the Strategy. The central elements of the EUSBSR governance structure are national coordinators (NCs) and coordinators of the EUSBSR policy area (PACs), supported by their steering groups. The group of NCs is a core decision-making body which task is to provide leadership, strategic guidance and coordination as well as ensure capacity building, communication, monitoring and evaluation of the EUSBSR. PACs manage, coordinate and develop their policy areas, monitor and report to steering groups on the PA progress and ensure communication. The Annual Forums of the Strategy have served as a meeting place for a large number of participants. Governments, international organisations, NGOs, universities, local and regional administrations, business and media met to debate selected topics of the Strategy.

Over the last years, there was progress regarding the governance and administrative capacity of the EUSBSR. However, it turned out that the governance needs to be further improved to strengthen its efficiency. The revision of the Action Plan in 2020 addressed the governance challenges. In addition to sharpening the existing structures, establishing a Baltic Sea Strategy Point was proposed. It should consolidate important functions of communication and capacity building as well as provide administrative and technical support for the EUSBSR management, development and implementation.

Funding for implementing and governing the EUSBSR is intended to come from existing financial sources, in particularly EU funding programmes. Organisations taking over a PAC role are expected to allocate own resources for this task, complemented with financial support from Interreg Baltic Sea Region. Additional funds from the Programme in period 2014-2020 helped PACs to successfully initiate and drive policy discussions, implement essential networking activities, for example, organise steering committees as well as meetings with civil society groups, conferences, training sessions, and surveys. The Programme supported the Annual Forums of the Strategy with 85% co-funding. In addition, the Programme granted funds for communication activities and capacity building of the EUSBSR. In many actions, the EUSBSR stakeholders established cooperation with the non-EU countries to work on common priorities.

In the 2021-2027 period, Interreg Baltic Sea Region continues supporting the implementation of the Strategy, including its governance in line with the revised Action Plan. However, the Programme budget will be limited. It cannot cover all needs of the EUSBSR. Therefore, it is important to select **specific elements of the EUSBSR governance that Programme funds should support**. In close cooperation with the NCs the programme countries agreed to focus the Programme funding to the following elements of the governance: core functions of the **Baltic Sea Strategy Point**, support to **organisation of Strategy Forums**, and **funding to PACs for their coordination** tasks. In addition, **PACs need further support to better engage stakeholders** and for identifying funding sources for transnational development processes and projects in their field.

In the future, cooperation with the **non-EU countries** should be encouraged in all governance actions. Work on common priorities needs to be firmly anchored.

The described challenges and needs will be addressed in Programme in Priority 4 ‘Cooperation governance’ under the Interreg-specific objective ‘ISO6.1 Institutional capacity of public authorities’ which is translated to the Programme objective 4.2) ‘Macro-regional governance’.

Overall Programme Objective and Value Statements

The participating countries of Interreg Baltic Sea Region see the main added value of the Programme in transnational cooperation and capacity building related to the variety of challenges and opportunities that the countries in the region have in common. The Programme offers tools for cooperation in developing and testing solutions for the challenges. In this way the Programme supports in particular the implementation of the EU Strategy for the Baltic Sea Region. Therefore, a rather wide thematic scope is defined for the Programme.

The conclusion of the programming process was to focus the Interreg Baltic Sea Region on the Policy

Objective 2 “a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility”. The Programme budget reflects this focus. Furthermore, the analyses showed that the Programme should support transnational cooperation in challenges and opportunities related to Policy Objective 1 “a more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity.” The Covid-19 pandemic made these needs even more evident. In addition, in order to support better cooperation and macro-regional governance the Programme contributes to the Interreg Specific Objective 1 “a better cooperation governance.”

The overall programme objective constitutes the umbrella for the Interreg Baltic Sea Region Programme 2021-2027: **‘To put into practice innovative, water-smart and climate-neutral solutions through transnational cooperation for the benefit of the citizens across the Baltic Sea region.’**

The following three elements describe the value statement of the Programme that guide all actions to be funded:

Supporting transition: The Programme should create suitable framework conditions in the Baltic Sea region for supporting the transition towards greener and more resilient societies and economies through transnational cooperation. Digitalisation is a central enabler in this transition.

Customer orientation: The Programme should be demand-driven and support public authorities in meeting the needs of their target groups (e.g. companies and communities).

Transfer of knowledge and capacity building: Transfer of knowledge is an important component of transnational activities in all policy objectives. Future projects should also support capacity building to increase public awareness and behaviour-change.

Horizontal principles

The horizontal principles; **EU Charter of Fundamental rights, gender equality, non-discrimination and accessibility** as well as **sustainable development**, are considered core values for all involved programme stakeholders, including project beneficiaries. In order to be eligible for funding, project beneficiaries will need to reflect in the application form whether they are neutral or have a positive contribution to these principles. For instance, project management and activities in line with the **European Pillar of Social Rights** are examples of positive contribution. This will be followed up in the monitoring of project implementation. It is expected that the projects will foster a positive contribution to these horizontal principles.

The thematic focus of the Programme is strongly in line with the sustainable development principle, the **United Nations Sustainable Development Goals (UN SDG)** and targets of the 2030 Agenda for Sustainable Development. UN SDG Goal 8 (Promote sustained, inclusive and sustainable economic growth), goal 13 (take urgent action to combat climate change and its impacts) as well as goal 14 (conserve, and sustainably use the oceans, seas and marine resources) will be in focus. The Programme expects projects to develop solutions for more resilient economies and societies in the BSR, for resource-efficient and environmentally-friendly public services for citizens, for circular economy, for increased energy efficiency and use of renewable energy sources, for sustainable mobility, for better water management as well as for more sustainable use of waters and other marine resources considering the effects of climate change.

The Programme contributes to mainstreaming the **climate change** and **biodiversity** objectives of the EU. Almost all projects in Programme priorities 2 and 3 including the objectives of sustainable waters, blue economy, circular economy, energy transition and smart green mobility are expected to contribute to the climate change objectives. Over 60% of Programme funding for projects is allocated to these objectives. The Programme contribution to the intervention fields with climate markers is EUR 71,500,000 ERDF which is 30.77% of the Programme ERDF funds. The Programme contributes to biodiversity in particular

regarding climate change adaptation and healthy marine ecosystems. Projects are expected to improve waste water treatment and adapt water management practices to changing climate conditions such as storms, floods or droughts. This includes rethinking of planning processes and developing greening plans and nature-based solutions. In addition, the capacity of decision makers and practitioners in the region will be increased to advance blue economy concerning the changing climate and the environment of the Sea and inland water bodies. The Programme's contribution to the intervention fields with biodiversity markers is EUR 17,000,000 ERDF which is 7.32% of the Programme ERDF funds.

During the Programme preparation a screening to determine the need for a **Strategic Environmental Assessment** (SEA) for the Interreg Baltic Sea Region programme 2021-2027 was carried out in accordance with the European Union Directive 2001/42/EC. The determination reached after applying the screening process was that a SEA is not required for the Programme. The reasons were the following: 1) The Interreg BSR Programme does not 'set the framework for future development consent of projects listed in Annexes I and II to Directive 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment'; 2) Due to the nature of the measures proposed in the Programme it is unlikely that the Interreg BSR Programme will cause significant negative effects on the environment; and 3) Although the Programme does have some influence on implementation of community legislation and an influence on other plans and Programmes (through integration of environmental and sustainability considerations), any influence that the Programme has is positive and does not increase the likelihood that other plans and programmes will cause significant negative effects.

The types of Programme actions are also compatible with the **Do No Significant Harm Principle**, since they are not expected to have any significant negative environmental impact due to their nature.

The Programme expects several projects to be in line with the **New European Bauhaus initiative**. These projects develop solutions for resilient economies, responsive public services, circular economy and energy transition. The Programme will make applicants aware of the initiative.

During the implementation of the programme the managing authority will promote the strategic use of **public procurement** to support policy objectives (including professionalisation efforts to address capacity gaps). Beneficiaries are encouraged to use more quality-related and lifecycle cost criteria. When feasible, environmental (e.g. green public procurement criteria) and social considerations as well as innovation incentives should be incorporated into public procurement procedures. For instance, the Programme encourages projects to test green public procurement models that strengthen the role of public authorities in supporting a transition towards circular economy.

The Programme follows the principle of E-Cohesion. The electronic data exchange system BAMOS+ will ensure that all exchanges are carried out between beneficiaries and all the Programme authorities by means of electronic data exchange in accordance with Annex XIV of the CPR.

Private companies will play an important role as beneficiaries in many project partnerships developing joint solutions to the challenges and opportunities in line with the Programme objectives. The Programme strongly **promotes durability of these project results** and their benefits beyond the partnership. In the application form the partnerships are asked to present their plans to transfer the ready solutions to the target groups already during the project implementation. In addition, the partnerships are asked to develop a durability plan on how to make the outcomes of the project last beyond project implementation. Applicants should describe the activities which keep the solutions functional after the end of the project and plan necessary human and financial resources for that process. These plans will be assessed as part of the quality assessment during the project selection. In addition, a project partner that co-financed a productive or infrastructure investment from the project budget has to follow specific rules as set in Article 65 (1) of Regulation (EU) 2021/1060.

ii) Complementarity and synergies with other funding programmes and instruments

Programme authorities explored complementarities and synergies with other funding programmes and

instruments via thematic networks and cooperation platforms, often organised by Interact. The strongest links exist with authorities of the Interreg programmes in the BSR and with Interreg Central Europe and North Sea Region.

Thematically, there are similarities between Interreg Baltic Sea Region and the major cross-border programmes in the area (South Baltic, Central Baltic and Öresund-Kattegat-Skagerrak Programmes). In particular topics under Policy Objective 2 are strongly supported by all these programmes. The experience shows, however, that the projects of the CBC programmes differ from the transnational Interreg Baltic Sea Region. Projects of the CBC programmes usually address the topics from local and regional point of view, embracing neighbours and their culture when looking for common solutions. Interreg Baltic Sea Region projects work on common challenges, exchange on good practices, build strategies and prepare solutions on a broader Baltic Sea region scale. Yet, projects with similar thematic focus will be encouraged to exploit synergies. The managing authorities and joint secretariats will scrutinize project applications to discover potentials for collaboration, and to avoid double financing. Interreg Baltic Sea Region projects will be asked already in the application form to indicate projects they are based on or will have synergies with. Often projects of the CBC programmes can serve as fruitful pilot cases in the larger Interreg Baltic Sea Region projects.

Beyond Interreg programmes, the Programme searches for synergies with Horizon Europe programmes, in particular with Horizon Europe's Mission on Restore our Ocean and Waters and its lighthouses for Baltic and North Sea basins. In addition, the Programme is committed to pay attention to its potential contribution to European Research Area (ERA) for Research and Innovation.

Project platforms are a central tool of the Programme to support cooperation among project partners from different programmes and to create synergies. Further the Programme is encouraging coordination under the framework of the EUSBSR policy areas for synergies among projects from different programmes for the benefit of the whole region. Here national and regional programmes are appropriate funding sources to roll out Interreg project results with good potential for further uptake in a specific country or region.

Coordination between Interreg Baltic Sea Region and other Cohesion Policy funds as well as with Recovery and Resilience Facility on national level will be facilitated by the authorities represented in the transnational monitoring committee and in national sub-committees. These authorities will assess the strategic relevance and complementarity of project applications in Interreg Baltic Sea Region in relation to interventions funded on national level.

iii) Lessons-learnt from past experience

Interreg Baltic Sea Region 2014-2020 was evaluated internally and externally. In 2018, an external mid-term evaluation on the impacts, on efficiency and on selected aspects of Programme implementation was carried out. All specific objectives were thoroughly analysed. Additionally, internal operational evaluations were carried out every year since 2016. Overall, the results of the evaluations confirmed the effective and efficient implementation of Interreg Baltic Sea Region. The evaluators highlighted the considerable contributions to the specific objectives the EUSBSR.

The results from the evaluations were considered in the programming of Interreg Baltic Sea Region 2021-2027. Lessons learned regarding needs of the region have been included above. Particularly effective funding approaches have been developed further. New instruments will build upon achievements of the 2014-2020 period.

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	Selected specific objective	Priority	Justification for selection
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	RSO1.1. Developing and enhancing research and innovation capacities and the uptake of advanced technologies	1. Innovative societies	1.2 Responsive public services Programme support for transnational cooperation is needed in the BSR for the following: • Improve organisational culture at public authorities hindering innovation • Improve organisational set-ups and processes to respond to public needs and to deliver less bureaucratic and more cost-efficient public services • Increase ability of public sector to evaluate success of the new solution • Foster application of new technologies in public service delivery • Increase the role of public sector as a forerunner in applying green solutions • Develop more systematic public responses that cut across sectors and borders, improve interoperability of services • Create needs-based services that reflect territorial specificities • Increase scalability of pilot solutions, • Increase the engagement of residents in transforming public services The form of support is grants. The chosen form of support is the most suitable for achieving Programme goals, in light of the size and the non-economic nature of transnational projects.
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	RSO1.4. Developing skills for smart specialisation, industrial transition and entrepreneurship	1. Innovative societies	1.1 Resilient economies and communities Programme support for transnational cooperation is needed in the BSR for the following: • Rethink how capacities for entrepreneurship and industrial transition are built in the region • Further develop capacities for smart specialisation to achieve higher macro-regional growth

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
			<p>and sustain the economy in the BSR long-term • Build skills for higher adaptability of the BSR to unforeseen developments: increase capacity to avoid unwanted impacts from external disturbances, withstand them or recover quickly from them • More effectively untap the potential of digitalisation • Increase ability and improve facilities to monitor potential vulnerabilities • Develop capacities to find the right balance between reducing dependency and connecting to global supply and value chains • Increase engagement of social partners in the BSR innovation ecosystem • Further strengthen the regional identity in BSR based on the cultural diversity and heritage and the common European values The form of support is grants. The chosen form of support is the most suitable for achieving Programme goals, in light of the size and the non-economic nature of transnational projects.</p>
<p>2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility</p>	<p>RSO2.1. Promoting energy efficiency and reducing greenhouse gas emissions</p>	<p>3. Climate-neutral societies</p>	<p>3.2 Energy transition Programme support for transnational cooperation is needed in the BSR for the following: • Support the positive trend towards a rising share of renewable energy and improved energy efficiency in the BSR • Address energy transition holistically • Strengthen modern and climate neutral energy production and storage • Increase the energy efficiency in industrial production processes as well as in public and private building stock • Adapt policies as well as coordinate plans and application of solutions across borders • Mobilise industry and citizens to apply energy solutions for climate neutrality The form of support is grants. The chosen form of support is the most suitable for achieving Programme goals, in light of the size and the non-economic nature of transnational projects.</p>

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
<p>2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility</p>	<p>RSO2.5. Promoting access to water and sustainable water management</p>	<p>2. Water smart societies</p>	<p>2.1 Sustainable waters 2.2 Blue economy Programme support for transnational cooperation is needed in the BSR for the following:</p> <ul style="list-style-type: none"> • Prevent and reduce water pollution • Improve water management across sectors • Strengthen a common approach to combatting pollution • Build capacity of authorities, industries and local communities to manage waters sustainably • Adapt water management practices to changing climate conditions and build upon good practices • Further strengthen the implementation of available solutions and effectively support recent positive developments by testing new solutions to emerging challenges in the field of water management • Secure a healthy ecosystem in the sea and inland water bodies • Ensure a sustainable use of fresh and sea waters as well as marine resources • Effectively build upon strongholds and emerging sectors in blue economy through supporting highly competitive and innovative research and businesses initiatives • Support development of new sustainable and climate-resilient solutions in blue economy sectors and transfer this knowledge across the whole region • More effectively mitigate potential conflicts among users of the sea space and facilitate its joint use <p>The form of support is grants. The chosen form of support is the most suitable for achieving Programme goals, in light of the size and the non-economic nature of transnational projects.</p>
<p>2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable</p>	<p>RSO2.6. Promoting the transition to a circular and resource efficient economy</p>	<p>3. Climate-neutral societies</p>	<p>3.1 Circular economy Programme support for transnational cooperation is needed in the BSR for the following:</p> <ul style="list-style-type: none"> • Keep the economies in the BSR growing without hampering the environment and inducing further climate change • Build upon the ongoing initiatives and developments in transforming the

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
urban mobility			<p>economies towards circularity, upscale existing circular approaches • Establish a systemic and holistic approach cutting across different sectors • Take macro-regional perspective in developing the markets for circular goods • Build industrial strategies enabling circularity for the BSR sectors with high environmental impact • Integrate circularity in urban and regional planning processes • Redefine smart specialisation approaches to advance the shift towards circularity • Effectively untap the potential of digitalisation as a means of achieving a resource-efficient economy • Consider needs of vulnerable groups whose well-being might be influenced through the transformation for circularity • Build awareness of circular opportunities, for businesses as well as the society in all parts of the BSR The form of support is grants. The chosen form of support is the most suitable for achieving Programme goals, in light of the size and the non-economic nature of transnational projects.</p>
<p>2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility</p>	<p>RSO2.8. Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy</p>	<p>3. Climate-neutral societies</p>	<p>3.3 Smart mobility Programme support for transnational cooperation is needed in the BSR for the following: • Build upon ongoing initiatives for a transformation towards a low carbon society by reducing greenhouse gas emissions from transport in cities, towns and their hinterland • Create effective green multimodal transport systems in cities, towns and their hinterland and connecting them also cross borders • Harmonise approaches to create common standards for green mobility • Increase efficiency of mobility solutions by using digital solutions • Further foster the use of renewable fuels and e-mobility solutions • Break up established routines and advance integrated territorial approaches • Mobilise transport companies and citizens to actively use green and intelligent mobility solutions •</p>

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
			Enhance the capacity of public authorities in urban and regional planning with regard to green and intelligent mobility solutions The form of support is grants. The chosen form of support is the most suitable for achieving Programme goals, in light of the size and the non-economic nature of transnational projects.
6. Interreg: A better Cooperation Governance	ISO6.1. Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders (all strands)	4. Cooperation governance	4.2 Macro-regional governance Programme support for transnational cooperation is needed in the BSR for the following: • Build upon progress made in recent years regarding governance and administrative capacity of the EUSBSR • Even more efficient coordination of the planning and implementation of the EUSBSR • More targeted information to regional and EU stakeholders about the progress and achievements of the EUSBSR Action Plan • Enhanced cooperation with the non-EU countries to ensure synergies between the EUSBSR and the strategies of the non-EU countries • Increased administrative, communication and capacity building assistance for relevant stakeholders • Improved administrative and technical support for the EUSBSR management, development and implementation • Stronger engagement of politicians, different levels of governance and civil society The form of support is grants. The chosen form of support is the most suitable for achieving Programme goals, in light of the size and the non-economic nature of transnational projects.
6. Interreg: A better Cooperation Governance	ISO6.6. Other actions to support better cooperation governance (all strands)	4. Cooperation governance	4.1 Project platforms Programme support for transnational cooperation is needed in the BSR for the following: • Build upon the position of BSR as one of the front-runners of transnational cooperation in the EU and beyond • Identify and uncover complementarities and make effective use of synergies across EU funds in

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
			<p>the BSR • Strengthen communication between stakeholders of different EU funds • Bring the results of various projects funded by the EU and Norway to stakeholders in the BSR in an even, more structured way • Help public authorities and other organisations access project results more easily • Communicate and transfer project results to broader target groups • Support policy development in the region by connecting project results to the policy level and trigger policy changes The form of support is grants. The chosen form of support is the most suitable for achieving Programme goals, in light of the size and the non-economic nature of transnational projects.</p>

2. Priorities

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

2.1. Priority: 1 - Innovative societies

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

2.1.1. Specific objective: RSO1.1. Developing and enhancing research and innovation capacities and the uptake of advanced technologies

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

1.2 Responsive public services

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

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

Programme objective 1.2 Responsive public services

Introduction to actions

A growing complexity of societal challenges in the Baltic Sea region highlights the weaknesses of existing traditional mechanisms of developing solutions in the public domain. The Programme supports actions that improve organisational set-ups and processes to respond to public needs and to deliver less bureaucratic and more cost-efficient public services. These public services are services for all members of the community. They cover e.g. health care, urban planning and social services.

As the nature of challenges for the public sector is rapidly changing, the Programme highlights the importance of building the capacity of public authorities, specialised agencies and infrastructure and service providers to innovate and invent new solutions that are more responsive to change. The actions within this objective should develop systematic public responses that cut across sectors and borders where appropriate. The Programme supports benchmarking solutions across countries to create incentives for public organisations to improve the quality of their delivery. Whenever possible it aims at harmonisation of systems and standards among participating countries. The Programme also reflects territorial specificities, e.g. of rural or remote areas, and promotes mechanisms for tailor-made needs-based services.

Furthermore, the actions should incorporate new perspectives, particularly those of staff directly involved in service delivery and of residents. The Programme encourages interaction between public service providers and the wider community of users. Enhancing social innovation and empowering residents is enabled e.g. through new technologies facilitating data generation, use and sharing. Additionally, the Programme encourages the application of emerging digital technologies like artificial intelligence or blockchain as important enablers of more responsive public services. The Programme paves the way for resource-efficient and environmentally-friendly public offer for all residents, creating direct opportunities for businesses e.g. through innovative partnerships.

Non-exhaustive list of example actions:

- Testing unconventional approaches that reduce costs and bureaucracy as well as make public services more effective, e.g. piloting needs-based, data-driven, cross-sectoral approaches to planning.
- Developing integrated public services tailored to the needs of functional regions and specific territories, e.g. solutions taking into account the settlement structures and demographic trends in rural areas to ensure remote access to services;
- Developing common standards and establishing sustainable, inclusive and trustworthy digital public services in the Baltic Sea region including by piloting interoperable public services e.g. testing and

developing new data-based health models enabling more participatory and personalised approaches;

- Testing approaches that establish “innovation partnerships” by combining research and public procurement with the objective to create new business opportunities (including “green” solutions and social innovation);
- Piloting solutions that increase residents' engagement in transforming public services, e.g. using gamification or other innovative culture-based approaches to motivate different generations to participate in public life, creating environments that foster residents' self-organisation, or institutionalising a co-design approach through dedicated labs.

Expected results and their contribution to the selected specific objective

The Programme's main target groups increase their capacity to innovate and uptake advanced technologies to change the way of delivering public services in the Baltic Sea Region. The target groups also strengthen their capacity to create innovative partnerships for the benefit of the communities and business. The supported actions demonstrate in practice how to develop and test solutions for efficient non-standard public services tailored to users' needs and based on novel technologies. The actions lead to removing obstacles in innovation processes and broadening of the basis for the public service innovation through increasing engagement of residents. The actions also increase the role of public in showcasing green solutions. They take step forward in increasing interoperability of public services across borders.

Contribution to the EU Strategy for the Baltic Sea Region

The types of actions supported by the Programme contribute to the objectives of the EUSBSR to increase prosperity and connect the region. In particular, they support the policy area (PA) Innovation by applying emerging digital technologies to tackle societal challenges. The actions also strive to support service and process innovation in the public sector. Moreover, the Programme objective contributes to PA Health. It enhances the skills and knowledge that help transform public health and well-being services. By integrating territorial approaches in service delivery, the objective directly contributes to PA Spatial Planning.

The objectives of the Programme take into account the “do no significant harm” principle.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
1	RSO1.1	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	1	34
1	RSO1.1	RCO87	Organisations cooperating across borders	organisations	21	343
1	RSO1.1	RCO116	Jointly developed solutions	solutions	1	18

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
1	RSO1.1	PSR1	Organisations with increased institutional capacity due to their participation in cooperation activities across borders	Organisation	0.00	2022	468.00	Progress reports of projects	
1	RSO1.1	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	12.00	Progress reports of projects	

2.1.1.3. Main target groups

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

In this objective the Programme primarily targets public authorities at local and regional levels and, wherever appropriate, national levels. It also addresses specialised agencies as well as infrastructure and service providers. These types of organisations are the main forces responsible for public service delivery in the region. The Programme emphasises citizen involvement through NGOs to ensure the user perspective when developing public services. For the actions testing establishment of innovation partnerships the Programme encourages involving business support organisations. The Programme encourages directly involving enterprises wherever appropriate, e.g. to practically test a solution. Higher education and research institutions as well as education and training centres may join transnational cooperation actions to support the main target groups with additional expertise and competence. In this objective, this particularly concerns the testing of the innovation partnership concepts. Additionally, the Programme supports linking competences across different sectors in order to consolidate service offers for the citizens.

2.1.1.4. 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. The actions under this specific objective address challenges and opportunities for the whole Baltic Sea region. The solutions for new public services are mainly tested on the local and regional level. However, the Programme also encourages ambitious applications on the macro-regional level based on common standards. Wherever appropriate, the actions within this objective should take into account differences between specific types of territories related to e.g. settlement structures or demographic trends.

2.1.1.5. Planned use of financial instruments

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

Not applicable

2.1.1.6. 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	Specific objective	Fund	Code	Amount (EUR)
1	RSO1.1	ERDF	173. Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	29,599,051.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
1	RSO1.1	ERDF	01. Grant	29,599,051.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
1	RSO1.1	ERDF	33. Other approaches - No territorial targeting	29,599,051.00

2.1.1. Specific objective: RSO1.4. Developing skills for smart specialisation, industrial transition and entrepreneurship

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

1.1 Resilient economies and communities

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

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

Programme objective 1.1 Resilient economies and communities

Introduction to actions

Innovative and resilient economies and societies are necessary for the long-term prosperity of the Baltic Sea region. In this objective, the Programme supports actions that make both economies and societies more resilient. Resilience is understood as the ability to respond to external disturbances such as severe recessions and financial crises, downturns of particular industries or major health crises. Resilience also refers to a society characterised by strong social cohesion and a shared system of values. As unexpected shocks can create tremendous and persistent damage to the region, the Programme encourages actions that help to avoid unwanted external impacts, withstand them or recover quickly from them. This also implies being able to monitor potential vulnerabilities. Building BSR resilience is understood as part of European efforts to achieve higher level of self-sufficiency in the critical sectors and strengthening identity based on common European values, culture and heritage.

Since the Baltic Sea region increasingly needs to cope with interlinked challenges, the Programme encourages experimentation, “thinking outside the box” and working across different sectors to find suitable solutions. The solutions developed within this objective need to contribute to increasing innovativeness of the region. Wherever appropriate, the actions should consider uneven territorial developments, e.g. different effects of a disturbance on the urban and rural areas. Where suitable, the actions should untap the potential of digitalisation to increase adaptability of the region.

Furthermore, the Programme pays special attention to adjustments of the innovation ecosystems to support resilience building. The ecosystem is understood as ability of multiple and interconnected stakeholders to work together effectively using available resources e.g. financial and human. Existing policies and regulations as well as culture supportive to innovation are other important elements of the ecosystem. Furthermore, the solutions developed by projects should adapt smart specialisation approaches to reinforcing the region’s resilience at the macro scale. This implies finding the right balance between reducing dependency and connecting to global supply and value chains.

Non-exhaustive list of example actions:

- Developing models that reduce the dependency of the BSR on global supply chains and increase the ability to produce critical goods in the region;
- Redesigning smart specialisation approaches and redefining connections to global value chains to strengthen resilience of the Baltic Sea as a macro-region;

- Developing and testing mechanisms that manage economic and societal challenges in the BSR macro-region in a coordinated fashion, e.g. piloting smart health solutions;
- Exploring the potential of sustainable consumption patterns based on local services and goods and strengthening a common identity of the BSR as a source of these goods and services;
- Exploring solutions (e.g. digital) that enable services and production in the BSR to scale and shrink in response to sudden demand fluctuations, minimising negative impact on human welfare;
- Exploring solutions to assist business with recovery following unexpected external disturbances, e.g. developing new or adapting existing business support programmes, implementing efforts to diversify the industrial base, developing risk management tools for whole sectors (e.g. creative industries) and risk response strategies;
- Piloting actions that strengthen societal resilience through cultural change, behavioural shifts and mobilising creativity, e.g. promoting smart working solutions, testing mechanisms supporting vulnerable social groups;
- Piloting actions that strengthen cohesion and regional identity by using culture as means for social inclusion and social innovation;
- Piloting actions solving specific challenge in building resilience through better connections between research and regional innovation systems.

Expected results and their contribution to the selected specific objective

The Programme's main target groups increase their capacities for applying smart specialisation approaches, industrial and societal transition as well as entrepreneurship. The supported actions foster new understanding of skills required to develop and test solutions sustaining BSR economy long-term and under pressure of rapidly changing external circumstances. They particularly increase capacity to avoid unwanted impacts from external disturbances, withstand them or recover quickly. The actions recognise importance of building skills of all players in the innovation ecosystem. They particularly reinforce meaning of communities in the innovation processes. This contributes to building resilience of the Baltic Sea region taking into account uneven territorial developments and unequal impacts on different social groups.

Contribution to the EU Strategy for the Baltic Sea Region

The types of actions supported by the Programme contribute to the objectives of the EUSBSR to increase prosperity and connect the region. In particular, they support the policy area (PA) Innovation by promoting new approaches to smart specialisation, ecosystem thinking and digitalisation. Furthermore, the actions aim to turn challenges into opportunities for sustainable growth in the Baltic Sea region. In line with the expectation of PA Innovation, they address the need for coordinated macroregional responses going beyond any specific crisis and creating a long-term vision for innovation policy in the region.

The objectives of the Programme take into account the “do no significant harm” principle

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
1	RSO1.4	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	1	34
1	RSO1.4	RCO87	Organisations cooperating across borders	organisations	21	343
1	RSO1.4	RCO116	Jointly developed solutions	solutions	1	18

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
1	RSO1.4	PSR1	Organisations with increased institutional capacity due to their participation in cooperation activities across borders	Organisation	0.00	2022	468.00	Progress reports of projects	
1	RSO1.4	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	12.00	Progress reports of projects	

2.1.1.3. Main target groups

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

The Programme targets public authorities at local, regional and national levels, business support organisations, specialised agencies, and infrastructure and service providers as the main forces responsible for the structural transition into a more resilient and innovative region. The Programme encourages citizen involvement through specific NGOs. Wherever appropriate, e.g. for the purposes of practical testing of the solution, the Programme supports directly involving enterprises. Higher education and research institutions as well as education and training centres may join transnational cooperation actions to support the main target groups with additional expertise and competence. This particularly concerns building structures to strengthen the innovative potential of the Baltic Sea region. Furthermore, the Programme supports linking competences across different sectors.

2.1.1.4. 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. The actions under this specific objective address challenges and opportunities of the whole Baltic Sea region and encourage approaches at the macro-regional scale. To allow for a just transition and the most efficient exploration of existing potential, differences between specific types of territories should, wherever appropriate, be considered. For instance, actions should take into account the different effects of an external disturbance like a financial crisis on urban and rural areas.

2.1.1.5. Planned use of financial instruments

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

Not applicable

2.1.1.6. 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	Specific objective	Fund	Code	Amount (EUR)
1	RSO1.4	ERDF	173. Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	29,599,050.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
1	RSO1.4	ERDF	01. Grant	29,599,050.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
1	RSO1.4	ERDF	33. Other approaches - No territorial targeting	29,599,050.00

2.1. Priority: 2 - Water smart societies

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

2.1.1. Specific objective: RSO2.5. Promoting access to water and sustainable water management

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

2.1 Sustainable waters/

2.2 Blue economy

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

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

Programme objective 2.1 Sustainable waters

Introduction to actions

The Programme supports actions that improve the state of water in the region and make its management more sustainable. These waters include the Baltic Sea, coastal waters and inland waters like rivers, lakes and groundwater.

The Programme encourages actions that implement available solutions to prevent and reduce water pollution across various waterways. Actions may develop new solutions and apply them widely in the region. Actions may adapt water management practices to changing climate conditions in urban, rural and coastal areas, such as storms, floods or droughts. Actions may support adapting water management strategies to emerging challenges.

Where possible, actions should be cross-sectoral as water resources and catchments are shared by multiple sectors and stakeholders. Relevant sectors include municipal and regional water management, agriculture, aquaculture, fishery, forestry, waste management, industry and households.

Non-exhaustive list of example actions:

- Engaging authorities, companies, advisories and local communities to introduce good practices to prevent nutrient and hazardous substance emissions in water, incl. interaction across sectors, and test solutions to recycle nutrients or business models for ecosystem services;
- Introducing procedures to remove nutrients and hazardous substances from waterways and wastewater treatment, incl. microplastic, litter, hazardous submerged objects, dumped munition, oil spills;
- Adapting water management and other strategies to emerging pollutants or new solutions to eutrophication;

- Adapting water management practices across sectors to use water reasonably (e.g. reuse, retain, recirculate);
- Rethinking planning processes for more effective water management (e.g. during storms, floods, droughts and groundwater scarcity), also developing greening plans, nature-based and digital solutions;
- Improving water management practices across sectors to reduce risks of water pollution aggravated by climate change (e.g. coastal erosion);
- Piloting actions to shift consumer and production patterns to prevent water pollution e.g. reducing plastic use, handling pharmaceuticals.

Expected results and their contribution to the selected specific objective

The Programme's main target groups increase their capacity to manage water and connected sectors in a more competent, sustainable and efficient way in a changing climate. These supported actions lead to wider application of available and newly tested water management solutions or solutions across different sectors. This contributes to reducing water pollution, removing pollutants from water and improving water quality. The supported actions improve urban and rural planning processes for better water management and help adapt water management strategies and action plans to emerging challenges. They shift consumer and production patterns in using water and materials thus preventing water pollution.

Expected contribution to the EU Strategy for the Baltic Sea Region

These actions contribute the objective of the EUSBSR to save the Sea. In preventing and reducing water pollution, they help implement parts of policy areas (PA) Nutri and Bioeconomy by addressing nutrients from cities, agriculture, aquaculture and forestry as well as PAs Hazards, Secure and Health by addressing chemicals and hazardous substances in the sea and inland waters. The actions are in line with these PAs' aim of climate change adaptation.

Programme objective 2.2 Blue economy

Introduction to actions

The Baltic Sea region has plentiful water resources and know-how for advancing a blue economy as well as environmental concerns for healthy ecosystems in the sea and inland water bodies.

The Programme supports actions on sustainable use of fresh and sea waters as well as marine resources in innovative business development in the whole region in emerging and established sectors. These include aquaculture, blue biotechnology, shipping, fishery, and coastal and maritime tourism.

As different sectors may use the same resources, actions should help mitigate potential conflicts among users of the sea space and facilitate its joint use. Moreover, the Programme encourages actions for blue businesses that strengthen their resilience to and mitigate their impact on climate change.

Non-exhaustive list of example actions:

- Creating new business opportunities by developing value chains for sustainable fresh water and marine-based products and services in line with smart specialisation strategies and marketing them;
- Developing governance, communication and cooperation models among public authorities and industry to mitigate conflicts and promote the joint use of the sea and land space, through maritime spatial planning and land-sea interaction;
- Integrating climate change mitigation measures in blue economy development plans;
- Introducing common environmental standards and clean, digital, eco-efficient solutions on ships and in ports to reduce emissions, process and recycle waste and wastewater, prevent species from entering water bodies;
- Improving management of sea and inland water traffic and introducing solutions for remote navigational support, automation on ships and in ports, including digital solutions for certification and professional training for seafarers;
- Diversifying coastal, maritime and inland water tourism products and connecting them to other sectors e.g. food, health, to combat seasonality;
- Testing business models for ecosystem services provided by blue businesses.

Expected results and their contribution to the selected specific objective

The Programme's main target groups increase their capacity to advance blue economy in a more competent, sustainable and efficient way considering a changing climate and environmental concerns for a healthy Sea and inland water bodies. These supported actions lead to wider uptake of tested solutions that facilitate access to and sustainable use of sea and fresh waters as well as related marine resources for business. They also help prevent water pollution that could be caused by blue economy through tested and widely applied solutions for clean shipping or valorisation of ecosystem services of clean water.

Contribution to the EU Strategy for the Baltic Sea Region

These actions contribute to the objectives of the EUSBSR to save the Sea and to increase prosperity. They help implement parts of policy areas (PA) Innovation, Bioeconomy and Nutri in developing a blue economy through sustainable use of water and marine resources. They support PAs Ship, Safe, Secure in advancing reliable and clean shipping, PA Transport in facilitating sustainable and efficient transport systems, PA Spatial Planning in mitigating conflicts and joint use of the sea space. They support PAs Tourism and Culture in using social and cultural values of marine ecosystems and water resources as a business opportunity in the tourism sector.

The objectives of the Programme take into account the “do no significant harm” principle.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
2	RSO2.5	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	1	68
2	RSO2.5	RCO87	Organisations cooperating across borders	organisations	42	686
2	RSO2.5	RCO116	Jointly developed solutions	solutions	1	35

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
2	RSO2.5	PSR1	Organisations with increased institutional capacity due to their participation in cooperation activities across borders	Organisation	0.00	2022	936.00	Progress reports of projects	
2	RSO2.5	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	24.00	Progress reports of projects	

2.1.1.3. Main target groups

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

The Programme targets public authorities at local, regional and national levels as the main drivers of advancing sustainable water management and supporting blue economy development in the region. Municipalities, regional councils, ministries and governmental agencies have an important role in governing water and resource use. Further, the Programme targets organisations in sectors affecting water quality, like agriculture, aquaculture, blue biotechnology, fishery, forestry, shipping, and coastal and maritime tourism. These are sectoral agencies, advisory centres and boards, business support organisations, infrastructure and service providers and enterprises. Citizen involvement is encouraged through associations or NGOs. Higher education and research institutions as well as education and training centres may join as their expertise is important for developing viable and effective solutions for water management and sustainable blue economy.

2.1.1.4. 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. The actions under this specific objective address the challenges and opportunities of the whole Baltic Sea region. The different actions are focused to the needs of specific areas: the Baltic Sea or its parts, coastal areas, inland urban and rural territories. Water management in different territories require adaption in the approach and involvement of specific target groups. Similarly, approaches to sustainable water and marine resource use in different areas may call for adjustments or engagement of specific target groups.

2.1.1.5. Planned use of financial instruments

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

Not applicable

2.1.1.6. 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	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.5	ERDF	065. Waste water collection and treatment	10,000,000.00
2	RSO2.5	ERDF	075. Support to environmentally friendly production processes and resource efficiency in SMEs	12,500,000.00
2	RSO2.5	ERDF	064. Water management and water resource conservation (including river basin management, specific climate change adaptation measures, reuse, leakage reduction)	7,500,000.00
2	RSO2.5	ERDF	058. Adaptation to climate change measures and prevention and management of climate related risks: floods and landslides (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	5,000,000.00
2	RSO2.5	ERDF	060. Adaptation to climate change measures and prevention and management of climate related risks: others, e.g. storms and drought (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	2,500,000.00
2	RSO2.5	ERDF	173. Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	11,698,101.00
2	RSO2.5	ERDF	079. Nature and biodiversity protection, natural heritage and resources, green and blue infrastructure	10,000,000.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.5	ERDF	01. Grant	59,198,101.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.5	ERDF	33. Other approaches - No territorial targeting	59,198,101.00

2.1. Priority: 3 - Climate-neutral societies

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

2.1.1. Specific objective: RSO2.1. Promoting energy efficiency and reducing greenhouse gas emissions

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

3.2 Energy transition

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

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

Programme objective 3.2 Energy transition

Introduction to actions

The Programme supports actions targeting the decarbonisation of energy systems in the region in order to reduce greenhouse gas emissions.

The Programme encourages the development of solutions that increase energy efficiency in industrial production processes as well as in public and private building stock. The Programme also encourages actions that develop and test solutions to increase renewable energy production from locally available resources. In addition, actions may help with renewable energy distribution and integration into various sectors, like building, industry, district heating and cooling.

Actions may adapt and update policies and regulations as well as coordinate plans and the application of solutions across borders. Actions may mobilise industry and citizens to apply energy solutions for climate neutrality and plan wider deployment with other public or private funds.

Non-exhaustive list of example actions:

- Rethinking policies and regulations and updating national, regional or local energy plans for climate neutrality;
- Addressing administrative, legal and financial barriers to speed up a ‘renovation wave’ of public and private buildings, incl. designing innovative financing schemes or combining energy efficiency measures with renewable energy application;
- Testing coordination mechanisms across borders for development of renewable energy projects, considering spatial planning needs;
- Strengthening integration of different energy systems and interconnecting energy consumers from different sectors;

- Introducing solutions for localised energy grids, combining multiple power sources;
- Designing public support policies to encourage wider production, supply and storage of renewable energy;
- Accelerating the establishment of systems for producing, storing and using renewable energy, and in particular, renewable electricity from locally available resources, with application of innovative technologies;
- Piloting actions that strengthen the involvement of citizens and industry in decarbonising energy systems, including development and testing guidelines for energy districts and standards for green industry certification as well as assessment of green-house gas emissions and their decrease in a coherent way across borders.

Expected results and their contribution to the selected specific objective

The Programme's main target groups increase their capacity to move society and the economy towards low-carbon energy systems with increased energy efficiency and enhanced renewable energy use. The supported actions lead to wider application of tested solutions in industry and building stock on increasing their energy efficiency and decreasing energy consumption. The holistic approach to moving towards net zero greenhouse gas emissions is further strengthened by coupling these solutions with tested solutions for renewable energy use as well as improved policies for climate neutrality. In addition, the actions lead to changing behavioural patterns of citizens and industry on using energy. Such an approach allows the Programme to trigger transition towards the low-carbon energy systems leading to reduced greenhouse gas emissions in a comprehensive and coordinated way.

Expected contribution to the EU Strategy for the Baltic Sea Region

These actions contribute to the objective of the EUSBSR to connect the region. The actions help implement parts of policy area (PA) Energy in streamlining efforts on energy efficiency in the region as well as increasing the share of renewable energy by deepening regional cooperation. The actions help share best practices thus advancing long-term renovation strategies and integrating renewables in building, industry, district heating and cooling sectors. Further, the actions support PA Bioeconomy in increasing renewable energy production from regional biological resources. The actions support PA Spatial Planning in strengthening the application of place-based approaches when developing solutions for producing renewable energy from locally available resources as well as coordinating energy plans across borders.

The objectives of the Programme take into account the “do no significant harm” principle.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
3	RSO2.1	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	1	34
3	RSO2.1	RCO87	Organisations cooperating across borders	organisations	21	343
3	RSO2.1	RCO116	Jointly developed solutions	solutions	1	18

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
3	RSO2.1	PSR1	Organisations with increased institutional capacity due to their participation in cooperation activities across borders	Organisation	0.00	2022	468.00	Progress reports of projects	
3	RSO2.1	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	12.00	Progress reports of projects	

2.1.1.3. Main target groups

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

The Programme targets public authorities at local, regional and national level as the main drivers of decarbonising the energy systems. Municipalities, regional councils, ministries as well as governmental agencies have an important role in setting a strategic direction to increasing energy efficiency as well as producing and using renewable energy. They have an important role in mobilising industry and citizens to introduce energy solutions for the climate neutrality. The Programme also targets organisations that support this transition. These are sectoral agencies, advisory centres and boards, business support organisations, infrastructure and service providers and enterprises. Citizens involvement is encouraged through associations or NGOs. Higher education and research institutions as well as education and training centres may join as their expertise and competence is highly important for developing viable and efficient energy solutions.

2.1.1.4. 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. The actions under this specific objective address the challenges and opportunities of the whole Baltic Sea region. Different actions are focused to the needs of specific areas: urban and rural territories, areas with different local biological sources for production of renewable energy. Applying energy-saving solutions or solutions for renewable energy production in different territories requires adaption in the approach and involvement of specific target groups.

2.1.1.5. Planned use of financial instruments

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

Not applicable

2.1.1.6. 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	Specific objective	Fund	Code	Amount (EUR)
3	RSO2.1	ERDF	053. Smart Energy Systems (including smart grids and ICT systems) and related storage	7,500,000.00
3	RSO2.1	ERDF	044. Energy efficiency renovation or energy efficiency measures regarding public infrastructure, demonstration projects and supporting measures	7,500,000.00
3	RSO2.1	ERDF	046. Support to entities that provide services contributing to the low carbon economy and to resilience to climate change, including awareness-raising measures	12,500,000.00
3	RSO2.1	ERDF	173. Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	2,099,051.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
3	RSO2.1	ERDF	01. Grant	29,599,051.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
3	RSO2.1	ERDF	33. Other approaches - No territorial targeting	29,599,051.00

2.1.1. Specific objective: RSO2.6. Promoting the transition to a circular and resource efficient economy

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

3.1 Circular Economy

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

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

Programme objective 3.1 Circular Economy

Introduction to actions

Ensuring steady growth of the Baltic Sea region without increasing pressure on the environment including water, air and soil requires transitioning towards a circular economy. The Programme supports actions that facilitate the shift from linear to circular resource use. This implies keeping products and materials in use for as long as possible. The Programme encourages holistic approaches that go beyond waste management to connect with water, energy, transport and land use. This requires facilitating behavioural change and integrated planning. In consequence, the shift towards circular economy is a valuable factor in fighting environmental challenges like overexploitation of the natural resources, inadequate air quality as well as climate change.

To accelerate the transition, the Programme especially supports actions that build an enabling environment and raise awareness for circular opportunities. The actions foster a systemic shift that creates long-term opportunities for business as well as environmental and societal benefits. For this reason, business and communities are considered to be at the heart of the transition. Considering the needs of business actors, the Programme provides a space to redefine smart specialisation approaches to advance the shift towards circularity. Furthermore, actions should take into account not only potential winners but also those disadvantaged by the transition processes. Wherever appropriate, the actions consider uneven territorial effects e.g. between urban and rural areas or specificities of remote areas. The solutions developed are encouraged to untap the potential of digitalisation as a means of achieving a resource-efficient economy in the Baltic Sea region.

Non-exhaustive list of example actions:

- Integrating circular economy policies into territorial strategies and testing their implementation, linking to other relevant regional and national strategies e.g. for smart specialisation;
- Mapping administrative or legal barriers limiting circular approaches and defining solutions in line with competences of cities and regions;
- Testing public procurement models that strengthen the role of public authorities in supporting a transition towards circularity;
- Rethinking urban and regional planning processes in sectors key to achieving circularity (e.g. transport, water, energy, and waste management) in order to

adopt better integrated and systemic approaches;

- Coordinating and supporting entrepreneurial and civil society initiatives in promoting circular economy and supporting change in attitudes i.e. creating awareness of circular opportunities among business executives, owners and consumers;
- Providing support services that help businesses adopt more circular approaches e.g. supporting a shift from ownership to new business models based on flexible and affordable access to services;
- Applying digital technologies to transform business models from linear to circular, e.g. to match suppliers and producers, track the journey of components and materials, help virtualise products;
- Testing solutions that create synergies between bio and circular economy e.g. supporting industrial symbiosis using waste material from forest industry by companies in different sectors.

Expected result and their contribution to the selected specific objective

The Programme's main target groups increase their capacity to accelerate a transition towards circular economy. In particular, the actions improve planning processes at local and regional level to enable circularity. In addition, they facilitate the development, testing and application of solutions that transform business models from linear to circular. Furthermore, the actions increase the role of civil society in building awareness of circular opportunities. The actions lead to taking macro-regional perspective in developing the markets for circular goods.

Contribution to the EU Strategy for the Baltic Sea Region

The types of actions supported by the Programme contribute to the objectives of the EUSBSR to increase prosperity and save the sea. They support the policy area (PA) Innovation by achieving a more resource efficient economy through digital transformation. In addition, the actions contribute to the “green” shift within smart specialisation approach fostered by the policy area Innovation. Furthermore, the actions support PA Bioeconomy. They make use of opportunities arising from combining bioeconomy and principles of circular economy, e.g. through industrial symbiosis. In its holistic approach the Programme objective is also relevant for PA Health, which strives to integrate health aspects into other sectors including circular economy.

The objectives of the Programme take into account the “do no significant harm” principle.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
3	RSO2.6	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	1	34
3	RSO2.6	RCO87	Organisations cooperating across borders	organisations	21	343
3	RSO2.6	RCO116	Jointly developed solutions	solutions	1	18

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
3	RSO2.6	PSR1	Organisations with increased institutional capacity due to their participation in cooperation activities across borders	Organisation	0.00	2022	468.00	Progress reports of projects	
3	RSO2.6	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	12.00	Progress reports of projects	

2.1.1.3. Main target groups

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

Within this objective the Programme targets public authorities at local, regional and, whenever appropriate, national levels. The Programme encourages involving citizens through NGOs. The Programme expects strong engagement of the business sector, mainly through business support organisations, including directly where appropriate, e.g. for testing of specific solutions. These types of organisations should be supported by specialised agencies and infrastructure and service providers from the sectors that are key to achieving circularity e.g. transport, water, energy and waste management. In this respect, the Programme especially encourages combining competences across different sectors. Higher education and research institutions as well as education and training centres may join transnational cooperation actions to support the main target groups with additional expertise and competence, e.g. in awareness building or with technical expertise.

2.1.1.4. 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. The actions under this specific objective address the challenges and opportunities of the whole Baltic Sea region and encourage approaches at the macro-regional scale. To allow for a just transition towards circularity and the most efficient exploration of existing potential, the Programme considers differences between specific types of territories, e.g. in planning processes in urban and rural areas.

2.1.1.5. Planned use of financial instruments

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

Not applicable

2.1.1.6. 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	Specific objective	Fund	Code	Amount (EUR)
3	RSO2.6	ERDF	046. Support to entities that provide services contributing to the low carbon economy and to resilience to climate change, including awareness-raising measures	12,500,000.00
3	RSO2.6	ERDF	075. Support to environmentally-friendly production processes and resource efficiency in SMEs	12,500,000.00
3	RSO2.6	ERDF	173. Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	4,599,051.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
3	RSO2.6	ERDF	01. Grant	29,599,051.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
3	RSO2.6	ERDF	33. Other approaches - No territorial targeting	29,599,051.00

2.1.1. Specific objective: RSO2.8. Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy

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

3.3 Smart green mobility

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

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

Programme objective 3.3 Smart green mobility

Introduction to actions

The Baltic Sea region has a big potential to achieve substantial reduction of greenhouse gas emissions for the mobility in its cities, towns and rural areas connected to them by using renewable fuels, clean electricity and digitalisation. A green mobility system well-functioning also cross-borders is vital for the development of the BSR. The Programme supports actions that ensure the smooth movement of people and goods in and across urban and rural areas while saving resources by increasing efficiency, integrating different transport modes and accelerating digitalisation.

The Programme encourages the development of solutions that harmonise mobility systems across borders and thus enabling a coherent use of green mobility solutions. Further, the Programme encourages actions that enhance the capacity of public authorities in national, regional and urban planning to introduce green and intelligent mobility solutions to reduce pollution in cities and towns and their hinterland. The Programme wants to mobilise transport companies and citizens to actively use green and intelligent mobility solutions. In this way the objective does not aim only on introducing technical solutions but also on changes in mobility behaviours and demands.

Sustainable Urban Mobility Plans (SUMP) offer a strategic and integrated approach for dealing effectively with the complexities of smart and green mobility topics in cities and towns of different size including rural areas connected to them. Therefore, whenever possible the developed mobility solutions should be based on existing SUMP or be part of the revised or newly developed SUMP.

Non-exhaustive list of example actions:

- Developing common standards to harmonise mobility systems in order to ensure the compatibility of green solutions between cities, towns, their hinterland and across borders, e.g. for charging systems, new modes of vehicles;
- Using innovative technologies and planning infrastructure to advance low-emission, green, smart solutions in multimodal transport
- Supporting national, regional and local public authorities in developing, testing, procuring and deploying green and multimodal transport as an integrated seamless service using digital tools;

- Rethinking urban, rural and regional spatial and transport planning adapting to vehicle and service innovation as well as to promote space efficient mobility of all modes (autonomous, connected, electric, shared and active mobility options, e.g. walking and biking);
- Testing, introducing and applying digital solutions (big data analytics, real-time data processing, intelligent transport systems) that regulate traffic flow, optimise the transport of people and goods, and predict changing mobility patterns.
- Testing and deploying innovative technologies and planning infrastructure to produce, store and distribute renewable fuels (e.g. biofuels, hydrogen) in cities and regions to replace diesel and petrol in transport;
- Planning and piloting e-mobility, smart grid services and charging stations, including locally-produced electricity, and connecting green energy to existing energy grids;
- Planning charging infrastructure at public transport stations and freight hubs, repurposing gas or petrol stations as charging hubs for renewable fuels;
- Advancing freight mobility through introducing shared solutions and distributed centres using digital platforms to maximise the efficiency of vehicle utilisation.

Expected results and their contribution to the selected specific objective

The Programme's main target groups increase their capacity to move cities and regions towards green, seamless and intelligent mobility systems. The described actions facilitate the development, testing and application of solutions that increase energy efficiency, enhance usage of renewable fuels and reduce pollution from transport in cities, towns and their hinterland. They will help the region significantly reduce its transport emissions and thus achieve climate neutrality. The actions will result in different solutions on how to integrate automated, shared and active mobility options into the urban mobility systems. Other solutions will advance the deployment of sustainable transport fuels, public recharging and refuelling points as well as connect green and local energy resources to energy grids and e-mobility in the cities and regions.

Contribution to the EU Strategy for the Baltic Sea Region

These actions contribute to the objective of the EUSBSR to connect the region and increase prosperity. The actions support the PA Transport in streamlining efforts to develop measures for climate-neutral and zero pollution transport and to facilitate innovative transport technologies and solutions in the BSR. The actions in harmony with the Strategy will support the BSR to be a pioneer in the greening of the transport sector in Europe. The aim is to develop sustainable supply chain strategies as a multi-fuel approach in the BSR (with alternative fuels like biofuels and hydrogen). The Programme will help in the integration of long-distance transport in urban mobility planning in a green and smart way as a precondition for smooth last mile transport (freight and passenger). Further, the actions support PA Energy in the promotion of advanced biofuels and electrification in transport as well as sector integration and sector coupling that can help decarbonise the transport sector. In addition, the actions support PA Spatial Planning in advancing place-based approaches to territorial development policies including the transport sector.

The objectives of the Programme take into account the “do no significant harm” principle.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
3	RSO2.8	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	1	34
3	RSO2.8	RCO87	Organisations cooperating across borders	organisations	21	343
3	RSO2.8	RCO116	Jointly developed solutions	solutions	1	18

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
3	RSO2.8	PSR1	Organisations with increased institutional capacity due to their participation in cooperation activities across borders	Organisation	0.00	2022	468.00	Progress reports of projects	
3	RSO2.8	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	12.00	Progress reports of projects	

2.1.1.3. Main target groups

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

The Programme targets public authorities at local, regional and national level responsible for transport, planning and environmental protection. Municipalities, regional councils, ministries as well as governmental agencies have an important role in organising transport services in the region. Further, the Programme targets organisations from sectors that offer and use different transport modes. These are logistic and transport operators, other infrastructure and service providers and enterprises. Citizens are the core customers for the mobility services and their involvement is encouraged through associations or NGOs. Higher education and research institutions may join transnational cooperation actions as their expertise and competence is important in developing innovative and efficient transport and mobility solutions.

2.1.1.4. 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. The actions under this specific objective address the challenges and opportunities of the whole Baltic Sea region. The different actions are focused to the needs of specific areas: national or regional levels, especially urban but also rural territories. Green transport solutions in different territories require adaptation in the approach and involvement of specific target groups.

2.1.1.5. Planned use of financial instruments

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

Not applicable

2.1.1.6. 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	Specific objective	Fund	Code	Amount (EUR)
3	RSO2.8	ERDF	081. Clean urban transport infrastructure	5,000,000.00
3	RSO2.8	ERDF	086. Alternative fuels infrastructure	2,500,000.00
3	RSO2.8	ERDF	085. Digitalisation of transport when dedicated in part to greenhouse gas emissions reduction: urban transport	10,000,000.00
3	RSO2.8	ERDF	173. Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	12,099,051.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
3	RSO2.8	ERDF	01. Grant	29,599,051.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
3	RSO2.8	ERDF	33. Other approaches - No territorial targeting	29,599,051.00

2.1. Priority: 4 - Cooperation governance

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

2.1.1. Specific objective: ISO6.1. Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders (all strands)

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

4.2 Macro-regional governance

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

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

Programme objective 4.2 Macro-regional governance

Introduction to actions

The Programme supports actions that implement and strengthen governance and communication activities in the EU Strategy for the Baltic Sea Region (EUSBSR). These actions may facilitate policy discussions and trigger policy changes, build up networks to develop projects and other initiatives in line with the EUSBSR Action Plan, or investigate and secure potential funding sources on the EU, national or regional level to ensure their implementation.

The Programme provides support to the coordinators of the EUSBSR policy areas (PACs) to carry out additional tasks in order to coordinate the planning and implementation of the EUSBSR policy areas. The Programme also supports actions to inform regional and EU stakeholders about the progress and achievements of these areas, changes and next steps in implementing the EUSBSR Action Plan. Further, the Programme supports the organisation of a meeting place in the form of Strategy forums to engage politicians, different levels of governance and civil society to discuss topical issues of the EUSBSR. The Programme also provides support to ensure administrative, communication and capacity building assistance to the national coordinators of the EUSBSR and other stakeholders, for instance, in the form of a strategy point.

In all actions the Programme encourages enhancing cooperation with the non-EU countries to ensure synergies between the EUSBSR and the strategies of the non-EU countries as well as progress in the work on common priorities.

Example actions:

- Assistance to the policy area coordinators of the EUSBSR.

Actions may coordinate policy discussion and address the need for policy changes. They may build up networks, engage stakeholders in the processes in the policy areas in a systematic way, support project idea generation and project implementation. Action may support monitoring progress and evaluating

whether agreed targets are reached, regularly reviewing objectives, processes, actions and results, amending and updating them when needed.

- Organisation of Strategy forums.

A Strategy Forum is a meeting place for organisations implementing the EUSBSR and other stakeholders. Organised as a conference or similar, these actions may communicate the work of the EUSBSR, its objectives and its achievements as well as progress on the common priorities with the non-EU countries to policymakers, public authorities, and a wider audience. They may stimulate policy discussions and disseminate results. Actions may provide stakeholders with a networking occasion and help actively engage them in the planning and implementation of the EUSBSR Action Plan.

- Assistance to a Strategy point.

Actions may provide administrative support to the national coordinators of the EUSBSR. They may support capacity building of the stakeholders of the EUSBSR and the strategies of the partners countries. Actions may support monitoring and evaluating achievements, stimulating exchange and sharing knowledge among the policy areas. They may coordinate communication including running the EUSBSR website and other communication tools.

Expected results and their contribution to the selected action

As a result, responsible organisations have the capacity to coordinate and communicate the EUSBSR's progress and achievements, and actively engage different stakeholders in the region as well as work on common priorities of the EU and non-EU countries. The supported actions strengthen the governance structures in the EUSBSR and stimulate policy discussions in the Baltic Sea region, build up networks, engage and motivate different stakeholders to plan actions and secure further funding for the implementation of the EUSBSR Action Plan. They also ensure synergies between EUSBSR stakeholders and stakeholders of other strategies in the non-EU countries of the Baltic Sea region.

Expected contribution to the EU Strategy for the Baltic Sea Region

All these actions contribute to the EUSBSR by facilitating active and efficient coordination among institutions responsible for the EUSBSR, their capacity building, and communication and engagement of stakeholders.

The objectives of the Programme take into account the “do no significant harm” principle.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
4	ISO6.1	RCO118	Organisations cooperating for the multi-level governance of macroregional strategies	organisations	4	42

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
4	ISO6.1	RCR84	Organisations cooperating across borders after project completion	organisations	0.00	2021	42.00	Progress reports of projects	

2.1.1.3. Main target groups

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

The Programme targets organisations designated as the coordinators of the EUSBSR policy areas, national coordinators of the EUSBSR, and international bodies, national and regional public authorities as well as other bodies providing a link to the strategies and priorities of the non-EU countries. The Programme also targets organisations that support these governance and communication activities. These are other national, regional and local public authorities and agencies, pan-Baltic organisations, and NGOs. Higher education and research institutions as well as education and training centres may join as their expertise and competence is highly important for developing efficient capacity building and monitoring and evaluation of solutions.

2.1.1.4. 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. The actions under this selected action address the needs of the EU Strategy for the Baltic Sea Region as well as provide a link to the strategies and priorities of the non-EU countries in the area. Different types of actions may require adaption in the approach and involvement of specific target groups.

2.1.1.5. Planned use of financial instruments

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

Not applicable

2.1.1.6. 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	Specific objective	Fund	Code	Amount (EUR)
4	ISO6.1	ERDF	173. Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	12,600,000.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
4	ISO6.1	ERDF	01. Grant	12,600,000.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
4	ISO6.1	ERDF	33. Other approaches - No territorial targeting	12,600,000.00

2.1.1. Specific objective: ISO6.6. Other actions to support better cooperation governance (all strands)

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

4.1 Project platforms

2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate

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

Programme objective 4.1 Project platforms

Introduction to actions

The Programme supports the cooperation of EU-funded projects in project platforms. These actions bring the results of various projects from different EU funding programmes to stakeholders in the Baltic Sea region in a structured way. The actions of project platforms help public authorities and other organisations access project results more easily. They show how the different results complement each other, making use of synergies across EU funds.

The proposed actions identify solutions developed by projects and other initiatives in EU funding programmes, also co-funded by the third country Norway, relevant for the Baltic Sea region and interlink and synthesise them. The actions focus on communicating and transferring these syntheses of solutions to broader target groups going beyond usual partnerships.

Specifically, the actions target public authorities as main drivers of policy change in the region. In addition, actions closely involve relevant pan-Baltic organisations to strengthen communication as well as policy area coordinators of the EU Strategy for the Baltic Sea Region to introduce this synthesis into regional policy frameworks. The Programme supports the work in project platforms in line with the Programme's thematic priorities.

Example actions within project platforms:

- Identifying solutions developed by different Interreg and other EU funded projects relevant for the Baltic Sea region, structuring them and making syntheses based on the needs of the target groups;
- Analysing know-how developed in research and innovation projects as well as experiences with investment projects co-financed from EU funds and combining them with the findings of Interreg projects;
- Setting up communication channels and learning tools to reach out to public authorities and other organisations to give them access to syntheses of solutions;
- Introducing syntheses of solutions into the daily work of public authorities, specialised agencies and others organisations working in these thematic areas;

- Addressing policy-making needs on complex challenges that require solutions from different Interreg and other EU-funded programmes across different levels of governance and different sectors;
- Reaching out to relevant policy and decision-making authorities and other organisations at the national and pan-Baltic level and providing them streamlined results from different Interreg and other EU-funded projects for more efficient development of policies and governance structures.

Expected results and their contribution to the selected action

The Programme's main target groups increase their capacity to govern and manage their fields of responsibility in their regions and across borders. By taking up syntheses of results from different EU funding programmes in different thematic areas, they have stronger capacity to address territorial challenges in a more efficient way. They are better off to improve policy-making processes and governance structures in the region.

Expected contribution to the EU Strategy for the Baltic Sea Region

These actions contribute to all three objectives of the EUSBSR: to save the Sea, connect the region and increase prosperity. The actions provide syntheses of tested solutions and help implement actions in many policy areas (PA) of the EUSBSR, for example, PAs Nutri, Bioeconomy, Innovation, Ship, Spatial Planning, Hazards, Energy, Transport. They actively take stock of solutions produced by different EU funding programmes in line with the objectives of the policy areas and lead to their wider communication and application on the policy level and among practitioners.

The objectives of the Programme take into account the “do no significant harm” principle.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
4	ISO6.6	RCO87	Organisations cooperating across borders	organisations	0	260

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
4	ISO6.6	PSR1	Organisations with increased institutional capacity due to their participation in cooperation activities across borders	Organisation	0.00	2022	520.00	Progress reports of projects	

2.1.1.3. Main target groups

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

The Programme targets public authorities at local, regional and national levels as the main drivers of policy change as well as advancing regional development across different fields and sectors. Municipalities, regional councils, ministries and governmental agencies have an important role in governing this development. The Programme also targets representatives of the EU Strategy for the Baltic Sea Region, for example, coordinators of the policy areas, as well as pan-Baltic organisations. Further, the Programme targets organisations working in sectors addressed by the Programme thematic priorities. These are sectoral agencies, advisory centres and boards, business support organisations, infrastructure and service providers, and enterprises. Citizen involvement is encouraged through associations or NGOs. Higher education and research institutions as well as education and training centres may join as their expertise is important for synthesising solutions.

2.1.1.4. 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. The actions under this selected action address challenges and opportunities of the whole Baltic Sea region. The actions focus on the needs of different thematic areas and this may require adaption in the approach to targeting specific territories, for example, the Baltic Sea, urban or rural areas and involvement of specific target groups.

2.1.1.5. Planned use of financial instruments

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

Not applicable

2.1.1.6. 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	Specific objective	Fund	Code	Amount (EUR)
4	ISO6.6	ERDF	173. Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	12,600,000.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
4	ISO6.6	ERDF	01. Grant	12,600,000.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
4	ISO6.6	ERDF	33. Other approaches - No territorial targeting	12,600,000.00

3. Financing plan

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

3.1. Financial appropriations by year

Table 7

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

Fund	2021	2022	2023	2024	2025	2026	2027	Total
ERDF	0.00	42,875,782.00	43,564,496.00	44,266,984.00	44,983,521.00	37,274,275.00	38,019,765.00	250,984,823.00
Total	0.00	42,875,782.00	43,564,496.00	44,266,984.00	44,983,521.00	37,274,275.00	38,019,765.00	250,984,823.00

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	Priority	Fund	Basis for calculation EU support (total eligible cost or public contribution)	EU contribution (a)=(a1)+(a2)	Indicative breakdown of the EU contribution		National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	Contributions from the third countries
					without TA pursuant to Article 27(1) (a1)	for TA pursuant to Article 27(1) (a2)		National public (c)	National private (d)			
1	1	ERDF	Total	63,933,949.00	59,198,101.00	4,735,848.00	15,983,488.00	13,763,559.00	2,219,929.00	79,917,437.00	79.9999992492%	954,963.00
2	2	ERDF	Total	63,933,949.00	59,198,101.00	4,735,848.00	15,983,488.00	13,763,559.00	2,219,929.00	79,917,437.00	79.9999992492%	954,963.00
2	3	ERDF	Total	95,900,925.00	88,797,153.00	7,103,772.00	23,975,232.00	20,645,339.00	3,329,893.00	119,876,157.00	79.9999994995%	1,432,445.00
6	4	ERDF	Total	27,216,000.00	25,200,000.00	2,016,000.00	6,804,000.00	6,489,000.00	315,000.00	34,020,000.00	80.0000000000%	406,518.00
	Total	ERDF		250,984,823.00	232,393,355.00	18,591,468.00	62,746,208.00	54,661,457.00	8,084,751.00	313,731,031.00	79.9999994263%	3,748,889.00
	Grand total			250,984,823.00	232,393,355.00	18,591,468.00	62,746,208.00	54,661,457.00	8,084,751.00	313,731,031.00	79.9999994263%	3,748,889.00

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)

Involvement of partners during programme preparation

The drafting of the Interreg Baltic Sea Region Programme was coordinated by Investitionsbank Schleswig-Holstein as designated Managing Authority and Joint Secretariat of the Programme (MA/JS). A Joint Programming Committee (JPC) was established as decision making body for the programming. It is composed of national and regional representatives from all countries interested in participating in the future Programme. Sub-committees and national consultations in the countries are ensuring a wider participation of the sub-national level as well as of economic and social partners.

The Programme draws upon a large number of existing analyses, visions and strategies as well as on the know-how of experienced pan-Baltic stakeholders and networks. It is built on vast experience gained from previous Programme periods. In 2019, a review of strategic priorities in the BSR was carried out. For the review, relevant pan-Baltic and national documents were systematically screened and analysed.

Supported by the Managing Authority and the Joint Secretariat, the JPC selected the priorities of the Programme. The thematic framework for the future Programme further includes the proposed topics and related explanations. The programming process was open and participative. The interested public as well as stakeholders (EUSBSR policy area coordinators and project platforms) were invited to provide their reflections on the thematic framework in an open consultation during summer 2020. 719 institutions from all countries of the Baltic Sea Region comprising a high number of local and regional authorities and NGOs provided feedback. In addition, the policy area coordinators of the EUSBSR and their steering groups as well as project platforms commented on topics of their concern in a specific process. The results showed a strong support to the proposed thematic scope of the Programme. The feedback helped further sharpen the thematic framework that, later on, was translated into the Programme document.

Involvement of partners during Programme implementation

Successful implementation of the Programme requires strong involvement of national, regional and local authorities, economic and social partner, as well as bodies representing the civil society.

The future Monitoring Committee (MC) of Interreg Baltic Sea Region will comprise representatives from both national and regional level from the participating countries. In addition, national sub-committees of all participating countries will make sure that the regional and local level, economic and social partners as well as bodies representing the civil society will participate in implementation, monitoring and evaluation of the Programme.

Cooperation with stakeholders of the EUSBSR will further broaden the participation in Programme implementation in line with multi-level governance. The Programme will strive for regular interaction with the policy area coordinators of the EUSBSR and the steering groups of the policy areas along the thematic priorities of the Programme, in project development, implementation and communication. This should help achieve closer cooperation among the policy area coordinators and project partnerships for stronger policy impact.

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)

Approach

This section defines the approach to the Programme communication in compliance with the requirements listed in Article 36 of Regulation (EU) 2021/1059.

Interreg Baltic Sea Region considers itself to be a sub-brand of Interreg. The Programme strives to align with the Interreg narrative and visuals, and highlight its distinctive features at the same time. As part of Interreg, the Programme cooperates with Interreg programmes and Interact.

The Programme enables to put innovative, water-smart and climate-neutral solutions into practice through transnational cooperation for the benefit of citizens across the Baltic Sea region. It communicates the added value of transnational cooperation within the European Union and Norway. Along the Programme's lifecycle, communication strives to mobilise relevant partnerships, enable projects to succeed and make Interreg acknowledged.

Communication aims

Communication contributes to meeting the Programme's overall objective by fulfilling eight communication aims. At the build-up phase, communication will focus on mobilising relevant partnerships and communicating achievements of the previous Programme. Once the projects deliver results, they will be communicated towards decision makers. Ongoing projects will receive continuous support.

- 1) New applicants, in particular local and regional public authorities, are attracted by the Programme presented to them as a suitable and manageable funding source;
- 2) Anyone interested in the Programme has the possibility to fully understand it: its requirements and limits;
- 3) Multipliers, who have a clear understanding of the Programme, help mobilise relevant partnerships by communicating with their audiences:
- 4) The applicants, later project partners, have sufficient resources to identify, reach and engage their target audiences;
- 5) Those who receive the Programme funding know the rules and requirements and apply them correctly;
- 6) The Managing Authority/Joint Secretariat acts in a reliable, approachable and predictable manner;
- 7) People in projects are encouraged to feel part of the Interreg community and speak out positively about Interreg;
- 8) Relevant decision makers know project results from the Baltic Sea region and consider Interreg useful and efficient:

Target audiences

The core target audience of the Programme and thus its communication are potential beneficiaries. They are defined for each Programme priority in "The main target groups" sections of this document, which describe the thematic scope of the Programme.

Among others, they include public authorities at local, regional and national levels; business support organisations and enterprises; non-governmental organisations; higher education and research institutions; education/training centres. A target audience of specific importance are stakeholders of the EU Strategy for the Baltic Sea Region.

Communication channels

Selected channels ensure complementarity and effectiveness of communication along the Programme's lifecycle. The target audiences are addressed "where they are". The selection covers traditional and digital, one-to-many, one-to-few and interactive channels, such as:

- 1) the Programme and project websites, which include promotional, educational and information and a catalogue of funded projects and their achievements;
- 2) social media platforms, such as LinkedIn, Twitter (particularly for potential applicants; project partners; multipliers; decision makers), Facebook, Instagram (particularly for potential applicants; project partners; multipliers) and YouTube (for all target audiences);
- 3) other online exchange platforms, such as a digital matchmaking tool;
- 4) online monitoring system;
- 5) events: own events, consultations, other and EU-wide events;
- 6) newsletters;
- 7) surveys and other means to collect qualitative feedback;
- 8) EU-wide campaigns, including those organised in cooperation with other Interreg programmes.

Participating countries take part in the communication activities and run national activities in their territories.

Project platforms are one of the core tools to spread project results.

Monitoring and evaluation

The Programme will regularly monitor and evaluate communication to adapt to changing needs of the target audiences along the Programme lifecycle, and to validate success.

The indicators, baselines and targets reflect the addressed audiences and channels used, and combine:

- 1) quantitative measures, such as statistics on the website traffic and conversions; newsletter openings, social media engagement (as outcome indicators);
- 2) qualitative measures, based on surveys among applicants and partners to measure their satisfaction (as result indicators).

Communication approaches will be adjusted upon need in agreement with the Monitoring Committee.

Communication budget and resources

The Programme will allocate at least 0.3% of the total Programme budget to communication to ensure sufficient resources and means.

Communication is viewed as a horizontal activity across the MA/JS. The communication unit is part of

the Programme management unit which ensures strategic planning.

The appointed communication officer is the senior communication officer at the MA/JS.

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

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

In accordance with Article 24.1(a) of Regulation (EU) 2021/1059 the Programme implements small projects directly within the Programme.

Small projects aim to facilitate an easier access to the Programme and a simplified project implementation. This is meant to attract organisations that are underrepresented in the Programme, have not participated for a longer period of time or never participated in the core projects. The small project instrument targets mainly local, regional and national authorities as well as NGOs.

Small projects can cover all thematic objectives (priorities 1-3) of the Programme and need to clearly thematically fit into one of them. The activities as well as the results and outputs of a small project have to be appropriate to serve at least one of the following aims:

- building trust that could lead to further cooperation initiatives
- initiating and keeping networks that are important for the BSR
- bringing the Programme “closer to the citizens”
- allowing a swift response to unpredictable and urgent challenges

The purpose of small projects needs to clearly go beyond the lower level of cooperation like meetings or exchanging information. Projects are encouraged to implement experimentation activities in terms of application of new solutions or approaches.

The overall budget of a small project is limited to EUR 500,000. The projects will be implemented under simplified cost options exclusively.

7. Implementing provisions

7.1. Programme authorities

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

Table 9

Programme authorities	Name of the institution	Contact name	Position	E-mail
Managing authority	Investitionsbank Schleswig-Holstein (IB.SH)	Mr Ronald Lieske	Director MA/JS of Interreg Baltic Sea Region	info@interreg-baltic.eu
Audit authority	Ministry of Justice, European Affairs and Consumer Protection of Land Schleswig-Holstein, Germany	Mr Markus Stiegler	Head of Unit	markus.stiegler@jumi.landsh.de
National authority (for programmes with participating third or partner countries)	Norway: Ministry of Local Government and Modernisation	Ms Anne Karin Hamre (Director General), Mr Olav Mydland		olav.mydland@kdd.dep.no
Group of auditors representatives	Audit in DE: Ministry of Justice, European Affairs and Consumer Protection of Land Schleswig-Holstein, Germany	Mr Markus Stiegler	Head of Unit	markus.stiegler@jumi.landsh.de
Group of auditors representatives	Audit in DK: Danish Business Authority/EU Controlling	Mr Svend Holger Welleberg		SveWel@erst.dk
Group of auditors representatives	Audit in EE: Ministry of Finance, Financial Control Department	Mr Mart Pechter		mart.pechter@fin.ee
Group of auditors representatives	Audit in FI: Ministry of Finance/Audit Authority Unit, Finland	Ms Sirpa Korkea-aho		sirpa.korkea-aho@vm.fi
Group of auditors representatives	Audit in LT: Ministry of the Interior of the Republic of Lithuania, Centralized Internal Audit Division	Ms Rasa Rybakoviene		rasa.rybakoviene@vrm.lt
Group of auditors representatives	Audit in LV: Ministry of Environmental Protection and regional Development /Internal Audit Department, Latvia	Ms Elina Valeine		Elina.Valeine@varam.gov.lv
Group of auditors representatives	Audit in PL: Ministry of Finance, Department for Audit of Public Funds, Poland	Ms Katarzyna Kwiecińska-Gruszka		Katarzyna.kwiecinska-gruszka@mf.gov.pl
Group of auditors representatives	Audit in SE: Swedish National Financial Management Authority	Mr Johan Sandberg		Johan.Sandberg@esv.se
Group of auditors representatives	Audit in Åland (FI): National Audit Office of Åland	Ms Marika Björkman		marika.bjorkman@revisionen.ax
Body to which the payments are to be	Investitionsbank Schleswig-Holstein (IB.SH)	Mr Ronald Lieske	Director MA/JS of	info@interreg-baltic.eu

Programme authorities	Name of the institution	Contact name	Position	E-mail
made by the Commission			Interreg Baltic Sea Region	

7.2. Procedure for setting up the joint secretariat

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

Investitionsbank Schleswig-Holstein (IB.SH) has been nominated by the Joint Programming Committee as Managing Authority and Joint Secretariat (MA/JS) for Interreg Baltic Sea Region for the funding period 2021-2027.

IB.SH is a non-profit making public development bank owned by the German Federal State (Land) Schleswig-Holstein. The tasks of the MA/JS will be carried out by IB.SH's department Interreg Baltic Sea Region located in Rostock/Germany, which has been responsible for the management of transnational cooperation programmes in the region since 1997.

The MA/JS will be operated as a joint functional unit led by one director. The MA/JS will have international staff, preferably with professional work experience from the Baltic Sea region, and will communicate in the programme language English. Staff of the MA/JS will be employed by the IB.SH.

The MA/JS will in particular assist the monitoring committee in carrying out its functions. It will be the main contact point for the public interested in the Programme, potential beneficiaries and selected/running operations. In particular it will, as defined in Art. 46 (2) of Regulation (EU) 2021/1059, provide information to potential beneficiaries about funding opportunities and shall assist beneficiaries and partners in the implementation of operations. Where appropriate the MA/JS will also assist the Audit Authority. Such assistance to the Audit Authority is strictly limited to administrative support as for example provision of data for drawing of the audit sample, cooperation on preparation and follow up of the group of auditors' meetings, ensuring the communication flow between different bodies involved in audits. This support does not interfere with the tasks of the audit authority as defined in the Art. 48 of Regulation (EU) 2021/1059.

The work of the MA/JS will be based on the principles of transparency, accountability and predictability to make sure that best use will be made of European taxpayers' money.

The MA/JS will be entirely financed from the TA budget of the Programme, whereas the Audit Authority will be partly financed. Also, national activities of programme countries to support programme implementation, and communication will be partly financed from the TA budget of the Programme.

The participating countries may decide to establish contact points to inform the beneficiaries about the programme.

Management verifications, role of controllers

Management verifications according to Article 46(3) of Regulation (EU) 2021/1059 of expenditure other than those under the simplified cost option scheme will be carried out by a body or person (the controller) designated by the participating country responsible for this verification on its territory. MA/JS shall satisfy itself that expenditure of each beneficiary participating in an operation has been verified by a controller. More details will be stipulated in the Programme Manual.

Management verifications (controls) according to Article 46(3) of Regulation (EU) 2021/1059 of expenditure under the simplified cost option scheme will be carried out by MA/JS. MA/JS may involve the designated controllers of participating countries in verification of expenditure declared under the simplified cost option scheme.

Each participating country shall designate the controller(s) responsible for carrying out the verifications of expenditure of the beneficiaries on its territory.

The method of designation of controllers will be decided upon by each participating country separately

and may vary between the participating countries.

Any designation or recall of a controller shall be reported to the MA/JS.

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

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

Recoveries

In accordance with Article 52(1) of Regulation (EU) 2021/1059, the MA/JS shall ensure that any amount paid as a result of an irregularity is recovered from the lead or sole partner. Partners shall repay to the lead partner any amounts unduly paid.

The EU Member States and Norway participating in Interreg Baltic Sea Region decide that the Programme will not make use of Article 52(2) of Regulation (EU) 2021/1059, i.e. the lead or sole partner and the MA/JS are obliged to recover any amount unduly paid.

Where the lead partner does not succeed in securing repayment from other partners or where the MA/JS does not succeed in securing repayment from the lead or sole partner, the EU Member State or Norway on whose territory the partner concerned is located or, in the case of an EGTC, is registered, shall reimburse the MA/JS any amounts unduly paid to that partner based on Article 52(3) of Regulation (EU) 2021/1059. The lead partner's obligations with regard to recoveries pursuant to Article 52 shall be defined in the Programme Manual agreed with the Monitoring Committee (MC). The subsidy contract will refer to these obligations in accordance with Article 22(6) of Regulation (EU) 2021/1059. The MA/JS shall be responsible for reimbursing the amounts concerned to the general budget of the Union, in accordance with the apportionment of liabilities among the participating EU Member States or Norway as set out below in accordance with Article 52(3) of Regulation (EU) 2021/1059.

In accordance with Article 52(4) of Regulation (EU) 2021/1059 once the EU Member State or Norway has reimbursed the MA/JS any amounts unduly paid to a partner, it may continue or start a recovery procedure against that partner pursuant to its national law.

Where an EU Member State or Norway has not reimbursed the MA/JS any amounts unduly paid to a partner, those amounts shall be subject to a recovery order issued by the European Commission as further specified in Article 52(5) of Regulation (EU) 2021/1059.

In case of unlawful aid (State aid) further requirements for recovery of unlawful aid (State aid) shall be fulfilled. The details will be laid down in the procedure described in the Programme Manual.

With regard to recoveries in accordance with Article 52 of Regulation (EU) 2021/1059, as well as financial corrections imposed by the MA/JS or the European Commission on the basis of Articles 103 or 104 of Regulation (EU) 2021/1060, financial consequences for the EU Member States are laid down in the section "apportionment of liabilities" below. Any related exchange of correspondence between the European Commission and an EU Member State will be copied to the MA/JS. The MA/JS will inform the audit authority/group of auditors where relevant.

Apportionment of liabilities

The participating country shall bear liability in connection with the use of the Programme funding as follows:

- Each participating country will bear liability for project related expenditure granted to project partners located on its territory.
- In case of a systemic irregularity or financial correction (decided by the Programme authorities or the European Commission), the participating country will bear the financial consequences in proportion to the relevant irregularity detected on the respective territory of that country. Where the systemic irregularity or

financial correction cannot be linked to a specific country, the country shall be responsible in proportion to the programme contribution paid to the respective national project partners involved in the Programme.

- According to Article 27 of Regulation (EU) 2021/1059 the TA is calculated by applying a flat rate to the eligible project expenditure declared to the European Commission. Consequently, the liability for the TA expenditure is regulated according to the principles applicable for project related expenditure, systemic irregularities or financial corrections. These may also be applied to TA corrections as they are the direct consequence of corrections related to project expenditure.

Irregularities

The methodology of reporting, notification and decision about irregularities as well as the recovery of funds unduly spent on project level will be laid down in the Programme Manual.

Non-respect of the agreed provisions and deadlines – sanctions

Inter alia the agreed provisions concern national responsibilities related to audit and control systems, apportionment of liabilities related to co-financing the TA, financial corrections and recovery procedures.

In the event of non-respect of the agreed provisions the cases shall be treated case by case. If a participating country does not comply with its duties, the MA is entitled to suspend payments to all project partners located on the territory of this participating country. Before the implementation of any sanctions, additional steps are taken by MA/JS, including the involvement of the MC, to solve the case.

Procedures for handling cases of non-respect of agreed provisions and deadlines on project level will be stipulated in the subsidy contract and the Programme Manual.

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 10: Use of unit costs, lump sums, flat rates and financing not linked to costs

Intended use of Articles 94 and 95 CPR	Yes	No
From the adoption, the programme will make use of reimbursement of the Union contribution based on unit costs, lump sums and flat rates under the priority according to Article 94 CPR	<input type="checkbox"/>	<input checked="" type="checkbox"/>
From the adoption, the programme will make use of reimbursement of the Union contribution based on financing not linked to costs according to Article 95 CPR	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Appendix 1

A. Summary of the main elements

Priority	Fund	Specific objective	Estimated proportion of the total financial allocation within the priority to which the simplified cost option will be applied in %	Type(s) of operation covered		Indicator triggering reimbursement		Unit of measurement for the indicator triggering reimbursement	Type of simplified cost option (standard scale of unit costs, lump sums or flat rates)	Amount (in EUR) or percentage (in case of flat rates) of the simplified cost option
				Code(1)	Description	Code(2)	Description			

(1) This refers to the code for the intervention field dimension in Table 1 of Annex 1 CPR

(2) This refers to the code of a common indicator, if applicable

Appendix 1

B. Details by type of operation

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 is stored, cut-off dates, validation, etc):

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2. Please specify why the proposed method and calculation based on Article 94(2) 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, if requested, provided in a format that is usable by the Commission:

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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 or authorities of the calculation methodology and amounts and the arrangements to ensure the verification, quality, collection and storage of data:

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Appendix 2

A. Summary of the main elements

Priority	Fund	Specific objective	The amount covered by the financing not linked to costs	Type(s) of operation covered		Conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission	Indicator		Unit of measurement for the conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission	Envisaged type of reimbursement method used to reimburse the beneficiary or beneficiaries
				Code(1)	Description		Code(2)	Description		

(1) This refers to the code for the intervention field dimension in Table 1 of Annex 1 to the CPR and Annex IV to the EMFAF Regulation.

(2) This refers to the code of a common indicator, if applicable.

B. Details by type of operation

Operations of strategic importance are project platforms developed in Priority 4 ‘Cooperation governance’ under Interreg-specific objective ‘ISO6.6 Other actions to support better cooperation governance’. Platforms consolidate and synthesise results of thematic projects within priorities 1-3 and link them to other EU funding programmes. Such a strategic approach to capitalisation of results allows reaching out to broader circle of public authorities and other Programme target groups in a coordinated way. Platforms engage coordinators of EU Strategy for the Baltic Sea Region and support their work in Strategy implementation. Platforms help increase institutional capacity of Programme target groups and so lead to more efficient development of policies, practices and governance structures for a smarter and greener Baltic Sea region. More information in Programme Document, chapter 2. Priorities, Programme objective 4.1.

Platforms are selected through calls for proposals as all other operations in the Programme. Development of platforms starts once there is a critical mass of thematic projects to initiate synthesis of results. Planned calls: 3Q 2024 and 3Q 2025.

The list below provides project platform themes, related Specific Objectives - indicative start of implementation:

1. Platform for resilient economies and communities (one to two platforms) - RSO1.4 Developing skills for smart specialisation, industrial transition and entrepreneurship - 3Q 2025/3Q 2026
2. Platform on responsive public services - RSO1.1 Developing and enhancing research and innovation capacities - 3Q 2026
3. Platform on sustainable waters management (two to three platforms) - RSO2.5 Promoting access to water and sustainable water management - 3Q 2025
4. Platform on blue economy (one to two platforms)- RSO2.5 Promoting access to water and sustainable water management - 3Q 2025
5. Platform for circular economy (one to two platforms) - RSO2.6 Promoting the transition to a circular and resource efficient economy - 3Q 2025/3Q 2026
6. Platform for energy efficiency (one to two platforms) - RSO2.1 Promoting energy efficiency and reducing greenhouse gas emissions - 3Q 2025/3Q 2026
7. Platform for smart green mobility - RSO2.8 Promoting sustainable multimodal urban mobility - 3Q 2025

DOCUMENTS

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent by
Programme snapshot 2021TC16FFTN003 1.2	Snapshot of data before send	29-Apr-2022		Ares(2022)3330706	Programme_snapshot_2021TC16FFTN003_1.2_en.pdf Programme_snapshot_2021TC16FFTN003_1.2_de.pdf	29-Apr-2022	Rantama, Eeva