

Cooperation programmes under the European territorial cooperation goal

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1. STRATEGY FOR THE COOPERATION PROGRAMME'S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION

1.1 Strategy for the cooperation programme's contribution to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion

1.1.1 Description of the cooperation programme's strategy for contributing to the delivery of the Union strategy for smart, sustainable and inclusive growth and for achieving economic, social and territorial cohesion.

The chapter presents the South Baltic Programme (hereafter referred to as SBP) territory and provides a list of key development assets and challenges in the South Baltic area that may be addressed through the cross-border cooperation. The elaborative geographical and socioeconomic description of the South Baltic area is included in a separate document ('Socioeconomic and SWOT analysis of the South Baltic cross-border cooperation area').

The summary serves as a point of departure for the unfolding of a SBP strategy, which aims to improve the economic, social and territorial cohesion of the area and – at the same time – contribute to the European Union's 2020 Strategy for smart, sustainable and inclusive growth (hereafter referred to as Europe 2020 Strategy).

The SBP territory

The SBP comprises the coastal regions of five EU Member States: Germany, Denmark, Sweden, Lithuania and Poland (see Fig. 1)

The SBP area includes the following administrative units at the NUTS III level:

- in Germany – districts (*Landkreise*) of Mecklenburg-Vorpommern: Nordwestmecklenburg, Rostock, Vorpommern-Rügen, Vorpommern-Greifswald and district-free city (*kreisfreie Stadt*): Rostock (*the list of NUTS III regions presented above reflect the nomenclature after the administrative reorganisation of districts and district-free cities conducted in Mecklenburg-Vorpommern in 2011 and thus differ from the list provided on the programme document cover page according to the Decision 2014/388/EU*);
- in Denmark - Regional Municipality of Bornholm and Region Zealand (subregions: Østsjælland, Vest- og Sydsjælland);
- in Sweden - counties of: Kalmar, Blekinge, Skåne and Kronoberg;
- in Lithuania - counties of Klaipėda, Tauragė and Telšiai;
- in Poland - subregions of: Miasto Szczecin, Szczeciński, Stargardzki, Koszaliński, Słupski, Starogardzki, Gdański, Trójmiejski and Elbląski.

Taking into consideration the above-mentioned administrative reorganisation in Mecklenburg-Vorpommern, the total area covered by the SBP has been slightly enlarged (by 3,9 thousand km²) in comparison to the period 2007-2013, thus amounting to 118,500 square kilometres in the programming period 2014-2020.

Geographical specificities

The South Baltic area shows a distinct blue and green pattern, featuring the sea basin, coastal landscapes and extensive green areas with numerous lakes and streams. The location of the Baltic Sea in the very centre of the territory requires, on one hand, more efforts to accomplish collaboration aims related e.g. with the cross-border integration of economic, educational and labour markets, while on the other, it is a joint economic and environmental asset, and a natural platform for cooperation, and the building of long-term trade exchange contacts manifested in joint cultural heritage. However, despite the shared history, the recognition of a common South Baltic identity in local and regional communities is low.

The South Baltic area has a non-metropolitan, mostly rural character, with scattered settlement structures. The population is concentrated in a few large urban centres, which are the main poles of social and economic development. The area is inhabited by about 8.9 million people (2011) half of which live in the Polish coastal regions. The average population density for the South Baltic region is about 75 inhabitants per km², and therewith, far below the European average of about 117 per km² and varies between 20.8 inhabitants per km² in Kalmar län and 1793.9 inhabitants per km² in Trójmiejski metropolitan sub-region. The South Baltic area contains territories of five EU Member States with different levels of socio-economic development. The single market opportunities and policies facilitating the free movement of people, goods, services and capital triggered convergence processes but these have not yet managed to even out the significant socioeconomic disparities within the SBP area.

Since early 1990s, the emerging cross-border ties established as part of Euroregions (Pomerania, Baltic) have resulted in many diverse collaboration networks spreading across the South Baltic area involving: regional and local authorities, business organisations, research and academic institutions, and non-governmental organisations. These cooperative networks have been strengthened by joint projects under the South Baltic Programme 2007-2013 and have provided a solid foundation for the years ahead. However, the number of actors taking part in the joint activities and reaping the benefits of cross-border cooperation for local development policies remains limited.

Key development assets and challenges for cross-border cooperation

Economy

Building on the SBP area's potential for blue and green growth (see below under 'strategic orientation'), the South Baltic area records, in general, positive economic growth, which is at a higher pace than for the EU-28 average and which is fuelled by notable increase rates in Poland and Lithuania (e.g. GDP per capita). From 2003 until 2010 total GDP at current market prices of the South Baltic region increased by about 32,6%, from 116.7 to 148.6 billion EUR. The average growth rate for the same period of time accounted for 4,7%. The growth of the GDP per capita in absolute numbers amounted to 3.600 EUR; ranging from 1.800 EUR (Nordwestmecklenburg) to 6.600 EUR (Rostock). Disparities in the level of economic growth have been noted between the

SBP regions. Polish and Lithuanian regions' growth rates remain substantially higher than the respective values of the other regions. In many parts, knowledge-intensive services and research-intensive industries are on a rising curve, with the creative sector benefiting from a concentration of research facilities, universities and highly qualified labour in the urban areas.

According to the Eurostat total, the economy of the South Baltic region created products and services of a total value (GDP at current market prices) of 150 billion EUR. In 2010, the Swedish part of the SBP accounted for 40% of the total GDP. Skåne län alone is creating a higher share than any other Member State's SBP territory in total, accounting for about 27% of the GDP at current market prices. The Polish parts contribute with about 25%, the Danish, German and Lithuanian regions with 17%, 15% and 3% respectively.

In 2010, the regional GDP at current market prices per capita varied from 4.900 EUR (Klaipėdos apskritis) to 34.500 EUR (Kronobergs län) between NUTS III regions, around a mean value of 18.020 EUR per capita. The average value of the GDP per capita in the Swedish regions has been 32.500 EUR -more than four times the respective average values of the Polish (7.978 EUR) and Lithuanian (7.400 EUR) parts of the region.

The regional economies are reliant on small and medium size enterprises that represent a wide variety of blue and green sectors, with a prominent role for maritime sectors, tourism, forest economy and food production. The South Baltic business sector is characterised by a significant importance of micro-businesses (fewer than 10 employees) and small business (10 to 49 employees). Businesses of this size account for almost 99% of all businesses.

However, the economic attainment of the SME sector varies across the territory, with visible urban-rural and east-west disparities. Acute divisions are observed, in particular, as regards: innovation capacity, the commercialisation rate of new products, services and processes, and the export potential, as well as public and in-house R&D expenditures. According to the Regional Innovation Scores in 2011, the highest public R&D expenditures were observed in Danish, German and Swedish regions accounting for 0,5% of GDP, while in Polish and Lithuanian regions only for 0,1% or less. The percentage rate of SMEs innovating in-house as compared to all SME's on the market equalled 0,7% for Sweden, 0,4% for Germany and Denmark and 0,1% for Poland. The lowest value was observed in Lithuania – less than 0,1%. It should be also emphasized that all regions have a great human resources potential in science and technology, which share accounts for 35% for Germany, Lithuania and Sweden, 30% for Denmark and for Poland varies between 20-25%.

Sweden, Denmark and Germany are among the leading “inventors” in Europe and file more patents than the EU average with 11.7 patents per 100.000 inhabitants. With regard to Regional Innovation Scores, there are large differences within the South Baltic region. South Baltic districts are mostly situated in regions that perform worse than the national average. It is only the Swedish region of Sydsverige and parts of the Danish regions that perform alike. This trend is also reflected in the performance of business innovation, knowledge intensive sectors and creative industries. Those employed within services of the high technology sector account for between 54% (Warmińsko-Mazurskie) to 83% (Hovedstaden) of the total. This demonstrates that this sector makes an essential contribution to employment across the region. The lowest percentages of those employed

are drawn from Lithuania and Poland (from 54% to 63%) while the higher percentages are attributed to Denmark and Sweden (65% to 83%). Connecting the potential of the relatively strong and fast growing knowledge-based and creative industries (located especially in the northern part of the South Baltic area and in metropolitan areas) with non-technological, traditional economic sectors dominant in the rural areas and in the south-eastern part of the region is a challenge.

A shared problem for South Baltic SMEs, especially in rural areas, is a low level of international activity, which leads to an absence in international clusters and networks, and insignificant trade exchange beyond national borders. A study of the level of involvement of the 116 firms located in Kalmar (carried out by the University of Kalmar) has revealed that trade exchange with the emerging markets of Baltic Sea region varies. There were 35 companies classified that conduct both exports and imports as highly committed traders. Among the companies having either exports or imports, 56 companies conducted only export. Roughly one third of them have an active involvement in international business, meaning that a limited share of their turnover is exported. For most of these firms, regional activity in the emerging markets of Baltic Sea region is a part of the SME's on-going global internationalisation process. Eighty per cent of the firms send less than 10% of their exports to these countries. Only 10 out of 116 screened SMEs focus on the Baltic Sea region, exporting about 50% of their products to the Baltic Sea countries.

Another survey undertaken by the Pomerania Development Agency Co. in 2013 shows that only 26% of SMEs in the Pomerania region have declared that their company is currently involved in exports. About 56% of companies do not export and do not intend to export in the next two years. Polish and Lithuanian companies continuously develop their international activities; nevertheless, only a small percentage of the SMEs are active internationally. The majority of them still compete on the international market with relatively low labour costs as a main element to fare against. The trend in the cooperation reveals that the collaboration does not evolve beyond the so called early stage or the development stage. The difficulties with establishing long-lasting and sustainable cooperation relations derive from the inability to sustain the customer contacts as well as from the lack of the knowledge about the market opportunities.

A recent German wide study has also shown that the degree of internationalisation of the business sector in Mecklenburg-Vorpommern is the lowest in Germany (Commerzbank 2013). According to this study, SMEs in Mecklenburg-Vorpommern are less engaged in international activities and more reluctant to develop international business relations. This is partly due to the low degree of industrialisation. However, even in those sectors in which Mecklenburg-Vorpommern is strong, the degree of internationalisation is low.

These challenges may be addressed through combined and coordinated actions by intermediary structures (like business support organisations) across national borders to provide cross-border utilities (e.g. learning and networking platforms, business advisory services and matchmaking actions, etc.) in order to help upgrade business practices and ensure higher internationalisation of business activities. The high number of upper-secondary and tertiary education graduates across the South Baltic area is an asset waiting to be adequately exploited.

Human resources

The South Baltic regions have been experiencing rapid and diversified demography and migration processes that have caused even deeper disparities in the already much diversified population density. The negative net migration balance in Mecklenburg-Vorpommern, the coastal regions of Lithuania and some coastal areas in Poland, due to people searching for better education and job opportunities (towards both large urban centres and other countries), a low or decreasing birth rate (characteristic for the eastern part of the South Baltic area) and ageing society, declining trends in rural areas (resulting in depopulation, risk of poverty and social exclusion, and worsening access to educational services etc.) constitute a challenge that is threatening the stability of socio-economic development. In 2012, 64,6% of the whole population was in the productive age, which indicates a negative trend, compared to 2005 with the indicator accounting for 65.1%. However, the population structure by age groups shows a strong imbalance for the coming decades. Age structures within the SBP area vary strongly and present the ageing society as a common challenge for the entire region.

Along with the generally positive economic growth trends, recent years have shown increasing household incomes in all parts of the South Baltic area. While unemployment trends and the employment rates for men and women vary between the South Baltic regions, the negative impact of the economic and financial crisis on the area's overall employment level remains visible. Moreover, many SBP regions share the challenges of increasing long-term and youth unemployment, also among college and university graduates, accompanied by a steadily decreasing number of young people entering the labour market.

The development trends as regards the employment have been heterogeneous within the SBP area. Before the financial crisis in 2008 the South Baltic labour market had been experiencing substantial growth, while the economic shock that followed influenced negatively the employment situation. While all regions had experienced a decline in the unemployment in the years from 2007 to 2009, the unemployment rate has increased since then. The unemployment rates have been rising for all regions since 2009, with the exception of Mecklenburg-Vorpommern, which has been noting a constant decline since 2007. The Lithuanian regions have noted an especially high increase. It should be noted that the Nordic and Baltic regions have been affected the most by the financial and economic crisis since 2009.

The average unemployment rate for the South Baltic regions in 2011 was at the level of 13,9%, while in 2012 it rose to 14,6%. As for the unemployment rate, the share of the long-term unemployed has risen, too. This is likely due to jobs lost during the financial and economic crisis, from which the regions have not yet recovered and were unable to compensate the lost jobs with new employment opportunities. The share of long-term unemployed is the highest in Mecklenburg-Vorpommern accounting for 50% of all unemployed. A similar high share can be observed for Lithuanian and the Polish regions, while the problem of long-term unemployment is less severe in the Danish and Swedish regions. Despite the high share of long-term unemployed in Mecklenburg-Vorpommern, the trend remains constant and the share has been not increasing. The trend remains constant also in Swedish region Småland med öarna.

Youth unemployment remains a problem in almost all regions, with a significantly higher rate than the region's overall unemployment rate (while in the Danish and German regions less than 15% of the youth are unemployed, in all other regions the youth unemployment rate is noticeably higher than 20% and even goes up to more than 30% in

Zachodniopomorskie). It is noteworthy that the youth unemployment rates in the South Baltic area are in disparity with the well-developed educational infrastructure featuring a high number of universities and vocational colleges with an extensive array of curricula covering nearly all aspects of sciences and humanities. Also, the number of graduates with tertiary education in countries such as Denmark, Lithuania and Sweden is higher than the EU-28 average. Furthermore, the South Baltic area records good performance of educational systems, characterised by a low rate of early school leavers.

The inflow of tertiary education graduates and a solid educational base in the South Baltic area is a resource that needs to be better utilised in order to connect knowledge- and research-intensive industries across borders. There is a need to tie labour markets in the South Baltic area together in order to prevent brain drain, offer better employment opportunities and match educational skills with workplaces in knowledge-intensive services and research-intensive industries. An organised, cross-border approach to such measures as training, qualification courses and advice services may help better balance the existing mismatch that results in a difficulty among South Baltic companies to recruit qualified labour.

Environment and tourism

The extensive and relatively unspoiled green areas in the South Baltic regions are able to provide attractive holiday, working and living conditions for both tourists (visitors) and residents. However, the concentration of economic activities in the urban centres (e.g. industry, households and increasing transportation) and coastal areas (e.g. related with tourism, marine activities etc.) brings significant environmental pressures. Nutrient loads (nitrogen and phosphorus) from various diffuse and non-diffuse sources in the South Baltic catchment area are causing a higher eutrophication of the Baltic Sea waters as well as fragmentation and losses in biodiversity. Eutrophication, in turn, poses a threat for coastal tourism and life quality for both residents and visitors. Life quality is also affected by inadequate air quality in densely populated areas resulting from, for example, the use of fuels of an inadequate quality.

The strong positive trend in the use of renewable resources in energy production is still being hampered by inefficient absorption processes, related to, for example, existing technical and administrative burdens in areas such as transport and storage of renewable energy. While Sweden, Denmark and also Germany take a leading position with regard to the use of renewable energy, Poland and Lithuania are lagging behind. In the South Baltic area the main focus has been put on the use of wind energy. Additional and even greater development potentials are seen in the use of wave energy, but this still requires some technological innovations. Furthermore, connecting into the energy grid as well as energy storage remain important but as of now yet unresolved issues.

At the same time, the South Baltic area shows a high level of resources to develop green technology sectors in cooperation with SMEs, manufacturing industries and R&D institutions. To reach the objective of reduced air and water pollution discharges, however, the joint development and uptake of innovative green technologies needs to be further strengthened. Closer cooperation can serve as an enabler in this matter, facilitating the transfer of innovation between the participating regions while ensuring sustainable environmental management across borders.

Indeed, well-reflecting the blue and green character of the SBP area, the South Baltic area boasts a large number of natural and cultural heritage sites (national parks,

landscape parks, nature reserves, UNESCO World Heritage Sites, World Biosphere Reserves, NATURA 2000 sites, cultural sites etc.) which need to be protected and preserved for future generations. At the same time, the rich heritage of the area offers still unexplored opportunities for qualified tourism in particular in hinterland areas, some coastal sections and islands. Although tourism is one of the most important export-oriented economic sectors in the South Baltic area, which determines the economic viability of small settlements in rural areas remote from the main cities, the level of tourism intensity in the South Baltic area is considerably unbalanced. It displays a distinct seasonal pattern with high indices along the sea coast in the summer season (conventional sojourn tourism) and low levels of tourist visits and tourist facilities in the hinterland areas, thus putting particular pressure on coastal ecosystems. The number of over-night stays has continuously been increasing in recent years, with a temporary decline in 2009 and 2011 following the financial and economic crisis in 2008. In recent years, Mecklenburg-Vorpommern regions drove the growth in South Baltic tourism. In 2010, from about 37.5 million over-night stays in the region, more than 60% were counted in that part of the South Baltic region. The Swedish part accounts for about another quarter of all over-night stays, while the Polish, Danish and Lithuanian part of the South Baltic contribute only small shares (respectively 7.3 %, 5.2% 3.1 %) to this statistic. After 2010, the Polish regions reported a substantial increase of overnight stays, and seem to have taken over the leading role for growth in this sector. In 2012 most revenue was generated in the coastal regions. Despite the recent economic downturn, coastal tourism has risen annually since 2009 (The Boston Consulting Group 2013) with the strongest boost being observed in Sweden. This growth of coastal tourism is being driven mainly by beach tourism, recreational boating, cruise tourism, and recreational fishing. Coastal tourism in the Baltic Sea region is still more or less unaffected by growing environmental concerns, and the demand continues to exceed supply in many coastal regions. The current situation thus calls for sustainable development solutions, aimed at better balancing economic and environmental interests.

There is a need to skilfully exploit the economic potential of vast and valuable green areas and cultural heritage sites in the South Baltic area, with due consideration for environmental protection needs, to develop cross-border solutions attracting sustainable tourism throughout the year. The tourism sector should also be more capable of adapting innovative methods to increase its sustainability by deriving solutions from other economic sectors such as the creative industry and ICT (information and communication technology).

Transport

Vast parts of the South Baltic area suffer from insufficient accessibility, with indices below the EU-28 average. This results from scattered settlement structures and the distance to populated metropolitan areas (such as Berlin, Copenhagen-Malmö and Gdańsk-Gdynia). Following EU accession, large transport infrastructure investment programmes have been implemented in Lithuania and Poland, co-financed by the EU Cohesion Fund and Structural Funds, to reduce disparities in the access to infrastructure in comparison to western EU neighbours. Still, differences in infrastructure endowment between the SBP regions are noticeable. Beyond the differences in the quality of infrastructure, the South Baltic area is also characterised by significant discrepancies with regard to the development and implementation of innovative, environmentally friendly local transport solutions. On the one hand, many Swedish and Danish regions are well-known for being European frontrunners when it comes to the introduction of

sustainable and eco-friendly mobility solutions. At the same time, several Polish and Lithuanian cities and regions are still lagging behind in this aspect. In fact, while recent years have been characterised by an enormous increase in the number of cars per 1000 inhabitants in Poland and Lithuania, multimodal and active mobility solutions have gained visible popularity in the northern and western parts of the SBP area. In Lithuania and Poland, the reliance on cars has become particularly high, accounting for respectively 91% and 88% of total inland passenger-kilometres in 2010, as compared with the share figures of 82% and 73% in 2000. This trend has evolved at the expense of other inland modes, with passenger rail-borne transport in both countries falling to critically low shares from 3.2% to 0.7% for Lithuania and from 11.7% to 5.2% for Poland across a ten year time span. It is noteworthy that in the same 2000-2010 period the share of passenger rail-borne transport rose in the other South Baltic area countries (Germany, Denmark, Sweden) reaching 8-9% in the total volume. These differences, experiences and potentials are calling for intensive knowledge exchanges and good practice transfers, enabling the participating cities and regions to contribute to the development of the South Baltic area by promoting and testing the use of sustainable mobility solutions.

At the same time, the fast growing level of inter-regional travel in the South Baltic area, in both north-south and east-west directions, has to a large extent been compensated by private car transportation and the use of trucks, particularly in the eastern part of the SBP area and in less populated regions. The advancing car-based mobility pattern and the emerging east-west divide in modal split (due to rail transport having a strong foothold in Denmark and Sweden in contrast to quickly falling figures particularly in Lithuania and Poland) pose a serious challenge to the goals promoted by the European Commission in the White Paper on Transport 2011, including the ambition to shift 30% of road freight over 300km to other modes such as rail or waterborne transport, by the year 2030. Poland features a dramatic drop in rail freight transport (from 43% in 2000 to barely 19% in 2010), with a reverse trend for road haulage (from 58% to 81%). The same trend has been observed in Lithuania, although rail freight still records high figures (41% of share, more than twice the EU-27 average). The other three South Baltic area countries have managed to break the overall rail freight decline trend marked at the EU-27 level as the share in each case grew by a small percentage in the period of 2000-2010. Curbing this negative trend in the South Baltic area requires the provision of adequate and high quality public transport and intermodal freight services harmonised across the state borders, as well as greening measures exploiting the multimodal potential of transport hubs and links, improving their logistical efficiency and reducing their environmental footprint.

The Baltic Sea remains a barrier to the connectivity of the SBP's coastal territories. The two TEN-T core network corridors traversing north-south either begin on land (Gdynia/Gdańsk and Szczecin/Świnoujście) or are traced through the fixed links and ports of the western part of the SBP area (e.g. Rostock, Trelleborg). Furthermore, the dynamic trade exchange along transnational transport corridors taking place in the east-west direction is not reflected in the layout of the TEN-T network, what is particularly visible in the south-eastern Sweden. Despite the quickly growing freight volumes on the Karlshamn-Klaipeda and Karlskrona-Gdynia ferry connections, the freight railway links and ports in the above-mentioned Swedish regions are qualified as the comprehensive network. In turn, the road/railway link along the southern Baltic Sea coast has, in the TEN-T plans, barely a status of a comprehensive network component, although it bears

critical importance for the area's territorial cohesion, and requires substantial quality improvements.

The transport system of the South Baltic area, in addition to the deficiencies outlined above, lacks region-to-region connections across the Baltic Sea (despite the overall steep growth in air passenger transport in EU-27) and more frequent railway and ferry connections to improve the direct connectivity. This requires joint efforts to attract operators and to develop appropriate framework conditions to increase the attractiveness and sustainability of new and improved lines.

Thematic scope of the SBP

The territorial imbalances and common challenges for the South Baltic area specified above are reflected in the scope of the SBP, which incorporates the following principles: strategic focus, thematic concentration, alignment with the Europe 2020 Strategy objectives and the best added value in the context of cross-border cooperation – taking into account the EU Strategy for the Baltic Sea Region (hereafter referred to as EUSBSR).

Particular thematic objectives and investment priorities of the SBP have been chosen for the purposes of the unification and reducing the disparities in the Baltic Sea region and strengthening the use of its potential to develop blue and green growth through cross-border cooperation. The planned interventions within the SBP are concentrated on the exchange of experience between the Member States, good practice transfers and joint development and testing of innovative solutions to balance territorial differences within the SBP area.

In 2014-2020, the SBP will focus on the following thematic objectives (TO) and investment priorities (IP):

TO 3 - Enhancing the competitiveness of small and medium sized enterprises

- IP 3 (b) – developing and implementing new business models for SMEs, in particular with regard to internationalisation

The IP is addressing the identified needs of regional economies in the South Baltic area reliant on SME's, most of which have an insufficient ability to operate on international markets. Low internationalisation capacity of SMEs, in particular representing the SBP regions in Poland and Lithuania as well as the rural areas in each region, lead to an absence in international clusters and networks and result in insignificant trade exchange beyond national borders.

- IP 3 (d) - supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes

Significant differences have been observed among the South Baltic regions as regards the utilization of the innovation capacities and the business performance. It has been noted that the indicators measuring the performance of the knowledge-based sectors and the creative industries located in the SBP area in many cases are below the national average. This IP is dedicated to SME's activities especially in terms of internationalization and carrying out activities aimed at developing innovative solutions in the green and blue business sectors. Ensuring its technological capability and power of innovation is an important prerequisite for the Baltic Sea region to be able to compete with other regions in the global market in the future.

TO 6 – Protecting the environment and promoting resource efficiency

- IP 6 (c) – conserving, protecting, promoting and developing natural and cultural heritage

The South Baltic area has a high touristic potential due to its geographical location and environmental and cultural resources, which should be better preserved, exploited and developed through the use of innovative and environmentally sensitive solutions. In the light of the overall objective to maintain a healthy balance between the demand for economic growth and the need for environmental protection, the IP has been chosen to provide support for the development of innovative solutions for promotion of ecotourism services as well as tools for the sustainable management of natural and cultural heritage sites, involving also other economic spheres (e.g. creative industry, information and communication technology etc.) on the cross-border level.

- IP 6 (f) promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution

The South Baltic area is highly exposed to pollution, therefore this IP is aimed at protecting the environment and enabling a better uptake of innovative green technologies. The IP concentrates on a wider use of natural resources of the region through the development of environmentally friendly technologies based on renewable energy sources and innovative solutions. The implementation of such actions should contribute to reduction of pollution discharges of the Baltic Sea region and an increase in the standard of living of its inhabitants.

TO 7 - Promoting sustainable transport and removing bottlenecks in key network infrastructure

- IP 7 (c) – developing and improving environment-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime

transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility

The IP has been chosen in order to create possibilities to enhance the connectivity between the Baltic Sea regions and reducing the disparities in the use of environmentally friendly forms of transport, which are very evident between the eastern and western parts of the region. IP is dedicated to develop joint approaches and concepts in terms of creating transport solutions taking into account all environmentally friendly forms of transport.

TO 8 – Promoting employment and supporting labour mobility

- IP (ETC) – promoting sustainable and quality employment and supporting labour mobility by integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training

The South Baltic region is struggling with the problem of youth unemployment. Moreover, it has been observed that the educational offer does not meet the needs and requirements of the labour market. What is more, the potential of human resources in science and technology has not yet been fully exploited and might be further developed through cooperation between business and science. There are also difficulties to attract qualified labour as well as lack of common cross-border training, qualification courses and advice services delivered by the labour and business support organisations. The IP addresses the identified challenges and aims at reducing the mismatch of education and the needs of employers in knowledge-intensive services and research-intensive industries of the South Baltic area. The implementation of such action should contribute to an increase in labour effectiveness in all Member States and to the increase in employment in the less-developed regions.

TO 11 – Enhancing institutional capacity and an efficient public administration

- IP (ETC) - enhancing institutional capacity of public authorities and stakeholders and efficient public administration by promoting legal and administrative cooperation and cooperation between citizens and institutions.

The IP is designed to facilitate partnerships among institutions and inhabitants of the Baltic Sea area and strengthen the cross-border collaboration in various fields of society. There are significant barriers, e.g. sea basin location, economic and social disparities, which hinder joint activities. By choosing this IP it is believed that the cooperation among institutions will be strengthened, what will result in the better use of various instruments and programmes, contributing to enhancing the territorial cohesion and integration among citizens.

Strategic orientation of the SBP

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

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

These issues are at the core of the strategic intervention by the SBP, driven by the overall objective: **'To increase the blue and green growth potential of the South Baltic area through cross-border cooperation'**.

By directing the intervention to the stimulation of blue and green growth by means of cross-border joint action between the SBP regions, the SBP will:

- Maximise the impact of the SBP towards tangible results;
- Show complementarity to other EU-funded interventions that aim to reinforce economic, social and territorial cohesion of the SBP regions;
- Meet the priorities of **smart, sustainable and inclusive growth of the Europe 2020 Strategy**;
- Support the implementation of the EUSBSR and the Integrated Maritime Policy;
- Continue and strengthen collaboration between institutions, organisations and networks facilitated by the South Baltic Programme 2007-2013.

'Green growth' is a term to describe a path of economic growth that utilises natural resources in a sustainable manner. It implies fostering economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which the well-being of the current and future generations depend.

In line with policy and research definitions, the SBP encompasses the following **sectors** of the **green economy**: (1) renewable energy and efficient use of electricity; (2) green construction; (3) clean transportation; (4) environmental management; (5) agriculture, forestry and land management; (6) food manufacturing and processing; (7) sustainable (green/eco) tourism.

The above sectors cover: biorefinery, manufacturing, production, trading, public services, governmental and regulatory framework as well as research, design and consulting.

The similar and often interchangeably used term of ‘**green technologies**’ relates to environmentally friendly (clean) inventions that promote sustainable management of resources and take into account: energy efficiency, recycling, safety and health concerns, etc. The term relates to methods, approaches, solutions, materials, devices, products and services applied in a wide range of activities. These usually include: production and transmission of renewable energy, water purification, air pollution reduction, sewage treatment, environmental remediation, solid waste management, energy conservation and life-cycle solutions, chemistry, food manufacturing and processing, housing, and many more.

‘**Blue Growth**’ is part of the Europe 2020 Strategy and addresses the economic potential of the oceans, seas and coasts for sustainable growth and jobs, to be developed in harmony with the marine environment and through cooperation between public and private partners, including SMEs. In concordance with the European Commission’s (hereafter referred to as EC) Communication on ‘Blue Growth – Opportunities for Marine and Maritime Sustainable Growth’, the term “blue economy” can be related to the following sectors:

- Blue energy – offshore wind power, tidal and wave power, ocean thermal energy conversion;
- Aquaculture;
- Maritime, coastal and cruise tourism;
- Deep-sea and short-sea shipping;
- Marine mineral resources (seabed mining);
- Marine biotechnology (e.g. resources in the pharmaceutical and cosmetic industries);
- Desalination;
- Coastal protection;
- Maritime security & surveillance and environmental monitoring;
- Maritime spatial planning for combined uses of maritime resources.

Applied to the sectors most relevant for the South Baltic area, the blue and green growth context is, consequently, visible in the profile of the thematic objectives and intervention priorities that have been chosen – translated to the SBP priority axes and specific objectives.

Priority axes and specific objectives of the SBP

The SBP is composed of five priority axes responding to the key assets and challenges that have been identified. They correlate with the thematic objectives under ERDF and – at the level of specific objectives – with the investment priorities.

PRIORITY AXIS 1: Strengthening international activeness and innovation capacity of the South Baltic blue & green economy

- **Specific Objective 1.1:** Increase the presence of blue and green sector SMEs from the South Baltic area in international markets through joint cross-border actions.

- **Specific Objective 1.2:** Improve the transfer of innovation for the benefit of blue and green sector SMEs through joint cross-border actions.

PRIORITY AXIS 2: Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth

- **Specific Objective 2.1:** Increased development of the South Baltic area's natural and cultural heritage assets into sustainable tourist destinations.
- **Specific Objective 2.2:** Increased use of green technologies in order to decrease the pollution discharges in the South Baltic area.

PRIORITY AXIS 3: Improving cross-border connectivity for a functional blue and green transport area

- **Specific Objective 3:** Improve the quality and environmental sustainability of transport services in the South Baltic area.

PRIORITY AXIS 4: Boosting human resource capacities for the area's blue and green economy

- **Specific Objective 4:** Increase the share of skilled labour force working in blue and green economy sectors of the South Baltic area through joint cross-border actions

PRIORITY AXIS 5: Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth

- **Specific Objective 5:** Improve the cooperation capacity of local South Baltic area actors through participation in cross-border networks.

The above objectives will be achieved by a number of projects implemented during the lifetime of the SBP. Building on the experience gained in the programming period 2007-2013, the supported initiatives will mainly concentrate on “soft cooperation” actions, aimed at developing and testing innovative solutions through cross-border cooperation. Hence, the SBP may also support small-scale investments of pilot and innovative nature. At the same time, large-scale investments in infrastructure shall not be supported.

The table below presents topical inter-relationships of the SBP architecture (priority axes and specific objectives) with the ERDF framework, and the liaisons with the strategic reference documents at the EU and macro-regional level.

A more detailed elaboration of each priority axis is laid down in section 2.

All the selected thematic objectives are directly connected and interlinked with the EUSBSR.

1.1.2 Justification for the choice of thematic objectives and corresponding investment priorities, having regard to the Common Strategic Framework, based on an analysis of the needs within the programme area as a whole and the strategy chosen in response to such needs, addressing, where appropriate, missing links in cross-border infrastructure, taking into account the results of the ex-ante evaluation

Table 1: Justification for the selection of thematic objectives and investment priorities

Selected thematic objective	Selected investment priority	Justification for selection
<p>03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)</p>	<p>3b - Developing and implementing new business models for SMEs, in particular with regard to internationalisation</p>	<ul style="list-style-type: none"> • low internationalisation capacity of SMEs from the South Baltic area, in particular representing the SBP regions in Poland and Lithuania as well the rural areas in each region, which leads to an absence in international clusters and networks, and insignificant trade exchange beyond national borders • in some SBP regions there is insufficient organisational support by intermediary structures and low availability of international business advisory services and matchmaking actions for expansion of the SMEs to international markets within and beyond the South Baltic area • IP is based on the objectives of strategic documents – the Europe 2020 Strategy and the EUSBSR. IP aims at developing and implementing new business models for SMEs bring a series of benefits for South Baltic region which help to better address similar challenges and contribute to the balanced development of the region. This will not only strengthen regional prosperity, but it will contribute to the EU as a whole
<p>03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)</p>	<p>3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes</p>	<ul style="list-style-type: none"> • varying SME innovation capacities between the SBP regions as a factor that weakens the competitiveness of the area’s blue and green economy as well as the convergence processes between the regions • unexploited potential for innovation transfer through cross-border networking and clustering between the more and less innovation capable regions in the South Baltic

Selected thematic objective	Selected investment priority	Justification for selection
		<p>area</p> <ul style="list-style-type: none"> • high share of upper-secondary and tertiary education graduates across the South Baltic area as an asset to be better exploited for international triple helix cooperation and innovation transfer for the local SMEs • actions planned under the IP correspond to the ‘Increase Prosperity’ objective in the EUSBSR and flagship initiative of the Europe 2020 Strategy “Innovation Union”. Planned intervention aim is to improve business opportunities and make the internal market work better. The selected intervention is fostering the further integration of the region as well as ensuring smart and effective use of individual resources
06 - Preserving and protecting the environment and promoting resource efficiency	6c - Conserving, protecting, promoting and developing natural and cultural heritage	<ul style="list-style-type: none"> • unbalanced seasonal pattern and tourism use intensity in the South Baltic area • high potential of green areas in the South Baltic territory to provide opportunities for active holiday and leisure activities • high quality of natural and cultural heritage sites, with unexplored opportunities for cross-border services and products in blue and green tourism • IP is associated with two EUSBSR objectives (‘Save the Sea’, ‘Increase Prosperity’). Creating and promoting sustainable and innovative tourism products and services at cross-border and transnational level around specific themes not only helps to profile the region as a tourism destination in key source markets – by highlighting the common cultural and natural heritage and history, tourism cooperation could link

Selected thematic objective	Selected investment priority	Justification for selection
		<p>economic benefit with the perception of the region as a shared reference point in the identity of the inhabitants of the macro-region. IP corresponds with Europe 2020 Strategy flagship initiative - Resource-efficient Europe</p>
<p>06 - Preserving and protecting the environment and promoting resource efficiency</p>	<p>6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution</p>	<ul style="list-style-type: none"> • environmental pressures resulting from concentration of population and economic activities in urban centres and coastal areas • higher eutrophication and biodiversity loss hazards as a consequence of nutrient discharges in the South Baltic catchment areas • noxious air quality problems resulting from factors including the use of fuels of inadequate quality, waste combustion in unsuitable boilers and the use of old high-emission heat sources • high potential of the South Baltic area to develop green technology sectors based on vast natural resources, incl. renewables • IP is associated with two EUSBSR objectives (‘Save the Sea’ and ‘Increase Prosperity’) and synergizes with the flagship initiative of the Europe 2020 Strategy “Resource-efficient Europe” aiming at sustainable growth, efficient use of environmental resources, promoting greener and more competitive economy and the shift towards a low carbon economy
<p>07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures</p>	<p>7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports,</p>	<ul style="list-style-type: none"> • predominant car-based mobility pattern, with high reliance on cars and trucks in inter-regional travel, due to insufficient intermodal services in freight and passenger transport • unsatisfactory direct connectivity of

Selected thematic objective	Selected investment priority	Justification for selection
	multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility	<p>the SBP regions due to drawbacks in maritime, railway and air passenger services</p> <ul style="list-style-type: none"> • north-south freight traffic and quickly growing east-west freight flows across the South Baltic area in need of greening measures and service efficiency solutions • significant disparities between eastern and western parts of the region in the degree of the development of innovative environmentally friendly solutions in the local transport • IP fulfils the EUSBSR objectives of ‘Connect the Region’ and ‘Save the Sea’. It meets the aims of the Europe 2020 Strategy and contributes to the implementation of the two flagship initiatives “An industrial policy for the globalisation era by reduction in greenhouse gas emissions by reducing the car-based mobility” and “Resource-efficient Europe”
08 - Promoting sustainable and quality employment and supporting labour mobility	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)	<ul style="list-style-type: none"> • mismatch of education and the needs of employers in knowledge-intensive services and research-intensive industries of the South Baltic area (diversity of vocational educational systems leads to difficulties in recognition and acceptance of certificates) • difficulties to attract qualified labour • high unemployment in many SBP regions driven by dynamic population trends (e.g. negative net migration balance in some regions, demographic change and disparities in the population density between urban and rural areas, rural decline challenges, increasing long-term unemployment etc.). Youth unemployment remains a problem in almost all regions, with a significantly higher rate than the

Selected thematic objective	Selected investment priority	Justification for selection
		<p>region's overall unemployment rate</p> <ul style="list-style-type: none"> • IP fulfils the Europe 2020 Strategy and the EUSBSR objectives aiming at fostering a high-employment economy delivering social and territorial cohesion (see the table above). It meets the challenge of demographic changes and to combat youth unemployment
<p>11 - Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration</p>	<p>11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)</p>	<ul style="list-style-type: none"> • extensive network of partners, organisations and institutions in the South Baltic area, but with a limited number of actors taking part in joint activities and reaping the benefits of cross-border cooperation for local development policies • a distinct maritime context of development in the South Baltic area determined by the sea basin location and long tradition of trade exchange across the sea – but with low recognition of the common South Baltic identity in the local and regional communities • a need to increase the capacity and know-how of local actors in the SBP area to make them more active in cross-border cooperation networks • IP fulfils the objectives for the Europe 2020 Strategy aiming at fostering a high-employment economy delivering social and territorial cohesion. IP addresses the 'Increase Prosperity' objective of the EUSBSR in relation to the development and promotion of a common culture & cultural identity

1.2 Justification for the financial allocation

Justification for the financial allocation (i.e. Union support) to each thematic objective and, where appropriate, investment priority, in accordance with the thematic concentration requirements, taking into account the ex-ante evaluation.

The allocation of available SBP funds has been based on the following aspects:

- the aim of supporting an increase in the blue and green growth potential of the South Baltic area, focusing on the priorities of the Europe 2020 strategy,
- the experiences of the South Baltic programming period 2007-2013,
- the character and estimated financial size of the actions undertaken in each priority,
- the socio-economic diagnosis of the SBP regions,
- consultation results with relevant stakeholders, expressed in surveys conducted among beneficiaries.

Around 89% of the available SBP allocation has been allotted to four thematic objectives – TO3, TO6, TO7 and TO8. Additionally, 5% of the total budget has been allocated to TO11. 6% has been envisaged for technical assistance.

PRIORITY AXIS 1: Strengthening international activeness and innovation capacity of the South Baltic blue & green economy

Around 12% of SBP funds, amounting to EUR 9.97m ERDF have been allocated to Priority 1, with the aim of supporting smart growth. The allocation reflects the character of projects planned to be implemented (mainly soft measures) within this Priority, aimed at including business support structures in its actions, as well as an estimated project size of around EUR 1m ERDF (EUR 20k to EUR 0.3m ERDF for small projects).

The experience from the 2007-2013 period shows that there is a growing interest for the internationalisation and innovation of SMEs. This was reflected in demand, where altogether 14 projects applied within the Measure 1.1 (Entrepreneurial development), requesting around twice as much funding than was available. Therefore, the budget increase may even better contribute to increased competitiveness and growth, allowing the economic disparities in the SBP area to diminish.

PRIORITY AXIS 2: Exploiting the environmental and cultural potential of the region for the blue and green growth

The planned ERDF allocation to Priority 2 is around EUR 39.77m, corresponding to 48% of the SBP ERDF.

This allocation reflects the character of projects planned to be implemented within this priority as well as the estimated project size of around EUR 1-1.5 m ERDF (EUR 20k to EUR 0.3m ERDF for small projects), allowing for the pilot and small-scale investments in blue and green technologies.

The considerably higher allocation as compared to other priorities is justified by the very wide range of activities within this field of intervention, from natural and cultural heritage protection and promotion, to the development and promotion of innovative green technologies and resource efficiency. The SBP goal to increase the blue and green

growth potential of the region can only be achieved through the sustainable use of resources and with respect for the environment.

The allocation, furthermore, reflects the growing interest of potential beneficiaries and regional stakeholders, expressed already in the programming period 2007-2013 by requesting more than EUR 52m ERDF, which was around 50% more than available. Therefore, in order to meet the demand the proposed allocation is increased by around 40%.

PRIORITY AXIS 3: Improving cross-border connectivity for a functional blue and green transport area

The planned ERDF allocation to Priority 3 is around EUR 15.79 m, corresponding to 19% of the SBP ERDF.

This allocation reflects the character of projects planned to be implemented, usually more complex in their setup and of a more strategic nature influencing larger parts of the South Baltic area, as well as an estimated project size of around EUR 1-2 m ERDF (EUR 20k to EUR 0.3m ERDF for small projects), allowing for the pilot and small-scale investments in development of environment-friendly and low-carbon transport services.

The allocation reflects the demand for making the transport modes more efficient, sustainable and safe. Experience from the previous programming period show high demand for more complex and larger projects in the field of transport, and this justifies the significant increase in financial resources for the coming years.

The SBP's overall goal to boost blue and green growth, as well as the objectives of Priorities 1, 2, 4 and 5, can be achieved based on easily accessible and functional transport systems in the area. At the same time, there is a strong need to make the freight transport systems more 'green'.

PRIORITY AXIS 4: Boosting human resource capacities for the region's blue and green economy

Around 10% of SBP funds, amounting to EUR 8.31m ERDF have been allocated to Priority 4, with the aim of supporting a high-employment economy.

This allocation reflects the character of projects (soft activities) planned to be implemented as well as the estimated project size of around EUR 1m ERDF (EUR 20k to EUR 0.3 m ERDF for small projects).

The blue and green economy requires a well-educated labour force and an intake of young graduates matching the requirements in the blue and green professions. Still visible negative trends in the SBP area, i.e. high migration rates of young and qualified people, high unemployment rates, increasing youth unemployment and the blue and green economy's demand for skilled labour justify the increase in the allocation (by 23%) in comparison to the previous programming period

PRIORITY AXIS 5: Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth

The planned ERDF allocation to Priority 5 is around EUR 4.16 m, corresponding to 5% of the SBP ERDF, aimed at supporting the capacities of public administration to contribute to smart, sustainable and inclusive blue and green growth.

The experience gained under the South Baltic Programme 2007-2013 revealed the need to strengthen the capacity of local actors (e.g. municipalities, NGOs, public service providers, cultural institutions etc.) to become engaged in cross-border cooperation, thus allowing them to benefit from the exchange with partners from abroad and to use cross-border cooperation more strategically for local development needs. It was, in particular, visible in the limited numbers of newcomers taking part in the projects. At the same time, there is a clear expectation to involve local actors in cross-border activities.

The allocation reflects the capacity-building character of projects planned to be implemented within this priority as well as the estimated project size of around EUR 20 k to EUR 0.5m ERDF.

Table 2: Overview of the investment strategy of the cooperation programme

Priority axis	ERDF support (€)	Proportion (%) of the total Union support for the cooperation programme (by Fund)			Thematic objective / Investment priority / Specific objective	Result indicators corresponding to the specific indicator
		ERDF	ENI (where applicable)	IPA (where applicable)		
I	9,972,000.00	12.02%	0.00%	0.00%	<ul style="list-style-type: none"> ▼ 03 - Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF) <ul style="list-style-type: none"> ▼ 3b - Developing and implementing new business models for SMEs, in particular with regard to internationalisation <ul style="list-style-type: none"> ▼ 1.1 - Increase the presence of blue and green sector SMEs from the South Baltic area on international markets through joint cross-border actions ▼ 3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes <ul style="list-style-type: none"> ▼ 1.2 - Improve the transfer of innovation for the benefit of blue and green sector SMEs through joint cross-border actions 	[1.1, 1.2]
II	39,773,703.00	47.93%	0.00%	0.00%	<ul style="list-style-type: none"> ▼ 06 - Preserving and protecting the environment and promoting resource efficiency <ul style="list-style-type: none"> ▼ 6c - Conserving, protecting, promoting and developing natural and cultural heritage <ul style="list-style-type: none"> ▼ 2.1 - Increased development of the South Baltic area's natural and cultural heritage assets into sustainable tourist destinations ▼ 6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution <ul style="list-style-type: none"> ▼ 2.2 - Increased use of green technologies in order to decrease the pollution discharges in the South Baltic area 	[2.1, 2.2]
III	15,789,000.00	19.03%	0.00%	0.00%	<ul style="list-style-type: none"> ▼ 07 - Promoting sustainable transport and removing bottlenecks in key network infrastructures <ul style="list-style-type: none"> ▼ 7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility <ul style="list-style-type: none"> ▼ 3 - Improve the quality and environmental sustainability of transport services in the South Baltic area 	[3]
IV	8,310,000.00	10.01%	0.00%	0.00%	<ul style="list-style-type: none"> ▼ 08 - Promoting sustainable and quality employment and supporting labour mobility <ul style="list-style-type: none"> ▼ 8e - Integrating cross-border labour markets, including cross-border mobility, joint local 	[4]

Priority axis	ERDF support (€)	Proportion (%) of the total Union support for the cooperation programme (by Fund)			Thematic objective / Investment priority / Specific objective	Result indicators corresponding to the specific indicator
		ERDF	ENI (where applicable)	IPA (where applicable)		
					employment initiatives, information and advisory services and joint training (ETC-CB) ▼ 4 - Increase the share of skilled labour force working in blue and green economy sectors of the South Baltic area through joint cross-border actions	
V	4,155,354.00	5.01%	0.00%	0.00%	▼ 11 - Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration ▼ 11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB) ▼ 5 - Improve the cooperation capacity of local South Baltic area actors through participation in cross-border networks	[5]
VI	4,978,727.00	6.00%	0.00%	0.00%	6 - To ensure professional and efficient SBP management and implementation	[6]

2. PRIORITY AXES

2.A DESCRIPTION OF THE PRIORITY AXES OTHER THAN TECHNICAL ASSISTANCE

2.A.1 Priority axis

ID of the priority axis	I
Title of the priority axis	Strengthening international activeness and innovation capacity of the South Baltic blue and green economy

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

2.A.2 Justification for the establishment of a priority axis covering more than one thematic objective (where applicable)

not applicable

2.A.3 Fund and calculation basis for Union support

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total

2.A.4 Investment priority

ID of the investment priority	3b
Title of the investment priority	Developing and implementing new business models for SMEs, in particular with regard to internationalisation

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	1.1
Title of the specific objective	Increase the presence of blue and green sector SMEs from the South Baltic area on international markets through joint cross-border actions
Results that the Member States seek to achieve with Union support	<p>Result: increased presence of blue and green sector SMEs from the South Baltic area in international markets.</p> <p>The South Baltic area economy is reliant on small and medium size enterprises operating in a wide variety of sectors, with a strong role of blue and green sectors represented by, for example, maritime sectors, tourism, the forest economy, food production etc. Pursuing the blue and green growth path in the South Baltic area towards a knowledge-based and innovative economy requires the presence of economic actors in international markets, which is still insufficient. South Baltic SMEs, in particular located in rural areas and owned by women, tend to act locally. Very low numbers (only a few percent) of companies are active on international arenas and involved in international trade, and even fewer operate in the markets outside the European Union (e.g. in the Far East).</p> <p>Very often, scarce knowledge, financial and personnel resources at the disposal of the companies, and – in some parts of the South Baltic area – insufficient assistance by business support organisations in obtaining access to information about opportunities, conditions and routines of international market operations (including first customer contacts) represent key obstacles to business internationalisation. Consequently, the expansion of SMEs within and beyond the South Baltic area requires efficient cross-border learning and networking platforms, business advisory services and matchmaking actions to assist them in moving from domestic to international business practices.</p> <p>This measure is dedicated to a more active presence of blue and green sector SMEs in international markets – including other South Baltic regions, other European countries and third markets (e.g. the Far East). It aims at helping mitigate growing disparities in the economic standings between South Baltic urban and rural areas (e.g. in internationalisation levels of SMEs).</p>

Table 3: Programme-specific result indicators (by specific objective)

Specific objective		1.1 - Increase the presence of blue and green sector SMEs from the South Baltic area on international markets through joint cross-border actions					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.1	Performance in the South Baltic area with regard to the presence of blue and green sector SMEs in international markets	performance level (in %) in relation to the maximum performance	62%	2014	65%	expert assessment	Three times (2018, 2021, 2023)

2.A.6 Actions to be supported under the investment priority (by investment priority)

2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

Investment priority	3b - Developing and implementing new business models for SMEs, in particular with regard to internationalisation
<p>Exemplary actions</p> <ul style="list-style-type: none"> • joint development and pilot implementation of innovative business models for the internationalisation of blue and green sector SMEs; • market research for blue and green sector SMEs, their clusters and business support institutions in relation to the introduction of new services and products in international markets; • organisation of activities (e.g. fairs, exhibitions, marketing and joint branding campaigns etc.) promoting products and services of blue and green sector SMEs from the South Baltic area in international markets; • provision of products and services (e.g. cross-border training programmes, counselling, language courses, investment strategies etc.) to improve the capacity of blue and green sector SMEs from the South Baltic area to operate in international markets; • development of internet-based tools to provide targeted information (e.g. through databases and information directories) and to facilitate regulatory procedures for the activities of blue and green sector SMEs in international markets (e.g. in public procurement, employment law, social 	

Investment priority	3b - Developing and implementing new business models for SMEs, in particular with regard to internationalisation
<p>security, taxation and standardisation);</p> <ul style="list-style-type: none"> • awareness raising campaigns and general promotion actions encouraging international trade and business activities of blue and green sector SMEs from the South Baltic area – as an alternative/amendment to national operations; <p>In addition to regular and small-scale cross-border cooperation projects, the Monitoring Committee may decide to co-finance strategic projects under this measure, i.e. projects that have a tangible impact on a significant part of the SBP area. Furthermore, there may be support for seed money activities, defined as drafting activities for a project concept which can be further developed into an application to the SBP. The SBP reserves the right to define separate selection procedures for the aforementioned project categories.</p> <p>Main target groups</p> <p>SMEs representing blue and green sectors of economy and interested in expanding their business operations to international markets (including other South Baltic regions, other European countries and third markets, e.g. the Far East).</p> <p>Specific territories targeted</p> <p>The whole SBP area</p> <p>Exemplary types of beneficiaries</p> <ul style="list-style-type: none"> • local and regional authorities and their associations • formal associations, clusters and networks of SMEs (having legal personality) • chambers of commerce, business support organisations and development agencies • NGOs and R&D organisations providing international promotion and marketing, research and services (e.g. training) • European Groupings of Territorial Cooperation 	

2.A.6.2 Guiding principles for the selection of operations

Investment priority	3b - Developing and implementing new business models for SMEs, in particular with regard to internationalisation
In the SBP, the same guiding principles for the selection of operations are to be used for all priority axes. Arrangements related to the assessment procedures have been summarised in section 5.3.	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	3b - Developing and implementing new business models for SMEs, in particular with regard to internationalisation
no applicable	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	3b - Developing and implementing new business models for SMEs, in particular with regard to internationalisation
not applicable	

2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority	3b - Developing and implementing new business models for SMEs, in particular with regard to internationalisation				
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting

Investment priority		3b - Developing and implementing new business models for SMEs, in particular with regard to internationalisation			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
CO01	Productive investment: Number of enterprises receiving support	Enterprises	350.00	Progress reports	annually
CO02	Productive investment: Number of enterprises receiving grants	Enterprises	70.00	Progress reports	annually
CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	280.00	Progress Reports	annually
1.1.1	No. of cross-border support services/programmes delivered to blue and green sector SMEs to foster their internationalisation	Absolute numbers	10.00	Progress reports	annually
1.1.2	No. of cross-border support services/programmes delivered to blue and green sector SMEs to foster their competitiveness	Absolute numbers	10.00	Progress Reports	annually

2.A.4 Investment priority

ID of the investment priority	3d
Title of the investment priority	Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	1.2
Title of the specific objective	Improve the transfer of innovation for the benefit of blue and green sector SMEs through joint cross-border actions
Results that the Member States seek to achieve with Union support	Result: increased innovation capacity of blue and green sector SMEs in the South Baltic area. The South Baltic area can build on relatively strong and fast growing blue and green sectors, with a high innovation

ID of the specific objective	1.2
Title of the specific objective	Improve the transfer of innovation for the benefit of blue and green sector SMEs through joint cross-border actions
	<p>performance of regional economies in the north-western part and in densely populated urban areas.</p> <p>At the same time, the transition economies of the SBP regions in Poland and Lithuania demonstrate low survival rates and growth trajectories among SMEs, the innovation capacity of which is rather poor. Less developed business support and financing structures in the eastern South Baltic regions hamper the development of innovative products and services in the blue and green sector. A similar gap in innovation performance exists between urban and rural areas in all SBP regions.</p> <p>The transfer of innovation between the more and less advanced regions in the South Baltic area faces several difficulties, related to:</p> <ul style="list-style-type: none"> • low level of cooperation between SMEs and R&D institutions, especially in non-technological innovation processes; • poor competences in R&D institutions for supporting SMEs in non-technological innovation; • no practical experience in exploiting the innovation and synergy potential resulting from a combination of knowledge-based and creative industries with traditional economic sectors. <p>The territorial disparity in SME innovation capacity between the north-western and the south-eastern parts of the SBP area as well as between the urban and rural territories weakens convergence processes between the regional economies. To improve the competitiveness of blue and green sector SMEs, the common asset of a high share of upper-secondary and tertiary education graduates must be better used.</p> <p>This measure is dedicated to actions raising the innovation capacity of blue and green sector SMEs within the South Baltic area. It aims to help mitigate growing disparities in the economic standings between South Baltic urban and rural areas.</p>

Table 3: Programme-specific result indicators (by specific objective)

Specific objective		1.2 - Improve the transfer of innovation for the benefit of blue and green sector SMEs through joint cross-border actions					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.2	Performance in the South Baltic area in the transfer of innovation for the benefit of blue and green sector SMEs	performance level (in %) in relation to the maximum performance	60%	2014	63%	expert assessment	Three times (2018, 2021, 2023)

2.A.6 Actions to be supported under the investment priority (by investment priority)

2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
Exemplary actions	
<ul style="list-style-type: none"> • provision and testing of cross-border training and capacity-building services for blue and green sector SMEs in order to improve their innovation capacity (e.g. in innovation management etc); • provision of business advisory services (e.g. training, market research, counselling etc.) to blue and green sector SMEs from the South Baltic area on the introduction of new services and products in the South Baltic market through cross-border ventures; • organisation of cross-border events to enable the exchange of experience and stimulate innovation transfer between blue and green sector SMEs from the South Baltic area; • development and testing of cross-border smart specialisation strategies and joint branding concepts for new products and services in the blue and green sectors of the South Baltic economy; • development and testing of cross-border triple-helix cooperation models, platforms and networks with the participation of enterprises, research institutions, universities and public administration, dedicated to a better transfer and absorption of innovation by blue and green sector SMEs from the South Baltic area; 	

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
<p>In addition to regular and small-scale cross-border cooperation projects, the Monitoring Committee may decide to co-finance strategic projects under this measure, i.e. projects that have a tangible impact on a significant part of the SBP area. Furthermore, there may be support for seed money activities, defined as drafting activities for a project concept which can be further developed into an application to the SBP. The SBP reserves the right to define separate selection procedures for the aforementioned project categories.</p> <p>Main target groups</p> <p>SMEs representing blue and green sector and developing/transferring innovative products and services within the South Baltic area</p> <p>Specific territories targeted</p> <p>The whole SBP territory</p> <p>Exemplary types of beneficiaries</p> <ul style="list-style-type: none"> • formal associations, clusters and networks of SMEs (having legal personality) • chambers of commerce, business development agencies, business incubators, technology parks and other business support and finance organisations • local and regional authorities • higher education and R&D institutions • NGOs providing promotion and services focused on innovation aspects • European Groupings of Territorial Cooperation 	

2.A.6.2 Guiding principles for the selection of operations

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
<p>In the SBP, the same guiding principles for the selection of operations are to be used for all priority axes. Arrangements related to the assessment</p>	

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
procedures have been summarised in section 5.3.	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
not applicable	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes
not applicable	

2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority	3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes				
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
CO26	Research, Innovation: Number of enterprises cooperating with research institutions	Enterprises	10.00	Prpgress report	annually

Investment priority		3d - Supporting the capacity of SMEs to grow in regional, national and international markets, and to engage in innovation processes			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
1.2.1	No. of established or enhanced cross-border clusters, networks and triple-helix models	Absolute numbers	5.00	Progress report	annually
1.2.2	No. of cross-border services/programmes delivered to blue and green sector SMEs to foster their innovation capacity	Absolute numbers	10.00	Progress report	annually
1.2.3	No. of cross-border support services/programmes delivered to blue and green sector SMEs to foster their competitiveness	Absolute numbers	10.00	Progress Reports	annually

2.A.7 Performance framework

Table 5: Performance framework of the priority axis

Priority axis		I - Strengthening international activeness and innovation capacity of the South Baltic blue and green economy					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
1a	I	No. of cross-border support services/programmes to blue and green sector SMEs to foster their competitiveness to be delivered by contracted projects	Absolute numbers	6	20.00	Contracted projects	Considering the average duration of South Baltic projects, it is very likely that none of the approved projects will be finalised in 2018. Therefore, as only finalised projects shall be considered for the output indicators, the key implementation steps have been introduced in order to present the progress in the SBP implementation.
1b	F	Certified expenditure	Euros	1 231 111,20	12,311,112.00	Accounting system of	target for 2018: 10% of total eligible expenditure

Priority axis		I - Strengthening international activeness and innovation capacity of the South Baltic blue and green economy					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
						the MA/CA	target for 2023: 100% of total eligible expenditure
1.1.2	O	No. of cross-border support services/programmes delivered to blue and green sector SMEs to foster their competitiveness	Absolute numbers	0	20.00	Progress Reports	100% of the financial resources for Priority Axis 1 are assumed to be allocated to the achievement of this indicator

Additional qualitative information on the establishment of the performance framework

Considering the average duration of South Baltic projects, it is very likely that none of the approved projects will be finalised in 2018. Therefore, as only finalised projects shall be considered for the output indicators, the key implementation steps have been introduced in order to present the progress in the SBP implementation.

2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Tables 6-9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	I - Strengthening international activeness and innovation capacity of the South Baltic blue and green economy	
	Code	Amount (€)
060. Research and innovation activities in public research centres and centres of competence including networking		800,000.00
061. Research and innovation activities in private research centres including networking		800,000.00
062. Technology transfer and university-enterprise cooperation primarily benefiting SMEs		900,000.00
063. Cluster support and business networks primarily benefiting SMEs		900,000.00
064. Research and innovation processes in SMEs (including voucher schemes, process, design, service and social innovation)		1,800,000.00
066. Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)		1,500,000.00
067. SME business development, support to entrepreneurship and incubation (including support to spin offs and spin outs)		1,660,000.00
069. Support to environmentally-friendly production processes and resource efficiency in SMEs		1,612,000.00

Table 7: Dimension 2 Form of finance

Priority axis	I - Strengthening international activeness and innovation capacity of the South Baltic blue and green economy	
	Code	Amount (€)
01. Non-repayable grant		9,972,000.00

Table 8: Dimension 3 Territory type

Priority axis	I - Strengthening international activeness and innovation capacity of the South Baltic blue and green economy	
	Code	Amount (€)
04. Macro regional cooperation area		9,972,000.00

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	I - Strengthening international activeness and innovation capacity of the South Baltic blue and green economy	
	Code	Amount (€)
07. Not applicable		9,972,000.00

2.A.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

Priority axis:	I - Strengthening international activeness and innovation capacity of the South Baltic blue and green economy
not applicable	

2.A.1 Priority axis

ID of the priority axis	II
Title of the priority axis	Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

2.A.2 Justification for the establishment of a priority axis covering more than one thematic objective (where applicable)

not applicable

2.A.3 Fund and calculation basis for Union support

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total

2.A.4 Investment priority

ID of the investment priority	6c
Title of the investment priority	Conserving, protecting, promoting and developing natural and cultural heritage

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	2.1
Title of the specific objective	Increased development of the South Baltic area's natural and cultural heritage assets into sustainable tourist destinations
Results that the Member States seek to achieve with Union support	<p>Result: increased popularity of natural and cultural heritage areas/sites as sustainable tourism destinations.</p> <p>Benefitting from the blue and green character of the South Baltic area, tourism is one of the key sectors that determines the viability of small suburban settlements or rural areas. It is a good source of employment, however, the average income in the sector is among the lowest due to the seasonal pattern of conventional, sojourn tourism along the sea coast. Indeed, with high indices along the coast and low tourist stay figures in hinterland areas, the tourism intensity in the area is considerably unbalanced, causing particular pressure on coastal ecosystems.</p> <p>At the same time, the natural conditions of the entire South Baltic area provide opportunities for environmentally sensitive tourism that could extend the tourist season and diversify the currently prevailing tourism patterns. In particular, the protection, preservation and management of the area's rich and diverse natural and cultural heritage offers new perspectives for their sustainable use and development.</p> <p>The SBP will thus give emphasis to the promotion of 'blue and green' tourism and hence to sustainable segments of tourism featuring destinations where natural and cultural heritage are the primary attractions. The SBP aims to exploit the potential for blue and green tourism by encouraging, for example, cross-border tourist trails linking natural and cultural heritage sites, jointly developed and marketed strategies and packages of e-services. Cross-border development of blue and green tourism requires innovative approaches to the sustainable management of natural and cultural heritage sites, maintaining a balance between economic use, environmental protection and the satisfaction of visitors and citizens. For that reason, they may involve other economic spheres (e.g. creative industry, information and communication technologies etc).</p>

Table 3: Programme-specific result indicators (by specific objective)

Specific objective	2.1 - Increased development of the South Baltic area's natural and cultural heritage assets into sustainable tourist destinations
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ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.1	Performance in the South Baltic area in the use of natural and cultural heritage assets as sustainable tourist destinations	performance level (in %) in relation to the maximum performance	63%	2014	68%	expert assessment	Three times (2018, 2021, 2023)

2.A.6 Actions to be supported under the investment priority (by investment priority)

2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>Exemplary actions</p> <ul style="list-style-type: none"> • preparation and implementation of small-scale pilot investments that enhance blue and green tourism infrastructure and services (e.g. cross-border thematic routes, underwater nature trails, chains of marinas and small ports, etc); • joint events (e.g. events, fairs, marketing campaigns), publications, studies, and creation of cross-border strategies and products promoting the South Baltic area as a blue and green tourism destination; • inclusion of natural and cultural heritage sites in the networks and chains of blue and green tourism in the South Baltic area; • joint marketing the South Baltic area as a blue and green tourism destination and the promotion of cultural and natural assets of the South Baltic area, including land and underwater sites under formal protection (e.g. national parks, landscape parks and nature reserves protecting land and underwater habitats, UNESCO World Heritage Sites, World Biosphere Reserves, NATURA 2000 sites, cultural sites etc); • capacity-building actions and joint campaigns enhancing the management of natural and cultural heritage sites on a cross-border scale, including the exchange of experiences, transfer of knowledge and the creation of network cooperation among authorities and administrations responsible for the management of natural and cultural heritage sites in the South Baltic area; • development of joint cross-border ICT tools for blue and green tourism attractions and accommodation facilities in the SBP area; • exchanging know-how and promotion of Eco-Management and Audit Scheme as well as joint eco-labelling actions for environmentally friendly 	

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>products;</p> <ul style="list-style-type: none"> • actions to protect and reinforce biodiversity and nature. <p>Beyond regular and small-scale cross-border cooperation projects, the Monitoring Committee may decide to co-finance strategic projects under this measure, i.e. projects that have a tangible impact on a significant part of the SBP area. Furthermore, there may be support for seed money activities, defined as drafting activities for a project concept which can be further developed into an application to the SBP. The SBP reserves the right to define separate selection procedures for the aforementioned project categories.</p> <p>Main target groups</p> <ul style="list-style-type: none"> • Visitors (tourists and inhabitants) to natural and cultural heritage areas/sites in the South Baltic area; • Managers of regional/local tourist agencies; • Managers of natural and cultural heritage sites <p>Specific territories targeted</p> <p>The whole SBP territory</p> <p>Exemplary types of beneficiaries</p> <ul style="list-style-type: none"> • local and regional authorities and their associations • formal associations, clusters and networks of SMEs (having legal personality) • chambers of commerce, business development agencies, tourist agencies and other business support and financial organisations • NGOs providing promotion and marketing services linked directly or indirectly to the tourism and cultural sector • institutions of natural, culture and national heritage protection • forest management institutions • R&D and educational institutions • European Groupings of Territorial Cooperation 	

2.A.6.2 Guiding principles for the selection of operations

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
In the SBP, the same guiding principles for the selection of operations are to be used for all priority axes. Arrangements related to the assessment procedures have been summarised in section 5.3.	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
not applicable	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
not applicable	

2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority		6c - Conserving, protecting, promoting and developing natural and cultural heritage			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
CO09	Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year	6,300.00	Progress reports	annually
2.1.1	Size of pilot investments co-financed by the Programme in blue and green tourism infrastructure and services	EUR	325,000.00	Progress reports	annually
2.1.2	No. of delivered blue and green tourism services, products and tools	Absolute numbers	75.00	Progress reports	annually
2.1.3	No. of delivered blue and green services, products and tools exploiting the environmental, natural and cultural potential of the South Baltic area	Absolute numbers	75.00	Progress Reports	annually

2.A.4 Investment priority

ID of the investment priority	6f
Title of the investment priority	Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	2.2
Title of the specific objective	Increased use of green technologies in order to decrease the pollution discharges in the South Baltic area
Results that the Member States seek to achieve with Union	Result: increased use of green technologies by South Baltic area stakeholders benefiting from cross-border cooperation.

ID of the specific objective	2.2
Title of the specific objective	Increased use of green technologies in order to decrease the pollution discharges in the South Baltic area
support	<p>Despite the decrease of nitrogen and phosphorus discharges into the Baltic Sea, mainly due to the elimination of main pollution sites in the coastal zone, riverine loads from diffuse sources (e.g. agricultural activities or scattered dwellings) as well as high surface runoffs of nutrients remain common challenges in the SBP area.</p> <p>The considerable environmental pressure in the area results from the concentration of economic activities in urban centres (e.g. industry, households, transport), related negative environmental processes (e.g. brownfields, air and storm water pollution, sewage overflow), and coastal areas (e.g. where related to tourism).</p> <p>Nutrients discharged into the Baltic Sea from diffuse sources (also via communal infrastructure) lead to higher eutrophication as well as fragmentation and losses in biodiversity. Algae blooms, an effect of eutrophication, are regarded as the most important nuisance in the area. A similar challenge of maintaining the aesthetic and recreational quality of the landscape for tourists and residents is attributed to inappropriate air quality in populated places, resulting from the use of fuels of inadequate quality, waste incineration in unsuitable boilers and the use of old high-emission heat sources by individual households, companies and district heat providers.</p> <p>Despite the strong positive trend in the use of renewable resources, inefficient absorption processes are still evident, caused, for example, by existing technical and administrative burdens in energy transport and storage.</p> <p>At the same time, the South Baltic area has the potential to develop green technology sectors in cooperation with SMEs, manufacturing industries and R&D institutions, enabling a better uptake of innovative green technologies in environmental management and, consequently, a reduction in air and water pollution discharges.</p>

Table 3: Programme-specific result indicators (by specific objective)

Specific objective	2.2 - Increased use of green technologies in order to decrease the pollution discharges in the South Baltic area
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ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.2	Performance in the South Baltic area in the uptake of green technologies in order to decrease the pollution discharges	performance level (in %) in relation to the maximum performa	70%	2014	75%	expert assessment	Three times (2018, 2021, 2023)

2.A.6 Actions to be supported under the investment priority (by investment priority)

2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

Investment priority	6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
<p>Exemplary actions</p> <ul style="list-style-type: none"> • developing, demonstrating and implementing small-scale green technology investments (pilot projects) in waste management (e.g. re-use, recycling, recovery etc.), water management, heating, air protection, production of energy from renewable sources (e.g. wave, wind and solar energy, biomass, geothermal energy, etc.) and renewable energy storage; • developing and testing of innovative cross-border solutions aiming at improving and coordinating sustainable energy networks (e.g. development and reorganisation of smart grids, virtual power plants, heating supply, integration of storage, maritime transmission grids); • joint cross-border studies, strategies and action plans to mitigate water and air pollution in the South Baltic area through the application of innovative green technologies; • elaboration and testing of common cross-border standards in waste and water management, heating and air protection by public entities, in cooperation with universities, research centres, companies and cooperatives of farmers and residents; • development and testing of innovative cross-border solutions aimed at decreasing the outflows of nutrients from small and diffuse sources in catchment areas; • elaboration of green policy strategies and patterns to overcome challenges and mobilise regional opportunities for renewable energies and energy 	

Investment priority	6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
<p>efficiency, including models for cooperation with energy service companies on comprehensive energy solutions;</p> <ul style="list-style-type: none"> • capacity building actions, transfer of knowledge and exchange of experiences about innovative green technology solutions to improve efforts of different actors to protect the water and air environment, contingency planning and promoting resource efficiency; <p>Beyond regular and small-scale cross-border cooperation projects, the Monitoring Committee may decide to co-finance strategic projects under this measure, i.e. projects that have a tangible impact on a significant part of the SBP area. Furthermore, there may be support for seed money activities, defined as drafting activities for a project concept, which can be further developed into an application to the SBP. The SBP reserves the right to define separate selection procedures for the aforementioned project categories.</p> <p>Main target groups</p> <p>Public institutions and equivalent public entities in the South Baltic area</p> <p>Specific territories targeted</p> <p>The whole SBP territory</p> <p>Exemplary types of beneficiaries</p> <ul style="list-style-type: none"> • local and regional authorities and their associations • public or private (having either public or non-profit character) companies dealing with communal and municipal environmental and energy management (such as waste and water, heating, air protection) • formal associations, clusters and networks of SMEs (having legal personality) • chambers of commerce, business development agencies and other business support and finance organisations • NGOs active in the environmental protection and management sector • schools, higher education and R&D institutions • cooperatives of farmers and residents (having legal personality) • European Groupings of Territorial Cooperation 	

Investment priority	6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution

2.A.6.2 Guiding principles for the selection of operations

Investment priority	6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
In the SBP, the same guiding principles for the selection of operations are to be used for all priority axes. Arrangements related to the assessment procedures have been summarised in section 5.3.	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
not applicable	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution
not applicable	

2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority		6f - Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector and with regard to soil, or to reduce air pollution			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
2.2.1	Size of pilot investments co-financed by the Programme in the uptake of green technologies	EUR	1,000,000.00	Progress reports	annually
2.2.2	No. of delivered green technology services, products, standards and tools	Absolute numbers	25.00	Progress reports	annually
2.2.3	No. of delivered blue and green services, products and tools exploiting the environmental, natural and cultural potential of the South Baltic area	Absolute numbers	25.00	Progress Reports	annually

2.A.7 Performance framework

Table 5: Performance framework of the priority axis

Priority axis		II - Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
2a	I	No. of blue and green services, products and tools exploiting the environmental, natural and cultural potential of the	Absolute numbers	15	100.00	Contracted projects	Considering the average duration of South Baltic projects, it is very likely that none of the approved projects will be finalised in 2018. Therefore, as only finalised projects shall be considered for the output indicators, the key implementation steps have been

Priority axis		II - Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
		South Baltic area to be delivered by contracted projects					introduced in order to present the progress in the SBP implementation.
2b	F	Certified expenditure	Euros	4 910 333,70	49,103,337.00	Accounting system of the MA/CA	target for 2018: 10% of total eligible expenditure target for 2023: 100% of total eligible expenditure
2.1.3	O	No. of delivered blue and green services, products and tools exploiting the environmental, natural and cultural potential of the South Baltic area	Absolute numbers	0	100.00	Progress Reports	100% of the financial resources for Priority Axis 2 are assumed to be allocated to the achievement of this indicator

Additional qualitative information on the establishment of the performance framework

Considering the average duration of South Baltic projects, it is very likely that none of the approved projects will be finalised in 2018. Therefore, as only finalised projects shall be considered for the output indicators, the key implementation steps have been introduced in order to present the progress in the SBP implementation.

2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Tables 6-9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	II - Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth	
	Code	Amount (€)
	009. Renewable energy: wind	2,000,000.00
	010. Renewable energy: solar	1,000,000.00
	011. Renewable energy: biomass	2,888,000.00
	012. Other renewable energy (including hydroelectric, geothermal and marine energy) and renewable energy integration (Including storage, power to gas and renewable hydrogen infrastructure)	2,000,000.00
	013. Energy efficiency renovation of public infrastructure, demonstration projects and supporting measures	2,000,000.00
	021. Water management and drinking water conservation (including river basin management, water supply, specific climate change adaptation measures, district and consumer metering, charging systems and leak reduction)	2,000,000.00
	023. Environmental measures aimed at reducing and / or avoiding greenhouse gas emissions (including treatment and storage of methane gas and composting)	3,000,000.00
	074. Development and promotion of tourism assets in SMEs	4,500,000.00
	076. Development and promotion of cultural and creative assets in SMEs	4,500,000.00
	083. Air quality measures	2,000,000.00

Priority axis	II - Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth	
085. Protection and enhancement of biodiversity, nature protection and green infrastructure		3,885,703.00
086. Protection, restoration and sustainable use of Natura 2000 sites		4,000,000.00
091. Development and promotion of the tourism potential of natural areas		6,000,000.00

Table 7: Dimension 2 Form of finance

Priority axis	II - Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth	
	Code	Amount (€)
01. Non-repayable grant		39,773,703.00

Table 8: Dimension 3 Territory type

Priority axis	II - Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth	
	Code	Amount (€)
04. Macro regional cooperation area		39,773,703.00

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	II - Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth	
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Code	Amount (€)
07. Not applicable	39,773,703.00

2.A.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

Priority axis:	II - Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth
not applicable	

2.A.1 Priority axis

ID of the priority axis	III
Title of the priority axis	Improving cross-border connectivity for a functional blue and green transport area

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

2.A.2 Justification for the establishment of a priority axis covering more than one thematic objective (where applicable)

not applicable

2.A.3 Fund and calculation basis for Union support

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total

2.A.4 Investment priority

ID of the investment priority	7c
Title of the investment priority	Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	3
Title of the specific objective	Improve the quality and environmental sustainability of transport services in the South Baltic area
Results that the Member States seek to achieve with Union support	<p>Result: improved and more environmentally sustainable passenger and intermodal cargo services in the South Baltic area.</p> <p>The South Baltic area features a predominant car-based mobility pattern, with a high reliance on cars and trucks in inter-regional travel. In terms of passenger traffic, one of the reasons behind this is the insufficient quality of public intermodal services when moving across borders, as exemplified by: incompatible ticketing systems, lack of combi-tickets, non-harmonised timetables, the unavailability of information about public transport services in transfer sites or the lack of shuttle services between passenger terminals and city centres or railway stations. Similar harmonisation and compatibility challenges occur in the rail/intermodal freight sector.</p> <p>At the same time, the regions are in need of new and more attractive maritime and air passenger services to improve the direct connectivity. This requires efforts to attract operators and develop appropriate framework conditions to increase the attractiveness and sustainability of new and improved lines.</p> <p>Both the north-south freight traffic and the quickly growing east-west freight flows across the area lack sustainable and integrated logistics concepts, harmonised regulations, smart innovation platforms etc. Such transport greening measures will help reduce the environmental footprint and improve the logistics efficiency of long-haul supply chains.</p> <p>While excluding large-scale investments in transport infrastructure, the measure will thus concentrate on two mobility challenges evident for the South Baltic area:</p> <ol style="list-style-type: none"> 1. The development, transfer and testing of innovative solutions aimed at reducing the environmental footprint of mobility, in particular by focussing on multimodal passenger & freight transport solutions and greening measures; 2. The improvement of cross-border connectivity through “soft” measures such as cross-border ticketing and information systems, harmonised schedules etc.

ID of the specific objective	3
Title of the specific objective	Improve the quality and environmental sustainability of transport services in the South Baltic area

Table 3: Programme-specific result indicators (by specific objective)

Specific objective		3 - Improve the quality and environmental sustainability of transport services in the South Baltic area					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3	Performance in the South Baltic area in the provision of transport services of high quality and environmental sustainability	performance level (in %) in relation to the maximum performance	72%	2014	76%	expert assessment	Three times (2018, 2021, 2023)

2.A.6 Actions to be supported under the investment priority (by investment priority)

2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
Exemplary actions	
<ul style="list-style-type: none"> preparation and deployment of cross-border transport greening measures, including small-scale (pilot) investments, to lower the environmental impact (footprint) of transport services and to increase their quality and interoperability; joint development of smart mobility concepts decreasing the reliance on cars and trucks and better utilisation of public transport services (e.g. through mobility management schemes for less accessible areas and for areas suffering from negative demographic changes etc); 	

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<ul style="list-style-type: none"> • joint development of solutions aimed at using more environmentally friendly means of transport; • provision of solutions to improve the sustainability, density and quality of air and sea transport services (ferries) in the South Baltic area, including facilitation of new links between the SBP regions; • preparation of studies addressing deficiencies in intermodal passenger and cargo services across the borders of the SBP regions; <p>In addition to regular and small-scale cross-border cooperation projects, the Monitoring Committee may decide to co-finance strategic projects under this measure, i.e. projects that have a tangible impact on a significant part of the SBP area. Furthermore, there may be support for seed money activities, defined as drafting activities for a project concept which can be further developed into an application to the SBP. The SBP reserves the right to define separate selection procedures for the aforementioned project categories.</p> <p>Main target groups</p> <ul style="list-style-type: none"> • transport infrastructure managers and users • public transport users (passengers) <p>Specific territories targeted</p> <p>The whole SBP territory</p> <p>Exemplary types of beneficiaries</p> <ul style="list-style-type: none"> • local and regional authorities and their associations • public transport companies • transport infrastructure administration • formal associations, clusters and networks of SMEs (having legal personality) working with transport greening solutions • chambers of commerce, business development agencies and other business support and finance organisations • higher education and R&D institutions 	

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<ul style="list-style-type: none"> • European Groupings of Territorial Cooperation 	

2.A.6.2 Guiding principles for the selection of operations

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
<p>In the SBP, the same guiding principles for the selection of operations are to be used for all priority axes. Arrangements related to the assessment procedures have been summarised in section 5.3.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
not applicable	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
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Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility
not applicable	

2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority	7c - Developing and improving environmentally-friendly (including low noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility				
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
3.1	Size of pilot investments in transport services co-financed by the Programme	EUR	1,500,000.00	Progress reports	annually
3.2	No. of delivered strategies, measures and tools aimed at improving the standard, efficiency, interoperability and/or environmental performance of transport services	Absolute numbers	20.00	Progress reports	annually

2.A.7 Performance framework

Table 5: Performance framework of the priority axis

Priority axis		III - Improving cross-border connectivity for a functional blue and green transport area					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate

Priority axis		III - Improving cross-border connectivity for a functional blue and green transport area					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
3.2	O	No. of delivered strategies, measures and tools aimed at improving the standard, efficiency, interoperability and/or environmental performance of transport services	Absolute numbers	0	20.00	Progress reports	100% of the financial resources for Priority Axis 3 are assumed to be allocated to the achievement of this indicator.
3a	I	No. of strategies, measures and tools aimed at improving the standard, efficiency, interoperability and/or environmental performance of transport services to be delivered by contracted projects	Absolute numbers	5	20.00	Contracted projects	Considering the average duration of South Baltic projects, it is very likely that none of the approved projects will be finalised in 2018. Therefore, as only finalised projects shall be considered for the output indicators, the key implementation steps have been introduced in order to present the progress in the SBP implementation.
3b	F	Certified expenditure	Euros	1 949 259,30	19,492,593.00	Accounting system of the MA/CA	target for 2018: 10% of total eligible expenditure target for 2023: 100% of total eligible expenditure

Additional qualitative information on the establishment of the performance framework

Considering the average duration of South Baltic projects, it is very likely that none of the approved projects will be finalised in 2018. Therefore, as only finalised projects shall be considered for the output indicators, the key implementation steps have been introduced in order to present the progress in the Programme implementation

2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Tables 6-9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	III - Improving cross-border connectivity for a functional blue and green transport area	
	Code	Amount (€)
	036. Multimodal transport	5,500,000.00
	043. Clean urban transport infrastructure and promotion (including equipment and rolling stock)	4,500,000.00
	044. Intelligent transport systems (including the introduction of demand management, tolling systems, IT monitoring control and information systems)	3,000,000.00
	084. Integrated pollution prevention and control (IPPC)	2,789,000.00

Table 7: Dimension 2 Form of finance

Priority axis	III - Improving cross-border connectivity for a functional blue and green transport area	
	Code	Amount (€)
	01. Non-repayable grant	15,789,000.00

Table 8: Dimension 3 Territory type

Priority axis	III - Improving cross-border connectivity for a functional blue and green transport area	
	Code	Amount (€)
04. Macro regional cooperation area		15,789,000.00

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	III - Improving cross-border connectivity for a functional blue and green transport area	
	Code	Amount (€)
07. Not applicable		15,789,000.00

2.A.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

Priority axis:	III - Improving cross-border connectivity for a functional blue and green transport area	
not applicable		

2.A.1 Priority axis

ID of the priority axis	IV
Title of the priority axis	Boosting human resource capacities for the area's blue and green economy

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

2.A.2 Justification for the establishment of a priority axis covering more than one thematic objective (where applicable)

not applicable

2.A.3 Fund and calculation basis for Union support

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total

2.A.4 Investment priority

ID of the investment priority	8e
Title of the investment priority	Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	4
Title of the specific objective	Increase the share of skilled labour force working in blue and green economy sectors of the South Baltic area through joint cross-border actions
Results that the Member States seek to achieve with Union support	<p>Result: better prepared labour force for workplaces in blue and green sector companies in the South Baltic area.</p> <p>Following a blue and green growth path in the South Baltic area requires access to skilled labour that would drive the development of innovative and internationally active enterprises, proficiently manage the area's natural and cultural heritage assets, skilfully utilise green technologies and renewable energy resources and deliver greener and more efficient transport services.</p> <p>However, companies are finding that recruiting qualified staff and attracting proficient labour to the blue and green sectors of the economy is a challenge.</p> <p>At the same time, the area has an untapped resource of vocational and tertiary education graduates suited for employment in sectors of the blue and green economy but who are missing out on job opportunities because of an inadequate matching of skills, work profiles and their locations. This functional mismatch needs to be addressed in the cross-border context. Labour markets in the SBP regions should be better integrated, allowing skilled employees and young graduates to exploit employment opportunities in the blue and green economy. This calls for a better coordination of action between enterprises, public employment services, labour market agencies, educational institutions and business support organisations of the SBP regions in connecting the qualifications of skilled labour with career offers.</p> <p>Cross-border cooperation between the above mentioned stakeholders should also address the need to better prepare university and college graduates to enter the labour market and obtain employment in the blue and green economy. It requires an organised, multi-stakeholder approach in developing training programmes, cooperation with employers regarding traineeships and apprenticeships in the form of employment, qualification courses, advice services, and matchmaking platforms and products.</p>

Table 3: Programme-specific result indicators (by specific objective)

Specific objective		4 - Increase the share of skilled labour force working in blue and green economy sectors of the South Baltic area through joint cross-border actions					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4	Performance in the South Baltic area to ensure skilled labour for the blue and green economy	performance level (in %) in relation to the maximum performance	68%	2014	71%	expert assessment	Three times (2018, 2021, 2023)

2.A.6 Actions to be supported under the investment priority (by investment priority)

2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

Investment priority	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
Exemplary actions	
<ul style="list-style-type: none"> • development, modification and testing of joint cross-border services connecting vocational and tertiary education graduates as well as employers in blue and green economy sectors (e.g. cross-border job search platforms, multi-lingual job applications, cross-border employment fairs, employment advice centres, dedicated [post-graduate] study profiles for blue and green sector companies, etc.); • provision of cross-border training programmes (e.g. in language and cross-cultural skills) and qualification courses for the labour force, including tertiary and vocational education graduates, to suit employment needs in blue and green economy sectors; • provision of tools or schemes for better harmonisation and international recognition of professional or vocational qualifications in blue and green economy sectors; • preparation and deployment of cross-border internships, apprenticeships and different forms of exchanges for the labour force aimed at acquiring qualifications necessary for blue and green sector professions in the SBP regions; • joint development of models and solutions supporting self-employment of university and college graduates in blue and green economy sectors; 	

Investment priority	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
<ul style="list-style-type: none"> • transfer of knowledge and exchange of experience to improve efforts of labour market stakeholders in stimulating employment in blue and green economy sectors of the South Baltic area; • information and advisory services for potential cross-border workers on legal requirements and working conditions in other countries of the South Baltic region. <p>In addition to regular and small-scale cross-border cooperation projects, the Monitoring Committee may decide to co-finance strategic projects under this measure, i.e. projects that have a tangible impact on a significant part of the SBP area. Furthermore, there may be support for seed money activities, defined as drafting activities for a project concept which can be further developed into an application to the SBP. The SBP reserves the right to define separate selection procedures for the aforementioned project categories.</p> <p>Main target groups</p> <ul style="list-style-type: none"> • vocational school graduates, university and college graduates entering the South Baltic labour market • labour force for workplaces in blue and green economy sectors • employers in blue and green economy sectors <p>Specific territories</p> <p>The whole SBP territory</p> <p>Exemplary types of beneficiaries</p> <ul style="list-style-type: none"> • local and regional authorities and their associations • labour offices and labour market administration • labour unions and employer organisations • educational and R&D institutions • formal associations, clusters and networks of SMEs (having legal personality) • chambers of commerce, business development agencies and other business support organisations 	

Investment priority	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
<ul style="list-style-type: none"> • NGOs involved in the training and qualifications of the labour force • European Groupings of Territorial Cooperation 	

2.A.6.2 Guiding principles for the selection of operations

Investment priority	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
<p>In the SBP, the same guiding principles for the selection of operations are to be used for all priority axes. Arrangements related to the assessment procedures have been summarised in section 5.3.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
not applicable	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
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Investment priority	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
not applicable	

2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority		8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
CO44	Labour Market and Training: Number of participants in joint local employment initiatives and joint training	Persons	200.00	Progress reports	annually
CO46	Labour Market and Training: Number of participants in joint education and training schemes to support youth employment, educational opportunities and higher and vocational education across borders	Persons	300.00	Progress reports	annually
4.1	No. of delivered cross-border employment schemes (i.e. services, model solutions, tools and programmes) and joint training supporting employment in the blue and green economy of the South Baltic area	Absolute numbers	12.00	Progress report	annually
4.2	No. of stakeholders involved in the implementation of cross-border employment schemes and joint training	Absolute numbers	100.00	Progress reports	annually

2.A.7 Performance framework

Table 5: Performance framework of the priority axis

Priority axis		IV - Boosting human resource capacities for the area's blue and green economy					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
4.1	O	No. of delivered cross-border employment schemes (i.e. services, model solutions, tools and programmes) and joint training supporting employment in the blue and green economy of the South Baltic area	Absolute numbers	0	12.00	Progress Reports	100% of the financial resources for Priority Axis 4 are assumed to be allocated to the achievement of this indicator.
4a	I	No. of cross-border employment schemes (i.e. services, model solutions, tools and programmes) and joint training supporting employment in the blue and green economy of the South Baltic area to be delivered by contracted projects	Absolute numbers	3	12.00	Contracted projects	Considering the average duration of South Baltic projects, it is very likely that none of the approved projects will be finalised in 2018. Therefore, as only finalised projects shall be considered for the output indicators, the key implementation steps have been introduced in order to present the progress in the SBP implementation.
4b	F	Certified expenditure	Euros	1 025 925,90	10,259,259.00	Accounting system of the MA/CA	target for 2018: 10% of total eligible expenditure target for 2023: 100% of total eligible expenditure

Additional qualitative information on the establishment of the performance framework

Considering the average duration of South Baltic projects, it is very likely that none of the approved projects will be finalised in 2018. Therefore, as only finalised projects shall be considered for the output indicators, the key implementation steps have been introduced in order to present the progress in the SBP implementation

2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Tables 6-9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	IV - Boosting human resource capacities for the area's blue and green economy	
	Code	Amount (€)
	102. Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	2,510,000.00
	104. Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises	2,000,000.00
	108. Modernisation of labour market institutions, such as public and private employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility schemes and better cooperation between institutions and	2,000,000.00

Priority axis	IV - Boosting human resource capacities for the area's blue and green economy	
relevant stakeholders		
118. Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes		1,800,000.00

Table 7: Dimension 2 Form of finance

Priority axis	IV - Boosting human resource capacities for the area's blue and green economy	
	Code	Amount (€)
01. Non-repayable grant		8,310,000.00

Table 8: Dimension 3 Territory type

Priority axis	IV - Boosting human resource capacities for the area's blue and green economy	
	Code	Amount (€)
04. Macro regional cooperation area		8,310,000.00

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	IV - Boosting human resource capacities for the area's blue and green economy	
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Code	Amount (€)
07. Not applicable	8,310,000.00

2.A.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

Priority axis:	IV - Boosting human resource capacities for the area's blue and green economy
not applicable	

2.A.1 Priority axis

ID of the priority axis	V
Title of the priority axis	Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

2.A.2 Justification for the establishment of a priority axis covering more than one thematic objective (where applicable)

not applicable

2.A.3 Fund and calculation basis for Union support

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total

2.A.4 Investment priority

ID of the investment priority	11b
Title of the investment priority	Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)

2.A.5 Specific objectives corresponding to the investment priority and expected results

ID of the specific objective	5
Title of the specific objective	Improve the cooperation capacity of local South Baltic area actors through participation in cross-border networks
Results that the Member States seek to achieve with Union support	<p>Result: improved involvement of local community actors in cross-border cooperation networks.</p> <p>The South Baltic area has an extensive network of partners, organisations and institutions, including city twinning activities, euro-regional cooperation and social/cultural initiatives, which promote contacts between local communities across borders. However, as observed in the previous period, only a few local actors have been able to mobilise resources to take part in projects and use cross-border cooperation as an instrument for local policy development. In particular, local actors such as local municipalities, NGOs and public service providers had difficulties in gathering the necessary resources for participation in larger cross-border cooperation projects. Whenever such involvement was successful, these actors delivered a valuable input for the benefit of the project.</p> <p>The low level of international activity of small community actors in the area results from the lack of institutional capacity, experience and competencies in developing project ideas, involvement in cross-border initiatives and translating the outcomes to local development work. Thus, there is a need to organise support for this specific target group in order to extend the spectrum of participants in cross-border cooperation networks and to better use cross-border cooperation as an instrument in local development policies and strategies.</p> <p>The priority is expected to serve as a test ground for newcomer institutions that would like to prepare themselves for bigger ETC projects. It should also encourage local actors to be more visible in the networks implementing the various priorities of the EUSBSR. Furthermore, the priority should contribute to a better recognition of a South Baltic common identity in local and regional communities, based on the distinct maritime context of development in the area determined by the sea basin location and the long tradition of trade across the sea.</p>

Table 3: Programme-specific result indicators (by specific objective)

Specific objective		5 - Improve the cooperation capacity of local South Baltic area actors through participation in cross-border networks					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
5	Performance in the South Baltic area to engage local actors in cross-border activities	performance level (in %) in relation to the maximum performance	67%	2014	70%	experts assessment	Three times (2018, 2021, 2023)

2.A.6 Actions to be supported under the investment priority (by investment priority)

2.A.6.1 A description of the type and examples of actions to be supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries

Investment priority	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)
<p>Exemplary actions</p> <ul style="list-style-type: none"> • actions aimed at cross-border transfer of knowledge and exchange of experience regarding cooperation between citizens and institutions and local development challenges; • joint activities of local self-government administration/agencies and other institutions (e.g. NGOs) contributing to influencing regional, national and EU level policies and decisions affecting the local development; • joint awareness-raising actions among local actor groups to promote the cooperation culture, heritage and common identity of the South Baltic area; • preparation and implementation of joint initiatives (cross-border programmes, trainings, workshops etc.), aimed at strengthening the networking and cooperation capacity of local actors; • preparation and deployment of measures increasing the involvement of local actors (e.g. small municipalities, NGOs, schools, cultural institutions etc.) in project development and intercultural dialogue. 	

Investment priority	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)
<p>Main target groups</p> <p>Small local and regional actors – for example local municipalities, NGOs and public service providers (e.g. schools, cultural institutions, hospitals, police, fire brigade etc.).</p> <p>Specific territories</p> <p>The whole SBP territory</p> <p>Exemplary types of beneficiaries</p> <ul style="list-style-type: none"> • local and regional authorities and their associations • NGOs involved in networking activities across the national borders • chambers of commerce, business development agencies and other business support organisations • institutions of natural, culture and national heritage protection • European Groupings of Territorial Cooperation 	

2.A.6.2 Guiding principles for the selection of operations

Investment priority	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)
<p>In the SBP, the same guiding principles for the selection of operations are to be used for all priority axes. Arrangements related to the assessment procedures have been summarised in section 5.3.</p>	

2.A.6.3 Planned use of financial instruments (where appropriate)

Investment priority	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)
not applicable	

2.A.6.4 Planned use of major projects (where appropriate)

Investment priority	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)
not applicable	

2.A.6.5 Output indicators (by investment priority)

Table 4: Common and programme-specific output indicators

Investment priority	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)				
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
5.1	No. of local actors involved in cross-border activities	Absolute numbers	150.00	Progress reports	annually
5.2	No. of joint capacity-building activities/events involving local actors	Absolute numbers	50.00	Progress reports	annually

2.A.7 Performance framework

Table 5: Performance framework of the priority axis

Priority axis		V - Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
5.2	O	No. of joint capacity-building activities/events involving local actors	Absolute numbers	0	50.00	Progress reports	100% of the financial resources for Priority Axis 5 are assumed to be allocated to the achievement of this indicator.
5a	I	No. of joint capacity-building activities/events involving local actors to be delivered by contracted projects	Absolute numbers	10	50.00	Contracted projects	Considering the average duration of South Baltic projects, it is very likely that none of the approved projects will be finalised in 2018. Therefore, as only finalised projects shall be considered for the output indicators, the key implementation steps have been introduced in order to present the progress in the SBP implementation.
5b	F	Certified expenditure	Euros	513 006,70	5,130,067.00	Accounting system of the MA/CA	target for 2018: 10% of total eligible expenditure target for 2023: 100% of total eligible expenditure

Additional qualitative information on the establishment of the performance framework

Considering the average duration of South Baltic projects, it is very likely that none of the approved projects will be finalised in 2018. Therefore, as only finalised projects shall be considered for the output indicators, the key implementation steps have been introduced in order to present the progress in the SBP implementation

2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

Tables 6-9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	V - Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth	
	Code	Amount (€)
	096. Institutional capacity of public administrations and public services related to implementation of the ERDF or actions supporting ESF institutional capacity initiatives	1,200,354.00
	119. Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance	1,477,500.00
	120. Capacity building for all stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at the national, regional and local levels	1,477,500.00

Table 7: Dimension 2 Form of finance

Priority axis	V - Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth	
	Code	Amount (€)

Priority axis	V - Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth	
	Code	Amount (€)
01. Non-repayable grant		4,155,354.00

Table 8: Dimension 3 Territory type

Priority axis	V - Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth	
	Code	Amount (€)
04. Macro regional cooperation area		4,155,354.00

Table 9: Dimension 6 Territorial delivery mechanisms

Priority axis	V - Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth	
	Code	Amount (€)
07. Not applicable		4,155,354.00

2.A.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)

Priority axis:	V - Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth	
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Priority axis:	V - Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth
not applicable	

2.B DESCRIPTION OF THE PRIORITY AXES FOR TECHNICAL ASSISTANCE

2.B.1 Priority axis

ID	VI
Title	Technical Assistance

2.B.2 Fund and calculation basis for Union support

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total

2.B.3 Specific objectives and expected results

ID	Specific objective	Results that the Member States seek to achieve with Union support
6	To ensure professional and efficient SBP management and implementation	<i>Not applicable – support to the priority axis for Technical Assistance does not exceed 15 000 000 EUR.</i>

2.B.4 Result indicators

Table 10: Programme-specific result indicators (by specific objective)

Priority axis		6 - To ensure professional and efficient SBP management and implementation					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
6	not applicable	not applicable	0.00		0.00	not applicable	not applicable

2.B.5 Actions to be supported and their expected contribution to the specific objectives (by priority axis)

2.B.5.1 Description of actions to be supported and their expected contribution to the specific objectives

Priority axis	VI - Technical Assistance
<p>The main objective of the technical assistance priority axis is to ensure professional and efficient SBP management and implementation, which will result in the sound use of the ERDF funds and in reaching the SBP's objectives.</p> <p>The technical assistance costs will comprise preparatory, management, monitoring, implementation, evaluation, information, dissemination and control activities of the SBP as well as activities to reinforce the administrative ability to implement the SBP. Technical assistance will be used to finance the realisation of tasks of the Managing Authority, the Joint Secretariat and the Contact Points as described in Chapter 5.1.3., particularly:</p> <ul style="list-style-type: none">• project proposals assessment, monitoring of project implementation,• Monitoring Committee and working groups meetings,• SBP information and promotion activities, dissemination of results, including seminars, partner search forums, project data bases, consultations, conferences, etc.,• installation and maintenance of computerised systems for management, monitoring and evaluation,• the SBP assessment and evaluation, expert analyses,• costs of the institutions involved in SBP implementation. <p>In accordance with Art. 17 of Regulation 1299/2013 (hereafter referred to as the ETC Regulation), 6% of the SBP's total budget (i.e. EUR 4 978 727 ERDF) will be allocated to this priority axis.</p> <p>The activities of the Contact Points will be eligible for financing from technical assistance starting from 1 July 2014.</p>	

Priority axis	VI - Technical Assistance

2.B.5.2 Output indicators expected to contribute to results (by priority axis)

Table 11: Output indicators

Priority axis		VI - Technical Assistance		
ID	Indicator	Measurement unit	Target value (2023)	Source of data
6.1	Established and operating SBP institutions financed from the technical assistance (Managing Authority, Joint Secretariat, Contact Points)	Number of operating institutions	7.00	Subsidy Contracts/Agreements
6.2	Number of employees (FTEs) whose salaries are co-financed by technical assistance	FTEs	13.00	Progress reports (yearly average to be monitored)
6.3	Operating computerised systems for management, monitoring and evaluation	Number of operating data processing systems	1.00	MA
6.4	Operating website of the SBP	Number of operating websites concerning the SBP	1.00	JS

2.B.6 Categories of intervention

Corresponding categories of intervention based on a nomenclature adopted by the Commission, and an indicative breakdown of Union support.

Tables 12-14: Categories of intervention

Table 12: Dimension 1 Intervention field

Priority axis	VI - Technical Assistance	
	Code	Amount (€)
	121. Preparation, implementation, monitoring and inspection	3,485,109.00
	122. Evaluation and studies	349,489.00
	123. Information and communication	1,144,129.00

Table 13: Dimension 2 Form of finance

Priority axis	VI - Technical Assistance	
	Code	Amount (€)
	01.Non-repayable grant	4,978,727.00

Table 14: Dimension 3 Territory type

Priority axis	VI - Technical Assistance	
	Code	Amount (€)
07.Not applicable		4,978,727.00

3. FINANCING PLAN

3.1 Financial appropriation from the ERDF (in €)

Table 15

Fund	2014	2015	2016	2017	2018	2019	2020	Total
ERDF	0.00	10,325,286.00	8,650,089.00	15,528,745.00	15,839,320.00	16,156,109.00	16,479,235.00	82,978,784.00
Total	0.00	10,325,286.00	8,650,089.00	15,528,745.00	15,839,320.00	16,156,109.00	16,479,235.00	82,978,784.00

3.2.A Total financial appropriation from the ERDF and national co-financing (in €)

Table 16: Financing plan

Priority axis	Fund	Basis for calculation of Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b)	Co-financing rate (f) = (a) / (e) (2)	For information	
					National public funding (c)	National private funding (d)			Contributions from third countries	EIB contributions
I	ERDF	Total	9,972,000.00	2,339,112.00	2,222,156.00	116,956.00	12,311,112.00	80.9999941516%		
II	ERDF	Total	39,773,703.00	9,329,634.00	8,863,152.00	466,482.00	49,103,337.00	81.0000000611%		
III	ERDF	Total	15,789,000.00	3,703,593.00	3,518,413.00	185,180.00	19,492,593.00	80.9999983070%		
IV	ERDF	Total	8,310,000.00	1,949,259.00	1,851,796.00	97,463.00	10,259,259.00	81.0000020469%		
V	ERDF	Total	4,155,354.00	974,713.00	925,977.00	48,736.00	5,130,067.00	80.9999947369%		
VI	ERDF	Total	4,978,727.00	1,659,576.00	1,659,576.00	0.00	6,638,303.00	74.9999962340%		
Total	ERDF		82,978,784.00	19,955,887.00	19,041,070.00	914,817.00	102,934,671.00	80.6130560227%		
Grand total			82,978,784.00	19,955,887.00	19,041,070.00	914,817.00	102,934,671.00	80.6130560227%		

(1) To be completed only when priority axes are expressed in total costs.

(2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

3.2.B Breakdown by priority axis and thematic objective

Table 17

Priority axis	Thematic objective	Union support	National counterpart	Total funding
I	Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)	9,972,000.00	2,339,112.00	12,311,112.00
II	Preserving and protecting the environment and promoting resource efficiency	39,773,703.00	9,329,634.00	49,103,337.00
III	Promoting sustainable transport and removing bottlenecks in key network infrastructures	15,789,000.00	3,703,593.00	19,492,593.00
IV	Promoting sustainable and quality employment and supporting labour mobility	8,310,000.00	1,949,259.00	10,259,259.00
V	Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	4,155,354.00	974,713.00	5,130,067.00
Total		78,000,057.00	18,296,311.00	96,296,368.00

Table 18: Indicative amount of support to be used for climate change objectives

Priority axis	Indicative amount of support to be used for climate change objectives (€)	Proportion of the total allocation to the programme (%)
I	644,800.00	0.78%
II	17,642,281.20	21.26%
III	6,315,600.00	7.61%
Total	24,602,681.20	29.65%

4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

Description of the integrated approach to territorial development, taking into account the content and objectives of the cooperation programme, including in relation to regions and areas referred to in Article 174(3) TFEU, having regard to the Partnership Agreements of the participating Member States, and showing how it contributes to the accomplishment of the programme objectives and expected results

The SBP document has been prepared in conformity with the strategic documents of the Member States participating in the SBP, i.e. Denmark, Lithuania, Germany (Mecklenburg-Vorpommern), Poland, and Sweden, which are the basis on which the territorial development policies at the regional and supra-regional level are conducted in each state. The challenges to be addressed, as well as the chosen SBP priorities are also well in line with the Partnership Agreements between the EC and each Member State.

The SBP provides support to the territorial development needs and bottlenecks related with considerable disparities in socio-economic characteristics of the regions linked by the Baltic Sea. The main objective of the SBP is to use the common potential of the Baltic Sea for the stimulation of “blue and green growth through cooperation” and improve living conditions of its inhabitants, while respecting the area’s rich environmental and heritage resources. The SBP’s interventions focus on the common assets of the South Baltic area, i.e. the maritime economy (blue sector) and sectors of the economy related to the sustainable use of natural resources (green sector). The SBP consists of seven Investment Priorities that focus on finding the best solutions to the diagnosed challenges, exemplified by urban-rural and west-east divides in terms of the SME sector’s international competitiveness and sector innovation capacity, increasing demographic, migration and labour market trends as well as mobility patterns. The exchange of experience between partners, good practice transfers and the joint development/testing of innovative solutions implemented under the SBP will contribute to balancing the territorial differences within the South Baltic area.

It should be emphasized that the SBP has a significant contribution to the Europe 2020 Strategy and EUSBSR through joint actions increasing regional competitiveness and improving the integration of people and institutions. Individual Investment Priorities correspond to the flagship initiatives of the Europe 2020 Strategy, e.g *An industrial policy for the globalisation era, Innovation Union, Resource-efficient Europe, An agenda for new skills and job, Youth on the move*, and directly contribute to the Priority Areas pursued by EUSBSR, the latter serving as an integrated territorial development strategy for the EUSBSR (see section 4.4).

4.1 Community-led local development (where appropriate)

Approach to the use of community-led local development instruments and principles for identifying the areas where they will be implemented

not applicable

4.2 Integrated actions for sustainable urban development (where appropriate)

Principles for identifying the urban areas where integrated actions for sustainable urban development are to be implemented and the indicative allocation of the ERDF support for these actions

not applicable

Table 19: Integrated actions for sustainable urban development – indicative amounts of ERDF support

Indicative amount of ERDF support (€)
0.00

4.3 Integrated Territorial Investment (ITI) (where appropriate)

Approach to the use of Integrated Territorial Investments (ITI) (as defined in Article 36 of Regulation (EU) No 1303/2013) other than in cases covered by 4.2, and their indicative financial allocation from each priority axis

not applicable

Table 20: Indicative financial allocation to ITI other than those mentioned under point 4.2 (aggregate amount)

Priority axis	Indicative financial allocation (Union support) (€)
Total	0.00

4.4 Contribution of planned interventions towards macro-regional and sea basin strategies, subject to the needs of the programme area as identified by the relevant

Member States and taking into account, where applicable, strategically important projects identified in those strategies (where appropriate)

(Where Member States and regions participate in macro-regional and sea basin strategies)

In the policy framework, macro-regional strategies are regarded as broad-based integrated instruments covering several Member States and regions and focusing on the alignment of policies and funding to increase policy coherence and the overall impact of public spending. The EUSBSR – the first macro-regional strategy in Europe – aims to reinforce cooperation between 8 EU Member States (SE, DK, EE, FI, DE, LV, LT, PL) and EU neighbour countries in order to jointly address several challenges and coordinate appropriate policies to achieve sustainable development.

The latest EUSBSR Action Plan from February 2013 distinguishes three objectives (Save the Sea; Connect the Region; Increase Prosperity) with a total of 17 Priority Areas and 5 Horizontal Actions. They represent the main areas where the EUSBSR can contribute to improvements, either by tackling the main challenges or by seizing key opportunities.

In the 2007-2013 period, the South Baltic Programme provided substantial input to the implementation of the EUSBSR through joint actions, increasing the competitiveness of the regions and enhancing integration among people and institutions. The projects co-funded by this programme addressed as many as 12 Priority Areas in the past Strategy setup, with particularly strong interest in actions promoting the attractiveness of and entrepreneurship in the Baltic Sea Region. Six South Baltic Programme 2007-2013 projects directly contributed to the implementation of the Strategy's Action Plan – *'MarTechLNG on marine competence, technology and knowledge transfer for LNG'* (flagship project in PA Ship), *'Art Line'* (flagship project in PA Culture), *'Enjoy South Baltic! Joint actions promoting the South Baltic area as a tourist destination'* (flagship project in PA Tourism), *'Hardwoods are good - supporting entrepreneurs of the forestry hardwood chain in the South Baltic Region'* (part of the flagship project 'Sustainable forest management in the Baltic Sea Region'), *'South Baltic Training Programme'* (part of the flagship project 'Baltic Training Programme' in PA Education) and *'SEASIDE - Maritime Heritage Atlas of the South Baltic'* (origin of the flagship project 'Baltic Heritage Atlas' in PA Culture).

The coordination mechanism of the EUSBSR in raising awareness of the shared challenges and opportunities and in mobilising stakeholders for joint actions shall be fully exploited in the SBP. The Strategy gives important guidance to the SBP in selecting priorities, thematic areas and joint actions, thereby helping to address the key challenges and assets in a more targeted manner. As the accomplishment of the Strategy objectives is dependent upon multi-level governance, involving all relevant public and private stakeholders in dialogue and policy decision-making is crucial for the success of the SBP.

Driven by the strategic objective to support the joint development and testing of innovative solutions across national borders, the SBP plays an active role in the implementation of the EUSBSR. The Monitoring Committee will decide how to assess submitted project applications based on their contribution to the Action Plan of the Strategy or potential macro-regional effects. Furthermore, targeted calls for the

strategic/flagship projects, implementing one or several of the actions in the EUSBSR, could be envisaged.

While already in the preparatory stage, the Priority Area Coordinators and Horizontal Action Leaders were approached by the SBP bodies for consultation in designing the SBP architecture. As a result, the thematic priorities chosen for the SBP not only reflect the priorities of the Europe 2020 Strategy and the Integrated Maritime Policy (blue growth) but closely align with the strategic priorities under the EUSBSR (cf. Section 1 Table 2). The established cooperation ties with the Strategy implementation bodies will continue towards regular exchanges of project ideas, the organisation of joint promotion and dissemination activities as well as the identification of potential partners and cooperation areas for Strategy actions and flagships.

Priority axis 1 (*Strengthening the international activeness and innovation capacity of the South Baltic blue & green economy*) corresponds to the ‘Increase Prosperity’ objective in the EUSBSR and the two priority areas: **PA SME** – Promote entrepreneurship and strengthen the growth of SMEs, and **PA Innovation** – Exploiting the full potential of the region in research and innovation.

Priority axis 2 (*Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth*) is associated with two EUSBSR objectives (‘Save the Sea’ and ‘Increase Prosperity’) and has linkages to six priority areas: **PA Culture** - Developing and promoting the common culture and cultural identity; **PA Tourism** – Reinforcing the cohesiveness of the macro-region through tourism; **PA Agri** - Reinforcing the sustainability of agriculture, forestry and fisheries; **PA Hazards** – Reducing the use and impact of hazardous substances; **PA Nutri** – Reducing nutrient inputs to the sea to acceptable levels; **PA Energy** - Improving access to and the efficiency and security of energy markets; and the horizontal action: **HA Sustainable development and bio-economy**. Priority axis 3 (*Improving cross-border connectivity for a functional blue and green transport area*) fulfils the EUSBSR objectives of ‘Connect the Region’ and ‘Save the Sea’, and liaises with two priority areas: **PA Transport** – Improving internal and external transport links; and **PA Ship** – Becoming a model region for clean shipping.

Priority axis 4 (*Boosting human resource capacities for the area’s blue and green economy*) contributes to the ‘Increase Prosperity’ objective and the two priority areas of **PA Internal Market** – Removing hindrances to the internal market (e.g. Action – Remove remaining unjustified barriers to the cross-border provision of services); **PA Education** – Developing innovative education and youth (e.g. Action: To meet the challenge of demographic changes and to combat youth unemployment).

Priority axis 5 (*Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth*) addresses the ‘Increase Prosperity’ objective and the priority area of **PA Culture** - Developing and promoting common culture and cultural identity. It also adheres to two horizontal actions: **HA Promo** – Boosting joint promotion and regional identity building actions; and **HA Involve** – Strengthening multi-level governance including involving civil society, business and academia.

Furthermore, the SBP intends to increase its visibility and policy impact through encouraging relevant projects to become flagship initiatives in the implementation of the Strategy.

5. IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

5.1 Relevant authorities and bodies

Table 21: Programme authorities

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Managing authority	Ministry of Infrastructure and Development, Poland	Minister responsible for Regional Development, Poland
Certifying authority	The function of the Certifying Authority will be carried out by the Managing Authority: Minister of Infrastructure and Development, Poland	The function of the Certifying Authority will be carried out by the Managing Authority: Minister responsible for Regional Development, Poland
Audit authority	General Inspector for Treasury Control, Poland (supported by a Group of Auditors)	General Inspector for Treasury Control, Poland

The body to which payments will be made by the Commission is:

- the Managing authority
 the Certifying authority

Table 22: Body or bodies carrying out control and audit tasks

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
Body or bodies designated to carry out control tasks	Denmark: decentralised system; the controllers (external professional auditors) will be approbated by the Region Zealand and Regional Municipality of Bornholm	Decentralised system; Head of the Secretariat of the Region Zealand and Head of the Secretariat of the Regional Municipality of Bornholm
Body or bodies designated to carry out control tasks	Director of the Swedish Agency for Economic and Regional Growth (Tillväxtverket)	Director of the Swedish Agency for Economic and Regional Growth (Tillväxtverket)
Body or bodies designated to carry out control tasks	For the technical assistance of the Managing Authority and the Joint Secretariat: Ministry of Infrastructure and Development of Poland	Minister responsible for Regional Development, Poland
Body or bodies designated to carry out control tasks	Germany: decentralised system; state-authorized public accountants who will be approbated programme and project	Decentralised system; Head of the Unit 250 European Territorial

Authority/body	Name of authority/body and department or unit	Head of authority/body (position or post)
	specifically by the Ministry of Economics, Construction and Tourism Mecklenburg-Vorpommern, Unit 250 European Territorial Cooperation, INTERREG	Cooperation, INTERREG
Body or bodies designated to carry out control tasks	Lithuania: decentralised system; (external professional auditors) will be approbated by the Ministry of the Interior of the Republic of Lithuania, Regional Policy Department	Decentralised system; Ministry of the Interior of the Republic of Lithuania, Director of Regional Policy Department
Body or bodies designated to carry out control tasks	Voivode of the Pomorskie Voivodeship	Voivode of the Pomorskie Voivodeship
Body or bodies designated to carry out control tasks	Voivode of the Warmińsko-Mazurskie Voivodeship	Voivode of the Warmińsko-Mazurskie Voivodeship
Body or bodies designated to carry out control tasks	Voivode of the Zachodniopomorskie Voivodeship	Voivode of the Zachodniopomorskie Voivodeship
Body or bodies designated to be responsible for carrying out audit tasks	General Inspector for Treasury Control, Poland, supported by a Group of Auditors	General Inspector for Treasury Control, Poland

5.2 Procedure for setting up the joint secretariat

The Joint Secretariat (JS) will be established based on the implementation arrangements set for the 2007-2013 programming period.

The JS shall be financed from the technical assistance budget. International staff shall be employed in the JS. The number and qualification of staff shall correspond to the functions carried out by the JS. The tasks of the JS will be laid down in a separate agreement with the Managing Authority and included in individual job descriptions.

The JS will be located in Gdańsk, Poland within the framework of the Centre of European Projects.

5.3 Summary description of the management and control arrangements

The regulations are the binding documents. A description of the different roles of the institutions is presented below.

The Member States, represented in the SBP by:

Sweden: Ministry of Enterprise and Innovation,

Denmark: Director of the Danish Business Authority,

Germany: Mecklenburg-Vorpommern: Ministry of Economics, Construction and Tourism Mecklenburg-Vorpommern,

Lithuania: Ministry of the Interior of the Republic of Lithuania,

Poland: Minister responsible for Regional Development,

in particular, shall be responsible for:

1. the appointment of the MA (also carrying out functions of the Certifying Authority(CA)), the Audit Authority (AA) and the Monitoring Committee of the SBP,
2. the establishment of national provisions required for SBP implementation and ensuring that they function effectively and in accordance with the provisions and principles of the SBP,
3. the establishment of the control system as of Art. 23 of the ETC Regulation (hereafter referred to as First Level Control) and ensuring that the First Level Control system functions effectively and in accordance with the provisions and principles of the SBP,
4. ensuring that the expenditure can be verified by the controllers as of Art. 23 of the ETC Regulation (further referred to as First Level Controllers) within a period of three months from the submission of the documents by the beneficiary,
5. assessment of complaints about the First Level Control results. Complaints are examined based on the national solutions of the Member State in which the beneficiary is located:
 - For Danish beneficiaries no programme-specific complaints procedure is established. Regarding the results of the First Level Control only the contractual rights between the beneficiary and his/her First Level Controller are applicable;
 - For German beneficiaries no programme-specific complaints procedure is established. Regarding the results of the First Level Control only the contractual rights between the beneficiary and his/her First Level Controller are applicable;
 - For Lithuanian beneficiaries no programme-specific complaints procedure is established. Regarding the results of the First Level Control only the contractual rights between the beneficiary and his/her First Level Controller are applicable;
 - Polish beneficiaries may file objections regarding the results of First Level Control pursuant to the *Act on the rules for the implementation of the operational programmes of the Cohesion Policy financed under the financial perspective 2014-2020*;
 - Swedish beneficiaries may file objections regarding the results of First Level Control pursuant to SFS 2014:1383 Förfordning om förvaltning av EU:s strukturfonder, 3 kap, 10.
6. ensuring that the national system of prevention, detection and correction of irregularities is functioning correctly,
7. reporting irregularities with a value exceeding EUR 10 000 EU contribution and the results of actions taken in connection with such irregularities to the EC,

8. taking the financial liability in the event of failure to recover amounts unduly paid by the SBP from the beneficiary [Art. 27 of the ETC Regulation and Art. 122 of the Common Provisions Regulation (hereafter referred to as the CPR)].

The Monitoring Committee, in particular, shall:

1. approve the Programme Manual and the criteria for selecting projects,
2. adopt amendments to the Programme Manual and the approved selection criteria, if necessary,
3. select projects for funding,
4. establish the eligibility rules for the SBP,
5. assess complaints on project selection,
6. monitor the progress made towards implementing the SBP, as referred to in the Article 49 (1) of the CPR,
7. approve the annual and final reports on the implementation of the SBP,
8. be informed on the projects' results implemented within the SBP,
9. review financial management and the implementation of the SBP,
10. propose amendments to the SBP document and be consulted in regard to the changes proposed by the MA,
11. approve/ suggest proposals for the reallocation of funds among the priority axes of the SBP,
12. approve the Communication Plan for publicity and information measures of the SBP and monitor its implementation as well as provide recommendations for improving its implementation,
13. be informed about the main publicity and information activities carried out within the SBP,
14. be informed by the MA about the results, conclusions and recommendations from the evaluations carried out,
15. perform other functions and tasks originating from its Rules of Procedure,
16. be consulted on the institutional structure of the SBP. Furthermore, the Monitoring Committee shall be updated about the management processes between and within the SBP institutions, with reservation to constraints deriving from national law,
17. approve the Evaluation Plan.

The MA (also carrying out functions of the CA) will implement Article 125 of the CPR, with exception of item 4a and Article 23 of the ETC Regulation.

The MA, in particular, shall:

1. monitor the implementation of the SBP indicators,
2. develop SBP documents and their updates,
3. sign an agreement with the JS,
4. conduct systemic controls in the JS,
5. establish and impose financial corrections due to incorrect implementation of the Subsidy Contract by a beneficiary,
6. satisfy itself that the expenditure of each beneficiary participating in an operation has been verified by a designated First Level Controller,
7. assess complaints on the implementation of the Subsidy Contract,

8. conduct evaluations,
9. ensure adequate information and publicity of the SBP,
10. sign Subsidy Contracts, annexes to contracts with beneficiaries, technical assistance decisions,
11. make payments to the beneficiaries,
12. account for operations,
13. recover debts,
14. ensure the collection of data in an IT system,
15. inform the Monitoring Committee on the projects' results achieved within the SBP, on the main publicity and information activities carried out within the SBP, on the results, conclusions and recommendations from the evaluations carried out,
16. consult the Monitoring Committee on the institutional structure of the SBP,
17. provide updates about the management processes between and within the SBP institutions, subject to constraints deriving from national law,
18. prepare Evaluation Plans,
19. select projects for durability controls,
20. approve the JS procedures, including procedures on irregularities,
21. provide assistance for the Member States and First Level Controllers in the use of the IT system,
22. put effective and proportionate anti-fraud measures in place, taking into account the identified risks.

The Centre of European Projects, in particular, shall:

1. conduct cross-checking.

The Centre of European Projects is the institution established by the Minister of Regional Development, which hosts the JS and performs horizontal issues e.g. cross checks with regard to implementation of the European Territorial Cooperation (ETC) and other mainstream programmes. This activity derives from the Polish implementing act and is applicable only for Polish institutions. The aim of the cross-checking is to ensure that expenditures under the projects co-financed from the European funds are not double financed.

The Centre of European Projects, in respect to ETC programmes managed by Poland, will be responsible for carrying out the two types of cross checks:

- programme cross checks - which aim is to detect and eliminate the double financing of expenditure under the SBP,
- horizontal cross checks - which aim is to detect and eliminate the double financing of expenditure under more than one programme (cross checks with the Rural Development Programme and the Operational Programme "Fisheries and the Sea").

The CA (MA), in particular, shall:

1. draw up payment applications and submit them to the EC,
2. draw up the annual accounts,
3. certify the completeness, accuracy and veracity of the annual accounts,

4. maintain accounting records in an electronic form of expenditure declared to the EC,
5. keep an account of amounts recoverable and amounts withdrawn following a cancellation of all or part of the contribution of an operation.

The separation of the MA and CA functions will be ensured in the internal regulation including the organisational structure of the MA where the CA functions will be allocated. Moreover, individual staff will perform the responsibilities of the MA and the responsibilities of the CA which will be described in detail in job descriptions.

Arrangements and procedures of the MA from the 2007-2013 programming period, regarding the implementation issues and employment of personnel, have been, in principle, maintained. The Rules of Procedure of the MA will specify the organisational structure, the reporting structure, the scope of authorisation to sign documents, as well as the scope of tasks of individual organisational units (including information provided in Article 125 and 126 of the CPR).

The Memorandum of Understanding to be signed between the MA and the Member States will specify the obligations of each Member State, as well as the methods of communication, among all concerned parties of the agreement.

The JS in Gdańsk, in particular, shall:

1. manage the project application process for all projects, including the organisation of calls for proposals (including the drafting of Terms of Reference and the preparation of applicant packs), giving information and advice to applicants (specified below) as well as the assessment of submitted applications. The formal assessment is carried out in cooperation with Contact Points / Members States
2. prepare Subsidy Contracts and annexes,
3. monitor (including progress of project activities, outputs, results and financial implementation), verify and approve progress reports, ensuring project change management,
4. verify the completion of projects,
5. perform durability checks of projects during the SBP implementation,
6. collect and analyse information on SBP implementation; prepare proposals for the Monitoring Committee,
7. provide translation services during the implementation of the SBP,
8. provide assistance in the development of changes to the SBP documents,
9. inform about irregularities in accordance with procedures approved by the MA and the relevant guidelines of the Minister responsible for Regional Development,
10. prepare and organise the Monitoring Committee meetings, including the preparation of the necessary supporting documents,
11. carry out written procedures in accordance with the Rules of the Monitoring Committee,
12. prepare draft decisions for the Monitoring Committee,
13. ensure the implementation of the Monitoring Committee decisions,
14. organise working meetings necessary for the implementation of the SBP,
15. prepare annual Communications Plans,

16. provide assistance for partner search activities and completing the application form,
17. maintain and update the SBP's website,
18. prepare and implement the SBP's annual information and promotion activities together with an indicative budget,
19. organise meetings, info days and partner search forums for potential beneficiaries,
20. organise Lead Beneficiary seminars and training workshops on project implementation for beneficiaries,
21. organise annual SBP conferences, dissemination events and good practice fairs for institutions and stakeholders involved in the implementation of the SBP,
22. support regional information, promotion and communication activities organised by the Contact Points (e.g. by participating in relevant regional info days, promotion workshops and dissemination events),
23. prepare, publish and distribute promotional materials (e.g. brochures, publications, videos etc.),
24. cooperate with the media,
25. check the compliance of projects with the publicity requirements of the SBP (logo, European Union flag),
26. develop and implement dissemination and capitalisation activities to increase the sustainability and leverage of funded operations (e.g. support thematic consolidation of results achieved by past and running operations, disseminate good practices, establish media and capitalisation partnerships with other ETC programmes, Pan-Baltic organisations, EUSBSR Priority Area Coordinators/Horizontal Action Leaders etc.),
27. facilitate the creation of cross-project partnerships within and beyond the SBP,
28. provide assistance for the beneficiaries in the use of the IT system,
29. coordination of the Contact Points:

a) monitor, verify and approve progress reports submitted by the Contact Points,

b) review and approve the annual work plans submitted by the Contact Points,

c) coordinate the implementation of the Contact Points activities, inter alia by organising regular (online) Contact Points-JS meetings.

The JS is supported in fulfilling its tasks by the Contact Points financed from the technical assistance budget, located in Marshall Offices in Poland, in Public Establishment 'Joint Technical Secretariat' in Lithuania (VSI "Jungtinis techninis sekretoriatas") and entities designated by other Member States participating in the SBP. The JS and the Contact Points shall provide the service for the SBP area.

The Contact Points, in particular, shall perform tasks relating to the following issues:

Management and coordination:

1. cooperating with the MA and the JS, in the implementation and promotion of the SBP,
2. collaborating with regional and local level organisations,
3. preparation of annual work plans, to be elaborated in close cooperation with the JS,
4. reporting to the MA and the JS about the regional activities carried out according to/ in addition to the agreed work plan,

5. technical contribution to the organisation of the SBP meetings taking place in the regions/Member States (including Monitoring Committee meetings),
6. supporting the tasks for national delegations of the Monitoring Committee.

SBP promotion, project development and training:

1. coordinating, preparing and implementing the SBP's promotion and information activities in the regions (including the organisation of local/regional info days and promotion workshops),
2. providing information about the SBP to potential applicants in English and/or national languages (including direct contact, phone, e-mail, regional websites etc.),
3. supporting the JS in organising programme-wide events such as "European Cooperation Day", info days, partner search forums, Lead Beneficiary seminars and seminars on project implementation,
4. preparing and/or assisting the JS in the preparation of brochures, leaflets (both electronic and hard copies) and other publications,
5. distributing SBP advertising materials,
6. bearing responsibility for regional networking activities (e.g. cross-project partnerships),
7. support for project development and generation,
8. providing consultation to applicants on how to correctly fill in the formal application form,
9. informing potential beneficiaries about the First Level Control requirements,
10. providing advice to partners of running operations (e.g. general information about First Level Control, contracting requirements, public procurement procedures etc.).

Communication, dissemination and capitalisation of SBP achievements:

1. organising local and regional dissemination activities,
2. participating in external events at local/regional level to disseminate the results achieved by the SBP,
3. ensuring public relations with the media on regional and local levels,
4. supporting the communication activities of the JS, e.g. by contributing to the updating of the SBP website and newsletter as well as by sharing relevant information (e.g. about events and project results in the regions) with the JS,
5. contributing to the capitalisation activities of the JS, e.g. by identifying and recording good practices and project results achieved in the regions, by facilitating the cross-project dissemination of results at regional level and by identifying potential target groups for the capitalisation process at SBP level,
6. helping the JS in organising programme-wide dissemination events and good practice fairs.

The First Level Controllers:

Verification that co-financed product and services have been delivered and that expenditure declared by the beneficiaries has been paid by them and that it complies with applicable EU and national law, the SBP and the conditions for support of the operation.

The MA

The implementation and staffing arrangements for the MA will basically be the same as during the 2007-2013 programming period. The internal organisation of the MA, the principles of subordination, the scope of authorisations and entitlements to sign documents as well as the scope of tasks of organisational units (including the requirements pursuant to Art. 125 and 126 of the CPR) are determined in the organisational Rules of Procedure.

The obligations of each Member State as well as the method of regular communication between the MA and Member States will be determined in a Memorandum of Understanding.

The Monitoring Committee

The Monitoring Committee will be set up within three months of the date of notification of the Member State about the Commission decision adopting the SBP. Within this deadline each Member State shall appoint representatives to sit in the Monitoring Committee. Monitoring Committee members' responsibilities, Monitoring Committee composition, rules on the Monitoring Committee members' impartiality and decision making process etc. will be set out in the Rules of Procedure of the Monitoring Committee. These Rules of Procedure will be adopted at the first Monitoring Committee meeting.

Arrangements for management verifications

Each participating country will designate a First Level Controller(s) responsible for carrying out verifications in relation to all beneficiaries on its territory. The method of designation of the controller (including staffing and budgetary arrangements) will be decided by each participating country separately and may vary between them according to the First Level Control system chosen.

To ensure coherence among systems and controllers from all participating countries and transparency of control work, the MA provides minimum standards and gives practical guidance on how to carry out the First Level Control.

The AA

The body acting as the AA is the General Inspector of Treasury Control. The Function of the General Inspector of Treasury Control is carried out by the Secretary or Undersecretary of State in the Ministry of Finance. The General Inspector performs his/her duties through the Department for Protection of EU Financial Interests at the Ministry of Finance and 16 treasury control offices. Separate organisational units responsible for the audit of EU funds were created in treasury control offices.

The AA shall ensure that audits are carried out on the management and control systems on an appropriate sample of operations and on the annual accounts, and furthermore shall ensure that the audit activities are compliant with internationally accepted audit

standards. The AA is independent of the MA. The AA has the sole responsibility for planning and selection of operations covered by the audit, as well as deciding how to perform audit activities and report on findings and recommendations taken.

The AA will be assisted by a Group of Auditors comprising a representative of each participating country. The Group of Auditors will be set up at the latest within three months of the date of the decision approving the cooperation SBP. It will draw up and approve its own Audit Strategy (describing the competencies and main responsibilities of the AA and Group of Auditors) and Rules of Procedure and it will be chaired by the AA. The method of designation of a member of the Group of Auditors (including staffing and budgetary arrangements) will be decided by each participating country separately and may vary between them according to the system chosen.

Arrangements on designation process

Adequate separation of functions of the institution responsible for designation processes and the institutions which are the subjects of the designation procedure has been established. Organizational regulations of the Ministry of Infrastructure and Development supervised by the Minister responsible for Regional Development ensure the independence of the entity responsible for the designation process from the MA. The designation and SBP management functions have been assigned to two different organisational units (departments), which are supervised by members of the Ministry's management, independent from each other in their competences.

Arrangements concerning the guiding principles for the selection of operations

Projects will be submitted within dedicated calls for proposals. The rules for the submission of applications as well as the assessment and selection procedures will be described in the Programme Manual. The detailed project selection criteria shall be approved by the Monitoring Committee.

Project applications will be subject to formal and quality assessment. The assessment will be organised by the JS and performed by the JS and, if needed, with the support of external experts. The formal and eligibility assessment is carried out by the JS in co-operation with the Member states/Contact Points, which contribute to the eligibility and capacities check of the beneficiaries from their countries.

The JS shall guarantee the impartial assessment of the submitted applications.

The selection of the operations will be done by the Monitoring Committee according to Art. 12 (1) of the ETC Regulation.

Any state aid that might be granted will be in conformity with the legal framework of the European Union. The specific state aid rules will be described in the Programme Manual and in the state aid scheme of the SBP, if required.

Projects will be selected based on their ability to:

- contribute to the delivery of the specific objectives and achievement of SBP indicators;
- address the problems to be tackled in a way that justifies cross-border actions;

- demonstrate solutions, technologies and approaches to the problems identified that are innovative (i.e. are not executed by the beneficiaries involved on a routine basis) and that are planned, designed and implemented in a cross-border partnership;
- achieve durable and replicable outcomes (possible to be transferred to other geographical areas of the SBP);
- contribute to the sustainable development;
- promote equal opportunities and non-discrimination;
- encourage equality between men and women.

The contribution of the project proposals in fulfilling the goals of the EUSBSR will also be assessed (see section 1.1).

Assessment of complaints regarding project selection is ensured within the SBP. The JS receives such complaints.

Arrangements concerning payment procedure

In accordance with Art. 27 of the ETC Regulation, the contribution from the ERDF to the SBP will be paid into a single bank account, run by the MA.

The description and flow chart indicating the flows of ERDF and national co-financing from the EU to the beneficiaries will be specified in the Programme Manual.

Arrangements concerning monitoring

For the purpose of SBP implementation monitoring and in order to implement the e-cohesion requirements, beneficiaries and SBP institutions (including the First Level Controllers) will use an IT system. The SBP's e-cohesion system is under development and will be operational at the stage of signing Subsidy Contracts.

The data will be compiled at SBP level and will be used to prepare the annual implementation and final implementation reports to the EC (according to Art. 50 of the CPR and Art. 14 of the ETC Regulation).

Arrangements concerning resolution of complaints

Assessment of complaints against the project selection – relevant provisions in that regard will be included in the Programme Manual. The procedure will be described in detail in the Monitoring Committee's Rules of Procedure.

Applicants will be informed in the Program Manual that the complaint procedure set up on the SBP level is without prejudice to any mechanism or process for legal redress at national level.

Assessment of complaints against FLC result – information in this regard will be included in the Programme Manual.

Assessment of complaints against the implementation of a Subsidy Contract – information in that regard will be included in the Subsidy Contract with the lead beneficiary, and in the Programme Manual.

The specific complaint procedures set out above are without prejudice to any mechanism or process for legal redress at national level, in particular with regard to unsuccessful applicants.

Arrangements in the event of implementing difficulties

In the event of implementation difficulties, the participating country/countries concerned will support the MA/JS to clarify the case(s). Details will be specified in the Memorandum of Understanding.

Arrangements concerning antifraud measures

The MA will perform systemic activities to prevent corruption and fraud. The MA has appointed a representative of ETC programmes to participate in the Working Group for Implementation of the Government Programme for the Prevention of Corruption for 2014-2019, which is a body set up within Polish administration. In addition, the MA, in cooperation with the Member States, intends to carry out a risk assessment for the SBP once a year, taking into account risks related to corruption and potential fraud. The MA also intends to recommend to the institutions of the SBP, especially to the First level Controllers, to prepare internal procedures that will include appropriate assessment of the decision-making process. Moreover, detected irregularities exceeding EUR 10 000 will be reported to OLAF in accordance with the CPR.

Arrangements concerning public procurement provisions

The implementation of projects is carried out in accordance with the applicable Community and national rules on public procurement. More detailed provisions for the beneficiaries will be provided in the Programme Manual and other relevant SBP documents, also at the level of the Subsidy Contract and Partnership Agreement signed among project partners. The First Level Controllers will fulfill their obligation in this regard following the minimum standards of projects' verifications defined in the guidance for controllers.

Arrangements concerning the closure of the SBP

The MA and Member States will ensure an appropriate closure of the SBP. The closure of the SBP will be carried out according to respective provisions issued by the EC.

Language of the SBP

The official and working language of the SBP is English.

5.4 Apportionment of liabilities among participating Member States in case of financial corrections imposed by the managing authority or the Commission

The Member States will bear liability in connection with the use of the SBP ERDF as follows when the SBP budget cannot be reduced:

1) In the event of financial corrections resulting from irregularities that can be linked to individual Member States, the Member States concerned will bear the financial

consequences in proportion to the relevant irregularity detected on their territory. Art. 27 of the ETC Regulation stays unaffected.

2) In the event of a financial correction resulting from the effect of Art. 144 (4) of the CPR, results from jointly taken decisions about the SBP or when the irregularities resulting in financial corrections cannot be linked to individual Member States, all Member States will be jointly liable in proportion to the ERDF contribution paid out to the respective national project partners involved. The ERDF contribution paid out to the respective national project partners is calculated as on the day the final EC decision on the correction is issued.

3) In the event of a financial correction resulting from actions taken by the MA/the CA and/or the JS, liability will be borne by the Member State hosting the aforementioned authorities.

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

5.5 Use of the Euro (where appropriate)

Method chosen for the conversion of expenditure incurred in another currency than the Euro

According to the Art. 28 (b) of the ETC Regulation, the expenditure incurred in a currency other than the Euro shall be converted into Euros by the beneficiaries using the monthly accounting exchange rate of the Commission in the month during which the expenditure was submitted for verification to the First Level Controller.

5.6 Involvement of partners

Actions taken to involve the partners referred to in Article 5 of Regulation (EU) No 1303/2013 in the preparation of the cooperation programme, and the role of those partners in the preparation and implementation of the cooperation programme, including their involvement in the monitoring committee

Involvement of partners during SBP preparation

The drafting of the SBP was organised in compliance with the partnership principle as referred to in Art. 5 of the CPR and European Code of Conduct on Partnership adopted by the EC in December 2013.

A Joint Programming Committee (JPC), the main decision making body, and two Task Forces responsible for discussing selected topics were established in September 2012. The JPC as well as the Task Forces were composed of national and regional level

representatives as well as the two Euroregions active in the SBP area, Euroregion Baltic and Euroregion Pomerania. The Priority Area Coordinators and Horizontal Action Leaders of the EUSBSR were invited, consulted and they participated in relevant meetings of the above-mentioned bodies.

By establishing sub-committees, reference groups and workshops, each Member State furthermore organised the involvement of relevant stakeholders at national level in accordance with its institutional and legal framework. Regular consultations with the JPC and Task Force members allowed the national partnerships to transfer their proposals and contributions to the SBP level, thus ensuring the consideration of stakeholder opinions during all stages of the programming process.

In order to identify the common challenges to be tackled by the SBP, the JS and the MA organised and carried out a thematic workshop for the members of the JPC and the Task Forces in March 2013. The outcomes of the discussions were communicated and consulted with relevant stakeholders in each Member State and further taken into consideration during the subsequent series of JPC and Task Force meetings.

Moreover, relevant studies, evaluations, as well as the outcomes of surveys conducted among beneficiaries of the South Baltic Programme 2007-2013, potential beneficiaries and relevant stakeholders were taken into account during the preparatory works. Among others: the results of the *Evaluation of the effectiveness of the South Baltic Cross-border Co-operation Programme 2007-2014; challenges and aims for the Programme for the period 2014-2020*, the outcomes of the thematic workshops held during the programme's annual event on 23-24 October 2012 in Rönneby and the outcomes of the survey of the *Capacity Building Project*.

Public consultations on the SBP document were carried out in June-September 2014. Relevant stakeholders as well as the general public were given the opportunity to share their opinion on the document before its submission to the EC.

A full list of partners involved in the preparation of the SBP document is provided in section 9.3.

Involvement of partners during SBP implementation

According to Art. 5 of the CPR and the European Code of Conduct on Partnership, the participation of relevant economic and social partners and civil society representatives in the work of the Monitoring Committee will be ensured by the Member States. In each Member State relevant partnerships, either in form of national/regional sub-committees or national/regional consultation networks, groups and fora, will be organised. The MA will be informed about the provisions taken by the Member States to ensure the involvement of relevant stakeholders in the consultation and decision-making processes of the Monitoring Committee. Furthermore, building on their long-standing experience of cross-border cooperation, the two Euroregions active in the South Baltic area, Euroregion Baltic and Euroregion Pomerania, will be represented in the Monitoring Committee through their own joint Euroregional delegation.

6. COORDINATION

The mechanisms that ensure effective coordination between the ERDF, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and other Union and national funding instruments, including the coordination and possible combination with the Connecting Europe Facility, the ENI, the European Development Fund (EDF) and the IPA and with the EIB, taking into account the provisions laid down in the Common Strategic Framework as set out in Annex I to Regulation (EU) No 1303/2013. Where Member States and third countries participate in cooperation programmes that include the use of ERDF appropriations for outermost regions and resources from the EDF, coordination mechanisms at the appropriate level to facilitate effective coordination in the use of these resources

The South Baltic area is covered by numerous EU programmes which offer funding via different funds (i.e. ERDF, CF and ESI). Therefore it is of high importance to secure proper coordination between the funding instruments available in the area in order to, on one hand, create synergies between them and on the other to avoid double financing of operations. There are several means described below, explaining how the SBP is going to achieve this goal.

Coordination with ETC programmes

In the funding period 2014-2020, the SBP geographically overlaps with the transnational Baltic Sea Region Programme (BSR Programme). It also shares parts of the SBP area with four cross-border programmes on internal EU borders, namely:

- Öresund – Kattegat – Skagerrak,
- Germany - Denmark,
- Mecklenburg-Vorpommern/Brandenburg – Zachodniopomorskie,
- Lithuania – Poland,
- Latvia – Lithuania,

and with the two programmes (Lithuania-Russia and Poland-Russia) co-funded under the European Neighbourhood Instrument (ENI CBC).

The BSR Programme

In comparison with the transnational BSR Programme, the cross-border SBP features such economic, social and environmental topics, which are specific for this area and which result from joint use of infrastructure and facilities as well as from the existence of close-range networks built on people-to-people contacts.

The BSR Programme may provide inputs to the SBP by setting a transnational framework for cross-border actions and by rendering solutions developed within the transnational framework for testing locally. In the opposite direction, cross-border cooperative networks facilitated under the SBP may produce practical solutions to identified development problems, which become applicable even on the scale of the whole Baltic Sea region. Such solutions may be promoted by the BSR Programme and

incorporated into transnational strategies and actions, which would form a basis for specific investments.

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

Other cross-border programmes

The SBP demonstrates a clear profile based on the cross-border and cross-sectoral dimension of the envisaged actions and on the exclusive selection of cooperation topics that match the territorial and socio-economic specificity of the whole SBP area. Bilateral projects eligible in other ETC programmes should be given priority *only if they have a high model value and/or if more countries are invited to participate as, for example, associated organisations.*

There is a synergy potential between actions co-funded under the SBP and some other cross-border programmes. This potential shall be exploited for the harmonious development of the South Baltic territory. Example fields are presented below:

- The CBC Öresund–Kattegat–Skagerrak Programme: actions in TO 7 (c) – sustainable transport; and TO8 (ETC) - integrating cross-border labour markets.
- The CBC Germany – Denmark Programme: has set similar Programme priorities and selected in particular TO 6 (f) and TO 8 to improve the situation on the labour market.
- The CBC Mecklenburg-Vorpommern/Brandenburg-Zachodniopomorskie Programme: has set similar Programme priorities and selected in particular TO 6 (c) and TO 7 (c); however, it is not focused on cooperation in the Baltic Sea area.
- The Lithuania-Poland Programme: actions in TO 8 to improve the labour market situation and in TO 6 to protect the environment and to preserve the cultural and natural heritage, thereby contributing to better quality of life.
- The CBC Central Baltic Programme: actions in TO 3 (d) to strengthen the innovation capacity and internationalisation of SMEs, TO 6 (c) to develop natural and cultural heritage sites into sustainable tourist attractions, TO 6 (f) to promote the uptake of innovative methods and technologies in the water sector and TO 7 (c) supporting low carbon transport solutions and improved services of existing small ports.

The thematic synergies and the established cooperation ties between the SBP and the Central Baltic Programme have paved the ground for regular exchanges on project ideas and approved operations as well as the generation of complementary actions (e.g. ‘mirror projects’). Furthermore, the mutual uptake of project results shall be encouraged to enhance the impact of both programmes in the Baltic Sea region.

Geographically and thematically, the SBP also overlaps partly with two cross-border co-operation programmes implemented under the ENI CBC (Poland- Russia and Lithuania-Russia) and dedicated to the development of cross-border cooperation on external EU borders. The SBP may complement these activities by encouraging co-operation with the Kaliningrad region, under the condition set out in the ERDF Regulation that these

undertakings will be for the benefit of the EU regions. However, direct support from ERDF for the partners from outside the EU is not allowed within the SBP.

Beyond the established bilateral contacts, the INTERACT Programme will continue to serve as a major platform to coordinate between different ETC programmes. It will support the exchange between programmes' bodies and will gather information about funded projects from all respective programmes, thus allowing applicants and decision-makers to investigate on previous and on-going cooperation projects on similar themes.

Coordination with other ESI Funds and national funding instruments

The SBP directly corresponds to the Cohesion Fund investments and ERDF programmes (national and regional) operational in the South Baltic area. It contributes to the preparation of investments responding to specific socio-economic development needs. Although the budgets and scope of the investment programmes are far bigger than that of the SBP, the latter can complement them by adding a cross-border perspective to the planning and investment processes (e.g. providing ideas for optimum placement and performance pre-requisites of the investments in the geographically wider scale or addressing cross-border benefits of the actions and investments supported by the national and regional programmes).

The SBP (in Priority 2) operates close to the European Agricultural Fund for Rural Development (EAFRD), as the latter pursues the long-term strategic objectives of contributing to the competitiveness of agriculture, the sustainable management of natural resources and climate action and the balanced territorial development of rural areas. A similar correlation – particularly in Priority 1, 2 and 4 – is envisaged with the European Maritime and Fisheries Fund (EMFF), which is dedicated to financing the Maritime Integrated Policy. In that specific area, the EMFF is geared to promote economic growth, social inclusion, creation of jobs and support for labour mobility in coastal and inland communities depending on fishing and aquaculture; enhance the competitiveness and viability of aquaculture enterprises, in particular SMEs; and to protect and restore marine biodiversity and ecosystems.

The SBP (in Priority 4 and 5), through the cross-border perspective, promotes complementary actions to the European Social Fund (ESF), as the latter addresses employment challenges and supports labour mobility. The ESF will also enhance institutional capacity and efficient public administration in dealing with, for example, social innovation, i.e. testing and scaling up innovative solutions to address social, employment and education needs. Actions co-funded from the ESF will to a greater degree place emphasis on combating youth unemployment.

The SBP complements the EAFRD, EMFF and ESF instruments operational in the South Baltic area by promoting actions performed in the cross-border and territorial development context, and applying a cross-sectoral (integrated) approach. Thereby, the SBP provides complementarity potentials for the national and regional programmes focusing on:

- Business models for SME development and SME capacity in growth and innovation processes;

- Protection of the environment and resource efficiency;
- Sustainable transport and infrastructure bottlenecks;
- International labour mobility;
- Blue and green growth in the context of smart specialisation.

Two countries in the ENI CBC area (Lithuania and Poland) receive funding from the EEA Grants and Norway Grants. However, in comparison with the SBP, interventions under those programmes demonstrate a bilateral character and are based on direct links between the donor and the beneficiary countries.

Coordination with sectoral initiatives

The SBP adds a territorial dimension to sectoral programmes, looking at the area's development from a comprehensive territorial, socio-economic and environmental perspective. Through an integrated, cross-sectoral approach, the ENI CBC tackles common challenges identified jointly in the border regions and attempts to exploit untapped potential across the borders in the South Baltic area.

In Priority 1, the SBP corresponds with Horizon 2020, which promotes smart specialisation, intends to create innovation-friendly business environment for SMEs, and links emerging centres of excellence and innovative regions in less developed Member States to leading counterparts elsewhere in Europe. Apart from that, Priority 1 has some commonalities with COSME (Programme for the Competitiveness of Enterprises and Small and Medium-size Enterprises), which enables SMEs to have access to markets by offering assistance to find a business partner abroad: in the EU or worldwide. It could be used to facilitate and improve access to finance for SMEs from blue and green sectors through various financial instruments. Moreover, the SBP synergises with the Enterprise Europe Network, which facilitates an access to European and international markets for European SMEs and provides growth-oriented, integrated business and innovation support services that help strengthen the competitiveness and sustainability of European enterprises may thus also be used to promote the funding opportunities offered by the SBP.

In Priority 2, the SBP liaises with LIFE (European Programme for Environment and the Climate Action), which supports integrated projects in the areas of nature, water, waste, air, climate change mitigation and climate change adaptation. Furthermore, LIFE promotes sectoral plans, programmes or strategies (including the Prioritised Action Framework, the River Basin Management Plan, the Waste Management Plan, and the national mitigation plan or adaptation strategy).

In Priority 3, the SBP complements the Connecting Europe Facility (CEF) by addressing regional connectivity issues and opportunities created by the TEN-T core and comprehensive networks for urban and rural areas. Moreover, the SBP takes into account the vision for a competitive and resource-efficient transport system promoted by the EC in the White Paper on Transport. For the CSF Funds, this means focusing on sustainable forms of transport and sustainable urban mobility.

In Priority 4 and 5, the SBP is linked to the programme for Social Change and Innovation (PSCI), notably in the field of social innovation and social policy experimentation. Specifically in priority 4, the SBP provides a cross-border perspective to the Youth Employment Initiative, which will help young people currently not in employment in

some South Baltic regions experiencing youth unemployment rates above 25%. Priority 4 also liaises with the EURES (the European network of Employment Services), ‘Creative Europe’ initiative (for the cultural and creative sectors) and ‘Erasmus +’ (aimed to boost skills and employability, as well as modernising education, training, and youth work). Priority 5, in turn, corresponds to the ‘Europe for Citizens’ Programme, which aims to improve conditions for civic and democratic participation at an EU level.

Coordination mechanisms with the corresponding funds and instruments

During the preparatory stage of the SBP, all potential complementarities with the above-described funds and instruments were taken into account when designing the intervention logic and defining potential (indicative) actions.

The estimation of possible overlaps and/or synergies will be performed at the project consultation events arranged by the JS and the national Contact Points. During the assessment stage, both the Monitoring Committee and the JS will assess the strategic relevance and complementarity of the proposals in the SBP in relation to interventions funded at the national/regional and European level. For instance, the SBP bodies may encourage project partnerships to ensure the mainstreaming of the solutions developed and tested through cross-border cooperation by applying to relevant national/regional/sectoral programmes. The Monitoring Committee may thus suggest modifications to the projects in order to strengthen synergies with a particular corresponding SBP or instrument. Furthermore, the Monitoring Committee members, being also involved in monitoring and implementation of other programmes (national/ and regional/ sectoral /ETC), may detect potential risks of double financing.

Moreover, a new tool with data on funding sources available for implementation of actions in line with EUSBSR and its Action Plan has been created in order to ensure appropriate coordination between different programmes. It should also be underlined that the cooperation with the EUSBSR stakeholders, as described in section 4.4, is to be used for the purpose of capitalisation of the results and building synergies.

7. REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES

Summary of the assessment of the administrative burden for beneficiaries and, where necessary, the actions planned accompanied by an indicative timeframe to reduce the administrative burden.

Launched under the South Baltic Programme 2007-2013, the assessment of the administrative burden is an ongoing process that has already led to concrete measures simplifying the management of projects for the beneficiaries. These include streamlined procedures for the approval of progress reports, allowing for the swift reimbursement of the eligible costs reported by project partnerships to the programme.

Moreover, the JS of the SBP has actively contributed to the development of the 'Harmonised Implementation Tools' (HIT), a set of templates, model forms, fact sheets and guidance documents prepared under the lead of INTERACT with the aim to simplify and harmonise the management of ETC projects. Adjusted to the requirements of the SBP, the HIT solutions will be used by the MA/JS in the programming period 2014-2020, where possible.

Furthermore, taking into account past experiences in the implementation of operational programmes, as well as the assumptions and requirements of the financial perspective 2014-2020, the MA is planning to take the following steps to reduce the administrative burden for beneficiaries in the perspective 2014-2020:

a) in order to improve and better coordinate the implementation of the SBP as well as to monitor and plan further measures to reduce the administrative burden for beneficiaries:

- the SBP's e-cohesion system will be used by all beneficiaries and the SBP institutions (including First Level Controllers);
- organisation of meetings between the controller and other representatives of the implementing institutions, enabling the exchange of experiences and harmonization of the methods;
- use of simplified procedures for calculation of project costs and verification of expenditures in accordance with Art. 67 and 68 of the CPR and Art. 19 of the ETC Regulation. The details will be included in the Programme Manual;
- exchanges of experience with the management bodies of other ETC programmes, e.g. by participating in the networking activities organised by INTERACT.

b) in order to ensure the effectiveness of information and promotion:

- organising more participatory meetings (workshops, seminars, consultations) with beneficiaries and potential beneficiaries;
- strengthening the competences of the employees of various bodies involved in the process of SBP implementation.

8. HORIZONTAL PRINCIPLES

8.1 Sustainable development

Description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations.

The requirement to include the principle of sustainable development (understood as meeting the needs of the present generation without compromising those of future generations) into all European policies, so that they contribute in an integrated way to meeting economic, environmental and social objectives, is set out in the EU Treaty.

The principle of sustainable development is fully integrated in the architecture and implementation approach of the SBP, which addresses the territorial assets and challenges of the South Baltic area in the context of a more durable, more inclusive and more cohesive growth. It is clearly visible in the SBP's approach of boosting blue and green economy sectors based on the local produce and endogenous capacities.

In particular, the principle of sustainable development is strongly embedded in Priority 2 (*Exploiting the environmental and cultural potential of the South Baltic area for blue and green growth*), which deals with the sustainable use of the nature and heritage of the South Baltic areas as well as with green technologies and environmental management. It also provides a basis for actions under Priority 3 (*Improving cross-border connectivity for a functional blue and green transport area*), which tackles the need to improve transport services between the South Baltic regions, including transport greening measures. In Priority 1, 4 and 5, the SBP highlights economic and social components of sustainable development.

The SBP takes challenges deriving from climate change into account, in particular by selecting relevant Thematic Objectives, i.e. TO6 (6f) and TO7 (7c). In its approach, the SBP seeks to provide solutions for better environmental protection, energy efficiency as well as the environmental sustainability of transport services.

Compliance with sustainable development as a horizontal principle will have to be met by all projects financed under the SBP. This aspect will be a subject of assessment in the project selection procedure.

Detailed guidance to the applicants on this issue will be provided in the Programme Manual.

8.2 Equal opportunities and non-discrimination

Description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or

sexual orientation during the preparation, design and implementation of the cooperation programme and, in particular, in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination, and in particular, the requirements of ensuring accessibility for persons with disabilities.

Promotion of equal opportunities and non-discrimination based on gender, racial or ethnic origin, religion or belief, disability, age or sexual orientation has been adopted by the SBP in the programming work and will be applied at various stages of SBP implementation. It will also be incorporated in the project selection procedure. The beneficiaries of the projects should ensure that the principle of equal opportunities is respected and promoted during the implementation of operations.

This principle, in particular, will be applied to SBP actions dealing with entrepreneurship and human capital (Priority 1 – *Strengthening international activeness and innovation capacity of the South Baltic blue & green economy*; Priority 4 – *Boosting human resource capacities for the area's blue and green economy*; and Priority 5 - (*Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth*). It will also address the non-discriminatory involvement of various actors in joint tourism, environmental management and transport activities.

Compliance with equal opportunities and non-discrimination as a horizontal principle will have to be met by all projects financed under the SBP. This aspect will be a subject of assessment in the project selection procedure.

The SBP only complements other EU instruments (especially the ESF programmes) in this aspect. The support for the purpose of promoting equal opportunities and non-discrimination is not the main goal of the SBP.

A detailed guidance to applicants on the issue will be provided in the Programme Manual.

8.3 Equality between men and women

Description of the contribution of the cooperation programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at cooperation programme and operation level.

The gender perspective has been adopted by the SBP in the programming work (e.g. in the involvement of both men and women in the SBP management structures) and will be applied at various stages of SBP implementation. It will also be incorporated in the project selection procedure. The beneficiaries of projects should ensure that the gender principle is respected and promoted during the implementation of operations (e.g. in the recruitment of personnel).

Compliance with equality between men and women as a horizontal principle will have to be met by all projects financed under the SBP. This aspect will be a subject of assessment in the project selection procedure.

The SBP only complements other EU instruments (especially the ESF programmes) in this aspect. Support for the principle of promoting equality between men and women is not the main goal of the SBP.

Detailed guidance for applicants on the issue will be provided in the Programme Manual.

9. SEPERATE ELEMENTS

9.1 Major projects to be implemented during the programming period

Table 23: List of major projects

Project	Planned notification / submission date (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority axes / Investment priorities
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9.2 Performance framework of the cooperation programme

Table 24: Performance framework (summary table)

Priority axis	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)
I - Strengthening international activeness and innovation capacity of the South Baltic blue and green economy	1a	No. of cross-border support services/programmes to blue and green sector SMEs to foster their competitiveness to be delivered by contracted projects	Absolute numbers	6	20.00
I - Strengthening international activeness and innovation capacity of the South Baltic blue and green economy	1b	Certified expenditure	Euros	1 231 111,20	12,311,112.00
I - Strengthening international activeness and innovation capacity of the South Baltic blue and green economy	1.1.2	No. of cross-border support services/programmes delivered to blue and green sector SMEs to foster their competitiveness	Absolute numbers	0	20.00
II - Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth	2a	No. of blue and green services, products and tools exploiting the environmental, natural and cultural potential of the South Baltic area to be delivered by contracted projects	Absolute numbers	15	100.00
II - Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth	2b	Certified expenditure	Euros	4 910 333,70	49,103,337.00
II - Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth	2.1.3	No. of delivered blue and green services, products and tools exploiting the environmental, natural and cultural potential of the South Baltic area	Absolute numbers	0	100.00
III - Improving cross-border connectivity for a functional blue and green transport area	3.2	No. of delivered strategies, measures and tools aimed at improving the standard, efficiency, interoperability and/or environmental performance of transport services	Absolute numbers	0	20.00
III - Improving cross-border connectivity for a functional blue and green	3a	No. of strategies, measures and tools aimed at improving the standard, efficiency,	Absolute numbers	5	20.00

Priority axis	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)
transport area		interoperability and/or environmental performance of transport services to be delivered by contracted projects			
III - Improving cross-border connectivity for a functional blue and green transport area	3b	Certified expenditure	Euros	1 949 259,30	19,492,593.00
IV - Boosting human resource capacities for the area's blue and green economy	4.1	No. of delivered cross-border employment schemes (i.e. services, model solutions, tools and programmes) and joint training supporting employment in the blue and green economy of the South Baltic area	Absolute numbers	0	12.00
IV - Boosting human resource capacities for the area's blue and green economy	4a	No. of cross-border employment schemes (i.e. services, model solutions, tools and programmes) and joint training supporting employment in the blue and green economy of the South Baltic area to be delivered by contracted projects	Absolute numbers	3	12.00
IV - Boosting human resource capacities for the area's blue and green economy	4b	Certified expenditure	Euros	1 025 925,90	10,259,259.00
V - Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth	5.2	No. of joint capacity-building activities/events involving local actors	Absolute numbers	0	50.00
V - Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth	5a	No. of joint capacity-building activities/events involving local actors to be delivered by contracted projects	Absolute numbers	10	50.00
V - Increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth	5b	Certified expenditure	Euros	513 006,70	5,130,067.00

9.3 Relevant partners involved in the preparation of the cooperation programme

- Euroregion Baltic
- - Euroregion Pomerania
- - The Association of Klaipeda Municipalities, Lithuania
- - The Association of Polish Communes Euroregion Baltic, Poland
- - The Association of Polish Municipalities in the Pomerania Euroregion, Poland
- - The Association of Local Authorities Euroregion POMERANIA e.V. , Germany
- - districts (Landkreise): Nordwestmecklenburg, Rostock, Vorpommern-Rügen, Vorpommern-Greifswald
- - cities: Rostock, Wismar, Stralsund, Greifswald
- - Schwerin Chamber of Industry and Commerce
- - Rostock Chamber of Industry and Commerce
- - East Mecklenburg-Vorpommern Chamber of Industry and Commerce

- - Schwerin Chamber of Crafts
- - East Mecklenburg-Vorpommern Chamber of Crafts
- - Federation of Entrepreneur's Associations Mecklenburg-Vorpommern, registered association
- - German Trade Union Federation
- - German Federation for Environment and Nature Mecklenburg-Vorpommern
- - Workers' Welfare Land Association Mecklenburg-Vorpommern
- - State Chancellery Mecklenburg-Vorpommern
- - Ministry of Interior and Sport Mecklenburg-Vorpommern
- - Ministry of Justice Mecklenburg-Vorpommern
- - Ministry of Finance Mecklenburg-Vorpommern
- - Ministry of Economics, Construction and Tourism Mecklenburg-Vorpommern
- - Ministry of Agriculture, Environment and Consumer Protection Mecklenburg-Vorpommern
- - Ministry of Education, Science and Culture Mecklenburg-Vorpommern
- - Ministry of Energy, Infrastructure and Regional State Development Mecklenburg-Vorpommern
- - Ministry of Employment, Gender Equality and Social Affairs Mecklenburg-Vorpommern
- - County Administrative Board of Blekinge
- - Energy Agency for Southeast Sweden
- - Regional Council of Blekinge, Sweden
- - Regional Council in Kalmar County, Sweden
- - Regional Council of Southern Småland, Sweden
- - The Swedish Forest Agency
- - Administrative Board of Kalmar County
- - AF Employment Agency in Kalmar County
- - Almi/IFS - Kalmar
- - Swedish Social Insurance Agency – Kalmar
- - Swedish Federation of Business Owners – Kalmar
- - Rural Agricultural Society Kalmar-Kronoberg-Blekinge-Östergötland
- - Linné University Kalmar-Växjö
- - LO South East The Swedish Trade Union Confederation
- - TCO The Swedish Confederation for Professional Employees
- - LRF South East The federation of Swedish Farmers
- - The Swedish Confederation of Swedish Enterprise
- - The Chamber of Commerce and Industry of Southern Sweden
- - Ministry of Health Protection, Lithuania
- - Protected Areas Service under the Ministry of Environment, Lithuania
- - Ministry of Culture, Lithuania
- - Bornholm Growth Forum
- - Danish Business Authority
- - Regional Municipality of Bornholm
- - Køge Municipality
- - Council of Region Zealand
- - Guldborgsund Municipality

- - Green Center, Lolland
- - Solröd Municipality
- - Foundation for Environmental Monitoring
- - Foundation for Sustainable Energy
- - Philips Lighting Poland S.A.
- - Ministry of the Environment, Poland
- - Ministry of Infrastructure and Development, Poland
- - Ministry of Labour and Social Policy, Poland
- - Ministry of Culture and National Heritage, Poland
- - Ministry of Foreign Affairs, Poland
- - Ministry of Interior, Poland
- - Ministry of Finance, Poland
- - Ministry of Administration and Digitization, Poland
- - Ministry of Justice, Poland
- - Ministry of Sport and Tourism, Poland
- - Ministry of Defence, Poland
- - Ministry of Economic, Poland
- - Ministry of Agriculture and Rural Development, Poland
- - Ministry of Education, Poland
- - Ministry of Science and Higher Education, Poland
- - Ministry of Treasury, Poland
- - Ministry of Health, Poland
- - National Headquarters of the State Fire Service
- - State Archives in Koszalin
- - Head Office of the State Archives
- - Centre of European Transport Projects, Poland
- - Central Statistical Office
- - Polish Agency for Enterprise Development
- - Office of Competition and Consumer Protection, Poland
- - Gdynia City
- - Gdańsk City
- - Sopot City
- - Elbląg City
- - Ostaszewo Commune
- - Lębork Commune
- - Starogard Gdański Commune
- - Osiek Commune
- - Sztum Commune
- - Trąbki Wielkie Commune
- - Kurzetnik Commune
- - Ostróda Commune
- - Tolkmick Commune
- - Grodziczno Commune
- - Lelkowo Commune
- - Voivodeship Labour Offices
- - Commune Labour Offices
- - ARMAAG Association
- - Maritime Institute in Gdańsk

- - Pomeranian Development agency
- - Gdańsk University of Technology
- - Gdańsk National Museum
- - The Polish Chamber of Maritime Commerce
- - Tourist Association Kaszuby
- - Polish Register of Shipping
- - Police Offices
- - Polish Free Entrepreneurship Association
- - Polish Maritime Cluster
- - Pomeranian Special Economic Zone
- - Polish Institute of Meteorology and Water Management
- - POLCARGO Superintendence and Testing Services in Gdańsk
- - Association of Entrepreneurship Elbląg
- - Sewruk Theater
- - Regional State Forests
- - Elbląg Technology Park
- - Elbląg Chamber of Commerce
- - Elbląg Europa Association
- - Elbląg High-Plain Landscape Park
- - Office of the Marshall of Pomorskie Voivodeship
- - Office of the Marshall of Zachodniopomorskie Voivodeship
- - Office of the Marshall of Warmińsko-Mazurskie Voivodeship
- - Pomorskie Voivodeship Office
- - Zachodniopomorskie Voivodeship Office
- - Warmińsko-Mazurskie Voivodeship Office

9.4 Applicable programme implementation conditions governing the financial management, programming, monitoring, evaluation and control of the participation of third countries in transnational and interregional programmes through a contribution of ENI and IPA resources

not applicable

Documents

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Confirmation of agreement in writing to the contents of the cooperation programme - Sweden	Confirmation of agreement in writing to the contents of the cooperation programme	04-Dec-2014			Confirmation of agreement in writing to the contents of the cooperation programme - Sweden		
Confirmation of agreement in writing to the contents of the cooperation programme - Poland	Confirmation of agreement in writing to the contents of the cooperation programme	27-Nov-2014			Confirmation of agreement in writing to the contents of the cooperation programme - Poland		
Confirmation of agreement in writing to the contents of the cooperation programme - Germany	Confirmation of agreement in writing to the contents of the cooperation programme	25-Nov-2014			Confirmation of agreement in writing to the contents of the cooperation programme - Germany		
Confirmation of agreement in writing to the contents of the cooperation programme - Lithuania	Confirmation of agreement in writing to the contents of the cooperation programme	05-Nov-2014			Confirmation of agreement in writing to the contents of the cooperation programme - Lithuania		
Confirmation of agreement in writing to the contents of the cooperation programme - Denmark	Confirmation of agreement in writing to the contents of the cooperation programme	02-Dec-2014			Confirmation of agreement in writing to the contents of the cooperation programme - Denmark		

Submitted annexes by the Commission implementing regulation laying down the model of the programme

Document title	Document type	Programme version	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Report of the ex-ante evaluation	Report of the ex-ante evaluation	1.0	30-Nov-2014		Ares(2014)429279 2	Report of the ex-ante evaluation	19-Dec-2014	njurczmo

Document title	Document type	Programme version	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Programme Snapshot 2014TC16RFCB013 1.2	Snapshot of data before send	1.2	06-Jul-2015		Ares(2015)2819004	Programme Snapshot 2014TC16RFCB013 1.2 pl	06-Jul-2015	njurczmo
Confirmation of agreement in writing to the contents of the cooperation programme - Poland	Confirmation of agreement in writing to the contents of the cooperation programme	1.2	27-Nov-2014		Ares(2015)2819004	Confirmation of agreement in writing to the contents of the cooperation programme	06-Jul-2015	njurczmo
A map of the area covered by the cooperation programme	A map of the area covered by the cooperation programme	1.1	21-Apr-2015		Ares(2015)2169294	A map of the area covered by the cooperation programme	25-May-2015	njurczmo