

## **SFC2021 INTERREG Programme**

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Lithuania-Sweden (South Baltic)

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NUTS regions covered by the programme:

DE80N Vorpommern-Greifswald

DE803 Rostock, Kreisfreie Stadt

DE80M Nordwestmecklenburg

DE80L Vorpommern-Rügen

DE80K Lankreis Rostock

DK014 Bornholm

DK021 Østsjælland

DK022 Vest- og Sydsjælland

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LT023 Klaipėdos apskritis

LT027 Tauragės apskritis

LT028 Telšių apskritis

PL424 Miasto Szczecin

PL426 Koszaliński

PL427 Szczecinecko-pyrzycki

PL428 Szczeciński

PL636 Słupski

PL637 Chojnicki

PL638 Starogardzki

PL633 Trójmiejski

PL634 Gdański

PL621 Elbląski

PL622 Olsztyński

SE212 Kronobergs län

SE213 Kalmar län

SE221 Blekinge län

SE224 Skåne län

Strand Strand A: CB Cross-Border Cooperation

Programme (ETC, IPA III CBC, NDICI-CBC)

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

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

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

The Programme covers 26 NUTS 3 sub-regions in Denmark, Germany, Lithuania, Poland and Sweden. The South Baltic Area ('SBA') has a distinct blue (maritime sector) and green (natural resources sector) character, featuring the sea basin, coastal landscapes and extensive green areas with numerous lakes and streams. At the same time, it has a largely coastal character (mostly up to 50 km from the coastline). The South Baltic ('SB') cross-border character is strongly defined by the Baltic Sea positioned centrally in the Programme eligible area. This unique feature determines specific conditions for cooperation. While the Baltic Sea serves as a natural physical barrier, the cooperation within the region has a long tradition with its roots in the Middle Ages. However, despite shared history, the recognition of common identity in SBA communities is low. Also, there are strong socio-economic disparities in the region.

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

Since early 1990s, emerging cross-border ties established as part of Euroregions (Pomerania, Baltic) have resulted in diverse collaboration networks across SBA involving: regional and local authorities, business organisations, R&D institutions, and NGOs. These networks have been strengthened by joint projects under SB Programmes 2007-2013 and 2014-2020 and provided solid foundation for years ahead.

The Programme will stay open for joint projects developing functional networks, with a focus on involving partners with important cooperation potential which may contribute to its benefit and bring added value.

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Covered by Euroregion Baltic, Olsztyński subregion is struggling with consequences of Russian aggression against Ukraine. Bordering with Kaliningrad Oblast of Russian Federation, Olsztyński is dealing with negative socio-economic impact of lost cross-border relations with this area. This affects e.g. tourism, other prospects for economic growth, especially in municipalities closest to the border. Cross-border cooperation in SBA will mitigate consequences of current geopolitical situation.

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

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

The overall vision of the South Baltic Area

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

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

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

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

"Sustainable" – means that the actions, which will be undertaken within the Programme, will bring positive impact on the regions in environmental, social and economic development. A sustainable approach is very much connected with the green and blue economy which is essential for the regions of the SBA. Green economy / technologies relate to environmentally friendly solutions, that promote the sustainable management of resources and take into account energy efficiency, recycling, safety and health concerns, etc. The term relates to methods, approaches, solutions, materials, devices, products and services applied in a wide range of activities. These usually include: production and transmission of renewable energy, water and air purification, sewage treatment, environmental remediation, solid waste management, energy conservation and life-cycle solutions, chemistry, food manufacturing and processing, housing, and many more. At the same time blue economy is

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defined as all economic activities related to oceans, seas and coasts, and can cover the following sectors: blue energy – offshore wind power, tidal and wave power, ocean thermal energy conversion, aquaculture, maritime, coastal and cruise tourism; deep-sea and shortsea shipping, marine mineral resources (seabed mining), marine biotechnology (e.g. resources in the pharmaceutical and cosmetic industries), desalination, coastal protection, maritime security & surveillance and environmental monitoring. In order to ensure the proper blue and green growth of the SBA the sustainable approach is inevitable. The above is fully in line with the new EC communication on a new approach for a Sustainable Blue Economy, published in May 2021.

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

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

Economic area | Key challenges

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The SBA has witnessed a steady economic growth over the recent years, however the level of economic development varies considerably between countries and regions. Despite the extensive resources allocated from the EU cohesion policy, inequalities have not been completely levelled out. Large disparities between the regions of the SBA in the earnings of the population as well as in terms both of GDP per capita and disposable income. The richer regions from Denmark and Sweden (and the less wealthy German regions) are disproportionately richer than the Polish and Lithuanian ones. Income among the regions is distributed unevenly, indicating no common trend. Besides the differences between countries and regions, the disparities have a strong urban-rural character.

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

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

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efforts at strengthening cooperation could allow SMEs to unleash their potential for technological transformation and internationalisation.

Tourism is one of the leading industries in the SBA. However, despite the presence of varied tourist attractions, unpolluted and exciting natural landscapes and a decent accommodation base, relatively large disparities between SBA regions are noted in the level of development of the tourist infrastructure. The environmental and climate conditions of the SBA, created by the influence of sea water, beaches and green areas, are currently used only in a limited extent for the creation of year-round tourist offers. The sustainable use of the environmental assets for building the tourism offer, breaking the seasonality in tourism, can contribute to the development of the whole Programme area. The SBA does not have a common approach towards building a sustainable and innovative tourist sector, which would allow to more fully reap the benefits of the region's touristic potential. The Programme area could therefore benefit from cooperation in developing a common tourist product. This would bring not only economic benefits, but also elevate the SBA as a more attractive tourist destination and – allowing for the introduction of more sustainable practices – help preserve the unique environment of the region. Also, as tourism and cultural sectors are ones of the high significance in the SBA, supporting their green and digital transition could also strengthen their input not only in making them more sustainable, but also in driving the economic development of the area, the social inclusion and social innovations in the SBA.

The SBA has a coastal zone location and large sections of the eligible Programme area have access to the sea. These features determine the huge potential of the region to develop a blue economy in a sustainable way that allows to preserve the eco-system balance of the South Baltic. The Blue Economy encompasses a number of varied sectors (including maritime transport, resource extraction, tourism and others), many of which both generate a significant value added and employ large portions of the countries' populations. While Blue Economy plays an important role in the

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economies of the SBA, a number of unsustainable activities are practised as well. One of them is over-exploitation of the Baltic fishery resources. Strengthened cooperation to address the issue could allow the region to reap the benefits of sustainable development of the sector. However it should be noted that over-exploitation of the Baltic fishery resources falls under the European Maritime and Fisheries Fund interventions.

#### Social area | Key challenges

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

The structure of society is changing in the SBA. On the one hand, due to the development of medical sciences and a lower value of birth rate, its society is getting older. This is a challenge that entails the obligation to adapt the labour market, social policy, as well as public spaces and residential buildings. It covers also aspects related to the growing number of persons with disabilities (according to information presented in the Disability rights strategy for 2021-2030 app. 48% of the population aged over 65 is disabled in some way). On the other hand, the exodus of graduates from the SBA to other regions, which often offer better financial and development opportunities, causes the loss of well-educated young people that could potentially strengthen the local labour market. This phenomenon is particularly visible in the rural areas as well as in the sub-regions located near larger urban centres.

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While there is significant room for cooperation in the field of education, education systems across the SBA vary largely depending on the solutions adopted on the national level. Notably, the concept of lifelong learning is not consistently popular across the region and tertiary educational attainment varies, although it remains above the EU average of 40%. The eligible area is home to a number of renowned educational institutions, which – albeit to a limited extent – are already interlinked by regional and international networks of cooperation. The cooperation and relatively strong cohesion of educational offer (especially in fields related to the blue and green industries which are of great importance for the SBA economy) constitutes a significant asset in terms of developing cross-border cooperation.

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

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## Environmental and Infrastructural area | Key challenges

Although significant progress has been achieved in order to address some of the most pressing environmental challenges faced by the SBA, increased cooperation is key in order to protect the unique environment of the region and eliminate unsustainable practices. Most notably, climate change poses a major threat to the region. Among other negative consequences, it contributes to rising sea levels, which may lead to flooding across the lowland and depressed areas in the region. Moreover, the average temperature of water in the Baltic Sea has been rising, threatening its biodiversity. Indeed, most of the Baltic Sea has been rated as “Moderate” or “Poor” (WFD or “SubGES” as assessed under the Marine Strategy Framework Directive) with respect to biodiversity and, therefore, has been classified as a problem area. At the same time, the Baltic Sea is in a critical situation in terms of eutrophication and pollution levels. The eutrophication level is at 87%, the highest rate among European seas as of 2019. While pollution is primarily discharged into the sea from land, pollutants cumulated at sea – including those discharged from marine vessels and those emerging from dumped ammunition – remain a significant problem. These environmental problems constitute significant shared challenges faced by the region. Rising sea level and floods are not only threats to the environmental security of the region – there are also other negative phenomena visible, e.g. impact of climate change on crop growing, drought, shortage of water supplies and pollution with chemicals and plastics.

While diverse sources of renewable energy are exploited across the eligible area, it is worth noting the significant potential of the region for the development of sectors producing (i) wind energy, (ii) bioenergy and (iii) solar energy. In addition, the SBA has a wave energy production potential. Yet, the varied and often unstable conditions in the Baltic Sea – which differ both regionally and depending on the season – create obstacles for development in this respect. Choosing the right type of technology and adapting it to the local conditions could ensure optimal wave energy

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production. However, while renewable energy production capacities have been steadily increasing across the region, there remains room for further development and joint actions. In particular, lack of adequate renewable energy storage capacities and facilities in several regions may slow down the rate of increase of clean energy production. There is also a need for the system to handle irregular power flows from many small production units, especially at rural areas.

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

The Programme area is characterised by a well-developed national and regional transportation network as well as the presence of several multi-modal transportation hubs, offering access to sea, land and air transport. The SBA has witnessed an increase in the accessibility levels in the years 2006-2016, although the accessibility indicators continue to vary across the region. Key challenges related to transport and accessibility include disparities between transportation systems of the western and eastern parts of the Programme area and poor public transport connections between rural and urban areas, a trend which corresponds with the continuing increase in car-based mobility. What is more, there is a need to pilot or test the solutions leading to the development of infrastructure for renewable fuels, charging stations for electric cars etc, as a significant examples of new approaches that can promote renewable energy- the reinforcing link between electricity, heat and transport.

Despite a number of infrastructure investments, which significantly improved the national and regional transportation systems, there are still needs in terms of internal connections from rural areas to urban centres, also taking into consideration social inclusion of all groups (i.a.

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accessibility for disabled persons). Developments addressing such needs could have a positive impact on, among others, the structure of the labour market and the structure of settlement developments. Such actions would also represent countermeasures against the present trend of increasing car-based mobility.

#### Technological area | Key challenges

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

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

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

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

Olsztyński subregion in the programme area| Key factors

The inclusion of Olsztyński sub-region to the Programme eligible area shall allow to overcome negative socio-economic consequences of the Russian aggression against Ukraine that the subregion is facing due to the loss of its earlier cross-border cooperation possibilities. This, in conjunction with peripheral location and the safety issues, results in isolation and detrimental impact on the economic and social development of the region, especially in northernmost borderland area and its vicinity. Significant tourist potential resulting from the environmental values, well-preserved

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heritage and cultural landscape of the small towns and villages of the region is facing particular difficulties. At the same time detrimental effect on other sectors of its economy is observed e.g. in services, logistics or crucial for region's economy timber and furniture sector. Main economic challenges are related to overcoming supply chains disruptions, enhancing international potential in finding new sales markets and dealing with risk and investment uncertainty. With the inclusion to the Programme area, Olsztyński subregion, sharing many common features complementary to the character of the SBA, shall focus on finding new and strengthening existing cross-border cooperation in the South Baltic dimension that could contribute to its social and economic development, e.g. within highly relevant sustainable tourism, blue and green economy (e.g. green energy promotion), as well as other fields where its cross-border opportunities were suppressed. Having cooperation links embedded in Euroregion Baltic and significant institutional cooperation capacity, Olsztyński subregion in the Programme area has potential to bring added value to the achievement of the Programme goals and increasing recognition of common SB identity.

#### Remarks on the COVID-19 pandemic

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

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medicine services, e-learning, e-administration, e-commerce, and in the field of culture - there has been an increase in interest in digitizing resources and transferring institutional programmes to the web.

Despite some positive changes (related to fast development of several sectors) induced by COVID-19, at the time of Programme preparation, the pandemic remained a real threat and public authorities have been taking actions to reduce its effects on an ongoing basis. The effects of the pandemic that will be visible in the long term are not completely known yet but already we can identify negative ones. For this reason, the trends observed in the historical perspective are subject to change, especially in the aspects most severely affected by the pandemic. The tourism sector in which there are first jobs and jobs for people with lower education level was harshly affected by the pandemic, which poses new social challenges to the SBA. Additionally, the pandemic situation negatively affected the health care system and access to health care services. E-health solutions may contribute to mitigating these challenges, especially in the rural areas. The presented document, as far as possible, takes into account the impact of the pandemic. The activities presented in the Strategy to the extent possible, not only support the most affected sectors, but also aim at building a crisis-resilient economy and taking into account the changes appearing in the way of life of the SBA inhabitants (e.g. working, spending free time etc.). Nevertheless, due to the dynamic of the situation and the long-term impact, the Strategy of the programme is not able to cover all the effects of the pandemic. Combating the negative consequences of COVID-19 pandemic could be undertaken within all the programmes co-financed with EU funds to regain the past character of the European regions. Dealing with its negative influence on local economy and the society is one of the most important challenge for policy-makers and project leaders. Creation of a year-round tourist offers, breaking the seasonality pattern in tourism in the SBA and of the natural and climatically attractive environment and its actual role for tourists and residents, can help in recovery from the COVID-19 pandemic.

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## Consistency with horizontal principles

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

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

Horizontal principles have been considered during the programming process and will be an important component throughout the whole cycle of the Programme implementation, monitoring and evaluation. Non-discrimination principles and equal treatment shall be incorporated in the project selection procedure, while potential beneficiaries should ensure that sustainable development, gender equality and non-discrimination are promoted during the implementation of projects with Interreg funding. In line with Regulation (EU) 2021/1060, the Programme ensures that the principles of gender equality and non-discrimination and the Charter of Fundamental Rights (Article 9) will be applied. Detailed specification of these principles will be addressed in implementing documents of the Programme (e.g. Programme Manual). Compliance with the principle will have to be met by all projects financed under the SBP.

At the same time programme actions have not been and are not being planned in the context of the EC's initiative "A New European Bauhaus".

In implementing the Programme, the MA will promote the strategic use of public procurement to support strategic objectives (including professionalization efforts to address institutional capacity gaps).

Beneficiaries should be encouraged to pay more attention to quality and

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life cycle cost criteria. Where possible, environmental (e.g. green public procurement criteria) and social aspects and incentives for innovation should be included in public procurement procedures.

#### Sustainable development

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

#### Gender equality

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

#### Equality opportunities and non-discrimination

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

#### Consistency with the European Green Deal

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

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

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

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

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

High contribution:

- Programme measure 1.1 Digitalising the region
- Programme measure 2.1 Supporting transition towards green energy

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- Programme measure 2.2 Promoting sustainable use of water
- Programme measure 2.3 Supporting a circular and more resource efficient development
- Programme measure 3.1 Developing sustainable, resilient and innovative tourism

Moderate contribution:

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

Moreover, it was decided that the actions implemented under the Programme could not be contrary to the objectives of the European green deal objectives. In that context the Programme will support only activities that respect the climate and environmental standards and that would do no significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852 of the European Parliament and of the Council.

Also, the Strategic Environmental Assessment (SEA) of the programme was carried out and made available to the public via programme website. Detailed information about SEA consultations is included in separate document The written summary of the SEA. The conclusions from the SEA were already partly included in the draft programme document. Some of recommendations will be addressed in the implementation documents, i.e. Programme Manual or project selection criteria. The following recommendations were formulated:

1. Limiting the support only to projects that fulfill the „Do No Significant Harm” principle, within the meaning of Art. 17 of Regulation (EU) 2020/852 (Taxonomy Regulation),
2. rewarding projects that are contributing to the EU environmental objectives listed in Art. 9 of Regulation (EU) 2020/852 (Taxonomy

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Regulation) and projects which will result in minimizing identified pressures in the area of tourism,

3. to modify the description of the exemplary measure in point 2.3.2. in a way that would exclude the implementation of energy projects, which may have a negative impact on the environment,
4. clarifying the meaning of the term "sustainable tourism and ecotourism", as taking into account the principles and objectives set out by UNEP and WTO in the study: "MAKING TOURISM MORE SUSTAINABLE - A Guide for Policy Makers",
5. considering limiting the support to projects that adhere to these UN sustainable tourism standards,
6. setting preference for projects that will reduce the pressure of tourism on nature and other elements of the environment without introducing new threats,
7. to clarify the rules and method of including protected areas in networks and chains of tourist offers in the description of the exemplary measure under point 2.5.2.
8. to monitor the biomass burning on the programme area taking into account that there are no connections between the programme and National Emission Ceiling (NEC) Directive.

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## Consistency with EU Strategy for the Baltic Sea Region (EUSBSR)

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

As continuation of this approach, the South Baltic Programme 2014-2020 supported the activities directly reinforcing the development of the Baltic Sea macroregion. Seven projects were granted the flagship status of the EUSBSR: INTERCONNECT, BioBiGG, MORPHEUS, Baltic Sea Tourism Center, InnoAquaTech, Attractive Hardwoods, BBVET. The majority of the 64 regular projects being implemented within the Interreg South Baltic Programme 2014-2020 contribute to the execution of the Strategy's objectives.

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

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

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

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

PA Culture - Programme measure 3.1. allows to conduct projects aiming at promoting the cultural heritage of the region, especially cultural routes running through the SBA, but also creative sector. Programme measure 4.1. allows to organise joint actions related to the exchange knowledge in the field of protection of common heritage and culture.

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

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

#### Lessons learnt

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

Bearing in mind the geographical scope of the Programme area, covering 26 NUTS III regions from five EU Member States separated by maritime border, and the significant development disparities between them, the realization of joint, innovative cross-border projects as well as exchange of

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knowledge and good practices have led to tangible results, bringing innovation to the area and thus contributing to the overall objective of the Programme.

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

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

The capacity building activities approved by the MC within the Umbrella project were very well assessed by the target groups. The need for such activities had been also confirmed by the experience from perspective 2007-2013 (Capacity Building Project implemented) and a number of evaluations and analyses. As target group was defined as small, local authorities, municipalities and NGOs, the Programme learnt that the support delivered brought new project proposals, not only for the SBA. The focus will be continued in this Programme period. In the social dimension, it is estimated that the Programme gathered moreover 20 000 participants directly involved in the cross-border activities and almost 145 000 citizens affected by the Programme, which constitutes c.a. 1.5% of the total Programme population of approx. 8.9 million inhabitants.

One of the most important aspects emphasised by the Programme bodies was the transferability of project results which served as “blueprints” for

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institutions and regions not involved in the projects. From the economic point of view, the Programme jointly supported development of more than 600 new innovative solutions, tools and concepts, leading to intensification of the relations between SMEs and strengthening links between higher education and the labour markets, as well as improvements in management of the environment and stronger commitment to renewable energies and energy efficiency, more efficient use of natural and cultural heritage, as well as the improvement of transport connections and services.

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

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

The Programme bodies noticed that SO 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 required the engagement of the labour offices/authorities on the national level or the regional institutions as such are coordinated on the national level. This fact caused difficulties in the project development and seemed to be an obstacle to deliver project ideas of high quality. Despite mitigation measures proposed by the MA, JS

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and MC, only a few proposals met high admission level of quality expected.

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

#### Complementarity with other Interreg programmes

The South Baltic Programme 2021-2027 (SBP) geographically overlaps with the transnational Baltic Sea Region Programme 2021-2027 (BSR), but the complementarity of these programme’s should be taking into account their nature (cross-border against transnational) therefore should be considered at various levels of cooperation opportunities, challenges and recipients. The Programme also shares some larger parts of the area or might overlap thematically with other Interreg cross-border programmes on internal EU borders, namely:

- Interreg Central Baltic Programme
- Interreg Germany/Mecklenburg Vorpommern-Brandenburg-Poland Programme
- Interreg Öresund-Kattegat-Skagerrak Programme

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

It is worth noting that due to various conditions each time the complementarity of support will be assessed during the evaluation of

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project applications and the selection of projects, by direct exchange of information between programme institutions and clarification in common databases, e.g. KEEP and programme's databases.

#### Interreg Baltic Sea Region Programme

One of the great examples is the interaction with the transnational BSR Programme, where the developed strategies and solutions were tested and implemented within the cross-border dimension of the SBP.

Simultaneously, solutions created or tested in a limited cross-border dimension were lifted to the pan-baltic level.

PO2 and ISO 1 which were selected by the BSR Programme, are included in the SBP, which guarantees the complementarity between actions undertaken between those two programmes (on a different levels of intervention). Common fields of intervention include: responsive public services (in SBA in terms of digitalisation), sustainable water management, circular economy as well as energy transitions.

#### Interreg Central Baltic Programme

Selection of PO 1, 2 and 4 and ISO 1 into the SBP, gives the possibility for cross-programme cooperation on a different levels of intervention.

Common fields of intervention include: promoting business development and export capacities outside EU, circular economy, biodiversity and marine environment, as well as exchange of experiences among public authorities and increased capacities in planning.

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

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

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

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

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

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## Interreg Öresund-Kattegat-Skagerrak Programme

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

### Complementarity with national, regional and other EU-funded programmes

The effects of projects of the SBP may be transferred or up-scaled, or constitute basis for decisions on the future larger investments to implement the solutions delivered by the SBP, with the use of other sources of EU funding, e.g. under regional or national programmes of the Cohesion Policy.

Due to that, coordinating and cooperating with other EU-funded interventions may create opportunities to capitalise on project outputs or results and therefore to broadly multiply their impact. The scope of planned interventions of the programme should not duplicate with mainstream programmes – national, regional or EU-wide ones.

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The SBP will be taking into account the possible complementarities and synergies with i.a:

- other Interreg programmes,
- relevant national and regional Cohesion Policy programmes of participating Member States,
- Recovery and Resilience Plans of the involved Member States, where relevant.

During programme implementation the following principles will be applied:

- coordination during preparation of project proposals by consulting them with Regional Contact Points or the JS; coordination between SBP and ERDF programmes will be ensured via regional contact points as representatives of bodies involved in creating regional policies, regional development strategies and collaborating with local and regional socio-economic actors through bottom-up approach.
- when submitting projects proposals, applicants will be asked to describe the coherence and complementarity with: EU, national and regional programmes as mentioned above. This information will be subject to assessment;
- avoiding overlapping with other Interreg programmes through exchange of information with relevant MAs and JSs during project assessment;
- coordination through appropriate national, regional committees (or bodies) or institutions involved in implementation of other Cohesion Policy programmes by consulting their representatives e.g. within Monitoring Committees.

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The Danish ERDF programme is complementary to the SBP. Possible synergies between the two programmes may occur regarding digitising and internationalisation of SMEs (SO 1.2 and SO 1.3); green transition (SO 2.6) and sustainable tourism (SO 4.6). Coordination will be applied on regional (Region Zealand and Bornholm Regional Municipality) and national level (Danish Business Authority).

In Lithuania cooperation opportunities could be considered at various levels of thematic correlation with Programme for the EU funds' investments in 2021–2027. Selection of SOs within South Baltic Programme gives the possibility for cross-programme cooperation on a different levels of intervention. The Specific Objectives of potential synergies between SB and Lithuanian ERDF programme are: SO 1.2, SO 1.3, SO 2.2, SO 2.5, SO 2.6 and SO 4.6. The LT national programme i.a. prioritizes investments to SMEs, including investment to production (SO 1.3), and digital solutions (SO1.2) and innovation transfer by enhancing research and innovation capacities specifically by participating in clusters in the Baltic Sea region (SO1.1), so there is a potential of realization of results/ good practices/ pilot solutions from SBP at larger scale.

Coordination between SBP and ERDF programmes will be ensured through national sub-committee, established by Lithuanian National Authority for ensuring wider coordination with ministries, regional and/or local authorities, economic, social partners and other stakeholders.

The SBP and the ERDF Programme 2021-2027 of Mecklenburg-Vorpommern have selected PO 1 and PO 2. In both programmes there are similar thematic funding approaches in SO 1.3. This applies in particular to technology transfer and cooperation between SMEs, research and development companies as well as universities to promote innovative solutions. The consultation and coordination between the programmes in Mecklenburg-Vorpommern is ensured by the Interreg contact person and the ERDF managers e.g. through involvement in the projects assessment and implementation, or with the ESF+ managers from responsible authorities.

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In Sweden, three ERDF programmes are complementary to SBP: ERDF South Sweden, ERDF Småland and the islands and ERDF Sweden - national programme. The national and regional ERDF programmes will support projects with a national and/or regional focus. Synergies can clearly be seen with SO 1.3 since SMEs are the most important target group for these programmes, but also in digitalisation (SO 1.2), energy transition (SO 2.2) and circular economy (SO 2.6). These are all connected to the key strength areas in the Swedish SB regions. Complementarity between programmes will be provided through utilisation, implementation and dissemination of results and best practices both ways, upscaling joint solutions. Best practices from the SBP further may be elaborated and tested even more hands-on at regional conditions, or be tested regionally developing its results in different conditions, evaluating its potential and replicability. Coordination, between SBP and ERDF programmes will be ensured by Swedish Agency for Economic and Regional Growth (on national level) and contact points on regional one.

In Poland, SBP is complementary with 3 ERDF programmes, implemented at national level: European Funds for Smart Economy (regarding SO 1.2 and SO 1.3); European Funds for Infrastructure, Climate and Environment (SO 2.1, SO 2.5, SO 2.6 and SO 4.6); European Funds for Digital Development regarding SO 1.2. Additionally, the SBP can potentially create synergies with activities covered by national ESF+ Programme: European Funds for Social Development, through actions related to i.a. improving healthcare system, supporting social integration and innovations, developing social policies and relevant trainings for the need of the economy. Regarding regional (ERDF and ESF+) programmes relevant for SBA on Polish side, the SBP is complementary with European Funds for Western Pomerania (respectively SO 1.2, SO 1.3, SO 2.2., SO 2.5 and SO 2.6), European Funds for Pomerania (SO 1.2, SO 1.3, SO 2.2, SO 2.5, SO 2.6 and SO 4.6.) and European Funds for Warmia and Mazury (SO 1.2, SO 1.3, SO 2.2., SO 2.5, SO 2.6 and SO 4.6). The regional programmes are managed by the regional self-governments of these 3

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voivodships, whose representatives also participate in Monitoring Committee of the SBP, as well as other fora.

#### Promoting durability of the results

The financial situation of enterprises applying for funding within the project partnership will be assessed in the process of project assessment, coordinated by JS. Their situation as well as the risks and factors affecting the ability to carry out the project and ensure the durability of its results will also be monitored during the project implementation. Their role is expected in elaboration or testing the innovative solutions being the project outputs, mainly as part of the quadruple helix model project partnership. During the assessment of projects applying for funding it will be checked and ensured that only the projects outputs with the expected satisfactory long-term beneficial effect for SBA are recommended for funding.

The orientation of the SBP determines its prevailing focus on creating sustainable, future-oriented solutions for up-scaling or wider dissemination in the SBA and enhancing cross-border cooperation; its primary focus is not supporting the enterprises sector. The selected scope of intervention under the SBP is usually more characteristic for the public services sector. In the programming process the possibility to include among the groups of potential beneficiaries were evaluated in the view of their possible contribution to the achievement of the goals of the programme strategy and the potential of private (profit-oriented) enterprises is deemed limited to this end.

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

Table 1

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

Table 1

Selected policy objective or selected Interreg specific objective:

PO1 Smarter Europe

Selected specific objective

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

Priority

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

Justification for selection

The territorial disparities in innovation capacity between the north-western and the south-eastern parts of the SBA as well as between the urban and rural territories weaken the convergence processes between the regional economies. COVID-19 pandemic has highlighted the need to increase the level of digitalisation of actors in the local economy in order to ensure the proper functioning of various branches of the economy in the rapidly changing external conditions. The SBA has a significant economic potential for cross-border cooperation, especially in the blue and green economy sectors (especially transport and maritime sector i.e. public services, small ports and marinas). Lack of qualified labour force in SMEs in the field of Artificial Intelligence and mechatronic sectors is a challenge of the region. Digitalisation of public services (e.g. uptake of e-solutions in transport, e-health care, platforms for cross-border cooperation) will lead to

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integrated services (e.g. multimodal chains) and stronger connectivity within the South Baltic Area. It will boost the development of the maritime sector (e.g. digitalisation of ports, safety solutions) and support development of digital skills. This will unlock the potential and illustrate the advantages of open data in the public sector as well as harmonisation of data in the field of cross-border cooperation, strengthening the sustainability dimension by improving accessibility in rural areas, inclusion of elderly and disabled people and decrease disparities between genders in the labour sector. Technology transfer between regions and strengthening the cooperation between enterprises, universities and other R&D institutions in the cross-border dimension shall be strengthened. It is expected that the projects will not generate revenue; also due to the type of expected beneficiaries and types of project the selected form of support are grants. Selected policy objective or selected Interreg specific objective:

PO1 Smarter Europe

Selected specific objective

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

Priority

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

Justification for selection

The South Baltic Area economy is reliant on small- and medium-sized enterprises operating in a wide variety of economic branches, with a strong role of blue and green sectors represented by i.a. maritime industry, tourism, the forest economy, food production, sustainable transport etc. At the same time, their rapid development depends highly on the innovation and internationalisation level, as well as cooperation with R&D institutions. There is still an untapped potential for the South Baltic Area economic development by stimulating SMEs to technological transformation and internationalisation. The expansion of SMEs within and beyond the SBA

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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. On the one hand, actions under Measure 1.2 will directly facilitate the economic growth of local actors, while on the other hand, they will create new platforms and opportunities through cross-border cooperation. It aims to help mitigate growing disparities in the economic standings between South Baltic urban and rural areas, as well as it will help maintain adequate economic growth rate. It is expected that the projects will not generate revenue; also due to the type of expected beneficiaries and types of project the selected form of support are grants.

Selected policy objective or selected Interreg specific objective:

PO2 A greener, low-carbon Europe

Selected specific objective

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

Priority

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

Justification for selection

Although the South Baltic Area has important potential for producing renewable energy, it must put more focus on promoting renewable energy in order to become a leader in this field. The different level of development of regions, different levels of implementation of green energy solutions and relatively low level of cooperation in the field present significant obstacles in untapping the whole potential of the SBA in the production and use of renewable energy. Thus intensified cross-border cooperation is needed to untap the existing potential in the SBA. The added value of joint projects will be faster exchange of information and testing of available methods

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before they are implemented on a large scale (e.g. through pilot solutions). Measure 2.1 creates scope for a variety of projects, as a transition to a renewable energy requires a holistic approach and work also in fields of electricity, heat and transport for energy efficiency and smart energy systems. Therefore, the Programme will focus on developing and introducing cross-border solutions in the field of the production and use of renewable energy. These main actions are complemented with necessary actions focusing on developing and adapting the connected systems (e.g. distribution and storage) to renewable energy specificities. Joint activities will speed up the process of implementation of new solutions across borders and will create platform for creating new common standards (technological and implementation). It is expected that the projects will not generate revenue; also due to the type of expected beneficiaries and types of project the selected form of support are grants.

Selected policy objective or selected Interreg specific objective:

PO2 A greener, low-carbon Europe

Selected specific objective

2.5 Promoting access to water and sustainable water management

Priority

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

Justification for selection

The South Baltic Area is coping with a number of pressing challenges such as outlets of nutrients and hazardous substances from land-based activities, contamination of soil and water by microplastics as well as pollution of the Baltic Sea. Especially cross-border cooperation can effectively counteract further marine pollution. Measure 2.2 supports the Policy Objective “greener, low-carbon Europe”. It will support the development of cross-border solutions: - for the efficient and sustainable land use and water management, especially in the field of reducing the

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outlets of nutrients and hazardous substances into river-basins, and subsequently into the Baltic Sea, - to combat eutrophication and various hazardous substances (such as plastics or dumped chemical munitions) in the aquatic environment including the marine environment and thus enhance the water quality. It is expected that the projects will not generate revenue; also due to the type of expected beneficiaries and types of project the selected form of support are grants.

Selected policy objective or selected Interreg specific objective:

PO2 A greener, low-carbon Europe

Selected specific objective

2.6 Promoting the transition to a circular and resource efficient economy

Priority

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

Justification for selection

Inappropriate practices have threatened the environment and the rich natural heritage of the region – challenges that have been further intensified by problems related to climate change. Furthermore, the natural resources of the Baltic Sea are overexploited in an unsustainable manner – this refers both to exploitation of natural resources. The South Baltic Area has a large potential to create cooperation networks between the knowledge-intensive services and research-intensive industries dealing with blue and green economy. Therefore, cross-border cooperation has the potential to lead to cross-border solutions that respond to joint and shared challenges of the Programme Area (e.g. pollution). Measure 2.3 aims also to promote the transition to circular economy and focuses on ways to establish behaviours and attitudes in support of responsible consumption and production. Achieving this will require a complete overhaul of “take-make-waste” patterns of production and consumption in favour of a circular system. As a part of a greener, low carbon Europe, the SBA will strive to

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develop its economy in a sustainable way, supporting the projects for the transition to i.e. environmentally-friendly production processes, resource efficiency and waste management. It is expected that the projects will not generate revenue; also due to the type of expected beneficiaries and types of project the selected form of support are grants.

Selected policy objective or selected Interreg specific objective:

PO 4 A more social Europe

Selected specific objective

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

Priority

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

Justification for selection

The SBA is characterized by the presence of unique cultural and environmental features, including a number of UNESCO World Heritage sites, the sea, lakes, sandy beaches, islands and large forest complexes. These features determine the huge tourist potential of the region. The geographical and climatic situation of the South Baltic area necessitates emphasizing the development of offers in the cultural, historical and environmental tourism sectors. The SBA has both tourism infrastructure, typical for coastal areas and an abundance of relatively unspoiled nature areas, including forests, hills, lakes, rivers, beaches and islands. Also, tourism (incl. culture tourism) is of very high importance for the regional economies (as an important source of income and provider of employment) and the societies of the SBA regions, with an impact on numerous other sectors of the economy and every-day life of inhabitants. In order to further develop the sector it is needed to increase the recognition of the SBA as a touristic destination area and improve the common tourism and cultural offer in an environmentally sustainable way. The Measure will also have an

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important social dimension as it will also contribute to social inclusion and can contribute to mitigation of negative consequences of COVID-19 pandemic on labour market. It is expected that the projects will not generate revenue; also due to the type of expected beneficiaries and types of project the selected form of support are grants.

Selected policy objective or selected Interreg specific objective:

ISO 1 A better cooperation governance

Selected specific objective

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

Priority

PA 4 Active South Baltic – improving cooperation governance

Justification for selection

The South Baltic Area has a diverse array of actors among whom significant potential for improved cooperation at the cross-border level exists. In the meantime, it suffers from insufficient levels of knowledge and technology transfer, as well insufficient exchange of information between different groups of stakeholders (e.g. public entities, NGOs local bodies and organisations). The collaboration between the actors described in the Quadruple- (or even Penta) Helix Model, which sets out the relationships between the industry, academia, public entities, social entrepreneurs and civil society needs to be strengthened. In this, particular emphasis shall be placed on empowering local communities and civil society participation including youth Hence, the region has significant untapped potential in this respect. This Measure aims not only to exploit this potential but also to address obstacles and deficiencies in institutional capacities through cross-border cooperation. On the one hand, this Priority Axis will strengthen the capacity for cooperation governance and boost cross-border collaboration while, on the other hand, building awareness of the benefits of such collaboration. The actions proposed will be also

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influencing the capacity building of the actors and will allow to strengthen the confidence among participating stakeholders. It is expected that the projects will not generate revenue; also due to the type of expected beneficiaries and types of project the selected form of support are grants.

## **2. Priorities**

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

### **2.1. Priority: 1 - Innovative South Baltic – enhancing the level of innovation and internationalization of local actors**

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

#### **2.1.1. Specific objective: RSO1.2. Reaping the benefits of digitisation for citizens, companies, research organisations and public authorities**

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

Programme Measure 1.1: Digitilising the region

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

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

The SBA has a significant economic potential, especially in sectors related to the blue and green economy, nevertheless in order to ensure that it is adequately developing towards a knowledge-based and innovative, it still requires to be stimulated and supported. Actions aimed at increasing the level of digitalisation of different sectors of regional economy may allow to reduce the negative effects resulting from the relatively low level of accessibility and mobility between the SB regions. Digitalisation of public services (e.g. uptake of e-solutions in transport, e-health care, platforms for cross-border cooperation) will lead to integrated services (e.g. multimodal chains) and stronger connectivity within the South Baltic Area. It will boost the development of the maritime sector (e.g. digitalisation of ports, safety solutions) and support development of digital skills. This will unlock the potential and illustrate the advantages of open data in the public sector as well

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as harmonisation of data in the field of cross-border cooperation, strengthening the sustainability dimension by improving accessibility in rural areas, inclusion of elderly and disabled people and decrease disparities between genders in the labour sector.

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

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

The possibility to implement cross-border pilot actions as part of projects is foreseen in this Measure. These may include infrastructural and equipment components with piloting and demonstrative nature. Implementation of large-scale infrastructure is not possible.

Innovative cross-border pilot actions shall be encouraged.

Both regular and small-scale projects may be implemented under this SO.

#### Exemplary actions

- developing, demonstrating and implementing cross-border solutions regarding digitization of public services (e.g. developing inclusive new e-services: in transport (e-ticket), in health care (e-Care) etc.) ,
- developing, demonstrating and implementing cross-border solutions regarding digitalisation of public services (e.g. developing inclusive new e-services: in transport (e-ticket), in health care (e-Care) etc.),
- developing, demonstrating and implementing cross-border solutions regarding digitalisation of processes in different sectors (e.g. in

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maritime (joint security standards and applications for small ports), in logistics (optimization of transport of passengers and goods), etc.),

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

The types of actions have been assessed as compatible with the DNSH principle and they are not expected to have any significant negative environmental impact due to their nature.

Contribution to the selected specific objective

This Measure support actions aiming to address the Specific Objective 1.2 Reaping the benefits of digitisation for citizens, companies, research companies and public authorities. It will allow for developing and improving solutions supporting the digitalisation of different sectors of regional economy. At the same time, this Measure supports technology transfer between regions and strengthen

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the cooperation and interaction between enterprises, universities and other R&D institutions.

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

Measure 1.1. Digitalising the region has a strong link with the Policy Area Innovations and allows to develop and implement cross-border solutions regarding digitalisation of public services as well as support for digitalisation process in different sectors. It can also contribute to the digital transformation of SMEs. That's why it also creates link with PA Health especially to public health institutions, allowing to develop solutions regarding digitalisation of services connected with telemedicine and e-Care platforms as well as PA Safe, PA Ship, PA Transport and PA Skills. This Measure can be used to develop the mobile applications of early warning system, digitalise the shipping sector that helps to reduce emissions, and other projects that aim at digitalising the maritime sector. In PA Transport can allow to develop solutions regarding digitalisation of mobility services and integrated management system and optimization of sea and road-railway traffic in transport nodes, especially in seaports. In PA Skills can be dedicated to joint cross-border activities related to promotion of digital solutions and raising the level of awareness of the necessity to develop digital skills.

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

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

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### 2.1.1.2. Indicators

Table 2 - Output indicators

Priority 1
Specific objective 1.2
ID RCO 84
Indicator Pilot actions developed jointly and implemented in projects
Measurement unit No. of pilot actions
Milestone (2024) 0
Final target (2029) 8
Priority 1
Specific objective 1.2
ID RCO 116
Indicator Jointly developed solutions
Measurement unit No. of solutions
Milestone (2024) 0
Final target (2029) 16
Priority 1
Specific objective 1.2
ID RCO01
Indicator Enterprises supported (of which: micro, small, medium, large)
Measurement unit enterprises
Milestone (2024) 80
Final target (2029) 538
Priority 1
Specific objective 1.2

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ID RCO02

Indicator Enterprises supported by grants

Measurement unit enterprises

Milestone (2024) 0

Final target (2029) 8

Priority 1

Specific objective 1.2

ID RCO04

Indicator Enterprises with non-financial support

Measurement unit enterprises

Milestone (2024) 80

Final target (2029) 530

Priority 1

Specific objective 1.2

ID RCO11

Indicator Public institutions supported to develop digital services, products and processes

Measurement unit public institutions

Milestone (2024) 0

Final target (2029) 9

Table 3 - Result indicators

Priority 1

Specific objective 1.2

ID RCR11

Indicator Users of new and upgraded public digital services, products and processes

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Measurement unit users/year

Baseline 0

Reference year 2020

Final target 15 000,00

Source of data Progress report

Priority 1

Specific objective 1.2

ID RCR104

Indicator Solutions taken up or up-scaled by organisations

Measurement unit Solutions

Baseline 0

Reference year 2020

Final target 8

Source of data Progress report

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

### **2.1.1.3. Main target groups**

Main target groups

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

Exemplary types of beneficiaries

- SMEs
- formal associations, clusters and networks of SMEs
- local and regional authorities and their associations
- institutions managing and servicing public transport

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- health care institutions
- maritime institutions (incl. ports managers and port authorities)
- chambers of commerce, business development agencies, business incubators, technology parks and other business support organizations
- schools, higher education and R&D institutions
- NGOs
- European Groupings of Territorial Cooperation

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

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

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

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

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

The use of financial instruments is not foreseen in the Programme. The planned scope of intervention, character of expected types of beneficiaries, relatively small size of projects determine that the use of financial instruments would not be bringing added value to the Programme implementation. We expect that projects will not generate the net revenue, i.e. the additional revenue of a project will not exceed the costs, therefore use of FI is not required. Due to i.e. expected type of projects, types of beneficiaries, grants are the appropriate form of support.

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

Table 4 - Dimension 1 – intervention field

Priority no 1
Specific objective RSO1.2
Fund ERDF
Code 018. IT services and applications for digital skills and digital inclusion

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Amount (EUR) 3 068 304,00

Priority no 1

Specific objective RSO1.2

Fund ERDF

Code 019. e-Health services and applications (including e-Care, Internet of Things for physical activity and ambient assisted living)

Amount (EUR) 3 068 304,00

Priority no 1

Specific objective RSO1.2

Fund ERDF

Code 119. Digitising transport: other transport modes

Amount (EUR) 1 840 981,00

Priority no 1

Specific objective RSO1.2

Fund ERDF

Code 013. Digitising SMEs (including e-Commerce, e-Business and networked business processes, digital innovation hubs, living labs, web entrepreneurs and ICT start-ups, B2B)

Amount (EUR) 4 295 625,00

Table 5 - Dimension 2 – form of financing

Priority no 1

Specific objective RSO1.2

Fund ERDF

Code 01. Grant

Amount (EUR) 12 273 214,00

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

Priority no 1
Specific objective RSO1.2
Fund ERDF
Code 33. Other approaches - No territorial targeting
Amount (EUR) 12 273 214,00

**2.1.1. Specific objective: RSO1.3. Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments**

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

Programme Measure 1.2: Building connectivity of the region through internationalization

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

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

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

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

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

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

The possibility to implement cross-border pilot actions as part of projects is foreseen in this Measure. These may include infrastructural and equipment components with piloting and demonstrative nature. Implementation of large-scale infrastructure is not possible. Both regular and small-scale projects may be implemented under this SO.

### **Exemplary actions**

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

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The types of actions have been assessed as compatible with the DNSH principle and they are not expected to have any significant negative environmental impact due to their nature.

Contribution to the selected objective

This Measure will support the Specific Objective 1.3 Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments, through enhancement of SMEs competitiveness and increase the level of regional economy internationalisation. On the one hand, actions under this Measure will directly facilitate the economic growth of local actors, and from the other will create new platforms and opportunities for cross-border cooperation.

Contribution to the EU Strategy for the Baltic Sea Region

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

**2.1.1.2. Indicators**

Table 2 - Output indicators

Priority 1
Specific objective RSO1.3
ID RCO87
Indicator Organisations cooperating across borders
Measurement unit organisations
Milestone (2024) 0
Final target (2029) 27
Priority 1
Specific objective RSO1.3
ID RCO116
Indicator Jointly developed solutions

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Measurement unit solutions

Milestone (2024) 0

Final target (2029) 7

Priority 1

Specific objective RSO1.3

ID RCO01

Indicator Enterprises supported (of which: micro, small, medium, large)

Measurement unit enterprises

Milestone (2024) 51

Final target (2029) 343

Priority 1

Specific objective RSO1.3

ID RCO02

Indicator Enterprises supported by grants

Measurement unit enterprises

Milestone (2024) 0

Final target (2029) 3

Priority 1

Specific objective RSO1.3

ID RCO04

Indicator Enterprises with non-financial support

Measurement unit enterprises

Milestone (2024) 51

Final target (2029) 340

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Table 3 - Result indicators

Priority 1
Specific objective RSO1.3
ID RCR84
Indicator Organisations cooperating across borders after project completion
Measurement unit organisations
Baseline 0
Reference year 2020
Final target (2029) 20
Source of data Progress report
Priority 1
Specific objective RSO1.3
ID RCR104
Indicator Solutions taken up or up-scaled by organisations
Measurement unit solutions
Baseline 0
Reference year 2020
Final target (2029) 4
Source of data Progress report

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### **2.1.1.3. Main target groups**

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

Main target groups

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

Exemplary types of beneficiaries

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

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

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

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

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

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

The use of financial instruments is not foreseen in the Programme. The planned scope of intervention, character of expected types of beneficiaries, relatively small size of projects determine that the use of financial instruments would not be

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bringing added value to the Programme implementation. We expect that projects will not generate the net revenue, i.e. the additional revenue of a project will not exceed the costs, therefore use of FI is not required. Due to i.e. expected type of projects, types of beneficiaries, grants are the appropriate form of support.

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

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

Table 4 - Dimension 1 – intervention field

<p>Priority no 1</p> <p>Specific objective RSO1.3</p> <p>Fund ERDF</p> <p>Code 028. Technology transfer and cooperation between enterprises, research centres and higher education sector</p> <p>Amount (EUR) 1 577 984,00</p> <p>Priority no 1</p> <p>Specific objective RSO1.3</p> <p>Fund ERDF</p> <p>Code 021. SME business development and internationalisation, including productive investments</p> <p>Amount (EUR) 3 681 964,00</p>
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Table 5 - Dimension 2 – form of financing

<p>Priority no</p> <p>Specific objective</p> <p>Fund ERDF</p> <p>Code 01. Grant</p> <p>Amount (EUR) 5 259 948,00</p>
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Table 6 - Dimension 3 – territorial delivery mechanism and territorial focus

Priority no 1
Specific objective RSO1.3
Fund ERDF
Code 33. Other approaches - No territorial targeting
Amount (EUR) 5 529 948,00

**2.1. Priority: 2 - Sustainable South Baltic - promoting sustainable development and blue and green economy**

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

**2.1.1. Specific objective: RSO2.2. Promoting renewable energy in accordance with Renewable Energy Directive (EU) 2018/2001[1], including the sustainability criteria set out therein**

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

Programme Measure 2.1: Supporting transition towards green energy

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

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

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

Furthermore, geographical conditions of the SBA mean that particular regions can use renewable energy sources, especially wind energy and sustainable biomass (e.g. residues from agriculture, forestry and wood industry) much more efficiently. While some regions already use this type of energy sources more willingly, there is still plenty of room for improvement in this regard. Making greater efforts by particular countries and regions to increase the renewable energy production and

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use will be one of the most important elements in the context of positioning the SBA as a leader in terms of blue and green economy. It can also strengthen the local (rural) economies, e.g. by increased employment rate connected to production of renewable energy, decreased climate impact and a more resilient and self-supporting society. Notably, the relatively low level of cooperation in this respect at present means that there exists significant potential in this context. Cross-border cooperation in order to raise awareness of the need for developing solutions to improve the production and use of renewable energy could further help implementing the energy transitions. This integrated approach may include complementary actions focusing on developing and adapting systems of energy storage and distribution in order to ensure the safe and efficient use of renewable energy. No actions on production of biomass shall be promoted in areas with exceedances of EU limit values for PM emissions and if necessary biomass burning will be monitored in those areas.

The possibility to implement cross-border pilot actions as part of projects is foreseen in this Measure. These may include infrastructural and equipment components with piloting and demonstrative nature. Implementation of large-scale infrastructure is not possible. Both regular and small-scale projects may be implemented under this SO.

#### Exemplary actions

- promoting areas of joint cooperation regarding energy policies, e.g. joint strategy development, joint cross-border studies, action plans and joint development of harmonisation tools, spatial development plans etc. In this context we intend to ensure coordination with other programmes and cooperation forums in the Baltic Sea Basin, including the INTERREG Baltic Sea Programme, the EU Macro Regional EU Strategy for the Baltic Sea Region and especially the Baltic Energy Market Interconnection Plan (BEMIP), namely for the cooperation stream on offshore wind and related grid infrastructures and the Baltic Marine Environment Protection Commission – HELCOM.”

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- developing, demonstrating and implementing joint solutions in production and utilisation of energy from renewable sources, complementary actions may target distribution and storage of renewable energy to ensure its proper integration to the energy systems. The requirements of environmental protection, especially regarding the network of protected areas and ecological corridors, as well as other, laws (e.g. MSFD) should be respected,
- promoting the use of renewable energy and green fuels (e.g. pilots and knowledge exchange and best practices in the maritime sector) and support establishing new markets in the SB area,
- elaboration of cross-border joint green policy strategies and patterns to overcome challenges and mobilise regional opportunities for renewable energies, including models for cooperation with energy service companies on comprehensive energy solutions in the SB area,
- elaboration and testing of common cross-border standards in renewable energy by public entities, in cooperation with universities, research centres, companies and cooperatives of farmers and residents,
- capacity building actions, transfer of knowledge and exchange of best practices on renewable energy, green technology solutions.

The types of actions have been assessed as compatible with the DNSH principle and they are not expected to have any significant negative environmental impact due to their nature.

Contribution to the selected specific objective

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

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Contribution to the EU Strategy for the Baltic Sea Region

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

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

**2.1.1.2. Indicators**

Table 2 - Output indicators

Priority 2
Specific objective RSO2.2
ID RCO84
Indicator Pilot actions developed jointly and implemented in projects
Measurement unit pilot actions
Milestone (2024) 0
Final target (2029) 23
Priority 2
Specific objective RSO2.2
ID RCO116
Indicator Jointly developed solutions
Measurement unit solutions
Milestone (2024) 0
Final target (2029) 32

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Table 3 - Result indicators

Priority 2
Specific objective RSO2.2
ID RCR104
Indicator Solutions taken up or up-scaled by organisations
Measurement unit solutions
Baseline 0
Reference year 2020
Final target (2029) 16
Source of data Progress report

### **2.1.1.3. Main target groups**

Main target groups

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

Exemplary types of beneficiaries

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

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- European Groupings of Territorial Cooperation

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

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

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

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

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

The use of financial instruments is not foreseen in the Programme. The planned scope of intervention, character of expected types of beneficiaries, relatively small size of projects determine that the use of financial instruments would not be bringing added value to the Programme implementation. We expect that projects will not generate the net revenue, i.e. the additional revenue of a project will not exceed the costs, therefore use of FI is not required. Due to i.e. expected type of projects, types of beneficiaries, grants are the appropriate form of support.

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

Table 4 - Dimension 1 – intervention field

<p>Priority no 2</p> <p>Specific objective RSO2.2</p> <p>Fund ERDF</p> <p>Code 047. Renewable energy: wind</p> <p>Amount (EUR) 3 155 969,00</p> <p>Priority no 2</p> <p>Specific objective RSO2.2</p> <p>Fund ERDF</p> <p>Code 048. Renewable energy: solar</p> <p>Amount (EUR) 4 733 954,00</p>
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Priority no 2

Specific objective RSO2.2

Fund ERDF

Code 049. Renewable energy: biomass

Amount (EUR) 4 733 954,00

Priority no 2

Specific objective RSO2.2

Fund ERDF

Code 051. Renewable energy: marine

Amount (EUR) 788 992,00

Priority no 2

Specific objective RSO2.2

Fund ERDF

Code 052. Other renewable energy (including geothermal energy)

Amount (EUR) 788 992,00

Priority no 2

Specific objective RSO2.2

Fund ERDF

Code 046. Support to entities that provide services contributing to the low carbon economy and to resilience to climate change, including awareness-raising measures

Amount (EUR) 1 577 985,00

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Table 5 - Dimension 2 – form of financing

Priority no 2
Specific objective RSO2.2
Fund ERDF
Code 01. Grant
Amount (EUR) 15 779 846,00

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

Priority no 2
Specific objective RSO2.2
Fund ERDF
Code 33. Other approaches - No territorial targeting
Amount (EUR) 15 779 846,00

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

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

Programme Measure 2.2: Promoting sustainable use of water

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

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

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

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enhanced risk of marine and flash floods, producing more intensive fluxes of pollutants into the Baltic Sea.

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

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

The possibility to implement cross-border pilot actions as part of projects is foreseen in this Measure. These may include infrastructural and equipment components with piloting and demonstrative nature. Implementation of large-scale infrastructure is not possible. Both regular and small-scale projects may be implemented under this SO.

#### Exemplary actions

- promoting areas of joint cooperation regarding water management policies, e.g. joint strategy development, joint cross-border studies, action plans etc.,
- developing, demonstrating and implementing cross-border green technology solutions in water management (incl. sustainable land use and wastewater collection and treatment) and nature-based flood water management in the SB area,
- developing and testing of innovative cross-border solutions aimed at decreasing the outflows of nutrients from small and diffuse sources in catchment areas (incl. evaluation of the cost effectiveness of solutions),
- developing and testing of innovative cross-border solutions for sustainable water management that influences positively the biodiversity in waters and the nature protection,

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- joint development of solutions which help to secure various conflicting water uses that serve public interests (e.g. recreation and free time vs. water usage, as well as water resource protection), as well as the future water supply (both for drinking water and industrial water),
- elaboration and testing of common cross-border standards in waste and water management by public entities, in cooperation with universities, research centres, companies and cooperatives of farmers and residents,
- promoting areas of joint cooperation regarding the enhancement of aqua-culture with the main focus on reducing eutrophication and pollution of the waters of the South Baltic Area,
- developing, demonstrating and implementing solutions for reducing pollution of the Baltic Sea by chemical munitions and other dangerous remains of sunken oil ships),
- capacity building actions, transfer of knowledge and exchange of best practices in the fields of water management and wastewater collection and treatment

The types of actions have been assessed as compatible with the DNSH principle and they are not expected to have any significant negative environmental impact due to their nature.

#### Contribution to the selected objective

This Measure will support the Specific Objective 2.5 Promoting access to water and sustainable water management. The goals are aimed at broad support of efficient and sustainable land use and water management, especially in the field of:

- reducing the outlets of nutrients and hazardous substances into river-basins, and subsequently into the Baltic Sea,
- to combat eutrophication and various hazardous substances (such as plastics or dumped chemical munitions) in the aquatic

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

Contribution to the EU Strategy for the Baltic Sea Region

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

#### **2.1.1.2. Indicators**

Table 2 - Output indicators

Priority 2
Specific objective RSO2.5
ID RCO116
Indicator Jointly developed solutions
Measurement unit solutions
Milestone (2024) 0
Final target (2029) 29
Priority 2
Specific objective RSO2.5
ID RCO84
Indicator Pilot actions developed jointly and implemented in projects
Measurement unit pilot actions
Milestone (2024) 0
Final target (2029) 21

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Table 3 - Result indicators

Priority 2
Specific objective RSO2.5
ID RCR104
Indicator Solutions taken up or up-scaled by organisations
Measurement unit solutions
Baseline 0
Reference year 2020
Final target (2029) 15
Source of data Progress report

### **2.1.1.3. Main target groups**

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

Main target groups

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

Exemplary types of beneficiaries

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

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- NGOs
- European Groupings of Territorial Cooperation
- Water and sea management institutions

The agglomerations and municipalities where there is an infringement of the Council Directive 91/271/EEC of 21 May 1991 concerning urban waste-water treatment shall not be eligible as beneficiaries. Detailed provisions shall be laid down in the project selection criteria.

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

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

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

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

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

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

The use of financial instruments is not foreseen in the Programme. The planned scope of intervention, character of expected types of beneficiaries, relatively small size of projects determine that the use of financial instruments would not be bringing added value to the Programme implementation. We expect that projects will not generate the net revenue, i.e. the additional revenue of a project will not exceed the costs, therefore use of FI is not required. Due to i.e. expected type of projects, types of beneficiaries, grants are the appropriate form of support.

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

Table 4 - Dimension 1 – intervention field

Priority no 2
Specific objective RSO2.5
Fund ERDF
Code 065. Waste water collection and treatment
Amount (EUR) 5 522 946,00

The document meets the accessibility rules.

Priority no 2

Specific objective RSO2.5

Fund ERDF

Code 064. Water management and water resource conservation (including river basin management, specific climate change adaptation measures, reuse, leakage reduction)

Amount (EUR) 8 284 418,00

Table 5 - Dimension 2 – form of financing

Priority no 2

Specific objective RSO2.2

Fund ERDF

Code 01. Grant

Amount (EUR) 13 807 364,00

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

Priority no 2

Specific objective RSO2.2

Fund ERDF

Code 33. Other approaches - No territorial targeting

Amount (EUR) 13 807 364,00

The document meets the accessibility rules.

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

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

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

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

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

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

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

Taking into account the abovementioned facts there is a visible potential in cross-border cooperation aimed at promotion and implementation of circular economy related actions, not only connected to reuse and recycling, but also circular product development and design, new resource efficient products and services,

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water efficiency methods for industry and public sector, in order to increase resource efficiency and close the loop of materials and nutrient substances.

The possibility to implement cross-border pilot actions as part of projects is foreseen in this Measure. These may include infrastructural and equipment components with piloting and demonstrative nature. Implementation of large-scale infrastructure is not possible. Both regular and small-scale projects may be implemented under this SO.

#### Exemplary actions

- promoting areas of joint cooperation regarding waste management policies, e.g. joint strategy development, joint cross-border studies, action plans,
- developing, demonstrating and implementing new joint business models (e.g. service instead of selling a product), product design (prevent waste, use non-toxic materials to prepare for reuse and recycling), production and distribution technologies / solutions / processes in waste / water management and resource efficiency (e.g. re-use, recycling, recovery), incl. optimized energy utilisation (e.g. biogas) and industrial symbiosis in the SBA,
- building cross-border cooperation networks aimed at re-use of waste as resource,
- joint actions aimed at optimization of value chains for recycled materials,
- joint actions aimed at testing innovative solutions regarding re-use of waste, incl. from fishing, forestry and agriculture sectors,
- joint inclusive innovative actions and pilot projects aimed at inhabitants on building awareness about the necessity to introduce the processes of waste management in households,
- cross-border promotional and awareness raising campaigns aimed at local public companies (waste / water / heating / facility / transport

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management) and SMEs to facilitate a transition from traditional management to circular-oriented,

- elaboration and testing of common cross-border standards in waste management by public entities, in cooperation with universities, research centres, companies and cooperatives of farmers and residents and NGOs,
- developing, demonstrating and implementing cross-border solutions / investments that minimize the use of new raw-materials, including promoting the use of recycled materials, in production processes,
- capacity building actions, transfer of knowledge and exchange of best practices on waste management solutions, sharing best practices and blueprints on data sharing on current waste management practices and waste flows,

The types of actions have been assessed as compatible with the DNSH principle and they are not expected to have any significant negative environmental impact due to their nature.

Contribution to the selected specific objective

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

Contribution to the EU Strategy for the Baltic Sea Region

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

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border cooperation networks aimed at re-use of waste as resource (sustainable use of resources).

**2.1.1.2. Indicators**

Table 2 - Output indicators

Priority 2
Specific objective RSO2.6
ID RCO84
Indicator Pilot actions developed jointly and implemented in projects
Measurement unit pilot actions
Milestone (2024) 0
Final target (2029) 15
Priority 2
Specific objective RSO2.6
ID RCO116
Indicator Jointly developed solutions
Measurement unit solutions
Milestone (2024) 0
Final target (2029) 21
Priority 2
Specific objective RSO2.6
ID RCO01
Indicator Enterprises supported (of which: micro, small, medium, large)
Measurement unit enterprises
Milestone (2024) 8
Final target (2029) 80
Priority 2

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Specific objective RSO2.6  
ID RCO04  
Indicator Enterprises with non-financial support  
Measurement unit enterprises  
Milestone (2024) 8  
Final target (2029) 80

Table 3 - Result indicators

Priority 2  
Specific objective RSO2.6  
ID RCR104  
Indicator Solutions taken up or up-scaled by organisations  
Measurement unit solutions  
Baseline 0  
Reference year 2020  
Final target (2029) 11  
Source of data Progress report

### **2.1.1.3. Main target groups**

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

Main target groups

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

Exemplary types of beneficiaries

- local and regional authorities and their associations

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- schools, higher education and R&D institutions
- public or private (having either public or non-profit character) companies dealing with communal and municipal environmental and energy management (such as waste and water, heating, air protection)
- chambers of commerce, business development agencies, business incubators, technology parks and other business support organizations
- SMEs
- formal associations, clusters and networks of SMEs
- NGOs
- European Groupings of Territorial Cooperation

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

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

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

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

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

The use of financial instruments is not foreseen in the Programme. The planned scope of intervention, character of expected types of beneficiaries, relatively small size of projects determine that the use of financial instruments would not be bringing added value to the Programme implementation. We expect that projects will not generate the net revenue, i.e. the additional revenue of a project will not exceed the costs, therefore use of FI is not required. Due to i.e. expected type of projects, types of beneficiaries, grants are the appropriate form of support.

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

Table 4 - Dimension 1 – intervention field

The document meets the accessibility rules.

Priority no 2

Specific objective RSO2.6

Fund ERDF

Code 067. Household waste management: prevention, minimisation, sorting, reuse, recycling measures

Amount (EUR) 3 451 841,00

Priority no 2

Specific objective RSO2.6

Fund ERDF

Code 071. Promoting the use of recycled materials as raw materials

Amount (EUR) 2 958 721,00

Priority no 2

Specific objective RSO2.6

Fund ERDF

Code 075. Support to environmentally-friendly production processes and resource efficiency in SMEs

Amount (EUR) 3 451 841,00

Table 5 - Dimension 2 – form of financing

Priority no 2

Specific objective RSO2.6

Fund ERDF

Code 01. Grant

Amount (EUR) 9 862 403,00

The document meets the accessibility rules.

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

Priority no 2
Specific objective RSO2.6
Fund ERDF
Code 33. Other approaches - No territorial targeting
Amount (EUR) 9 862 403,00

**2.1. Priority: 3 - Attractive South Baltic – activate the tourist and cultural potential of South Baltic Area**

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

**2.1.1. Specific objective: RSO4.6. Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation**

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

Programme Measure 3.1: Developing sustainable, resilient and innovative tourism

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

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

The blue and green character of the SBA together with a shared cultural heritage are some of the key advantages in terms of developing the tourism sector. Due to demographic change and urbanisation, cultural and creative industries or recreational services have become more important, including in rural or remote areas. As one of the key sectors in SBA, tourism is a source of employment and income for local communities and may be a driving force for the development of innovative products. Therefore, increasing the visibility of the SBA as a tourist-attractive area and strengthening its common tourist and cultural offer will be the main goal of this Measure. Strengthening cross-border offer and products of cultural tourism and sustainable tourism products will lead to building a common brand – the SBA as a tourism product.

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There is untapped potential in the SBA and pursuing recognition of historical, cultural and environmental assets could contribute to increased interest in it as a tourist destination.

Creating social networks and ensuring relevant conditions for sustainable development and social inclusion will be also important for a better development of tourism sector. Social inclusion played particular role during pandemic and is also related to demographic changes in the SBA i.a. ageing of society, depopulation, brain drain, etc. Social innovations are result of joint activities of public sector, private entities, NGOs and local communities. In effect, new ways of activation, giving new jobs for the inhabitants, also for people from vulnerable groups or socially excluded, may be created in a dimension of cross-border cooperation. Planned actions will contribute to strengthening of activity of local communities and better use of cultural and natural heritage assets from five Member States. Thereby, the quality of life of inhabitants may improve and contribute to reducing depopulation processes in SBA.

Increasing the value and the touristic accessibility of cultural heritage of SBA will not only improve its attractiveness but may also contribute to mitigation of tourism seasonality and transition towards sustainable, all-year-round tourism.

Financed infrastructure related to heritage and better access to information will enable tourists and local communities to make better use of the area's potential. No "stand-alone" infrastructure or actions without cross-border dimension shall be co-financed. Cross-border character of all investments and durability would be assured during project selection and within durability measures.

Main interventions that can be supported will include: developing tourism network products and services, building cooperation between regions and countries to strengthen the offers for tourists; preserving cultural heritage and natural environment of the region as the main attractions for tourism; the improvement of the tourist and cultural offers and creation of new ones in the SBA especially dedicated to domestic nature-based and proximity tourism; using the potential of cultural and creative sectors and natural resources as a means of strengthening

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the tourist attractiveness of the SBA; conducting joint events for tourists and citizens.

In this measure the emphasis on sustainable tourism development will be considering the rules and goals as determined by UNEP and WTO in: „MAKING TOURISM MORE SUSTAINABLE - A Guide for Policy Makers, so mainly:

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

Actions that have an impact on cultural heritage shall be in accordance to best practice, following the “EUROPEAN QUALITY PRINCIPLES for EU-funded Interventions with potential impact upon Cultural Heritage” (drafted by ICOMOS under the Commission mandate of the European Year of Cultural Heritage 2018).

The possibility to implement cross-border pilot actions as part of projects is foreseen in this Measure. These may include infrastructural and equipment components with piloting and demonstrative nature. Implementation of large-scale infrastructure is not possible. Both regular and small-scale projects may be implemented under this SO.

The document meets the accessibility rules.

## Exemplary actions

- building or strengthening cross-border networks of the SBA outreach of tourism and cultural actors and exchange of knowledge in the field of development of tourism or culture,
- increasing common tourist potential and strengthening joint tourist and cultural offer, including:
  - joint strategies and joint solutions for tourism and cultural sectors, including the creative industries, development of innovative solutions related to tourism and culture (including digital solutions, and also support to improvement of digital skills, as supplementary part of projects)
  - improvement of cross-border offer and products of sustainable tourism, small-scale tourism infrastructure, including also small investments in cross-border tourism routes and preservation of joint cultural heritage, adaptation of these sites to the needs of people with special requirements or disabilities
  - actions strengthening the sustainability dimension of tourism: pro-ecological solutions, reducing the negative impact on the environment, promotion of slow tourism and health tourism, actions involving local communities into the functioning of tourism and culture sectors, use of social innovations in tourism and culture.
- activities promoting the common brand of the South Baltic and joint cultural or natural tourism heritage e.g. promotion campaigns or events.

The types of actions have been assessed as compatible with the DNSH principle and they are not expected to have any significant negative environmental impact due to their nature.

The document meets the accessibility rules.

Contribution to the specific objective

This Measure is dedicated to sustainable and innovative tourism products and services and supports the development of one of the most important branches in the SBA. Projects will support the role of culture and tourism in economic development and social innovation. The Measure will have an important social dimension as it will also contribute to social inclusion and may contribute to mitigation of negative consequences of pandemic on labour market.

Contribution to the EUSBSR

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

**2.1.1.2. Indicators**

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

Table 2 - Output indicators

Priority 3
Specific objective RSO4.6
ID RCO87
Indicator Organisations cooperating across borders
Measurement unit organisations
Milestone (2024) 0
Final target (2029) 64
Priority 3
Specific objective RSO4.6

The document meets the accessibility rules.

ID RCO84

Indicator Pilot actions developed jointly and implemented in projects

Measurement unit pilot actions

Milestone (2024) 0

Final target (2029) 27

Priority 3

Specific objective RSO4.6

ID RCO116

Indicator Jointly developed solutions

Measurement unit solutions

Milestone (2024) 0

Final target (2029) 60

Priority 3

Specific objective RSO4.6

ID RCO77

Indicator Number of cultural and tourism sites supported

Measurement unit cultural and tourism sites

Milestone (2024) 0

Final target (2029) 34

Table 3 - Result indicators

Priority 3

Specific objective RSO4.6

ID RCR104

Indicator Solutions taken up or up-scaled by organisations

Measurement unit solutions

The document meets the accessibility rules.

Baseline 0

Reference year 2020

Final target (2029) 30

Source of data Progress report

Priority 3

Specific objective RSO4.6

ID RCR77

Indicator Visitors of cultural and tourism sites supported

Measurement unit visitors/year

Baseline 0

Reference year 2020

Final target (2029) 68 000,00

Source of data Progress report

Priority 3

Specific objective RSO4.6

ID RCR84

Indicator Organisations cooperating across borders after project completion

Measurement unit organisations

Baseline 0

Reference year 2020

Final target (2029) 26

Source of data Progress report

### **2.1.1.3. Main target groups**

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

Main target groups

The document meets the accessibility rules.

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

#### Exemplary types of beneficiaries

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

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

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

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

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

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

The use of financial instruments is not foreseen in the Programme. The planned scope of intervention, character of expected types of beneficiaries, relatively small size of projects determine that the use of financial instruments would not be bringing added value to the Programme implementation. We expect that projects

The document meets the accessibility rules.

will not generate the net revenue, i.e. the additional revenue of a project will not exceed the costs, therefore use of FI is not required. Due to i.e. expected type of projects, types of beneficiaries, grants are the appropriate form of support.

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

Table 4 - Dimension 1 – intervention field

Priority no 3
Specific objective RSO4.6
Fund ERDF
Code 165. Protection, development and promotion of public tourism assets and tourism services
Amount (EUR) 6 574 936,00
Priority no 3
Specific objective RSO4.6
Fund ERDF
Code 166. Protection, development and promotion of cultural heritage and cultural services
Amount (EUR) 6 574 936,00
Priority no 3
Specific objective RSO4.6
Fund ERDF
Code 167. Protection, development and promotion of natural heritage and eco-tourism other than Natura 2000 sites
Amount (EUR) 8 766 580,00

The document meets the accessibility rules.

Table 5 - Dimension 2 – form of financing

Priority no 3
Specific objective RSO4.6
Fund ERDF
Code 01. Grant
Amount (EUR) 21 916 452,00

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

Priority no 3
Specific objective RSO4.6
Fund ERDF
Code 33. Other approaches - No territorial targeting
Amount (EUR) 21 916 452,00

## **2.1. Priority: 4 - Active South Baltic – improving cooperation governance**

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

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

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

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

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

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

The document meets the accessibility rules.



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

Potential beneficiaries of this measure involve a wide array of actors, especially local actors considered to be newcomers to cross-border cooperation or newcomers in the South Baltic programme e.g. the Olsztyński subregion, creating ample opportunity for networking and developing relationships between them. The exchange of experience is foreseen between NGOs, youth centres etc., and the purpose of the actions implemented under this measure is building cooperation capacities. Notably, it will allow for developing stronger links between the civil society and public entities, through encouraging bottom up participation in decision and policymaking.

The possibility to implement cross-border pilot actions as part of projects is foreseen in this Measure. These may include infrastructural and equipment components with piloting and demonstrative nature. Implementation of large-scale infrastructure is not possible. The financing of small infrastructure or equipment under this Measure is only possible if it is of a minor, complementary nature and it is demonstrated that it specifically contributes to the objective of the SO (e.g. IT systems that operate jointly).

Both regular and small-scale projects may be implemented under this SO.

#### Exemplary actions

- Delivery of initiatives (cross-border programmes, trainings, workshops etc.), aimed at strengthening the networking and cooperation capacity of local actors;
- Activities supporting joint local self-government administration/agencies and other institutions (e.g. NGOs) building multi-level governance and supporting cross-border dialogue,

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- Actions aimed at developing stronger links between citizens and institutions at a cross-border level civil society and bottom-up involvement in decision- and policy making, e.g. in the field of cooperation on marine pollution or cooperation between youth secretariats;
- Activities increasing the involvement of local actors (e.g. NGOs, cultural institutions, non-formalized organizations, organizations supporting people with disabilities and from vulnerable groups) in cross-border project development and intercultural dialogue;
- Supporting youth empowerment and engagement of youth into civil society and actions of cross-border dimension;
- Actions supporting exchange of experience in the field of social innovation among universities, high school and vocational school students as well as graduates in order to enhance cooperation governance and capacities;
- Awareness-raising and promotion measures among local actor groups to increase trust, promote cooperation culture and common identity of the actors based;
- Actions supporting cross-border cooperation building and finding cross-border partners for local actors suffering the consequences of suspension of cross-border cooperation programmes linked to Russia, including partners from the Olsztyński sub-region;
- Development and promotion of models, networks gathering diverse actors especially small institutions and those from rural and peripheral areas (e.g. research institutions, SMEs, business development organisations, universities, public entities) to improve the cooperation capacity, which will not be part of thematic PO1 - PO4.

The document meets the accessibility rules.

The types of actions have been assessed as compatible with the DNSH principle and they are not expected to have any significant negative environmental impact due to their nature.

Contribution to the selected specific objective

This Measure contributes to the selected Specific Objective 6.1 Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders by aiming obstacles (e.g. small institutions lack sufficient resources and capacity, regional differences concerning policies, lack of coherent model of financing technological innovations, insufficient exchange of information between regions, lack of integration of maritime security/safety policies, joint spatial planning, use of common resources and in general multilevel governance) at cross-border cooperation and developing capacity in this respect. In addition, particular emphasis is placed on empowering local communities and civil society participation, which is emphasized in the proposed Measure.

Contribution to the EU Strategy for the Baltic Sea Region

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

**2.1.1.2. Indicators**

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

Table 2 - Output indicators

Priority 4
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The document meets the accessibility rules.

Specific objective ISO6.1

ID RCO87

Indicator Organisations cooperating across borders

Measurement unit organisations

Milestone (2024) 0

Final target (2029) 154

Priority 4

Specific objective ISO6.1

ID RCO81

Indicator Participations in joint actions across borders

Measurement unit participations

Milestone (2024) 0

Final target (2029) 4092

Table 3 - Result indicators

Priority 4

Specific objective ISO6.1

ID RCR84

Indicator Organisations cooperating across borders after project completion

Measurement unit organisations

Baseline 0

Reference year 2020

Final target (2029) 62

Source of data Progress report

Priority 4

Specific objective ISO6.1

The document meets the accessibility rules.

ID RCR85

Indicator Participations in joint actions across borders after project completion

Measurement unit participations

Baseline 0

Reference year 2020

Final target (2029) 1228

Source of data Progress report

### **2.1.1.3. Main target groups**

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

Main target groups

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

Exemplary types of beneficiaries

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

The document meets the accessibility rules.

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

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

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

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

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

The use of financial instruments is not foreseen in the Programme. The planned scope of intervention, character of expected types of beneficiaries, relatively small size of projects determine that the use of financial instruments would not be bringing added value to the Programme implementation. We expect that projects will not generate the net revenue, i.e. the additional revenue of a project will not exceed the costs, therefore use of FI is not required. Due to i.e. expected type of projects, types of beneficiaries, grants are the appropriate form of support.

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

Table 4 - Dimension 1 – intervention field

Priority no 4
Specific objective ISO6.1
Fund ERDF
Code 171. Enhancing cooperation with partners both within and outside the Member State
Amount (EUR) 5 259 949,00
Priority no 4
Specific objective ISO6.1
Fund ERDF
Code 173. Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context

The document meets the accessibility rules.

Amount (EUR) 3 506 632,00

Table 5 - Dimension 2 – form of financing

Priority no 4

Specific objective ISO6.1

Fund ERDF

Code 01. Grant

Amount (EUR) 8 766 581,00

The document meets the accessibility rules.

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

Priority no 4
Specific objective ISO6.1
Fund ERDF
Code 33. Other approaches - No territorial targeting
Amount (EUR) 8 766 581,00

### 3. Financing plan

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

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

#### 3.1. Financial appropriations by year

Table 7

Fund	ERDF (territorial cooperation goal)	Total
2021	0,00	0,00
2022	16 024 282,00	16 024 282,00
2023	,281,682.00	16,281,682.00
2024	,544,229.00	16,544,229.00
2025	16,812,023.00	16,812,023.00
2026	13,930,790.00	13,930,790.00
2027	14,209,405.00	14,209,405.00
Total	93,802,411.00	93,802,411.00

The document meets the accessibility rules.



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

Table 8

Policy objective No	PO1	PO2	PO4	ISO1	Total	Total
Priority	Priority 1	Priority 2	Priority 3	Priority 4		
Fund (as applicable)	ERDF	ERDF	ERDF	ERDF	All funds	ERDF
Basis for calculation EU support (total eligible cost or public contribution)	total eligible cost	total eligible cost	total eligible cost	total eligible cost	total eligible colt	total eligible cost
EU contribution  (a)=(a1)+(a2)	18,760,482.00	42,211,085.00	23,450,603.00	9,380,241.00	93,802,411.00	93,802,411.00
Indicative breakdown of the EU contribution without TA pursuant to Article 27(1) (a1)	17,533,162.00	39,449,613.00	21,916,452.00	8,766,581.00	87,665,808.00	87,665,808.00
Indicative breakdown of the EU contribution for TA pursuant to	1,227,320.00	2,761,472.00	1,534,151.00	613,660.00	6,136,603.00	6,136,603.00

The document meets the accessibility rules.

Policy objective No	PO1	PO2	PO4	ISO1	Total	Total
Priority	Priority 1	Priority 2	Priority 3	Priority 4		
Article 27(1) (a2)						
National contribution (b)=(c)+(d)	4,690,121.0 0	10,552,772. 00	5,862,651.0 0	2,345,061.0 0	23,450,605. 00	23,450,605. 00
Indicative breakdown of the national counterpart National public (c)	4,221,109.0 0	9,497,495.0 0	5,276,386.0 0	2,110,555.0 0	21,105,545. 00	21,105,545. 00
Indicative breakdown of the national counterpart National private (d)	469,012.00	1,055,277.0 0	586,265.00	234,506.00	2,345,060.0 0	2,345,060.0 0
Total (e)=(a)+(b)	23,450,603. 00	52,763,857. 00	29,313,254. 00	11,725,302. 00	117,253,01 6.00	117,253,01 6.00
Co-financing rate (f)=(a)/(e)	79.9999982 943%	79.9999988 629%	79.9999993 177%	79.9999948 829%	79.9999984 649%	79.9999984 649%
Contributions from the third countries (for information)	0,00	0,00	0,00	0,00	0,00	0,00

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

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

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

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

This approach allowed a better organization of the programming process and effective work of the JPC and WGs, which is a challenge for a programme with 5 Member States (MS). Among the members of delegations to the JPC and WGs, there were the representatives of e.g. academia sector, business support and tourism organizations, regional and local authorities and joint delegation of Euroregions, being the representations of local communities from the programme area. In total, 10 formal JPC meetings (until end of November 2021) and 17 meetings of its WGs) were held.

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

SWEDEN: over 153 organisations (from regional/national level) identified in consultation process: local and regional authorities, science parks, museums, ports, rural and forest-oriented organisations, energy and tourism agencies,

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universities, research institutes, cultural institutions, etc. The partners provided their input to socio-economic analysis of the Programme region, SWOT, took active part in open surveys conducted in the programming process as well as in thematic online dialogue meetings (4 meetings organized on: Blue and green growth, Green energy and mobility, Sustainable and innovative tourism, A social and inclusive society). Additionally, involved partners provided their comments on drafts of the Programme Strategy.

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

GERMANY: program-related self-governing regional committee was established with 22 partners: urban and public authorities, chambers of commerce and crafts, universities, trade union federation, regional associations, workers welfare and tourist associations. There have been 3 consultation rounds on the Programme drafts and preparatory documents with partners comments. In parallel to it, 2 consultation meetings were organized on the intervention areas and topics addressed by the Programme. Individual partners took direct and active role in the WG 1 (strategic programme orientation) and JPC meetings (Balticnet Plasmatec - technology network at WG1 and JPC; Baltic Sea Tourism Center, EUCC Coastal Union Germany -Network for Sustainable Development of Coast and Sea - at WG1).

POLAND: national consultation subcommittee was established serving the consultations of the documents submitted for the JPC's and WGs discussions. 48 entities in the subcommittee, represented a wide variety of socio-economic partners incl. civic society, NGOs, regional and local administration, their associations, relevant ministries of the government, metropolitan areas, communes associations, environmental partners (e.g. WWF Poland), universities, chambers of commerce or crafts, seaports' authorities, science/technology parks, clusters of enterprises, regional development agencies, Voivodeship Fund for

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Environmental Protection and Water Management, NGOs' networks and support centres, regional spatial planning offices, Central European Transport Corridor EGTC etc.

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

Thanks to the system of national/regional consultations, they were held at the level closest to the target group of the Programme. This allowed to lift the language barrier and involve more smaller actors/organizations which were relieved from administrative burden, but also could have the provisions of law or processes during the programming better explained and clarified. This aspect is of particular importance during the COVID-19 pandemic and the need of concentrating the time and efforts on fighting the pandemic and planning the economic and social recovery afterwards. Online meetings and consultations also allowed to include many more stakeholders relevant for the Programme than if it was through their direct involvement in the JPC and WGs meetings.

Apart from national/regional consultation level, there were several consultation initiatives of transnational and cross-sectoral dimension. The relevant partners and Programme stakeholders had been involved in the consultations and preparation of the 2021-2027 Programme from the very beginning. Already in September 2019, the consultations and discussions regarding the possible

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orientation and scope of the new Programme were conducted at the Interreg South Baltic Programme 2014-2020 Annual Event in Ostróda (PL).

In summer 2020, PwC Advisory company (the contractor of the JS) carried out an extensive survey among a wide group of relevant partners from the 5 MS (i.e. local, regional, national authorities or associations thereof, public bodies, NGOs, clusters and networks of SMEs, higher education institutions, research and development institutions, providers of cultural services, public service providers, environmental organizations). The aim of this was to understand best the overall vision of the South Baltic area (SBA) by Programme stakeholders, existing/potential partners and other institutions. The respondents were asked about their experience in cross-border programmes and challenges that the SBA has to face in the future (in the aspects of economy, society and healthcare, environment, infrastructure and technology). The third part of the survey focused on main strengths of the SB region, to verify which advantages respondents perceive as the most valuable, in which direction the Programme should go and which areas should be further developed. Almost 140 entities from the whole region representing different sectors fully responded to the questions. Also, 2 dedicated workshops were conducted then by PwC.

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

The draft proposal of Strategy and Priorities was subject of the public consultation. The Euroregion Baltic, acting as the lead partner of Umbrella project, has organized in autumn 2020 4 thematic focus group workshops on the intervention areas and topics to be addressed with over 40 partners from the whole SBA. The outcomes were delivered to the JPC and incorporated in further works on the Programme.

Additionally, numerous panel discussions and surveys were conducted on different project events (e.g. Umbrella, Interconnect) and Programme annual

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conferences (SB Programme Annual Events in 2019 and 2020). The outcomes of those were presented and discussed by the JPC. Another 2 dedicated surveys among a group of small and medium ports of the SBA were conducted by the JS in November 2019 and November 2020.

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

The public consultations of the draft programme were held from 8 September till 15 October 2021 and included i.a. the possibility of providing comments via email to the JS and a series of conferences in the SB regions. The draft programme document was available on demand in institutions involved in programme preparation. The reports from public consultations are available upon the request of Commission.

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

Economic and Social partners and relevant bodies representing civil society from all participating MS will be involved in the work of the Monitoring Committee (MC). Procedures for the selection of representatives of partners referred to in Article 8 of CPR for the participation in the MC have been established by the MS.

Relevant partnerships, in a form of national/regional sub-committees, consultation networks, groups or fora, may be organised. Emphasis will be placed on involving variety of different partners in the implementation of the programme with a view of strengthening institutional capacity for participating in international cooperation activities. Building on their long-standing experience of cross-border cooperation, the two Euroregions active in the SBA, Euroregion Baltic and Euroregion Pomerania, will be represented in the MC.

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The MC will be composed of an equal number of voting representatives from the 5 MS participating in the programme and of representatives of the Euroregions. The partners sitting on the MC will have voting rights.

Appropriate measures to avoid potential conflict of interest will be taken where involving relevant partners to preparation of calls for proposals and decision making process. Involvement of relevant partners in the future evaluation of the Programme will be ensured and the outcomes from the evaluation will be also subject of consultations. All the principles and rules of involvement will be in details specified in the Rules of Procedures for the MC.

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

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

Main objective

Supporting the implementation of the Programme's objectives through information and promotion activities, as well as indicating the impact of European Funds in the SBA.

Detailed objectives

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

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## Target groups

The core target groups of the Programme and thus its communication are beneficiaries and potential beneficiaries. They are defined for each measure in *main target groups* sections. They include i.a. general public, public authorities at local, regional and national levels; business support organisations; NGOs; higher education and research institutions; training centres. Detailed information will be included in the Programme communication strategy.

## Communication channels

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

- Programme website and relevant institutions involved in implementation of the Programme and EU funds in each participating MS. Reference to programme website will be included in the web portals of participating MS.
- social media (Facebook and LinkedIn as most projects use them)
- traditional media (local, regional)
- information and promotion events
- publications (incl. on-line publications), regional Contact Points ('CPs'), Information Points on European funds, EuropeDirect network
- activities organised jointly with other Interreg programmes

Based on communication experience gained in previous perspective and statistics collected, 3 social Media channels will be managed: Facebook, LinkedIn and YouTube. As online communication tools develop dynamically, the Programme Communication Officer will monitor, follow and introduce online communication trends accordingly.

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

- trainings and workshops, seminars and conferences

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

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

- building and maintaining relationships with beneficiaries,
- involving beneficiaries in roles of ambassadors of the Programme and Interreg brand, as well as in various initiatives of Programme bodies.

### Budget

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

### Indicative financial plan

Communication activities (Value in percentage):

- Events, meetings: 55%
- Development and maintenance of Programme website: 25%
- Promotional materials: 15%
- Publications (paper or online): 3%
- Social Media: 2%

### Monitoring and evaluation

The implementation level of objectives and effectiveness of information and promotion activities will be assessed as part of Programme's evaluation.

Indicators will measure if specific communication objectives were achieved.

### List of indicators

1) Result indicator:

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- Interest of potential applicants in implementation of cross-border projects

Output indicators (indicator target value):

- Number of trainings for potential beneficiaries (40)
- Number of consultations provided to potential beneficiaries (300)
- Number of users who saw information on a call for proposal on Programme's website (150 (website article traffic analysis))
- Number of users who saw the call for proposal posts in social media (400 (Facebook and LinkedIn posts traffic analysis))
- Percentage ratio of applications that passed assessment process positively to submitted applications during a call for proposals (Calculation of the percentage ratio after the end of the applications assessment process: ca. 50%)

2) Result indicator:

- Increased effectiveness in Programme promotion thanks to beneficiaries

Output indicators:

- Number of events organised by beneficiaries supporting the promotion of the Programme (110)
- Number of participants in events organised by beneficiaries (300)

3) Result indicator:

- Increased public awareness of benefits of the Programme

Output indicators:

- Number of users that could have contact with a social media post (Social media reach, i.e. number of people who saw a post: 300)
- Number of visits to Programme website (6 website traffic analysis at the end of each calendar year 2022-2027 (no historical data available))

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- Number of participants in events (2000)

The Programme's communication activities will be led by a Communication Officer at the JS. The activities will be supported by regional CPs.

In the context of the operations of strategic importance identified within the programme, support concerning communication purposes to those projects will be provided as described in Appendix 3.

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

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

Small-scale projects are allowed to be implemented under all programme's priorities. In order for a project to be considered as a small-scale project its total eligible budget cannot exceed EUR 200 000. To facilitate the implementation of small-scale projects, simplification measures will be offered by the Programme. The main expected beneficiaries of small-scale projects will be NGOs, small and not experienced organisations, newcomers to the Interreg cooperation and public institutions from parts of the Programme Area that are not covered by project partners (mainly hinterlands). The detailed Programme requirements related to small-scale projects will be outlined in the Programme Manual and in the respective calls for proposals. Furthermore, a seed money scheme is intended, which will allow the potential South Baltic partnerships to develop projects of higher quality and submit them within regular or dedicated (or ongoing) calls for proposals. The form of the call shall be decided by the Monitoring Committee. At the same time, the scheme can serve as an incentive for potential beneficiaries to convince their local decision makers to start developing the project, as the costs of those activities would be covered. What is in line with the Programme interest is small, local beneficiaries to be involved in the Programme activities. The seed money scheme has been used in the previous editions of the Programme and has proven to be a useful tool to these ends.

A small project fund is not going to be established by the Programme.

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## 7. Implementing provisions

### 7.1. Programme authorities

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

Table 9

<p>Programme authority: Managing authority</p> <p>Name of the institution: Ministry of Development Funds and Regional Policy of the Republic of Poland ul. Wspólna 2/4 00-926 Warszawa Poland</p> <p>Contact name: Minister responsible for regional development, Poland</p> <p>E-mail: kancelaria@mfipr.gov.pl</p>
<p>Programme authority: Audit authority</p> <p>Name of the institution: Ministry of Finance ul. Świętokrzyska 12, 00-916 Warszawa Poland</p> <p>Contact name: Dominik Zalewski Director of the Audit of Public Funds Department of the Ministry of Finance</p> <p>E-mail: sekretariat.das@mf.gov.pl</p>
<p>Programme authority: Group of auditors representatives</p> <p>Name of the institution: Danish Business Authority EU-Controller Unit Langelinje Allé 17 DK-2100 København Ø</p> <p>Contact name: Svend Holger Welleberg +45 35 29 14 53</p> <p>E-mail: svhowe@erst.dk</p>
<p>Programme authority: Group of auditors representatives</p> <p>Name of the institution: Ministry of Finance Mecklenburg-Vorpommern Schloßstrasse 9-11 19053 Schwerin</p>

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Contact name: Head of Unit EU Financial Control ERDF

E-mail: poststelle@fm.mv-regierung.de

Programme authority: Group of auditors representatives

Name of the institution: Ministry of the Interior of the Republic of Lithuania

Contact name: Head of Centralized Internal Audit Division Ms Rasa Rybakovienė

E-mail: rasa.rybakoviene@vrm.lt

Programme authority: Group of auditors representatives

Name of the institution: Swedish National Financial Management Authority

Contact name: Marie Blomqvist

E-mail: Marie.Blomqvist@esv.se

Programme authority: Body to which the payments are to be made by the Commission

Name of the institution: Ministry of Development Funds and Regional Policy of the Republic of Poland ul. Wspólna 2/4 00-926

Contact name: Minister responsible for regional development, Poland

E-mail: kancelaria@mfipr.gov.pl

## **7.2. Procedure for setting up the joint secretariat**

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

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

The tasks of the JS, inter alia, include:

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

#### E-cohesion

In order to ensure the implementation of the requirements set out in regulation (EU) 2021/1060 (CPR), the Managing Authority (Minister of Development Funds and Regional Policy of Poland) will ensure the Central ICT System (in Polish: "Centralny System Teleinformatyczny" (CST)).

CST is a comprehensive tool supporting the implementation of projects. The SL2021 application, being a part of CST, ensures the support of on-going process of management, monitoring and evaluation of the Programme and enables the beneficiaries to settle the projects they carry out.

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CST also enables access to the system for all institutions involved in the programme implementation (joint secretariat, controllers, audit authority, national authority).

CST ensures gathering the data on the implementation of particular operations, necessary for the purposes of monitoring, evaluation, financial management, verification and audit, in line with article 72(1)(e) and Annex XVII to the CPR. At the same time, the system ensures the fulfilment of the requirements laid down in article 69(6) and (8) and Annexes XIII and XIV to the CPR.

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

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

The Managing authority (MA) shall ensure that any ERDF amount unduly paid is recovered from the lead partner in accordance with article 52.1 of the Interreg regulation (2021/1059). Project partners shall repay the lead partner any amounts unduly paid. If the lead partner does not succeed in securing repayment from another project partner or if the MA does not succeed in securing repayment from the lead partner or sole beneficiary, the EU Member State on whose territory the beneficiary concerned is located, shall reimburse the MA. The MA shall be responsible for reimbursing the amounts concerned to the general budget of the union in accordance with article 52.3 of the Interreg regulation. Details on the recovery procedure will be included in the description of the management and control system.

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

- In the event of financial corrections that can be linked to individual Member States, the Member States concerned will bear the financial consequences in proportion to the relevant irregularity detected on their territory. Art. 52 of the Interreg Regulation stays unaffected.
- In the event of a financial correction that results from jointly taken decisions or when financial corrections cannot be linked to individual Member States, all Member States will be jointly liable in proportion to the ERDF contribution paid out to the respective national project partners. This ERDF contribution is calculated as on the day the final EC decision on the financial correction is issued.

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- In the event of a financial correction resulting from actions taken by programme institutions i.e. the MA and/or the JS, liability will be borne by the Member State hosting the aforementioned authorities.
- In the event of the financial correction imposed due to irregularities not described above, the methodology of sharing the liabilities shall be established in cooperation between the MA and the Member States and agreed by the MC.

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

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

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

Intended use of Articles 94 and 95

From the adoption programme will make use of reimbursement of eligible expenditure based on unit costs, lump sums and flat rates under priority according to Article 94 CPR: NO

From the adoption programme will make use of financing not linked to costs according to Article 95 CPR: NO

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### **Appendix 3: List of planned operations of strategic importance with a timetable - Article 22(3) CPR**

Operations of strategic importance (OSIs) will be strongly connected to SBP's overall vision (United by the Sea into action for a blue and green future - Innovative, Sustainable, Attractive and Active South Baltic). The central location of the sea, maritime character and importance of blue and green economy are the most important characteristics of the SBA. The condition of the sea is a crucial factor for SBA. In line with this, the first OSIs will be a group of projects with potential to significantly contribute to combating pollution and eutrophication of the Baltic Sea. In its initial stage, the programme considers SO 2.5 of particular relevance for OSIs. The projects funded under this SO will contribute with tangible and visible results, ones that can be seen, touched and photographed and can therefore be used by the Programme and EC in visibility measures. For each funded project the result will be development of new solutions that contribute to reducing pollution and eutrophication of Baltic Sea.

Separate OSI dedicated for projects with partners from Olsztyński subregion will be planned. Special efforts can be made to enable programme actors, including partners from Olszyński subregion, to overcome negative consequences caused by Russian military aggression in Ukraine.

The connection to Programme strategy and potential impact (intervention logic, partnership and connection to EU strategies, i.a. EUSBSR) will be decisive factors when deciding which regular projects will be part of group of OSIs. Detailed criteria will be defined in implementation documents.

The strategic project label will serve visibility and promotional purposes. Strategic projects will implement joint capitalisation, communication and dissemination actions. Programme bodies will provide assistance in these publicity actions (e.g. communication event involving the EC and MA, media coverage, social media campaigns, press dissemination of information on OSIs through programme website).

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The selection of regular projects to receive the strategic label will take place with project selection procedure. First group of OSIs was selected in the 1st call in 2023 and may be supplemented in next calls e.g. in 2024 by sufficient projects. The Programme will ensure that visibility possibilities offered by OSIs are used throughout the whole period.

The document meets the accessibility rules.