

# Central Baltic Programme 2021 - 2027

## Draft programme document approved by Member States/Åland

17.11.2021

### Programme content

CCI	(15 characters)
Title	Central Baltic Programme 2021-2027 (255)
Version	1.0
First year	2021
Last year	2027
Eligible from	1.1.2021
Eligible until	31.12.2027
Commission decision number	
Commission decision date	
Programme amending decision number	
Programme amending decision entry into force date	
NUTS regions covered by the programme (including map as separate document)	<p>ESTONIA - Kirde-Eesti, Kesk-Eesti, Põhja-Eesti, Lääne-Eesti, Lõuna-Eesti</p> <p>FINLAND - Satakunta, Varsinais-Suomi, Helsinki-Uusimaa, Kymenlaakso, Pirkanmaa, Kanta-Häme, Päijät-Häme, Etelä-Karjala, Åland</p> <p>LATVIA - Kurzeme, Riga, Pieriga, Vidzeme, Zemgale</p> <p>SWEDEN- Gävleborg, Uppsala, Stockholm, Södermanland, Östergötland, Gotland, Västmanland, Örebro</p>

## 1. Programme strategy. Main development challenges and policy responses

### 1.1 Programme area

*Reference: Article 17 (3)(a), Article 17 (9)(a)*

*(2000 characters)*

In continuation of the 2014-2020 cooperation, the participating regions in the Central Baltic Programme 2021-2027 are situated in Estonia, Finland including Åland, Latvia and Sweden. In total there are 27 regions in the programme area (according to the European Union Nomenclature of Territorial Units for Statistics by regional levels 3 classification (NUTS 3)).

The Central Baltic area is in the North-Eastern part of the European Union, uniting the Nordic countries Sweden and Finland with two Baltic countries Estonia and Latvia. The region is relatively distant from the European main population and economic centres. The Central Baltic Programme area includes coastal regions of all programme countries for which the Baltic Sea is an important water body. The Baltic Sea has united the countries over centuries forming a basis for important and strong economic and cultural relations. Finland, Estonia and Latvia share a land border with Russia.

The Central Baltic area covers 251 185 km<sup>2</sup>, which is about 6% of the total land area of the European Union (EU-27). The Programme area includes four metropolitan regions around the capital cities of Stockholm, Helsinki, Tallinn, and Riga. These are all located at the coastline of the Baltic Sea and are relatively well connected with each other and with the European and global economic centres. On the other hand, there are large territories of peripheral, isolated islands and rural regions, for which accessibility inside the region, as well as with the European social and economic centres, is a challenge.

The Central Baltic Programme area covers very diverse regions: there are highly developed, well connected, densely populated cities and in turn less developed peripheral (in terms of location and accessibility) areas, sparsely populated rural areas as well as archipelago and island regions.

**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: Article 17 (3)(b), Article 17 (9)*

*(50 000 characters)*

## Introduction

There are strong foundations for cooperation in the Central Baltic region. Apart from the joint historical aspects, many connecting and concrete processes exist in the forms of joint education and labour market, environment and economic development, tourism, and joint institutions. All the capital cities are at the coast of the Baltic Sea and the sea is a

strong unifying factor of the whole programme area. The regions have been involved in EU cross-border cooperation since joining the Union. Interreg as an instrument has existed since 1990.

The Central Baltic programme as such has already a long history. The programme has been existing in its current form from 2007 and cooperation links in the region are well established and developed. The region has formed into a functional cross-border cooperation area with joint interests, striving for cohesion.

Within the region, two specifically well integrated sub-functional areas are recognised: South-Finland and Estonia have a long history of cooperation in trade, labour market, relations of people and institutions and there is a high volume of mobility between countries. Strong cultural links and linguistic closeness add to the integration. The other sub-functional area consists of the Archipelago and island areas within Central Baltic region. They have similar geographic, cultural, and natural characteristics as well as similar challenges for example in accessibility, sparse population and distinctive lifestyle. The programme recognizes the importance of these two sub-functional areas and will continue paying special attention to their development through cross-border cooperation. This support enables the regions in these functional areas to be more integrated which brings benefit to the whole Central Baltic region.

The programme recognises the good bilateral relationships between the countries in the region, and thus embraces also bilateral cooperation projects that provide cross-border added value.

A mandate letter to start preparing the new programme was composed to the MA by the member states and Åland. The programming work started by mapping the priorities and strategic interests for cross-border cooperation based on regional and national strategies and development plans. A regional analysis was compiled, considering a broad variety of aspects from economic development to labour market, and from environment and resource efficiency to education and social inclusion. Each chapter was then concluded with the description of the key challenges relevant for the cross-border cooperation in the Central Baltic programme area. These challenges, obstacles and opportunities form the key elements of the programme content and have been the basis for choosing the policy objectives, specific objectives and programme objectives.

Cooperation has been carried out with other CBC programmes active in the Baltic Sea area to avoid overlaps in different programmes and to increase coherence.

To mitigate the economic and social impact of the COVID-19 pandemic and make European economies and societies more sustainable, resilient, and better prepared for the challenges and opportunities of the green and digital transitions, the EU has established a Recovery and Resilience Facility (RRF). Regarding this, the Central Baltic Programme will follow the "do no significant harm" (DNSH) principle, which means that no measures that would fall under the topics of the national recovery and resilience plans can constitute 'significant harm' for the six environmental objectives within the meaning of Article 17 of the Taxonomy Regulation. This will be considered when assessing project applications.

## Focus on businesses and markets (PO 1)

### Specific objective (iii) enhancing growth and competitiveness of SMEs, including by productive investments

The Central Baltic country economies are dominated by SME's and microenterprises. There is great unused potential, but it is challenging to access to new markets and develop products. Because of the small size of the companies, it is difficult to participate to global competition where big companies dominate. The cooperation between companies is currently weak, and this makes growth, product development and other developmental tasks difficult and slows down fully using the potential. It would be useful and beneficial for the companies to work together for example to enter new markets.

There are emerging but still fragile regional and cross-border clusters of different economic sectors and technology start-up ecosystem. These clusters need support and help to reach their full potential. The capacities of the start-up companies to provide services for are still quite weak. The start-up scene is relatively young, but it has an established role in the economies, and it would benefit from better integrated services. In addition to dealing with facilities and finances the entrepreneurs need a set of skills that enable them to identify and make the most of their opportunities, as well as to overcome and learn from setbacks and succeed in variety of settings.

There are large differences within the Central Baltic region in terms of economic development (measured in GDP). Balancing the goals for economic development and sustainable use of resources is challenging. However, there is great potential for example in exploiting the opportunities of circular economy

There is underexploited potential for new business development in sectors such as ICT, low-carbon solutions, silver economy, green and blue economy. Smart specialisation strategies would benefit from cross-border cooperation to fully exploit their potential.

The competitiveness of the Central Baltic region countries differs. All the countries are characterised by macroeconomic stability. The market size is small for almost all the Central Baltic countries.

European start-ups are creating many jobs, and geography is a decisive factor for start-up success. While the location is mostly seen as a choice of one spot, transnational mobility and networks of founders have partially overcome the boundaries. Many start-ups are born global, which means that they operate across borders and in some cases open an office in more than one country already when starting operations. Therefore, the start-ups are proposing a new way of looking at networks of locations bound together by founder inter-connectivity.

Measured by the European Innovation Scoreboard, the Central Baltic countries have been rated differently in terms of innovation capacity and activities. The metropolitan areas of Sweden and Finland have been classified as the Innovation Leaders of the region. Estonia has been identified as a Strong Innovator and Latvia as a Moderate Innovator.

## CHALLENGES AND OBSTACLES

- Central Baltic area economies are dominated by SMEs and microenterprises
  - It is difficult to participate in global competition
  - The cooperation between companies is weak
- Unused potential in emerging but still weak regional clusters of different economic sectors
  - To access the new markets
  - To strengthen the regional supply chains
  - To carry out product development
- Emerging but still fragile regional start-ups ecosystem
  - The capacity to provide services is weak
  - The need to strengthen the awareness and culture/mindset
- The creation of new business start-ups is challenging, as in many sectors the “regional champions” as creators of opportunities are missing, and new companies have to encounter global competition immediately
- There is underexploited potential for new business development in sectors such as ICT, low-carbon solutions, silver, green and blue economy.
- Balancing the goals for economic development and sustainable use of resources:
  - Exploiting the opportunities within circular economy is challenging as regional critical mass of demand is missing for profitable business models and solutions
- Smart specialization strategies in Central Baltic regions lack proper resources for implementation and coordination

## **Focus on the environment (PO 2)**

### **Specific objective (vi) promoting the transition to a circular economy**

There are environmental (climate change, extractive mining, air pollution, soil degradation, waste treatment), economic (unsustainable production and consumption patterns, premature obsolescence), and social (migration pressure, rampant consumerism, ecological unconcern, lost jobs in linear economy) factors that stress the need for a circular economy approach in the Central Baltic region. The growing importance of immaterial services in the economy reduces the demand for natural resources, and digitalisation facilitates leasing, sharing, and renting. The lifespan of products should be extended, and waste recyclability should be improved. Increases in resource prices promotes the need to improve production efficiency and the reuse of materials.

Different starting point between the Central Baltic countries are an obstacle for developing a common approach. All of them, however, need to accelerate the introduction of circular economy policies. Exploiting the opportunities within circular economy is challenging as the needed regional critical mass of demand is still missing for profitable business models and solutions. The impact of social trends is ambiguous, and to create demand, raising awareness and shifting of the mindset of consumers are important aspects for the transition to circular economy lifestyle.

### **CHALLENGES AND OBSTACLES**

- High levels of solid waste produced by industry, service sectors and households combined with insufficient levels of reuse leading to a lack of a circular economy approach
- Identifying the cross-border product value chains
- Considering the whole life cycle in the design of products and services
- Changing the consumer behaviour and increasing awareness

### **Specific objective (vii) enhancing nature protection and biodiversity, green infrastructure in particular in the urban environment, and reducing pollution**

The Baltic Sea is one of the planet's largest bodies of brackish water. Due to the special hydrographical and climatic conditions, its environment is vulnerable. Over the past 100 years, the state of the Baltic Sea has been degrading quite dramatically. Human pressures such as overfishing, pollution, and increasingly the effects of climate change are altering the ecological balance, while human activities are depleting renewable resources beyond safe biological limits.

Excessive inflow of nutrients to the coastal and marine environment enhances the growth of phytoplankton, oxygen depletion at the seafloor and a cascade of other ecosystem changes. Nutrient inflows from land have decreased because of regionally reduced nutrient loading, but the effect of these measures on the marine ecosystems has not yet realised. Although signs of improvement are seen in some areas, effects of past and current nutrient inflows still predominate the overall status. Improving the state of the

waters in the catchment areas, on the coast and at sea will also support enhancing of biodiversity.

Marine litter is a clearly visible problem along the Baltic Sea coastline. Litter also appears under the surface and in many different size classes. The smallest micro litter is invisible to the human eye but reaches the marine food web when organisms ingest it. Larger marine litter deteriorates habitat quality and can cause direct harm to animals when they swallow it or become entangled to it. Plastic materials are of special concern due to their risks to the environment and due to their slow natural degradation.

Man-made chemicals and heavy metals enter the Baltic Sea from numerous sources, including wastewater treatment plants, leaching from household materials and from waste deposits, and as atmospheric deposition from industrial plant emissions. Once in the Baltic Sea, they can cause various types of damage to the ecosystem. Some are highly visible in the form of oil-spills, while others can remain unnoticed or are only apparent when detrimental impacts on the ecosystem or biota are observed. Many contaminants degrade slowly, and their impacts can magnify as they accumulate within the aquatic food web. The contamination status is elevated in all parts of the Baltic Sea compared to natural conditions.

Climate change is an important issue in the Baltic Sea region, where warming is likely to exceed the global average. The warming will be accompanied by a general increase in winter precipitation. During summer, the precipitation may either increase or decrease, with a larger chance of drying in the southern parts of the region. Climatic extremes are also projected to become more severe.

The projected atmospheric changes will be accompanied with an increasing Baltic Sea water temperature, reduced ice cover, and reduced salinity due to increased precipitation and river runoff. The seasonal cycle of runoff will be modified by changes in precipitation and earlier snowmelt. The changes in the physical environment and climate will have several environmental impacts on for example atmospheric chemistry, freshwater and marine biogeochemistry, ecosystems, and coastal erosion.

## CHALLENGES AND OBSTACLES

- Land-based load of nutrients and hazardous substances (including plastics) and toxins into the Baltic Sea
- Existing high levels of nutrients and hazardous substances (including plastics) and toxins in the Baltic Sea
- The risk of oil spills at sea and on the coast due to high levels of shipping in the Baltic sea
- Decreasing biodiversity in the Central Baltic region

### **Specific objective (viii) promoting sustainable multimodal urban mobility**

There is a strong need to achieve a better state of the environment in urban areas by lowering CO<sub>2</sub> emissions through sustainable urban mobility solutions. Mobility solutions that significantly lower CO<sub>2</sub> emissions are currently not very commonly used. Increasing their use is also economically challenging in many parts of Central Baltic region because of low population density and diverse geography.

The transportation of goods and people is frequent on land, and the modes of transport are changed between air, land, and sea in numerous transport nodes. Decreasing the CO<sub>2</sub> emissions in this multimodal, complex transport system is needed. The intensity of marine traffic is also expected to increase in the future. Maritime transport is historically and currently an important unifying factor for the programme area. It plays an important role in multimodal movements of both cargo and passengers in the Central Baltic countries.

The transport nodes are located in urban areas, where highest levels of CO<sub>2</sub> emissions are usually occurring. These urban transport nodes are a part of larger transport areas, servicing also for example commuters from suburban and rural hinterland areas around them, forming functional transport areas. In the Central Baltic region, the urban/rural linkages also include transport to and from islands and archipelago areas.

It is necessary to jointly develop the CO<sub>2</sub> efficiency of these urban transport nodes. This includes creating fluent processes and procedures of switching between different transport modes. Different digital solutions are likely to play a significant role in this. A big challenge lies in cross-border infrastructure and management planning, which needs more active cross-border cooperation.

### **CHALLENGES AND OBSTACLES**

- Lowering of the CO<sub>2</sub> emissions of multimodal, intermodal and complex transport systems
- The low level of use of mobility solutions with significantly lower CO<sub>2</sub> emissions due to economic challenges in many parts of Central Baltic
- The role and sustainability of urban areas as transport nodes, including challenges of integrated planning and management of urban environments
- Involving relevant actors into cross-sectoral cooperation

### ***Focus on the labour market (PO 4)***

**Specific objective ERDF (i) Enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy**

The development of the employment situation has moved in a positive direction during 2014-2019. The employment rates have risen, unemployment and long-term unemployment has been decreasing. The gender pay gap has been narrowing in every country except Latvia.

The positive trend in employment was interrupted by the COVID-19 pandemic from early 2020 onwards. Due to the containment measures unemployment has increased in Central Baltic programme countries and labour market has not fully recovered by the spring 2021. Unemployment tends to increase among the more vulnerable groups of society (youth, pre-retirement, retirement, and people with special needs). The crisis has an especially strong impact on sectors such as international tourism, entertainment, sports and education, creative industries, events, and event organising.

The share of teleworkers rose drastically during pandemic. Regardless of this, the flexible forms of working are still underused.

Considering their role in society outside of the working time, women sometimes need additional efforts to get to the labour market while keeping the balance between the professionalism and other social responsibilities.

There is a noticeable amount of cross-border work-related commuting especially between FIN-EST, LAT-EST, and FIN-SWE. This labour movement would benefit from more coordinated joint labour market services. Currently there are no such services in place.

The rigidity of the education system causes a mismatch between skills taught and skills needed in the societies. The traditional education is not addressing the entrepreneurial attitude and entrepreneurship sufficiently. In lifelong learning there is a challenge of outdated education of certain groups, e.g. highly educated elderly people, and immigrants with high education.

### **CHALLENGES AND OBSTACLES**

- The demand in the labour market develops faster than matching education can be provided
- Identifying future labour market needs and the needed skills, and integrating these into educational processes
- Gender pay gap is still in place
- Challenges in coordinating labour market services (e.g., information services, matchmaking services, trainings, benefits) across borders for joint labour market
- People with social care responsibilities have less possibilities to access the labour market
- Flexible forms of work (part time work, remote work and other types of flexible work) are underused

## **Focus on public services and solutions (ISO 1)**

### **Specific objective (i) enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders**

There are challenges and obstacles related to the administrative, regulatory, language and cultural barriers in public administration in the Central Baltic countries. Institutional capacity and governance -related issues especially in the public sector are structural in nature. They provide good potential for positive changes in policies if addressed in a cross-border context, increasing the impact of the programme. This type of cooperation has also the potential to lead to enhanced regional and local response when coordinating actions across borders to crisis management capacity and to avoid negative cross-border spill-over effects.

Most of the cross-border obstacles stem from different national legislations on either side of the border, incompatible administrative processes, or the lack of common territorial planning. These should be addressed in a way that will lead to practical solutions and policy improvements, and further to new or improved public services.

ICTs have become widely available to the public, both in terms of accessibility as well as cost. In Central Baltic country societies are highly digitalised. Despite of the good digital competences the physical digital infrastructure is underexploited. Digital solutions and services of public sector lag behind of the needs of societies and the need to achieve more in a cost-efficient way. The use of existing public services and solutions should be made more widespread.

#### **CHALLENGES AND OBSTACLES**

- Administrative, regulatory, language and cultural barriers in public administration in general
- Underexploited physical digital infrastructure
- The digital gap (access to and capacity to use the digital resources) in societies
- Public sector's digital solutions and services lag behind of the needs of societies and the need to achieve more cost efficiency
- The use of existing public services and solutions should be made more widespread
- Obstacles stemming from different national, regional and local regulations, incompatible administrative processes, or the lack of common territorial planning

#### **Synergies with macro-regional and sea basin strategies**

The European Union Strategy for the Baltic Sea Region is the first European macro-regional strategy, which stems from a long tradition of cross-border cooperation in the region. The implementation of the EUSBSR is based on an Action Plan which is regularly updated. The latest update has been introduced in the spring of 2021. The EUSBSR has been considered in the planning process for the Central Baltic Programme 2021 - 2027, and the general objectives of both programmes are in line with each other. The programme directly contributes to seven out of nine EUSBSR sub-objectives. The EUSBSR Action Plan goals have also been considered when designing the intervention of the programme, and it has been ensured that the actions of the Action Plan have been embedded into it.

The Central Baltic Programme 2021 - 2027 will contribute to the actions plans of the following EUSBSR Policy Areas: PA Nutri, PA Hazards, PA Bioeconomy, PA Ship, PA Transport, PA Tourism, PA Innovation and PA Education. Otherwise, the programme will continue cooperating with and contributing to the EUSBSR for example by identifying the potential flagship projects and contributing to EUSBSR annual forums.

The Central Baltic Programme 2021 - 2027 connects and contributes to the HELCOM Baltic Sea Action Plan and the forthcoming Baltic Sea Regional Nutrient Recycling Strategy mainly through activities funded under Policy Objective 2.

### **Horizontal principles**

Sustainable development will be taken into account as a horizontal principle in all Programme implementation. Sustainable development will be included in programming at all stages. The objective is to ensure that all Programme activities are socially, ecologically, culturally, and economically sustainable. The impact on the environment, climate and human wellbeing should be positive. Projects will also be reviewed from the viewpoint of risks regarding climate change. Climate change mitigation and adaptation is important to prevent negative impacts on the ecosystems. The DNSH principle will also be followed.

Guaranteeing equal opportunities and preventing discrimination are important principles in all Programme stages. No-one should be discriminated based on sex, racial or ethnic origin, religion or belief, disability, age, or sexual orientation. Instead, Programme and project activities should, where possible, increase the possibilities of all groups to participate in the society.

In addition to the general principle of anti-discrimination the Programme will pay attention to gender equality. An assessment of the relevance of measures to promote gender equality and their impact on the achievement of the objectives set out in the programme will be made. This principle will be considered for all projects and priorities. Gender equality will also be considered in Programme implementation, for example when recruiting staff and in all personnel policy.

Contribution to the horizontal principles will be considered when the applications for funding are assessed. Projects with a negative impact on sustainable development, equal opportunities, anti-discrimination, and gender equality will not be funded.

### **Synergies with other funding programmes and instruments**

During Programme implementation, coordination with other EU funds will be ensured. Activities funded should not overlap with project activities financed by other funds but may at times bring synergies. The assessment of overlaps and/or synergies will mainly be made during consultations and project assessments. One way of securing good division of work with other programmes has been to define the focus of the Central Baltic programme clearly; this way it is easy to see if a programme idea fits this or another programme.

The Managing Authority has the main responsibility for ensuring the coordination during programme implementation, but the day-to-day work will lie with the Joint Secretariat (JS) and also national Contact Points (nCPs). The staff of the nCPs and JS is expected to have a basic knowledge of the relevant EU funds. In view of the chosen priorities, the funds and programmes in relation to what the coordination should be considered are the programmes financed from the European Regional Development Fund (ERDF), European Social Fund (ESF) and funded programmes, "Horizon Europe", "LIFE" and "Erasmus+"

programmes, national mainstream programmes and programmes financed from national sources.

While defining the intervention logic of the Central Baltic Programme, the above-mentioned programmes and their planned activities have been monitored. Where possible, overlaps have been avoided already in the phase of defining programme objectives and supported actions.

During Programme preparations some potential overlaps were identified. These have been systematically dealt with. Potential overlap between the Central Baltic Programme 2021-2027 and the transnational Baltic Sea Region Programme was identified for programme objectives 3, 4 and 5 for the specific issues like the health of the Baltic Sea and Circular economy. The Programme area is partly the same and the chosen thematic objectives and investment priorities could have led to activities coinciding. Information from participating Member States and bodies involved in Programme preparations was taken into account, and the Central Baltic content was differentiated through the programme objectives definitions and the selection of programme specific result indicators.

The Interreg programme Estonia-Latvia has partly the same programme geography as the Central Baltic Programme. During the programming phase discussions about the chosen priorities have been ongoing. During the implementation phase coordination is needed to avoid potential overlaps within Central Baltic programme objectives 1,2, 4 and 7.

During implementation, close contact is foreseen with both Estonia-Latvia and BSR with the aim to ensure that projects are funded from the most appropriate programme and that no risk of double financing exists. In the process of assessment and selection special attention will be paid to avoid potential thematic and geographic overlaps. Overlaps should be avoided if the combination of thematic and geographic overlap exists. Thematic overlap is understood to exist if the programmes have chosen same specific objectives themes. Geographic overlap is understood to exist if the programmes have overlapping geographies.

For identifying potential overlaps the coordination mechanism between the programmes will be set up.

When consulting project ideas the JS shall keep in mind the potential overlaps and synergies with other programmes. The applicants shall be made aware of these findings as early as possible. During the project assessment phase the JS will make the final assessment. Projects that overlap with other funding programmes shall not be suggested for the Monitoring Committee (MC) for approval.

The MC will be made up of experts from different thematic fields and from all regions and/or countries. They are key actors in providing information about remaining overlaps, should they identify such. The MC is also in the position to propose changes to the projects, thus allowing for further developments to exploit the complementarities between funding programmes.

### **Lessons learned from past experience**

The Programme builds on arrangements from the 2007-2013 and 2014-2020 periods. At this stage, all programme procedures are reviewed and improved. The approach is to simplify and work effectively at all steps of all processes. The programme approach is one of continuous development.

When preparing for both the content and management of the 2021-2027 period, the lessons learned are taken into account. An analysis is made for each procedure or task; what worked well is kept what didn't work so well will be changed.

There is continuation of some programme content objectives, most clearly the capacity of SME's to jointly export to new markets as well as reducing the load of harmful substances to the Baltic Sea. These themes have been challenging and relevant for the 2014-2020 period, and remain so for the new period. In other fields it could be concluded that either the programme intervention had improved the situation sufficiently to not be continued, or that more pressing challenges had appeared.

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

*Reference: Article 17 (3)(c)*

*Table 1.*

Selected policy Objective or selected Interreg-specific objective	Selected specific objective	Priority	Justification for selection
PO 1	(iii) enhancing growth and competitiveness of SMEs, including by productive investments	1 Innovative business development  Programme objective 1: More exports by SMEs	The challenges and obstacles related to SME-dominated economies and their capacity to take products and services to new markets.
PO 1	(iii) enhancing growth and competitiveness of SMEs, including by productive investments	1 Innovative business development  Programme objective 2: More new scaled-up growth companies	The challenges and obstacles of scaling up and internationalising the activities of new growth companies.
PO 2	(vi) promoting the transition to a circular economy	2 Improved environment and resource use  Programme objective 3: Joint circular economy solutions	The challenges and obstacles related to high levels of the amounts of waste, low levels of product and material reuse, and low levels of consumer and company awareness.

PO 2	(vii) enhancing nature protection and biodiversity, green infrastructure in particular in the urban environment, and reducing pollution	2 Improved environment and resource use  Programme objective 4: Improved coastal and marine environment	The challenges and obstacles related to the poor health of the Baltic sea due to inflows of nutrients, hazardous substances and toxins into the sea.
PO 2	(viii) promoting sustainable multimodal urban mobility	2 Improved environment and resource use  Programme objective 5: Decreased CO2 emissions	The challenges and obstacles related to CO2 intensity of transport systems, the lack of multimodal integration, and the low level of use of less CO2 intensive mobility solutions.
PO 4	ERDF (i) Enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy	3 Improved employment opportunities  Programme objective 6: Improved employment opportunities on labour market	The challenges and obstacles of less competitive groups in the society to access work opportunities, labour market inflexibility, and to increase entrepreneurship of various groups in societies.
ISO	(i) enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders	4 Improved public services  Programme objective 7: Improved public services and solutions for the citizens	The challenges and obstacles related to the administrative, regulatory, language and cultural barriers in public administration.

## **2. Priorities (300)**

*Reference: Article 17 (3)(d) and (e)*

### **2.1 Priority 1: Innovative business development**

*Reference: Article 17 (3)(d)*

*(300 characters)*

This is a priority pursuant to a transfer under Article 17(3)

### **2.1.1 Programme objective 1: More exports by SMEs**

#### **2.1.1.1 Specific objective (iii) enhancing growth and competitiveness of SMEs, including by productive investments**

*Reference: Article 17 (3)(e)*

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

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

*(7000 characters)*

#### **Approach and scope**

The approach derives from challenges related to SME-dominated economies and their capacity to take products and services to new markets. The main bottleneck for mature SMEs is identifying and entering the new markets for their products and services. Focus on export allows to achieve real economic impact. In addition to marketing and new market entry activities, development of products, processes and skills are relevant activities.

All relevant economic sectors where joint interest to enter new markets is in place are included in the scope of this Programme Objective. Joint efforts of CB companies (SMEs) to enter new markets (markets outside EU/EFTA) and to participate with joint offers towards international organisations (sales to an international organisation (for example UN agencies, WHO, ILO, OSCE) is considered equal to entering a new market) will be supported. The headquarters of the international organisations should be outside of the Central Baltic programme area and the products or services should be for use outside EU/EFTA areas.

Innovative companies are defined as companies that are targeting higher value added than the sectoral and regional average.

#### Indicative joint actions supported

- Awareness raising
- Product/service development
- Developing joint offers of products and services
- Process development and digitalisation of processes
- Skills development and quality management
- Market information and research
- Branding and marketing of products and services
- Sales support activities on target markets: visits to target markets and buyers visits to CB region, fairs, market expert services
- Experience exchange and learning as result of joint implementation

The list above is not in order of priority. Any project should use a suitable mix of these actions based on the project topic. The chosen mix of actions must be relevant for achieving the contribution to both the project and programme results.

Regarding the project approach, the joint elements should be clearly described. A cluster-based approach is encouraged.

#### Eligible markets

Markets outside EU/EFTA, international organisations

#### Potential partners

Non-commercial organisations relevant and capable for implementing new market entry projects, for example non-commercial organisations with competence and experience on export and product development, sectoral associations, chambers of commerce or regional development agencies.

This Programme Objective contributes to the actions of EUSBSR Policy Areas Innovation and Tourism.

### 2.1.1.3 Indicators

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

Table 2: Output indicators

Priority	Specific objective	ID (5)	Indicator	Measurement unit (255)	Milestone (200)	Final target (200)
1 More exports by SMEs	(iii) enhancing growth and competitiveness of SMEs, including by productive investments	RCO 4	Enterprises with non-financial support	Company	100	600 - 800
		RCO 87	Organisations cooperating across borders	Company	120	800 - 850

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
1 More exports by SMEs	(iii) enhancing growth and competitiveness of SMEs, including by productive investments	PSR 1	Companies with achieved sales and contracts to new markets	Company	0		100 - 150	MA monitoring system	
1 More exports by SMEs		RCR 04	SMEs introducing marketing or organisational innovation	Company	0		80 - 100	MA monitoring system	

### 2.1.1.4 The main target groups

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

(7000 characters)

Established, mature innovative small and medium sized companies (SMEs) of different sectors with international cooperation experience and capacity.

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

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

(7000 characters)

The programme does not plan to use ITI, CLLD or other territorial tools

If some sub-(programme) areas of the Central Baltic programme are specifically targeted, that would be mentioned here.

### 2.1.1.6 Planned use of financial instruments

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

(7000 characters)

The programme does not plan the use of financial instruments. They do not bring added value to programme implementation or to the use of grants.

### 2.1.1.7 Indicative breakdown of the EU programme resources by type of intervention

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

Table 4: Dimension 1 - intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
			021	17 500 000

Table 5: Dimension 2 - form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
			01 Grant	17 500 000

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

Priority no	Fund	Specific objective	Code	Amount (EUR)
			33 No territorial targeting	17 500 000

## **2.1.2 Programme objective 2: More new scaled-up growth companies**

*Reference: Article 17 (3)(d)*

*(300 characters)*

This is a priority pursuant to a transfer under Article 17(3)

### **2.1.2.1 Specific objective (iii) enhancing growth and competitiveness of SMEs, including by productive investments**

*Reference: Article 17 (3)(e)*

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

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

*(7000 characters)*

#### **Approach and scope**

The approach derives from the challenges of scaling up the activities of new growth companies. New companies with potential to grow and to use the potential of Central Baltic start-up ecosystems will be supported. They should have the necessary product development capacities and ambition to grow. They should target scaling up (raising investments, establishing presence outside of the home market or developing business models) their businesses.

Potential participant companies' ambition to grow is identified by partner organisations.

#### **Indicative joint actions supported**

- Awareness raising
- Product development
- Process development and digitalisation
- Skills development
- Market opportunities research
- Branding and marketing
- Business model development and expansion of operations
- Experience exchange and learning as result of joint implementation

The list above is not in order of priority. Any project should use a suitable mix of these actions based on the project topic. The chosen mix of actions must be relevant for achieving the contribution to both the project and programme results.

Regarding the project approach, the joint elements should be clearly described.

#### **Potential partners**

Non-commercial organisations with competence and experience for new business development, product development, internationalisation such as business development organisations, science parks, associations of companies and regional development agencies.

This Programme Objective contributes to the actions of EUSBSR Policy Area Innovation.

### 2.1.2.3 Indicators

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

*Table 2: Output indicators*

Priority	Specific objective	ID (5)	Indicator	Measurement unit (255)	Milestone (200)	Final target (200)
1 More new scaled-up growth companies	(iii) enhancing growth and competitiveness of SMEs, including by productive investments	RCO 4	Enterprises with non-financial support	Company	50	400
1 More new scaled-up growth companies		RCO 87	Organisations cooperating across borders	Company	10 - 20	450

*Table 3: Result indicators*

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
1 More new scaled-up growth companies	(iii) enhancing growth and competitiveness of SMEs, including by productive investments	PS R 2	Number of scaled-up new growth companies	Company	0		100	MA monitoring system	

#### 2.1.2.4 The main target groups

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

*(7000 characters)*

New companies with scaling-up challenges and ambition.-All sectors where growth potential and joint interest exists are targeted.

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

*Reference: Article 17 (3)(e)(iv)*

*(7000 characters)*

The programme does not plan to use ITI, CLLD or other territorial tools

If some sub-(programme) areas of the Central Baltic programme are specifically targeted, that would be mentioned here.

#### 2.1.2.6 Planned use of financial instruments

*Reference: Article 17 (3)(e)(v)*

*(7000 characters)*

The programme does not plan the use of financial instruments. They do not bring added value to programme implementation or to the use of grants.

#### 2.1.2.7 Indicative breakdown of the EU programme resources by type of intervention

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

*Table 4: Dimension 1 - intervention field*

Priority no	Fund	Specific objective	Code	Amount (EUR)
			021	17 500 000

*Table 5: Dimension 2 - form of financing*

Priority no	Fund	Specific objective	Code	Amount (EUR)
			01 Grant	17 500 000

*Table 6: Dimension 3 - territorial delivery mechanism and territorial focus*

Priority no	Fund	Specific objective	Code	Amount (EUR)
			33 No territorial targeting	17 500 000

## 2.2 Priority 2: Improved environment and resource use

*Reference: Article 17 (3)(d)*

*(300 characters)*

This is a priority pursuant to a transfer under Article 17(3)

### 2.2.1 Programme objective 3: Joint circular economy solutions

#### 2.2.1.1 Specific objective (vi) promoting the transition to a circular economy

*Reference: Article 17 (3)(e)*

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

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

Approach and scope

The approach derives from challenges related to high levels of waste, low levels of product and material reuse, inflows of nutrients and hazardous substances and low levels of awareness.

Three basic components will be targeted within CE: Design of the whole life cycle of products and/or services, awareness raising and behaviour change of consumers as well as producers and service providers. This Programme Objective will not target the efforts to directly reduce the impact of nutrients, toxins and hazardous substances on the Baltic sea by water management activities.

All main categories of waste can be targeted by the projects if the Central Baltic scale can be identified and justified, and where there are opportunities for decreasing waste or increasing the reuse of products or materials. The Central Baltic scale will be defined by the existence of cross-border product/service life cycle or chain, or a solution which extends across CB borders or can be downsized to CB scale.

The key product value chains identified in the EC Circular Economy Action Plan (the list of value chains is not exhaustive, and value chains of other areas can also be targeted):

1. Electronics and ICT
2. Batteries and vehicles
3. Packaging
4. Plastics
5. Textiles
6. Construction and buildings
7. Food, water, and nutrients

### Indicative joint actions supported

- Awareness raising of consumers, organisations
- Mapping the cross border product life cycles/chains
- Feasibility studies, plans and designs
- Trainings and skills development
- Joint product development prototyping activities and cross-border hackathons
- Development and implementation of methods and technologies to reduce the use of materials, reduce the waste and increase the reuse of materials
- Process developments and digitalisation of processes
- Small scale investments to reduce the use of materials, waste and increase the reuse of materials
- Experience exchange and learning as result of joint implementation

The list above is not in order of priority. Any project should use a suitable mix of these actions based on the project topic. The chosen mix of actions must be relevant for achieving the contribution to both the project and programme results.

Regarding the project approach, the joint elements should be clearly described.

### Potential partners

Public and non-profit organisations relevant for the targeted product chains.

This Programme Objective contributes to the actions of EUSBSR Policy Area Bio-economy.

### 2.2.1.3 Indicators

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

*Table 2: Output indicators*

Priority	Specific objective	ID (5)	Indicator	Measurement unit (255)	Milestone (200)	Final target (200)
2	Joint circular economy solutions	RCO 87	Organisations cooperating across borders	Organisation, company	50	300
2	Joint circular economy solutions	PSO 1	The number of participating (in project activities) organizations and companies	Organisation	50	300

*Table 3: Result indicators*

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
2	Joint circular economy solutions	PSR 3	The number of improved product/service cycles/chains	Cross-boder circular economy chain/cycle	0		20	MA monitoring system	

#### **2.2.1.4 The main target groups**

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

*(7000 characters)*

People, communities and businesses benefitting from reduced use of virgin materials, decreased waste, and increased reuse of products and materials.

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

*Reference: Article 17 (3)(e)(iv)*

*(7000 characters)*

The programme does not plan to use ITI, CLLD or other territorial tools

If some sub-(programme) areas of the Central Baltic programme are specifically targeted, that would be mentioned here.

#### **2.2.1.6 Planned use of financial instruments**

*Reference: Article 17 (3)(e)(v)*

*(7000 characters)*

The programme does not plan the use of financial instruments. They do not bring added value to programme implementation or to the use of grants.

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

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

*Table 4: Dimension 1 - intervention field*

Priority no	Fund	Specific objective	Code	Amount (EUR)
			069	17 498 088

*Table 5: Dimension 2 - form of financing*

Priority no	Fund	Specific objective	Code	Amount (EUR)
			01 Grant	17 498 088

*Table 6: Dimension 3 - territorial delivery mechanism and territorial focus*

Priority no	Fund	Specific objective	Code	Amount (EUR)
			33 No territorial targeting	17 498 088

## **2.2.2 Programme objective 4: Improved coastal and marine environment**

*Reference: Article 17 (3)(d)*

*(300 characters)*

This is a priority pursuant to a transfer under Article 17(3)

### **2.2.2.1 Specific objective (vii) enhancing nature protection and biodiversity, green infrastructure in particular in the urban environment, and reducing pollution**

*Reference: Article 17 (3)(e)*

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

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

*(7000 characters)*

#### **Approach and scope**

The approach derives from challenges related to the poor health of the Baltic sea.

The approach is to use existing and new measures to reduce the inflows of nutrients, hazardous substances, plastics, and toxins' inflows to the Baltic Sea. Both preventive and direct measures are supported. This focused approach will also contribute to enhancing biodiversity.

The focus areas with impact to the Baltic Sea have been defined in the national water management plans and marine strategies. As the load of harmful substances originate mainly from catchment areas, land-based load sources like for example the agricultural sector, forestry and the impact from urban systems are most relevant to be targeted by joint actions. Sea-based load sources such as sediments as can also be targeted. Projects resulting into direct positive effects to the Baltic Sea are prioritised.

#### **Indicative joint actions supported**

- Awareness raising
- Information collection, surveys
- Analysis and surveys, plans, drawings, and designs
- Designing, adapting methods
- Planning and investing into digital solutions and processes
- Joint pilot actions to reduce inflows of nutrients, toxins and hazardous substances
- Small scale investments to reduce inflows of nutrients, toxins and hazardous substances
- Experience exchange and learning as result of joint implementation

The list above is not in order of priority. Any project should use a suitable mix of these actions based on the project topic. The chosen mix of actions must be relevant for achieving the contribution to both the project and programme results.

Regarding the project approach, the joint elements should be clearly described.

Potential partners

Public and non-profit organisations and authorities on national, regional, and local level, as well as private companies relevant for reducing nutrients, toxins and hazardous substances.

This programme Objective contributes to the actions of EUSBSR Policy Areas Nutri and Hazards.

### 2.2.2.3 Indicators

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

*Table 2: Output indicators*

Priority	Specific objective	ID (5)	Indicator	Measurement unit (255)	Milestone (200)	Final target (200)
2 Improved coastal and marine environment	(vii) enhancing nature protection and biodiversity, green infrastructure in particular in the urban environment, and reducing pollution	PSO 1	The number of participating (in project activities) organisations and companies	Organisation, company	50	200-250
2 Improved coastal and marine environment		RCO 87	Organisations cooperating across borders	Organisation	50	300

*Table 3: Result indicators*

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
2	Improve coastal and marine environment		(vii) enhancing nature protection and biodiversity, green infrastructure in particular in the urban environment, and reducing pollution	The number improved urban and agricultural load sources	Improved load sources	0	30-50	MA monitoring system	

#### **2.2.2.4 The main target groups**

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

*(7000 characters)*

People, communities, and businesses benefitting from reduced emissions.

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

*Reference: Article 17 (3)(e)(iv)*

*(7000 characters)*

The programme does not plan to use ITI, CLLD or other territorial tools

If some sub-(programme) areas of the Central Baltic programme are specifically targeted, that would be mentioned here.

#### **2.2.2.6 Planned use of financial instruments**

*Reference: Article 17 (3)(e)(v)*

*(7000 characters)*

The programme does not plan the use of financial instruments. They do not bring added value to programme implementation or to the use of grants.

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

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

*Table 4: Dimension 1 - intervention field*

Priority no	Fund	Specific objective	Code	Amount (EUR)
			064	17 498 088

*Table 5: Dimension 2 - form of financing*

Priority no	Fund	Specific objective	Code	Amount (EUR)
			01 Grant	17 498 088

*Table 6: Dimension 3 - territorial delivery mechanism and territorial focus*

Priority no	Fund	Specific objective	Code	Amount (EUR)
			33 No territorial targeting	17 498 088

## **2.2.3 Programme objective 5: Decreased CO2 emissions**

*Reference: Article 17 (3)(d)*

*(300 characters)*

This is a priority pursuant to a transfer under Article 17(3)

### **2.2.3.1 Specific objective (viii) promoting sustainable multimodal urban mobility**

*Reference: Article 17 (3)(e)*

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

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

*(7000 characters)*

#### **Approach and Scope**

The approach derives from challenges related to CO2 intensity of transport systems, the lack of multimodal integration, and the low level of use of less CO2 intensive mobility solutions.

Existing Central Baltic transport nodes and areas and improving the mobility solutions in large and small urban transport systems (also the ones servicing hinterlands of the urban areas) are in the scope of this Programme Objective. The goal is to achieve joint mobility solutions and improved intermodal mobility that help reduce CO2 emissions.

Improvements in efficiency and usability of transport nodes and areas and urban intermodal systems should be achieved as well.

#### **Indicative joint actions supported**

- Awareness raising
- Analysis and surveys
- Plans, drawings, and designs
- Planning and investing into digital solutions and processes
- Small scale investments leading to lower CO2 emissions
- Piloting new mobility solutions
- Experience exchange activities as joint seminars, study visits, surveys and trainings

The list above is not in order of priority. Any project should use a suitable mix of these actions based on the project topic. The chosen mix of actions must be relevant for achieving the contribution to both the project and programme results.

Regarding the project approach, the joint elements should be clearly described.

#### **Potential partners**

Public and non-profit organisations and authorities on national, regional and local level, private companies relevant for improving transport nodes/areas and achieving CO2 reductions.

This Programme Objective contributes to the actions of EUSBSR Policy Areas Ship and Transport.

### 2.2.3.3 Indicators

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

*Table 2: Output indicators*

Priority	Specific objective	ID (5)	Indicator	Measurement unit (255)	Milestone (200)	Final target (200)
2 Decreased CO2 emissions	(viii) promoting sustainable multimodal urban mobility	PSO 1	The number of participating (in project activities) organisations and companies	Organisation	5	50-100
2 Decreased CO2 emissions		RCO 87	Organisations cooperating across borders	Organisation		

*Table 3: Result indicators*

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
2	Decreased CO2 emissions		(viii) promoting sustainable multimodal urban mobility	Number of improved intermodal transport nodes and transport areas with CO2 reductions	Number of transport nodes and areas	0	15-20	MA monitoring system	
2	Decreased CO2 emissions	RCR104	Solutions taken up or up scaled by organisations	Number of solutions	0		30 - 50	MA monitoring system	

#### **2.2.3.4 The main target groups**

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

*(7000 characters)*

People, visitors, businesses as the users of less CO2 intensive, improved transport nodes/areas, multimodal and mobility solutions.

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

*Reference: Article 17 (3)(e)(iv)*

*(7000 characters)*

The programme does not plan to use ITI, CLLD or other territorial tools

If some sub-(programme) areas of the Central Baltic programme are specifically targeted, that would be mentioned here.

### 2.2.3.6 Planned use of financial instruments

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

(7000 characters)

The programme does not plan the use of financial instruments. They do not bring added value to programme implementation or to the use of grants.

### 2.2.3.7 Indicative breakdown of the EU programme resources by type of intervention

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

Table 4: Dimension 1 - intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
			085	17 498 090

Table 5: Dimension 2 - form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
			01 Grant	17 498 090

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

Priority no	Fund	Specific objective	Code	Amount (EUR)
			33 No territorial targeting	17 498 090

## 2.3 Priority 3: Improved employment opportunities

Reference: Article 17 (3)(d)

(300 characters)

### 2.3.1 Programme objective 6: Improved employment opportunities on labour market

This is a priority pursuant to a transfer under Article 17(3)

#### 2.3.1.1 Specific objective ERDF (i) Enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy

Reference: Article 17 (3)(e)

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

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

*(7000 characters)*

#### Approach and scope

The approach derives from the challenges of less competitive groups in the society to access work opportunities, and labour market inflexibility.

The goal is to strengthen and improve employment opportunities on the labour market through joint efforts in the region. The scope of this Programme Objective includes activities towards all counterparts of the labour market (i.e. employers organisations, trade unions, governments) and all sectors where work opportunities (including part time) are available. Facilitating employment supply and demand across borders is also supported, as well as entrepreneurship development activities towards the less competitive age groups and youth.

#### Indicative joint actions supported

- Awareness raising among target groups
- Designing and implementing trainings
- Incentives and services for employers
- Networking and dialogues between counterparts of labour market
- Digital tools for online skills development and working
- Entrepreneurship enhancing simulations and problem-solving exercises
- Mobility of participants
- Experience exchange and learning as result of joint implementation

The list above is not in order of priority. Any project should use a suitable mix of these actions based on the project topic. The chosen mix of actions must be relevant for achieving the contribution to both the project and programme results.

Regarding the project approach, the joint elements should be clearly described.

#### Potential partners

Organisations with competence and experience on labour market, organisations representing employees, employers, public authorities, organisations representing disadvantaged groups, and organisations with competence and experience on entrepreneurship.

This Programme Objective contributes to the actions of EUSBSR Policy Area Education.

### 2.3.1.3 Indicators

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

Table 2: Output indicators

Priority	Specific objective	ID (5)	Indicator	Measurement unit (255)	Milestone (200)	Final target (200)
3 Improved employment opportunities	ERDF (i) Enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy	PSO 1	Number of participating (in project activities) organisations and companies	Organisation, company	10	100
3 Improved employment opportunities		RCO 87	Organisations cooperating across borders	Organisation	10	200

*Table 3: Result indicators*

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
3	Improved employment opportunities	ERDF (i) Enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy	PS R 6,7,8	1. Number of people with increased competitiveness on labour market  2. Number of organisations with applied additional anti-discriminatory policies  3. Number of people with increased entrepreneurship	1. The number of people  2. The number of companies  3. The number of people	0	1. 200  2. 5  3. 50	MA monitoring system	

#### **2.3.1.4 The main target groups**

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

*(7000 characters)*

Less competitive groups (including young people under 25, people in pre-retirement, retired people, immigrants, and people with special needs and other less competitive groups) and companies.

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

*Reference: Article 17 (3)(e)(iv)*

*(7000 characters)*

The programme does not plan to use ITI, CLLD or other territorial tools

If some sub-(programme) areas of the Central Baltic programme are specifically targeted, that would be mentioned here.

#### **2.3.1.6 Planned use of financial instruments**

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

(7000 characters)

The programme does not plan the use of financial instruments. They do not bring added value to programme implementation or to the use of grants.

### 2.3.1.7 Indicative breakdown of the EU programme resources by type of intervention

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

Table 4: Dimension 1 - intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
			134	7 000 000
			136	7 000 000
			146	6 000 000

Table 5: Dimension 2 - form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
			01 Grant	20 000 000

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

Priority no	Fund	Specific objective	Code	Amount (EUR)
			33 No territorial targeting	20 000 000

## 2.4 Priority 4: Improved public services

*Reference: Article 17 (3)(d)*

*(300 characters)*

This is a priority pursuant to a transfer under Article 17(3)

### 2.4.1 Programme objective 7: Improved public services and solutions for the citizens

#### 2.4.1.1 Specific objective ISO (i) enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders

*Reference: Article 17 (3)(e)*

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

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

*(7000 characters)*

##### Approach and Scope

The approach derives from challenges and obstacles related to the administrative, regulatory, language and cultural barriers in public administration. It includes all branches of the society which are not covered by the scope of Programme Objectives 1 - 6, and levels of public administration experience exchange and learning from each other. These should lead to practical solutions and policy improvements, and/or new or improved public services. The digitalisation of public services is included. The participatory processes taking place when designing the improved solutions and services are also supported. The scope of the Programme Objective does not include joint curricula development within the educational systems.

##### Indicative joint actions supported

- Awareness raising
- Trainings and networking
- Feasibility studies
- Plans and designs (including strategic and land use planning)
- Improving participatory processes for developing services
- Improving public services and solutions
- Creating joint cross-border services
- Digitalising joint public services

The list above is not in order of priority. Any project should use a suitable mix of these actions based on the project topic. The chosen mix of actions must be relevant for achieving the contribution to both the project and programme results.

Regarding the project approach, the joint elements should be clearly described.

## Potential partners

Public sector organisations on local, regional, and national levels.

This Programme Objective is foreseen to contribute to the actions of several EUSBSR Policy Areas. The potential contribution, which will be clarified during assessment, will depend on the focus of the projects.

### 2.4.1.3 Indicators

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

*Table 2: Output indicators*

Priority	Specific objective	ID (5)	Indicator	Measurement unit (255)	Milestone (200)	Final target (200)
4 Improved public services	(i) enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders	PSO 1	The number of participating (in project activities) organisations and companies	Organisation	50	100-150
4 Improved public services		RCO 87	Organisations cooperating across borders	Organisation	50	300
4 Improved public services		RCO 116	Number of jointly developed solutions	Solution	30	70

*Table 3: Result indicators*

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
4	(i) enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders	RCR104		The number of joint solutions/improvements (two sub-components)	0/0		50/10	MA monitoring system	

#### **2.4.1.4 The main target groups**

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

*(7000 characters)*

People benefitting from improved services and solutions provided by public sector on all levels

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

*Reference: Article 17 (3)(e)(iv)*

*(7000 characters)*

The programme does not plan to use ITI, CLLD or other territorial tools

If some sub-(programme) areas of the Central Baltic programme are specifically targeted, that would be mentioned here.

#### **2.4.1.6 Planned use of financial instruments**

*Reference: Article 17 (3)(e)(v)*

*(7000 characters)*

The programme does not plan the use of financial instruments. They do not bring added value to programme implementation or to the use of grants.

**2.4.1.7 Indicative breakdown of the EU programme resources by type of intervention**

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

*Table 4: Dimension 1 - intervention field*

Priority no	Fund	Specific objective	Code	Amount (EUR)
			173	11 000 000

*Table 5: Dimension 2 - form of financing*

Priority no	Fund	Specific objective	Code	Amount (EUR)
			01 Grant	11 000 000

*Table 6: Dimension 3 - territorial delivery mechanism and territorial focus*

Priority no	Fund	Specific objective	Code	Amount (EUR)
			33 No territorial targeting	11 000 000

### 3. Financing plan

*Reference: Article 17 (3)(g)*

#### 3.1 Financial appropriations by year

*Reference: Article 17 (3)(g)(i), Article 17 (5)(a)*

Fund	2021	2022	2023	2024	2025	2026	2027	Total
ERDF (territorial cooperation goal)								
ERDF programmed under Article 17(3) (Investments for Jobs and Growth goal)								
Total								

**This table is filled in automatically**

#### 3.2 Total financial appropriations by fund and national co-financing (Table 8 below)

*Reference: Article 17 (4)(g)(ii), Article 17 (5)(a)*

Table 8

PO No	Priority	Fund	Basis for calculation EU support (total or public)	EU contribution (a)	Indicative breakdown of the EU contribution		National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	Contributions from the third countries (for information)
					without TA pursuant to Article 27(1) (a1)	for TA pursuant to Article 27(1) (a2)		National public (c)	National private (d)			
1	1	ERDF	Total	37 450 000	35 000 000	2 450 000	9 362 500	8 426 250	936 250	46 812 500	80%	0
2	2	ERDF	Total	56 168 865	52 494 266	3 674 599	14 042 216	12 637 995	1 404 222	70 211 081	80%	0
4	3	ERDF	Total	21 400 000	20 000 000	1 400 000	5 350 000	4 815 000	535 000	26 750 000	80%	0
ISO	4	ERDF	Total	11 770 000	11 000 000	770 000	2 942 500	2 648 250	294 250	14 712 500	80%	0
	<b>Total</b>	<b>ERDF</b>	<b>Total</b>	<b>126 788 865</b>	<b>118 494 266</b>	<b>8 294 599</b>	<b>31 697 216</b>	<b>28 527 495</b>	<b>3 169 722</b>	<b>158 486 081</b>	<b>80%</b>	<b>0</b>

---

<sup>1</sup> When ERDF resources correspond to amounts programmed in accordance with Article 17(3), it shall be specified

#### 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: Article 17 (3)(g)*

*(10 000 characters)*

The participating Member States have given the Regional Council of Southwest Finland the mandate to coordinate the programming process. Each Member State has been represented by its responsible national authority during the process. These are the Estonian Ministry of Finance (Estonia), Ministry of Economic Affairs and Employment (Finland), Ministry of Environmental Protection and Regional Development (Latvia), Ministry of Enterprise and Innovation (Sweden) and Government of Åland (Åland).

The responsible national authorities have been represented in the Joint Programming Committee (JPC). For some Member States the responsible national authorities are also members of Working Group on content. In addition to these representatives, also regional representatives participate in the JPC and the Working Group. The partners have been nominated by the responsible national authority for each Member State/Åland.

A wide involvement and active participation of partners has been sought. All Working Group meetings have been organised online, and it has been possible for all members and deputy members to attend the meetings, ensuring a wide coverage of input. In addition, each Member State/Åland organised its work so that relevant national and regional partners were consulted between the meetings.

A wide and experienced partnership for the programming process has been achieved. The involvement of stakeholders started even before the first JPC meeting, when surveys were launched on both the content and administration of the future programme. Surveys were repeated later in the process, partly because the planning was done during the Covid-19 pandemic travel restrictions. Approximately 300 replies were submitted to these stakeholder surveys.

Thematic seminars were organised in each Member State/Åland. The seminars were open for all interested organisations and people, and different parts and representatives of the society had the opportunity to participate. They were held as live events in everywhere but Sweden, where an online event was organised. The workshops attracted all in all more than 150 participants. In addition, a video presentation of the programming process was put on our website together with a survey, which more than 70 people responded to.

The participants and respondents represented both partners from projects funded in the previous periods and organisations new to this co-operation. They were given the opportunity to discuss the intervention logic and defined the topics relevant for cross-border co-operation in the Central Baltic region.

During the programming process the partners were asked to submit potential project ideas from all interested organisations. The ideas have been used as a demonstration of the needs of the region when defining Programme content. In addition, stakeholder meetings with regional representatives of the Programme area were held to discuss Programme intervention logic and get information on co-operation projects. In some countries analyses on the region's needs and co-operation potential have been made. Information from these and other relevant analyses and strategies have been considered.

Accordingly, the discussions and decisions by the Programme bodies have been based on the findings of the regional analysis and input from stakeholders in thematic seminars. As these cover a wide range of issues, the expertise of the partners has been needed to identify the most relevant topics for co-operation. The intervention logic has been defined

in consensus between all partners. Significant comments and recommendations have come from all partners and when supported by others, have been implemented. There has been a consensus on the general direction of the Programme.

Discussions with other CBC programmes active in the Baltic Sea area have been carried out to avoid overlaps in different programmes and to increase coherence. More detailed issues such as developing methodologies for simplified cost options have been discussed together. The division of work between CBC and transnational programmes, especially between the Central Baltic Programme - Estonia-Latvia Programme and Baltic Sea Region Programme, has also been considered. In the process of project assessment and selection, special attention will be paid to avoid potential thematic and geographic overlaps. Thematic overlaps may occur if the programmes have chosen same specific objectives and topics. Geographic overlaps may take place if the programmes have overlapping geographies (Eg. bilateral projects in the Central Baltic and Est-Lat programmes and bilateral, trilateral, 4-lateral projects in the Central Baltic and Baltic Sea Region programmes). A coordination mechanism between the programmes will be set up to identify potential overlaps.

The public hearing process on the Operational Programme draft and the Strategic Environmental Assessment report gave a good opportunity for stakeholder participation and involvement. Public hearing events were organised online for all Member States/Åland. There was big interest towards the events as all in all more than 250 people participated in these. There were participants both from current partner organisations and new stakeholders. In addition, more than 50 stakeholders submitted comments through an online questionnaire on the Programme website and some submitted their comments by letter. The response from the stakeholders was generally positive. Only minor adjustments to the text were suggested. All feedback was discussed and commented by programming working groups.

Economic and social partners have had the possibility to participate in the preparation in all stages and they have also been actively invited. The places for involvement have been specifically the surveys, thematic seminars, and public hearing events in all countries, including the possibility to provide comments during the public hearings.

Many of the partners currently involved in the preparation of the Programme are foreseen to be involved in the Monitoring Committee (MC) in the future. Continuity between the preparation and implementation and monitoring could be ensured through the organisations or people involved in both the preparation and later the implementation and monitoring.

Having a link between preparation and later implementation contributes to good management of the Programme and achievement of the objectives. The MC shall consist of members from the national and regional level as well as social and economic partners. The national authorities responsible for programming are involved in the MC. The regions will also be represented in the implementation and monitoring of the Programme. The MC shall make the decisions regarding the administrative issues of the programme. It will also select projects for funding. Members of the MC are expected to spread information about the decisions taken at the meetings within their own organisation. They may also participate in the general communication activities in other ways.

**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: Article 17 (3)(h)*

*(4 500 characters)*

**Objectives**

The two main objectives for the programme communication are to ensure the generation, quality, and support of cross-border cooperation projects; and to communicate the benefits and achievements of Interreg cooperation.

As communication is a cross-cutting topic, key messages will be defined to help everyone connected to the programme to understand, what the Programme Objectives mean and how they will be implemented.

The programme will have a capitalisation plan. Capitalisation organises knowledge and accumulates usable experiences from programmes and projects to be used by other programmes, projects, or stakeholders. Through this, the maximum impact of an Interreg programme is sought after. The Central Baltic programme strives to clearly address the challenges capitalisation helps to solve and to provide understandable solutions to those challenges. This way, capitalisation can provide added value for the things the programme is already doing in its communication.

**Audience**

Internal audiences are those directly working with the implementation of the programme. They consist of programme staff, national Contact Points, Monitoring Committee members, national bodies responsible for coordinating the ETC Programmes and the European Commission (DG Regio Desk Officer).

External target groups consist of all other stakeholders that are of interest to the programme in reaching its main goals. These are mainly organisations that could or are implementing projects (e.g. NGOs, SMEs and public authorities). Other external target groups include local and national politicians, Members of the European Parliament, and the European Commission, other Interreg programmes, EUSBSR-related instances, and relevant segments of the general public. The needs for different audiences are recognised in the programme Communication strategy.

**Channels and social media outreach**

Regarding the Central Baltic website, the focus will be set on providing easy access to documentation, manuals, data, as well as contact information. In addition, news will be published to provide up-to-date information about programme proceedings and social networks integration are planned to show a snapshot of activities taking place on selected platforms. The website will explain the programme and its goals in plain language. The website will be clearly sectioned to provide relevant information for intended target groups. The development of the website is started in the spring of 2021.

The strategic approaches include increasing advocacy, engaging relevant actors in social medias well as attracting mass-media to amplify our content and campaigns. Support points (e.g. facts, project achievements, stories and testimonials) will be used to attract interest and create engagement. Also, the social media channels of the programme will be

an outlet to enhance the programme and Interreg branding. The platforms will be chosen at the beginning of the programme, but they may change over time according to the needs of our target groups.

Materials are printed according to need. An environmentally friendly approach is applied in providing as much material as possible in a good and usable electronic format.

Much of the programme visibility comes through the projects. Thus, constant support to help projects gain momentum online and in traditional media will be maintained. A certain amount of direct approach through events, newspaper, radio, and television will take place also in future.

#### Public events

The programme will regularly participate in campaigns that aim to increase knowledge about the benefits of EU funding among our target groups, such as EU in My Region and the European Cooperation Day, or their equivalents. The programme will also organise and participate to events which support our Communication Objectives.

#### Roles and positions

The Joint Secretariat (JS) staff will plan its work considering EU legislation. The JS/Managing Authority will have staff dedicated to communication. The JS/MA staff will be responsible for strategy, programme messages and the use of communication tools.

A network of national contact points will be established in each country. The national contact points will carry out communication and capitalisation in the programme regions. The national contact point organises and participates actively in regional events for promoting the programme and its results.

Preparing content for communication as well as participating in communicating about the programme is a part of all staff members' tasks.

#### Measurement and evaluation

Based on the Communication strategy indicators, each communication sub-objective is evaluated. Evaluation is done through questionnaires and by compiling data that is collected by the JS. Cross-period compatibility is maintained where possible to allow comparison over a longer period.

## **6. Indication of support to projects of limited financial volume, including small projects within small project funds**

*Reference: Article 17 (3)(i), Article 24*

*(7 000 characters)*

The programme allows for projects of limited financial volume to be implemented. The aim is to jointly solve issues on grass-root level. They are seen as an important way to ensure cross-border cooperation. Projects of limited financial volume are by their nature close to the region, and they help to keep the programme approachable, and they ensure that projects aren't artificially enlarged. Allowing for small actors to participate in the programme was a clear wish of the stakeholders when setting up the so-called Mandate Letter for programming and when drafting the content of the programme.

The concept of projects of limited financial volume was used in the 2014-2020 period and has been further developed for the period 2021-2027. The concept has been improved by enforcing the elements of simplifications for them.

The Application Form has been kept simple to match the small size of the project. The questions concentrate on the objectives of the project and how they will be fulfilled. Similarly, the reporting forms are simpler than for regular projects.

It is envisaged that projects of limited financial volume can be implemented under all programme priorities. However, they are most realistically applied within the PO7. The programme will limit them to a budget of maximum EUR 150.000 ERDF and a duration of 1,5 years. Therefore, this type of projects is mainly suitable for experience exchange and allows only for limited practical development of cross-border solutions. The projects of limited financial volume cannot have a scope identical to what has been defined for programme objectives 1-6.

## 7. Implementing provisions

### 7.1 Programme authorities

*Reference: Article 17 (6)(a)*

Table 10

Programme authorities	Name of the institution (255)	Contact name (200)	E-mail (200)
Managing authority	Regional Council of Southwest Finland	Merike Niitepõld, Tarja Nuotio	Merike.niitepold@centralbaltic.eu Tarja.nuotio@varsinais-suomi.fi
National authority (for programmes with participating third countries, if appropriate)	N/A		
Audit authority	According to draft Finnish ERDF regulation, the AA will be moved to the Finnish Ministry of Finance. However, the AA staff member is foreseen to sit with the MA/JS	Kari Rouvinen, Florence Aalto	Kari.rouvinen@vm.fi Florence.aalto@centralbaltic.eu
Group of auditors' representatives	As an annex. To be confirmed by MS/Åland		
Body to which the payments are to be made by the Commission	MA		

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

*Reference: Article 17 (6)(b)*

*(3 500 characters)*

The Managing Authority (MA) will set up the Joint Secretariat (JS) in accordance with Article 46.2 of the Interreg Regulation (2021/1059) and as outlined below.

The JS will be located in the same premises as the MA. As continuation is sought in the work of the JS/MA, the programme can rely on many existing arrangements from the 2007-2013 and 2014-2020 periods. The staff structure has, however, been evaluated and internal restructuring has been made for more efficient and qualitative programme implementation. Also, all procedures are reviewed. The approach is to simplify and work effectively at all steps of all processes.

The changes reflect the new regulations and the increased use of SCO's. Staff will be recruited for the Central Baltic Programme 2021-2027 during 2021/2022. The ambition is to have international staff, preferably with representatives from all Programme countries.

In addition to the JS, a network of national Contact Points will be set up, covering all Member States/Åland.

The JS will become fully operational as soon as the OP has been approved by the European Commission and the TA budget has been approved by the Monitoring Committee. Until then all preparatory activities will be financed from the predecessor Programme.

Due to the TA being financed as a flat rate, solutions are put in place between the MA and Member States to solve the transition period when project payments aren't yet made or they do not generate enough to cover the TA costs.

The JS and MA will support the Monitoring Committee in its work.

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

*Reference: Article 17 (6)(c)*

*(10 500 characters)*

### **Reduction and recovery of payments from beneficiaries**

The Managing Authority shall ensure that any amount paid as a result of an irregularity is recovered from the project via the lead partner. Project partners shall repay the lead partner any amounts unduly paid. The MA shall also recover funds from the lead partner (and the lead partner from the project partner) following a termination of the subsidy contract in full or in part based on the conditions defined in the subsidy contract.

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 based on Article 52 of the Interreg Regulation (2021/1059). In accordance with article 52 of the Interreg Regulation (2021/1059) "once the Member State or third country reimbursed the managing authority any amounts unduly paid to a partner, it may continue or start a recovery procedure against that partner under its national law".

Details on the recovery procedure will be included in the description of the management and control system to be established in accordance with Article 69 of the Common Provisions Regulation (2021/1060). Additionally, the responsibilities for recovery for lead partner and partner will be set in the subsidy contract.

The MA shall be responsible for reimbursing the amounts concerned to the general budget of the Union in accordance with the apportionment of liabilities among the participating Member States as laid down in the cooperation programme and in Article 52 of the Interreg Regulation (2021/1059).

With regard to financial corrections imposed by the Managing Authority or the Commission on the basis of Articles 103 or 104 of the Common Provisions Regulation (2021/1060), financial consequences for the EU Member States are laid down in the section “liabilities and irregularities” below. Any related exchange of correspondence between the Commission and an EU Member State will be copied to the MA/JS. The MA/JS will inform the accounting body and the audit authority/group of auditors where relevant.

### **Liabilities and irregularities**

The Partner State will bear liability as follows:

- For project-related expenditure granted to project partners located on its territory, liability will be born individually by each Partner State.
- In case of a systemic irregularity or financial correction (decided by the programme authorities or the Commission), the Member State will bear the financial consequences in proportion to the relevant irregularity detected on the respective Member State territory. Where the systemic irregularity or financial correction cannot be linked to a specific Member State territory, the Member State shall be responsible in proportion to the ERDF contribution paid to the respective national project partners involved in the programme.
- For the technical assistance expenditure (calculated as a flat rate in accordance with Article 27 of the Interreg Regulation (2021/1059) the above liability principles applicable for project-related expenditure and systemic irregularities/financial corrections may also be applied to TA corrections as they are the direct consequence of project expenditure related corrections.

It is noted that as Technical Assistance (TA) is covered as a flat rate, no eligibility check of TA costs will be done. The MA will receive the flat rate of reported costs. The Monitoring Committee will approve the TA costs beforehand, together with the work plan for each year. The MA will ensure sound financial management of the TA costs.

If the JS/MA, the accounting body or any Member State becomes aware of irregularities, it shall without any delay inform the liable Member State or and the JS/MA. The latter will ensure the transmission of information to the liable Member State or (if it has not been informed yet directly), the accounting body and audit authority or group of auditors, where relevant.

In compliance with Article 52 of the Interreg Regulation (2021/1059) each Member State is responsible for reporting irregularities committed by beneficiaries located on its territory to the Commission and at the same time to the MA. Each Member State shall keep the Commission as well as the MA informed of any progress of related administrative and legal proceedings. The MA will ensure the transmission of information to the accounting body and audit authority.

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

Reference: Article 94 and 95 CPR

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

Intended use of Articles 94 and 95	YES	NO
From the adoption programme will make use of reimbursement of eligible expenditure based on unit costs, lump sums and flat rates under priority according to Article 94 CPR (if yes, fill in Appendix 1)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
From adoption programme will make use of financing not linked to costs according to Article 95 CPR (if yes, fill in Appendix 2)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

### APPENDICES /

- Appendix 1: Map of the programme area - MANDATORY ANNEX

## Internal annex: Indicative information on GoA members

<b><u>Responsibility within the MS</u></b>				
Art.25 of Regulation (EC) No 1299/2013 the AA should be assisted by a group of auditors (GoA) composed of a representative from each Member State/Åland participating in the cooperation programme and carrying out the functions provided for in Article 127 of Regulation (EU) No 1303/2013				
<b>Finland</b>	<b>Estonia</b>	<b>Latvia</b>	<b>Åland</b>	<b>Sweden</b>
Ministry of Finance Government Financial controller's function P.O. Box 28 00023 Government Finland Tel. +358 2955 30345 <a href="mailto:vvc@vm.fi">vvc@vm.fi</a>	Ministry of Finance Financial Control Department Suur-Ameerika 1, Tallinn, Estonia Tel. +372 6113449	The Ministry of the Environmental Protection and Regional Development (MEPRD) Audit division, Audit Department Peldu street 25, Riga, LV- 1494, Latvia + 371 67026533 <a href="mailto:pasts@varam.gov.lv">pasts@varam.gov.lv</a>	National Audit Office of Åland PB 69, AX 22101 Mariehamn, Åland Finland Tel. +358 18 25258	The Swedish National Financial Management Authority (Ekonomistyrningsverket) Drottninggatan 89 Box 45316, SE- 104 30, Stockholm Sweden Tel: +46 8-690 4300 <a href="http://www.esv.se">www.esv.se</a>
<b>Mr. Kari Rouvinen</b> Tel. +358 29 516 001 <a href="mailto:Kari.rouvinen@vm.fi">Kari.rouvinen@vm.fi</a>	<b>Mrs. Kadi Peets</b> Tel. +372 611 3054 <a href="mailto:kadi.peets@fin.ee">kadi.peets@fin.ee</a>	<b>Mrs. Elina Valeine</b> Tel. +371 67026416 <a href="mailto:Elina.Valeine@varam.gov.lv">Elina.Valeine@varam.gov.lv</a>	<b>Mrs. Marika Björkman</b> Tel. +358 18 25180 <a href="mailto:marika.bjorkman@revisio&lt;br/&gt;nen.ax">marika.bjorkman@revisio nen.ax</a>	<b>Mr. Johan Sandberg</b> Tel. +46 8 690 43 75 <a href="mailto:Johan.sandberg@esv.se">Johan.sandberg@esv.se</a>
<b>Mrs. Sirpa Korkea-Aho</b> Tel. +358 40 167 8343 <a href="mailto:Sirpa.korkea-aho@vm.fi">Sirpa.korkea-aho@vm.fi</a>	<b>Mr. Mart Pechter</b> Tel. +372 611 3152 <a href="mailto:mart.pechter@fin.ee">mart.pechter@fin.ee</a>	<b>Mrs. Dace Zvirgzdiņa</b> Tel. +371 67026560 <a href="mailto:dace.zvirgzdina@varam.gov.lv">dace.zvirgzdina@varam.gov.lv</a>		<b>Mr. Fredrik Glansholm</b> Tel. +46 8 690 43 53 <a href="mailto:fredrik.glansholm@esv.se">fredrik.glansholm@esv.se</a>
<b>Mr. Petri Pääkkönen</b> Tel. +358 50 436 1763 <a href="mailto:petri.paakkonen@vm.fi">petri.paakkonen@vm.fi</a>	<b>Mrs. Elis Kõrvek</b> Tel. +372 611 3197 <a href="mailto:elis.korvek@fin.ee">elis.korvek@fin.ee</a>	<b>Mrs. Līga Kozlovska</b> Tel. +371 66016756 <a href="mailto:liga.kozlovska@varam.gov.lv">liga.kozlovska@varam.gov.lv</a>		