

Interreg



Co-funded by
the European Union

Central Baltic Programme

CENTRAL BALTIC PROGRAMME 2021-2027

**SFC2021 Interreg Programme (IP) Adopted by
the European Commission on 7 June 2022**

SFC2021 INTERREG Programme

CCI	2021TC16RFCB013
Title	(Interreg VI-A) Finland-Estonia-Latvia-Sweden (Central Baltic)
Version	1.3
First year	2021
Last year	2027
Eligible from	01-Jan-2021
Eligible until	31-Dec-2029
EC decision number	
EC decision date	
NUTS regions covered by the programme	LV007 - Pierīga SE214 - Gotlands län FI196 - Satakunta FI197 - Pirkanmaa FI1B - Helsinki-Uusimaa FI1B1 - Helsinki-Uusimaa FI1C - Etelä-Suomi FI1C1 - Varsinais-Suomi FI1C2 - Kanta-Häme FI1C3 - Päijät-Häme FI1C4 - Kymenlaakso FI1C5 - Etelä-Karjala FI2 - Åland FI20 - Åland FI200 - Åland EE0 - Eesti EE00 - Eesti EE001 - Põhja-Eesti EE004 - Lääne-Eesti EE008 - Lõuna-Eesti EE009 - Kesk-Eesti EE00A - Kirde-Eesti SE110 - Stockholms län SE12 - Östra Mellansverige SE121 - Uppsala län SE122 - Södermanlands län SE123 - Östergötlands län SE124 - Örebro län SE125 - Västmanlands län SE313 - Gävleborgs län LV003 - Kurzeme LV006 - Rīga LV008 - Vidzeme LV009 - Zemgale
Strand	Strand A: CB Cross-Border Cooperation Programme (ETC, IPA III CBC, NDICI-CBC)

Table of Contents

1. Joint programme strategy: main development challenges and policy responses.....	6
1.1. Programme area (not required for Interreg C programmes)	6
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.	7
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	21
Table 1	21
2. Priorities	26
2.1. Priority: P1 - Priority 1 - Innovative business development	26
2.1.1. Specific objective: RSO1.3. Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	26
2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate	26
2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure	29
2.1.1.2. Indicators	30
Table 2 - Output indicators.....	30
Table 3 - Result indicators.....	31
2.1.1.3. Main target groups.....	32
2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools	33
2.1.1.5. Planned use of financial instruments.....	34
2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention	35
Table 4 - Dimension 1 - intervention field	35
Table 5 - Dimension 2 - form of financing	36
Table 6 - Dimension 3 - territorial delivery mechanism and territorial focus.....	37
2.1. Priority: P2 - Priority 2 - Improved environment and resource use	38
2.1.1. Specific objective: RSO2.6. Promoting the transition to a circular and resource efficient economy	38
2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate	38
2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure	41
2.1.1.2. Indicators	42
Table 2 - Output indicators.....	42
Table 3 - Result indicators.....	43
2.1.1.3. Main target groups.....	44
2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools	45
2.1.1.5. Planned use of financial instruments.....	46
2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention	47
Table 4 - Dimension 1 - intervention field	47
Table 5 - Dimension 2 - form of financing.....	48
Table 6 - Dimension 3 - territorial delivery mechanism and territorial focus	49
2.1.1. Specific objective: RSO2.7. Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	50
2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate	50

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure	53
2.1.1.2. Indicators	54
Table 2 - Output indicators.....	54
Table 3 - Result indicators.....	55
2.1.1.3. Main target groups.....	56
2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools	57
2.1.1.5. Planned use of financial instruments.....	58
2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention	59
Table 4 - Dimension 1 - intervention field	59
Table 5 - Dimension 2 - form of financing.....	60
Table 6 - Dimension 3 - territorial delivery mechanism and territorial focus	61
2.1.1. Specific objective: RSO2.8. Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	62
2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate.....	62
2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure	65
2.1.1.2. Indicators	66
Table 2 - Output indicators.....	66
Table 3 - Result indicators.....	67
2.1.1.3. Main target groups.....	68
2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools	69
2.1.1.5. Planned use of financial instruments.....	70
2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention	71
Table 4 - Dimension 1 - intervention field	71
Table 5 - Dimension 2 - form of financing.....	72
Table 6 - Dimension 3 - territorial delivery mechanism and territorial focus	73
2.1. Priority: P3 - P3 - Improved employment opportunities	74
2.1.1. Specific objective: RSO4.1. Enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy ...	74
2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate.....	74
2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure	77
2.1.1.2. Indicators	78
Table 2 - Output indicators.....	78
Table 3 - Result indicators.....	79
2.1.1.3. Main target groups.....	80
2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools	81
2.1.1.5. Planned use of financial instruments.....	82
2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention	83
Table 4 - Dimension 1 - intervention field	83
Table 5 - Dimension 2 - form of financing.....	84
Table 6 - Dimension 3 - territorial delivery mechanism and territorial focus	85
2.1. Priority: P4 - Priority 4 - Improved public services	86
2.1.1. Specific objective: ISO6.1. Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders (all strands)	86
2.1.1.1 Related types of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basin strategies, where appropriate.....	86
2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure	89
2.1.1.2. Indicators	90
Table 2 - Output indicators.....	90
Table 3 - Result indicators.....	91
2.1.1.3. Main target groups.....	92
2.1.1.4. Indication of the specific territories targeted, including the planned use of ITI, CLLD or other territorial tools	93

2.1.1.5. Planned use of financial instruments.....	94
2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention	95
Table 4 - Dimension 1 - intervention field	95
Table 5 - Dimension 2 - form of financing.....	96
Table 6 - Dimension 3 - territorial delivery mechanism and territorial focus	97
3. Financing plan	98
3.1. Financial appropriations by year.....	98
Table 7	98
3.2.Total financial appropriations by fund and national co-financing	99
Table 8	99
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	100
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).....	103
6. Indication of support to small-scale projects, including small projects within small project funds	106
7. Implementing provisions.....	108
7.1. Programme authorities.....	108
Table 9	108
7.2. Procedure for setting up the joint secretariat.....	109
7.3. Apportionment of liabilities among participating Member States and where applicable, the third or partner countries and OCTs, in the event of financial corrections imposed by the managing authority or the Commission.....	110
8. Use of unit costs, lump sums, flat rates and financing not linked to costs	112
Table 10: Use of unit costs, lump sums, flat rates and financing not linked to costs.....	112
Appendix 1	113
A. Summary of the main elements.....	113
B. Details by type of operation.....	114
C. Calculation of the standard scale of unit costs, lump sums or flat rates.....	115
1. Source of data used to calculate the standard scale of unit costs, lump sums or flat rates (who produced, collected and recorded the data, where the data is stored, cut-off dates, validation, etc):	115

2. Please specify why the proposed method and calculation based on Article 94(2) is relevant to the type of operation:	116
3. Please specify how the calculations were made, in particular including any assumptions made in terms of quality or quantities. Where relevant, statistical evidence and benchmarks should be used and, if requested, provided in a format that is usable by the Commission:	117
4. Please explain how you have ensured that only eligible expenditure was included in the calculation of the standard scale of unit cost, lump sum or flat rate:	118
5. Assessment of the audit authority or authorities of the calculation methodology and amounts and the arrangements to ensure the verification, quality, collection and storage of data: ..	119
Appendix 2.....	120
A. Summary of the main elements.....	120
B. Details by type of operation.....	121
Appendix 3: List of planned operations of strategic importance with a timetable - Article 22(3) CPR	122
DOCUMENTS.....	0

Joint programme strategy: main development challenges and policy responses

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

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

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 km², 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: point (b) of Article 17(3), point (b) of Article 17(9)

Introduction

The total population of the Central Baltic programme area is 10,8 million which covers 2,5% of the total population of the European Union (EU 27). In terms of population density, there are high differences between the regions, where the urban areas are considerably more populated than rural territories.

The share of SMEs from all enterprises in CB countries is more than 98 %. All the countries are defined by macroeconomic stability and rather small market sizes. There is underexploited potential for new business development in many sectors. Start-ups have the potential for creating a large number of jobs, and cross-border mobility and networks are a decisive factor for their success

Due to the environmental challenges, all countries need to accelerate the introduction of circular economy policies to reduce the demand for natural resources, while digitalisation facilitates extending products' lifespan and increasing waste recyclability. The area is environmentally defined by the poor state of the sea, which is suffering from eutrophication and the effects of other harmful substances including greenhouse gases which affect via climate change. While sea and its coasts are an important source of ecosystem services, they also provide the region with important cross-border transport routes and hubs.

The Central Baltic region is a highly educated region, and the number of people completing tertiary education exceeds the EU 27 average. The employment rates are above the average in all countries, but youth unemployment rates are generally higher than the overall rates. The access of vulnerable groups to the work opportunities on labour market is still a challenge, and the gender employment gap still exists.

There are challenges and obstacles related to the administrative, regulatory, language and cultural barriers in public administration in the Central Baltic countries. They stem from different national legislations, incompatible administrative processes, or the lack of common territorial planning. This is reflected in all cross-border cooperation throughout the society, and it stresses the need for improving the capacities of public sector actors and stakeholders.

There are strong foundations for cross-border 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 cross-border 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 document 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. The challenges, obstacles and opportunities that were identified in the regional analysis work, form the key elements of the programme content. They have been the basis for first choosing relevant the policy objectives, and then specific objectives, which were finally formulated into 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.

Principles applied in programming

The policy objectives and the Interreg-specific objective as well as the corresponding priorities and specific objectives were chosen based on the challenges identified in the regional analysis and on the priorities of the Central Baltic member states and regions. The chosen topics came out clearly from the strategic documents and priorities during the programme preparation process as relevant themes. The public thematic workshops confirmed the potential demand and the more specific priorities

within specific objectives. There was strong consensus among stakeholders that joint actions under these topics are needed.

The following criteria were also used to justify the selection: cross-border value added, division of work (Central Baltic niche), avoiding overlaps with other national, cross-border and transnational funding programmes, and realism of achieving measurable impacts with available resources during the programme period. As the 2021-2027 programming period is characterised by a policy of highly concentrated financial resources, all Programme Objectives have been further focused and specified from the Specific Objective level to target the specific topics where the programme intervention is likely to generate the greatest added value.

Focus on businesses and markets (PO 1)

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

The Eurostat statistics indicate that the share of SMEs from all enterprises in CB countries is more than 98 %, and based on the Global competitiveness report, all the Central Baltic countries are in the top third of the competitiveness list. However, the size of the foreign markets to which firms have access is quite small. According to The Observatory of Economic Complexity the Central Baltic countries are also important trade partners for each other and thus would benefit also from joint efforts to enter new markets.

According to a survey made by the EU Start-up Monitor the European start-ups are creating a large number of jobs, and the growth of the start-ups as well as other companies would also contribute significantly to employment. Start-up Heatmap Europe indicates that the reality of transnational mobility and networks of company founders has overcome the geographical boundaries, leading to increased possibilities for cross-border cooperation.

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.

The Central Baltic country economies are dominated by SME's and microenterprises. There is great unused potential, but it is challenging for them to access to new markets and develop products. Because of the small size of the companies, it is difficult for them 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 across borders to gain joint momentum 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 are still quite weak, and the creation of new business start-ups is challenging, as in many sectors the "regional champions" are not present to create opportunities. 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.

CHALLENGES

- 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

In the EUSBSR report “No time to waste - Unlocking the circular potential of Baltic Sea region” (2019) the Circular Economy Advancement (CEA) index was calculated by using several variables divided into categories (Retake, Reuse, Deconsume, Recycle) that represent the areas of circular economy activities investigated. For the Central Baltic countries, the indexes show that there is much room for improvement under all categories to achieve circularity. For example, the Reuse index is below 45% for all countries.

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 whole lifespan of products should be considered and extended, and preventing waste and waste recyclability should be improved. Increases in resource prices promotes the need to improve production efficiency and the reuse of materials.

Different starting points between the Central Baltic countries are an obstacle for developing a common approach, but similar challenges are in place across borders. All of the countries 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 current state of different circular economy chains or cycles extending across borders is not fully clear. 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

- 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

Based on the Integrated Eutrophication Status Assessment of HELCOM, 97% of the Baltic Sea is assessed as eutrophied. Regarding hazardous substances, the Integrated Contamination Status Assessment indicates a high contamination score for the whole Central Baltic region. Plastic waste is also a problem, as the vast majority of beach litter is plastic. The Gulf of Finland and the Northern Baltic Proper also have the largest amounts of beach litter in the Baltic Sea, per HELCOM studies.

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. The Baltic Sea is also one of the most intensively operated seafaring areas. The concern for the state of the sea is shared across borders and actions to improve it are prioritised throughout the region.

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 oilspills from shipping, 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.

Improving the state of the waters will also increase resilience towards climate change. In the Central Baltic region, the warming is likely to exceed the global average. This will likely be accompanied by a general increase of precipitation (rains) during winter, modifying the seasonal cycle of runoff and increasing the potential nutrient load from the catchment areas. Higher likelihood of extreme weather phenomena will contribute to this, making it even more important to carry out actions helping to combat nutrient load.

CHALLENGES

- 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
- Risk of emissions of oil and other chemicals from marine traffic and ports due to high level of shipping in the Central Baltic region.

Specific objective (viii) promoting sustainable multimodal urban mobility

According to HELCOM statistics, the Baltic Sea is one of the most intensively shipped seas in the world, and according to projections, the intensity is expected to increase. The Central Baltic region also includes the capital regions of all programme member states, and traffic on land is intensive within and between these regions. According to the report “Future Climate Change in the Baltic Sea Region and Environmental Impacts” warming due to climate change is likely to exceed the global average in the area, which also stresses the need to reduce emissions from the CO₂ intensive transport sector.

There is a strong need to achieve a better state of the environment in urban areas by lowering CO₂ emissions through sustainable urban mobility solutions. Mobility solutions that significantly lower CO₂ 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 CO2 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 CO2 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 CO2 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

- Lowering of the CO2 emissions of multimodal, intermodal and complex transport systems of cargo and passengers
- The low level of use of mobility solutions with significantly lower CO2 emissions due to economic challenges in many parts of Central Baltic
- The role and CO2-sustainability of urban areas as transport nodes, including challenges of integrated planning and management of urban environments
- Involving relevant actors into cross-sectoral cooperation to reduce CO2 emissions

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

During programming the statistics on economic development, population, education and labour market as well as the relevant national strategies and planning documents were considered.

One of the targets under the strategic framework for European cooperation and training (ET 2020) is that on a European level, an average of at least 15 % of adults should participate in lifelong learning by 2020. According to Eurostat, the Central Baltic countries are on very different levels in fulfilling this. As the skills required to enter and progress in the labour market are undergoing profound changes, improved accessibility is needed. According to European Semester (2019 and 2020) all Central Baltic countries have their own recommendations for adult learning, and especially groups that are in danger of drifting away from the labour market (long-term unemployed, people with outdated skills, disabled people, immigrants, people with partial work ability etc.) are in need for solutions to better access the joint labour market.

It was concluded during programming that the development of the employment situation has moved towards a positive direction during 2014-2019. The employment rates have risen, unemployment and

long-term unemployment have been decreasing. The positive trend in employment was interrupted by the COVID-19 pandemic from early 2020 onwards. The crisis has an especially strong impact on sectors such as international tourism, entertainment, sports and education, creative industries, events, and event organising. Due to the containment measures unemployment has increased in Central Baltic programme countries and the 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). Thus, efforts towards the less competitive groups such as improving the target group employment opportunities by providing labour market integration to promote better balance between supply and demand on the labour market are needed. As the Central Baltic area is also an area of work-related commuting, cross-border activities and improved coordination of different labour market services are needed to jointly tackle these impacts.

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 quickly developing demand of the labour market and 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

- Challenges of certain groups' (minorities, young people, people with disabilities, people with reduced work ability, people with special needs, single parents etc.) access to labour market
- 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
- Providing lifelong learning opportunities (including promoting entrepreneurship) for certain groups such as educated elderly people, immigrants with higher education etc.
- 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. This results in different approaches to public service provision across the countries in terms of service quality, coverage, scope, etc. This provides good potential for positive changes in policies and in unifying services 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 increased institutional capacity, to practical solutions and policy improvements, and further to new or improved, efficient and cost-effective public services. Complementary actions such as increasing the use of participatory approaches in public service development and enhancing the use of digital solutions as well as promoting mutual and synchronised planning are also needed.

ICTs affect people's everyday lives in many ways, both at work and at home, for example when communicating or buying goods or services online. Eurostat statistics show a steep rise for example in the availability of internet at homes, but also the availability of mobile internet has increased significantly. The Digital Economy and Society Index (DESI) indicates that there are differences in the digital performance and the evolution of digital competitiveness within the Central Baltic region, and there is a need for cohesion. Digitalisation plays an important role and has a lot of potential in the development of public services and related solutions, especially when developed across borders.

ICTs have become widely available to the public, both in terms of accessibility as well as cost. In Central Baltic countries the societies are already highly digitalised. Despite of the good digital competences the physical digital infrastructure and the high potential of data economy are underexploited. Digital solutions and services of public sector lag behind of the needs of societies and the need to achieve better cost-efficiency. The use of existing cross-border public services and solutions should be made more widespread.

CHALLENGES

- 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
- Applying participatory planning approaches in the countries

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.

In implementing the programme, the managing authority will promote the strategic use of public procurement to support strategic objectives (including effort to address institutional capacity gaps). Beneficiaries should be encouraged to pay more attention to quality and life-cycle cost criteria. Where possible, environmental (e.g. green public procurement criteria) and social aspects and incentives for innovation should be included in public procurement procedures.

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.

The Central Baltic programme is well in line with the common European goals of Green deal and the Recovery and Resilience facility. While the programme is not focused on supporting pure research activities, it recognises the European Research Area (ERA) and will according to its principles promote cross-border cooperation and contribute to transferring innovative project results across borders. The programme will also promote the market uptake of innovative ideas and help to reduce the gap between science and the citizens. The programme drafting started with an analysis of regional strategies, from which the cross-border cooperation relevant and shared goals were identified. As our programme is based on cross-border cooperation, it will have synergies with national programmes, but it cannot overlap in actions. A clear cross-border aspect and joint approach is at the core of each of our identified Programme Objectives. Due to the menu given by the Commission for Cohesion policy funding instruments, it is clear that the same Policy Objectives and Specific Objectives will be selected by several programmes.

Priority 1 supports the goals of fostering innovation. It sees some synergies and complementarities with the national and regional programmes as well as with the second pillar of Horizon Europe. It complements the Single Market Programme by supporting joint efforts of scaling up and increased exports to new markets for the SMEs of the Central Baltic region. It also indirectly contributes to the EU biodiversity strategy for 2030. The priority 1 supports the European Strategy for Data communication. It is understood as a part of the assessment of projects as well as selecting them for funding. In addition, Priority 1 supports the conditions defined in the Open Data Directive. It is understood as part of the assessment of projects as well as selecting them for funding, but will also be followed up during project implementation.

Priority 2 supports the goals of green transition. It has close connections to the Recovery and Resilience facility (RRF) and all other initiatives linked to the Green deal, including the New European Bauhaus to some limited extent. There is synergy with the Life programme objectives on Nature and biodiversity and Circular economy and quality of life. The Central Baltic scale is the key factor in identifying which actions belong to our programme and which can be funded through other instruments, including national and regional programmes. The Finnish and Latvian national programmes [what about others?] strives to reduce CO2 emissions, and so does Central Baltic. The Central Baltic programme goal is limited to intermodal transport nodes and intermodal transport areas/systems across the Central Baltic region, which is not covered by national programmes.

Priority 3 supports to goals of human capital. It has synergies with ESF+, where training, employment issues and human capital is covered. It also has some synergies with Erasmus+, which also deals with human capital and training. However, the Central Baltic programme has a focus on cross-border work-related commuting and a joint labour market.

Priority 4 supports the goals of digital transition. Its activities will support the day-to-day implementation of the goals of the Digital Europe Programme (DEP) but is not directly overlapping with this programme in the scale of goals. There are overlaps with national programmes. However, the Central Baltic programme goal is to support shared public services across the borders within the Central Baltic region.

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.

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

Whereas the national ESF and ERDF programmes are designed keeping in mind each Member State's needs and priorities the Central Baltic Programme 2021-2027 intends to target the challenges that are similar to several of the participating Member States but always strengthening cross-border co-operation. The focus of the Central Baltic Programme is to provide opportunities for different organisations to develop their activities so that the whole Central Baltic region will benefit from the projects.

The synergies and complementarities with regional and national programmes are most importantly ensured by the Monitoring Committee members being well informed of the regional and national programmes.

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. The set-up and concrete tasks of the Managing Authority, Joint Secretariat and national Contact Points were revised based on this analysis.

The most significant changes will be in the financial monitoring. Simplified Cost Options will be applied to a very large extent in the programme. This was supported by surveys that were carried out to stakeholders and staff.

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, and there is a clear demand from the regions.

In other fields it could be concluded that either the programme intervention had improved the situation sufficiently to not to be continued, or that more pressing challenges had appeared. For example developing joint tourist attractions was not seen as a relevant topic to continue with, but the sector should rather be involved via marketing the attractions to new markets. This was also the one of the outcomes from the programme impact evaluation and the ECA performance audit. During the 2014 - 2020 period the programme managed to improve a large number of small ports, and the intervention was considered to be successful enough for moving on to other topics. In the field of maritime spatial planning new EU-level regulatory tools were transposed and the need for programme intervention was not seen necessary. On the other hand, the topics related to circular economy were timely and their importance was recognised throughout the programme regions, which led to the adoption of the topic into the programme strategy.

E-Cohesion

The Central Baltic programme uses the Jems monitoring system jointly developed with other Interreg programmes and Interact. The Jems system ensures that all exchanges between beneficiaries and all the programme authorities are carried out by means of electronic data exchange in accordance with Annex XIV of the CPR 2. The electronic data exchange system set between beneficiaries and all the programme authorities is fully functional.

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

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

Table 1

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
1. A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	RSO1.3. Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	P1. Priority 1 - Innovative business development	Programme Objective 1 This programme objective helps to solve the identified challenges and obstacles related to SME-dominated economies and their capacity to take products and services to new markets. The target group of mature SMEs was prioritised, and the common challenge of mature SMEs to find new markets to their products and services was specified as the target to be addressed by the programme, since it is where the cross-border cooperation greatly strengthens the possibilities for entering new markets. The programme does not plan the use of financial instruments in programme objective 1. This is due to the nature of activities and the projects not being financially viable, as well as due to the limited size of the planned operations. Grants are more appropriate considering the character of the supported activities or selected

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
			<p>target groups. Programme Objective 2 The identified challenges and obstacles of scaling up and internationalising the activities of new growth companies will be addressed by this programme objective. As it is a joint challenge for the new growth companies of the Central Baltic region to scale up their businesses, this was chosen as the target of intervention within the SO. New established companies with ambition to grow were specifically targeted, as they can benefit and gain momentum from cross-border cooperation. The programme does not plan the use of financial instruments for programme objective 2. due to the nature of activities and the projects not being financially viable, as well as due to the limited size of the planned operations,</p>
<p>2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility</p>	<p>RSO2.6. Promoting the transition to a circular and resource efficient economy</p>	<p>P2. Priority 2 - Improved environment and resource use</p>	<p>This programme objective will help to find solutions to 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. Circular economy came out clearly from strategic documents and priorities of the Central Baltic regions and countries as a relevant theme. There was a strong consensus among the stakeholders that joint action is needed under this topic. The focus on circular economy chains and cycles was identified as relevant for Central Baltic intervention based on the cross-border relevance and the likelihood of generating best added</p>

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
			value. The programme does not plan the use of financial instruments for programme objective 3. The projects under this objective aren't financially viable, wherefore the use of grants is most suitable.
2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility	RSO2.7. Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	P2. Priority 2 - Improved environment and resource use	The programme objective will help to resolve the recognised challenges and obstacles related to the poor health of the Baltic sea due to inflows of nutrients, hazardous substances and toxins into the sea. It was agreed that while there have been improvements, the overall state of the sea still demands interventions. Due to the limited resources available, reducing the pollution was decided to be targeted. Challenges related to excessive amounts of nutrients and the effects of other harmful substances were chosen as the focus due to the best potential for cross-border activities and added value. The programme does not plan the use of financial instruments for programme objective 4. The operations under this objective aren't financially viable, wherefore the use of grants is the most suitable option.
2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility	RSO2.8. Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	P2. Priority 2 - Improved environment and resource use	Solutions for the pinpointed challenges and obstacles related to CO2 intensity of existing transport systems, the lack of multimodal integration, and the low level of use of less CO2 intensive mobility solutions will be developed under this programme objective. CO2 emissions were chosen to be targeted within the SO due their important role in climate change. As funds

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
			<p>needed to be channelled to where they are likely to generate the greatest cross-border added value, the transport nodes and areas were specifically targeted. Transport was seen as an important unifying factor in a cross-border programme area defined by maritime borders. The programme does not plan the use of financial instruments for Programme Objective 5. This Programme Objective only foresees partners of a public nature, so the use of grants is the most suitable option.</p>
<p>4. A more social and inclusive Europe implementing the European Pillar of Social Rights</p>	<p>RSO4.1. Enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy</p>	<p>P3. P3 - Improved employment opportunities</p>	<p>This programme objective will help to solve the challenges and obstacles of less competitive groups in the society to access work opportunities, labour market inflexibility, and of increasing entrepreneurship of various groups in societies. As the Central Baltic countries form an important area of work-related commuting and a joint labour market, the focus was set on improving the employment opportunities. It was determined that the programme intervention would be most effective to target certain target groups that have the greatest challenges in accessing the labour market. The programme does not plan the use of financial instruments. for Programme Objective 6. Grants are more appropriate for this Programme Objective considering the character of the supported activities or selected target groups</p>

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
6. Interreg: A better Cooperation Governance	ISO6.1. Enhance the institutional capacity of public authorities, in particular those mandated to manage a specific territory, and of stakeholders (all strands)	P4. Priority 4 - Improved public services	The identified challenges and obstacles related to the administrative, regulatory, language and cultural barriers for cross-border contacts in public administration will be addressed in this programme objective. A strong interest to cooperate on digitalisation issues, the issues related to strengthening cross-border cooperation capacity as well as to strengthen the participatory processes of the public sector was identified. Based on this prioritisation these elements were combined together into one focus area within the ISO where there is an increasing need for cross-border cooperation. The programme does not plan the use of financial instruments. for Programme Objective 7. This Programme Objective only foresees partners of public nature. Therefore, Financial Instruments are not suitable but grants will be used for this Objective. Grants are more appropriate considering the character of the supported activities or selected target groups.

2. Priorities

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

2.1. Priority: P1 - Priority 1 - Innovative business development

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

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

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

Programme Objective 1

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

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

Programme objective 1: More exports by SMEs

Approach and scope

The approach derives from challenges related to SME-dominated economies and their limited 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.

The projects and actions must foster and require close cross-border cooperation and the identified challenges must be in place in the participating countries.

Indicative joint actions supported within the projects:

- Awareness raising of SMEs and relevant organisations in the targeted markets
- Product/service development of potentially exported products or services
- Developing joint offers of products and services for the targeted markets
- Process development and digitalisation of processes related to product/service development and new market entry
- Skills development and quality management of participating companies
- Market information and research for improved market entry plans
- Branding and marketing of products and services towards the targeted markets
- 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. One action is not enough to build a project around, but 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. The indicative joint actions are examples of what general types of activities a project can include. The list is not exclusive, and also other types of actions relevant for achieving the required results may be included. Each project will further specify their activities in the application for funding.

Regarding the project approach, the joint elements should be clearly described in the application for funding. Cross-sectoral cooperation as well as a cluster-based approach are 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.

This Programme Objective is in line with the six environmental objectives set out in the context of the Do No Significant Harm principle; all activities within the operations are of a soft nature.

Programme objective 2: More new scaled-up growth companies

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. The projects and actions must foster and require close cross-border cooperation and the identified challenges must be in place in the participating countries.

Indicative joint actions supported within the projects:

- Awareness raising of potential growth companies
- Product development to facilitate growth of the target group companies
- Process development and digitalisation of the target group companies
- Skills development for improved capacity of target group companies
- Market opportunities research to support scaling-up activities of supported companies
- Branding and marketing promoting the business development of target group companies
- Business model development and expansion of operations in targeted companies
- Experience exchange and learning as result of joint implementation

The list above is not in order of priority. One action is not enough to build a project around, but aAny 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. The indicative joint actions are examples of what general types of activities a project can include.

The list is not exclusive, and also other types of actions relevant for achieving the required results may be included. Each project will further specify their activities in the application for funding.

Regarding the project approach, the joint elements should be clearly described in the application for funding. Cross-sectoral cooperation is encouraged.

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.

This Programme Objective is in line with the six environmental objectives set out in the context of the Do No Significant Harm principle; all activities within the operations are of a soft nature.

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

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

2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
P1	RSO1.3	RCO04	Enterprises with non-financial support	enterprises	0	1800
P1	RSO1.3	RCO87	Organisations cooperating across borders	organisations	0	150
P1	RSO1.3	RCO01	Enterprises supported (of which: micro, small, medium, large)	enterprises	0	1800

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
P1	RSO1.3	PSR2	Number of scaled up new growth companies	Company	0.00	2021	200.00	MA monitoring system	
P1	RSO1.3	RCR04	SMEs introducing marketing or organisational innovation	enterprises	0.00	2021	200.00	MA monitoring system	
P1	RSO1.3	PSR1	Companies with achieved sales and contracts to new markets	Company	0.00	2021	300.00	MA monitoring system	

2.1.1.3. Main target groups

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

Programme objective 1: More exports by SMEs

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

Programme objective 2: More new scaled-up growth companies

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

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

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

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

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

2.1.1.5. Planned use of financial instruments

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

The programme does not plan the use of financial instruments in programme objective 1 due to the nature of activities and the projects not being financially viable, as well as due to the limited size of the planned operations. Grants are more appropriate considering the character of the supported activities or selected target groups.

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

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

Table 4 - Dimension 1 - intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
P1	RSO1.3	ERDF	030. Research and innovation processes, technology transfer and cooperation between enterprises, focusing on circular economy	4,000,000.00
P1	RSO1.3	ERDF	021. SME business development and internationalisation, including productive investments	25,000,000.00
P1	RSO1.3	ERDF	015. Digitising SMEs or large enterprises (including e-Commerce, e-Business and networked business processes, digital innovation hubs, living labs, web entrepreneurs and ICT start-ups, B2B) compliant with greenhouse gas emission reduction or energy efficiency criteria	6,000,000.00

Table 5 - Dimension 2 - form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
P1	RSO1.3	ERDF	01. Grant	35,000,000.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
P1	RSO1.3	ERDF	33. Other approaches - No territorial targeting	35,000,000.00

2.1. Priority: P2 - Priority 2 - Improved environment and resource use

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

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

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

Programme objective 3: Joint circular economy solutions

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

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

Approach and scope

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

Three basic components will be targeted within Circular Economy: 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

The projects and actions must foster and require close cross-border cooperation and the identified challenges must be in place in the participating countries.

Indicative joint actions supported within the projects:

- Awareness raising of consumers and organisations with the potential to adapt circularity
- Mapping the cross-border product cycles/chains in the project for more focused understanding of the needs to improve circularity
- Feasibility studies, plans and designs to further target the activities
- Trainings and skills development of targeted actors to better implement the principles of circular economy
- 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 within circular economy
- Small scale investments to reduce the use of materials, waste and increase the reuse of materials
- New resource efficient solutions for improved circular economy
- Experience exchange and learning as result of joint implementation

The list above is not in order of priority. One action is not enough to build a project around, but 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. The indicative joint actions are examples of what general types of activities a project can include. The list is not exclusive, and also other types of actions relevant for achieving the required results may be included. Each project will further specify their activities in the application for funding.

Regarding the project approach, the joint elements should be clearly described in the application for funding.

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.

This Programme Objective is in line with the six environmental objectives set out in the context of the Do No Significant Harm principle and will directly support the objectives of circular economy, pollution prevention and control and at least indirectly all the other objectives. While small-scale investments are possible within the operations, these will have a direct positive impact on the DNHS principle objectives.

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

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

--

2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
P2	RSO2.6	RCO87	Organisations cooperating across borders	organisations	0	80
P2	RSO2.6	RCO81	Participations in joint actions across borders	participations	0	300
P2	RSO2.6	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	0	25

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
P2	RSO2.6	PSR3	The number of improved product/service cycles/chains	Cross-border circular economy chain/cycle	0.00	2021	10.00	MA monitoring system	

2.1.1.3. Main target groups

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

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

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

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

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

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

2.1.1.5. Planned use of financial instruments

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

The programme does not plan the use of financial instruments for programme objective 3. The projects under this objective aren't financially viable, wherefore the use of grants is most suitable.

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

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

Table 4 - Dimension 1 - intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
P2	RSO2.6	ERDF	069. Commercial, industrial waste management: prevention, minimisation, sorting, reuse, recycling measures	8,498,088.00
P2	RSO2.6	ERDF	072. Use of recycled materials as raw materials compliant with the efficiency criteria	7,000,000.00
P2	RSO2.6	ERDF	075. Support to environmentally-friendly production processes and resource efficiency in SMEs	2,000,000.00

Table 5 - Dimension 2 - form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
P2	RSO2.6	ERDF	01. Grant	17,498,088.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
P2	RSO2.6	ERDF	33. Other approaches - No territorial targeting	17,498,088.00

2.1.1. Specific objective: RSO2.7. Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution

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

Programme objective 4: Improved coastal and marine environment

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

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

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 indirectly contribute to mitigating climate change and 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.

The projects and actions must foster and require close cross-border cooperation and the identified challenges must be in place in the participating countries.

Indicative joint actions supported within the projects

- Awareness raising activities for the project target groups on how to improve the state of the sea
- Information collection and surveys to support and specify concrete project activities to reduce the load
- Analysis, plans, drawings, and designs for the implementation for load-reducing activities
- Designing and adapting methods of load reduction from targeted sectors
- Planning and investing into digital solutions and processes that help to reduce the environmental load
- Joint practical 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. One action is not enough to build a project around, but 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. The indicative joint actions are examples of what general types of activities a project can include. The list is not exclusive, and also other types of actions relevant for achieving the required results may be included. Each project will further specify their activities in the application for funding.

Regarding the project approach, the joint elements should be clearly described in the application for funding.

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. It also indirectly supports the EU biodiversity strategy for 2030.

This Programme Objective is in line with the six environmental objectives set out in the context of the Do No Significant Harm principle. It will directly and positively contribute to the sustainable use and protection of water and marine resources, pollution prevention and control as well as protection and restoration of biodiversity and ecosystems and at least indirectly to the other ones. While small-scale investments are possible within the operations, these will have a positive impact on the DNSH objectives.

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

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

--

2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
P2	RSO2.7	RCO87	Organisations cooperating across borders	organisations	0	80
P2	RSO2.7	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	0	30
P2	RSO2.7	RCO81	Participations in joint actions across borders	participations	0	200

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
P2	RSO2.7	PSR4	The number of improved urban and agricultural load sources	Number of load sources	0.00	2021	50.00	MA monitoring system	

2.1.1.3. Main target groups

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

People, communities, and businesses benefitting from reduced emissions.

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

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

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

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

2.1.1.5. Planned use of financial instruments

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

The programme does not plan the use of financial instruments for programme objective 4. The operations under this objective aren't financially viable, wherefore the use of grants is the most suitable option.

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

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

Table 4 - Dimension 1 - intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
P2	RSO2.7	ERDF	064. Water management and water resource conservation (including river basin management, specific climate change adaptation measures, reuse, leakage reduction)	17,498,089.00

Table 5 - Dimension 2 - form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
P2	RSO2.7	ERDF	01. Grant	17,498,089.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
P2	RSO2.7	ERDF	33. Other approaches - No territorial targeting	17,498,089.00

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

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

Programme objective 5: Decreased CO2 emissions

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

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

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.

Reducing CO2 emissions from existing Central Baltic transport nodes and areas by improving the mobility solutions in large and small urban transport systems (also the ones servicing hinterlands of the urban areas) is in the scope of this Programme Objective; all projects are expected to reduce CO2 emissions. The goal is to achieve joint mobility solutions and improved intermodal mobility that focus on reducing CO2 emissions.

Along with the CO2 reductions, improvements in efficiency and usability of transport nodes and areas and urban intermodal systems should be achieved. The projects and actions must foster and require close cross-border cooperation and the identified challenges must be in place in the participating countries. Interventions related to improving connectivity and transport corridors are not supported.

Indicative joint actions supported within the projects:

- Awareness raising of target groups on how to reduce the CO2 footprint
- Analysis and surveys to support and focus the chosen concrete project activities
- Plans, drawings, and designs for less CO2-intensive solutions in the targeted nodes or areas

- Planning and investing into digital solutions and processes to help to achieve carbon neutrality in the transport sector
- Small scale investments to practical activities leading to lower CO2 emissions from targeted nodes and areas
- Piloting new mobility solutions to promote less CO2 intensive transport
- Experience exchange activities as joint seminars, study visits, and trainings to support achieving CO2 reductions

The list above is not in order of priority. One action is not enough to build a project around, but 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. The indicative joint actions are examples of what general types of activities a project can include. The list is not exclusive, and also other types of actions relevant for achieving the required results may be included. Each project will further specify their activities in the application for funding.

Regarding the project approach, the joint elements should be clearly described in the application for funding.

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 EUSBSR Sub-objective Climate change adaptation, risk prevention and management of the as well as the actions of Policy Areas Ship and Transport.

This Programme Objective is in line with the six environmental objectives set out in the context of the Do No Significant Harm principle. This programme objective will have direct positive contributions to the objective climate change mitigation and pollution prevention and control and may

have an indirect positive impact on the other objectives. Small-scale investments may be possible within the operations, but these will lead to a direct positive environmental impact.

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

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

--

2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
P2	RSO2.8	PSO1	The number of projects targeting intermodal transport nodes and areas	Number of projects	0	7
P2	RSO2.8	RCO87	Organisations cooperating across borders	organisations	0	40
P2	RSO2.8	RCO81	Participations in joint actions across borders	participations	0	50
P2	RSO2.8	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	0	15

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
P2	RSO2.8	PSR5	Improved intermodal transport nodes and transport areas with CO2 reductions	Number	0.00	2021	18.00	MA monitoring system	

2.1.1.3. Main target groups

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

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

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

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

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

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

2.1.1.5. Planned use of financial instruments

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

The programme does not plan the use of financial instruments for Programme Objective 5 This Programme Objective only foresees partners of a public character, so due to its nature the use of grants is the most suitable option.

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

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

Table 4 - Dimension 1 - intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
P2	RSO2.8	ERDF	085. Digitalisation of transport when dedicated in part to greenhouse gas emissions reduction: urban transport	17,498,090.00

Table 5 - Dimension 2 - form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
P2	RSO2.8	ERDF	01. Grant	17,498,090.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
P2	RSO2.8	ERDF	33. Other approaches - No territorial targeting	17,498,090.00

2.1. Priority: P3 - P3 - Improved employment opportunities

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

2.1.1. Specific objective: RSO4.1. Enhancing the effectiveness and inclusiveness of labour markets and access to quality employment through developing social infrastructure and promoting social economy

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

Programme Objective 6 Improved employment opportunities

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

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

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. Addressing the skill levels of the less competitive groups through training courses and practical work-related trainings to improve their competitiveness in the labour market as well as reducing possible discrimination in employers' hiring and working practices are in the scope of this PO. Facilitating employment supply and demand across borders is also supported, as well as entrepreneurship development activities towards the less competitive age groups and youth.

The projects and actions must foster and require close cross-border cooperation and the identified challenges must be in place in the participating countries.

Indicative joint actions supported within the projects:

- Awareness raising among the targeted less competitive groups and employers
- Designing and implementing trainings for the target groups to improve their skills and employment possibilities
- Incentives and services for employers (e.g., mentoring) to improve accessibility to jobs
- Networking and dialogues between counterparts of labour market (e.g., job search assistance)
- Tools for digital and online skills development and working
- Entrepreneurship-enhancing simulations and problem-solving exercises to promote entrepreneurship
- Mobility of participants to facilitate the demands of the joint labour market
- Experience exchange and learning as result of joint implementation

The list above is not in order of priority. One action is not enough to build a project around, but 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. The indicative joint actions are examples of what general types of activities a project can include. The list is not exclusive, and also other types of actions relevant for achieving the required results may be included. Each project will further specify their activities in the application for funding.

Regarding the project approach, the joint elements should be clearly described in the application for funding.

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.

This Programme Objective is in line with the six environmental objectives set out in the context of the Do No Significant Harm principle; all activities within the operations are of a soft nature.

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

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

--

2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
P3	RSO4.1	RCO87	Organisations cooperating across borders	organisations	0	125
P3	RSO4.1	RCO81	Participations in joint actions across borders	participations	0	800

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
P3	RSO4.1	PSR6	Number of people with increased competitiveness on labour market	Number of people	0.00	2021	400.00	MA monitoring system	
P3	RSO4.1	PSR8	Number of people with increased entrepreneurship	Number of people	0.00	2021	150.00	MA monitoring system	
P3	RSO4.1	PSR7	Number of organisations with applied additional anti-discriminatory policies	Number of organisations	0.00	2021	75.00	MA monitoring system	

2.1.1.3. Main target groups

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

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.

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

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

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

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

2.1.1.5. Planned use of financial instruments

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

The programme does not plan the use of financial instruments. for Programme Objective 6. Grants are more appropriate 2for this Programme Objective considering the character of the supported activities or selected targets groups.

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

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

Table 4 - Dimension 1 - intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
P3	RSO4.1	ERDF	136. Specific support for youth employment and socio-economic integration of young people	7,000,000.00
P3	RSO4.1	ERDF	146. Support for adaptation of workers, enterprises and entrepreneurs to change	6,000,000.00
P3	RSO4.1	ERDF	134. Measures to improve access to employment	7,000,000.00

Table 5 - Dimension 2 - form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
P3	RSO4.1	ERDF	01. Grant	20,000,000.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
P3	RSO4.1	ERDF	33. Other approaches - No territorial targeting	20,000,000.00

2.1. Priority: P4 - Priority 4 - Improved public services

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

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

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

Programme Objective 7 Improved public services

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

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

Approach and Scope

The approach derives from challenges and obstacles related to the administrative, regulatory, language and cultural barriers in public administration between the Central Baltic region countries. It includes all branches of the society which are not covered by the scope of Programme Objectives 1 - 6, and all levels of public administration where experience exchange and learning from each other can take place.

The projects 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.

The scope is technically divided into exchange of experience and mutual learning activities related to public service development within projects of limited financial volume and developing new or aligned public services across borders within regular projects.

The projects and actions must foster and require close cross-border cooperation and the identified challenges must be in place in the participating countries.

Indicative joint actions supported within the projects:

- Awareness raising for stakeholders and target groups to improve planning and implementation of joint policy and public services
- Trainings for target groups and networking (for example organisation of public events to support improving public services)
- Feasibility studies to support creation and improvement of joint public services in targeted service sectors
- Plans and designs (including strategic and land use planning) for new or aligned joint services and service infrastructure
- Improving participatory processes for developing services
- Improving public services and solutions by for example synchronising and harmonising them
- Creating new joint cross-border services or aligning existing services
- Digitalising joint public services (including data economy solutions) to improve usability

The list above is not in order of priority. One action is not enough to build a project around, but 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. The indicative joint actions are examples of what general types of activities a project can include. The list is not exclusive, and also other types of actions relevant for achieving the required results may be included. Each project will further specify their activities in the application for funding.

Regarding the project approach, the joint elements should be clearly described in the application for funding.

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.

This Programme Objective is in line with the six environmental objectives set out in the context of the Do No Significant Harm principle; all activities within the operations are of a soft nature.

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

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

--

2.1.1.2. Indicators

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

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
P4	ISO6.1	RCO87	Organisations cooperating across borders	organisations	0	150
P4	ISO6.1	RCO116	Jointly developed solutions	solutions	0	60

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
P4	ISO6.1	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	60.00	MA monitoring system	The total count is split accordingly: 50 - practical solutions and improvements of public services; 10 - new joint public services and digitalized public services

2.1.1.3. Main target groups

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

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

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

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

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

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

2.1.1.5. Planned use of financial instruments

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

The programme does not plan the use of financial instruments for Programme Objective 7. This Programme Objective only foresees partners of a public nature, so the use of grants is the most suitable option. Grants are more appropriate considering the character of the supported activities or selected target groups.

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

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

Table 4 - Dimension 1 - intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
P4	ISO6.1	ERDF	173. Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	11,000,000.00

Table 5 - Dimension 2 - form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
P4	ISO6.1	ERDF	01. Grant	11,000,000.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
P4	ISO6.1	ERDF	33. Other approaches - No territorial targeting	11,000,000.00

3. Financing plan

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

3.1. Financial appropriations by year

Table 7

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

Fund	2021	2022	2023	2024	2025	2026	2027	Total
ERDF	0.00	21,659,366.00	22,007,280.00	22,362,152.00	22,724,122.00	18,829,678.00	19,206,267.00	126,788,865.00
Total	0.00	21,659,366.00	22,007,280.00	22,362,152.00	22,724,122.00	18,829,678.00	19,206,267.00	126,788,865.00

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

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

Table 8

Policy objective	Priority	Fund	Basis for calculation EU support (total eligible cost or public contribution)	EU contribution (a)=(a1)+(a2)	Indicative breakdown of the EU contribution		National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	Contributions from the third countries
					without TA pursuant to Article 27(1) (a1)	for TA pursuant to Article 27(1) (a2)		National public (c)	National private (d)			
1	P1	ERDF	Total	37,450,000.00	35,000,000.00	2,450,000.00	9,362,500.00	8,426,250.00	936,250.00	46,812,500.00	80.0000000000%	0.00
2	P2	ERDF	Total	56,168,865.00	52,494,267.00	3,674,598.00	14,042,217.00	12,637,995.00	1,404,222.00	70,211,082.00	79.9999991454%	0.00
4	P3	ERDF	Total	21,400,000.00	20,000,000.00	1,400,000.00	5,350,000.00	4,815,000.00	535,000.00	26,750,000.00	80.0000000000%	0.00
6	P4	ERDF	Total	11,770,000.00	11,000,000.00	770,000.00	2,942,500.00	2,648,250.00	294,250.00	14,712,500.00	80.0000000000%	0.00
	Total	ERDF		126,788,865.00	118,494,267.00	8,294,598.00	31,697,217.00	28,527,495.00	3,169,722.00	158,486,082.00	79.9999996214%	0.00
	Grand total			126,788,865.00	118,494,267.00	8,294,598.00	31,697,217.00	28,527,495.00	3,169,722.00	158,486,082.00	79.9999996214%	0.00

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

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

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. Social and economic partners and representatives of civil society participated actively. In addition to the workshops, 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 define the topics relevant for cross-border co-operation in the Central Baltic region. Based on the seminars' results it was firstly concluded that the chosen intervention fields were supported widely by the participants as relevant ones. Secondly, the seminars showed that the cross-border cooperation interests of the regional participants were thematically very broad, and also very local needs were many times brought up. On the latter point, the participants also understood that the programme has limited resources, and it needs to focus on the topics where the biggest potential for cross-border added value exists. Overall, the seminars helped a lot in focusing the programme intervention according to regional and national needs.

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, including the social and economic partners and civil society. 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 as well as civil society 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: point (h) of Article 17(3)

Objectives

The 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.

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 Capitalisation Plan will help to organise knowledge and accumulate usable experiences from programmes and projects to be used by other programmes, projects, or stakeholders. The maximum impact of an Interreg programme is sought after. This will also be one of the tools for promoting projects of strategic importance.

Audience

Internal audiences are those directly working with the implementation of the programme: 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

One of the main information channels is the programme website. It brings together the information needed by both applicants and beneficiaries. It will host a Project webspaces to ensure the online presence of the funded projects. The information (including results) will be available from the beginning of the projects until after their completion. The website provides easy access to relevant information. News will be published about programme proceedings and social networks integration is planned to highlight project activities. The website will explain the programme and its goals in plain language. It will be clearly sectioned to provide relevant information for intended target groups.

The strategic approaches include increasing advocacy, engaging relevant actors in social media as 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. Social media channels will be an outlet to enhance the programme and Interreg branding. The programme will focus to increase Interreg visibility on Facebook, Twitter, Instagram, and YouTube, which were established in the 2014-2020 programming period. The platforms will be chosen at the beginning of the programme, but they may change and widen over time according to the needs of target groups. The key will be to underline the benefits of Interreg for different stakeholder groups.

Materials are only printed according to need.

Much of the programme visibility comes through the projects. 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.

The first project outputs will become available to be communicated as of 2023.

Public events

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

The programme's activities will include targeted events focusing on financial management and project management. The national Contact Points will organise partner search events and practical events on communication topics to support beneficiaries in all phases of project implementation.

Programme staff will regularly cooperate with other Interreg programmes, exchange best practices and learn from one another.

Roles and positions

The Joint Secretariat (JS) staff will plan its work considering EU legislation. The JS/MA staff will be responsible for strategy, programme messages and the use of communication tools. A communication manager will coordinate the communication activities.

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

Roughly 3 MEUR of the TA budget will be allocated to communication.

Measurement and evaluation

Based on the Communication strategy indicators, each communication sub-objective is evaluated.

The indicators for measuring are set out in the communication strategy. The evaluations of communication activities draw on a range of data collection and analysis tools (qualitative and quantitative). Evaluation questionnaires and data is collected by the JS. Specific communication activities and their measurement are reflected in the annual work plans.

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

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

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: point (a) of Article 17(6)

Table 9

Programme authorities	Name of the institution	Contact name	Position	E-mail
Managing authority	Regional Council of Southwest Finland	Merike Niitepöld	Head of Managing Authority	merike.niitepold@centralbaltic.eu
Audit authority	Ministry of Finance of Finland	Kari Rouvinen		kari.rouvinen@vm.fi
Group of auditors representatives	Ministry of Finance, Estonia	Kaur Siruli		kaur.siruli@fin.ee
Group of auditors representatives	Ministry of Finance, Finland	Jaana Kuusisto	Head of the Government Financial controller's function	vvc@gov.fi
Group of auditors representatives	National Audit office of Åland, Åland	Marika Björkman	Auditor	marika.bjorkman@regeringen.ax
Group of auditors representatives	The Ministry of the Regional Environmental Protection and Regional Development, Latvia	Zanda Janusausk	Director of Audit department	pasts@varam.gov.lv
Group of auditors representatives	The Swedish National Financial Management Authority	Ulrika Bergelv	Audit Director of EU funds under shared management	ulrika.bergelgv@esv.se
Body to which the payments are to be made by the Commission	Regional Council of Southwest Finland	Merike Niitepöld	Head of Managing Authority	merike.niitepold@centralbaltic.eu

7.2. Procedure for setting up the joint secretariat

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

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

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

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

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

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

1. Appendix 1

1.1. A. Summary of the main elements

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

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

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

Appendix 1

1.2. B. Details by type of operation

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

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

--

1.5. 2. Please specify why the proposed method and calculation based on Article 94(2) is relevant to the type of operation:

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

--

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

1.8. 5. Assessment of the audit authority or authorities of the calculation methodology and amounts and the arrangements to ensure the verification, quality, collection and storage of data:

--

2. Appendix 2

2.1. A. Summary of the main elements

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

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

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

2.2. B. Details by type of operation

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

The Central Baltic programme intervention logic has been set up so that each of its Programme Objectives is very clearly defined, and result indicators have been selected so that the Programme Objectives will produce tangible, measurable, strategic results. While we cannot refer to only individual projects as strategic, we have below indicated some visible good examples which have strategic importance.

These Programme Objectives are planned to be included in each programme call. The first projects are planned to start implementation in 2023 and impact can become visible as of late 2023.

The programme considers the Programme Objectives 4, Improved coastal and marine environment will and 7, Improved public services of particular relevance for strategic projects. The projects funded under these POs will contribute with the most tangible and visible results, ones that can be seen, touched and photographed and can therefore be used by the programme and the European Commission in visibility measures. For each funded Programme Objective 4 project the result will be that the load of nutrients and other harmful substances to the Baltic Sea is reduced from numerous sources. For Programme objective 7, in turn, all projects will lead to solutions taken up or upscaled by organisations.

4. DOCUMENTS

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent by
Central Baltic map	Map of Programme Area	28-Apr-2022		Ares(2022)3296419	Central Baltic map	28-Apr-2022	Nuotio, Tarja
Programme snapshot 2021TC16RFB013 1.3	Snapshot of data before send	28-Apr-2022		Ares(2022)3296419	Programme_snapshot_2021TC16RFB013_1.3_en.pdf Programme_snapshot_2021TC16RFB013_1.3_fi.pdf	28-Apr-2022	Nuotio, Tarja