

**Cooperation methods and tools
applied by European Structural and Investment Funds
programmes for 2014-2020
to support implementation of the European Union
Strategy for the Baltic Sea Region**

FIRST INTERIM REPORT

**Task 1 – Description of selected ESI Funds
operational programmes**

May 2015

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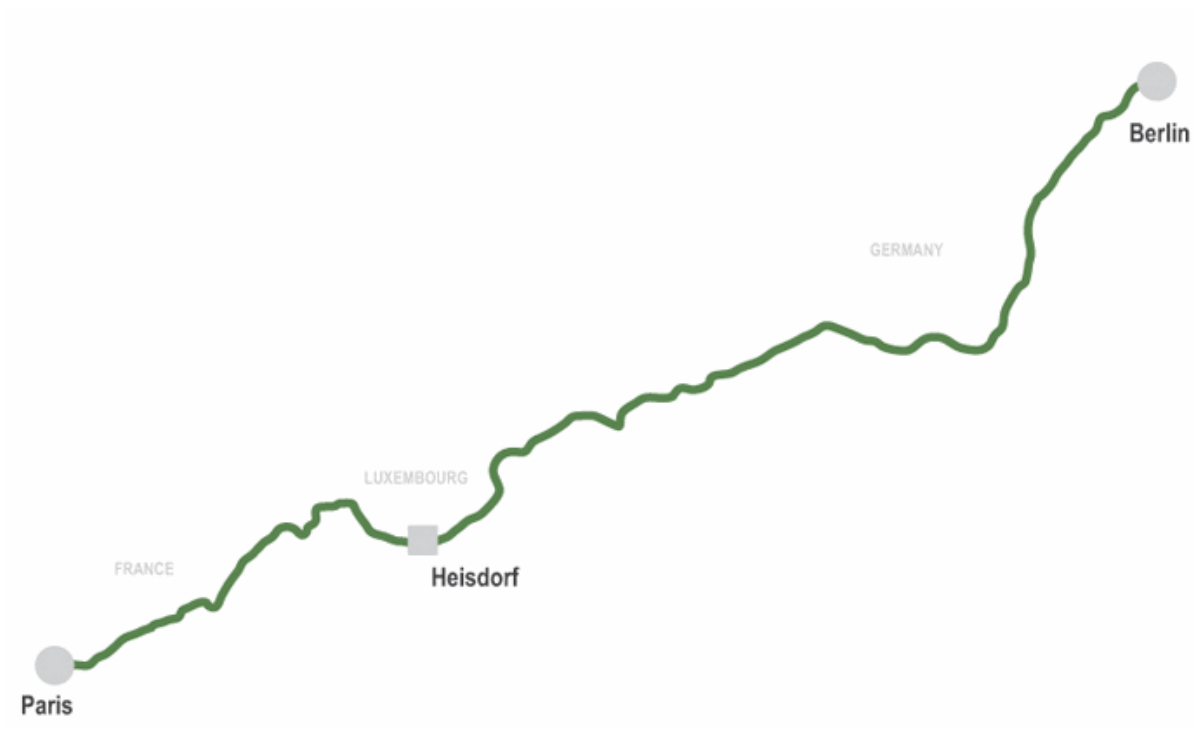
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PREP
REPORT



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List of abbreviations

CF	Cohesion Fund
CP	Cooperation Programme
CPR	Common Provisions Regulation
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
EMFF	European Maritime and Fisheries Fund
ERDF	European Regional Development Fund
ESI Funds	European Structural & Investment Funds
ESF	European Social Fund
ETC	European Territorial Cooperation
EUSBSR	European Union Strategy for the Baltic Sea Region
HA	Horizontal Action
HAC	Horizontal Action Coordinator
ICT	Information and Communication Technologies
IB	Intermediate Body
IP	ESI Funds Programme Investment Priority
MA	Managing Authority
NCP	EUSBSR National Contact Point
OP	Operational Programme
PA	Policy Area
PAC	EUSBSR Policy Area Coordinator
R&D	Research and Development
SME	Small and Medium-sized Enterprises
TO	ESI Funds Programme Thematic Objective



1. Introduction

This first interim report presents results from Task 1 of the study - Description of selected ESI Funds operational programmes (OPs) and the of the South Baltic Cooperation Programme (CP).

The focus is on how ESI Funds programmes can create the preconditions for 'macro-regional cooperation' in the context of the Baltic Sea Region. 'Macro-regional cooperation' is understood as a process (project or action) carried out in collaboration with beneficiaries from different Baltic Sea region countries. This also refers to projects or actions that, although implemented separately, are coordinated between countries and have concerted effect when their results are aggregated with similar projects or actions in other Baltic Sea region countries (such as waste water treatment projects, TEN-T corridor projects). These projects or actions should contribute to the EUSBSR objectives.

The OPs and CP of the ESI Funds programmes listed in Table 1 have been reviewed, together with the partnership agreements.

National and regional authorities in each country may be more or less advanced in the implementation of their respective programmes depending on the dates of adoption of the partnership agreements and of the OPs. Table 1 lists the dates of adoption of partnership agreements in each country. This will primarily have an impact on the answers obtained when interviewing managing authorities and stakeholders of individual programmes as part of Task 2 of the present study.

Table 1. Dates of adoption of partnership agreements on using ESI Funds in 2014-2020

Country	Date of adoption
Denmark	5 May 2014
Estonia	20 June 2014
Finland	7 October 2014
Germany	22 May 2014
Latvia	20 June 2014
Lithuania	20 June 2014
Poland	23 May 2014
Sweden	29 October 2014

The review of partnership agreements, OPs and of the South Baltic Cooperation Programme CP has been based on the same template for each country, and has been carried out by national experts. This template first includes a review of partnership agreements, followed by an account of OP and CP descriptions of programme elaboration processes, contributions to the EUSBSR and provisions to facilitate cooperation outside the programme area.

In the third section priority axes of the programmes are compared with the EUSBSR objectives, sub-objectives, policy areas (PAs) and horizontal actions (HAs), and programme indicators are compared with the EUSBSR indicators. These comparisons involved filling in Excel tables of correspondences.



However, as the thematic scope of the EUSBSR is broad, and as a number of ESI Funds programmes also cover a wide range of thematic objectives, priority axes and investment priorities, observed overlaps between the themes addressed by individual ESI Funds and the EUSBSR do not necessarily reflect a significant commitment to the macro-regional strategy. These overlaps are rather indications of where one could expect a contribution from ESI Funds programmes if the appropriate mechanisms of programme governance and cooperation and/or coordination with other programmes and instruments are put into place. They overlaps are synthesised in section 4.

In the final section, national experts were asked to list any specific provisions in relation to the EUSBSR, convey their general impression of each programmes' foreseen contribution to the EUSBSR and summarise the open issues to be explored during interviews in phase 2 of the study.

Some aspects of the reviews did not produce conclusive results, and are by way of consequence not further elaborated in the report:

First, it did not appear meaningful to seek to synthesise correspondences between indicators of each programme and the list of EUSBSR indicators. The reasons for this are developed in section 6, which synthesises considerations dealing with project monitoring in relation to the EUSBSR.

Second, reviews of financial plans and implementation modalities did not provide substantial evidence on the programmes' potential contribution to the EUSBSR. None of the reviewed OPs and CP relate these aspects to the EUSBSR.

Third, communication strategies in relation to the EUSBR could not be identified, except possibly in the case of the South Baltic Cooperation Programme, of which the CP specifies that its secretariat in Gdansk shall "*develop and implement dissemination and capitalisation activities to increase the sustainability and leverage of funded operations (e.g. thematic consolidation of results achieved by past and running operations, disseminate good practices, establish media and capitalisation partnerships with other ETC programmes, Pan-Baltic organisations, EUSBSR [policy] area coordinators/horizontal action [coordinators] etc.)*" (p. 72).



Table 2. List of ESI Funds covered by the project

Country	Operational programme / Cooperation Programme	Funds
Denmark	Operational Programme Innovation and Sustainable Growth in Businesses. National Programme for the European Regional Fund - 2014-2020	ERDF
	ESF Operational Programme	ESF
Estonia	Operational Programme for Cohesion Policy Funding 2014- 2020	ESF, ERDF and CF
Finland	Sustainable Growth and Work 2014-2020 (Operational Programme Mainland Finland)	ERDF and ESF
	Rural development programme for Mainland Finland	EAFRD
	EMFF programme	EMFF
Germany	Operational Programme Mecklenburg Vorpommern	ERDF
Latvia	Operational Programme Growth and Employment	ESF, ERDF and CSF
Lithuania	Operational Programme for EU Structural Funds Investments for 2014-2020	ESF, ERDF and CF
	Lithuanian Rural Development Programme 2014-2020	EAFRD
Poland	Operational Programme Infrastructure and Environment (national programme)	ERDF and CF
	Operational Programme Digital Poland (national programme)	ERDF
	Operational Programme Knowledge Education Development	ESF
	Regional Operational Programme for Pomorskie Voivodeship	ERDF and ESF
	EMFF programme	EMFF
Sweden	National regional fund programme for Investments in Growth and Jobs 2014-2020	ERDF
	Upper Norrland	ERDF
Poland Germany Lithuania Sweden and Denmark	South Baltic Cooperation Programme 2014-2020	ERDF



2. Involvement of EUSBSR actors in programme elaboration

The review of the involvement of EUSBSR actors in the elaboration of OPs and of the South Baltic CP can generally be characterised as inconclusive. Most OPs and the CP enumerate the organisations that have formally been involved in the elaboration process, but provide little evidence on whether they have played an active role on significantly influenced the finally submitted document. Additionally, the list of involved parties generally refers to institutions; even if some of these may play an active part in the EUSBSR, it is not possible to establish whether the persons involved have been the same, have communicated internally or have coordinated their actions within the frameworks of the ESI Funds programmes and the EUSBSR.

However, some more concrete initiatives in relation to the EUSBSR in the elaboration phase of the programmes are mentioned:

- The South Baltic Co-operation Programme 2014-2020 invited six coordinators of five PAs (Nutri, SME, Ship, Transport and Tourism) and the leader of HA Sustainable development and bio-economy to a programming meeting in November 2013 to discuss the programme strategy and possible flagship projects with support from the South Baltic Cross-Border Programme. Three of these invited parties attended the meeting, while e-mail exchanges took place with two of them. The reasons for which these PAs and this HA were selected, and the nature of interactions with them will be explored through interviews.
- The Danish partnership agreement mentions that Danish PA coordinators have been involved in the cooperative process of programme elaboration during 2013. This made it possible to identify fields for which the programmes could make particularly significant contributions to the EUSBSR.
- In Estonia, the national working-group established to contribute to the implementation of the EUSBSR includes representatives from the Managing Authority of the national Programme for Cohesion Policy Funds as well as of other Ministries and PA coordinators and the EUSBSR National Contact Point (NCP). The exact role of this working group in the programme elaboration phase will be enquired about during the interviews.
- Similarly, in Finland, the Cohesion 2014+ working group established to make proposals for the content, priorities and structure of the ESI Funds programmes. This group includes the NCP from the Ministry of Foreign Affairs and was responsible for commenting the section of the programme dealing with the EUSBSR.
- In Lithuania, the so-called 'Commission for the EU Structural and Cohesion Funds 2014-2020' organised discussions in which the EUSBSR coordinator, PA coordinators and flagship project leaders took part. This commission plays an important role in the drafting of the partnership agreement and of the OP for the EU Funds' Investments in 2014-2020.



- In Sweden, the partnership agreement emphasizes that the Swedish Agency for Economic and Regional Growth ('Tillväxtverket') provides support to the 36 government agencies and the 21 county administrative board in their implementation of the EUSBSR, while at the same time also having a particular responsibility for issues pertaining to the multiple ESI Funds. As such, it is claimed that Tillväxtverket ensures an efficient cooperation between the different levels of policymaking in Sweden, the EUSBSR and relevant authorities managing ESI Funds. In the case of the regional Programme for Upper Norrland, the drafting of the programme was furthermore coordinated by Region Västerbotten, which was until the beginning of 2015 leader of HA Involve and is leader of the flagship project 'Bothnian Corridor'.

In Poland, the partnership agreement stipulated that "*links should be established between the managing authorities of operational programmes and the steering committees of individual [EUSBSR priority] areas to ensure project cohesion*" (pp. 223-224). However, EUSBSR actors were generally not directly involved in the drafting of OPs. The only exception is the Chief Inspectorate for Environmental Protection, which coordinates PA Nutri and is also involved in interministerial consultations on all OPs. The Chief Inspectorate commented in the draft OP of the 'Infrastructure and Environment' programme. Otherwise, EUSBSR actors had the possibility of commenting on OPs when they were presented at the meetings of the 'Polish National Working Team on EUSBSR'.

In Latvia, there is no specific mention of a participation of EUSBSR actors in partnership agreement and OP elaboration processes, apart from the involvement of sectoral ministries which also have a role as PA focal points and/or coordinators, either directly or indirectly through subordinate bodies.

The OPs of the Finnish and Polish EMFF programmes suggest that no institutions playing an active role in the EUSBSR have contributed to the elaboration of these programmes.



3. Cooperation and integrated territorial development at the macro-regional level in partnership agreements

The present section describes perspectives and frameworks for macro-regional cooperation and integrated territorial development set out at the level of the partnership agreements. It should be noted that provisions that occur at the level of partnership agreements in some countries, may be found in OPs in others. Furthermore, in some cases, the partnership agreement contains proposals for cooperative approaches or perspectives for integrated development that may or may not be adopted by individual OPs. Findings of the present section will by way of consequence largely be referred back to in section 5 dealing with cooperative models in individual OPs, so as to provide a complete picture of the prevailing options in each programme.

Article 15(2)(a)(ii) of the Common Provisions Regulation (CPR) stipulate that partnership agreements should “*indicate an integrated approach to territorial development [...] setting out the main priority for cooperation [...] taking account, where appropriate of macro-regional strategies*” (see Text Box 1). Partnership agreements of Member States in the Baltic Sea Region take this obligation into account to different extents and in different ways.

Text Box 1. Article 15(2)(a)(ii) of the CPR

The Partnership Agreement shall [...] indicate:

- (a) an **integrated approach to territorial development** supported by the ESI Funds or a summary of the integrated approaches to territorial development based on the content of the programmes, **setting out**:
 - (ii) the **main policy areas for cooperation** under the ESI Funds, **taking account**, where appropriate, **of macro-regional strategies** and sea basin strategies.

As shown in Table 3, only the Danish partnership agreement makes explicit reference to Article 15(2) of the CPR and describes concrete options to allow projects of ESF and ERDF programmes to have an EUSBSR component. Similar options can also be found in the Swedish partnership agreement, but are only presented as a recommendation for national programmes¹ (see Text Box 2). The CP of the South Baltic Cooperation Programme foresees the possibility of cooperation with other programmes.

The partnership agreements for Estonia, Latvia, Lithuania and Poland describe formalised national coordinating working groups of commissions for the EUSBSR, while coordination in Finland, Sweden and Denmark is presented as an integral part of the functioning of ministries and national agencies. Numerous concrete organisational proposal for cooperation within specific sectors or for specific issues are mentioned, with some recurring issues (e.g. fisheries in Denmark, Finland and Germany). However, the diversity of approaches with regard to the foreseen actors and modes of cooperation suggest that continued dialogues are needed to arrive at consistent solutions.

¹ Excluding programmes sorting under the ESF and ETC programmes (p. 162).



Text Box 2. Possibilities of support for transnational activities presented in the Danish and Swedish Partnership agreements

Two types of situations are considered:

- Projects that, at the time of application have an **explicit focus on the EUSBSR** and are capable of describing the transnational network of partners with whom they plan to cooperate.
- Project that have received support from the ESI Funds will be able to apply for **additional funding for a transnational extension**. Such an extension will be considered if a cooperation with corresponding projects in the Baltic Sea Region appears relevant during the course of the project. If accepted, cooperation costs will be eligible for support and the project schedule will be prolonged.

The Polish partnership agreement suggests starting a discussion with partners from the Baltic Sea Region at the earliest possible stage, but does not describe how individual project application or already funded projects would translate results from these discussions into their project design and implementation. Similarly, the Estonian partnership agreement suggests to organise exchanges at the project design and selection stage. It also in general terms considers that broader cooperation may be of added value for the implementation of projects. This statement complements three concrete commitments with a distinct cooperative dimension: to promote cooperation with neighbouring countries in view of enhancing the capacity to detect and eliminate marine pollution, to ensure “*cross-border interoperability of the base infrastructure and secure data exchange with other (EU)*” and to make research infrastructure “*more open for use by other research institutions, foreign partners and enterprises*”. The partnership agreement also specifies that there is a national working group on the EUSBSR which includes the NCP, the managing authority, PA coordinators and other ministries.

The Lithuanian Partnership Agreement foresees cooperation between all ESI Funds programmes and the EUSBSR. This cooperation can be facilitated by the previously mentioned ‘National Commission for Supervision of the EUSBSR Implementation’. This Commission is coordinated by the Ministry of Foreign Affairs as NCP and consist of representatives from responsible public authorities and agencies (mostly sectoral ministries), including those participating in the administration of the ESI Funds and socio-economic partners. Additionally, the main actors of the EUSBSR (NCP, PA coordinators, leaders of flagship projects) will be invited to ESI Funds Monitoring Committees, where they could discuss the contribution of ESI Funds to implementation of the EUSBSR and other EUSBSR-related issues on a regular basis.



Table 3. Approaches of cooperation models and integrated territorial development in partnership agreements

Country	Mention of art. 15(2)(a)(ii)	Description of cooperation models and integrated approach to territorial development at the Baltic Sea Region level
Denmark	Yes	<p>The partnership agreement for 2014-2020 specifies that coordination mechanisms have not yet been defined in detail. It is expected to implement</p> <ul style="list-style-type: none"> - a strategic cooperation in support of a green growth agenda for the Baltic Sea Region, with specific focus on climate change, employment and sustainable growth - a formalised, practically oriented cooperation on strategy and project implementation, organised around the Ministry of Foreign Affairs (including the Export Council) and the Ministry of Business and Growth (including the Maritime and Business authorities), and also involving other sectoral ministries and the regional level. <p>The general setup of Danish ESI Funds, with two programmes managed jointly, and in which the funding recipients are mainly identified by regional growth forums strongly contributes to ensure a territorially integrated approach.</p> <p>There is specific mention of the intention to pursue cooperation at the level of the Baltic Sea Region with regards to fisheries management and regulation (p. 61).</p>
Estonia	No	<p>It is specified that <i>“besides sectoral committees, a coordination mechanism – a national working group – [has been] established in order to implement the objectives of the EU Strategy for the Baltic Sea Region. The members of the working group are the national contact point, representatives of Managing Authority and other ministries, coordinators of priority axes, etc. The working group coordinates information exchange concerning the EU Strategy for the Baltic Sea Region, its Action Plan and policy areas; programming of funds of relevance for EUSBSR implementation, as well as monitoring of implementation.”</i> (p. 104)</p> <p>The partnership agreement, in a section devoted to the EUSBSR, argues that <i>“the development of interventions (the definition of the specific conditions for granting support in order to achieve the best results) and the monitoring of the implementation of measures will also involve cooperation with partners, considering, among other things, opportunities to expand and multiply the outcomes and impact of interventions through regional and broader cooperation.”</i> (p. 202)</p> <p>This cooperation is described in further detail within some fields, e.g.:</p> <ul style="list-style-type: none"> - ICT: <i>“measures to promote cross-border interoperability of the base infrastructure and secure data exchanges”;</i>



Country	Mention of art. 15(2)(a)(ii)	Description of cooperation models and integrated approach to territorial development at the Baltic Sea Region level
Estonia (continued)		<ul style="list-style-type: none"> - Transport: implementation of the Rail Baltica flagship project in cooperation with Finland, Latvia, Lithuania and Poland within PA Transport (p. 202, English version) - R&D: continued participation in the joint Baltic Sea research and development programme BONUS, participation in pan-European research initiatives, - Economic development: identification of growth sectors <i>“in accordance with the smart specialisation framework”</i>; - Rural development: <i>“focus on cooperation between producers, processors, advisors and researchers”</i>, using the European Innovation Partnership, horizontal and vertical cooperation in the food supply chain.
Finland	No	<p>The partnership agreement presents extensive references to the potential for cooperation in the Baltic Sea Region, and to links between ESI Funds programmes and the EUSBSR and its flagship projects. It is specified that coordination between PAs, HAs, ESI Funds programmes and ETC programmes should be intensified.</p> <p>The partnership agreement promotes ‘smart specialisation’ as the central principle to achieve a territorially integrated development. The strengths of each region need to be identified and developed systematically, in order to reach a sufficient critical mass. This presupposes that the diversity of situation within regions and across the Baltic Sea Region is exploited at that cooperation between regions is developed at all levels. (p. 90)</p> <p>The EUSBSR is furthermore considered to encourage cooperation between key economic sectors of activity and clusters. (p. 91)</p> <p>Some sector-specific cooperation initiatives are mentioned, e.g.:</p> <ul style="list-style-type: none"> - Fisheries: <i>“to continue collaboration at Baltic level in accordance with the flagship project on sustainable aquaculture”</i> (p. 92) - Education and training: <i>“strengthening the social dimension of the Baltic Sea region cooperation can be achieved through lifelong learning and other training institutions, for example by intensifying, such as higher education and vocational education and training, cross-border cooperation. [...] Promoting student and worker mobility, increasing social inclusion and combating poverty are possible means of cooperation, in the same way as, for example, various development projects for learning in work and at work”</i>. (p. 92)



Country	Mention of art. 15(2)(a)(ii)	Description of cooperation models and integrated approach to territorial development at the Baltic Sea Region level
Germany	No	<p>The partnership agreement mentions contributions to the EUSBSR through participation in ETC programmes, and notes that some priority axes of ERDF programmes overlap with objectives and horizontal actions of the EUSBSR.</p> <p>The only forms of cooperation in relation to the EUSBSR outside of the frame of ETC programmes mentioned, relate to German participation as PA coordinators and to maritime policy (integrated maritime policy, National Master Plan for Maritime Technologies, National Aquaculture Strategic Plan).</p>
Latvia	No	<p>As EUSBSR NCP, the Ministry of Foreign Affairs coordinates the activities of an EUSBSR Coordination Working Group. This group, which was established in 2009, includes representatives of all ministries, as well the Employers confederation of Latvia (ECL), the Latvian association of local and rural governments (LALRG) and the Cross-Sectoral Coordination Centre' (CSCC).</p> <p>The group is meant to organise a <i>“coordinated exchange of information on existing and planned projects is ensured towards the achievement of the EUSBSR objectives”</i> (p. 148, English version). However, it is specified that <i>“ministries are encouraged to identify and promote in each dialogue with social partners the implementation within the framework of the EUSBSR Action Plan of regional cooperation projects concerning their particular industry”</i>. Furthermore, <i>“sectoral ministries or institutions [are] expected to ensure the identification of national interests and attraction of financing for EUSBSR projects in their respective field using both national and ESI funds”</i>. This suggests that the primary role of the coordination group is to provide information on the EUSBSR to sectoral ministries, but that it does not as such take the initiative to projects or organise them.</p> <p>The involvement of the NCP in the partnership agreement management team and in the monitoring committees of OPs is furthermore envisaged (p. 143, English version).</p> <p>Cooperation in relation to the EUSBSR is described in very general terms in the partnership agreement: <i>“In the context of ESI Funds, the EUSBSR, which is a significant instrument of cooperation, is considered as an important tool for the growth of Latvia, allowing coordination of the national needs and challenges on the regional level, facilitating joint implementation of the projects, in order for it to ensure reaching common objectives defined by EUSBSR.”</i> Cooperation is therefore approached on the basis of national needs, rather than that of a Latvian contribution to ambitions at the level of the Baltic Sea Region.</p>



Country	Mention of art. 15(2)(a)(ii)	Description of cooperation models and integrated approach to territorial development at the Baltic Sea Region level
		<p>This cooperation is further specified at OP-level (see Table 8 p. 43).</p> <p>The main sector-specific cooperation initiative mentioned in the partnership agreement concerns the “Tabakas Fabrika” creative hub in Riga, which will <i>“facilitate interregional exchanges of innovative educational models and best practice in entrepreneurship and will promote cooperation among SMEs and educational institutions in the cultural and creative industries”</i> (p. 186, English version), and has received 50, 000 € in seed money to cooperate with other BSR countries.</p>
Lithuania	No	<p>There is a ‘National Commission for Supervision of the EUSBSR Implementation’ which consists of representatives of from relevant public authorities and agencies (mostly sectoral ministries), including those participating in the administration of the ESI Funds, and of socio-economic partners. Additionally, it is foreseen to invite main actors of the EUSBSR (national coordinator of the EUSBSR, policy area coordinators, leaders of flagship projects) to Monitoring Committees for the ESI Funds. (p. 135, English version)</p> <p>The EUSBSR is presented as <i>“a perfect platform for [...] coordinated interregional cooperation”</i> in order to <i>“to tackle common challenges”</i> and <i>“use the potential of the region more effectively to improve the welfare of the region’s population, while contributing to better economic, social and territorial cohesion within the EU”</i>. It is furthermore argued that <i>“the EUSBSR allows to tackle cross-border challenges more effectively, which in turn has a positive impact on the overall development of the country’s economy”</i> (p. 10, English version)</p> <p>A series of sector-specific cooperation initiatives are mentioned:</p> <ul style="list-style-type: none"> - R&D: <i>“For the purpose of further development of RDI and ensuring of its efficiency it is planned, where appropriate, [...] cooperate with other countries of the Baltic Sea Region, to continue successful implementation of the flagship projects envisioned in the EUSBSR action plan, such as BSR stars and ScanBalt Health Region [...], in particular having in mind that these projects are consistent with the directions set in the smart specialisation strategy.”</i> (p. 17, English version) - Energy: <i>“It is planned for the construction of new advanced power transmission lines ensuring technical possibilities for power exchange through interconnectivity with Poland and Sweden.”</i> (p. 40, English version) - Transport: <i>“As to the transport sector, cooperation with Poland, Estonia and Latvia is planned for the purpose of building connections as part of the priority project ‘Rail Baltica’ envisaged in the EUSBSR Action Plan.”</i> (p. 168, English version)



Country	Mention of art. 15(2)(a)(ii)	Description of cooperation models and integrated approach to territorial development at the Baltic Sea Region level
Lithuania (continued)		<p>- Education: <i>“promoting internationalisation and academic mobility of studies”</i> (p. 169, English version)</p> <p>- Rural development: <i>“supporting cooperation between the currently functioning national rural networks of the region, encouraging relations between regional communities and local action groups as well as initiating and supporting other network-based cooperation structures at national and regional levels”</i>, (p. 169, English version)</p> <p>The focus is said to be on <i>“planning inter-state actions and cooperation in a constructive and coordinated manner”</i> (p. 167). However, the concrete initiatives in relation to the EUSBSR that are mentioned (see above and Table 6 p. 27) refer to further developing already existing cooperation networks or applying predefined measures such as constructing specific types of infrastructure.</p>
Poland	No	<p>A working party for the implementation of the EUSBSR has been established at the NCP (i.e. the Ministry of Foreign Affairs). This working party is a <i>“forum for exchange of information and experience between the representatives of various institutions involved in the implementation of the Strategy”</i> (p. 224, English version)</p> <p>The National Focal Point (NFP) for the EUSBSR is involved in the activities of the Partnership Agreement Coordination Committee (PA CC) for strategic issues and the Interministerial Team for Programming and Implementation of EU Structural Funds and Cohesion Fund for management coordination. (pp. 179-181, English version)</p> <p>On a general level, it is recommended to establish links between the managing authorities of ESI Funds programmes and steering committees of PAs and HAs, and to start a discussion and planning with partners from the Baltic Sea Region implementing the strategy.</p> <p>Some more sector-specific cooperation arrangements are mentioned, e.g.:</p> <ul style="list-style-type: none"> - R&D: <i>“Creating international research teams with partners from the Baltic Sea region”</i> (p. 90, English version). - Economic development: <i>“Polish enterprises engaging in cross-border cooperation will use experience and practice from the existing business value chains”</i> (p. 101, English version).
Sweden	No	<p>In Sweden, the implementation of the EUSBSR is coordinated by the EU Secretariat at the Prime Minister’s Office. This coordination is supported by an inter-ministerial working group that includes all relevant ministries so as to ensure that there is an unbroken link to each of the various policy areas affected by the Strategy. By virtue of a Government mandate, the Swedish Agency for Economic and Regional Growth (Vinnova) is</p>



Country	Mention of art. 15(2)(a)(ii)	Description of cooperation models and integrated approach to territorial development at the Baltic Sea Region level
Sweden (continued)		<p>responsible for working on knowledge creation at a total of 36 authorities and County Administrative Boards that all have the duty to support the implementation of the EUSBSR.</p> <p>On a general level, the partnership agreement argues that the territorial programmes' contribution to sustainable growth requires that they are coordinated with other regional, national and European growth measures. The macro-regional (Baltic) level is not mentioned. It is foreseen that coordination should be achieved through <i>“an integrated programme elaboration, in which exchanges of knowledge and information should be carried out continuously between involved actors to achieve synergies and potential complementarities between the different measures”</i> (p. 160).</p> <p>Additionally, the partnership agreement argues that <i>“integrated and coordinated multi-level governance is an important factor of success for the EUSBSR, for example through the participation of local and regional actors in the work”</i>.</p> <p>Some Sector-specific cooperation arrangements are mentioned, e.g.:</p> <ul style="list-style-type: none"> - SMEs: <i>“importance of coordination between different actors at different levels to benefit from each other's expertise, coordinate resources and efficient implementation”</i> (p. 76) - Climate change: <i>“The EUSBSR can be used as a platform for collaboration and knowledge sharing in climate adaptation issues between the countries around the Baltic Sea.”</i> (p. 80) - Innovation: <i>“Cross-border research and innovation activities [...] should be encouraged in the programmes by small business networking, cluster development and research cooperation in the Baltic region.[...] This applies for example in the strengthening of research related to the maritime sector. The areas in which Sweden and the Baltic Sea region have been considered to have the potential to become globally competitive under PAs for innovation and research in the EUSBSR, is pure water, active aging, elderly housing, telecommunications, marine biotechnology and marine transport chains.”</i> (p. 69) - ICT: <i>“Efforts to encourage the use digital services also across borders within the programmes should be stimulated [...] PA internal market is one of several important tools to use as part of efforts to create better conditions for cross-border digital services and so also the possibilities of e-commerce in the region.”</i> (p.73) - Transport: <i>“The EUSBSR has an important role to develop effective solutions to remedy the deficiencies and bottlenecks in the network infrastructure in connections between the overall transport network and local and regional centres.”</i> (p. 84).



The German partnership agreement does not mention cooperation in relation to the EUSBSR outside of the frame of ETC programmes, except German participation as PA coordinators and issues related to maritime policy.

References to 'smart specialisation' in the Finnish and Estonian partnership agreements suggest an approach to integrated territorial development based on the identification of specific assets at different geographical levels, from the local to the transnational. As such, they imply forms of cooperation and coordination, e.g. based on complementarity and exchanges of experience. The Swedish reference to multi-level governance may reflect a similar understanding of how individual projects may contribute to the EUSBSR.

However, the partnership agreements' concrete proposals on how to organise contributions to the EUSBSR can only to a limited extent be related to ambitions to promote 'smart specialisation', 'multi-level governance' or other forms of cooperation and coordination involving actors from different levels from the local to the transnational. Such dynamics are generally expected to emerge bottom-up. Different organisational arrangements are foreseen or considered as a possibility:

- joint implementation of projects, in which the partners receive funding from the programmes of their respective country or region (Denmark, Finland, Sweden and, in very general terms, Latvia);
- possibility of broadening the geographical scope of existing projects beyond the programme area (Denmark, Sweden);
- joint calls for projects of EUSBSR relevance (Lithuania);
- targeted calls focusing in EUSBSR projects (Poland, Sweden, also envisaged in southern Finland).

There are only few examples of organisational measures to encourage local, regional and national actors to think more internationally. One can in this respect mention exchanges of information and coordination at the project design stage foreseen in Poland and Estonia. Additionally, the Latvian partnership agreement mentions that "*to ensure the achievement of EUSBSR and alignment with national operational programmes, Baltic Sea Region countries are holding regular meetings to foster the development of common projects, where Latvia is participating actively*" (p. 186, English version).



Table 4. Concrete proposals on how to organise contributions to the EUSBSR in partnership agreements

Country	Concrete organisational proposals
Denmark	<p>There is a possibility of applying for projects 1) that have an explicit EUSBSR focus, and 2) to add an EUSBSR component to existing projects. This concerns both the ERDF and ESF programmes. However, actors outside Denmark will not be allowed to receive subsidies. They can only participate as sub-contractors (p. 189-190). This arrangement is very similar to the one described in the Swedish partnership agreement (see below).</p> <p>Such projects may receive support from a budget line managed centrally at the national level (as opposed to remaining funds managed by regional growth forums). This budget line corresponds to approximately 7.5%² of the total budget of each programme, and also covers support to e.g. growth plans and the forthcoming strategy to promote Denmark as a production country. It specifically targets ‘inter-regional projects’ (i.e. cooperative projects involving multiple Danish regions).</p> <p>Furthermore, the Danish partnership agreement mentions that <i>“regional growth forums [which are responsible for recommending which projects should receive projects from the ERDF and ESF programmes] can choose to give projects [with explicit focus on the EUSBSR] priority over other projects in their regional selection criteria”</i> (p. 61).</p>
Estonia	<p>It is foreseen to develop evaluation methods making it possible to promote projects that apply the most efficient methods to contribute to the EUSBSR (e.g. macro-regional cooperation). This can lead to giving projects making a contribution to the EUSBSR additional points and influence the range of activities considered eligible for support. (p. 199, English version)</p> <p>It is mentioned that <i>“the development of interventions (the definition of the specific conditions for granting support in order to achieve the best results) and the monitoring of the implementation of measures will also involve cooperation with partners, considering, among other things, opportunities to expand and multiply the outcomes and impact of interventions through regional and broader cooperation”</i> (p. 202, English version). Cooperation is therefore regarded as a key dimension of EUSBSR relevance.</p>
Finland	<p>According to the partnership agreement, EUSBSR relevance is one of the selection criteria for projects.</p> <p>For all ESI Funds programme, the implementation of the EUSBSR is monitored in EURA 2014 system at two levels: the officials mark the projects that contribute directly or indirectly to EUSBSR targets and priorities. Special attention is paid to the consistency and unambiguity of the criteria by offering guidance and training. (p. 92)</p>

² <http://regionalt.erhvervsstyrelsen.dk/nationalpulje>



Country	Concrete organisational proposals
Germany	No concrete organisational proposals have been identified.
Latvia	It is foreseen to use 'EUSBSR relevance' as a selection criterion in some calls. Additionally, within calls for some specific support objectives (oriented also to achievement of EUSBSR objectives) the financing of pilot projects will be possible.
Lithuania	<p>The partnership plans to give priority to projects that contribute to the implementation of the EUSBSR at the level of OP measures.</p> <p>The possibility of launching "<i>joint calls for project applications contributing to the implementation of the EUSBSR</i>"³ is foreseen.</p> <p>The partnership agreement argues that "<i>systematic monitoring</i>" will be ensured as a consequence of the application of priority criteria to ESI funds programmes projects that contribute to the EUSBSR. This suggests that monitoring of EUSBSR relevant results will consist in monitoring of projects that declare themselves EUSBSR relevant when they apply for funding. It is furthermore specified that "<i>evaluations which will be coordinated with evaluations in other countries</i>" (p. 135, English version).</p>
Poland	<p>The partnership agreement points out that each programme may implement specific measures in support of the EUSBSR such as the organisation of targeted calls, assigning additional points to EUSBSR relevant projects in the evaluation process and the practical use of the rules on eligibility of operations depending on the location. It is up to the OPs to adopt these solutions or not.</p> <p>In terms of monitoring of EUSBSR results, the partnership agreement specifies that it will modify its IT system to reflect changes resulting from the EUSBSR Action Plan of February 2013, making it possible to identify contributions to the EUSBSR. In addition, "<i>specific projects/actions/priority axes that contribute directly to the achievement of indicators listed in the EUSBSR Action Plan</i>" will be identified using a qualitative approach. (p. 224, English version)</p>
Sweden	<p>There is a possibility of (1) applying for integrated macro-regional projects, in which transnational cooperation is an integral part of the project from the beginning and (2) adding an transnational component to an existing projects by applying for additional funding for cooperation with projects in other EUSBSR countries. This arrangement is very similar to the one described in the Danish partnership agreement (see above).</p> <p>The partnership agreement specifies that all OPs must apply one or more of the following methods (p. 162):</p> <ul style="list-style-type: none"> - selection criteria for projects of EUSBSR relevance - using the possibility of co-funding cross-border efforts - identification of potential cooperation areas and partners in the Baltic Sea

³ "Where needed and where Member States express a common interest, launching, where applicable, joint calls for project applications contributing to the implementation of the EUSBSR. Carrying out cooperation projects implemented under the ETC cross-border cooperation and international cooperation in the Baltic Sea Region programme will support initiatives of Lithuanian partners, which contribute to the implementation of the EUSBSR." (Lithuanian Partnership Agreement, p. 168)



Country	Concrete organisational proposals
Sweden (continued)	Region in the OP - allocation of funds for priorities and / or projects that are in line with EUSBSR (as defined in the Plan) - Specify commitments connected to the EUSBSR in the programme document. Additionally, it foresees the possibility of making specific calls for projects of EUSBSR relevance, and of giving priority to projects of EUSBSR relevance with cooperation partners.

Article 70(2) of the CPR (see Text Box 3) is only referred to in four partnership agreements with Member States of the Baltic Sea Region (see Table 5). These references are explicitly related to cooperation in the Baltic Sea Region in all four cases. However, even when there is no explicit reference to this article, this possibility may be envisaged to in some cases. In Latvia, actions funded by the ESF may benefit from specific provisions to facilitate cooperation outside the programme area. In the OP 'Growth and Employment', it is stated that Latvia plans to implement provisions with a 'particular emphasis' on cooperation within the frame of EUSBSR. It is further specified that "*ESF financing shall contribute to strengthen the social dimension of the [EUSBSR], to promote social and economic development of the region and to implement measures within the framework of priority axes 'Competitiveness of small and medium-sized enterprises', 'Employment, labour mobility and social inclusion' and 'Education, skills and lifelong learning'*".

In Germany, the partnership agreement does not elaborate on the possibility of spending funds outside of programme areas. However, the OP for Mecklenburg-Vorpommern refers to article 70(2) of the CPR (p. 147) and specifies that the implementation of projects outside the programme area is possible.

The Swedish partnership agreement describes the possibility of basing measures on a cross-border analysis and of promoting partnerships with actors from other Member States. However, the possibility of spending funds from Swedish programmes outside of their programme area is not mentioned.

The Finnish partnership explicitly refers to article 70(2) and further emphasizes the possibility of using ESI Funds, and especially the ERDF, to support co-operation between actors of the Baltic Sea Region. Co-operation is considered important for the development of the Finnish knowledge and innovation hubs and in view of overcoming environmental challenges in the Baltic Sea. According to the partnership agreement, co-operation between actors of different Baltic Sea countries and beyond is especially needed in the key business sectors and clusters, which is in line with the EUSBSR (p. 91).

In the Polish partnership agreement, in addition to the explicit reference to article 70(2) (see Table 5 below), it is stated that programmes could support the EUSBSR inter alia by making "*practical use of the provisions on operation eligibility depending on its location*" (see Table 4 above). This can be interpreted as a further encouragement to use the possibilities offered by article 70(2) to allow OPs to support the EUSBSR.

The South Baltic CP does not mention the possibility to involve partners outside de programme area.



Text Box 3. Article 70(2)

The managing authority may accept that an operation is implemented outside the programme area but within the Union, provided that all the following conditions are satisfied:

- (a) the operation is for the benefit of the programme area;
- (b) the total amount allocated under the programme to operations located outside the programme area does not exceed 15 % of the support from the ERDF, Cohesion Fund and EMFF at the level of the priority, or 5 % of the support from the EAFRD at the level of the programme;
- (c) the monitoring committee has given its agreement to the operation or types of operations concerned;
- (d) the obligations of the authorities for the programme in relation to management, control and audit concerning the operation are fulfilled by the authorities responsible for the programme under which that operation is supported or they enter into agreements with authorities in the area in which the operation is implemented.

Table 5. References to article 70(2) in the partnership agreement

Country	Reference to article 70(2)
Denmark	No
Estonia	<i>“When implementing the operational programmes for ESI Funds, it is considered to use the possibility to support activities outside the programme area within the EU in accordance with Article 70(2) of the Common Provision Regulation.” (p. 202)</i>
Finland	<i>“For example, Finland’s northern location requires that many specific risks are taken into account. Risk assessment, development of risk management systems and preparedness for different extreme climate events (e.g. floods) or accidents (e.g. boat traffic, especially maritime transport of hazardous substances) requires closer cooperation between Member States around the Baltic Sea. ESI Funds can support these goals. For example, Article 70 of the draft Common Provisions Regulation gives the opportunity to use ERDF to co-finance operations across the EU; support may not exceed 15 percent in each policy area. This gives a good starting point and encourages finding and developing new kind of project</i>



Country	Reference to article 70(2)
Finland (continued)	<i>packages in the Baltic Sea area. Similarly, one seeks to make the division of tasks and cooperation with ETC programmes and the measures in the framework of the EAFRD and the EMFF more efficient and one investigates the possibilities of cooperation with other actors in the Baltic Sea Region (e.g. HELCOM, the Nordic Council and the Barents Council)."</i> (p. 91)
Germany	No
Latvia	No
Lithuania	<i>"It should be noted that, where needed and where a clear value-added is evident, when implementing joint projects with other countries, a certain share of funds could be spent outside the territory of the programmes as laid down in article 70.2 of Common Provisions Regulation. Such a possibility is provided for in the Common Provisions Regulation."</i> (p. 168, English version)
Poland	<i>"The special potential to achieve the EUSBSR objectives stems from Article 70 of the Regulation No 1303/2013 which will be used, on mutual terms between the involved countries, to develop cross-border cooperation, thanks to the possibility to implement operations outside the programme area. Inclusion of the so-called cross-border component in the programmes under the objective Investment for growth and jobs will provide an incentive to implement projects that not only fall within the scope of the EUSBSR, but also contribute to the accomplishment of its objectives."</i> (p. 224, English version)
Sweden	No

Considering the general diversity of frameworks established at the level of partnership agreements, project applicants and project partners may find it difficult to identify contacts in other countries with the capacity to cooperate. A number of solutions are envisaged, but they are often not compatible with each other and focus on different issues and themes. It can therefore be feared that cooperative projects will either be limited to countries sharing similar approaches (e.g. Finland and Sweden), or be forced to limit their level of ambition to the 'least common denominator' across the Baltic Sea Region. However, only few explicit limitations on cooperation across national boundaries or with a macro-regional perspective appear in the partnership agreements. The possibility of applying more ambitious options therefore needs to be explored.



4. Foreseen contributions to the EUSBSR

4.1 Contributions to the EUSBSR described at partnership agreement-level

References to potential contributions to the EUSBSR at the level of the partnership agreements vary from country to country. The level of precision depends on the number of OPs in each country; a country with few OPs will tend to be more specific in the partnership agreement than one with many. However, some significant differences may be noted in the approach of ESI Funds Programmes' contribution to the EUSBSR. The German partnership agreement mainly mentions that this is a matter for the OPs and provides a few examples of themes that can be addressed. The Polish partnership agreement is slightly more specific, by suggesting a focus on issues related to economic development, climate change, transport and energy.

Some partnership agreements seek to define EUSBSR relevance. The Swedish partnership agreement focuses on defining principles for contributions to the EUSBSR, rather than thematic convergence. It provides a definition of EUSBSR relevant projects with clear criteria (see Text Box 4) and describes the reasons for which the regional and national programmes should include such projects. This definition emphasizes that dealing with the same theme or issue as the EUSBSR is not sufficient to characterise a project as 'EUSBSR relevant'. The Lithuanian partnership agreement develops a similar position, but also considers a notion of 'cumulative impact' (see Text Box 5). It can be compared to the notions of 'complementary actions' and 'mirror projects' proposed by the South Baltic Cooperation Programme. The Polish partnership agreement is initially more restrictive, as it considers that direct contributions to the EUSBSR result from projects that, for all or part of their activities, are given the status of 'flagship project'. However, the possibility of "*operations that indirectly affect the achievement of objectives and indicators defined under the EUSBSR*" (p. 224, English version) is also foreseen. Furthermore, it is stated that "*projects whose impact covers other countries from the Baltic Sea region (e.g. environmental programmes to improve the condition of the Baltic Sea) or cross-border projects involving foreign partners will have a direct impact on the implementation of the Strategy*" (p. 224, English version).

Text Box 4. Swedish partnership agreement definition of 'EUSBSR relevant project'

"A flagship project (described in the Action Plan of the Strategy) or project with a clear macro-regional influence that contributes to reach the objectives of the strategy connected to a given set of indicator and that contribute to the implementation of one or more measures of the EUSBSR Action Plan."
(p. 161)



Text Box 5. Lithuanian partnership agreement definition of 'EUSBSR relevant project'

"A project will be treated as contributing to the EUSBSR provided that its subject is in line with the policy areas, horizontal actions and/or flagship projects listed in the EUSBSR Action Plan and its implementation involves an international partner. A project may also be found contributing to the EUSBSR where it has a cumulative impact, which means that a project together with other similar projects undertaken in other countries contributes to the implementation of policy areas, horizontal actions and/or flagship projects listed in the EUSBSR Action Plan." (p. 168)

The Danish partnership agreement provides examples of specific potential contributions of ESI Funds Programmes to PAs: the ERDF and ESF programmes could contribute to PA Safe respectively through efforts to promote innovation and education in the maritime sector. PA SME could benefit from projects that focus on entrepreneurship and PA Energy from investments in the fields of innovative energy and improved resource efficiency. However, it is clearly stated that only effects pertaining to the sub-objectives 'implementation of the Europe 2020 strategy' and 'improved global competitiveness of the Baltic Sea Region' could follow logically from the measures implemented under the programmes. All other effects of relevance for the EUSBSR would be incidental. This restrictive scope of envisaged direct effects is derived from the ways in which the objectives of the Danish ESF and ERDF programmes have been formulated.

The Latvian approach is equally selective, but also explicitly based on the identification of national interests within the EUSBSR. The partnership agreement identifies Latvia's three 'special interests' in relation to the EUSBSR. These are (1) increased competitiveness and balanced development, (2) energy, education, research, culture, health, competitiveness and public safety and (3) linked to the EUSBSR objective 'Connect the Region'. The partnership agreement then suggests that Latvian ESI Funds Programmes may contribute to these aspects of the strategy. While the description of themes and issues of national interest is wide and relatively unspecific, the importance of coastal and maritime planning is emphasized. The objective is to contribute both to the coordinated attainment of the EU Long-term Blue Growth Strategy (COM/2012/0494) and to the EUSBSR objective of creating preconditions for sustainable use of marine space.

The Latvian partnership agreement therefore has a relatively targeted approach to national ESI Funds contributions to the EUSBSR. However, it focuses on synergies between these programmes and ETC programmes. It proposes to establish a consultation working group to monitor the relevance and quality of ETC results, while a national sub-committee would advise national authorities on the programmes' activities and help to avoid overlaps with project activities of other financial instruments. These two bodies would seek to ensure that ETC activities correspond to the priorities of national ESI Funds programmes. This would create a situation where ETC cooperation activities are of relevance for at least a selection of projects supported by national ESI Funds programmes.



Some partnership agreements emphasize the importance of the EUSBSR as a lever to promote national interests. For example, the Lithuanian partnership agreement justifies the potential support of ESI Funds programmes to EUSBSR flagship projects such as ‘BSR stars’ and ‘ScanBalt Health Region’ by pointing out that “*these projects are consistent with the directions set in the [national] smart specialisation strategy*”. National interests are also central when the partnership agreement focuses on the Rail Baltica project’s contribution to PA Transport and on the relevance for EUSBSR sub-objective ‘Reliable energy markets’ of the construction of new advanced power transmission lines ensuring technical possibilities for power exchange through interconnectivity with Poland and Sweden. Similarly, the Estonian partnership agreement emphasizes that improvements in the capacity to detect and eliminate marine pollution will be of particular relevance from a national perspective, as “*Estonian waters are almost in their entirety characterised by an ecosystem sensitive to oil pollution*” (p. 200). The Estonian participation in transnational research initiative is justified as a way of “*increasing the international competitiveness of Estonian R&D*” (p. 201).

However, the partnership agreements of both countries also emphasise how the pursuit of national priorities can contribute to objectives at the level of the Baltic Sea Region. This in the Lithuanian case for example concerns ‘Land consolidation, agricultural water management measures’ which may contribute to the EUSBSR sub-objective ‘Climate change adaptation’. Estonia highlights its role as coordinator of the PA ‘Internal Market – Removing hindrances to the internal market’, and describes a number of foreseen activities with financing from ESI Funds that could contribute to help “*enterprises and citizens [...] use electronic services across borders*” (p. 201). Overall, Lithuanian and Estonian contributions to the EUSBSR are therefore approached by connecting policy objectives at the national and transnational scales.

Generally, the partnership agreements demonstrate the difficulty of providing a general description of interdependencies between national/regional interests on the one hand, and transnational strategic objectives on the other. Identified interdependencies are sector-specific, and often also case-specific. Highlighting such interdependencies is important, as they are a precondition for substantial contributions to the EUSBSR. The lack of guidance of the EUSBSR Action Plan on the identification of interdependencies is a major weakness of the strategy, of which the effects can be observed in the partnership agreements.

Table 6. Mention of potential contributions of ESI Funds programmes to the EUSBSR in partnership agreements

Country	Mention of ESI Funds programmes contributions to the EUSBSR
Denmark	<p>Tables illustrating the contribution to the two sub-objectives ‘contribution to the implementation of the EU 2020 strategy’ and ‘improved competitiveness’ only, and corresponding targets and indicators of the EUSBSR are provided.</p> <p>The partnership agreement also refers to several PAs, for example:</p> <ul style="list-style-type: none"> - PA Safe, to which the OP ‘Innovation and Sustainable Growth in Businesses’ could for example contribute through projects on innovation in the maritime sector, and the ESF through an effort to promote education in the maritime sector, e.g. for offshore activities.



Country	Mention of ESI Funds programmes contributions to the EUSBSR
	<ul style="list-style-type: none"> - PA SME, to which the ESF OP could contribute through projects promoting entrepreneurship and growth oriented competence enhancement; - PA Energy, to which the ERDF programme could contribute by supporting innovative energy solutions and improvement of energy and resource efficiency among SMEs. - PA Agri, flagship project ‘Baltfish’ which is a highly relevant forum for regional cooperation on fisheries related topic, <i>“Regional cooperation in BALTFISH has developed very positively, and new approaches to fisheries management will continue to be coordinated within this regional cooperation”</i> (p. 61).
Estonia	<p>The partnership agreement highlights the link between a number of priority axes of the Estonian multifund programme for Cohesion Policy Funds and EUSBSR sub-objectives:</p> <ul style="list-style-type: none"> - priority axis ‘Water protection’ and sub-objective ‘Clear water in the sea’, which will additionally be supported by the Rural Development Plan through <i>“awareness-raising activities, promotion of environmental investment and environmental payments aimed at reducing the environmental impact of agriculture”</i> (p. 200, English version). More generally, the priority axis ‘Growth-capable entrepreneurship and internationally competitive RD&I’ will promote environmental protection in the Baltic Sea Region. - Priority axis ‘Sustainable transport’ and sub-objective ‘Good transport conditions’; - priority axis ‘Infrastructure for ICT services’ and sub-objective ‘Connecting people in the region’; - priority axis ‘Energy savings’ and sub-objective ‘reliable energy markets’; - priority axis ‘Development of small and medium-sized enterprises and strengthening the competitiveness of regions’ and EUSBSR sub-objective ‘improved global competitiveness’ <p>The Partnership Agreement also makes references to the following policy areas: PA Transport (p. 66), PA Internal market (p. 201), PA Education, , PA Ship, PA Tourism, PA SMEs (pp. 203 and 209)</p>
Finland	<p>The partnership agreement considers that the different ESI Funds make complementary contributions to the EUSBSR. The Rural Development and EMFF programme primarily contribute to the ‘save the sea’ objective, while the Structural Funds primarily promote the ‘connect the region’ and ‘increase prosperity’ objectives. (p. 69, Swedish version)</p> <p>From the perspective of southern and western Finland, the central objective of the EUSBSR is to increase prosperity and measures to support this will primarily be financed under priority axes 2 and 1. The promotion of cleantech as a new economic motor will strengthen the cooperation between industries and researchers in the Baltic Sea Region. On a small scale, it should be possible to support efforts to improve the state of the Baltic Sea within priority axis 2, but the programme’s real effort for the Baltic Sea can result more indirectly from R&D activities within priority axis 2 and the development of businesses within priority axis 1. Since logistical</p>



Country	Mention of ESI Funds programmes contributions to the EUSBSR
Finland (continued)	<p>infrastructure investments are not possible [to fund] in southern and western Finland, the regions' possible contribution to integration of the Baltic Sea Region may primarily come through research, development and innovation. ESI Funds may then for example be used for the development of system innovations that support smart transport and energy solutions. The Partnership Agreement also mentions some policy areas, e.g. PA Agri, PA Nutri, PA Safe and PA Crime.</p>
Germany	<p>The objectives of several PAs are reflected in the programmes. For example, a contribution to the EUSBSR PA Innovation is implemented through the thematic focus on the goals of research and development. Also for other key EUSBSR areas of action such as PA 'Promotion of entrepreneurship in SMEs and strengthening SME growth' and HA 'Sustainable development and bio-economy' links and thematic overlaps with ERDF programmes can be found. PA Tourism, PA Culture, PA Education are also mentioned.</p>
Latvia	<p>Indicative priority axes and specific objectives contributing to reaching EUSBSR objectives are identified in Annex 9 to the Partnership Agreement and within the operational programmes of appropriate funds. Different policy areas/horizontal actions are mentioned within the PA as well, for example PA Energy, PA Bio, PA Nutri, PA Ship, PA Hazards, HA Sustainable development, PA Agri, PA Transport and PA Safe. A number of flagships are also mentioned.</p> <p>The Latvian partnership agreement in general terms mentions that special interests in the EUSBSR context are <i>"(1) increasing competitiveness of the Baltic Sea Eastern shore and ensuring balanced development, (2) policy areas of Latvia in EUSBSR framework are: energy, education, research, culture, health, competitiveness and public safety and (3) Importance of EUSBSR objective 'Connect the Region', striving for coordinated approach in development of transportation infrastructure (Western – Eastern, Northern-Southern direction)"</i> (p. 16, English version).</p> <p>It is claimed that <i>"investments of ESI funds in Latvia in these areas will provide direct contribution to reaching of EUSBSR objectives"</i> (p. 186, English version).</p>
Lithuania	<p>The partnership agreement provides an extensive list of potential thematic overlaps between different OPs and EUSBSR objectives, as well as policy areas. It states that <i>"given the implementation of EUSBSR objectives, the following areas of cooperation have been foreseen for the 2014-2020 programming period: research and innovation; improving competitiveness among SMEs; environmental protection; increasing energy efficiency; combating climate change; transport; ICT; international exchanges in the areas of employment, education and training"</i>.</p> <p>Additionally, concrete contributions to 4 sub-objectives are described, namely 'reliable energy markets', 'clean and safe shipping', 'clean water in the sea' and 'climate change adaptation'.</p> <p>References to cooperation outside of ETC programmes include actions within these fields, but also concern the Rail Baltica flagship project, the continued implementation of flagship projects such as BSR stars and ScanBalt Health Region, the expansion of networks in the cultural and creative industries sector, improvements in R&D infrastructure and enhancements of quality and openness of</p>



Country	Mention of ESI Funds programmes contributions to the EUSBSR
	higher education, improvements of energy and transport links and infrastructure, competitiveness and internationalisation of SMEs and the promotion of sustainable development.
Poland	<p>The partnership agreement states that it will be possible to use ESI Funds for financing activities of all three general objectives of the EUSBSR. Contributions will in particular be facilitated for actions that contribute to improve the competitiveness of the Baltic Sea region, implement the Europe 2020 Strategy, adapt to climate change and to improve transport and energy connections as well as biodiversity and water quality. The partnership agreement states that the PAs of particular interest for Poland are R&D (including smart specialisation in the context of the entire Baltic Sea Region), technology and innovation transfers, climate change and environmental protection, culture, transport, energy security, building human and social capital, labour market, as well as blue growth and implementation of maritime policy. These priorities are reflected in the selection of PAs for which Polish authorities assume coordination responsibility (PAs Innovation, Nutri and Culture. These are also the areas “<i>where Poland wants to cooperate with other countries from the region</i>” (p. 223, English version).</p> <p>A table illustrating the complementarity between of the PAs of the EUSBSR and thematic objectives of the partnership agreement is provided (pp. 222-223).</p>
Sweden	<p>The Swedish partnership agreement leaves for the regional and national OPs to define which EUSBSR objectives and sub-objectives they should focus on, even if some suggestions are made in the partnership agreement (see example below). Furthermore, principles for contribution to the EUSBSR are listed:</p> <ul style="list-style-type: none"> - Efforts have to be targeted to be efficient - Integration and cooperation within the framework of multi-level governance is a factor of success, e.g. by involving local and regional actors - All relevant EU-programmes in the Baltic Sea Region should be involved - One should preferably base the actions on cooperation with partners from other Member States. The added value of this cooperation should be clearly established, e.g. by considering that it make it possible to reach a critical mass, exchange of knowledge or to implement joint solutions to shared problems <p>The partnership agreement make suggestions on how to focus the Rural Development programme in relation to the EUSBSR considering that if “<i>could for example be more clearly connected to the goals and priorities within the ‘save the sea’ and ‘increase prosperity’</i>”. Within these objectives one finds priorities that can be linked to reduced nutrient emissions and the development of tourism, cultural values, innovation and small and medium enterprises. A horizontal activity is sustainable development and bio-economy, where there are good opportunities to link efforts in the Rural Development Programme” (p. 56, Swedish version)</p> <p>The Partnership Agreement refers to a number of objectives, sub-objectives and policy areas/horizontal actions of the EUSBSR, thereby emphasizing the extent of thematic overlaps (e.g. PA Agri, PA Innovation, PA Transport, PA Education, PA Hazards, PA Sustainable development and bio-economy).</p>



4.2 Contributions to the EUSBSR described in individual OPs

Articles 27(3) and 96(3)(e) of the Common Provisions Regulations require that OPs explain how they set out to contribute to the EUSBSR. The formulation implies that this contribution must be related to the need to the programme area 'as identified by the Member State'.

Text Box 6. Article 27(3) of the CPR

Where Member States and regions participate in macro-regional strategies or sea basin strategies, the relevant programme, in accordance with the needs of the programme area as identified by the Member State, **shall set out the contribution of the planned interventions to those strategies.**

Text Box 7. Article 96(3)(e) of the CPR

Taking into account its content and objectives, an operational programme shall describe the integrated approach to territorial development, having regard to the Partnership Agreement, and showing how that operational programme contributes to the accomplishment of its objectives and expected results, **specifying**, where appropriate, the following:

- (a) where Member States and regions participate in macro- regional strategies and sea-basin strategies, subject to the needs of the programme area as identified by the Member State, **the contribution of the planned interventions under the programme to such strategies.**

As illustrated by Table 7, practically none of the reviewed OPs refer explicitly to either article. However, most OPs demonstrate a concern to comply with their provisions. The OPs of the national programmes adopt different approaches to the description of contributions to the EUSBSR. Some consider it thematically, without regard to levels of cooperation or to the integration of measures in a multilevel framework which would include the objectives defined at the level of the Baltic Sea Region by the EUSBSR. Within this group, some OPs only target a few sub-objectives, while others include an extensive description of thematic overlaps with the EUSBSR:

- The Danish, Finnish and Swedish national ERDF and ESF programmes consider that contributions will be restricted to a few sub-objectives, and that all other effects of relevance for the EUSBSR will be incidental.



- Both the Finnish and Polish EMFF programmes focus on effects on PAs dealing with themes associated with maritime issues and fisheries (Agri and Bio).
- The Latvian national OP 'Growth and Employment' and Lithuanian national OP for EU Structural Funds Investments in similar ways identify numerous links based on thematic overlaps between these programmes and the EUSBSR. The OPs repeatedly highlight interdependences between national measures and investments on the one hand, and processes of cooperation and coordination at the level of the Baltic Sea Region, on the other. In some instances, concrete complementarities between ESI Funds and other sources of funding are mentioned. For example, the Lithuanian OP for EU Structural Funds Investments mentions that "*the Connecting Europe Facility will finance transnational projects of European common interest (e.g. Lithuania-Poland power link LitPol Link), while resources of the EU funds 2014-2020 will be used for internal links necessary to ensure the functioning of these translational links*" (p. 102, English version). The lack of discussion of how working methods and organisational setups within each country will be adjusted so as to promote a more macro-regional perspective suggests that the reflection on multi-level governance remains at a relatively preliminary stage. However, the possibility of giving priority to projects of EUSBSR relevance can be interpreted as reflecting an ambition of letting more multi-level dynamics emerge in a more bottom-up way.
- The Lithuanian Rural Development Programme considers regional measures and investments (e.g. in water quality, basic services or broadband internet) as 'direct contributions' to the EUSBSR,
- References to contributions to the EUSBSR are unspecific in the Rural Development Programme for Finland. Their approach is in this respect similar to that of the Polish national 'Infrastructure and Development' and 'Knowledge Education Development' programmes.
- References to the EUSBSR are particularly scarce in the national 'Cohesion Policy Funding' programme for Estonia, due to that fact that links to the strategy were extensively described in the Partnership Agreement.

Contributions to the EUSBSR are also described in distinct ways in the OPs of the three regional programmes that have been reviewed:

- The Swedish OP 'Upper Norrland' remains unspecific with regards to the nature of its foreseen or potential contributions to the strategy.
- By contrast, the Polish OP 'Pomorskie Voivodeship' includes an extensive list of correspondences between priority axes and PAs.
- The German OP 'Mecklenburg-Vorpommern' mentions foreseen contributions to the EUSBSR in relation to a number of TOs, but generally suggests that foreseen measures will have a Baltic effect because the region is centrally located in the



Baltic Sea Region and because it is in the interest of regional actors to anchor their activities in a wider Baltic context (see Text Box 8).

Text Box 8. Rationale for contribution to the EUSBSR expressed in the OP of the German regional Programme for Mecklenburg-Vorpommern

*“Like its predecessors in the 2007-2013 programming period, the 2014-2020 ERDF Programme of Mecklenburg-Vorpommern will provide efficient support to the EUSBSR. There is a high degree of correlation between the objectives of the Strategy and those of the ERDF OP. The ERDF OP aims to improve the smart, sustainable and inclusive growth in Mecklenburg-Vorpommern and **will thus also boost the development of the entire Baltic region**. Accordingly, links and concrete support measures that are consistent with the EUSBSR can be found for each of the IPs that have been selected by the programme.*

*Basically, the ERDF programme will mainly contribute to the EUSBSR objective of increased prosperity, as a result of its focus on strengthening innovation and improving competitiveness. A **firm anchoring of Mecklenburg-Vorpommern in the Baltic Sea Region** is considered increasingly important considering the intensifying international competition, in view of exploiting new growth potentials, developing innovation and preserving a high quality of life. The region is not only **an important hub of traffic in the Baltic region due to its geographical location**. Marine, coastal and cruise tourism already play a major role. As PA coordinator for tourism in the EUSBSR, the region considers it of particular importance to mobilise multiple priority axes [of the ERDF programme] in order to strengthen and internationalise the tourism industry of Mecklenburg-Vorpommern.”*

The underlying rationale is therefore quite similar in the OPs of the Swedish, German and Polish regional programmes: regional self-interest is described as the central driving force for contributions to the EUSBSR. What mainly distinguishes the OPs is the scope of themes and issues for which interactions with the EUSBSR are considered. The German OP focuses on the objective ‘increased prosperity’; the Swedish one emphasises the relevance of PAs such as sustainable development and bio-economy, Transport, SME, and mentions contributions to the sub-objective ‘connecting people in the region’ through efforts to develop access to ICT; finally, the Polish OP considers even broader sets of themes and issues, but distinguishes different ways of addressing them in relation to the EUSBSR (see section 5). All three OPs tend to consider the EUSBSR as an instrument to be mobilised when it can serve regional interests rather than as a set of objectives and sub-objectives to which they should contribute.

The South Baltic Cooperation Programme establishes correspondences between every IP and one or more PA or HA. This entails an understanding of the programme as fully integrated in the EUSBSR. However, for the CP as well as for the OPs mentioned above, the starting point for selecting thematic objectives and priority axes has consistently been needs and interests within the programme areas.



The review confirms that contributing to the EUSBSR is an issue of method rather than of objectives. ESI Funds Programmes naturally deal with many of the issues addressed by the EUSBSR; highlighting some of these thematic overlaps and identifying potential effects at the macro-regional level in the OPs generally does not modify the “business as usual” of ESI Funds programmes.

The OPs generally fail to adopt a ‘Baltic approach’ when addressing their priority axes and investment priorities. The approach of the OP ‘Mecklenburg-Vorpommern’ is in this respect interesting, as it clearly formulates the objective of asserting the region’s position as a central node and transport hub of the Baltic Sea Region. This has concrete potential implications on the ways of addressing e.g. transport, tourism and economic development within the OP. More in-depth descriptions in all OPs of their respective programming area’s current and foreseen roles in the Baltic Sea Region would have helped to describe their contributions in a more operational way.

Table 7. Foreseen contributions to the EUSBSR in individual OPs

Country	Operational programme	Funds	Art.27(3)	Art.96(3)	Foreseen contributions to the EUSBSR
Denmark	OP 'Innovation and Sustainable Growth in Businesses'	ERDF	No	No	Contributions to sub-objectives 'contribution to Europe 2020 strategy' and 'improved global competitiveness', e.g. through cooperation in the field of innovation and internationalisation of SME activities.
	ESF Operational Programme	ESF	No	No	Contributions to sub-objectives 'contribution to Europe 2020 strategy' and 'improved global competitiveness'
Estonia	OP 'Cohesion Policy Funding'	ESF, ERDF and CF	No	No	The OP mentions that investment priority 1 ('investment in the water sector') of priority axis 7 ('water protection') will "directly contribute to the objectives of the EUSBSR". The programme will also support to the Via Baltica and Rail Baltic transport infrastructure projects.
Finland	OP 'Sustainable Growth and Work'	ERDF and ESF	No	No	Main contributions to the objective 'increase prosperity', e.g. through more cooperation in the fields of smart specialisation, SMEs, entrepreneurship and innovation.
	Rural Development Programme for Mainland Finland	EAFRD	No	No	The EUSBSR is only mentioned in the SWOT analysis of the programme. Links between the programme and the EUSBSR exist, especially within the 'Save the Sea' objective, but they are not clearly identified.
	EMFF Programme	EMFF	No	No	Contribution to PA Agri, with focus on Baltic Sea level co-operation on sustainable aquaculture and green growth of the fisheries industry. The OP highlights the EUSBSR Flagship project on sustainable aquaculture, as part of efforts to promote green growth of fisheries. Priority 6 ('fostering the implementation of integrated maritime policy') also entails a specific focus on cooperation with partners from other Member States.
Germany	OP 'Mecklenburg-Vorpommern'	ERDF	No	No	The OP mentions foreseen contributions to the EUSBSR in relation to a number of TOs (e.g. 'strengthened research, technological development and innovation', 'promotion of efforts to reduce CO2 Emissions in all sectors of the economy' and 'Conservation and protection of the environment and promoting resource efficiency')
Latvia	OP 'Growth and Employment'	ESF, ERDF and CF	No	No	Support to internationalisation in R&D will contribute to the sub-objective 'Improved global competitiveness', while improvements of national sewer systems, reduction of nutrient inputs to the Baltic Sea, restoration of habitat types in salmon rivers, enhanced marine monitoring will contribute to the objective 'Save the Sea'. Support to Via Baltica and Rail Baltica, as well as to other TEN-T (Trans-European Transport Network) infrastructure projects will provide inputs to the achievement of EUSBSR sub-objective 'Good transport conditions'. Investments for adaptations to climate change, including through eco-systems based

Country	Operational programme	Funds	Art.27(3)	Art.96(3)	Foreseen contributions to the EUSBSR
Latvia (continued)	OP 'Growth and Employment' (continued)				approaches will contribute to EUSBSR sub-objective 'Climate change adaptation, risk prevention and management'. Increasing SME competitiveness through ESI Funds support will contribute to EUSBSR PA SME. Furthermore, it is specified that " <i>ESF funding shall contribute to strengthen, social and economic development of the Baltic Sea Region, by implementing measures within the priority axes 'competitiveness of small and medium-sized enterprises', 'employment, labour mobility and social inclusion' and 'education, skills and lifelong learning'</i> " (p. 252).
Lithuania	OP 'EU Structural Funds Investments'	ESF, ERDF and CF	No	No	Links are established between investments priorities (IPs) and the EUSBSR: - IPs 'promoting entrepreneurship', 'developing and implementing new business models for SMEs' and 'supporting the capacity of SMEs to grow in regional, national and international markets' and PA SME; - IP 'reduction of environmental effects of transport' and PA Transport and EUSBSR Objective 'increase prosperity'; - IP 'supports for adaptations to climate change' and eponymous EUSBSR sub-objective and PA Secure; - IP 'investments in the water sector' and PA Hazardous Substances - IP 'conserving natural and cultural heritage' and PA Bio - IPs 'supporting a multimodal single European transport area' and 'enhancing regional mobility' and PAs Transport and Secure - IP 'improving energy efficiency and security of supply' and PA Energy and sub-objective 'reliable energy markets' - IPs 'reducing and preventing early school-leaving' and 'improving the quality of tertiary education' and PAs Education and Innovation, especially considering the foreseen international exchanges.
	Rural Development Programme	EAFRD	No	No	Direct contributions to EUSBSR objectives 'save the sea' and 'increase prosperity': - through rural development measures with an environmental dimension, e.g. improve of water quality, preserve biodiversity, promote green farming; - through investments into basic services and village renewal in rural areas. Investments in broadband internet infrastructure will contribute to sub-objective 'connect the Region'. Contribution to PA Agri through support to community-led local development (CLLD), which is expected to continue to lead to macro-regional cooperation.

Country	Operational programme	Funds	Art.27(3)	Art.96(3)	Foreseen contributions to the EUSBSR
Poland	OP 'Infrastructure and Environment'	ERDF and CF	No	No	The programme will mainly contribute to EUSBSR objective 'save the sea', and to a limited extent to objective 'connect the region'. It also specifically mentions foreseen support to PAs Nutri, Hazards, Bio, Ship, Transport, Energy, Safe, Secure, Health and Culture. Finally, support to blue economy implies that it will be linked to PA Innovation.
	OP 'Digital Poland'	ERDF	No	No	The development of connections can contribute to sub-objective 'connecting people in the region'. Efforts to promote entrepreneurship, innovation, education and improvement of health can contribute to PAs SME, Innovation, Education and Health and to sub-objective 'implementation of the Europe 2020 strategy'.
	OP 'Knowledge Education Development'	ESF	No	No	The OP refers to correspondences between its priority axes and EUSBSR PAs: - priority axes 'young people in the labour market' and 'efficient public policies for the labour market and the economy' and PAs SME PA Education - priority axis 'higher education for economy and development' and PA Innovation - priority axis 'social innovation and international cooperation' and PAs SME, Education, Innovation and Health - priority axis 'higher education for economy and development' and PA Innovation - priority axis 'supporting health' and PA Health Under priority axis 'efficient public policies for labour market and economy', it is foreseen to support the elaboration of a maritime spatial plan, which is related to HA Spatial. However, this HA is not mentioned.
	OP 'Pomorskie Voivodeship'	ERDF and ESF	No	No	A large number of correspondences between priority axes and EUSBSR PAs are mentioned.
	EMFF Programme	EMFF	Yes	No	Links are established between OP priorities 'promoting environmentally sustainable, resource efficient, innovative, competitive and knowledge-based fisheries' and 'integrated maritime policy' and PAs Agri and Bio, without any detailed of correspondence and no mention of macro-regional cooperation.
Sweden	OP 'Investments in Growth and Jobs'	ERDF	No	No	The OP mentions possible contributions to the EUSBSR under priority axis 1 ('strengthening research, technical development and innovation' and under IP 1 ('promote energy efficiency') of priority axis 3 ('low carbon economy'). These contributions are not associated with specific sub-objectives, PAs or HAs. The programme focuses in particular on support to the establishment of a European Spallation Source. As part of this effort, operations to "support the internationalisation within this field in order to support the implementation of the EUSBSR" are mentioned as an example of activities that will be supported.

Country	Operational programme	Funds	Art.27(3)	Art.96(3)	Foreseen contributions to the EUSBSR
Sweden (continued)	OP 'Upper Norrland'	ERDF	No	No	The OP mainly mentions 'support to the EUSBSR' as a selection criterion for projects under all priority axes and investment priorities. In addition, the EUSBSR is described as a context to promote increased cooperation in research and innovation processes, and enhanced cooperation of companies targeting international markets.



5. Cooperation models envisaged in OPs

The present section envisages cooperation perspectives and models envisaged in OPs, i.e. in addition to the provisions of the partnership agreement.

A first group of OPs state that direct contributions to the EUSBSR implying cooperation with partners from other Member States are either excluded from the programme or not considered as a priority. The Danish ESF OP and OP 'Innovation and Sustainable Growth in Businesses' are categorical in this respect. The German OP 'Mecklenburg-Vorpommern' also emphasizes that direct contributions to the EUSBSR are primarily considered as an issue for ETC programmes, but opens for the possibility of taking such contributions into account in the project selection process. However, it is not clearly stated that 'direct contributions' entail cooperation. Consequently, no ideas on development models associated with direct contributions to the EUSBSR are developed.

A second group of OPs largely ignore the issue of macro-regional cooperation and coordination. This is the case for the Polish EMFF and 'Digital Poland' OPs. Similarly, the Lithuanian Rural Development Programme only mentions the possibility of prioritising EUSBSR relevant projects for one measure ('19.3 – cooperation activities of local action groups') and neither refers to the possibility to implement joint projects with other countries nor that of spending funds outside the programme area. However, it is possible that it was considered unnecessary to specify that these provisions of the partnership agreement apply to the programme.

The Lithuanian OP 'EU Structural Funds Investments', on the other hand, repeats the provisions of the partnership agreement, to "*prioritise projects contributing to the implementation of the EUSBSR, the possibility, together with other countries, to organise joint calls for project proposals contributing to the implementation of the EUSBSR, also the possibility to use Article 70 of the Common Provisions Regulation*". It furthermore specifies fields within which an international perspective would be particularly important, e.g. SME development and improvement of energy infrastructures and highlights the complementarity of ESI Funds and other European sources of funding in the energy sector (see section 4.2).

Some OPs adopt a 'favourable wait and see' approach to macro-regional cooperation. The Estonian OP 'Cohesion Policy Funding' does not foresee any interregional or transnational cooperation activities focusing on the EUSBSR, but opens up for the possibility of funding such activities 'in appropriate cases'. The Swedish OP 'Investments in Growth and Jobs' more explicitly advocates cooperation as an instrument to promote national interests. In the section dealing with the IP 'promotion of R&D', the OP mentions that "*to further support Swedish fields of excellence, the programme may also support international cooperation. A precondition is that a domestic cooperation between actors of different region – around a Swedish field of excellence – is already established. An important objective for this type of objective is make Swedish actors competitive in future Horizon 2020 calls. Cooperation is mainly foreseen with countries around the Baltic Sea [footnote referring to the EUSBSR] and the rest of Europe, but can also include actors from other parts of the world*". Similarly, the Polish OP 'Infrastructure and Environment' envisages to fund measures that complement actions implemented in the framework of ETC and ENI.

This programme also belongs to another group of OPs, which defend the view that they should implement measures that complement macro-regional cooperation or make it possible by providing adequate infrastructure. This is the case for Latvian OP 'Growth and Employment', which identifies specific fields within which it may supplement other EU policy instruments. The German OP 'Mecklenburg-Vorpommern' expresses a similar ambition, by claiming that *"the development of application-oriented R&D institutions and support of network structures by the ERDF provide an important basis for more connected and more transnational cooperation projects in the Baltic region"* (p. 20).

The Polish OP 'Knowledge and Education Development' envisages more direct cooperative efforts targeting the EUSBSR through a series of possible measures, the more ambitious of which being to organise synchronised calls with programmes from other Baltic Sea Region countries and a forum of partners dedicated to the EUSBSR. The Lithuanian partnership agreement and OP for EU Structural Funds Investments also foresee to *"organise joint calls for project proposals contributing to the implementation of the EUSBSR"*.

For a number of programmes, the limited provisions with regards to macro-regional cooperation are linked to an expectation that it should emerge bottom-up at the project level if relevant and useful. The Polish OP 'Infrastructure and Environment' develops this view by arguing that the main challenge is to ensure that potential project applicants at different territorial levels embrace a Baltic approach to the issues, challenges and opportunities they are dealing with (see Text Box 9).

A focus on national cooperation may from this perspective contribute to create the preconditions for macro-regional cooperation. The national coordination bodies and networks established in the elaboration phase of the ESI Funds programmes (see Section 2) and for their implementation (see Section 3) can be useful for this cooperation. The mutual participation of EUSBSR actors in monitoring committees of ESI Funds programmes, and of ESI Funds programmes MAs in EUSBSR national coordination bodies and networks is in these respects important.

This approach may be supported by the South Baltic Programme, of which priority axis 5 is entitled *"increasing cooperation capacity of local actors in the South Baltic area for the blue and green growth"*. The CP more specifically mentions complementary actions to the European Social Fund (ESF) *"dealing with, for example, social innovation, i.e. testing and scaling up innovative solutions to address social, employment and education needs"* (p. 81) in view of addressing employment challenges and supporting labour mobility.

A similar bottom-up stance is defended by the Swedish OP 'Upper Norrland'. Cooperation in the Baltic Sea Region is included under the heading 'principles for the selection of project', but is presented as a suggestion applicants should consider rather than as a selection criterion. Cooperation is presented as a possibility to address shared challenges more 'broadly'. However, it should be noted that the Baltic Sea Region is only mentioned as one possible territorial context of cooperation among others, after 'northern Europe' and the 'Arctic Barents region'.

Text Box 9. Considerations of the Polish ‘Infrastructure and Environment’ Programme on the need for adjusted delivery mechanisms

“In order to achieve adequate capacity of the OP in implementation of the EUSBSR it is important that in addition to the thematic integration (i.e. the common parts of the programme and the EUSBSR) the programme will also include delivery mechanisms and will take the perspective of macro-regional cooperation and will establish co-operation and partnership activities with the EUSBSR.

*The **challenge remains, however, to increase the sense of responsibility and support the EUSBSR at the national, regional and local levels**, which will replace the existing, narrow and fragmented approach (i.e. identifying individual activities) with the mechanisms promoting partnerships and integrated actions, where different actors contribute their own specific contributions. The detailed arrangements for the promotion of certain projects for the implementation of the EUSBSR will be included in the system of implementation of the programme, as part of the project selection system.”*

The Lithuanian Rural Development Programme also foresees bottom-up dynamics leading to macro-regional cooperation. It considers that its measure entitled ‘Support for LEADER local development (CLLD – community-led local development)’ will contribute to the EUSBSR by encouraging cooperation between partners of Local Action Groups from different countries. Such bottom-up transnational dynamics have previously been observed in the 2007-2013 programming period, and can be expected to continue. Similar hypotheses could be formulated in relation to the Finnish Rural Development Programme, although they are not mentioned in the OP.

An elaborate and ambitious approach to macro-regional cooperation is presented in the Polish OP ‘Pomorskie Voivodeship’. It proposes a categorisation of possible contributions to the EUSBSR, distinguishing between three different levels of intensity: The first of these, ‘compliance’, concerns issues for which regional actions are indirectly connected to the pursuit of EUSBSR (sub)-objectives and PAs, and for which the main concern is to ensure that measures are consistent with the strategy. The second, ‘coordination’, implies that it is desirable to ensure a coordination or cooperation with measures undertaken as part of other programmes or policy framework. Finally, the third one, ‘direct link’ corresponds to issues for which it is considered advisable to focus calls on the relation to the EUSBSR. For each of these three levels, of large number of correspondences between priority axes and EUSBSR PAs are listed. Contrary to many other programmes, the OP therefore presents a clear and extensive overview of the types of projects for which it considers a transnational dimension to be relevant, and specifies the type of cooperative approach to be proposed for each of them.

The review shows four main logics of cooperation:

- create an awareness the added-value of cooperation, typically leading to the bottom-up emergence of cooperative initiatives;
- promote parallel and coordinated actions, e.g. through joint calls;
- encourage complementarities between programmes, often focusing on the relation between national and regional ESI Funds programmes on the one hand, and ETC programmes on the other;
- develop a sense of responsibility for the EUSBSR and its objectives.

The latter approach is the one that has prevailed in regulatory measures making it compulsory for ESI Funds programmes to take the EUSBSR into account. However, it appears the least likely to generate substantial contributions to the EUSBSR, as the organisational setups and established working methods of regional and national ESI Funds programmes are centred on the actors and issues of their respective programming area. The three remaining approaches are more promising, but major challenges need to be overcome before they can be implemented, as they require a change of mind set and extensive coordination between programmes.

Table 8. Mention of cooperation and coordination models in relation to the EUSBSR

Country	Operational programme	Funds	Art.70(2)	Cooperation models mentioned
Denmark	OP 'Innovation and Sustainable Growth in Businesses'	ERDF	No	No additional provisions compared to the partnership agreement (see Table 3 p. 13). The OP confirms that the attention given to the EUSBSR in the definition of OPs will, when relevant, also be reflected in the implementation of the programme, e.g. when defining [project] selection criteria. (p. 11) The importance of international specification, including through macro-regional strategies and especially the EUSBSR is emphasized for projects linked to innovation (p. 20) It is specifically emphasized that, when possible and relevant, projects should be designed across administrative boundaries and ESI Funds, both to avoid regional sub-optimisation and in view of maximising the effect and the use of economic resources. Inter-regional project application can be submitted to a single growth forum as a single project including multiple partners. Distribution of the reimbursement of costs is determined by regulation for ESI Funds financed projects. (p. 26)
	ESF Operational Programme	ESF	No	No additional provisions compared to the partnership agreement (see Table 3 p. 13). It is repeatedly specified that the different priority axes of the programme will not support cooperation between actors from different Member States as envisaged by the CPR. The justification is that such cooperation is not considered purposeful based on a consideration of proportionality and that Danish eligibility rules do not allow actors from other countries to receive support as project partners. However, the programme foresees the promotion of international labour mobility as a source of information exchange between countries and diversification of the labour force (pp. 15 and 39). Internationalisation of economic activities is also seen as a vector of realising the growth potential of activities (p. 33). It is specifically emphasized that, when possible and relevant, projects should be designed across administrative boundaries and ESI Funds, both to avoid regional sub-optimisation and in view of maximising the effect and the use of economic resources. Inter-regional project application can be submitted to a single growth forum as a single project including multiple partners. Distribution of the reimbursement of costs is determined by the regulation for ESI Funds financed projects. (p. 28)
Estonia	OP 'Cohesion Policy Funding'	ESF, ERDF and CF	Mention of explicit reference in the partnership agreement	<i>"No interregional or transnational cooperation activities are directly being planned within this Operational Programme. When planning and carrying out interventions under priority axes, it will be possible to treat transnational cooperation activities as eligible in appropriate cases, considering the objective of using EU funds and the type and specific nature of the intervention in question."</i> (p. 185) Mechanisms to ensure coordination in contributing to the objectives of the macro-regional strategies [the EUSBSR] are discussed in section 3.1.4 of the partnership agreement (see Table 5 p. 23). The OP explicitly refers to EUSBSR relevance under the guiding principles for the selection of operations of the priority axes 'Water protection' and 'Green infrastructure', taking into account targets levels of relevant EUSBSR indicators. Additionally, projects involving cooperation will be preferred under a number of priority axes.

Country	Operational programme	Funds	Art.70(2)	Cooperation models mentioned
Finland	OP 'Sustainable Growth and Work'	ERDF and ESF	Yes	The OP considers that the possibility to co-finance measures across the EU is a good opportunity for Finnish regions. Cooperation between partners from different Member States is particularly promoted under priority axes 2 ('strengthening research, technological development and innovation') and 4 ('investing in education, skills and lifelong learning')
	Rural Development Programme for Mainland Finland	EAFRD	No	Transnational activities are eligible for support under measure 16 'cooperation' (article 35 of EAFRD regulations).
	EMFF Programme	EMFF	No	The EMFF promotes projects that contribute to common goals identified in the EUSBSR. Macro-regional cooperation is considered as a way of increasing the impact of investments and to organise knowledge transfers in the Baltic Sea Region. It is foreseen to support international development projects insofar as regulations permit it.
Germany	OP 'Mecklenburg-Vorpommern'	ERDF	Yes	The OP states that ETC programmes are considered as the main source of funding for support to the EUSBSR. However, it is envisaged that projects that meet the requirements of the ERDF programme and contribute to the EUSBSR could be given priority. The Monitoring Committee may decide on selection criteria implying that projects providing specific and direct support to the EUSBSR could be preferred over other projects of comparable quality.
Latvia	OP 'Growth and Employment'	ESF, ERDF and CF	No	<p>As EUSBSR NCP, the Ministry of Foreign Affairs established an EUSBSR Coordination Working Group. It includes representatives of ministries and institutions responsible for each policy area of the EUSBSR. Its function is to gather information about Latvian interests in each sector at the national level and convey findings at the EU level within each of the EUSBSR Policy area.</p> <p>The EUSBSR NCP is also represented at ESI funds Monitoring Committee meeting, while representatives of the MA contributes to activities of the EUSBSR Coordination Working Group</p> <p>EUSBSR 'relevance' is identified as a selection criterion for some calls for proposals: <i>"in some cases selection criteria facilitating easier access to funding for EUSBSR projects will be applied, thus ensuring the elaboration of good quality EUSBSR projects"</i>.</p> <p>Within some specific support objectives oriented to the achievement of EUSBSR objectives, the financing of pilot projects is possible through specific selection criteria.</p> <p>The OP specifies that <i>"to promote competitiveness of the Baltic Sea Region, sustainable development and increased well-being in the region, special attention shall be paid to implementation of the ESF international collaboration within the EUSBSR"</i>, by <i>"supplementing the support provided within other EU policy instruments"</i>.</p>

Country	Operational programme	Funds	Art.70(2)	Cooperation models mentioned
Lithuania	OP 'EU Structural Funds Investments'	ESF, ERDF and CF	No	It is stated in the PA that where needed and where a clear value-added is evident, when implementing joint projects with other countries, a certain share of funds could be spent outside the territory of the programmes as laid down in article 70(2) of the Common Provisions Regulation. The OP refers to the mention of this possibility in the partnership agreement.
	Rural Development Programme	EAFRD	No	It is stated in the partnership agreement that where needed and where a clear value-added is evident, when implementing joint projects with other countries, a certain share of funds could be spent outside the territory of the programmes as laid down in article 70(2) of the Common Provisions Regulation. The OP does not elaborate on this possibility.
Poland	OP 'Infrastructure and Environment'	ERDF and CF	No	No provisions concerning the possibility of funding partners outside Poland, but it is envisaged to implement project that complement territorial cooperation programmes and the European Neighbourhood Instrument. Furthermore cross-border cooperation is considered as an option when required to address challenges in an effective and efficient way.
	OP 'Digital Poland'	ERDF	No	No provisions concerning the possibility of funding partners outside Poland. It is explicitly stated that no interregional or transnational cooperation activities are foreseen within this OP.
	OP 'Knowledge Education Development'	ESF	No	The OP focuses on a dedicated transnational priority as a vector for contributions to the EUSBSR. Some additional measures are envisaged in support of the EUSBSR: - additional points for projects related to Strategy during their assessments , - calls dedicated to the Strategy (envisaged as an option if appropriate) - calls synchronised with other Baltic Sea Region countries (possible i.e. as an option) - Partner Forums dedicated to the EUSBSR (possible i.e. as an option) - Database with names of potential Baltic Sea Region partners (possible i.e. as an option) However, no provisions concerning the possibility of funding partners outside Poland.
	OP 'Pomorskie Voivodeship'	ERDF and ESF	Yes	The OP defines three levels of contribution to the EUSBSR: - compliance, when there is an indirect link to the EUSBSR; - coordination, when the theme or issue is of such an importance to the region that one should seek to coordinate measures with other instruments for the implementation of the EUSBSR; - direct links, when contribution to the EUSBSR can be explicitly mentioned as an evaluation criterion in the call. A number of links between priority axes and PAs are mentioned as examples of each level. The focus is on national calls dedicated to the EUSBSR.
	EMFF Programme	EMFF	No	No provisions concerning the possibility of funding partners outside Poland.

Country	Operational programme	Funds	Art.70(2)	Cooperation models mentioned
Sweden	OP 'Investments in Growth and Jobs'	ERDF	No	The OP mentions "cooperation across regional and national boundaries in order to develop and renew a Swedish field of excellence" as a principle for the selection of operations within the priority axis 1 'Research, technical development and innovation'. It is specified that this is not a project selection criterion. Similarly, in IP 4.1 ('energy efficiency and renewable energies') it is specified that the efforts of SMEs must build on international state of the art, not least within the Baltic Sea Region to contribute to the EUSBSR.
	OP 'Upper Norrland'	ERDF	No	The OP's main reference to the EUSBSR is the recurring mention that " <i>increasing regional cooperation in the northern part of the EU and in neighbouring countries within the arctic Barents region and in the Baltic Sea Regio [...] offers possibilities to broadly address shared challenges</i> " and should be used as a " <i>principle for the selection of projects</i> ". Otherwise, the OP presents the development of E-Services as a basis for synergies between the regional ESI Fund programmes and the EUSBSR and considers the EUSBSR as a context to promote enhanced cooperation of companies on international markets.
	South Baltic Cooperation Programme	ERDF	No	The CP does not mention the possibility of involving partners outside the programme area. The programme mentions the possibility of establishing "mirror projects" under different programmes. What this entails will be further specified during interviews. It states cooperation with EUSBSR implementation bodies will be based on " <i>regular exchanges of project ideas, the organisation of joint promotion and dissemination activities as well as the identification of potential partners and cooperation areas for Strategy actions and flagships</i> " (p. 66)

6. Perspectives on monitoring of EUSBSR-relevant results

As mentioned in the introductory section, it does not appear meaningful to discuss correspondences between programme indicators and the EUSBSR indicators. Observed indicator correspondences do not provide additional information compared to the correspondences of priority axes and EUSBSR objectives, sub-objectives, PAs and HAs. Establishing a correspondence between similar indicators, or indicators measuring identical or proximate phenomena, raises series of technical issues which are beyond the scope of the present study.

However, it can be noted that the reviewed Danish OPs include tables listing programme indicators and EUSBSR indicators corresponding to each thematic objectives. This table raises issues to be addressed during the interviews, e.g. when programme indicators “*annual reduction in energy consumption*” and “*annual reduction in material consumption*” are listed as corresponding to EUSBSR indicators “*employment rate*” and “*productivity*”. The Danish ESF OP specifies that “*result indicators of the programme have not been selected on the basis of the EUSBSR, but as they are consistent with the indicators of the Action Plan, it will be possible to use them to illustrate whether and to which extent the projects contribute to the implementation of the EUSBSR*” (p. 68). On this basis, a reporting on results of concrete project of relevance to the EUSBSR is considered possible and is envisaged in the framework of ESI Funds Annual Implementation Reports and in other contexts. The Danish partnership agreement foresees that indicators connected to priority axis 1 of the OP ‘Innovation and Sustainable Growth in Business’ will measure its contribution to increase R&D expenses in the Baltic Sea Region, while indicators connected to priority axis 2 will measure the programme’s contribution to increase employment rates in the Baltic Sea Region. It is stated that the OP ‘Innovation and Sustainable Growth in Business’ will enhance productivity and GDP growth in the Baltic Sea Region, but that it will not be possible to measure this contribution using the programme indicators (p. 76).

The Lithuanian partnership agreement foresees “*to ensure consistent monitoring of the implementation of the EUSBSR supported by the ESI Funds and ETC programmes and precise evaluation of the contribution of the ESI Funds to the EUSBSR*”. The OP ‘EU Structural Funds Investments’ pragmatically states that it will use its “*existing indicators*” to monitor the implementation of the EUSBSR, focusing on indicators linked to priority axes with the strongest links to the EUSBSR.

Both the Danish and the Lithuanian partnership agreements claim that monitoring will be facilitated by the fact that some projects will be selected on the basis of their contribution to the EUSBSR.

References to the EUSBSR can also be found in general considerations on how project results will be monitored. The Finnish partnership agreement mentions that “*the implementation of the [EUSBSR] strategy is followed up at two levels in the EURA 2014-system: authorities register projects that directly or only indirectly support specific priorities and objectives. It is considered particularly important to apply consistent and clear criteria for the registration of projects, through guidelines and training provided to responsible authorities. For projects that support the EUSBSR and that are registered in the monitoring system one can also report indicator results, of which some are connected to the indicator and targets of the EUSBSR*” (p. 92).

The Estonian partnership agreement specifies that “*monitoring reports on the Operational Programmes will address, among other things, the contribution to the implementation of the strategy under priority axes*” (p. 199, English version). At a more operational level, and as previously mentioned in Table 8 p. 43, the Estonian OP ‘Cohesion Policy Funding’ emphasizes that the need to achieve targets levels of relevant EUSBSR indicators is important when selecting projects under the ‘water protection’ and ‘green infrastructure’ priority axes. This implies that a monitoring perspective is already present at the project selection stage, and suggests a monitoring of these projects focusing on EUSBSR indicators.

The Polish partnership agreement foresees that “*the analysis of the impact of the PA and operational programmes on the accomplishment of the EUSBSR objectives will also be subject to evaluation during the programming period to assess whether the European Structural and Investment Funds are an adequate instrument to implement the EUSBSR assumptions and to achieve the indicators adopted therein*”. The EMFF and ‘Digital Poland’ OPs suggest that this statement is not considered relevant for these two programmes. The ‘Infrastructure and Environment’ OP contains many indicators of relevance to the EUSBSR. However, they are all nationally oriented: e.g. the percentage of people participating in selected fields of culture, the average number of inhabitants per hospital emergency department and the Herfindahl-Hirschman Index of Diversification for the gas sector, the volumes of freight transport by rail, and measures of time accessibility between intermodal transport hubs. Similarly, among the hundreds of indicators included in the OP ‘Knowledge and Education Development’, only few do not focus exclusively on national conditions, e.g. the number of social economy entities associated in cross-border networks and the percentage area of Polish marine areas covered by zoning plans with the support of the ESF. Such indicators are only indirectly related to the more general indicators of the EUSBSR. However, they can provide indications on the progress of Poland and of Polish regions in achieving the EUSBSR targets.

The partnership agreement and reviewed OPs for Sweden, Latvia and Germany do not discuss monitoring in relation to the EUSBSR. This is also the case for the South Baltic Cooperation Programme.

Generally, discussions on issues of scales of measurement and observation are limited. Even when programmes foresee to produce indicators listed in the EUSBSR Action Plan, measurements at the level of programme areas or below may limit their usefulness from the perspective of the EUSBSR. Considerations with regards to monitoring of programme results in relation to the EUSBSR are therefore only at a preliminary stage. Relations between programme indicators and the EUSBSR indicators are not described in detail, and the criteria for determining whether a change of indicator values at the regional or national level are of significance for the Baltic Sea Region have not been defined.

7. Preliminary conclusions and issues to be explored in the next phases

Most OPs and the CP describe more or less extensive thematic overlaps between individual programmes and the EUSBSR. However, only few OPs discuss a rationale for inputs to the strategy in terms of cooperation and coordination arrangements or from a multi-level governance perspectives. Substantial operational arrangements to ensure that project ideas with a cooperative dimension focusing on EUSBSR objectives emerge and that approved projects get the opportunity to cooperate across the Baltic Sea Region when this appears worthwhile are equally few.

Considered in isolation, the results from the OP and CP review suggest that there are limited possibilities for transnational ESI Funds programmes of EUSBSR relevance to emerge. Actors from the few programme areas where good practice has been identified will be confronted to the less advanced levels of reflection and less well-suited operational arrangements of other programmes where their potential partner organisations are located. It is all the more important to disseminate examples of good practice over the coming months, as monitoring committees may still incorporate ideas in implementation guidelines of the different programmes.

Some experts note that mentions of EUSBSR relevance in the OPs appear as a procedural exercise rather than a practice deeply rooted in programme design. When EUSBSR relevance is described as a selection criterion, it is not systematically explained how this will be applied in practice; correspondences between priority axes and EUSBSR objectives, sub-objectives, PAs and HAs tend to be described in a simplistic and superficial way; specific provisions and commitments to contribute to the EUSBSR are few; provisions for the involvement of PA coordinators and HA leaders are often unclear. These different aspects will be further explored during the interviews, in view of better identifying intentions behind the general statements found in the OPs and in the CP.

For some programmes, bottom-up approaches to project development and decentralised project management setups have limited the extent to which principles for EUSBSR relevance could be defined in the OP. For these programmes, it will be essential to explore how the Managing Authorities and Technical Secretariats plan to communicate on the importance and added-value of EUSBSR perspectives and macro-regional cooperation in projects. This typically concerns the programmes reviewed in Denmark and Sweden.

In terms of monitoring, it appears from the review of the OPs and the CP that a multiscalar framework for combining indicators at the levels of individual projects, programme areas and of the EUSBSR is missing. While correspondences that have been identified between indicators reflect real proximities, it is difficult to imagine how consistent quantitative analyses across programmes focusing on EUSBSR targets could be constructed.