

## Embedding of the EU Strategy for the Baltic Sea Region (EUSBSR)

A study was commissioned by INTERACT with a view to analysing the contribution of European Structural and Investment Funds (ESIF) to implementation of the EUSBSR. On the basis of 18 pre-selected ESIF programmes, the study *‘Cooperation methods and tools applied by ESIF programmes for 2014-2020 to support implementation of the EUSBSR’* (June 2015), showed that embedding of the EUSBSR varies among Member States and regions, and that different arrangements are foreseen to support the Strategy. These, for example, include:

- ✓ joint implementation of projects, in which partners receive funding from the programmes of their respective country or region (e.g. Denmark, Finland, Sweden, and, in very general terms, Latvia);
- ✓ possibility of broadening the geographical scope of existing projects beyond the programme area (e.g. Denmark, Sweden);
- ✓ joint calls for projects of the EUSBSR relevance (e.g. Lithuania);
- ✓ targeted calls focusing on the EUSBSR projects (e.g. Poland, Sweden, southern Finland);
- ✓ possibility to spend part of the funds outside the programme area (Art. 70 of Common Provisions Regulation (CPR) (e.g. Estonia, Finland, Lithuania, Poland);
- ✓ additional points to project applications of the EUSBSR relevance (e.g. Lithuania, Poland);
- ✓ exchanges of information and coordination at the project design stage (e.g. Estonia, Poland).

According to the Study, several challenges need to be overcome aiming for support to the EUSBSR under the ESIF programmes to be effective. These include, but are not limited to, lack of coordination between Member States and different programmes; narrow understanding of cooperation; reliance on bottom-up initiatives, etc.

### **Lithuanian case as a good practice**

*The EUSBSR ‘provides opportunities to tackle cross-border challenges in a more effective way, which in turn has a positive impact on the overall development of the country’s economy’, [...] and ‘helps to increase social, economic and territorial cohesion within the EU’.*

*Lithuanian Partnership Agreement*

In the Partnership Agreement and the multi-fund ‘Operational Programme for the European Union Funds’ Investments for 2014-2020’ (OP) (covering the European Social Fund (ESF), the European Regional and Development Fund (ERDF) and the Cohesion Fund (CF)), Lithuania has foreseen:

- ✓ the possibility to spend part of the funds outside the programme area (Art. 70 of CPR) in duly justified cases (where needed and a clear added-value is evident);
- ✓ to set up a project selection criterion which gives priority to projects contributing to the EUSBSR at the level of OP measures (applicable only when it comes to projects to be implemented under call for proposals). According to the Partnership Agreement, the project contributing to the EUSBSR is the one which 1) is in line with and contributes to implementation of policy areas, horizontal actions and/or flagships of the EUSBSR, and 2) its implementation involves an international partner. Also projects having a cumulative effect.<sup>1</sup> (In order to ensure this criterion, applicants will have to specify the project’s contribution to the EUSBSR in the project application (where applicable));
- ✓ the possibility to launch joint calls for projects of the EUSBSR relevance upon the need and if other Member States concerned, where relevant, express an interest for it;

<sup>1</sup> Nationally implemented projects which have a cumulative effect when their results are aggregated with similar projects implemented in other participating Member States (e.g. waste water treatment, transport, energy) can be treated as contributing ones.

- ✓ possible areas for cooperation: research and innovation; improving competitiveness of SMEs; environmental protection; increasing energy efficiency; combating climate change; transport; ICT; international exchanges in the areas of employment, education and training.

### **National legal acts**

The '[Rules on administration of the operational programme](#)' (linked to multi-fund 'Operational Programme for the European Union Funds' Investments for 2014-2020') has foreseen that 'an internal project [...] is also the one which 1) contributes to the objectives of the EUSBSR, and 2) which is implemented together with international partners'.

National legal acts have foreseen the possibility to provide support to operations outside the programme area for the benefit of the programme area. The '[Rules on financing and administration of the projects](#)' (linked to multi-fund 'Operational Programme for the European Union Funds' Investments for 2014-2020') has foreseen:

- ✓ that up to 15% of the support from the ERDF and CF at the level of the priority could be spent outside the programme area (in other EU countries) provided that the Monitoring Committee has given its agreement to the operation or types of operations concerned (Art. 70.2 of CPR);
- ✓ that for the ERDF and CF, operations concerning promotional activities could also be implemented outside the Union (Art. 70.3 of CPR);
- ✓ up to 3% of the budget of the ESF part of a multi-fund operational programme could be spent outside the Union provided that it concerns the thematic objectives under Art. 3(1) (a) and (c) and provided that the Monitoring Committee has given its agreement to the operation or types of operations concerned (Art. 13.2 of ESF regulation).

In addition, the same legal act has foreseen that an additional funding could be allocated to ongoing projects (2014-2020) which 1) implement new activities contributing to the objectives of the EUSBSR, and 2) are implemented together with international partners. If an ongoing project has saved some money (i.e. was less expensive than initially planned), these money could also be used to implement new activities which satisfy two criteria: 1) contribute to the objectives of the EUSBSR, and 2) are implemented together with international partners.

### **Monitoring and reporting**

The existing monitoring system of EU funds (to monitor the ESF, ERDF, and CF) will be used to follow the contribution to the EUSBSR.

Information on the contribution to the EUSBSR will be provided:

- ✓ in the progress reports on the implementation of the Partnership Agreement (to be submitted in 2017 and 2019) and;
- ✓ the annual implementation reports (to be submitted in 2017 and 2019) and the final implementation report.

\*\*\*\*\*

It is important that all parties involved have a clear definition of the notion of '*contribution to macro-regional strategies*' with a view to ensuring that consistent approaches are applied within different programmes and comparable data are provided (for monitoring purposes).