

**DRAFT**

**COOPERATION PROGRAMME**

**INTERREG VB NORTH WEST EUROPE**

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**FOR PUBLIC CONSULTATION**

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**INTERREG IVB**

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## **SECTION 1. STRATEGY FOR THE COOPERATION PROGRAMME'S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION- ARTICLE 24 (1) CPR AND ARTICLE 7(2)(A) ETC REGULATION**

### **1.1 Strategy for the cooperation programme's contribution to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion**

#### **Context of the NWE strategy for smart, sustainable and inclusive growth**

##### **Introduction**

The Interreg VB North West Europe (NWE) programme is a transnational European Territorial Cooperation Programme funded by the European Commission. The NWE programme involves Ireland, the United Kingdom, Belgium, Luxembourg, Switzerland, and parts of France, Germany and the Netherlands. The programme area has a population of about 180 million people living in the eligible area of 845 000 km<sup>2</sup>. On one hand, it can be considered as one of the most dynamic and prosperous areas of Europe. On the other hand the area faces a number of environmental, social and economic needs and challenges.



The NWE area hosts an impressively high number of Europe's leading places for economic performance and growth. It comprises a number of the main metropolitan areas in Europe, which play an important role in a worldwide perspective. However, the NWE area also comprises a number of rural areas with a more remote character. This urban/rural divide within NWE also affects the levels of accessibility of its regions.

So, NWE is characterised by high levels of heterogeneity among its regions evidenced through a number of socio-economic and environmental indicators. Many of these differences seem to be increasing with time. As a result, one of the main challenges for the NWE area is to manage excellence and diversity at once. The NWE programme stimulates transnational cooperation between different stakeholders in the NWE area to deal with these challenges.

This section defines the strategy of the NWE programme, based on a synthesis of the European framework, the lessons learnt from the IVB programme and the overall ambition of the programme stakeholders, including a description of the transnational needs and challenges. The following paragraphs present these individual elements, followed by a more detailed elaboration of the strategy.



**Structural Funds 2007-2013:  
Transnational Cooperation areas  
North West Europe**

-  EU27 Cooperation areas
-  Other cooperation areas

### **The European framework**

The European framework consists of the Europe 2020 strategy, the Territorial Agenda 2020, the Common Strategic Framework, other European programmes, policies and strategies and the country specific recommendations.

The overall strategy of the Union, the Europe 2020 strategy, is about delivering smart, sustainable and inclusive growth. Effective investments are promoted in education, research, innovation, low carbon economy, job creation and poverty reduction, thereby striving towards social and economic cohesion.

Besides economic and social cohesion, territorial cohesion is playing an important role in EU policy. The Territorial Agenda 2020 (TA2020) suggests six territorial priorities, namely promoting polycentric and balanced territorial development; encouraging integrated development in cities, rural and other areas; territorial integration in cross-border and transnational functional regions; ensuring global competitiveness of the regions based on strong local economies; improving territorial connectivity for individuals, communities and enterprises; and managing and connecting ecological, landscape and cultural values of regions. Furthermore, the TA defines that transnational cooperation programmes could foster territorial cohesion by focussing on territorial integration by sustainable enlargement of markets for workers, consumers and SME, and more efficient access to private and public services.

To increase the coherence between the structural funds (ERDF, ESF, CF, EAFRD and EMFF) the European Commission has developed a Common Strategic Framework (CSF). The aim of the CSF is to improve coordination and secure the more targeted use of the EU's structural funds. The CSF encourages integration by setting out how the structural funds can work together.

Apart from better integration between the structural funds, the NWE programme should be complementary to thematic programmes for research and innovation (Horizon 2020), entrepreneurship (COSME) and the environment (Life+). The first programme, Horizon 2020, consists of three pillars, namely 'excellent science', 'industrial leadership' and 'societal challenges'. The societal challenges are most relevant for the NWE programme and address the themes of health, demographic change and well-being, food security, sustainable agriculture, marine and maritime research, bio-economy, secure, clean and efficient energy, smart, green and integrated transport, inclusive, innovative and secure societies and climate action, resource efficiency and raw materials. The second programme, COSME, strengthens the competitiveness and sustainability of the Union's enterprises, encouraging an entrepreneurial culture and promoting the creation and growth of SME. The third programme, Life+, focusses on improving environment and nature conservation. The 'Environment' strand of the Life+ programme covers three priority areas: environment and resource efficiency; nature and biodiversity; and environmental governance and information. The 'Climate Action' strand covers climate change mitigation; climate change adaptation; and climate governance and information.

Additionally to the Horizon 2020, COSME and Life+ programmes, several European policy strategies and papers have been published which are relevant as a framework for the NWE programme. Firstly, a policy paper explaining how regional policy can contribute to smart growth, focusses mainly on developing and implementing smart specialisation in regions. Secondly, the roadmap for moving to a competitive low carbon economy in 2050 defines sector specific policy options for five sectors. Thirdly, the EU strategy on adaptation to climate change proposes concrete action on how to contribute to a climate-resilient Europe, reducing impact and improving coordination.

### Country specific recommendations

In addition to the above documents, the country specific recommendations contain specific ETC-related recommendations which were taken into account. These recommendations are meant for all ETC programmes in which the Member States participate; so not all challenges mentioned will be dealt with by the NWE programme.

These recommendations mainly focus on the following issues, which are of particular interest for the NWE area:

- Strengthening research and innovation (NL, BE, UK and LU) with a focus on eco-innovation, such as production and distribution of renewable energy (IE, UK, FR), the environment (IE, LU, FR, NL) and energy and resource use (NL, LU).
- Integrated networking ideas (DE), cluster nodes (NL, BE, UK) and open innovation through smart specialisation (IE) by sharing best practices or mobilising co-investments (NL, UK).
- Stimulating the cross-border SME environment (LU, FR) by increased co-operation, sharing of best practices and economies of scale between SMEs from different Member States (IE). Themes preferably include market integration and participation (NL) and labour mobility (BE).
- Organising transnational cooperation initiatives in the context of national policies and other Community-funded programmes, based on a strong sense of partnership, such as European Grouping of Territorial Cooperation (EGTC) as a legal framework (NL, DE), while recognising the various needs and priorities across borders (DE).

### Lessons learnt from the Interreg IVB programme

Based on conclusions from the Interreg IVB programme evaluations (2012) and capitalisation activities (started in 2013), important lessons learnt, are :

- Results and impact on project level were difficult to measure; the indicator system did not allow to easily extract and analyse results;
- Newcomers remained difficult to attract to the IVB NWE programme, for example private partners or civil society actors;
- Project implementation stayed geographically imbalanced, a number of regions from the NWE area did not participate in the programme (e.g. rural areas).

To overcome the knowledge gap and to obtain an overview of the results of the IVB NWE programme, capitalisation activities have started in 2013. The capitalisation exercise revealed that:

- The programme has funded projects mainly relating to sustainable growth and smart growth. Only 15% of the projects directly related to inclusive growth;
- As for investments, the majority related to business R&D investments, followed by energy efficiency in public infrastructure and housing, sustainable mobility and adaptation to climate change. Only very few innovation support projects seemed to need infrastructure investments to reach their objectives;
- Many projects have successfully influenced the design or the implementation policies in the fields of environment, transport, climate change, energy, enterprise, and research & development;
- The programme generated impact on the production of new knowledge in a number of areas; with connectivity, logistics, sustainable energy, brownfield regeneration, waste treatment, natural resource management and biomass being the most prominent ones;

- Many projects seem to influence public behaviour towards more sustainable practices.

Although results tend to be optimistic, one of the main lessons drawn from the IVB programme is the need to increase the focus of the strategy of the NWE programme making results measurable and visible and generating a greater impact. The need for result orientation is furthermore a requirement from the European Commission and a common thread of the VB programme. This stronger focus will help with the development of better adapted and quality projects. It will further help to deliver clearer messages and improve the project selection process.

Besides the need for a more thematic focus, there is also the need to improve the (geographical) balance of the programme. The VB programme must strive for inclusive growth and reducing disparities by integrating more remote and rural areas or weaker performing regions who have not yet actively participated in the previous programmes. This will contribute to territorial cohesion. Moreover, the programme needs to continue and increase the involvement of new stakeholders. The programme bodies will seek possibilities to attract newcomers to the programme.

### **NWE's ambition**

The NWE programming process started with a SWOT analysis of the NWE area and an analysis of the needs and challenges. Results of this analysis constituted the base for developing the overall ambition of the area. This ambition is the overall vision on the future territorial and socio-economic development of the NWE area.

The ambition defined by the Member States for the NWE area is:

*“To be a key economic player in the world and create an attractive place to work and live, with high levels of innovation, sustainability and cohesion”*

The Member States involved in the NWE area defined six key challenges contributing to the overall ambition. By focussing on and investing in these six key challenges a positive contribution will be made to realise this ambition. These key challenges can be allocated to one of the Europe 2020 objectives.

In the following paragraphs, a short reference is made to the most important aspects for each key challenge identified by the analysis of needs and challenges, and to the issues of relevance to transnational cooperation (transnational development needs). The aim is to clearly illustrate the link between the main challenges faced by the NWE area, and the specific contribution transnational cooperation can make to these challenges and thus contribute to NWE's overall ambition.

### **Challenge 1: Boosting knowledge flows**

The *boosting of knowledge flows* (*‘smart growth’*) between regions and between the innovation stakeholders is the first of the key challenges defined to stimulate innovation in NWE and thereby contributing to its ambition to be a key economic player in the world. The challenge is to create an innovation environment in which users, firms, universities and public authorities cooperate in order to produce innovations. These innovations can be anything that is considered useful for the partners in innovation cooperation, for example, technological, social, product, service, commercial, non-commercial, private-sector and public-sector innovations.

The SWOT analysis shows that NWE hosts many regions with an above average index of R&D intensity, R&D expenditure and innovation performance ('innovation leaders'). NWE has a strong position regarding employment in high-tech sectors in an EU-wide perspective. However, in order to reinforce innovation and cluster networks and to be competitive in the future, there is still a need to create critical mass, facilitate the flow of knowledge among innovation stakeholders and promote economic relations between knowledge clusters in the NWE area.

*Specific transnational development need to:*

- Stimulate transnational cooperation between organisations, research and higher education institutions, governments and social institutions to develop new or improved links and synergies, especially for emerging sectors and growth sectors in the NWE region (according to smart specialisation strategies in Member States);
- Develop and implement new technologies, products and services in order to create an impact on societal, demographic, spatial and environmental problems and challenges.
- Strengthen smart specialisation in each region and ensure that the sectoral dimension of collaboration is linked to the regions' smart specialisation strategy;
- Close the gap in terms of innovation performance between regions in the NWE area by spreading knowledge and know-how from innovation leaders to innovation followers, moderate innovators and modest innovators;
- Connect regional clusters at a transnational level in order to create a critical mass for R&D and innovation, skills, funding, cross-fertilisation of ideas and entrepreneurial initiatives.

## **Challenge 2: SMEs innovative capabilities**

*Small and Medium sized Enterprises (SMEs) ('smart and sustainable growth')* have proven to be key operators in fostering innovation. They are the engines of economic growth, and the principle drivers for new employment. Their ability to exploit new technologies and to respond quickly to changing market needs, give SMEs a crucial role in economic growth of NWE, thereby contributing to its overall attractiveness and competitiveness. There is a need to promote the uptake of all types of innovation (social innovation, product innovation, service innovation, etc.) within SMEs, improve access to innovation funding and support their internationalisation.

*Specific transnational development need to:*

- Stimulate and facilitate the exploitation of research outcomes and entry of innovations to the market (also related to challenge 1);
- Tackle persistent problems regarding the transfer of science and technological research into products & other commercial outputs (also related to challenge 1);
- Stimulate international orientation and cooperation between SMEs and research institutions and other innovation stakeholders;
- Activate SMEs through 'intermediary' structures (for example chambers of commerce) that can act as bridges;
- Provide opportunities to develop the international competitiveness of SMEs as well as joint opportunities to respond to new consumer trends (for example online retailing);
- Share experiences and practices on how to promote the uptake of eco-innovation and social innovation in SMEs.



### **Challenge 3: Resource and materials efficiency**

The environmental demands of pollution and the use of resources in the NWE area are an important focus for the partners. *Resource and materials efficiency ('sustainable growth')*, by leading the way to smart use of water, land, air and materials, is of high importance considering the high population density and growing environmental problems in NWE. The NWE countries are among the highest resource consumers in the EU. The challenge is thus to further decouple economic growth from material consumption and thus to make better use of waste materials and energy from waste. There is a need for a transition to a more sustainable way of using resources and energy.

*Specific transnational development need to:*

- Implement common transnational strategies on use of resources, increase of resource efficiency and waste management;
- Promote eco-innovation as a means of contributing the de-materialisation of society
- Reduce the dependence on imported material resources;
- Address the opportunities presented by the use of waste for raw material recovery and energy production and opportunities for new material development from waste.

### **Challenge 4: Energy security and supply**

Besides actively involving other stakeholders to increase their resource efficiency, it is also important for the region to foster an innovative transnational approach to *energy security and supply ('sustainable growth')*. This approach is related to more optimised distribution and consumption of energy, as well as use and supply of (renewable) energy, since NWE is one of the highest energy consuming regions in the EU with high energy saving potentials (particularly in transport and the built environment).

*Specific transnational development need to:*

- Increase the share of renewable energies in the production and consumption mix, with a focus on stimulating demand rather than supply;
- Improve the transport mix and find innovative ways to decrease transport of goods and people (sustainable mobility concepts);
- Reduce the environmental impact of the transport sector in NWE and decrease emissions;
- Enhance 'soft' aspects of renewable energy development such as ensuring more efficient and transparent permitting procedures, financing feasibility studies, increasing public acceptance and further speeding up the overall infrastructure deployment process;
- Complement Regional Operational Programmes for EU funds which will be strongly focused on renewable energy production and energy consumption and efficiency.

### **Challenge 5: Vulnerability to climate change events**

In the future, problems stemming from *climate change ('sustainable growth')* could have strong effects on the NWE area. Due to the high density of infrastructure and built environment in urban areas and to their location near coasts and rivers, the NWE area is at risk for climate change events.

*Specific transnational development need to:*

- Reduce the risk of the NWE area to climate change events, specifically in the urban areas in NWE;
- Cooperate on relevant risk mitigation measures;

- Address specific climate change phenomena and risks and to implement the uptake of climate change mitigation solutions.

### **Challenge 6: Inclusion**

The economic crisis and the accompanying austerity measures have had a negative impact on *economic and social inclusion* ('*inclusive growth*') for communities under pressure and excluded population or population at risk for exclusion. Within this context, the gap between the advantaged and the disadvantaged is likely to increase. In most NWE countries poverty and social exclusion is highly visible in larger urban areas (excluded neighbourhoods), but probably less pronounced or more hidden in rural areas. This is also the case in (youth) unemployment, for example. As a result, the NWE area faces a considerable challenge to ensure the protection and integration of at-risk populations.

*Specific transnational development need to:*

- Address the issue of shrinking population and workforce;
- Address health issues related to air and water pollution (particularly within fragile social groups);
- Avoid the deepening of existing social gaps in the future, fighting poverty and social exclusion, mainly in urban areas;
- Reduce unemployment (youth, long-term, elderly) and strengthen lifelong learning;
- Facilitate labour force mobility and integrated labour markets.

### **The NWE programme strategy**

This section presents an overview of the NWE programme strategy. Before elaborating on the strategy, it is important to note that the programme cannot address all specific transnational development needs as presented in the overall ambition. Firstly, the programme has limited resource and financial capacity. Secondly, there is an increased need to ensure the generation of results in the strategic fields of choice. Thirdly, the programme takes into account the successes of the previous programme and needs to elaborate on these successes to obtain the best results. Lastly, national support is essential for successful implementation of the programme. Therefore, the process of defining the strategy is not only evidence based, but also policy based.

As a result, the NWE programme strategy places particular focus on four of the European Commission's defined Thematic Objectives (TO)<sup>1</sup>:

TO 1: strengthening research, technological development and innovation;

TO 4: supporting the shift towards a low carbon economy in all sectors;

TO 6: protecting the environment and promoting resource efficiency;

TO 7: promoting sustainable transport and removing bottlenecks in key network infrastructures.

Based on the overall ambition and the six key challenges, the NWE programme strategy covers a coherent and complimentary set of three Priorities, four Thematic Objectives (TO), five Investment Priorities (IP) and five Specific Objectives (SO).

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<sup>1</sup> Article 9 of Regulation (EU) No 1303/2013 and Article 5 of Regulation (EU) No 1301 /2013

**Overview NWE programme strategy**

Priority	TO	IP	Specific Objective
1. Innovation	1	1b	<p><b>SO1:</b> To enhance innovation performance in NWE through international cooperation</p>
2. Low Carbon	4	4e	<p><b>SO2:</b> To reduce GHG emissions in NWE through international cooperation on the implementation of low carbon, energy or climate protection strategies</p>
			<p><b>SO3:</b> To reduce GHG emissions in NWE through international cooperation on the uptake of low carbon technologies, products, processes and services</p>
	7	7c	<p><b>SO4:</b> To reduce GHG emissions in NWE through international cooperation on transnational low carbon solutions in transport systems</p>
3. Resource and materials efficiency	6	6f	<p><b>SO5:</b> To optimise (re)use of material and natural resources in NWE through international cooperation</p>

In comparison to the wider NWE ambition, it is evident that the selected set of TOs mainly addresses smart and sustainable growth and thus contributes to a larger number of the related “fields of action” mentioned in the Europe 2020 Strategy (i.e. “Innovation”, “Competitiveness”, “Combating climate change”, “Clean and efficient energy”). The strategy does not directly address other Europe 2020 fields of action (“Education, training & lifelong learning”, “Digital Society” and “Skills”) because the challenges within these fields require a more regional and national approach and the added value of transnational cooperation is limited. Accordingly, they can be better dealt with by other European programmes such as the European Social Fund, the Horizon 2020 and Erasmus+ or by national programmes and instruments.

Still, the Inclusive Growth dimension is integrated as a horizontal and cross-cutting issue within the selected TOs in order to promote the inclusion of vulnerable social groups and territories. Wherever relevant, it is incorporated in the Types of Actions (ToA) and the related project selection criteria.

## **Justification for the choice of Thematic Objectives (TO) and Investment Priorities (IP)**

The choice of Thematic Objectives (TO) and Investment Priorities (IP) as set out in Section 2 has been carried out using the following criteria:

- The relevance of the TOs to the key challenges and most important transnational development needs identified under each of the overarching objectives of the EU2020 strategy (territorial and statistical evidence) within the NWE area;
- The potential added value of adopting a transnational approach for the implementation of actions under the TO, to address issues identified under the objective (transnational cooperation potentials);
- The financial capacity of the programme and its potential to generate impact on the identified needs and challenges;
- The complementarity and potential overlaps between IPs under different TOs and the possibility to regroup IPs under a single TO;
- Lessons drawn from the NWE IVB programme and activities.

Regarding the choice and formulation of the Specific Objectives (SO) under each IP some basic principles were taken into account:

- Cooperation across several European countries (in contrast to cross-border cooperation of neighbouring countries) is the distinctive feature of transnational programmes and thus of the NWE programme strategy. Since the partners strive to measure the added value and benefits of international cooperation within the NWE area, the wording 'international cooperation' is explicitly mentioned in the formulation of each SO.
- Regarding the SO and actions, the focus of each IP lies on the implementation of actions and not on exchange of knowledge and experience. Tangible outputs and results are very important in the new programme;

**Table 1: An overview of the justification for the selection of thematic objectives and investment priorities**

Selected thematic objective	Selected investment priority	Justification for selection [a maximum of 500 characters]
TO 1 Strengthening research, technological development and innovation	IP 1b promoting business [...] investment in innovation and research, and developing links and synergies between enterprises, R&D centres and higher education...	<ul style="list-style-type: none"> <li>• Better exploitation of research outcomes into new technologies / products / services to create impact on social, demographic, spatial, economic and environmental challenges</li> <li>• Need to reinforce the internationalisation and inter-cluster cooperation of regional clusters and innovation stakeholders</li> <li>• Need to stimulate key growth sectors in NWE area and ensure that cooperation is linked to Smart Specialisation Strategies</li> <li>• Regional differences in NWE area in terms of innovation potential and economic performance need to be addressed</li> <li>• Need to pay attention to the ‘social dimension of innovation’ to deal with social challenges and problems</li> </ul>
TO 4 Supporting the shift towards a low-carbon economy in all sectors	IP 4e promoting low carbon strategies for all types of territories, in particular urban areas, including the promotion of sustainable urban mobility and mitigation relevant adaptation measures	<ul style="list-style-type: none"> <li>• Need to reduce the carbon footprint in NWE area</li> <li>• NWE area has a very strong urban dimension and urban areas are major sources of GHG emissions;</li> <li>• A lot of territories in the NWE area are at risk from climate change and extreme natural events (e.g. urban areas with high levels of built environment and infrastructure, coastal areas, river areas); mitigation actions are required</li> <li>• Implementation of low carbon strategies that deliver towards low carbon targets or improve energy affordability and security is of high importance in EU (and national policy documents)</li> <li>• Share of renewables in the production and consumption mix is low and there is a high dependence on foreign energy</li> <li>• Persisting problems regarding the access to affordable and sustainable energy sources (e.g. for low income social groups)</li> </ul>
	IP 4f promoting research, innovation and adoption of low carbon technologies	<ul style="list-style-type: none"> <li>• Need to stimulate technology and knowledge transfers on low carbon technologies and to increase the uptake of low carbon technologies (e.g. built environment);</li> <li>• Important to create critical mass for implementation of low carbon technologies contributing to the Europe 2020 Sustainable Growth objectives.</li> <li>• Increase the implementation of new energy solutions by an integrated approach, stimulating cooperation between organisations in the NWE area and stimulating cooperation with other European (regional) programmes</li> </ul>
TO 7 promoting sustainable transport and removing bottlenecks in key network	IP 7c developing environment-friendly and low carbon transport systems including river and sea transport, ports	<ul style="list-style-type: none"> <li>• Need to reduce pollution and GHG emissions of transport sector. Transport is the fastest-growing sector and the largest consumer of final energy</li> <li>• Need to develop more efficient traffic management solutions (e.g. by Intelligent Traffic Management Systems) on corridors or transport systems to reduce</li> </ul>

infrastructures through	and multimodal links [...]	emissions <ul style="list-style-type: none"> <li>• Need for stronger shift towards more environmentally friendly modes in the field of freight and passenger transport</li> <li>• Need to implement new mobility concepts in areas to decrease GHG emissions (multimodality)</li> </ul>
TO 6 Preserving and protecting the environment and promoting resource efficiency:	IP 6f promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector, soil protection or to reduce air pollution	<ul style="list-style-type: none"> <li>• Need to reduce the current absolute consumption of resources, to increase material productivity and improve the input/output ratio</li> <li>• Need to make better use of natural resources, such as water, wind and land</li> <li>• Need to make better use of waste for secondary raw material recovery and industrial transition (closed loop, cradle to cradle, circular economy)</li> <li>• Increasing resource efficiency can bring about major economic opportunities, improve productivity, drive down costs and boost competitiveness</li> <li>• Resource efficiency and green economy are high on the national and European political agendas</li> </ul>

### Innovation at the heart of the strategy

The NWE programme strategy is to promote innovation in order to strengthen the competitiveness of the NWE area, optimise the use of resources, limit the volume of GHG emissions generated by human activity and avoid negative impact from climate change natural events. Innovation refers to the creation of new products, new methods of production, new sources of supply, the exploitation of new markets and new ways to organise and market the business.

Innovation is thus at the heart of the programme strategy as innovations contribute to all Europe 2020 growth objectives. Three types of innovation are relevant for the NWE programme:

*Technology innovation* is the process through which new (or improved) technologies are developed and brought into widespread use. Innovation is composed of a mix of applied research, development, demonstration, and deployment. Innovation requires the involvement of a range of organizations and personnel (research institutions, laboratories, enterprises, financing organizations, etc.), with different institutional arrangements underpinning the development and deployment of different kinds of technologies.

*Social innovation* is defined in the European Commission's "Guide to Social Innovation" as the development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands and demographic changes, which affect the process of social interactions. Social innovation thus improves human well-being; it is not only good for society but also enhances individual capacity to act.

*Eco-innovation* is defined by the Eco-innovation Observatory as any innovation that reduces the use of natural resources and decreases the release of harmful substances across the entire lifecycle. It contributes both to environmental "clean-up" and to the dematerialisation of society. It is not just about clean technologies, but encompasses all

changes that reduce resource use across the life-cycle, regardless of whether these changes were intended to be ‘environmental’ or not.

Innovation in the NWE programme should be interpreted in the context of the following criteria:

- Innovation means “something original, new, and important - in whatever field - that breaks into (or obtains a foothold in) a market or society” and predominately focusses on ‘test’ or ‘development’ phases. The programme will focus on applied innovation and cooperation projects focussing on a specific product, service or process to increase its level of market-readiness. Actions focus mostly on the concept/technology validation phase of the innovation idea including its design, testing and development phases.
- An innovation can be considered as such when it is new to the market, but also when it is new to the region adopting or implementing it.
- Innovation should be result-oriented. As such, it is defined by the generation of a tangible output (such as product, service, process).
- Innovation under the programme takes place close to the market (such as proof of concept) and does not include activities in basic research.  
Innovation – like any NWE action - should have a purpose beyond the generation of additional revenue. It should instead be geared at addressing a specific need and challenge faced by the NWE area (six key challenges and transnational development needs).
- Innovation should preferably include all innovation stakeholders. As a result, in addition to the involvement of traditional triple helix stakeholders, it should also include users or civil society actors.

## **Contribution to Europe 2020 strategy**

### **Contribution to Smart Growth**

The programme strategy will promote excellence and synergy by matching regional innovation approaches and connecting key clusters and innovation stakeholders in the NWE area. Based on the analysis of needs and challenges, there is no “one size fits all” innovation strategy for NWE.

The programme focusses on applied research and technological development activities close to the market (such as proof of concept), and market exploitation of new products, processes and services. The challenges addressed in relation to innovation should be preferably linked to green growth and social inclusion, because these are promising and urgent in NWE. The programme strategy is also aimed at closing the gap between strong and weak(er) innovation regions, hereby also contributing to territorial cohesion within the NWE area.

The programme strategy shows a high correspondence with other European programmes and policies, as elaborated in the European Framework. Coherence with the Horizon 2020 programme can be found in a majority of the specific objectives in the NWE programme (SO1, SO3 and SO5). Thus, the NWE programme is complementary to Horizon 2020 and contributes to accelerating innovation and enhancing the uptake of technologies that will underpin tomorrow’s business, in particular with respect to the societal challenges (such as environment, demography, health). Coherence with the COSME programme can be found in some parts of the strategy. The NWE programme, like COSME, strengthens the competitiveness and sustainability of the Union’s enterprises, in particular by offering new transnational framework conditions for

enterprise based cooperation in the field of R&D innovation, low carbon technologies and natural/material resource efficiency.

Smart specialisation is advocated in several elements of the programme strategy, such as ‘innovation clusters for regional growth’, ‘European Innovation Partnership’ and ‘innovation friendly business environment for SME’s’.

### **Contribution to Sustainable Growth**

The programme strategy contributes to reduced GHG emissions, increased energy efficiency and an increased share of renewable energy in the consumption and production mix, by stimulating eco-innovation and the development and uptake of low carbon technologies and transport systems. Furthermore, the programme focusses on projects in the field of resource and materials efficiency. In addition, the programme focusses on energy accessibility and affordability which contribute to territorial cohesion and social inclusion.

The projects foreseen should include steps towards the actual implementation of detailed action plans and lead to real solutions for reducing GHG emissions, reducing waste and increasing recycling. The strategy also focuses on the mitigative and adaptive capacity of at-risk territories to respond to climate change natural events.

In relation to the low carbon Roadmap, the NWE programme contributes to the realisation of low carbon goals in sectors that have high energy saving potentials, such as the de-carbonised power sector (SO2 and SO3), industrial sectors (SO3 and SO5), transport (SO4) and the built environment (SO2). The programme also takes the EU strategy on climate change into account. SO2 considers large parts of this strategy by promoting cooperation on the integration of adaptation and mitigation measures. Coherence with the Connecting Europe Facility can also be found in relation to SO2 and SO3. The Connecting Europe Facility will support large infrastructure development projects, whilst the NWE programme will support the implementation of joint territorial strategies and the up-take of low carbon technologies to reduce GHG emissions and improve energy performance.

### **Contribution to Inclusive Growth**

Transnational and territorial aspects of social inclusion may include removing barriers for a transnational labour market, as well as transnational education, entrepreneurship education and pre-employment training. This also links to the innovation strategy (social innovation). Social inclusion is embedded throughout the programme strategy and will be made visible in the SO, where applicable (for example in the Types of Action). Furthermore, this will be integrated into the project selection criteria. The programme seeks to link the weak regions with the strong regions in the NWE area, and to support the development of technologies and services with a high social impact (for example in the health domain) for all types of population. Moreover, the programme strategy addresses energy accessibility and affordability and improving energy efficiency in social housing.

### **Contribution to the Territorial Agenda (TA2020)**

Besides contributing to the EU2020 strategy, the NWE programme also takes into account the TA2020. By linking the weaker and stronger regions, the programme promotes a balanced territorial development. By promoting project partnerships from peripheral and less urbanized areas within NWE the programme contributes to a polycentric territorial development. By asking for participation and involvement of the relevant partners in the project territories in order to contribute to the change in the



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thematic field tackled, better vertical and horizontal governance mechanisms can be tested.

Furthermore, the programme strategy will contribute to the development of new products, services and processes, which ensures global competitiveness of the regions involved. The programme will focus on areas of investment linked to the context in which enterprises operate (infrastructure, business services, support for business, innovation, ICT and research) and to the provision of services to citizens in relevant areas (energy, on-line services, education, health, social and research infrastructures, accessibility, quality of the environment).

## **1.2 Justification of the financial allocation (to be defined at a later stage)**

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**Table 2: Overview of the programme investment strategy**

Priority	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priorities	Result indicators corresponding to the specific objective  [input from result indicator tables]	ERDF support- EUR	Share of the total Union support to the operational programme (by Fund) <sup>2</sup>		
						ERDF	ENI (where appl.)	IPA (where appl.)
1 Innovation	1	1b	1. To enhance innovation performance in NWE through international cooperation	Share of innovation stakeholders in NWE benefiting from international cooperation	130.692.456	100%	n/a	n/a
2 Low carbon	4	4e	2. To reduce GHG emissions in NWE through international cooperation on the implementation of low carbon, energy or climate protection strategies	Share of stakeholders in the energy sector in NWE benefiting from international cooperation	47.524.529	100%	n/a	n/a
		4f	3. To reduce GHG emissions in NWE through international cooperation on the uptake of low carbon technologies, products, processes and services	Share of stakeholders in the low carbon sector in NWE benefiting from international cooperation	51.484.907	100%	n/a	n/a
	7	7c	4. To reduce GHG-emissions in NWE through international cooperation on transnational low carbon solutions in transport systems	Share of stakeholders in the (transnational) transport sector in NWE benefiting from international cooperation	47.524.529	100%	n/a	n/a
3 Resource & materials efficiency	6	6f	5. To optimise (re)use of material and natural resources in NWE through international cooperation	Share of organisations working on the (re)use of material and natural resources in NWE benefiting from international cooperation	95.049.059	100%	n/a	n/a
Technical Assistance	n/a	n/a	n/a		23.762.265	100%	n/a	n/a

<sup>2</sup> Presentation of amounts transferred from ENI and IPA depends on management option chosen, cfr. fiche no. 28 on Elements related to proposed integration of allocations under external financing instruments into ETC programmes.

**SECTION 2. DESCRIPTION OF THE PRIORITY AXES - ARTICLE 7(2) (B) AND (C) ETC REGULATION**

**Section 2.A A description of the priority axes other than technical assistance- Article 7(2) (b) ETC Regulation**

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# **PRIORITY 1 INNOVATION**

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## **PRIORITY 1: Innovation**

### **Introduction of the Priority ‘Innovation’**

The NWE programme strategy has three priorities, the first of which is ‘innovation’. The programme predominately focusses on the ‘test’ or ‘development’ phases of innovations and in this perspective seeks to act as an enabler. It aims to bring innovations closer to the market and to reduce the disparities in ‘innovation performance’ between its regions and to support their smart specialisation strategies. Priority 1 also recognizes the importance of social innovation, meaning innovations with a high impact on societal problems.

Priority 1 includes one Thematic Objective (TO) and one Investment Priority (IP), that translates into one Specific Objective (SO). This IP1b focusses on applied research and innovation, in comparison to IP4f (part of Priority 2) which focusses on the uptake of existing technologies. IP1b is broad in its thematic scope. However, it is important to establish a clear linkage with regional smart specialisation strategies and to support social innovation.

Eco-innovation is addressed under Priority 3.

#### **2.A.0. Where applicable, a justification for the establishment of a priority axis covering more than one thematic objective - Article 7 (1) ETC Regulation**

n/a

**INVESTMENT PRIORITY 1 of priority axis 1: 1b. Promoting business [...] investment in innovation and research, and developing links and synergies between enterprises, R&D centres and higher education[...]**

**2.A.1. Specific objective(s) corresponding to the investment priority and expected results - Article 7 (2) (b) (i)-(ii) ETC Regulation**

**SPECIFIC OBJECTIVE 1: To enhance innovation performance in NWE through international cooperation**

**RESULTS TO ACHIEVE**

Enhanced innovation performance in NWE is defined as better exploitation of research outcomes for the development of new technologies, products, processes and services generating an impact on the social, demographic, spatial, economic and environmental conditions of NWE territories. High innovation capacity, for example having the applied knowledge, skills, tools and networks in order to develop new ideas that deliver short and long-term profits to an organisation in NWE, will be a pre-requisite to achieve this result.

The NWE area has considerable innovation potential and hosts some of Europe's top innovation performers. However, this potential is highly geographically concentrated, creating a pronounced territorial divide. Tackling this 'territorial gap' and the differences in innovation performance among regions is specifically addressed in this SO (ToA1) and requires: 1) adopting a wider scope for innovation support that goes beyond the purely technological to encompass process, service and organisational innovation; and 2) promoting transnational collaboration to generate knowledge spill-overs from innovation leader regions to those regions that are innovation followers, moderate innovators or modest innovators.

In addition, the NWE area as a whole continues to have difficulties transforming science and research into products and other commercial outputs. This is due to poor circulation of knowledge and limited collaboration among innovation stakeholders, but also to a recurrent lack of critical mass in local innovation communities. Potentially, this problem could be overcome by creating a link between regional knowledge and business and industry clusters. ToA2 therefore focuses on bringing new products closer to the market. This ToA excludes basic research projects and marketing/commercialisation actions.

Social innovation, meaning the development and implementation of innovative solutions for social needs and problems, is addressed in ToA3. Specific attention will be paid to communities under pressure, excluded population or population at risk for exclusion, thereby contributing to the 'inclusive growth' objective of EU2020.

The results of this SO are measured in terms of the share of innovation stakeholders benefiting from international cooperation in the field of innovation. The term 'benefiting' does not refer to the funding received, but to the tangible benefits of the outputs of international cooperation, which include for example new knowledge or skills, new transnational clusters or networks, or new products, processes or services, which improve the innovation performance of the NWE area and which also contribute to reducing existing regional disparities. This means that international cooperation is to be seen as a means rather than as an end in itself.

All projects supported under this SO must demonstrate their strategic alignment with relevant smart specialisation strategies.

**Table 3: Programme specific result indicators specific objective 1 - Article 7.2 (b)(ii) ETC Regulation***Specific Objective 1*

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value <sup>3</sup> (2022)	Source of Data	Frequency of reporting
PS	Share of innovation stakeholders in NWE benefiting from international cooperation	Percentage	To be defined	2014	To be defined	Own survey	2014 (baseline)  2018 (interim)  2022 (end)

**2.A.2. Actions to be supported under the investment priority (by investment priority)****2.A.2.1 A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives- Article 7 (2) (b) (iii) ETC Regulation**

**ToA1: Building the capacity of regions and territories** to improve their innovation performance. This action targets regions lagging behind regarding innovation performance (see ‘specific territories targeted’) by encouraging partnerships with more developed regions. Activities should build transnational partnerships of innovation stakeholders such as cross-sectoral partnerships of public, private research and society from across NWE to jointly improve innovation performance and know-how in NWE regions. Activities should relate to regional smart specialisation strategies.

Actions may include collaboration on:

- Enhancing and developing transnational (self-sustaining) clusters or networks in order to:
  - Conduct focussed market watch and gap analysis, develop intelligence and scoping tools to foster transnational innovation partnerships (for example databases of business expertise, international benchmarking, market SWOTs and market studies) which lead to improved innovation performance;
  - Facilitate open innovation processes across organisations and sectors;
  - Design and implement joint development strategies to enhance innovation performance (for example: providing mentoring during the set up phase of innovative projects, enhancing staff knowledge and skills, fostering the transfer of knowledge into supply chains);
  - Explore, enhance or develop supply chains to bridge the gap between capacity building and the delivery of products to the market;

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<sup>3</sup> Target values can be qualitative or quantitative.

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- Supporting the internationalisation through sharing know-how and cross-sectoral collaborations;
- Developing transnational schemes for infrastructure sharing for research and innovation (knowledge transfer centres, B2B initiatives)..

These actions lead to an improved and increased cooperation among innovation stakeholders on a transnational level (for example public, private, research and society), thereby enhancing the innovation capacity to increase innovation performance.

**ToA2: Improving the competitiveness of enterprises,** through cooperative actions that take forward the development of specific products, services or processes to a stage of market-readiness. Actions focus mostly on the concept/technology validation phase of the innovation idea including its design, testing and development phases. Actions need to link to the objectives of the regions' smart specialization strategies and support cooperation between regions with similar objectives of these strategies. This should create critical mass and improve external competitiveness of the regions.

Actions may include collaboration on:

- Demonstrating and testing technologies, products, services and processes under real-life conditions or feasibility/refine design and development plans (for example with end-user-involvement, co-design approach);
- Demonstrating (larger scale) service delivery models/improved business processes (proof of concept);
- Developing transnational schemes for infrastructure sharing to improve business innovation and competitiveness; testing plants, fablabs etc.

These actions bring forward the Technology Readiness Level (TRL) of innovative products, technologies, processes or services.

**ToA3: Delivering societal benefits through innovation.** Actions aim at all territories of NWE and specifically target excluded population or population at risk for exclusion and communities under pressure. Actions aim at supporting development, testing and implementation of innovative solutions for social needs and problems ('social innovation').

Actions may include collaboration on:

- Designing and demonstrating new public service delivery mechanisms, or products for excluded population or population at risk for exclusion;
- Developing and delivering joint services or financial tools that address the demographic or social challenges highlighted in the NWE area, in particular unemployment, deprivation, demographic changes, health inequalities, rural peripherality /isolation and social integration;
- Supporting and developing social enterprises, such as setting up social incubators in transnational collaboration networks and train the trainer programmes for social entrepreneurs.

These actions lead to product-, service- or process-oriented solutions that address social needs in NWE and allow the programme to deliver towards the 'inclusive growth' aspect of EU2020.



### **The identification of the main target groups**

The main target groups for this specific objective are:

- Innovation stakeholders, explicitly those in regions lagging behind regarding innovation performance;
- Enterprises, including SMEs;
- Excluded population or population at risk for exclusion;
- Communities under pressure.

### **Specific territories targeted**

ToA1 explicitly focuses on cooperation between stronger and weaker regions, in order to reduce the regional differences of innovation performance within the NWE area. ToA2 targets a wide range of regions, but here also focussing on cooperation between stronger and weaker regions. Regarding actions in the field of social innovation (ToA3), a particular focus is placed on territories with excluded population or population at risk for exclusion and communities under pressure to participate productively in society and the economy.

Regarding the definition of ‘stronger’ and ‘weaker’ regions, the classification by the European Commission’s Regional Innovation Scoreboard (RIS) on innovation performance is an important tool. RIS classifies four types of ‘innovation territory’: innovation leaders, innovation followers, moderate innovators and modest innovators. The aim of this SO is to support cooperation among all four types of territory, and generating positive spill-overs in the follower, moderate and modest innovation regions.

### **Types of beneficiaries**

The main beneficiaries directly involved in the interventions under this specific objective are:

- Governmental organisations (local, regional, national and international);
- Civil society stakeholders (for example third sector organisations such as NGOs and non-profit organisations);
- Education and knowledge institutions-, including private or semi-public research organisations;
- Intermediate bodies, such as chambers of commerce, development agencies, cluster organisations, technology transfer offices;
- (Social) Enterprises.

#### ***2.A.2.2. The guiding principles for the selection of operations - Article 7 (2) (b) (iii) ETC Regulation***

Actions carried out to fulfil this specific objective are selected on the basis of seven key principles:

- Transnational additionality: Projects should have a clear focus on delivering joint transnational actions and must demonstrate the additionality of the transnational approach compared to regional, national, interregional or cross-border approaches;
- Innovation: Projects should meet the criteria of innovation as described in section 1. Innovation should lead to a strengthened competitiveness of the NWE area.
- External coherence: Projects building on the results generated by other European programmes (such as the EU’s Research Framework Programme) are welcome. Transnational cooperation should refer to activities under these programmes, provide an explanation of synergies and must ensure there is no duplication of existing or previous projects carried out under other European programmes or national funding;

- Sector-specific relevance: Projects must demonstrate a clear link between the project's objectives and the participating regions Smart Specialisation Strategies or regional ESIF strategies and programmes;
- Cross sectoral relevance: Partnerships must involve a diversified mix of innovation stakeholders (for example enterprises, researchers, education institutions, training organisations, policy-makers, private investors, end users);
- Territorial relevance: Projects should include partners from different types of innovation territories, as defined by the Regional Innovation Scoreboard (i.e. innovation leader, innovation follower, moderate innovator and modest innovators), where relevant;
- Result-based approach: Projects should be geared towards a specific innovative product, service, process or transnational tool. In addition, projects should demonstrate that they contribute to one or more key social, economic or environmental challenge of the NWE area. Projects must demonstrate how they contribute to the programme result indicator under this SO.

Projects focussing on purely academic cooperation or basic research are not eligible.

#### **2.A.2.3 The planned use of financial instruments (if relevant) - Article 7 (2) (b) (iii) ETC Regulation**

n/a

#### **2.A.2.4 The planned use of major projects (if relevant) - Article 7 (2) (e<sup>4</sup>) ETC Regulation**

n/a

#### **2.A.2.5 Common and specific output indicators, including the quantified target value (by investment priority) (Table 4) - Article 7 (2) (b) (iv) ETC Regulation**

**Table 4: Common and programme specific output indicators (by investment priority)**

<b>ID</b>	<b>Indicator (name of indicator)</b>	<b>Measurement unit</b>	<b>Target value (2022)</b>	<b>Source of data</b>
PS	Number of new or enhanced transnational clusters or innovation networks	No. of clusters and innovation networks	10 (10 projects x 1 cluster supported per project)	Own registration based on information from beneficiaries
PS	Number of new or improved infrastructure sharing schemes for research and innovation	No. of sharing schemes	10 (10 projects x 1 sharing scheme per project)	Own registration based on information from beneficiaries
PS	Number of technologies, products, services and processes developed and tested in real life conditions	No. of tests	40 (20 projects x 2 technologies, products, services, processes per project)	Own registration based on information from beneficiaries

<sup>4</sup> Not applicable to INTERACT and ESPON.

PS	Number of pilot actions implementing social innovation	No. of pilot actions	24 (12 projects x 2 pilot actions)	Own registration based on information from beneficiaries
PS	Number of (social) enterprises supported with enhanced innovation performance	No. of enterprises	64 (32 projects x 2 enterprises supported per project)	Own registration based on information from beneficiaries

### 2.A.3. Performance framework (by priority axis) - Article 7 (2) (b) (v) ETC Regulation

**Table 5: The performance framework of the priority axis**

Implementation step, financial, output or result indicator	Measurement unit, where appropriate	Milestone for 2018	Final target (2022)	Source of data	Explanation of the relevance of the indicator, where appropriate
To be defined	To be defined	To be defined	To be defined	To be defined	To be defined

### 2.A.4. Categories of intervention (by priority axis) - Article 7 (2) (b) (vii) ETC Regulation - to be defined at a later stage

**Tables 6-10: Categories of intervention**

Table 6: Dimension 1 Intervention field		Table 7: Dimension 2 Form of finance		Table 8: Dimension 3 Territory		Table 9: Dimension 6 Territorial delivery mechanism		Table 10: Dimension 8: Thematic objective	
Code						Code	€ amount	Code	€ amount

### 2.A.5. A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for the enhancement of the administrative capacity of relevant partners to participate in the implementation of programmes (by priority axis) - Article 7 (2) (b) (vi) ETC Regulation

n/a

**PRIORITY 2**  
**LOW CARBON**

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## **PRIORITY 2: Low carbon**

### **Introduction of the Priority ‘Low carbon’**

The financial and economic crisis has underlined the need that the EU-economy has to become more competitive and also more sustainable by achieving the transition to a low-carbon and resource-efficient economy. According to the SWOT analysis of the NWE area, there is a broad public and political awareness on this need and the opportunities to further stimulate a change in behaviour and also an even broader public acceptance of the low carbon shift.

A main aspect of low carbon economy is the use of energy. The energy-related challenges in NWE are manifold. Firstly, the share of renewables in the production and consumption mix is low. Secondly, there are a number of energy-intensive high consuming sectors with a high potential for increasing energy efficiency. Thirdly, there is a need to improve renewable energy distribution and generation infrastructure. Fourthly, there is a high dependence on foreign energy. Also, ensuring access to affordable and sustainable energy sources has been and continues to constitute a major challenge for the region. Since NWE countries are among the EU’s highest emitters of GHGs, there is the challenge of finding ways to reduce GHGs to meet climate change goals.

Priority 2 includes two Thematic Objectives (TO). TO4 includes two Investment Priorities (IP4e and IP4f) that translates into two Specific Objectives (SO) geared towards reducing GHG emissions and improving energy performance. TO7 includes one Investment Priority (IP7c) that translates into one Specific Objective (SO) and places specific emphasis on reducing GHG emissions in the transport sector, one of the major polluters in the NWE area.

**IP4e** has a strong focus on the public sector and is oriented towards helping public authorities implementing their low carbon strategies, energy strategies and climate protection strategies, but could also involve private stakeholders (such as utility companies or financial institutions) or research institutions. Mitigation relevant adaptation solutions designed to improve the territories’ capacity to avoid and adapt to the effects of climate change may also be supported under this IP.

**IP4f** is complementary to IP1b (Priority 1) since it focusses exclusively on the uptake of existing low carbon technologies, products and services, rather than on the development and proof of concept of innovations (in contrast to IP1b, which focusses on applied research and innovation). IP4f also differs from IP6f (Priority 3) in that it does not focus on materials (latter being part of IP6f). Finally, contrary to IP4e (which focusses on the public sector), IP4f focusses on the capacity of private stakeholders (for example enterprises, industries, housing developers) to make use of low carbon solutions.

**IP7c** focusses on improving transnational solutions for transport and traffic management systems, with the goal of reducing GHG emissions. This IP includes transport related R&D and innovation, thereby excluding this field of innovation from IP1b. In addition, there is a stronger focus on transport management technologies rather than replacing or upgrading rolling stock or infrastructure, which imply more substantial investment). In contrast to IP4f, which focusses on the ‘domestic’ uptake of technologies by a single business or industry, IP7c focusses on the transnational components of corridors or transport systems (such as networks of mobility connections, flows of passengers and goods, travel patterns, logistics chains, value chains, multimodal systems).

## **2.A.0. Where applicable, a justification for the establishment of a priority axis covering more than one thematic objective - Article 7 (1) ETC Regulation**

Two TOs have been selected for this Priority: TO 4 – Supporting the shift towards a low carbon economy in all sectors, and TO 7 – Promoting sustainable transport and removing bottlenecks in key network infrastructures. By including both TOs in one Priority, synergies are possible between the uptake of low carbon technologies in the public sector and the implementation of low carbon solutions in the transport sector, the main GHG polluter.

The reason for including transport is a consequence of its relatively high contribution to energy consumption and GHG emissions in the EU. Transport is responsible for the lion's share of GHG emissions in the EU15. Currently, road traffic is the most common form of freight transport for most parts of NWE, responsible for 22% of total CO<sub>2</sub> emissions. Thereby, the motorisation rate is above the EU27 average making transport the largest consumer of energy in NWE. In the future, CO<sub>2</sub> emissions from road transport continue to increase. With this in mind, transport has been identified as one of the main sectors with the greatest potential for energy savings. Mobility and sustainable transport are also fundamental to the smooth operation of the internal market, which, from a transnational perspective, is of high importance for the NWE area as the powerhouse of Europe.

In this low carbon Priority, IP7c only covers those actions that are focused on low carbon solutions, the goal being the reduction of GHG emissions. This IP therefore does not concern accessibility, congestion or infrastructure, except as important means of delivering the low carbon solutions envisaged.

The expected results can only be achieved if these challenges are tackled in their territorial context (for example differentiating between high density and sparsely populated areas), taking account of the existing mobility systems, technical solutions and management measures.

**INVESTMENT PRIORITY 1 of priority axis 2, IP 4E: Supporting the shift towards a low carbon economy in all sectors through (4e) promoting low carbon strategies for all types of territories, in particular urban areas, including the promotion of sustainable urban mobility and mitigation relevant adaptation measures.**

**2.A.1. Specific objective(s) corresponding to the investment priority and expected results - Article 7 (2) (b) (i)-(ii) ETC Regulation**

**SPECIFIC OBJECTIVE 2: To reduce GHG emissions in NWE through international cooperation on the implementation of low carbon, energy or climate protection strategies**

#### RESULTS TO ACHIEVE

As mentioned in the introduction to this Priority, the NWE area is confronted with a need to reduce the carbon footprint in NWE society and with several energy-related challenges, including energy transition management. Transition to restructure the energy systems into more sustainable forms is necessary in NWE. Actions to guarantee energy accessibility and affordability are needed in order to avoid growing social fragmentation.

Regional and local authorities and other stakeholders (such as private or public social housing companies) are faced with an increasingly complex set of challenges in terms of delivering strategies aimed at reducing emissions and optimising energy performance (production, consumption, efficiency) particularly in public buildings, public infrastructure and social housing. The implementation of low carbon, energy or climate protection strategies is part of ToA4 and leads to a reduction of emissions, less energy consumption and an increase in the use of renewable energy.

Actions must address the above challenges (which may be technological, organisational or financial) through the actual implementation of detailed and specific low carbon, energy or climate protection strategies. Outputs are therefore not measured in terms of strategies produced, but in terms of real solutions put into practice (technical, organisational, or financial) that lead to reduced GHG emissions in NWE territories.

ToA5 focusses on implementing combined mitigation and adaptation solutions, relating to the effects of climate change. The NWE area is highly urbanised with extensive infrastructure and a high population density. This makes the area highly vulnerable to climate change events. NWE must therefore develop and introduce innovative territorial solutions for mitigating and adapting to the effects of climate change. Since NWE contains numerous large urban centres, urban spatial planning strategies can generate ideas for making cities more resilient to the effects of climate change. The challenge is to strengthen the link between mitigation and adaptation measures and to focus actions on limiting the causes of climate change, instead of dealing with the consequences.

Actions within this SO do not finance large-scale investments. However, they do trigger commitment and thereby prompting future investments for the parties involved via funding from other (regional) European funds.

The results of this SO are measured in terms of the share of organisations benefiting from international cooperation in the field of energy. The term ‘benefiting’ does not refer to the funding received, but to the tangible benefits of the outputs of international cooperation, which include for example new, actually delivered knowledge and solutions for identified challenges, that have a positive effect on the reduction of GHG emissions in the NWE area.

International cooperation should therefore be seen as a means of delivering real change, rather than as an end in itself.

**Table 3: Programme specific result indicators (SO2) - Article 7.2 (b)(ii) ETC Regulation**

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value <sup>5</sup> (2022)	Source of Data	Frequency of reporting
PS	Share of stakeholders in the energy sector in NWE benefiting from international cooperation	Percentage	To be defined	2014	To be defined	Own survey	2014 (baseline) 2018 (interim) 2022 (end)

## 2.A.2. Actions to be supported under the investment priority (by investment priority)

### 2.A.2.1 A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives- Article 7 (2) (b) (iii) ETC Regulation

**ToA4: Promoting carbon reduction in cities and regions** through the implementation of emerging or existing low carbon, energy or climate protection strategies. Strategies may encompass localised energy generation and supply, distribution and efficiency management, or other means of reducing carbon emissions at a territorial level and their delivery.

Actions may include collaboration on:

- Delivering of integrated territorial strategies which may combine, for example, localised energy generation, energy distribution, energy efficiency, energy affordability/accessibility or carbon emissions from key sectors such as transport.
- Testing and developing new financial schemes in order to deliver low carbon strategies backed by both public and private funding;
- Initiating new governance arrangements (including civil society stakeholders and local communities) to deliver low carbon strategies and improve institutional capacity, where they lead to new solutions;
- Promoting and developing transnational networks of energy neutral communities, where they lead to the shared development of new solutions;
- Developing innovative approaches to deliver localised energy distribution and micro generation, for example in public buildings or social housing;
- Delivering technologies and solutions to create low-carbon intelligent energy networks;
- Developing synergies between existing large-scale infrastructure projects, using transnational learning to make delivery more efficient and effective.

<sup>5</sup> Target values can be qualitative or quantitative.



Specific technical approaches to any one of these actions may be better suited to SO3 or SO4. The scale-up and roll-out of existing strategies may engage 'follower' regions which are in the process of developing such strategies.

Actions lead to implemented low carbon, energy or climate protection strategies and jointly developed solutions (technological, financial, organisational, regulatory, and institutional) to reduce GHG emission.

**ToA5: Implementing combined mitigation and adaptation solutions**, to demonstrate feasibility and refine design and development plans for the future. Projects have to deliver both a reduction in risks and a reduction in GHG emissions.

Actions may include collaboration on:

- Designing, analysing, demonstrating, testing and implementing solutions that integrate mitigation and adaptation measures. This involves technical, financial, organisational, regulatory and institutional aspects, such as:
  - Structures which deliver outcomes in adaptation (reduction in risk) and mitigation (reduction in GHG emissions), which are sustainably designed or built;
  - Innovative approaches to environmental risk at a city or region level, which bring adaptation and mitigation benefits, such as Water Sensitive Urban Design (WSUD);
  - Measures to reduce or compensate emissions in water systems, such as optimised water distribution and CO2 neutral maintenance of adaptation measures;
- Water planning at a catchment level to address adaptation whilst promoting mitigation; for example where water is allocated between hydroelectricity and consumption.
- Adapting regional economies to the effects of climate change; for example by addressing environmental risks in a way which will reduce CO2 emissions, such as reducing the vulnerability of electricity distribution networks to extreme weather.

Actions lead to investments in innovative mitigation relevant adaptation solutions and thereby reducing GHG emissions.

### **The identification of the main target groups**

The main target groups are:

- Households / inhabitants, including those facing problems with energy affordability and / or accessibility;
- Public organisations (local, regional, national and international);
- Social housing providers.

### **Specific territories targeted**

Actions under this IP are gathered from across the entire NWE area, thereby providing opportunities for partners from all regions to participate. The scale-up and roll-out of existing strategies may engage 'follower' regions which are in the process of developing such strategies. There is also both an unmet need and potential to unlock energy supply in rural areas. Including rural areas in the projects strengthens territorial cohesion in NWE. Places facing problems with energy affordability and / or accessibility could also be targeted. The potential of energy-generating buildings also has an important role to play under this IP, especially in urban areas.

## Types of beneficiaries

The main beneficiaries directly involved in the interventions under this specific objective are:

- Governmental organisations (local, regional, national and international);
- Civil society stakeholders (for example, third sector organisations such as NGOs and non-profit organisations);
- Education and knowledge institutions-, including private or semi-public research organisations;
- Intermediate bodies, such as chambers of commerce, development agencies, cluster organisations, technology transfer offices;
- Public environmental organisations, such as water authorities and nature organisations;
- Enterprises.

### ***2.A.2.2. The guiding principles for the selection of operations - Article 7 (2) (b) (iii) ETC Regulation***

Actions carried out to fulfil this specific objective are selected on the basis of eight key principles:

- Transnational additionality: Projects should have a clear focus on delivering joint transnational actions and must demonstrate the additionality of the transnational approach compared to regional, national, interregional or cross-border approaches;
- Innovation: Projects should meet the criteria of innovation as described in section 1. Innovation should lead to limited volume of GHG emissions in the NWE area.
- External coherence: Projects building on the results generated by other European programmes (such as the Framework Programme, Horizon 2020, COSME or Life+) are welcome. Transnational cooperation should refer to activities under these programmes, provide an explanation of synergies and must ensure there is no duplication of existing or previous projects carried out under other EU-programmes or national funding;
- Cross-sectoral relevance: Projects should involve all key stakeholders from the field in question in the proposed project activities and ensure an integrated approach;
- Integrated approach: For the implementation of strategies, projects should take into account several topics regarding energy, for example energy distribution, energy efficiency, energy in transport and energy use of public infrastructure / building;
- Territorial relevance: In line with the challenge of reducing territorial differences, preference is given to projects that include a mentoring/learning dimension between more developed and less developed regions. For projects aiming to improve energy accessibility / affordability, so as to maximise the benefits for citizens, preference is given to projects targeting socially deprived areas and excluded population or population at risk for exclusion;
- The involvement of local and regional public authorities is a basic prerequisite. In addition, there must be an existing or emerging low carbon strategy, energy strategy or climate protection strategy to act as a framework to guide projects' activities. Only joint implementation of existing or emerging strategies is supported;
- Result-based approach: Projects should be geared towards the development and implementation of real solutions (technological, organisational, financial, regulatory and institutional) leading to reduced GHG emissions in NWE territories.

**2.A.2.3 The planned use of financial instruments (if relevant) - Article 7 (2) (b) (iii) ETC**

n/a

**2.A.2.4 The planned use of major projects (if relevant) - Article 7 (2) (e<sup>6</sup>) ETC Regulation**

n/a

**2.A.2.5 Common and specific output indicators, including the quantified target value (by investment priority) (Table 4) - Article 7 (2) (b) (iv) ETC Regulation**

**Table 4: Common and programme specific output indicators (by investment priority)**

<b>ID</b>	<b>Indicator (name of indicator)</b>	<b>Measurement unit</b>	<b>Target value (2022)</b>	<b>Source of data</b>
PS	Number of solutions facilitating the delivery of existing or emerging low carbon, energy or climate protection strategies	No. of solutions	6 (6 projects x 1 transnational solution per project)	Own registration based on information from beneficiaries
PS	Number of combined mitigation-relevant adaptation solutions implemented	No. of solutions	6 (6 projects x 1 transnational solution per project)	Own registration based on information from beneficiaries

**INVESTMENT PRIORITY 2 of priority axis 2: 4f. promoting research, innovation and adoption of low carbon technologies.**

**2.A.1. Specific objective(s) corresponding to the investment priority and expected results - Article 7 (2) (b) (i)-(ii) ETC Regulation**

**SPECIFIC OBJECTIVE 3: To reduce GHG emissions in NWE through international cooperation on the uptake of low carbon technologies, products, processes and services**

**RESULTS TO ACHIEVE**

The NWE area is characterised by a high level of GHG emissions and a strong dependence on non-renewable energy sources, as well as a lower-than-average proportion of renewable energies in the production and consumption mix. This SO aims to realise the market opportunities presented by Low Carbon and Environmental Goods and Services (LCEGS), meaning products and services which will reduce GHG emissions and pollution and optimise the region's energy consumption and production. This will be achieved by promoting the use and uptake of existing low carbon solutions (technologies, products, processes) in the areas (geographic, functional or economic) or sectors responsible for the highest levels of GHG emissions (construction and the built environment, for example).

Actions under this SO focus on demonstrating low carbon solutions, illustrating their feasibility, relevance and economic/environmental rationale. Actions will raise awareness among all relevant stakeholders and hereby increase the implementation of low carbon solutions. Success is measured in terms of the increase in the use of low carbon solutions they bring about (compared to existing traditional competitors) as well as energy and economic savings brought about by their uptake.

Projects focussing on the development (for example, proof of concept) of new technologies, products or processes are not targeted within this SO, since this SO focusses exclusively on the uptake of existing low carbon technologies, products and services. The development of new technologies is possible under SO1.

This SO results in an increasing share of organisations benefiting from international cooperation on low carbon solutions. The term 'benefiting' does not refer to the funding received, but to the tangible benefits of the outputs of international cooperation which include for example the implementation of low carbon technologies and solutions, leading to a reduction in the use of traditional (non-renewable) energies and a reduction in the volume of GHG emissions. International cooperation is therefore seen as a means to deliver real change rather than an end in itself.

**Table 3: Programme specific result indicators (by specific objective) - Article 7.2 (b)(ii) ETC Regulation**

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value <sup>7</sup> (2022)	Source of Data	Frequency of reporting
	Share of stakeholders in the low carbon sector in NWE benefiting from international cooperation	Percentage	To be defined	2014	To be defined	Own survey	2014 (baseline) 2018 (interim) 2022 (end)

## 2.A.2. Actions to be supported under the investment priority (by investment priority)

### 2.A.2.1 A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives - Article 7 (2) (b) (iii) ETC Regulation

**ToA6: Implementing low carbon technologies and other solutions** through demonstrations and rollout of existing low carbon products, technologies, or solutions.

Actions may include collaboration on:

- Implementing and adopting zero/low carbon technologies in enterprises and industrial production processes; particularly those relating to energy generation and / or energy reductions/efficiency;
- Delivering and roll out of emerging energy technologies;
- Implementing transnational living labs to test and demonstrate the use of zero/low carbon solutions in real life conditions;
- Implementing of joint zero/low carbon technology demonstration schemes and facilities, including fablabs and R&D/testing facilities;
- Ensuring that new energy solutions are practical (for example, finding ways for biofuel production to not negatively impact on agricultural or water resources).

These actions demonstrate the environmental and economic impact associated with the use of existing zero/low carbon solutions, leading to the uptake of such solutions, particularly by private stakeholders.

### The identification of the main target groups

The main target groups are:

- Households / inhabitants;
- (Social) Enterprises, including SMEs;
- Governmental organisations (local, regional, national, international);

<sup>7</sup> Target values can be qualitative or quantitative.

- Civil society stakeholders promoting energy saving measures (for example third sector organisations such as NGOs and non-profit organisations);
- Intermediate bodies, such as chambers of commerce, development agencies, cluster organisations, technology transfer offices;
- Environmental and energy agencies.

### Specific territories targeted

This IP supports projects from across the whole NWE area, thereby providing opportunities for partners from all regions. Given the needs and challenges mentioned some actions apply more specifically to territories and sectors with high energy saving potentials.

### Types of beneficiaries

The main beneficiaries directly involved in the interventions under this specific objective are:

- Governmental organisations (local, regional, national, international);
- Civil society stakeholders promoting energy saving measures (for example third sector organisations such as NGOs and non-profit organisations);
- Education and knowledge institutions, including private or semi-public research organisations;
- Intermediate bodies, such as chambers of commerce, development agencies, cluster organisations, technology transfer offices;
- Environmental and energy agencies;
- (Social) Enterprises.

#### ***2.A.2.2. The guiding principles for the selection of operations - Article 7 (2) (b) (iii) ETC Regulation***

Actions carried out to fulfil this specific objective are selected on the basis of six key principles:

- **Transnational additionality:** Projects should have a clear focus on delivering joint transnational actions and must demonstrate the additionality of the transnational approach compared with regional, national, interregional or cross-border approaches;
- **Innovation:** Projects should meet the criteria of innovation as described in section 1. Innovation should lead to limited volume of GHG emissions;
- **External coherence:** Projects building on the efforts and outputs of other European strategies and programmes are welcome (for example the Covenant of Mayors, the EU Roadmap for moving to a competitive low carbon economy in 2050 or the EU Climate change adaptation strategy). Transnational cooperation projects funded under the NWE programme should explain synergies and refer to activities under these programmes, where appropriate. In addition, projects must ensure there is no duplication of existing or previous projects carried out under other European programmes or national funding.
- **Territorial relevance:** Projects should follow integrated approaches looking at the positive development of regions and cities and contributing to low carbon strategies.
- **Sector-specific relevance:** projects promoting energy reduction should be targeted at economic sectors with high GHG emissions;
- **Results-based approach:** Projects should look towards the actual implementation of existing technologies, products and processes that are readily available on the market. Beneficiaries must ensure that projects' impacts and benefits are appropriately measured.

**2.A.2.3 The planned use of financial instruments (if relevant) - Article 7 (2) (b) (iii) ETC Regulation**

n/a

**2.A.2.4 The planned use of major projects (if relevant) - Article 7 (2) (e<sup>8</sup>) ETC Regulation**

n/a

**2.A.2.5 Common and specific output indicators, including the quantified target value (by investment priority) (Table 4) - Article 7 (2) (b) (iv) ETC Regulation**

**Table 4: Common and programme specific output indicators (by investment priority)**

<b>ID</b>	<b>Indicator (name of indicator)</b>	<b>Measurement unit</b>	<b>Target value (2022)</b>	<b>Source of data</b>
PS	Number of adopted or applied low carbon technologies	No. of technologies	13 (13 projects x 1 adopted/applied technology per project)	Own registration based on information from beneficiaries
PS	Number of enterprises supported implementing low carbon technologies	No. of enterprises	26 (13 projects x 2 enterprises supported per project)	Own registration based on information from beneficiaries

**INVESTMENT PRIORITY 3 of priority axis 2: 7c. Developing environmental friendly and low carbon transport systems including river and sea transport, ports and multimodal links [...]**

**2.A.1. Specific objective(s) corresponding to the investment priority and expected results - Article 7 (2) (b) (i)-(ii) ETC Regulation**

**SPECIFIC OBJECTIVE 4: To reduce GHG emissions in NWE through international cooperation on transnational low carbon solutions in transport systems**

**RESULTS TO ACHIEVE**

The transport sector is by far the largest consumer of energy in the EU and also one of the main sources of pollution and CO<sub>2</sub> emissions. Consequently, as the transport sector grows, energy use, pollution and emissions continue to rise. With such a large transport sector, NWE countries rank among the leading polluters in the EU, notably in terms of GHG emissions, which contribute to global climate change. Air pollution is causing public health problems, especially in densely populated areas.

To address these issues, there is a need for more efficient traffic management solutions and a stronger shift away from road transportation towards more environmentally friendly modes – both for freight and for passengers. Decreasing GHG emissions also requires new mobility/transport concepts to be implemented, such as multimodality. Such challenges call for the development of systematic and structural solutions, most of which can only be implemented at transnational level.

Therefore, this SO targets the transnational components of NWE transport systems. In other words, it does not support stand-alone solutions, but it focusses on corridors or transport systems (such as networks of mobility connections, flows of passengers and goods, travel patterns, logistics chains, multimodal systems). These are important for inter-country or inter-regional flows of goods or people and therefore relevant for all NWE countries. As such, rather than promoting the uptake and sharing of stand-alone solutions, the actions have to demonstrate a transnational added value and lead to a decrease of GHG emissions.

The expected result of this SO is an increased share of organisations benefiting from international cooperation on low carbon transport solutions. These benefits do not refer to the funding received, but to the tangible benefits of the outputs of international cooperation, which include for example new low carbon transport solutions leading to lower GHG emissions. This means that international cooperation is not to be seen as a means rather than as an end in itself.



**Table 3: Programme specific result indicators (by specific objective)**

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value <sup>9</sup> (2022)	Source of Data	Frequency of reporting
	Share of stakeholders in the (transnational) transport sector in NWE benefiting from international cooperation	Percentage	To be defined	2014	To be defined	Own survey	2014 (baseline) 2018 (interim) 2022 (end)

## 2.A.2. Actions to be supported under the investment priority (by investment priority)

### 2.A.2.1 A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives- Article 7 (2) (b) (iii) ETC Regulation

**ToA7: Implementing transnational solutions for low carbon transport systems** to reduce GHG emissions.

Actions may include collaboration on:

- Developing pilot or demonstration actions to bring new forms of propulsion or low-carbon transportation closer to public use;
- Testing and demonstrating low carbon solutions in real life conditions, such as low carbon or zero-carbon rolling stock, vehicles using alternative fuels, new propulsion systems or increasing levels of e-mobility;
- Engaging with transport operators and their supply chains to affect behavioural change and implement different low carbon solutions.

Actions lead to the uptake of transnational low carbon solutions (technologies, systems, processes, services) within existing transportation systems, demonstrating reductions in GHG emissions.

**ToA8: Implementing solutions for optimised traffic management** to enhance capacity and to show tangible transfer to lower-carbon forms of transport, in order to reduce GHG emissions.

Actions may include collaboration on:

- Developing and improving multimodal transport (freight and passengers), focused on reducing GHG emissions;
- Developing, implementing and evaluating efficient traffic management solutions, such as seamless transport, smart mobility, IT systems, last mile concepts or services, journey planning tools, where these lead to real reductions of GHG emissions;

<sup>9</sup> Target values can be qualitative or quantitative.

- Optimising transnational logistic chains and systems in transport corridors or transport systems to reduce GHG emissions.

Actions lead to an increased capacity of transport management authorities (public or private) enabling them to better manage the transportation of goods and people across the NWE area, and leading to a reduction in transport-related GHG emissions.

### **The identification of the main target groups**

The main target groups are:

- Households / inhabitants;
- Governmental organisations (local, regional, national and international) with strategic or regulatory powers for transport;
- Public transport organisations;
- Enterprises in the transport sector (such as service companies, logistic operators).

### **Specific territories targeted**

All regions and stakeholders are eligible to participate in actions under this IP since low carbon transport solutions are relevant for the entire NWE area. Actions should therefore target both the major urban areas of NWE, but also the peripheral regions. Rural areas situated between metropolitan areas may function as nodes in a regional network, thereby creating regional added value.

### **Type of beneficiaries**

The main beneficiaries directly involved in the interventions under this specific objective are:

- Governmental organisations (local, regional, national and international);
- Civil society stakeholders (for example third sector organisations such as NGOs and non profit organisations);
- Education and knowledge institutions, including private or semi-public research organisations;
- Intermediate bodies, for example chambers of commerce, development agencies, cluster organisations, technology transfer offices;
- Enterprises in the transport sector.

#### ***2.A.2.2. The guiding principles for the selection of operations - Article 7 (2) (b) (iii) ETC Regulation***

Actions carried out to fulfil this specific objective are selected on the basis of five key principles:

- **Transnational additionality:** Projects should clearly focus on delivering joint transnational actions and must demonstrate the additionality of the transnational approach compared to regional, national, interregional or cross-border approaches. This SO therefore targets transnational components of the NWE transport systems, such as corridors or transport flows (of goods/people) across the NWE territory;
- **Innovation:** Projects should meet the criteria of innovation as described in section 1. Innovation should lead to limited volume of GHG emissions;
- **External coherence:** Projects building on the results of other European programmes (such as the Connecting Europe Facility) are welcome. Transnational cooperation should refer to activities under these programmes, provide an explanation of synergies with them and must ensure there is no duplication of existing or previous projects carried out under other EU-programmes;

- Cross-sectoral relevance: Partnerships must involve a diversified mix of innovation stakeholders active in the transport sector (for example enterprises, researchers, education institutions, training organisations, policy-makers, private investors);
- Result-based approach: Projects should be geared towards the demonstration, testing and implementation of new transport and transport management solutions that lead to lower GHG emissions than existing transport systems.

Projects focussing on purely academic cooperation or basic research are not eligible.

**2.A.2.3 The planned use of financial instruments (if relevant) - Article 7 (2) (b) (iii) ETC**

n/a

**2.A.2.4 The planned use of major projects (if relevant) - Article 7 (2) (e<sup>10</sup>) ETC Regulation**

n/a

**2.A.2.5 Common and specific output indicators, including the quantified target value (by investment priority) (Table 4) - Article 7 (2) (b) (iv) ETC Regulation**

**Table 4b: Common and programme specific output indicators (by investment priority)**

<b>ID</b>	<b>Indicator (name of indicator)</b>	<b>Measurement unit</b>	<b>Target value (2022)</b>	<b>Source of data</b>
PS	Number of implemented low carbon solutions in transport	No. of solutions	6 (6 projects x 1 transnational solution per project)	Own registration based on information from beneficiaries
PS	Number of new or improved transport management systems	No. of systems	6 (6 projects x 1 transnational system per project)	Own registration based on information from beneficiaries
PS	Number of transport operators supported implementing low carbon solutions	No. of transport operators	24 (12 projects x 2 transport operators supported per project)	Own registration based on information from beneficiaries

**2.A.3. Performance framework (by priority axis) - Article 7 (2) (b) (v) ETC Regulation**

**An identification of implementation steps and financial and output indicators to act as milestones and targets for the performance framework in accordance with Article 19(1) CPR and Annex (xx) (Table 5) – by priority axis**

<sup>10</sup> Not applicable to INTERACT and ESPON.

**Table 5: The performance framework of the priority axis**

Implementation step, financial, output or result indicator	Measurement unit, where appropriate	Milestone for 2018	Final target (2022)	Source of data	Explanation of the relevance of the indicator, where appropriate
To be defined	To be defined	To be defined	To be defined	To be defined	To be defined

#### 2.A.4. Categories of intervention (by priority axis) - Article 7 (2) (b) (vii) ETC Regulation

Tables 6-10: **Categories of intervention - to be defined at a later stage**

Table 6: Dimension 1 Intervention field		Table 7: Dimension 2 Form of finance		Table 8: Dimension 3 Territory		Table 9: Dimension 6 Territorial delivery mechanism		Table 10: Dimension 8: Thematic objective	
Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount	Code	€ amount

2.A.5. A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for the enhancement of the administrative capacity of relevant partners to participate in the implementation of programmes (by priority axis) - Article 7 (2) (b) (vi) ETC Regulation

n/a

**PRIORITY 3**  
**RESOURCE AND**  
**MATERIALS EFFICIENCY**

DRAFT

## **PRIORITY 3: Resource and materials efficiency**

### **Introduction of the Priority ‘Resource and materials efficiency’**

In a world with growing pressures on resources and the environment, it is important to promote the transition to a resource-efficient and ultimately regenerative circular economy. A circular economy is an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life. This will lead to greater resource productivity, a reduction of waste and a reduction of environmental impacts of the production and consumption in NWE.

The third Priority in the NWE programme strategy aims to improve resource and materials efficiency and as a consequence contribute to the transition to a circular economy. On one hand it will do this by reducing the use of non-renewable resources, encouraging the re-use of resources and materials, and by implementing new approaches to resource minimisation and resource sharing. On the other hand, it will encourage the development of alternative materials and resources derived from renewable or recycled sources.

Supporting eco-innovation, in this case the innovative and more efficient use of resources, constitutes a highly relevant policy response to the challenges of reducing the environmental footprint of human activities in NWE, the large-scale consumption of non-renewable material resources associated with a highly industrialised society, and supports the process of decoupling growth from resource use.

Priority 3 includes one Thematic Objective (TO) and one Investment Priority (IP) that translates into one Specific Objective (SO). IP6f focusses on resource productivity, while energy-related issues are supported under IP4e and IP4f. It is complementary to IP1b since it focusses on the implementation and uptake of technologies, products and services, rather than on the development and proof of concept of innovations (IP1b focusses on applied research and innovation).

It is strongly aligned with the EU 2020 strategy, which sets out a vision for a more resource efficient Europe (and specifically its ‘A resource efficient Europe’ flagship initiative). In addition, the development of new environmental technologies through eco-innovation can have very positive spill-overs for the NWE area in terms of economic growth, improved productivity, competitiveness (securing jobs and growth) and reduction of costs.

### **2.A.0. Where applicable, a justification for the establishment of a priority axis covering more than one thematic objective - Article 7 (1) ETC Regulation**

n/a

**INVESTMENT PRIORITY 1 of priority axis 3: 6f. Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector, soil protection or to reduce air pollution.**

**2.A.1. Specific objective(s) corresponding to the investment priority and expected results - Article 7 (2) (b) (i)-(ii) ETC Regulation**

**SPECIFIC OBJECTIVE 5: To optimise (re)use of material and natural resources in NWE through international cooperation**

**RESULTS TO ACHIEVE**

There is a need to decouple economic growth from material consumption, and drive an absolute reduction in the use of natural resources in production activities, we need to optimise the use of material resources. Logically, this applies to all areas of resource use and production processes, in particular those that tend to be intensive in their use of raw materials, water and land. In addition, increasing resource efficiency can bring major economic opportunities, improve productivity, drive down costs and boost competitiveness, thereby securing jobs and growth.

Addressing this issue requires the development and uptake of new technologies, products and processes to improve resource efficiency (ToA9). Such an eco-innovation drive is facilitated by collaboration among innovation stakeholders on the development and testing phases of innovations and/or innovative solutions that are less material intensive than those currently on the market. The outputs of actions are measured both in terms of the use and uptake of eco-innovations in NWE, but also in terms of the resource savings and (waste) recycling rates they generate. This SO also covers actions focussing on the use of land in production processes (for example non-food crops).

The expected result of this SO is an increased share of organisations benefiting from international cooperation in the field of eco-innovation. These benefits do not refer to the funding received, but to tangible benefits of the outputs of international cooperation, which include for example new solutions and technologies which improve resource efficiency. This means that international cooperation is to be seen as a means rather than as an end in itself.

**Table 3: Programme specific result indicators SO5 - Article 7.2 (b)(ii) ETC Regulation**

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value <sup>11</sup> (2022)	Source of Data	Frequency of reporting
	Share of organisations working on the (re)use of material and natural resources in NWE benefiting from international cooperation	Percentage	To be defined	2014	To be defined	Own survey	2014 (baseline) 2018 (interim) 2022 (end)

## 2.A.2. Actions to be supported under the investment priority (by investment priority)

### 2.A.2.1 A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives - Article 7 (2) (b) (iii) ETC Regulation

**ToA9: Implementing new technologies, services, products and processes** to improve resource efficiency. Transfer and implementation of for example new technologies and solutions is required to optimise the use of material resources.

Actions may include collaboration on:

- Implementing solutions to mitigate the impact of resource intensive industrial sectors;
- Designing and implementing new production measures by public, private and research organisations, delivering the concept of the ‘circular economy’;
- Designing and implementing new products, processes, technologies or solutions that minimise resource use and / or replace non-renewable materials, such as biomaterials, alternative fabrics and bio-plastics;
- Implementing life cycle analyses of products and services as a tool to improve resource efficiency
- Developing and implementing collaborative approaches to increase the usefulness of waste, such as extraction of energy from waste;
- Developing ‘industrial ecology’ practices, encouraging collaborative approaches between organisations to use waste, energy and materials.

Actions lead to a reduction of resource consumption, the use of limited material intensive products and services and the use of recycling solutions and secondary raw materials that are better adapted for end-of life disposal, leading to their uptake by economic stakeholders. Actions are aimed at the implementation of strategies rather than the development of strategies.

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<sup>11</sup> Target values can be qualitative or quantitative.



## The identification of the main target groups

The main target groups are:

- Consumers;
- Governmental organisations (local, regional, national and international);
- Civil society stakeholders in the field of environment (for example third sector organisations such as NGOs and non-profit organisations);
- Enterprises;
- Land owners.

## Specific territories targeted

Actions concern the entire NWE area. However, certain regions have specific needs and challenges relating to resource efficiency, waste management, industrial production or to a dominant sector that is water and/or land intensive, for example.

## Types of Beneficiaries

The main beneficiaries directly involved in the interventions under this specific objective are:

- Governmental organisations (local, regional, national and international);
- Civil society stakeholders (for example, third sector organisations such as NGOs and non profit organisations);
- Education and knowledge institutions-, including private or semi-public research organisations;
- Intermediate bodies such as chambers of commerce, development agencies, cluster organisations, technology transfer offices;
- Public environmental organisations, such as water authorities and nature organisations;
- Enterprises.

### ***2.A.2.2. The guiding principles for the selection of operations - Article 7 (2) (b) (iii) ETC Regulation***

Actions carried out under this specific objective are selected based on five key principles:

- **Transnational additionality:** Projects should have a clear focus on the implementation of joint transnational actions and demonstrate the additionality of the transnational approach compared with regional, national, interregional or cross-border approaches;
- **Innovation:** Projects should meet the criteria of innovation as described in section 1. Innovation should lead to a optimized use of resources;
- **External coherence:** Projects building on the results generated by other European programmes are welcome. An explanation of synergies must ensure there is no overlap with existing or previous projects carried out under other EU-programmes;
- **Cross-sectoral relevance:** Partnerships must involve a diversified mix of innovation stakeholders (for example enterprises, researchers, education institutions, training organisations, policy-makers, private investors);
- **Result based approach:** Projects should be geared towards the uptake of technologies or processes leading to a reduction in the volume of natural and material resources needed, as well as a decrease in the volume of waste generated in the NWE area. The projects must demonstrate how the project contributes to the proposed result indicator.

In addition, the selection process gives priority to transnational projects using:

- Demonstration and pilot test projects, for example projects that include a testing phase in real life conditions in order to maximise the transfer of knowledge and expertise between stakeholders.

Projects focussing on purely academic cooperation or basic research are not eligible.

#### 2.A.2.5 Common and specific output indicators, including the quantified target value (by investment priority) (Table 4) - Article 7 (2) (b) (iv) ETC Regulation

**Table 4: Common and programme specific output indicators (by investment priority)**

ID	Indicator ( <i>name of indicator</i> )	Measurement unit	Target value (2022)	Source of data
PS	Number of efficient natural and material resources solutions implemented and tested	No. of solutions implemented	16 (16 projects x 1 transnational solution tested per project)	Own registration based on information from beneficiaries
PS	Number of innovative uses of waste processes/products/services from waste materials	No. of solutions designed	8 (8 projects x 1 innovative use of waste per project)	Own registration based on information from beneficiaries
PS	Number of enterprises supported applying new eco innovation solutions	No. of enterprises	48 (24 projects x 2 enterprises supported per project)	Own registration based on information from beneficiaries

#### 2.A.3. Performance framework (by priority axis) - Article 7 (2) (b) (v) ETC Regulation

An identification of implementation steps and financial and output indicators to act as milestones and targets for the performance framework in accordance with Article 19(1) CPR and Annex (xx) (Table 5) – by priority axis

**Table 5: The performance framework of the priority axis**

Implementation step, financial, output or result indicator	Measurement unit, where appropriate	Milestone for 2018	Final target (2022)	Source of data	Explanation of the relevance of the indicator, where appropriate
To be defined	To be defined	To be defined	To be defined	To be defined	To be defined

**2.A.4. Categories of intervention (by priority axis) - Article 7 (2) (b) (vii) ETC Regulation - to be defined at a later stage**

**Tables 6-10: Categories of intervention**

Table 6: Dimension 1 Intervention field		Table 7: Dimension 2 Form of finance		Table 8: Dimension 3 Territory		Table 9: Dimension 6 Territorial delivery mechanism		Table 10: Dimension 8: Thematic objective	
Code						Code	€ amount	Code	€ amount

**2.A.5. A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for the enhancement of the administrative capacity of relevant partners to participate in the implementation of programmes (by priority axis) - Article 7 (2) (b) (vi) ETC Regulation**

n/a

# **PRIORITY 4**

# **TECHNICAL ASSISTANCE**

DRAFT

**Section 2.B. A description of the priority axis for technical assistance (Article 7 2 (c) ETC Regulation ) TO BE DEFINED AT A LATER STAGE****PRIORITY AXIS:** *Technical Assistance***2.B.1. Specific objectives and expected results (Article 7 (2) (c) (i)-(ii) ETC Regulation)****SPECIFIC OBJECTIVE:** *(specific objective as defined in the programme)*

- The results which the programme seeks to achieve with EU support, with reference to the baseline situation in the programme area, where necessary to complement the analysis in section 2.

**2.B.2. The list of result indicators (only where the Union support to technical assistance exceeds EUR 15 million)****Table 11: Programme specific result indicators (by specific objective) - Article 7 (2) (c) (ii) ETC Regulation**

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value <sup>12</sup> (2022)	Source of Data	Frequency of reporting

**2.B.3. Actions to be supported and their expected contribution to the specific objectives (Article 7 (2) (c) (iii) ETC Regulation)**

**3.B.3.1. A description of actions to be supported and their expected contribution to the specific objectives (Article 7 (2) (c) (iii) ETC Regulation)**

**2.B.3.2 Output indicators expected to contribute to results (Table 12) (Article 7(2) (c) (iv) ETC Regulation)**

**Table 12: Output indicators**

ID	Indicator ( <i>name of indicator</i> )	Measurement unit	Target value (2022) <sup>13</sup> (optional)	Source of data
			(values)	

<sup>12</sup> The target values can be qualitative or quantitative.

<sup>13</sup> Target values for output indicators under technical assistance are optional.

**2.B.4. Categories of intervention Article 7 (2) (c) (v) ETC Regulation**

**The corresponding categories of intervention based on a nomenclature adopted by the Commission, and an indicative breakdown of the Union support**

**Tables 13-15: Categories of intervention**

<b>Table 13: Dimension 1</b>		<b>Table 14: Dimension 2</b>		<b>Table 15: Dimension 3</b>	
<b>Intervention field</b>		<b>Form of finance</b>		<b>Territory</b>	
Code	€ amount	Code	€ amount	Code	€ amount



**SECTION 3. THE FINANCING PLAN OF THE COOPERATION PROGRAMME WITHOUT ANY DIVISION BY PARTICIPATING MEMBER STATES - ARTICLE 7 (2) (D) ETC REGULATION**

**3.1. A table specifying for each year, in accordance with Articles 53, 110 and 111 of the CPR, the amount of the total financial appropriation envisaged for the support from the ERDF (EUR) - Article 7 2 (D) (i) ETC Regulation<sup>14</sup>**

**Table 16**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
<i>ERDF</i>	19,673,776	28,682,575	40,960,532	74,425,045	75,913,547	77,431,817	78,980,453	396,067,745
<i>IPA amounts (where applicable)</i>	n/a							
<i>ENI amounts (where applicable)</i>	n/a							
<i>Total</i>	19,673,776	28,682,575	40,960,532	74,425,045	75,913,547	77,431,817	78,980,453	396,067,745

<sup>14</sup> Where outermost regions combine cbc and transnational allocations in one programmes, the respective allocations need to be presented separately.

**3.2.A Financial plan of the cooperation programme specifying, for the whole programming period, for the cooperation programme and for each priority axis, the amount of the total financial appropriation of the support from the ERDF and the national co-financing. (EUR) (Table 17) (Article 7 (2)(d) (ii) ETC Regulation)**

Table 17<sup>15</sup>

	Fund	Basis for the calculation of the Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d)	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b) (2)	Co-financing rate (f) = (a)/(e)	For information	
					National Public funding (c)	National private funding (1) (d)			Contributions from third countries	EIB contributions
<i>Priority axis 1 - Innovation</i>	ERDF (possibly incl. amounts transferred from IPA and ENI) <sup>16</sup>	217,820,760	130,692,456	87,128,304			217,820,760	60%		
	IPA									
	ENI									
<i>Priority axis 2- Low carbon</i>	ERDF (possibly incl. amounts transferred from IPA and ENI) <sup>17</sup>	244,223,276	146,533,966	97,689,310			244,223,276	60%		
	IPA									
	ENI									
<i>Priority axis 3 – Resource and Material efficiency</i>	ERDF (possibly incl. amounts transferred from IPA and ENI) <sup>18</sup>	158,415,098	95,049,059	63,366,039			158,415,098	60%		
	IPA									
	ENI									

<sup>15</sup> Special allocation for outermost regions pursuant to Article 4 (2) ETC Regulation needs to be reflected in a separate priority axis given the different co-financing rate.

<sup>16</sup> Presentation of amounts transferred from ENI and IPA depends on management option chosen, cfr. fiche no. 28 on Elements related to proposed integration of allocations under external financing instruments into ETC programmes.

<sup>17</sup> Presentation of amounts transferred from ENI and IPA depends on management option chosen, cfr. fiche no. 28 on Elements related to proposed integration of allocations under external financing instruments into ETC programmes.

<sup>18</sup> Presentation of amounts transferred from ENI and IPA depends on management option chosen, cfr. fiche no. 28 on Elements related to proposed integration of allocations under external financing instruments into ETC programmes.



<i>Priority axis 4 – Technical Assistance</i>	ERDF (possibly incl. amounts transferred from IPA and ENI)	27,955,606	23,762,265	4,193,341	4,193,341	0	27,955,606	85%		
	IPA									
	ENI									
Total	ERDF	648,414,739	396,037,745	252,376,994			648,414,739	61.08%		
	IPA									
	ENI									
Total	Total all Funds	648,414,739	396,037,745	252,376,994			648,414,739	61.08%		

(1) To be completed only when priority axes are expressed in total costs.

(2) This rate may be rounded to the nearest whole number in the table. The precise rate used to reimburse payments is the ratio (f).

### 3.2.B. Breakdown of the financial plan of the cooperation programme by priority axis, and thematic objective (Table 19) - Article 7 (2) (d) (ii) ETC Regulation

*This breakdown is required in order to fulfil the requirement set out under (Article 7(2) (d) (ii) to specify for priority axes, which combine investment priorities from different thematic objectives, the amount of total financial appropriation and the national co-financing for each of the corresponding thematic objectives. Where each priority axis corresponds to a single thematic objective, this table will not require a breakdown below the level of a priority axis.*

**Table 18**

Priority axis	Thematic objective	Union support	National counterpart	Total funding
Priority axis 1 Innovation	Thematic objective 1	130,692,456	87,128,304	217,820,760
Priority axis 2 – Low carbon	Thematic objective 4	99,009,436	66,006,291	165,015,727
	Thematic objective 7	47,524,529	31,683,020	79,207,549
Priority axis 3 – Resource & Material efficiency	Thematic objective 6	95,049,059	63,366,039	158,415,098

Priority axis 4 – Technical Assistance	N.A.	23,762,265	4,193,341	27,955,606
<b>TOTAL</b>		396,037,745	252,376,994	648,414,739

**Table 19: The indicative amount of support to be used for climate change objectives (Article 24 (5) CPR) – to be defined at a later stage**

*This table is generated automatically by SFC based on categorisation tables included under each of the priority axes.*

*The information provided in this table is based on uniform conditions on the implementation of a methodology for each of the ESI Funds adopted by the Commission based on Article 8 of the CPR.*

<b>Priority axis</b>	<b>The indicative amount of support to be used for climate change objectives (EUR)</b>	<b>Share of the total allocation to the cooperation programme (%)</b>
<b>1.</b>		
<b>Total</b>		

**SECTION 4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT - ARTICLE 7(3) ETC REGULATION<sup>19</sup>**

**A description, taking into account the content and objectives of the cooperation programme, of the integrated approach to territorial development, including in respect of areas referred to in Article 174 (3) TFEU, having regard to the Partnership Agreements of the participating Member States, and showing how it contributes to the accomplishment of the programme objectives and expected results**

**4.1. Where appropriate, for cross-border cooperation programmes, the approach to the use of community-led local development instruments and the principles for identifying the areas where it will be implemented**

Not relevant for the NWE programme.

**4.2. Where appropriate, the principles for identifying the urban areas where integrated actions for sustainable urban development are to be implemented and the indicative allocation of the ERDF support for these actions, Article 7 (3) (b) ETC Regulation**

Not relevant for the NWE programme.

**Table 20: The indicative allocation of the ERDF support for integrated actions for sustainable urban development**

	<b>Resources for integrated actions for sustainable urban development</b>
ERDF	0

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<sup>19</sup> Information required to be adapted to URBACT, INTERACT and ESPON.

**4.3. Where appropriate, the approach to the use of Integrated Territorial Investment (ITI) (as defined in Article [99] of the Common Provisions Regulation) other than in cases covered by 5.2 and their indicative financial allocation from each priority axis**

Not relevant for the NWE programme.

**Table 21: An indicative financial allocation to ITI other than those mentioned under point 5.2**

Priority	Indicative financial allocation (Union support) (EUR)
Priority axis 1	0
Priority axis 2	0
Total:	0

**4.4. Where Member States and regions participate in macro-regional and sea basin strategies, the contribution of planned interventions towards such strategies, subject to the needs of the programme area as identified by the relevant Member States and taking into account, where applicable, strategically important projects identified in the respective strategies.**

**4.4.1. *The mechanisms to ensure coordination with macro-regional and sea-basin strategies (where appropriate)***

The NWE eligible area covers one macro-regional strategy and one sea-basin strategy:

- Atlantic Sea-basin strategy (France, Ireland, and UK);
- Danube Macro-Region Strategy<sup>20</sup> (Germany: Baden-Württemberg and parts of Bavaria).

The NWE's programme's Managing Authority and partners are aware of the relevant macro-regional cooperation initiatives and occasionally monitor their progress action plans, looking for possible complementarities. However, the NWE partners do not find it relevant to implement formal coordination mechanisms at this stage. For the Atlantic sea-basin strategie, this is mainly due to a lack of thematic relevance, since the fact that the NWE programme does not focus on maritime issues. For the Danube Macro-Region Strategy, there is only a small geographical overlap with the eligible NWE area.

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<sup>20</sup> <http://www.danube-region.eu/pages/what-is-the-eusdr>

#### ***4.4.2. The contribution of the cooperation programme to the planned interventions under the macro-regional and sea basin strategies, taking into account, where applicable, strategically important projects identified in the respective strategies***

Previous strategies have only partly been taken into account in the development of the NWE programme strategy, since there are limited similarities in content and / or area between the NWE programme and these strategies.

##### **Atlantic Sea-basin strategy**

The European Commission Action Plan for a maritime strategy in the Atlantic Sea basin was published on May 13, 2013 (COM(2013) 279 final). It is based on the European Commission's Atlantic Strategy (COM(2011)782 final).

The action plan sets 4 priorities:

- Promote entrepreneurship and innovation;
- Protect, secure and develop the potential of the Atlantic marine and coastal environment;
- Improve accessibility and connectivity;
- Create a socially inclusive and sustainable model of regional development.

The NWE programme is complementary to the Atlantic Sea basin action plan, and will contribute in part to its first three priorities, and within each of the priorities to the following specific objectives of the action plan:

- Sharing knowledge between higher education organisations, companies and research centres (complementary to SO1 of the NWE programme);
- Fostering adaptation and diversification of economic activities by promoting the potential of the Atlantic area (complementary to SO1 of the NWE programme);
- Exploitation of the renewable energy potential of the Atlantic area's marine and coastal environment (complementary to SO3 of the NWE programme);
- Promoting cooperation between ports (complementary to SO4 of the NWE programme).

##### **Danube macro regional strategy**

The implementation phase of the Danube macro-regional strategy was officially launched on the June 24, 2011, and focusses on the following priorities:

- Connecting the region (mobility and multimodality, sustainable energy, culture and tourism, people to people);
- Protecting the Environment (Water quality, environmental risks, biodiversity, landscapes and the quality of air and soils);
- Building Prosperity (Knowledge Society, competitiveness, people and skills);
- Strengthening the Region (institutional capacity and cooperation, security).

Since the Danube region covers only a very limited area of the NWE programme (NUTS2 regions Bavaria and Baden-Wuerttemberg), NWE will only marginally contribute to the achievement of the Danube Region Strategy in those regions. Potential complementarities can be found on the themes of innovation, renewable energy development and mobility and multimodality.

## SECTION 5. IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME - ARTICLE 7 (4) ETC REGULATION

### 5.1 Identification of the relevant authorities and bodies -Article 7 (4) ETC Regulation

**Table 22: Identification of and contact details for the relevant authorities and bodies<sup>21</sup>**

Authority/body	Name of the authority/body	Head of the authority/body
Managing authority	<b>Région Nord-Pas de Calais Conseil régional</b> 151, Avenue du Président Hoover F 59555 LILLE CEDEX France	To be specified
Certifying authority	<b>Région Nord-Pas de Calais Conseil régional</b> 151, Avenue du Président Hoover F 59555 LILLE CEDEX France	To be specified
Audit authority	<b>Commission Interministérielle de Coordination des Contrôles des actions cofinancées par les Fonds structurels (CICC)</b> 5 Place des Vins de France 75012 PARIS - France	To be specified
The body to which payments will be made by the Commission is: the managing authority / the certifying authority ( <i>to be defined</i> )		
Authority/body	Name of the authority/body	Head of the authority/body
Body or bodies designated to carry out control tasks	Each NWE-MS will designate the body or person responsible for carrying out control tasks defined in Article 114(4)(a) of the Regulation (EU) 1303/2013 [CPR]. The responsible body will be included in the agreement signed by each Member State and a list will be provided at the same time as the Cooperation Programme to the EC. Updates of the list will be communicated to the EC with the annual control report.	To be specified
Body or bodies designated to be responsible for carrying out audit tasks	The audit authority will be assisted by a Group of Auditors. Each NWE-MS will designate the body or person responsible for carrying out the audit tasks provided for in Article 116 of the Regulation (EU) 1303/2013 [CPR]. The responsible body will be included in the agreement signed by each Member State and a list will be provided at the same time as the Cooperation Programme to the EC. Updates of the list will be communicated to the EC with the annual control report.	To be specified

<sup>21</sup> In accordance with Article 7 (11) ETC Regulation, the information on the identification of the managing authority, the certifying authority, where appropriate, and the audit authority is not subject to the Commission decision approving the cooperation programme, but remain under the responsibility of the participating Member States.

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

Arrangements are already in place at the time of programme submission because implementation arrangements are kept from the 2007-2013 programming period. Joint secretariat location: Lille (France). The joint secretariat is set up after consultation with the Member States under the responsibility of the managing authority.

The joint secretariat assists the monitoring committee, managing authority, and where appropriate, the certifying authority and audit authority in carrying out their duties. The joint secretariat is funded from the technical assistance budget.

### **5.1.3 A summary description of the management and control arrangements**

The following paragraphs provide a description of the arrangements for the management and control of the INTERREG VB NWE programme.

#### **Joint implementation structure of the programme**

The INTERREG VB NWE programme shall be implemented through the following main implementation structures: a managing authority, a certifying authority, a joint secretariat, a monitoring committee, an audit authority and a group of auditors.

#### **Role and tasks of the managing authority and the joint secretariat**

The managing authority, assisted by the joint secretariat, is responsible for managing the cooperation programme in accordance with the principle of sound financial management as described in Article 125 of the Regulation (EU) 1303/2013 [CPR] and Article 23 of the Regulation (EU) 1299/2013 [ETC]. It ensures that the different programme bodies interact in a smooth way

This includes the following tasks and responsibilities:

- Accuracy and legality of payment
- Information and publicity measures related to the OP
- Liaison between the authorities implementing the Programme and other interested parties where necessary
- Liaison with the European Commission and the implementation of all accepted recommendations for amending management and monitoring procedures
- Supervision of the JS and management of the technical assistance budget
- Preparation of the committees and advices to the monitoring committee regarding strategic orientations

The managing authority is assisted by the joint secretariat in the implementation of its responsibilities and related tasks. They work closely to ensure the fulfilment of its duties.

#### **Joint Secretariat**

The joint secretariat is set up under the legal responsibility of the managing authority. The joint secretariat assists the monitoring committee, the managing authority and, where appropriate, the audit authority and certifying authority in carrying out their respective functions and especially:

- a. to prepare, implement and follow-up decisions of the monitoring and programming Committee, to organise the monitoring committee/programming committee and task force meetings;
- b. to liaise with the implementing authorities and the European Commission, to ensure that the relevant implementation reports and any other relevant information is made available to them;

- c. to cooperate with organisations, institutions and networks relevant for the objectives of the programme;
- d. to distribute information and publicise the programme, its various components and its projects, including running a programme website and events;
- e. to establish a programme database and project online monitoring system to provide data in computerised form necessary for the monitoring, evaluation, financial management, verification and audit;
- f. to develop for approval by the monitoring committee a transparent selection procedure, selection criteria, terms of reference for the calls for applications, application pack incl. funding rules;
- g. to manage the project application process for all projects, including providing information and advice to applicants (e.g. by means of an applicants' pack), checking, assessing applications on the basis of approved criteria and procedure, and informing partners on monitoring committee decisions;
- h. to assist and organise activities to support project generation and development;
- i. to organise partner search events concerning the whole NWE cooperation area;
- j. to monitor commitments and payments of ERDF funds at programme level by categories of intervention;
- k. to provide advice and assistance to projects regarding implementation of activities and financial administration;
- l. to monitor progress made by projects through collecting and checking project monitoring reports, monitoring outputs, results and financial implementation;
- m. to ensure that payments to projects are made within the agreed timeframe;
- n. to support the managing authority in setting up a coherent programme management and control system ensuring the legality, regularity of declared expenditure and the respect of the principle of sound financial management and liaise with first level controllers designated by the programme Member states to carry out the verifications pursuant to Article 23 (4) of the ETC regulation;
- o. to support the managing authority in drawing up the management declaration of assurance on the functioning of the management control system;
- p. when necessary, to support the managing authority in the management of the technical assistance budget (accounting, procurement, payments, reporting);
- q. to fulfil the usual work of a programme secretariat, i.e. organisation of meetings, preparation of documents, drafting of minutes, etc.;
- r. to liaise with the body ensuring the certifying authority function and to make all relevant data available to them;
- s. to support the audit authority and the group of auditors: organisation and following up of meetings, following up of members' lists, following the procurement procedure for the externalisation of audits, ensure a good communication flow between the audit authority, the group of auditors members, audited projects and the external audit firm, making relevant data available to these actors to allow for a smooth implementation of their tasks.

With regard to the management of projects, the managing authority / joint secretariat have the following discretionary powers:

The managing authority / joint secretariat can decide on changes as long as the purpose and the other basic features of the project are not altered. It can also decide on changes in projects which do not have consequences on the eligibility or the results of the project. In particular the managing authority/joint secretariat can decide on:



- additional minor conditions to approved projects in case additional mistakes, errors or clarification requests are found during the phase of fulfilment of conditions with the lead partner;
- a reallocation of the budget as stated in the approved application, if the content and the implementation of the main activities do not change (without any increase of the ERDF);
- changes in activities which do not change the overall objectives of the project;
- an extension of the duration of the project not extending the programme deadline;
- an extension of the date by which progress reports have to be presented by the lead partner;
- a reduction of the approved project budget when a project partner withdraws or reduces its activities;
- the replacement and/or addition of project partners, provided that the respective Member State on whose territory the new project partner is located gives its approval.

The monitoring committee decides in cases of doubt and in all other cases and shall be informed on the decisions taken by the managing authority/joint secretariat on the cases mentioned above.

#### **Role and tasks of the certifying authority**

The certifying authority will carry out its functions in compliance with Article 126 of the Regulation (EU) 1303/2013 [CPR].

#### **Role and tasks of the audit authority and group of auditors**

The audit authority will ensure that audits are carried out on the proper functioning of the management and control system and on an appropriate sample of projects in compliance with Article 127 of Regulation (EU) No 1303/2013 [CPR].

According to Article 21 of Regulation (EU) No 1299/2013 [ETC], the audit authority shall be situated in the Member State of the managing authority. In compliance with the administrative provisions in France for the audit of actions co-financed by the European Structural Funds, the “Commission Interministérielle de Coordination des Contrôles des Opérations co-financées par les Fonds Européens” (CICC) shall act as audit authority and carry out the functions provided for in Article 127 of Regulation (EU) No 1303/2013 [CPR].

In accordance with Article 25 of Regulation (EU) No 1299/2013 [ETC] the NWE-MS agree that the audit authority will not be authorised to carry out directly the audit functions in the whole territory of the programme. As a consequence of this, the audit authority will be assisted by a group of auditors comprising a representative of each NWE-MS participating in the cooperation programme carrying out the duties provided for in Article 127 of Regulation (EU) No 1303/2013 [CPR]. Each NWE-MS shall be responsible for the audits carried out on its territory. As a consequence, the representatives have to be entitled to participate in decision-making within the group of auditors on behalf of the respective Member State and be from a unit independent from the monitoring committee members, the controllers designated according to Article 23 of Regulation (EU) 1299/2013 [ETC] and any project’s activities and finances. The contact details of the respective independent body/unit representing the Member States in the group of auditors will be included in the agreement signed by each NWE-MS and a list will be provided at the same time as the cooperation programme to the EC. Updates of the list will be communicated to the EC with the annual control report.

The group of auditors will be set up within three months of the decision approving the cooperation programme. It will be chaired by the audit authority. The group of auditors shall draw up and approve its own rules of procedure during its first meeting. Furthermore, the audit authority shall within eight months of adoption of a cooperation programme, prepare an audit strategy for performance of audits. The audit strategy shall set out the audit methodology, the sampling method for audits on projects and the planning of audits in relation to the current accounting year and the two subsequent accounting years.

The audit authority, in agreement with the group of auditors (and the monitoring committee for the budgetary provisions), may decide to contract an external audit firm to carry out audits on the proper functioning of the management and control systems and on an appropriate sample in compliance with Article 127 of Regulation (EU) No 1303/2013 [CPR]. The quality and completeness of the audit work carried out will be ensured by the audit authority together with the group of auditors, assisted by the joint secretariat. The joint secretariat will inform the monitoring committee of the results of the audit work and necessary follow-up. The coordination among the members of the group of auditors with regard to the above will be formalised in the rules of procedure of the group of auditors, in the audit strategy and in the management and control system description.

#### **Role and tasks of the monitoring committee**

According to Article 47 of Regulation (EU) 1303/2013 [CPR], within three months of the date of notification of the decision adopting a programme, the Member States will set up a committee to monitor implementation of the programme, in agreement with the managing authority. The monitoring committee will draw up and unanimously adopt its rules of procedure during the first monitoring committee meeting.

The monitoring committee is made up of:

- up to three representatives per country (NWE-MS and Switzerland) at the appropriate governance level;
- representatives of the European Commission, may participate in advisory capacity;
- the managing authority, the joint secretariat and, where necessary the certifying authority and the audit authority, will also participate in an advisory capacity.
- Relevant stakeholders may participate in advisory capacity upon invitation

The monitoring committee in accordance with Article 49 of Regulation (EU) 1303/2013 [CPR] shall review the implementation of the programme and progress towards achieving its objectives, and more specifically the functions listed in Article 110 of Regulation (EU) No 1303/2013 [CPR]. It will select the projects financed by the cooperation programme in line with Article 12 of Regulation (EU) 1299/2013 [ETC]. The monitoring committee will also adopt the methodology, criteria for selection of projects and the eligibility rules before the launch of each call for proposals. The detailed provisions will be drawn up in the monitoring committee's rules of procedure.

The monitoring committee will validate the management and control system description that will form the basis for the designation of authorities according to Article 124 (2) of Regulation (EU) 1303/2013 [CPR].

The representatives of the monitoring committee will ensure that on the national level all relevant partners are involved in the preparation, implementation, monitoring and evaluation of the cooperation programme as referred to in Article 5(2) of Regulation (EU) No 1303/2013 [CPR].

With regard to the tasks of the monitoring committee it shall be ensured that decisions of the monitoring committee will be free from bias and must not be influenced by partial personal and/or organisational interest of any of the individual members of this committee. Any members who have a conflict of interest in respect of any subject matter up for consideration by the monitoring committee shall declare such interest to the meeting and shall not take part in the decision. The monitoring committee will set out the details of this procedure in the monitoring committee's rules of procedure.

### **Role and tasks of the network of Contact Points**

The Programme will establish a network of Contact Points to facilitate the implementation of the Programme within the Member States, to involve authorities responsible for local and regional development in the generation of transnational projects, to help project partners with the development of project ideas and the building of relevant partnership, and to work together with the Joint Secretariat in the project development process.

### **Organisation of the assessment, selection of operations and resolution of complaints**

Project applications can be submitted following calls for proposals whose terms of reference will be published on the programme website. Details of the selection procedure will also be made available to all applicants through the programme manual. The applications submitted will be made available to the members of the monitoring committee. The joint secretariat organises the impartial assessment of these applications based on the eligibility and quality criteria approved by the monitoring committee, and makes a proposal for a decision to the monitoring committee.

Each Member State is in charge of checking the eligibility and, where applicable, of confirming the relevance of each project partner located on its territory. This should be preferably done prior to the project approval by the monitoring committee and at the latest within two weeks following the project approval by the monitoring committee. Any Member State can reject the participation of project partners on their territory for justified reasons without rejecting the whole project proposal.

Project lead applicants are informed in writing about the reasons why an application was not eligible or approved. Any questions in relation to the assessments will be examined and answered by the managing authority. If needed, remaining complaints will be examined and answered jointly by the chair of the monitoring committee and the managing authority. The chair may decide to refer back a complaint to the monitoring committee, should s/he judge it necessary. An overview of complaints examined and answered by the chair of the monitoring committee and managing authority will be provided to the monitoring committee in the following meeting. The same complaint procedure as described will also apply to other stages of the project implementation controlled by programme bodies, such as the progress monitoring.

### **Procedure for the signature of the document setting out the conditions of support “subsidy contract”**

Following the decision of the monitoring committee for project-related expenditure, the managing authority will use a standard form of subsidy contract which is approved by the monitoring committee and lays down further details concerning the responsibilities and liabilities of the beneficiaries. The subsidy contract is signed by the managing authority, and will be addressed to the project lead beneficiary (hereinafter referred to as lead partner).

In cases where the managing authority exercises its right to terminate the subsidy contract, the Member States involved in the project will be informed by email one month prior to such decision and given the possibility to provide its opinion. The monitoring committee will be informed of the termination of a subsidy contract during the following meeting.

The managing authority shall ensure that the subsidy contracts clearly state that the lead partner and the project partners will produce all documents, provide necessary information and give access to their business premises to any authorised body of the EU, the Member State or to the audit authority, the certifying authority, the managing authority or joint secretariat for control and audit purposes in compliance with Article 140 of Regulation (EU) No 1303/2013 [CPR]. The subsidy contracts make reference to the control systems set up by the NWE-MS in accordance with Article 23 of Regulation (EU) No 1299/2013 [ETC].

### **Financial control of beneficiaries**

According to Article 23 (4) of Regulation (EU) No 1303/2013 [ETC] and considering that the managing authority cannot carry out verifications under Article 125 (4) (a) of Regulation (EU) No 1303/2013 [CPR] throughout the whole programme area, each NWE-MS designates the bodies responsible for carrying out such verifications in relation to beneficiaries on its territory ('controller(s)'). The body responsible for the first level control system set up in each NWE-MS is included in the agreement that is submitted as annex 2 to the cooperation programme.

Each NWE-MS submits also to the managing authority a detailed description of the control system set up using the form provided by the managing authority/joint secretariat. The full description will be included in the description of the management and control system in accordance with Article 72 of Regulation (EC) No 1303/2013 [CPR]. When assessing this document the audit authority is authorised to request complementary information from the Member State. The NWE-MS shall without delay inform the managing authority of any changes of responsible body and the control system set up.

Each NWE-MS will do its utmost to ensure that the expenditure is verified and confirmed by the controllers within a period of two months after the end of each reporting period so that the lead partner is in a position to submit the progress report to the managing authority/joint secretariat at the date set in the subsidy contract and so that the managing authority/certifying authority can declare regularly expenditure to the EC.

The cost for these verifications will be either carried by the NWE-MS or by the project partners. In the latter case, these costs can in principle be considered eligible for an ERDF-reimbursement and thus reported within the project.

In order to ensure coherence among controllers from all countries participating in the programme, standard documents (such as FLC certificate, control reports incl. checklist) shall be decided by the monitoring committee and used as minimum requirements across all NWE-MS.

With regard to technical assistance payments to the managing authority/joint secretariat, the managing authority ensures that the expenditure is certified in line with the control system set up by France. Further modalities may apply in case technical assistance is used to finance actions at national level.

The result of any verification of the proper functioning of the first level control system carried out by the NWE-MS shall be communicated to the managing authority/joint secretariat for coordination purposes (and follow-up action if necessary). The managing authority/joint secretariat will also inform the NWE-MS of the results and follow-up of any checks carried out by other programme bodies or the EC or European Court of Auditors.

### **Project monitoring**

The managing authority/joint secretariat shall monitor the activity and financial progress of projects. For this purpose, three main types of information need to be considered:

- the use of the ERDF subsidy for the purpose mentioned in the subsidy contract and the approved application;
- the progress made in implementing the project in compliance with the subsidy contract and the approved application;
- the confirmation of expenditure by the lead partner controller in compliance with the system set up in each Member state according to Article 23 (4) of Regulation (EU) No 1299/2013 [ETC].

The managing authority/joint secretariat shall assess the reports and monitor the proper implementation of the approved project referred to in the subsidy contract according to the procedure laid down in the description of the management and control system.

### **Programme monitoring**

The monitoring of this programme will provide information on the implementation at any given time. It will cover financial issues and achieved results considering the targets fixed for the different milestones in the performance framework.

Monitoring will encourage high quality, effective implementation by monitoring the progress of the projects against the goals and intended results of the programme. Monitoring will be mainly based on regular reports from the projects.

The Programme specifies a set of indicators for monitoring and evaluating its progress. The programme specific result and output indicators are presented in Section 2 of this document. They relate directly to the different specific objectives of the programme. In particular, result indicators are the cornerstone of the performance analysis of the programme. They relate to parts of the intended results that can be captured. Those programme specific indicators have been designed in line with certain strict requirements (applicable to all Cohesion policy programmes). In addition to this set of result and output indicators, the INTERREG VB NWE programme may define complementary indicators that will enable the programme bodies to effectively monitor the progress and quality of programme and project implementation.

Projects will be obliged to report regularly on the effects and tangible results achieved by the cooperation actions developed by the partnerships. They will be required in these reports to provide strong evidence of the changes that derive from their actions.

The joint secretariat will collect and compile the data stemming from these reports in order to allow for conclusions on the programme level. The managing authority will use this documentation – together with additional information on the financial implementation – to draft the annual and final reports and submit them to the monitoring committee.

### **Annual and final implementation reports and closure of the programme**

The managing authority will, in accordance with Article 14 of Regulation (EU) No 1299/2013 [ETC], submit to the Commission implementation reports in accordance with the requirements of Article 50 of Regulation (EU) No 1303/2013 [CPR]. They will be approved by the monitoring committee before they are sent out to the Commission. A final report on implementation will be submitted to the Commission by 31 December 2023.

The closure of the programme will be carried out in compliance with Article 141 of Regulation (EU) No 1303/2013 [CPR] by the competent programme authorities of the 2014-2020 programme. The programme closure will be prepared to a maximum within the eligibility period of the 2014-2020 programme to limit the closure activities and costs to be financed by the Member States or the successor programme afterwards.

### **Evaluation**

The programme has been subject to an ex-ante evaluation of independent evaluators with the aim of improving the overall quality of the programme and to optimise the allocation of budgetary resources and the quantification of target values in the performance framework. The recommendations of this evaluation have been taken into account during the drafting of this programme, as described in paragraph xxx (to be specified at a later stage) of the current document.

In accordance with Articles 56 and 114 of the Regulation (EC) 1303/2013 [CPR], the managing authority will draw up an evaluation plan for the programme. The evaluation plan shall be submitted to the first meeting of the monitoring committee.

One or several evaluations will be carried out to assess effectiveness, efficiency and impact of the programme on the basis of the evaluation plan. All evaluations will be examined by the monitoring committee and sent to the Commission.

By 31 December 2020, the managing authority will submit to the Commission a report summarising the findings of evaluations carried out during the programming period, including an assessment of the main outputs and results of the programme.

### **The computerised exchange of data**

Computerised systems for the management and monitoring of programme and project data will be set up no later than 31 December 2015. Online project reporting systems will also be set up in compliance with the requirements set out in Article 122(3) of Regulation (EU) No 1303/2013 [CPR]. These systems will allow all exchanges of information between beneficiaries and the managing authority/certifying authority, audit authority to be carried out by means of electronic data exchange systems. The system will facilitate interoperability and allow for the beneficiaries to submit all information as referred to in Article 122 (3) only once.

The development of the programme's computerised systems will take into consideration the database and online functions developed in the context of the predecessor programme.

## Mobilisation and circulation of financial flows

### ***The contribution of the various partners to the financing of the programme***

On programme level the technical assistance is financed from the ERDF and national contributions from the NWE -Member States. The rate of co-financing from the EU-Member States for technical assistance is 15% (ERDF co-financing rate 85%). The share of each NWE Member State results from the number of inhabitants of the related NUTS2 regions of the cooperation area of the related NUTS2 regions of the cooperation area in relation to the current NWE-MS overall population in 2012. An additional contribution to the technical assistance budget comes from Switzerland. The total budget for technical assistance is XX Mio EUR (incl. EUR XX from Switzerland).

The managing authority/certifying authority administers the ERDF funding of the programme as well as the national contributions to the technical assistance budget. Separate accounts will be set up within 3 months after the approval of the cooperation programme: one for technical assistance contributions and one for the ERDF funding. The Swiss funding for projects will be paid out directly by the responsible national body to the Swiss project partners. The Swiss funding for technical assistance will be paid to the technical assistance account.

The Member States will transfer their technical assistance contribution in up to **seven** instalments during the period 2014 to 2020. The payment of the annual contribution is due by end of January of the year to be funded. An extension of this deadline is possible only in duly justified cases. The joint secretariat will send a written request three months prior to the due date in accordance with the financial tables of the national contributions to the technical assistance budget 2014–2023 approved by the monitoring committee. The written request will indicate the account number, the amount of the annual contributions and the payment due dates. The technical assistance budget is based on the financing plan of the cooperation programme. It is shared by the NWE-MS according to their number of inhabitants. It also comprises a contribution from Switzerland. Further modalities may apply in case technical assistance is used to finance actions at national level.

A report on the payment situation and on interest generated on the account will be given by the managing authority/certifying authority to the monitoring committee on a regular basis. In compliance with Article 44 of Regulation No 1303/2013 [CPR] any interest raised by the ERDF pre-financing shall be posted to the programme, being regarded as a resource for the NWE-MS in the form of a national public contribution. The interest raised by the ERDF pre-financing and its use shall be declared to the EC at the time of the final closure of the programme. The use of any interest raised by the national technical assistance contributions will be decided by the Member States.

In the case that – at the end of the programme implementation period – the Member States have transferred more funds than have actually been used for technical assistance, the managing authority/certifying authority will reimburse these funds.

### ***Main stages of Community funding from the managing authority/certifying authority to the lead partners***

All projects have to be pre-financed by the project partners. The lead partner collects the certified declarations of expenditure of all project partners and makes a claim for reimbursement within the progress report to the managing authority/certifying authority. The maximum rates for reimbursement of the eligible expenditure are specified in Table 17 in paragraph 3.2.A. *In compliance with Articles 60, 120 and 121 of Regulation (EU)*

*No 1303/2013 [CPR], ERDF funds will contribute up to 60% of the project's total eligible cost.* The reimbursement is paid from the managing authority/certifying authority to the lead partner; and the lead partner distributes the money to the partners as set out in the progress report and the project's partnership agreement. All amounts referred to in the subsidy contract are expressed in EURO (EUR). Funds will be disbursed in EURO (EUR) to the bank account specified by the lead partner in the project application. The exchange rate risk is borne by the lead partner.

Pursuant to Article 21 (2) of Regulation (EU) No 1299/2013 [ETC] and Article 132 of Regulation (EU) No 1303/2013 [CPR], the managing authority/certifying authority undertakes the payment of the ERDF contribution to the lead partners. The managing authority/certifying authority ensures that the lead partners receive payment in full and as quickly as possible, i.e. within 6 weeks on average after approval of the reports by the managing authority/joint secretariat provided that the funds are made available by the EC. No deduction, retention or further specific charges which would reduce the amount of the payment shall be made. It is up to the lead partners to forward the ERDF contribution to the project partners as set out in Article 13 of Regulation (EU) No 1299/2013 [ETC].

Should there be any suspicion of irregularities, the managing authority/joint secretariat or the certifying authority shall inform the competent Member State administrations listed as indicated in the annex of the submitted agreement in compliance with the description of the management and control system and suspend the reimbursement of the ERDF financing related to the project partner and expenditure under examination. Payments to project lead partners will be made after approval of the reports by the managing authority/joint secretariat.

The contributions for Swiss partners are not handled by the programme but at national level and will therefore be managed by the responsible Swiss authorities.

#### **Member States outside the NWE eligible area**

According to Article 20 of Regulation (EU) 1299/2013 [ETC], the managing authority may accept that all or part of an operation is implemented outside the Union part of the programme area, provided that the operation is for the benefit of the programme area and that the total amount allocated at programme level to operations located outside the NWE eligible area does not exceed 20% of the programme ERDF budget.

In case of approval of a project with partner(s) from countries outside the NWE area, the Member State or the third country where this partner is located must sign an agreement with the managing and audit authorities in relation to management, control and audit.

#### **Information and communication**

The managing authority, assisted by the joint secretariat, will draw up a communication strategy which will be discussed and approved by the monitoring committee no later than 6 months after the adoption of the cooperation programme, in accordance with Article 116 of Regulation (EU) No 1303/2013 [CPR]. Any revision of the communication strategy shall be discussed in, and approved by, the monitoring committee.

The managing authority will inform the monitoring committee at least once a year of progress in the implementation of the communication strategy and its assessment of the results, as well as on the planned information and communication activities to be carried out in the following year.



The managing authority will designate one person to be responsible for information and communication at cooperation programme level and shall inform the Commission of those designated. This person shall participate in any network(s) set up by the Commission to exchange on the results of the implementation of the communication strategy, as per Article 117(4) of Regulation (EU) No 1303/2013 [CPR]. The interaction between the person(s) responsible for information and communication at programme level and in each Member State will be defined in the communication strategy.

The communication strategy will be implemented in the joint secretariat, under the direction of the programme director and the managing authority. It will work in partnership with the Member States and other bodies identified in Annex XII (3) of Regulation (EU) No 1303/2013 [CPR]. In particular, the programme Member states will support the communication activities through providing, where necessary, national specific information including on potential beneficiaries; providing a point of contact for potential applicants; ensuring wide dissemination of programme information; organising national events.

A budget for the implementation of the communication strategy will be made available as part of the programme's budget for technical assistance, in accordance with the principle of proportionality.

The communication strategy aims in particular to inform potential beneficiaries about funding opportunities under this cooperation programme and to publicise to citizens the role and achievements of cohesion policy, through information and communication actions on the results and impacts of the programmes and projects. It will take into consideration the elements detailed in Annex XII of Regulation (EU) No 1303/2013 [CPR].

To ensure transparency in the support of the funds, a list of projects with at least the information set out in Annex XII (1) of Regulation (EU) No 1303/2013 [CPR] will be published on the programme website, updated at least every six months, and exportable in a format which allows the data to be sorted, searched, extracted, compared and easily published on the internet.

#### **5.1.4 The apportionment of liabilities among the participating Member States in case of financial corrections imposed by the managing authority or the Commission**

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

The managing authority shall ensure that any amount paid as a result of an irregularity is recovered from the project via the lead partner. Project partners shall repay the lead partner any amounts unduly paid. The managing authority shall also recover funds from the lead partner (and the lead partner from the project partner) following a termination of the subsidy contract in full or in part based on the conditions defined in the subsidy contract. If the lead partner does not succeed in securing repayment from another project partner or if the managing authority does not succeed in securing repayment from the lead partner or sole beneficiary, the NWE-MS, depending on whose territory the beneficiary concerned is located or, in the case of an EGTC, is registered, shall reimburse the managing authority based on Article 27 (3) of Regulation (EU) No 1299/2013 [ETC]. Details on the procedure will be included in the description of the management and control system to be established in accordance with Article 72 of Regulation (EC) No 1303/2013 [CPR]. In parallel to / after reimbursement of the irrecoverable amount by the

NWE-MS to the managing authority, the NWE-MS holds the right to secure repayment from the project partner or sole beneficiary located on its territory, if necessary through legal action. For this purpose the managing authority and the lead partner shall assign their rights arising from the subsidy contract and the partnership agreement to the NWE-MS in question.

The managing authority shall be responsible for reimbursing the amounts concerned to the general budget of the Union in accordance with the apportionment of liabilities among the participating Member States as laid down in the cooperation programme and in Article 27 of Regulation (EU) No 1299/2013 [ETC].

In the case of irregularities discovered, for example, by the Court of Auditors or by the EC, which result in certain expenditures being considered ineligible and in a financial correction being the subject of a EC decision on the basis of Articles 136 to 139 of Regulation (EU) No 1303/2013 [CPR], the financial consequences for the NWE-MS are laid down in the section “liabilities and irregularities” below. Any related exchange of correspondence between the EC and an NWE-MS will be copied to the managing authority/joint secretariat. The latter will inform the managing authority/certifying authority and the audit authority/group of auditors where relevant.

### **Liabilities and irregularities**

The Member State will bear liability in connection with the use of the programme ERDF funding as follows:

- for project-related expenditure granted to project partners located on its territory, liability will be born individually by each Member State;
- in case of a systemic irregularity or financial correction (the latter decided by the EC), the NWE-MS will bear the financial consequences in proportion to the relevant irregularity detected on the respective NWE-MS territory. Where the systemic irregularity or financial correction cannot be linked to a specific NWE-MS territory, the NWE-MS shall be responsible in proportion to the ERDF contribution paid to the respective national project partners involved;
- For the technical assistance expenditure :
  - each Member State will bear joint liability proportionally to their respective share in the technical assistance budget, for consequences of any decision supported by this Member State; Member State decisions are stated in each committee’s decision notes. The approval of an activity report does not transfer any liability to the Member State
  - In case of technical assistance directly used by a Member State, this Member State will bear full liability for this expenditure.
  - being responsible for the day-to-day implementation of technical assistance, the managing authority bears full responsibility for consequences of any decision made on its behalf.

If the managing authority/joint secretariat, the certifying authority, any NWE-MS becomes aware of irregularities, it shall without any delay inform the liable NWE-MS or the managing authority/joint secretariat. The latter will ensure the transmission of information to the certifying authority and AA/group of auditors, where relevant.

In compliance with Article 112 of Regulation (EU) No 1303/2013 [CPR], each NWE-MS is responsible for reporting irregularities committed by beneficiaries located on its territory to the EC and at the same time to the managing authority. Each NWE-MS shall keep the EC as well as the managing authority informed of any progress of related

administrative and legal proceedings. The managing authority will ensure the transmission of information to the certifying authority and audit authority.

If a Member State does not comply with its duties arising from these provisions, the managing authority is entitled to suspend payments to all project partners located on the territory of this Member State.

### **5.1.5 Use of the Euro - Art. 26 ETC Regulation**

In accordance with Article 28 of Regulation (EU) No 1299/2013 [ETC], and by way of derogation from Article 133 of Regulation (EU) No 1303/2013 [CPR], expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiaries in the month during which expenditure was incurred. The conversion shall be verified by the controller in the Member State or third country in which the beneficiary is located.

## **5.2. Involvement of partners (Article 23(2) CPR and Article 7 (4) (d) ETC Regulation)**

### **5.2.1. *Role of the relevant partners in the preparation, implementation, monitoring and evaluation of the cooperation programme.***

#### **1) A short summary of the process of the preparation of the cooperation programme, with a specific focus on partnership**

A Programme Preparation Group (PPG) was set up to prepare the NWE programme. The PPG consists of representatives of national and regional authorities from the seven participating Member States, the Managing Authority, the Joint Technical Secretariat, the NWE Contact Point Network and Interact. During the process, the hired OP drafters and the ex-ante evaluators took part in several meetings. The process of drafting the OP was highly interactive among all PPG members, continuously leading to new proposals and improvements of the programme.

The first PPG meeting took place in February 2012, and was followed by **X meetings** before the formal submission of the OP to the European Commission. At the start of the process, a data and policy analysis of the programme area and a result analysis of Interreg IVB projects were drafted and discussed. The outcome of these two analyses gave input to a SWOT analysis of the programme area.

The strategy has been defined and TO's, IP's and SO's have been selected based on the results from the SWOT and discussions in the PPG. In an ongoing process, the content of the priorities, thematic objectives, specific objectives, types of actions, indicators, beneficiaries and guiding principles for selecting projects have been further redefined.

PPG members also discussed about future programme structures, procedures and implementation tools. Lessons learnt and recommendations from evaluations of the IVB programme were taken into account in order to improve programme management and procedures. After the formal submission of the programme, the PPG continued to discuss and decide on several implementation and operational aspects of the new programme, such as the communication plan, project development tools and project guidance notes.

The involvement of and input from other public and private partners in the NWE area played a key role in the preparation of the programme. For example, input for the new programme was collected at NWE annual events and at national or regional events organised by the Member States. Once the preliminary strategy was finalised in September 2013, an online survey was launched to gather input from stakeholders in the area, leading to more than 200 responses. At the end of the process, the draft operational programme was published for public consultation in March 2014, in parallel with the consultation on the environmental report. Input from this consultation has been reviewed and integrated in the final NWE programme.

## **2) A description of how the relevant partners referred in Article 5 will be involved in the implementation, monitoring and evaluation of the cooperation programme.**

The NWE programme is the result of a participative process based on a broad transnational dialogue. Partners from national, regional and local authorities as well as non-governmental bodies contributed to its development. This partnership approach will continue during the implementation, monitoring and evaluation of the programme. Some members of the PPG are part of the programme committees responsible for the selection of projects and the monitoring of results and performance of projects and the programme.

The programme relies on continuous feedback and input by beneficiaries and external stakeholders. Therefore the programme will regularly organise programme activities such as thematic workshops or events to involve a broad range of relevant stakeholders in the NWE area.

## SECTION 6. COORDINATION - ARTICLE 7(5) (A) ETC REGULATION<sup>22</sup>

**The mechanisms that ensure an effective coordination between the Funds, the EAFRD, the EMFF and other Union and national funding instruments, including the coordination and possible combination with CEF, ENI, EDF and IPA and with the EIB taking into account the provisions laid down in the CSF as set out in Annex I of the CPR. Where Member States and third countries participate in cooperation programmes that include the use of ERDF appropriations for outermost regions and resources from the EDF, coordination mechanisms at the appropriate level to facilitate effective coordination in the use of these resources.**

The NWE programme strategy shows a high correspondance with other European programmes in the NWE area. The following programmes are of specific relevance:

- In most of the regional ERDF programmes in the NWE Member States, the themes ‘innovation’ and ‘low carbon’ play an important role. The NWE programme focusses on research and technological development activities close to the market (for example proof of concept), and market exploitation of new products, processes and services (SO1). The challenges addressed in relation to innovation should be preferably linked to green growth and social inclusion, because these are promising and urgent in NWE. The aim of the NWE programme is to support the implementation of the regional smart specialisation strategies at the transnational level. The strategy of the programme is also aimed at closing the gap between innovation leaders, innovation followers and modest innovator regions, hereby also contributing to territorial cohesion within the NWE area.
- Rural development programmes stimulate the socio-economic development of rural areas in NWE, thereby fostering inclusiveness and strengthening territorial cohesion. The NWE programme and the rural programmes are complementary on innovation (SO1) in and energy supply (SO3) in rural areas. Transnational projects are able to create new synergies between the different projects and stakeholders in the rural areas of NWE.
- Other INTERREG programmes show thematic similarities with the NWE programme, such as a focus innovation capacity (SO1) and energy related issues (SO2, SO3 and SO4). Some of these INTERREG programmes overlap with the NWE area (for example INTERREG North Sea Region, INTERREG Europe, INTERREG 2 Seas, INTERREG Greater Region). These programmes will be strongly complementary by scaling up projects to different institutional levels or by the disseminating project results in other areas. The INTERACT programme will play a role in the coordination between the different INTERREG programmes and projects.
- Coherence with the Horizon 2020 programme exists in a majority of the Specific Objectives in the NWE programme (SO1, SO3 and SO5). The NWE programme contributes to accelerate innovation and enhance the uptake of technologies for

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<sup>22</sup> Information required to be adapted to URBACT, INTERACT and ESPON.

new businesses., in particular with respect to the societal challenges (for example environment, demography, health). Horizon 2020 focuses on (applied) research and the NWE programme is able to use these results for implementation at a transnational level.

- The COSME programme strengthens the competitiveness and sustainability of the Union's enterprises, in particular by offering new transnational framework conditions for enterprise based cooperation in the field of R&D innovation, low carbon technologies and natural/material resource efficiency (SO1, SO3, SO5). The NWE programme shows a number of complementarities while enterprises are an important target group for enhancing the innovation capacity in the NWE area.
- The Life+ programme covers two thematic domains that are of interest for the NWE programme: climate change mitigation (focus on reducing greenhouse gas emissions) and adaptation (focus on increasing resilience to climate change). In addition, the sub-programme for Environment will support efforts in the area of "Environment and Resource Efficiency" that "shifts its focus towards implementation of Union environmental policy and legislation and excludes market replication-oriented innovation"<sup>23</sup>.
- For the 2014-2020 period, Connecting Europe Facility (CEF) investments will focus in particular on projects with high EU added value, such as building missing cross-border links and removing bottlenecks along main Trans-European Transport corridors. The Connecting Europe Facility will support large infrastructure development projects, while the NWE programme supports the development and the uptake of low carbon technologies to reduce GHG emissions (SO3), or the testing and demonstration of new solutions for green transnational systems (SO4).
- The URBACT programme focusses on the transfer and dissemination of good practices on sustainable urban development, including urban-rural linkages. The NWE programme complements the URBACT programme by supporting the uptake of social innovation (SO1); demonstrating solutions for energy accessibility and affordability in socially deprived (urban) areas, energy efficiency in social housing, mitigating/adapting climate change effects particularly in urban areas (SO2); or promoting low carbon transport in urban and rural areas (SO4).
- The ESPON Programme can deliver useful territorial information in order to inform project development and project selection in the NWE programme. ESPON can also be useful to look at NWE project results in combination with relevant territorial data. This requires a minimum of coordination/cooperation between both programmes.

The inventory above shows that in a lot of policy areas more than one EU programme can be used to achieve the objectives of the Europe 2020 strategy. The partners in the

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<sup>23</sup> Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the establishment of a Programme for the Environment and Climate Action (LIFE), [http://ec.europa.eu/environment/life/about/documents/COMM\\_PDF\\_COM\\_2011\\_0874\\_F\\_EN.pdf?reference=IP/11/1526&format=PDF&aged=0&language=EN&guiLanguage=en](http://ec.europa.eu/environment/life/about/documents/COMM_PDF_COM_2011_0874_F_EN.pdf?reference=IP/11/1526&format=PDF&aged=0&language=EN&guiLanguage=en)

NWE programme recognise the importance of the complementary between different EU-programmes at the European, national and regional level in both the planning and implementation phase. The need to coordinate this complementarity will be met by different structures and procedures:

- All Member States have their own structures for the coordination of the different programmes, as described in their respective partner agreements;
- The programme partners are also involved in other ESI-programmes in their regions. The member states take care of the dissemination of information and the assurance of complementarity within their organisations;
- Next to the ESI-programmes, overlap also exists with other European programmes, as already indicated above. Project proposals within the NWE programme will be announced by the NWE Contact Points to the national Contact Points of other European programmes in the respective Member States. When a project overlaps with another European programme consultation will take place within the member states.
- When applying for NWE funding, projects have to indicate how they contribute or complement to other EU programmes. A specific selection criterion for this will be set up.
- The Managing Authority, Joint Secretariat and NWE Contact Points will seek active cooperation with other Union instruments, for example by attending each other's events, organising joint events or facilitating project exchanges between the beneficiaries of the different programmes.
- In case potential successful cooperation is identified, relevant project partners can be brought together to think about cross-programme clustering. The example of the NWE IVB initiative "Strategic Health Cluster Europe" shows the benefits of sharing project results across different programmes.

**SECTION 7. REDUCTION OF THE ADMINISTRATIVE BURDEN FOR BENEFICIARIES - ARTICLE 7 (5) (B) ETC REGULATION<sup>24</sup> - TO BE ELABORATED AT A LATER STAGE**

**A summary of the assessment of the administrative burden for beneficiaries and, where necessary, the actions planned accompanied by an indicative timeframe to reduce administrative burden**

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<sup>24</sup> Not required for INTERACT and ESPON.



## **SECTION 8. HORIZONTAL PRINCIPLES - ARTICLE 7(3) ETC REGULATION**

### **8.1. Sustainable development<sup>25</sup>**

All programme partners share the importance of sustainable development in the NWE region. The overall ambition of NWE defines six key challenges which reflect the current needs and challenges in the NWE area. These challenges include resource efficiency, environmental risk and energy security and supply (for example renewable energy). By including these challenges in the strategy of the new programme – specifically Priority Axis 2 – the importance of sustainable development is emphasised.

The chosen Thematic Objectives and Investment Priorities clearly reflect the importance of sustainable development. IP 4e focusses on low carbon strategies, including climate change mitigation and adaptation measures, while IP 4f focuses on low-carbon technologies. IP 7c is about sustainable and low-carbon transport, reducing GHG emissions. Environmental needs and challenges are also addressed in IP 6f, which improves environmental protection and resource/material efficiency, reduces air pollution in the NWE area and reduces and reuses waste. Additionally, innovation in the NWE programme strategy also includes eco-innovation: innovation that contributes to sustainable development of NWE.

Project proposals are only eligible if the project objectives and activities do not conflict with the principles of sustainable development, as defined by the programme. Following this, the applicants are obliged to define in their application how their projects contribute to sustainable development in NWE. By signing the application form, applicants automatically agree with the principle of sustainable development.

The contribution of the NWE programme to the promotion of sustainable development will be part of the NWE programme evaluation.

### **8.2. Equal opportunities and non-discrimination<sup>26</sup>**

The horizontal principle of equal opportunities and non-discrimination is embedded in the Unions legislation, as well as in the laws of the individual Member States in the NWE region. Therefore this principle is seen as vital for a stronger and more social Europe. Social, economic and territorial cohesion all aim at equal development of the NWE territory in its whole and gives special attention to people and regions which are lagging behind or face economic social problems.

By adding social and economic inclusion in the NWE programme strategy, vulnerable economic and social groups, such as young, elderly, migrants and individuals who suffer from economic or social difficulties, are included. The strategy supports the development of technologies and services with a high social impact (for example in the health domain) for all types of population. Besides this, the programme addresses energy affordability for all and encourages to improve energy efficiency in social housing.

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<sup>25</sup> Not applicable to URBACT, INTERACT and ESPON.

<sup>26</sup> Not applicable to URBACT, INTERACT and ESPON

Project proposals are only eligible if the project objectives and activities are not in conflict with the principles of equal opportunities and non-discrimination, as defined by the programme. Following this, the applicants confirm in their application forms that their projects contribute to this principle. By signing the application form, applicants automatically agree with this principle.

The contribution of the NWE programme to the promotion of equal opportunities and non-discrimination will be part of the NWE programme evaluation.

### **8.3. Equality between men and women** <sup>27</sup>

The equality between men and women is one of the founding principles in the European law, and is broadly accepted and supported within the NWE area. The promotion of equality between men and women is explicitly mentioned in article 7 of Regulation EU 1303/2013 ('common provisions'). The principle of equality between men and women is also embedded in the programme and relevant for all projects in the programme.

Project proposals are only eligible if the project objectives and activities are not in conflict with the principles of equality between men and women, as defined by the programme. Following this, the applicants are obliged to confirm in their application form in that their projects contribute to this principle. By signing the application form, applicants automatically agree with this principle.

Taking into account for example the pay gap between men and women, the lack of women in decision making positions and the relevance of women on management level for the competitiveness of enterprises, specific actions of projects in order to support the participation and situation of women are welcome and might be reflected in selection criteria, especially for TO1.

The contribution of the NWE programme to the promotion of equality between men and women will be part of the NWE programme evaluation.

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<sup>27</sup> Not applicable to URBACT, INTERACT and ESPON.

**SECTION 9. SEPARATE ELEMENTS - PRESENTED AS ANNEXES IN PRINTED DOCUMENT  
VERSION - TO BE DEFINED AT A LATER STAGE**

**9.1 A list of major projects for which the implementation is planned during the programming period (Article 7 (2) (e) ETC Regulation**

n/a

**Table 23: A list of major projects (*not applicable to INTERACT and ESPON*)**

Title	Planned time of notification/submission of the major project application to the Commission (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date of implementation (year quarter)	Investment priority	Priority axis

**9.2. The performance framework of the cooperation programme**

**Table 24: The performance framework of the cooperation programme**

Priority axis	Implementation step, financial, output or result indicator	Measurement unit, where appropriate	Milestone for 2018	Final target (2022)
To be specified	To be specified	To be specified	To be specified	To be specified

**9.3 List of relevant partners involved in the preparation of the cooperation programme**

**9.4 Applicable programme implementation conditions governing the financial management, programming, monitoring, evaluation and control of the participation of third countries in transnational and interregional programmes through a contribution of ENI and IPA resources, Art. 24 bis ETC Regulation**

**ANNEXES (uploaded to SFC 2014 as separate files) – WILL BE ADDED AT A LATER STAGE**

- Draft report of the ex-ante evaluation, with an executive summary (mandatory) (Article 48 (2) CPR).
- Confirmation of agreement in writing to the contents of the cooperation programme, Article 7 (8) ETC Regulation.
- A citizens' summary of the cooperation programme (as appropriate)

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