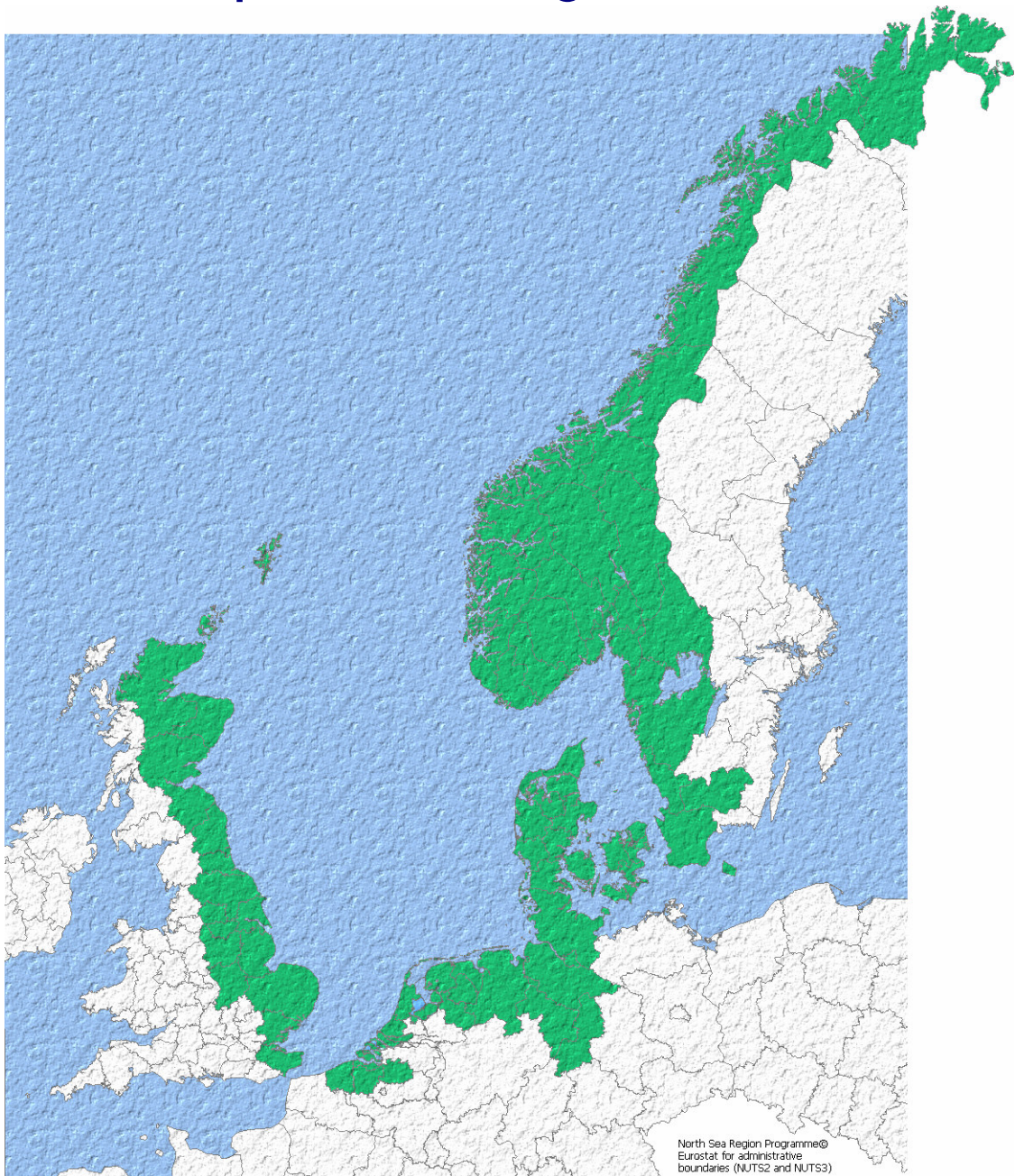


# Interreg IVB North Sea Region Programme 2007-2013

## Operational Programme



**OPERATIONAL PROGRAMME OF EUROPEAN TERRITORIAL CO-OPERATION  
FINANCED UNDER THE EUROPEAN REGIONAL DEVELOPMENT FUND**

## LIST OF ABBREVIATIONS

BSR	Baltic Sea Region
CIP	Competitiveness and Innovation framework Programme
CO2	Carbon Dioxide
EAP6	Sixth Environmental Action Programme
EC	European Community
EEA	European Environment Agency
EIS	European Innovation Scoreboard
EIP	Entrepreneurship and Innovation Programme
EMSA	European Maritime Safety Agency
ERDF	European Regional Development Fund
ESDP	European Spatial Development Perspective
ESF	European Social Fund
EU	European Union
EUKN	European Urban Knowledge Network
FDI	Foreign Direct Investment
FP6/7	Sixth/Seventh EU Research Framework Programme
GDP	Gross Domestic Product
ICT	Information and Communication Technologies
ICZM	Integrated Coastal Zone Management
IEA	International Energy Agency
IMO	International Maritime Organisation
ITS	Intelligent Transport Systems
JASPERS	Joint Assistance in Supporting Projects in European Regions
JEREMIE	Joint European Resources for Micro-to-Medium Enterprises
JESSICA	Joint European Support for Sustainable Investment in City Areas
MoS	Motorways of the Sea
MSUO	Maritime Safety Umbrella Organisation
NPP	Northern Periphery Programme
NSR	North Sea Region
NSRP	North Sea Region Programme
NSRF	National Strategic Reference Framework
NUTS	Nomenclature of Territorial Units for Statistics
NWE	North West Europe
OSPAR	Oslo Paris Convention (1992)
PPP	Public-Private Partnership
R&(T)D	Research and (Technological) Development
SDS	Sustainable Development Strategy
SEA	Strategic Environmental Assessment
SME	Small and Medium-sized Enterprise
SSII	Service Sector Innovation Index
SSS	Short Sea Shipping

TEN-T	Trans-European Networks – Transport
UK	United Kingdom of Great Britain and Northern Ireland
UNESCO	United Nations Educational, Scientific and Cultural Organization
WFD	Water Framework Directive

# OPERATIONAL PROGRAMME

## NORTH SEA REGION

### FINAL VERSION

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## LIST OF RESPONSIBLE MINISTRIES IN THE PARTICIPATING COUNTRIES

<b>DK</b>	<p><b>Danish Enterprise and Construction Authority</b>  Vejlsøvej 29  DK – 8600 Silkeborg  Denmark</p>
<b>FL</b>	<p><b>Flemish government, Agency for Economy</b>  Koning Albert II-laan 35, bus 12  B – 1030 Brussels  Belgium</p>
<b>G</b>	<p><b>Federal Ministry of Transport, Building and City Development</b>  Invalidenstrasse 44  D – 10115 Berlin  Germany</p> <p><b>Federal Ministry of Economics and Technology</b>  Scharnhorststr. 34 - 37  D – 10115 Berlin  Germany</p>
<b>NL</b>	<p><b>Ministry of Housing, Spatial Planning and the Environment (VROM)</b>  Directorate General of Spatial Policy  Rijnstraat 8, P.O. Box 30940  NL – 2500 GX The Hague  The Netherlands</p>
<b>N</b>	<p><b>Ministry of Local Government and Regional Development</b>  Akersgt. 59  Postbox 8112 Dep.  N – 0032 Oslo  Norway</p>
<b>S</b>	<p><b>Ministry of Enterprise, Energy and Communications</b>  Jakobsgatan 26  S – 103 33 Stockholm  Sweden</p>
<b>UK</b>	<p><b>Department for Communities and Local Government</b>  Eland House  Bressenden Place  Zone 1/A3  London SW1E 5DU  England</p>

# 1. INTRODUCTION

## 1.1 PROGRAMMING PROCESS

At the Interreg IIIB North Sea Region Programme Monitoring Committee meeting No 8 29-30 October 2005 in Hanover, Germany it was decided that the programme preparation process for the new programme could be started. Each member state and Norway designated two representatives, one from national and one from regional level to work on the Programme Preparation Group (PPG), starting with the first meeting 2 December 2005 in Berlin.

At PPG1 it was decided that the MA and PA for the current programme would participate in the meetings as observers. The Interreg Secretariat would draft the programme on behalf of the PPG and input and contributions from PPG members and other relevant experts. All decisions were made by consensus. A balance of male/female representation both in PPG representation and secretariat staff, national/regional representation and circulation of chairperson responsibilities among the participating countries, has been at the heart of the programming process.

The table below lists the PPG meetings and other events relevant to the programming process.

Event	Dates	Location	Country of Chair
Monitoring Committee 8	29-30 October 2005	Hanover	Germany
<b>PPG1</b> Kick-off meeting	2 December 2005	Berlin	Germany
<b>PPG2</b>	26-27 January 2006	Brugge	Flanders
Public tender Ex-Ante Evaluation & SEA	17 February 2006		
<b>PPG3</b> & Interreg NSR Event	16-17 March 2006	Groningen	The Netherlands
Draft OP version 1	21 April 2006		
<b>PPG4</b>	2-3 May 2006	Silkeborg	Denmark
Drafting group meeting 1	15-16 May 2006	Brussels	
Draft OP version 2	24 May 2006		
<b>PPG5</b> Launch Public Consultation	14-15 June 2006	Aviemore	United Kingdom
Draft OP version 3	9 June 2006		
Public Consultation Draft OP	19 June-11 August 2006		
Logical Framework Analysis Meeting	3 July 2006	The Hague	
Meeting European Commission (Innovation group)	5 July 2006	Brussels	
Public Consultation SEA Draft environmental report	1 September -24 November 2006		
Drafting group meeting 2	7-8 September 2006	Zandvoort	
<b>PPG6</b>	25-27 September 2006	Bergen	Norway
Meeting European Commission (PPG members)	13 October 2006	Brussels	
Draft OP version 4	23 October 2006		
<b>PPG7</b>	2-3 November 2006	Göteborg	Sweden
<b>PPG8</b>	13 December 2006	Brussels	Flanders
Submission draft Operational Programme to Commission – official round			

At an early stage of the programming process a seminar with more than 100 stakeholders was held to share knowledge and expectations regarding the future North Sea Region Programme. The draft Operational Programme (OP) was subject to national consultation within the relevant ministries and organisations, and to a wide public consultation ensuring that all interests and groups were given the opportunity to comment. The responsible ministries from each member state and Norway had a contact person coordinating the public consultation nationally. The public consultation was open from 19 June until 11 August 2006. All the comments were presented and analysed by the secretariat for PPG6. The draft Operational Programme was available at the [www.interregnorthsea.org](http://www.interregnorthsea.org) during the consultation period.

As part of the SEA the public consultation of the Environmental Report took place starting on 1 September and closing on 24 November. The member states and Norway followed the individual national procedures for the public consultation of this document. The document was available during the consultation on [www.interregnorthsea.org](http://www.interregnorthsea.org). The final report was finally presented to the PPG 13 December 2006.

## **2. THE NORTH SEA REGION: BACKGROUND TO THE STRATEGY**

### **2.1 INTRODUCTION**

This chapter presents a summary analysis of the North Sea Region and so provides the context for the North Sea Region Operational Programme. It is primarily based upon analyses undertaken in the course of the studies carried out for the update of the spatial vision for the North Sea region 'NorVision', and the subsequent synthesis report, as well as findings from the various ESPON projects. Another important source is the analysis of the Operational Programme of the Interreg IIIB North Sea Programme, as well as its mid-term evaluation (2003) and update (2005). Reference should be made to the cited texts for additional detail. The principal strengths, weaknesses, opportunities and threats are set out in section 2.9 and summarised in a section addressing the major challenges facing the Region. Finally, we highlight the key lessons learnt from previous transnational cooperation projects.

The North Sea Region has a strong economy, principally achieved through its southern half positioned at the core of the European Union (EU) and also through high levels of innovation and Research and Development (R&D) activities. As a result of its economic position and the high skill levels of its resident population, the Region benefits from good levels of employment. However, there are wide disparities between the areas that make up the North Sea Region. The Region is characterised by a more densely populated south with high levels of economic activity and good levels of accessibility, compared to the north which has some of the most sparsely populated areas of the EU, with lower levels of economic activity and more limited accessibility. As a result the northern area experiences high levels of outward migration. The integration of and network between the north and south of the Region are relatively underdeveloped and overcoming this offers real opportunities for the continued strength of the Region overall. The North Sea Region has a varied and attractive natural environment, rich in natural resources; its coastline is a common characteristic through the Region. The effective management of its natural environment, ensuring economic and social benefit are maximised from the resources, whilst ensuring the continued environmental merits of the Region are retained, is a key challenge for the Region.

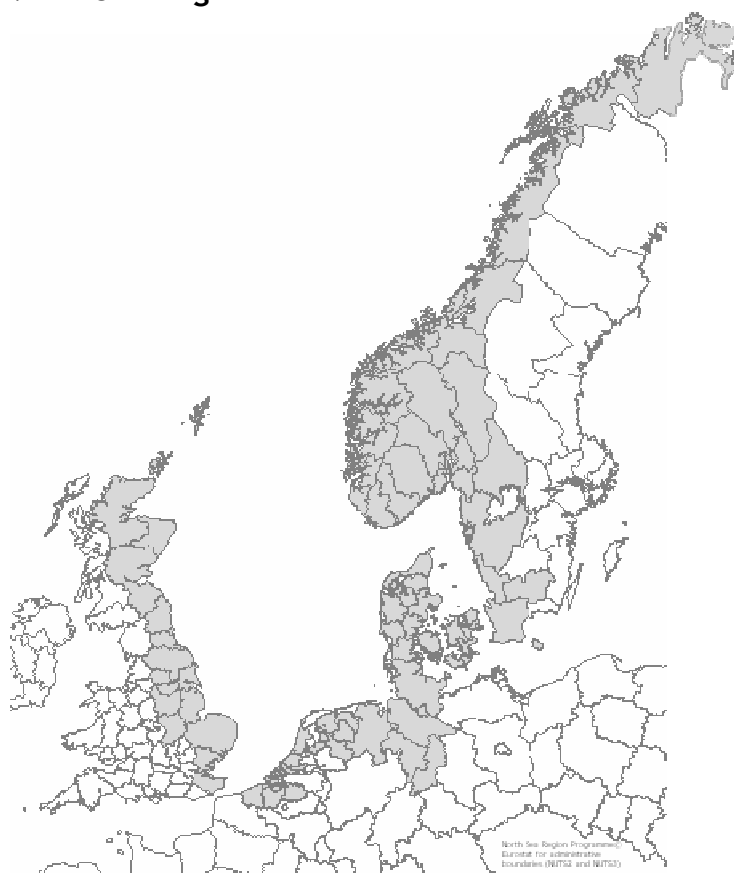
### **2.2 THE CO-OPERATION AREA**

Geographically, the North Sea Region is connected by the large sea basin of the North Sea. As Map 2.1 illustrates, the Region consists of the whole of Norway<sup>1</sup> and Denmark, the eastern parts of the UK, three provinces of the Flemish Region of Belgium, the north western regions of Germany, the northern and western parts of the Netherlands and the south western area of Sweden (Appendix 2.1).

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<sup>1</sup> All Norwegian regions are participating in the North Sea programme. Compared to its predecessor INTERREG IIIB, the districts of Nord-Trøndelag, Nordland, Tromsø, Finnmark are newly included.

## Map 2.1: The North Sea Region



The North Sea Region covers an area of some 664,000 km<sup>2</sup>, which represents 14% of the EU25 land area, and, in 2003, contained a population of some 60 million persons, around 13% of the total EU25 population. As Table 2.1 demonstrates, Norway accounts for the largest land area in the cooperation area, although its share of the total population is significantly smaller. Most of the inhabitants of the North Sea Region reside in the eligible parts of the UK and Germany

**Table 2.1: Share of land area and population of the North Sea Region**

	Proportion of total land area of the Region (%)	Proportion of total population of the Region (%)
Norway	49	8
UK	19	33
Sweden	11	6
Germany	10	22
Denmark	6	9
Netherlands	4	16
Flanders	1	6

The North Sea Region is unique in that it extends from the extreme northern periphery of Europe through to Europe's core 'pentagon', including both Europe's most sparsely populated areas and some of its most densely populated areas. The North Sea Region

contains a well-developed urban system, including centres of national and regional importance, ranging from Member State capitals to regional administrative centres and centres of global economic importance. However, in overall terms the North Sea Region is characterised by the importance of small and medium-sized towns in the urban system, with a particular reliance of towns of less than 20,000 inhabitants.

A defining feature of the Programme area is the importance of the coastline. The North Sea Region has some 35.696 km of coastline, with the vast majority of the eligible regions being connected through this common denominator. [EEA 2006b] The maritime and coastal resource has shaped the development of the Region and the offshore maritime area and the onshore coastal hinterland are an important consideration in development of the Programme strategy.

### **2.3 THE ECONOMY: ECONOMIC DEVELOPMENT, SMES AND INNOVATION**

The North Sea region is one of the most prosperous parts of the EU. It has a high, and growing, level of GDP (Gross Domestic Product). The average level of GDP across the region was €28,516 per capita in 2002 (see Map 3, Appendix 2.2) and during the period 1998-2002 the GDP in the North Sea region grew at an average rate of approximately 5% per year. Unemployment in the region is low, and below the EU average of 10% in most areas, although pockets of worklessness can be identified, particularly where economies are undergoing structural change (see Map 4, Appendix 2.2). Similarly, significant regional differences regarding the GDP per capita can also be identified ranging from a low of €18,200 in the Scottish Highlands and Islands (UK) to a high of around €67,900 in Oslo (Norway).

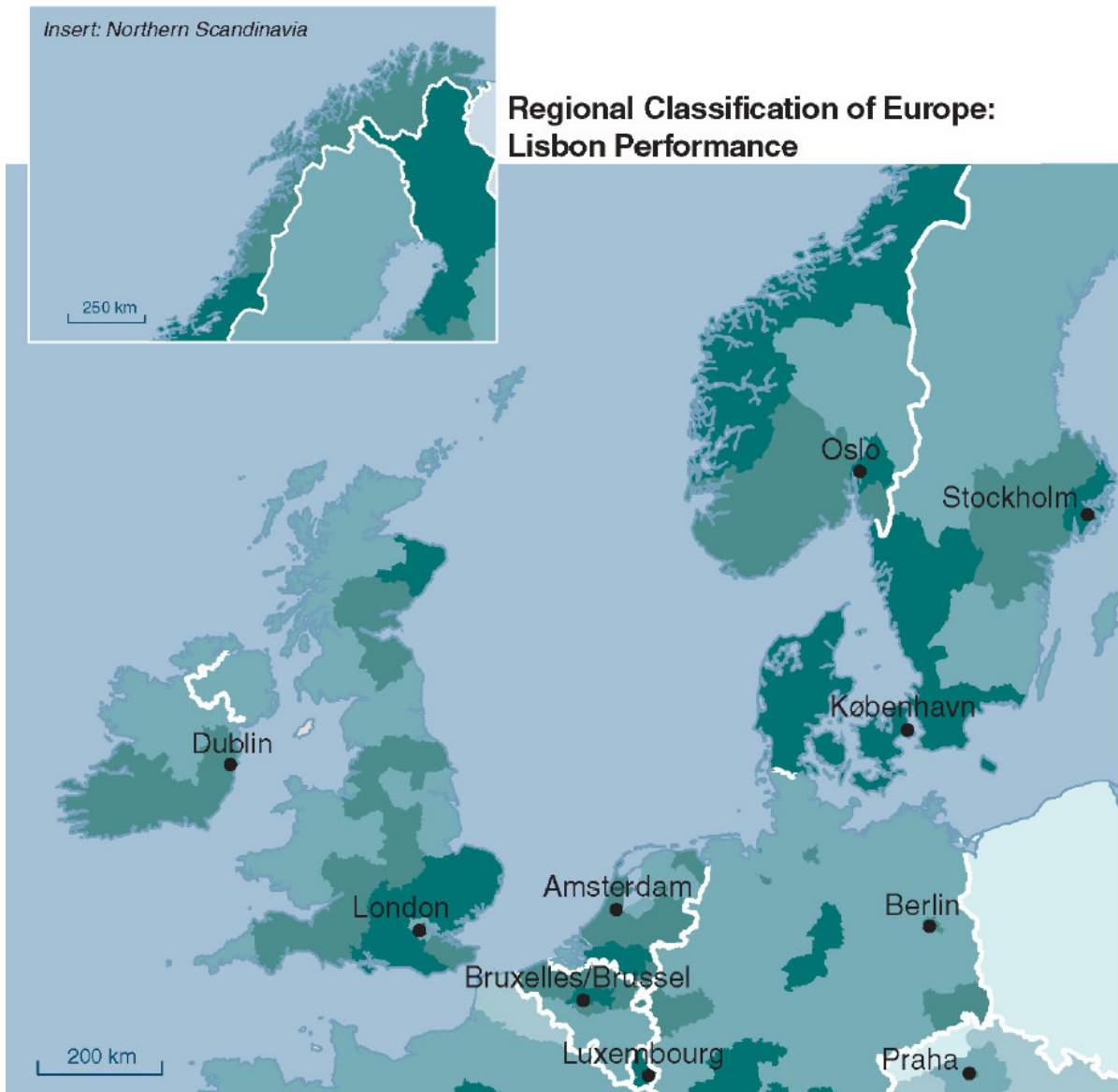
The employment rate for women is in general lower than for men, but this difference is smaller in the Scandinavian countries. The Lisbon target for employment rates with 60% for women and 70% for men is fulfilled in almost all countries of the North Sea Region. The gender gaps re for example unemployment rates, share of part-time work still indicates that there is room for exploring the productive potential of women even further in the North Sea Region. On the issue of life-long learning that more women than men aged 25-64 are participating in education and training in most of the countries of the North Sea Region.

Generally speaking, the economic structure of the regions around the North Sea is facing considerable changes. Significant areas in the North Sea Region have a dependency on agriculture and fishery (primary sector) with shrinking labour markets, for example in parts of Norway and Denmark, or on declining traditional industrial sectors, e.g. regions in Germany and the UK. [Eurostat 2006] Past economic strengths have become current, or potential, weaknesses. In other, predominantly urban, places the regional economy has benefited from the shift towards higher-value knowledge based activities, both in the service and manufacturing sectors, bringing more, and better-paid, employment opportunities. Despite this, in many parts of the region the problem is one of lower-paid

jobs, such as in the tourism sector, rather than a lack of employment, contributing to the lower levels of GDP recorded.

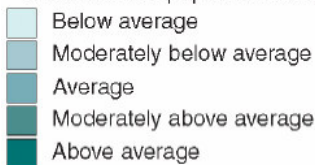
One of the undoubted strengths of the region is its capacity for research and innovation. The 2005 European Innovation Scoreboard suggests that the North Sea Region belongs to the innovation superpowers of Europe (see Map 2.2 and Figure 1, Appendix 2.3). Parts of the Region are amongst the top performers in Europe in the areas of share of highly educated population (see Map 5, Appendix 2.2), expenditure on Research and Development (R&D) (see Map 6, Appendix 2.2), and personnel employed in the R&D business enterprise sector (see Map 7, Appendix 2.2).

Map 2.2:



**Degree of Lisbon performance as an aggregate of 5 indicators:**

- Productivity (GDP per person employed 2002) +
- Employment rate (Employed population / population aged 15-64 2003) +
- Expenditure on R&D (Expenditure on R&D / Total GDP 2001) +
- R&D Business Enterprise Sector (Personnel / 1,000 active person 2001) +
- High educated population (Highly educated population / total educated population 2002) +



© EuroGeographics Association for administrative boundaries  
 Regional level: NUTS 2  
 Origin of data: ESPON 2.4.2 BBR, own calculations  
 Cyprus: data for government controlled areas only  
 Source: ESPON Project 2.4.2, BBR, modified.

Standardised based on the European mean value

However, these strengths are not uniformly distributed across the Region. Many parts of the Region continue to face challenges related to innovation and the commercialisation of research. For example, the only Country to have met or exceeded the Lisbon objective of 3% Gross Domestic Expenditure on R&D as a share of its GDP is Sweden (see Figure 1, Appendix 2).

The North Sea Region's economy is highly dependent on SMEs (see Table 2, Appendix 2.3), traditionally the least innovative of all as they often lack the scale and capabilities to innovate. This presents a great challenge for Europe as recognised in the EC Innovation Strategy<sup>2</sup>, and for the North Sea Region Programme in particular as to stimulating the competitiveness of the Region). However, SMEs in new sectors and niche markets can often challenge this perception and will frequently act as leaders in developing and testing new products and processes – as well as offering the growth prospects for the future. If the North Sea Regions were able to increase this innovative potential within small and medium-sized businesses, this would represent a major opportunity to turn SMEs into engines in the innovation process and greatly enhance the overall diffusion of welfare. This may be based on the specific characteristics of SMEs as they are often locally rooted, individual-led, not exposed to shareholder interests or decisions of a mother company, and not pressured by quarterly balance reports encouraging long-term business planning. Sectors which might act as the future drivers for innovation and competitiveness in the North Sea Region include: new technologies (e.g. ICT, bio and life sciences, new materials); businesses related to natural resources (e.g. wood, agri-food, water management); engineering (e.g. automotive, aviation); advanced services, creative industries, tourism; and energy (particularly renewables).

Information and Communication Technologies (ICT) are crucial to a competitive knowledge-based economy. Telecommunication networks also play an important role in compensating for disadvantages caused by distance and low population density in peripheral regions. This relates both to access to services and to employment opportunities. Access to these technologies is particularly relevant for the low density and island areas within the Region. Different regions and countries have developed in different directions and speed as regards ICT usage and broadband roll-out (figure 4, Appendix 2.3). Overall, the broadband penetration rate (Number of broadband lines subscribed to in % of the population) is generally high, with only Germany below the EU 25 average. Sweden and Norway are the countries that have the most average use by individuals and businesses on e-government related services, while Belgium is actually below the EU25 average<sup>3</sup>.

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<sup>2</sup> Corresponding documentation and more related information can be found at:

<http://ec.europa.eu/enterprise/innovation/communication.htm>;

<http://ec.europa.eu/enterprise/library/lib-entrepreneurship/off-doc.html>

<sup>3</sup> Eurostat 2006:

[http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=1996,45323734&\\_dad=portal&\\_schema=PORTAL&screen=welcomeref&open=/&product=STRIND\\_INNORE&depth=2](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1996,45323734&_dad=portal&_schema=PORTAL&screen=welcomeref&open=/&product=STRIND_INNORE&depth=2)

## 2.4 THE NATURAL AND CULTURAL ENVIRONMENT: PROTECTION AND MANAGEMENT

The North Sea Region has a rich natural environment with some of the richest wildlife habitats in the world. Its coastline encompasses a large variety of characteristics including the rugged mountains, deep fjords and rocky offshore areas of Norway and Scotland, the island archipelagos of Sweden, and the sandy beaches and dunes in the straits of Dover, the Flemish, Dutch and German coasts and the Danish west coast. Inland, river estuaries, wetlands, woods and hills and mountains provide a rich and varied landscape. The quality of the natural habitat is recognised and protected through a large number of Natura 2000 sites<sup>4</sup> and numerous national and regional designations.

The natural landscape provides a valuable resource for the North Sea Region, it is the mainstay for many economic activities, ranging from tourism to extraction industries, whilst also proving a valuable entity in its own right in making the Region an attractive place in which to live and work.

The North Sea Region contains important inland lakes and wetlands, e.g. Vänern (S), IJsselmeer (NL) and Norfolk Broads (UK). Larger restoration projects are being carried out to restore bio-diversity e.g. Lake Hornborgar (S). The estuaries of south-east England, Scotland (UK), Zeeland and the Wadden Sea, stretching from the Netherlands to Denmark, are of particular ecological and natural value with an extraordinary variety of species. Their high biological productivity and high natural dynamic are striking characteristics.

Despite the high quality of the environment and efforts in environmental protection, water and biodiversity are resources under constant threat in the North Sea Region as its land and sea areas belong to the busiest territories for transport and economic activity, both land and sea-based, in the world. Marine pollution, e.g. nutrient enrichment, is immanent as a result of these activities and has negative effects on the ecological balance of the marine systems, such as eutrophication and loss of biodiversity. In the OSPAR area the

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<sup>4</sup> There are two types of designated areas as part of the Natura 2000 network: 1) Sites of Community Importance (SCI) or Special Areas of Conservation (SAC) according to the EC Habitats Directive, and 2) Special Protection Areas (SPA) designated according to the EC Birds Directive. A distinction is made between terrestrial and marine areas, where possible. Due to limited conformity of data available in the different Member States and Norway, the number of sites and the area concerned cannot be determined. For more information on the sites, please refer to the following websites:

EUROPA:

[http://ec.europa.eu/environment/nature/nature\\_conservation/useful\\_info/barometer/barometer.htm](http://ec.europa.eu/environment/nature/nature_conservation/useful_info/barometer/barometer.htm)

Denmark: [http://www.skovognatur.dk/Emne/Natura2000/English/DK\\_Natura\\_2000\\_facts/](http://www.skovognatur.dk/Emne/Natura2000/English/DK_Natura_2000_facts/)

Flanders: <http://bch-cbd.naturalsciences.be/belgium/biodiversity/natura2000/natura2000.htm>

Germany: [http://www.bfn.de/0316\\_gebiete.html](http://www.bfn.de/0316_gebiete.html)

Netherlands:

[http://www9.minlnv.nl/servlet/page?\\_pageid=988&\\_dad=portal30&\\_schema=PORTAL30#toc3](http://www9.minlnv.nl/servlet/page?_pageid=988&_dad=portal30&_schema=PORTAL30#toc3)

Norway: [http://www.ntnu.no/vmuseet/botavd/refesumm/summ5\\_02.html](http://www.ntnu.no/vmuseet/botavd/refesumm/summ5_02.html)

Sweden:

<http://www.internat.naturvardsverket.se/index.php3?main=/documents/nature/natura2000/naturado k/sweden.htm>

UK: <http://www.jncc.gov.uk/page-1483>

nitrate concentrations are high due to land-based *loads* into the coastal waters of Flanders, the Netherlands, Germany, Denmark, and in a few UK estuaries, and concerted long-term measures at transnational level are gaining in importance in the whole NSR in the years to come. [EEA 2005, OSPAR 2006]

The North Sea area also has a rich cultural heritage. The landscape has been shaped by human actions and the area's common heritage stretches back through history to the Vikings and beyond. For example, there are strong historical links between the monarchies around the North Sea Region, and parallel developments took place around the North Sea in the Middle Ages, with intensified trade links notably to and between the Hanseatic cities. There are also common features as a result of industrialisation of the North Sea area. It is therefore important to preserve the common historical cultural heritage as it is of significant value to the region in terms of a common identity and the maintenance of cities, towns and rural areas as attractive places to live and work in. Within the Region are to be found 26 sites classified as World Heritage Sites by UNESCO.

The North Sea Region has a strong tradition in the field of environmental policy. All countries have an advanced system of regulating and monitoring environmental issues, whilst there are separate systems in place for the protection of cultural heritage sites. However, there are valid areas of activity requiring common concerted actions, reflecting the transnational nature of many of the challenges facing the Region in these areas. These are dealt with further in Section 2.7.2 below.

One of the greatest challenges facing the Region is the competing use for the scarce environmental resources of the Region, coupled with the environmental risks associated with economic activity carried out in the Region. Economic interests in the North Sea (shipping, utility lines, minerals exploitation, oil and gas exploitation, wind farms - in the longer run potential new uses, e.g. industry linked to offshore wind farms or gas platforms, offshore tourist installations, aquaculture) potentially provoke conflicts among themselves or with nature protection objectives and are, in many cases, not fully compatible, requiring the assignment of priorities within clearly defined spatial boundaries in the coastal and marine areas. According to ESPON research, the North Sea Region environment is one of the areas most exposed to risks in Europe by, for example technological hazards. (map 8, Appendix 2.2)

## **2.5 TRANSPORT AND ACCESSIBILITY**

The position of the North Sea Region in Europe in the transport sector is unique, with the majority of goods passing through the region on their way to other parts of Europe. Accessibility, both of goods and persons, including communications, is an important facet in promoting and maintaining economic growth and employment. Across the Region the extent to which different areas are 'accessible' varies strongly, (see Map 2.2), with those areas closest to the 'core' of Europe tending to be the most accessible. As the NSR contains both high-density urbanised areas located in or adjacent to the central part of

Europe (e.g. Randstad, Flanders, Essex, Hamburg), and low-density and island areas (e.g. Scotland, Norway and Sweden), the challenges resulting from transport growth vary throughout the Region. In considering accessibility it is important to consider whether one is thinking of accessibility to global markets or to local goods and services, as the results may differ.

Overall, the transport network in the Region - consisting of roads, waterways (both inland and sea), railways and airports - is generally well integrated into both national and international transport systems. The transport sector experienced slow growth related to all modes of passenger transport between 1993 and 2004, except for air passenger transport that grew at a high rate. [Eurostat 2006] Also freight transport and the logistics sector grew in 2004 compared to previous years in the North Sea countries, with no clear signs of decoupling from GDP growth. (figure 5, Appendix 2.3) [EEA 2006a] Some regions around the North Sea will face a dramatic increase of traffic volumes in the coming years also due to rapidly growing emerging markets in Eastern Europe, especially from the Baltic Sea Region and Russia.

The gateways into the Region are primarily found at the Region's ports and airports, with a smaller role played by High Speed Train links. Whilst there are a small number of international gateways into the region, notably the sea ports at Rotterdam, Antwerp and Hamburg and the airports at Schiphol and Stansted, the Region is largely reliant on smaller regionally important hubs, which link to important larger airports, such as Copenhagen.

In recent years there has been a tendency towards increased competition between the ports in the Region in general, and an increasing number of the smallest ports have been closing their commercial operations. In contrast, regional airports have been taking on a new lease of life in the UK, Sweden and Norway, as lower cost airlines pioneer new routes and changes in aircraft technology makes operating smaller aircraft more cost effective. Whereas regional air links are of vital importance for remote areas in Norway and northern Scotland, they play only a limited role in Denmark, the Netherlands and Germany, due to shorter distances or better railway services.

Short sea shipping<sup>5</sup> is an important mode of transport in the North Sea Region; in the 1990s it was the only mode that was able to keep pace with the growth of road transport. Short sea shipping can help curb the expected substantial increase in goods vehicle traffic that continues to gain market share compared to rail and inland waterways through a rebalance of the modal shares and bypassing land bottlenecks. [EEA 2006a] It is relatively safe, which is particularly relevant for hazardous goods such as chemicals, and is a

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<sup>5</sup> **(1) Short sea shipping** means the movement of **(2) cargo** and passengers by sea between ports situated in geographical Europe or between those ports and ports situated in non European countries having a coastline on the enclosed seas bordering **(3) Europe**. Short sea shipping includes **(4) domestic and international maritime transport**, including **(5) feeder services** along the coast, to and from the islands **(6) rivers and lakes**. Cf: <http://www.shortsea.info>

sustainable mode. Although the rationalisation of ports in the Region has adversely affected the number able to handle short sea shipping, it has helped make the remainder more efficient and so increased the competitiveness of this mode of transport. In parts of the Region, inland waterways bear a significant potential for sustainable transport corridors and as feeder lines for the sea ports of the North Sea Region. At present, the inland waterways system in the countries of the North Sea Region covers a total of 16,378 kilometres. Only in the Netherlands and to some extent in Germany and Flanders are significant volumes of goods transported via inland waterways. [EEA 2006a]

In general, the Region has a well-developed railway system, which has undergone significant changes in recent years; moving from traditional public-type monopolies towards more privatised companies operating in a market-based economy. There is, however, a current lack of rail corridors with priority for transportation of goods. This deficiency is one of the reasons why the average speed of goods transported by rail in the Region has not increased significantly since the first half of the twentieth century.

Whilst there is a general move to restricting new road building in favour of more sustainable modes of transport, roads are an important part of the transport network of the Region. They are particularly important for access to more sparsely populated areas.

## **2.6 TERRITORIAL CHARACTERISTICS: SUSTAINABLE CITIES, TOWNS AND REGIONS**

The North Sea Region has a higher density of population than the European Union (EU) average, although this hides a widely varying picture. The population density of the Region varies from very sparsely populated areas such as Finnmark (1.5 inhabitants/km<sup>2</sup>) or Søgne og Fjordane (6 inhabitants/km<sup>2</sup>) in Norway, to very densely populated areas such as Hamburg in Germany (2,293 inhabitants/km<sup>2</sup>). The most sparsely populated areas are found in Norway, Sweden and northern Scotland. In general terms, the North Sea Region can be characterised as being densely populated in the south in contrast to a sparsely populated north (see Map 1, Appendix 2.2).

Although the Region has a highly developed urban network in the south, this is not fully integrated with the rural and sparsely populated areas found in the north. Taken as a whole the Region's administrative and economic network is fragmented. Integrating the Region to enhance its economic, social and environmental performance is the overarching single challenge which the North Sea Region must address.

The wide variation in population density is also reflected in the varying characteristics of the rural areas found across the Region. Rural areas play an important role within the North Sea Region. They are diverse in nature, many of them having a highly developed and efficient agricultural system and/or a well developed fishing industry with a positive

impact on the wider economy. The territorial dynamics of the region are mixed (see Map 2, Appendix 2.2). On the one hand there are areas, especially around large agglomerations in the south of the Region, which have the highest growth rates in the North Sea Region, both in population and economic terms, benefiting not only from regional migration to the urban periphery, but also from interregional and international in-migration. Other areas have a less intensive growth of functions.

However, in other cases, particularly the more isolated and sparsely populated areas in the northernmost parts e.g. Norway and the Highlands of Scotland, there is a scarcity of urban functions. These rural areas are suffering from patterns of economic and social decline, with the outmigration of the productive cohorts, leaving a more elderly population that is adversely affected by the decline in locally available services. A worrying trend for rural areas in general is the concentration of services in larger cities, withdrawing functions and services from smaller towns, particularly with regard to retail, financial services and healthcare provision. These negative trends are affecting rural areas and causing a loss in their economic vitality and attractiveness. There is a need for urban-rural and inter-rural co-operation to provide an adequate level of services and to solve common problems. Such networks also need to provide adequate accessibility to urban centres to enable more peripheral regions to draw on the potential of urban networks.

The cohesion problems stem from inequalities between the regions, in particular in terms of social integration and access to the labour market. Rural areas have difficulty in maintaining the activities for and income of their population. Rural areas are marginalised and are experiencing a loss of population to urban areas, especially the out migration of the most active population strata. This is contributing to the risk of regional shortages of employment and services. There is therefore a need for urban-rural and inter-rural co-operation to provide a decent level of services and to solve common problems. Such networks also need to provide adequate accessibility to urban centres. However, whilst many isolated communities are under threat this is not universally so for example, whilst parts of the UK and Sweden are experiencing population decline, some Norwegian areas are enjoying regional growth in spite of their peripheral location (see Map 2, Appendix 2.2).

While most regions in the NSR will experience a small growth in population over the next five years or so, most of this growth relies on in-migration, particularly international in-migration. In practice, the North Sea Region faces some challenging demographic trends. Reproduction rates are insufficient to maintain current population levels and ageing of the population is the reality across the programme area. Depopulation is a very serious issue in some rural and more peripheral areas, especially in Sweden. Many of the demographic trends are shared among the member regions. They include the ageing of populations; low fertility rates; migration to metropolitan areas; migration from some rural areas (especially of young people); and rapidly rising international in-migration. These trends result in pressing problems in terms of changing demands for travel, access to particular services, hard and soft infrastructure requirements and consequent demands on land use.

## **2.7 COMMON CHALLENGES AND OPPORTUNITIES**

The analysis identifies issues that represent common challenges and opportunities for the future development of the North Sea Region. They are associated with global and regional socio-economic and environmental trends, which have an impact on the territorial structure. Derived from wider analyses and informed by the wider strategic context in which the North Sea Region Programme is set, these provide the framework for the Operational Programme. It is not intended to be a full and comprehensive listing of every challenge, but merely to highlight those that are crucial to this Programme. [see also Towards a New Spatial Agenda for the North Sea Region, 2005f]

### **2.7.1 Economic challenges**

The North Sea Region is a European stronghold when it comes to innovation capacity and innovation performance. All countries around the North Sea possess a good level of business support infrastructure as well as advanced innovation systems, including relevant policies, strategies and investment plans. The North Sea Region accommodates important centres of international and national renown, such as Cambridge in the UK, and highly innovative regions, for example South Sweden, Copenhagen in Denmark and Hamburg, Hannover and Braunschweig in Germany. However, despite these strengths there remain opportunities for development. For example, although most of the North Sea Region countries perform above the European average in terms of number of patent applications, some regions in the programme area lie below the national average, particularly the German, Dutch and Swedish regions. (See Figure 3, Appendix 2.3) The world does not stand still and if the North Sea Region is to remain competitive and able to sustain a strong standard of living for its inhabitants we must continue to build the research and innovation capacity within the Region. One of the key challenges in this area is to strengthen the exchange of knowledge between businesses with research centres such as universities. Another is to encourage SMEs to raise their horizons and become more adept at embracing the challenge of introducing new product and process developments in order that they can compete more effectively in global markets. Given the relatively higher transport costs and wage costs associated with many regions in the North Sea Region competing through innovation has to be our watchword.

A major challenge for the regions around the North Sea is to use the transnational co-operation opportunities to involve a broad variety of stakeholders from the public and the private sector, as well as research and education institutions in a process of clustering of centres of excellence and creating a network of urban, rural, and other types of areas, in order to achieve a wide diffusion of innovation that reinforces regional competitiveness. Transnational cooperation will enable a greater critical mass of related producers and researchers to be brought together, as successful projects - such as Bluebionet, supported by the Regions of Knowledge Pilot Action - have demonstrated in other contexts.

There are a number of major business sectors, which have the potential to be the drivers for innovation and competitiveness in the North Sea Region and in Europe in the coming years or decades. Inter alia, this includes 'driving' technologies such as: ICT; life sciences; new materials; businesses related to natural resources such as the agri-food sector, the use of wood products and timber production, water management; engineering industries such as automotive and aviation; advanced services, creative industries and tourism; and energy (environmentally friendly and renewable).

Stimulating and strengthening the innovation system of the North Sea Region requires strong actions at a regional and national level. Whilst the regions of the North Sea are amongst the leaders of this in Europe it remains true that there is much to learn in this area, particularly in making the transition to a more substantive knowledge-driven economy. In seeking to assist those regions that face the challenge of restructuring their economies, the role of innovation and the opportunity to draw on the strengths of more advanced regions should be grasped. There are many examples of success stories of this kind in the Region, such as the Highlands and Islands University and the future Operational Programme will continue to support the development of transnational cooperation in order to stimulate the move towards a more innovative and knowledge-driven economy.

One area where action is required is in stimulating the uptake of ICT. The productivity gains that this can bring are well-demonstrated. The North Sea Region has a strong penetration of broadband and other advanced communications technologies. (See figure 4, appendix 2.3). It is not for this Programme to further stimulate access, there are other mechanisms for this, but rather to encourage the more effective use of the available technologies. Some parts of the North Sea Region already have strong experience of making public services available on-line and in the development of e-business activities. However, in other parts of the Region take-up has been slower and opportunities to learn and to undertake joint development activities remain.

### **2.7.2 Environmental challenges**

The transnational challenges facing the North Sea Region are set firmly in the context of potential global warming. With the strong maritime emphasis of the Region the condition of the sea is a natural concern, whilst water management issues more generally also pose challenges for the transnational community. [Towards a New Spatial Agenda for the North Sea Region, 2005a]

It is predicted that natural disasters - such as storm surges or floods - are likely to occur with increasing frequency, adversely affecting the North Sea Region. The flooding of rivers and water surplus in the regional water systems have recently led to serious damage in several areas of the North Sea Region, evidence of the impact that such events can have. These threats together with other predicted effects of climate change, such as rising sea levels, call for common solutions in particularly exposed regions, such

as estuarine areas. Estuaries and natural coastlines (dunes) in low-lying deltas e.g. in England, the Netherlands, and Germany are particularly vulnerable to the threat of a rise in the sea-level. Salt intrusion, due to water management practice and a rising sea level, are in some cases already causing agricultural damage and changes in ecosystems.

Water-rich natural systems (wetlands) characterise the North Sea area. However, many wetlands have been fragmented, deteriorated or vanished as a result of changes in quantitative water management, water pollution and infrastructure development. Furthermore, both flooding and drought are significant problems for many parts of the Region. Water management in agricultural regions were adapted to the needs of agriculture. Water infrastructure has been adapted to release superfluous rainwater as quickly as possible, thus creating areas with much lower groundwater tables than in a natural situation. This has had serious consequences for water dependent natural elements. The growing demand for drinking water has led to an increased abstraction of groundwater reserves. Although recent policies have been put into action to counteract this trend, this process needs attention in the future, since climatic change may also have a negative impact on the ground water reserves.

Water quality issues are also apparent in many parts of the North Sea Region, both in inland and marine waters. Sea and fresh water pollution or overuse is a major issue for the Region as a whole, caused by intensified agriculture and industrial activity, oil pollution, saltwater intrusion into fresh water, or due to extensive groundwater abstraction. Eutrophication (nutrient concentrations, nitrogen and phosphorus enrichment) in the surface waters are of common concern across the North Sea Region due to the intensive industrial and agricultural use and the pollution of water, such as through sea transport.

The economic and social importance of the Region's coastline is clear. Not only are the offshore areas a rich environmental, cultural and economic resource but the landward areas of the coast are equally significant. This creates significant and often competing uses of a scarce and relatively fragile resource. Some Member States already have, or are developing, Integrated Coastal Zone Management (ICZM) policies and strategies while others have a more ad-hoc sector regulation on the relevant issues. Managing this resource is a challenge with a clear transnational dimension.

### **2.7.3 The energy challenge**

The North Sea Region is quite unique in a European context in that it has tended to be a net exporter of energy. Fossil fuels in the form of oil and gas have played a major role in this, particularly for Norway, the Netherlands, Denmark and the UK, but strong use of natural resources such as the use of hydro plants, wind and wave energy have also played their part. As a consequence the North Sea Region is at the forefront of technological development in many of these sectors. [Towards a New Spatial Agenda for the North Sea Region, 2005d]

Energy efficiency has also increased over recent years in the North Sea – albeit with strong differentials in national performance - but a challenge is to develop functioning markets and reduce costs of implementing 'green' technologies. A common issue is the more effective reduction of CO<sub>2</sub> emissions, as only a few countries have been able to comply with their Kyoto targets. (figure 6, Appendix 2.3) The latter is associated with the demand-related aspects of the energy sector, such as the transport sector as the fastest growing contributor to CO<sub>2</sub> emissions, and the energy intensity of the economies. (figure 7, Appendix 2.3) Increasing CO<sub>2</sub> emissions remain the most persistent problem leading to climate change. A third area to contribute to this is the building sector that holds approximately 40% of the entire energy-saving potential and provides opportunities for investments, cost savings, employment and improved competitiveness. These aspects together with promoting greater awareness among the society represent an important challenge to achieve sustainable communities in the long-term.

Europe is forecasted to enter into a new energy landscape. Energy is becoming more expensive and the available reserves of fossil fuels are reducing and becoming more difficult to access. Ageing infrastructure for energy supply is also set to become a costly issue. At the same time, the North Sea's energy markets are becoming more interconnected, as witnessed by the opening of the Langeled gas interconnector between Norway and the UK. Uniquely widespread is the access to renewable forms of energy – especially in the form of hydro and wind power. Furthermore, the North Sea Region has also a high potential to use other forms of renewable energy such as biomass, wave and tidal power. This indicates the overall technological capacity and potential in terms of R&D, especially in wind power systems.

#### **2.7.4 Accessibility challenges**

The North Sea Region has a unique position in terms of goods transport and logistics in Europe and plays a key role as Europe's biggest transportation hub region.

In the area of physical accessibility a common challenge is to improve transnational transport corridors, integrating other modes of transport such as rail and sea, particularly short sea shipping. [Towards a New Spatial Agenda for the North Sea Region, 2005b] The challenges related to accessibility, transport growth and increasing transport demand vary throughout the region on account of the diverse territorial conditions of high-density urbanised areas located in or adjacent to the core part of Europe in the south of the Region, and the low-density and island areas in the north. There is an increase in congestion in high-density areas, whilst on the other there is a deficiency in accessibility over land for several low density and remote areas. There remain a number of peripheral and rural regions, which have not been able to exploit their development opportunities owing to the lack of access to efficient transport systems and telecommunications services.

Maritime and coastal policy and maritime safety in particular has in the recent years become a field of growing importance in the North Sea Region. It is one of the busiest sea areas in the world, crossed by significant amounts of traffic but also with strong levels of development to exploit its natural resource endowments. The risk of accidents and subsequent environmental – and economic - damage is high on the agenda and maritime policy developments reflect this. Also the issue of managing or planning the use of sea areas, which often conflict, is a common concern, best addressed transnationally. The Maritime Safety Umbrella Operation (MSUO) involving four transnational co-operation areas is an excellent example for identifying and responding to the need of co-ordinating efforts in different transnational areas, which are working in the same field and where close co-operation is inevitable for meeting the common challenges.

Overall, there is a need to develop the secondary connections in the region, connecting regional port and railway links to international transport networks and to improve their status as international hubs. There is a pressing need for a functioning concept of the Motorways of the Sea and short sea shipping as a means of safeguarding a balanced spatial development. This includes connections to the port gateways and secondary hub network (for external accessibility to outside the region) as well as to their hinterland.

Whilst transport infrastructure is a precondition for better accessibility, it does not operate without an effective logistics sector. This is all the more so when complex multi-modal transport systems are implemented. In order to provide freight customers with door-to-door transport services and to avoid congestion in the transport network, intelligent inter-modal transport solutions have to be developed. Introducing new products and processes into the logistics sector will have a significant impact on improving the competitiveness of the North Sea Region economy as well as reaping substantive social and environmental benefits as it improves the capacity of the existing network systems. An example of this is the Regions of Knowledge Pilot Action called MAREDFLOW with NSR participation.

In the field of accessibility, ICT also offers important opportunities to 'shrink' the real distances that exist between places in the North Sea Region. New service developments, such as distance education courses, tele-medicine and on-line services offer a means to maintain the viability and vitality of smaller and more remote communities.

Current trends are also posing new challenges to and creating new opportunities for the regions in the North Sea related to the enlargement of the EU to the east and resulting opportunities of trade and interaction with Russia and neighbouring regions.

### **2.7.5 The demographic challenge**

The Region's demographic challenge is a shared one. It includes the ageing of the population; low birth rates; in-migration to metropolitan areas; out-migration from many rural areas (especially of young people); and rapidly rising international immigration. [Towards a New Spatial Agenda for the North Sea Region, 2005e] These trends result in

pressing problems in terms of changing demands for travel, access to particular services, hard and soft infrastructure requirements with consequent demands on land use change and concerns with social and economic inclusion. Depopulation itself is a very serious issue in some rural and more peripheral areas. Overcoming these challenges is crucial if the competitiveness and balanced development of the Region is to be maintained. Solutions may be found in supporting a transition to a knowledge-based information society, through actions designed to make places more attractive locations in which to live and work and in connecting places in order to strengthen the critical mass available for economic development, e.g. relating to the regional labour markets and the institutional support infrastructure.

### **2.7.6 The Territorial challenge**

The North Sea region has a significant urban profile as it accommodates a number of larger cities and metropolitan areas with an international role. They highlight the urban potential in the Region in terms of specific areas of influence and consequently their importance for growth and innovation in the EU. [ESPON project 2.4.2, 2005] This asset provides opportunities to focus territorial development on the strengths of the urban areas and target investments in areas of high growth prospects. At the same time, the ability of urban areas to exert their influence in a wider territorial context could contribute to alleviating structural deficits in more peripheral and remote areas by strengthening their functional interaction. Some of the key urban challenges facing the region include; social and ethnic segregation, integration of immigrant communities; the (re)integration of immigrant populations and those made unemployed through industrial restructuring; a lack of appropriate (i.e. affordable) housing provision in areas experiencing rapid growth; conversely, a lack of development opportunities in smaller and more peripheral towns.

It is not for the programme to tackle all these challenges in a comprehensive manner, as other instruments are more suitable to do so. However, it can make a difference by viewing the set of challenges together and create transnational but localised partnerships pursue longer-term efforts to overcome territorial deficits that lead to an unbalanced development of the Region.

The Region's reliance on a large number of settlements of less than 50,000 inhabitants and many even smaller communities with less than 20,000 persons is significant in European comparison [ESPON project 1.4.1, 2006] and presents its own challenges for the North Sea Region countries. This needs to be taken into consideration when developing realistic interventions designed to provide tangible benefits to local inhabitants. From a policy-making perspective, local administrations play an important role in delivering European policy to the (local) electorate in the NSR and thus are inevitable as core partners in transnational projects.

Large distances between the urban centres in the more peripheral parts of the North Sea Region pose a challenge for taking up the opportunities offered by co-operation and improving the integration of remote and rural regions. In this context, it is a particular

challenge to establish entry points to primary and secondary town networks and urban-rural partnerships and provide institutions and SMEs with good access to facilities and information.

## **2.8 LESSONS LEARNT FROM THE PREVIOUS PROGRAMMING PERIODS**

The North Sea Region programme has the benefit of almost 10 years of successful operations. The mid term evaluation and mid term evaluation update, the spatial agenda update studies and experience of staff within the JTS all provide valuable sources of information.

### **2.8.1 Mid term evaluation and update**

The reports from these two studies highlighted various trends that have taken place over the last programming period that have had an impact on the development and content of the new programme. For example, the update of the Mid-term evaluation noted that, within the field of Interreg, innovation and the transfer of knowledge and technology has often been linked to ICT and that the extent to which other sectors of technological innovation had been explored remains limited.

Meanwhile, innovation has moved into the centre of the European Agenda (Lisbon Agenda) and its importance for the North Sea Region has also grown in order for the region to compete with the other strong centres of excellence worldwide. Innovation has thus become a priority with a more varied focus on technological innovation and a stronger focus on business and system innovation. This includes an emphasis on commercialising innovations involving private partners (particularly SMEs), strengthening R&(T)D networks and their linkages to the private and public sector, and improving the institutional conditions for a wider absorption of new knowledge, including higher education. The Interreg predecessor programme in the period 2000-2006 has already proven capable of mobilising private partners and funding. A challenge for the period 2007-2013, however, will be to forge stable public private partnerships (PPP) that prepare concrete major co-operation projects suitable for funding through other programmes beyond the lifetime of the North Sea Region Programme.

### **2.8.2 Spatial agenda studies**

Under the spatial agenda process, five topics were chosen as being relevant to achieving key EU competitiveness and sustainable development policies. A study was carried out for each topic, which included: Coastal Water Management; Transport and Accessibility; Facilitating Innovation and the transfer of Knowledge and Technology; Energy; and Demographic Change. Whilst the topics studied were not necessarily to form the basis of the new programme, the results of the studies have provided strategic input and inspiration to the new programme.

For example, the study on Coastal Water Management recognised the importance of considering Integrated Coastal Zone Management from the seaward side within the North Sea Region. It also recognised the importance of considering the effects that climate change posed to coastal areas. These areas of activity are considered in the environment priority. The study on Facilitating Innovation concluded that there should be a priority on innovation included within the new programme and proposed that a series of well-planned, clearly defined Foresight-type projects that together straddle the North Sea region could be implemented within such a priority. The study on demographic change highlighted the pressing need to address demographic change issues within the North Sea Region. The study noted that the effect of population decline on economic productivity is exacerbated by ageing of the population, which poses a fundamental challenge to economic competitiveness of the North Sea Region. Demographic change is considered within the sustainable communities priority.

Experience of the Interreg IIC and IIIB programmes has provided a rich source of information and valuable lessons learnt. The Interreg IIC programme started with a “clean sheet of paper” and had a large partnership- building job to do. Projects tended to be exclusively bottom-up, involving regional actors. The IIIB programme learnt that in order to achieve greater impact and lasting value, it was vital to encourage projects with a top-down and bottom-up approach involving national authorities and agencies as well as regional authorities. It is expected that in the new programme this will be more strongly emphasised in order to achieve the significant output of the programme anticipated.

With the benefit of 10 years of experience, it is recognised in the North Sea Region programme that it is vital to work actively with project promoters in order to build capacity and to raise the quality of the project applications. The Maritime Safety Umbrella Operation (MSUO) has demonstrated that the wider view of projects running in other programme areas and also internationally, helps to improve the quality of projects by identifying synergies and gaps, and avoiding duplication. Although individual projects have also been able to mobilise private funds, the MSUO has demonstrated its multiplier effect in attracting even greater interest of private partners, opening up additional private sector funding sources. It is aimed to replicate this wider view and its benefits across all themes of the programme in order to continue to raise standards.

The IIIB programme demonstrated that in order to maintain the focus of the programme, a variety of tools and techniques had to be applied. Leaving project development to take place on an ad-hoc basis was not entirely satisfactory and a more pro-active approach was necessary in order to deliver the programme objectives. The benefits of this approach were actually reflected in the last call for project applications under Interreg IIIB, where it was apparent that the majority of projects that were approved used the knowledge ascertained from past projects, together with a clear purpose of contributing towards the aims and objectives of the Lisbon and Gothenburg Agendas.

This was also the case regarding the publicity and communications strategy where it was demonstrated that good news stories resulting from project activities were often

favourably received by the media but less so at programme level. This challenge will continue to be addressed in the new programme, for example, using modern techniques such as “web casting”. This is a way of providing film footage on the website. In this way, the programme will aim to establish itself as a reference point on key issues for the media industry.

## 2.9 SWOT ANALYSIS

### Economic development and innovation

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Well developed business support infrastructure</li> <li>• Largely good availability and use of new technologies supporting performance of public administrations and institutions</li> <li>• NSR is one of the world leaders in use of ICT and production of ICT equipment</li> <li>• ICT literacy generally well developed in parts of NSR</li> <li>• High level of application of new technologies to underpin governmental effectiveness(administrations and institutions)</li> <li>• All countries around the North Sea possess advanced innovation systems, including relevant policies, strategies and investment plans</li> <li>• Existing clusters in NSR (knowledge and sectoral, e.g. energy, engineering) with a strong industrial presence, research base and key markets</li> <li>• Generally well educated workforce</li> <li>• High amount of available fossil fuels and alternative energy sources in wide parts of the NSR</li> <li>• High education levels in NSR</li> </ul>	<ul style="list-style-type: none"> <li>• A large number of SMEs in the NSR have the greatest difficulties in being innovative</li> <li>• Suboptimal exchange of knowledge between businesses and research centres such as universities</li> <li>• Skills level and human resource shortages in some peripheral and rural regions</li> <li>• Insufficient level of expenditure in R&amp;D outside large metropolitan areas</li> <li>• Suboptimal use of ICT by businesses and citizens</li> </ul>	<ul style="list-style-type: none"> <li>• Existing technologies and clusters as basis the diffusion of innovation</li> <li>• Proximity between rural communities in the southern and western part of the NSR, allowing for clustering and networking between institutions</li> <li>• Growing competence in developing Regional Innovation Strategies and identifying upcoming key factors for regional competitiveness through innovation</li> <li>• The specific characteristics of SMEs (locally rooted, individual-led, independent) present a major opportunity for an overall increase of welfare in the NSR</li> <li>• Potential to benefit from globalisation due to highly developed businesses and availability of existing advanced ICT technologies and services in wide but more central parts of the NSR</li> <li>• Existence of modern environmental technologies providing opportunities for their wider application and use, which can lead to expanded industries and more jobs</li> <li>• Complementarity with existing innovation regional and national strategies and other programmes such as 7<sup>th</sup> Framework Programme</li> <li>• High potential to develop more targeted and integrated policies for SME's</li> <li>• Incentives of European funding programmes for co-operation across borders, sectors and institutions (private sector, academia , government and public sector organisations)</li> <li>• Increasing labour force potential especially in larger urban areas due to significant levels of international immigration (especially UK, G, SE)</li> <li>• Continued funding from the EC Research Framework Programmes to make more use of R&amp;D networks, e.g. by stronger participation of actors not yet sufficiently involved (e.g. SMEs)</li> <li>• Rising energy prices as an opportunity to drive the development and wider application of new technologies and renewable energy</li> <li>• Existing development potential of specific sectors in many rural or peripheral areas of the NSR</li> </ul>	<ul style="list-style-type: none"> <li>• Decreasing human resources, knowledge and infrastructure in the sparsely populated, peripheral and remote areas of the North Sea Region</li> <li>• Decreasing innovative potential in less favoured regions due to unfavourable trends in the population structure (ageing and migration)</li> <li>• Increasing regional disparities inside the NSR countries</li> <li>• Decreasing employment levels as a consequence of competition with new markets outside Europe</li> <li>• Emigration of skilled labour force to (metropolitan) areas outside the NSR</li> <li>• Rising energy prices hindering economic consolidation in general, and creation of SMEs in particular</li> </ul>

## Environmental protection and management

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Good environmental awareness in the society</li> <li>• NSR countries leaders in environmental technologies and in particular in energy technologies</li> <li>• Experience in development of alternative and renewable energy sources</li> <li>• Large number of attractive natural landscapes, habitats and ecosystems (e.g. wetlands, rich and varied coastline)</li> <li>• The North Sea possesses rich common resources, i.e. fresh and groundwater, fish, oil, gas</li> <li>• Existing wealth of experience and established practices in the field of water management in many countries around the North Sea</li> </ul>	<ul style="list-style-type: none"> <li>• Unsustainable energy production practices, esp. regarding the energy efficiency of the economies</li> <li>• Uncoordinated efforts in the preservation and restoration of landscapes/ destroyed landscapes and ecosystems;</li> <li>• Vulnerable coastal and lakeside habitats (also to climate change)</li> <li>• High maritime risks, esp. oil pollution, due to high maritime traffic volumes and current practices for transportation and handling of oil</li> <li>• Vulnerability to coastal flooding, esp. in the estuarine areas of the NS</li> <li>• High degree of environmental and habitat degradation</li> <li>• Increased pollution to sea (sea and land based activities), soil (urban, industry and agriculture) and fresh water courses</li> </ul>	<ul style="list-style-type: none"> <li>• High degree of coverage of national strategies and plans on integrated and concerted management and planning of coastal zones and the North Sea itself</li> <li>• Growing awareness of the vulnerability and sensitivity of the environment, as manifested in e.g. public attention for damage from ship accidents or changing fish populations</li> <li>• High environmental quality as basis for expanding sustainable tourism in the NSR</li> <li>• Existing anticipation and prevention strategies for risk minimisation due to effects of climate change</li> <li>• Building on environmental awareness to adopt energy efficiency practices in lifestyles</li> <li>• Rising energy price levels as a driver for development and application of renewable and environmental technologies</li> <li>• Build on existing experience and knowledge to advance research into renewable and environmental technologies for optimisation of processes</li> <li>• Existing pilots on marine spatial planning as a basis for broader application and model to reconcile multiple sea-uses and integration with terrestrial planning and ICZM</li> <li>• Existing transnational initiatives are a basis to further develop environmental technologies into mainstream technologies</li> <li>• Using the existing technology and knowledge base for environmental innovations in all sectors</li> <li>• Optimisation of existing processes, e.g. carbon sequestration, through transnational networks</li> <li>• Existing experience in the field of water management as a source for transnational knowledge transfer, improvement and wider application</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental problems associated with the growth in road and sea transport</li> <li>• Competing land and sea uses exerting pressure on the environment</li> <li>• Increase in extreme weather conditions, e.g. sea and wind surges and high water levels</li> <li>• High costs of introducing environmental technologies could prevent their use</li> <li>• Loss of land and green field sites; growing demand for land use</li> <li>• Depletion of natural resources</li> <li>• Economic development needs overriding other interests and efforts in safeguarding sustainable development of the North Sea Region</li> <li>• Extensive groundwater abstraction and salt intrusion into the groundwater systems</li> <li>• Continuing threats to maritime safety due to accidents</li> <li>•</li> </ul>

## Transport and accessibility

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Shared transport priorities around the NS as a basis for transnational co-operation, i.e. intermodality, interoperability, harnessing transport demand, strengthening existing infrastructure</li> <li>• High awareness for maritime policy needs (well researched subject)</li> <li>• Advanced TEN-T Network, including main roads</li> <li>• Biggest container ports in the world with gateway function (hubs)</li> <li>• Strong seaward transport tradition and large share of international sea transport generating economic growth</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of effective inter-modal systems (sea-road, sea-rail and road-rail at all levels)</li> <li>• Incomplete or ineffective transnational transport corridors integrating different transport modes, which are not environmentally friendly nor energy-efficient</li> <li>• High dependency on road-based transport as a means of cargo transport</li> <li>• Limited accessibility of remote areas due to poor integration into national and international transport networks</li> <li>• Insufficient adaptation to the demands for maritime safety</li> <li>• Under-used potential of ICT for application in logistics and corridor management</li> </ul>	<ul style="list-style-type: none"> <li>• Strong political support for maritime policy co-operation</li> <li>• Existing national investment plans (e.g. Germany) supporting transnational objectives i.e. intermodal inland as well as port-hinterland connections</li> <li>• High potential to utilise existent advanced technologies for wider use of environmentally friendly and energy efficient fuels, e.g. bio ethanol in different modes of transport</li> <li>• Existing TEN-T as opportunity to improve accessibility of secondary hubs through feeder systems</li> <li>• Awareness of potentials for short sea shipping (SSS) in the NSR could form the basis for common transnational strategies of sea transport</li> <li>• Growing potential to reduce need for travel through wider use of IT</li> <li>• Existing functional interaction across large parts of the NSR open up opportunities for the development of transport and development corridors and drive intelligent intermodal transport systems (road, rail, waterborne, air)</li> </ul>	<ul style="list-style-type: none"> <li>• Heavy increase in road transport due to continuous lack of rail corridors with priority for transportation of goods</li> <li>• Limited growth in SSS due to market developments, i.e. increasing size of vessels, which potentially pose pressure on smaller ports to become peripheral due to limited capacity</li> </ul>

## Territorial dynamics

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• Strong and diverse (metropolitan) centres, including gateway cities</li> <li>• Important small and medium-sized regional centres</li> <li>• Valuable urban, maritime and rural heritage and long-lived traditions of rural communities as basis for exploiting individual regional potentials</li> <li>• Rich cultural and natural heritage</li> <li>• Unique and diverse territorial potentials and regional identities in each region for investment and innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Considerable number of peripheral and rural areas with narrow economic base (e.g. mono-sectoral economies) and declining population (esp. Scotland, north-west Denmark, Norwegian and Swedish coastal hinterland, north-west Germany)</li> <li>• Large geographical distances between settlements especially in the northern NSR hindering networking, e.g. for clusters in order to realise economies of scale</li> <li>• Dominant “pull” factors of strong urban centres leading to migration at expense of secondary regional centres and rural and remote areas</li> <li>• Increased urban sprawl and congestion, and migration from old urban centres</li> <li>• Low birth rates especially in peripheral areas (Scotland, Norway) and Germany</li> <li>• Ageing population</li> <li>• Low level of critical mass due to low population density and services dispersion, especially in the northern NSR</li> <li>• Loss of attractiveness of peripheral and rural regional centres (public and cultural services) in favour of metropolitan centres</li> <li>• Remote and rural hinterland areas poorly integrated into urban networks (especially in Scotland, Norway, Sweden, Germany)</li> <li>• Lack of basic services in rural areas</li> </ul>	<ul style="list-style-type: none"> <li>• Existing vibrant small and medium-sized regional centres as basis for clustering, innovation diffusion and job creation</li> <li>• Growing awareness and understanding of changing territorial structures due to demographic change as source for transnational co-operation</li> <li>• New territorial potential due to dynamics deriving from demographic trends</li> <li>• Potential of existing territorial assets (SSS ports, density and specialisation of SMEs, natural assets) in many rural regions for economic diversification, building functional clusters and regional competence)</li> <li>• Widely acknowledged value of cultural and natural heritage as basis for economic development (e.g. tourism)</li> <li>• Development and diversification potential due to new demands of the older generation in specific areas (e.g. coastal, rural)</li> </ul>	<ul style="list-style-type: none"> <li>• Withdrawal of functions, skills/people and services from smaller towns and centralisation in urban areas</li> <li>• Loss of traditional economic bases for employment and social inclusion both in rural areas and declining towns due to globalisation</li> <li>• </li> <li>• Further decline in agriculture and fishing</li> </ul>

### **3. THE JOINT TRANSNATIONAL STRATEGY**

#### **3.1 BACKGROUND**

The joint transnational strategy has been created in response to the analysis of the opportunities and the challenges facing the North Sea Region. It sets out the overall aim and objectives for this Programme and the means by which these will be achieved.

Transnational cooperation in the North Sea Region is essential where obstacles posed by national borders, natural or institutional/organisational barriers hinder meeting our common goals. It is also crucial where the complexity of the problem favours solutions that involve different levels of government (i.e. local, regional, national), different levels of decision-making, management, implementation and financing, and different sectors (public, private, voluntary, etc.). Actions that are proportional to the problem, and best addressed at the transnational level, will be favoured.

The Strategy contributes strongly to the aims of the revised Lisbon and Gothenburg strategies and the shared objectives of the national partners. It draws heavily on the Community Strategic Guidelines on Cohesion and the National Strategic Reference Frameworks of the Member States involved in the programme to ensure a strong strategic consistency. It has also been informed by the results of the ex-ante evaluation of the Programme. The Region's assets provide a strong basis for a contribution to the objectives set out in the Lisbon and Gothenburg strategies. The future development of the North Sea Region, however, will be determined by its ability to achieve economic progress through shared development objectives and shared resources, building on individual regional strengths and territorial potentials.

The emphasis of the strategy is the promotion of innovation and the knowledge economy and the importance of creating attractive and sustainable places in which to live and work. The analysis of the North Sea Region shows the potential it has to develop its role as a world leader in high-value knowledge-intensive economic activities as well as in the sustainable management of living environments and environmental resources to maintain and enhance a balanced and sustainable development of the regions. At the same time, it is a diverse territory where regional imbalances pose a challenge to territorial cohesion.

The Programme Strategy is based on an agreed logical progression of ideas and objectives. The Strategy has been developed to deliver an overall aim, agreed by all the partners, through identifying a number of objectives and related priorities. An illustration of the Strategy is set out on page 46 (logic tree) and expanded on below. The Strategy is underpinned by a number of assumptions. A fundamental assumption is that a transnational cooperation approach is not solely based upon people and organisations working together but also involves places developing strategic relationships to their mutual advantage. Through its actions the Strategy also aims to deliver higher-level aims relating to equal opportunities, the promotion of innovation, territorial cohesion and sustainable

development. These form four cross-cutting themes and projects will be expected to demonstrate their links to each of these.

### **3.2 PROGRAMME AIM**

The aim of the programme is **to make the North Sea region a better place to live work and invest in.**

By this we mean that the North Sea Region Programme has a role in enhancing the overall quality of life for residents of the North Sea Region by ensuring that there is access to more and better jobs, by sustaining and enhancing the acknowledged environmental qualities of the region, by improving accessibility to places and ensuring that our communities are viable, vibrant and attractive places to live and work.

These are issues that require interventions at the transnational level and are the areas where transnational cooperation action is regarded as most likely to deliver the overall aim of the Programme. The purpose is to promote transnational cooperation that:

1. Increases the overall level of innovation taking place across the North Sea Region,
2. Enhances the quality of the environment in the North Sea Region,
3. Improves the accessibility of places in the North Sea Region,
4. Delivers sustainable and competitive communities.

These Objectives are multi-dimensional and clearly strongly inter-related. The intent of the Programme Strategy is to make a measurable difference in each of these areas by the end of the Programming period in 2013. In order to deliver these Objectives the Programme focuses on four priority areas. These are considered to be the areas where this Programme is best focused in order to deliver the results required. Other programmes, whether European, national or regional, can play their part in delivering the overall aim expressed in this Programme and endorsed by the respective stakeholders.

### **3.3 THE STRATEGIC FOCUS OF THE PROGRAMME: PROGRAMME PRIORITIES**

The aim and objectives of the transnational co-operation programme will be delivered through four Priorities. The emphasis is on stimulating transnational cooperation in ways that will provide tangible benefits to the areas concerned and the Region as a whole. The priority axes contain targets and are quantified by output, result and, where appropriate, impact indicators, which will help to measure the progress in relation to the baseline situation and the effectiveness of the targets to implement the priorities.

Whilst each Priority links most closely to one of the four objectives it is important to stress that the actions undertaken under each Priority can, and will, also contribute to the other objectives. For example, projects may seek to increase the capacity for innovation

across the Region by undertaking actions that also help to secure the sustainable development of our urban areas, or vice versa.

We briefly introduce each of the Priorities below, with the main content of each set out in Chapter 4.

### **3.3.1 Priority 1 Building on our capacity for innovation**

The development and introduction of new and improved products and services is crucial for the long-term competitiveness of an economy. Innovation can offer new economic opportunities for areas that are experiencing the challenges of economic restructuring. The North Sea Region has a strong reputation for R&D and innovation, although this is not uniformly distributed. It is crucial that we build on this base if we are to confront the challenges of the future and make the North Sea Region a better place in which to live, work and invest.

The priority aims at boosting innovation at all policy levels and sectors throughout the North Sea region. The aim is to encourage a transnational and multidimensional partnership approach between business, industries, SMEs, researchers, universities and public administration in the shared task of promoting our innovation performance in the light of the objectives of the Lisbon and Gothenburg Agenda. By strengthening the capacities of clusters and networks of business and services, and institutions and society in line with the Community Strategic Guidelines on Cohesion and the National Strategic Reference Frameworks of the Member states, innovation based projects will create favourable environments for SMEs, business development and economic growth. The wider adoption and use of ICT applications will play a role as an enabler to increase the region's capacity for innovation. The aim is to ensure that firms and research centres are able to compete with the best. Innovation based projects will support and, in turn, will be supported by the other themes of the programme, particularly linked to environmental technologies, logistics and the energy sectors.

### **3.3.2 Priority 2 Promoting the sustainable management of our environment**

The North Sea Region has a reputation as an area with a high quality environment. This is protected through the application of environmental standards and a culture, which places great store by this resource. Our environment is under pressure though from social and economic uses, as well as the implications of changing environmental conditions. We seek to manage these pressures in order to maintain the value of our environment for the benefit of future generations, and to achieve our aim of making the North Sea Region a better place in which to live, work and invest.

The priority strives to create conditions for sustainable economic development that goes hand-in-hand with environmentally responsible practices as highlighted in the Lisbon and Gothenburg Agenda. Transnational co-operation will concentrate on the development of

preventative and responsive measures to address acute and chronic marine pollution. Actions will also focus on Integrated Coastal Zone Management approaches and the management of sea areas and marine ecosystems, which have proven important for delivering sustainable benefits to the region in the future, and we wish to promote and extend this practice further. The priority also addresses the risks posed to society and nature by a changing climate, for example by promoting the creation and implementation of management plans in the fields of nature protection, civil protection and security policy that are all fundamental challenges to our lifestyles and livelihoods. It will finally aim at enhancing environmentally responsible energy production practices contributing to a lower-carbon economy and society. Projects should aim to tackle issues related to new approaches of developing innovative environmental solutions (e.g. production of renewable energy and water management). This will stimulate faster uptake of new, safer and cleaner technologies by using fewer natural resources, reducing pollution and the risks posed to health and safety.

### **3.3.3 Priority 3 Improving the accessibility of places in the NSR**

Promoting better levels of accessibility and connectivity is crucial to achieving the wider objectives of this Programme. This includes the access of places for people and for the movement of goods. In speaking of accessibility we are not only thinking of physical infrastructure but also of the logistics technologies and procedures that are so important in enabling, and maximising, the efficient movement of goods and people. Through transnational cooperation actions we aim to improve the accessibility of places in the North Sea Region in order that this delivers tangible benefits to the residents and firms based in the region, and makes the Region a better place in which to live, work and invest.

The priority supports to enhance and improve accessibility throughout the North Sea region in order to deliver economic and social benefits. Public and private partnerships are encouraged to develop and implement transnational concepts for an efficient transport system and transnationally integrated terrestrial and maritime corridors, addressing common technological, financial, planning and administrative constraints. Transnational strategies for the preparation of investments in infrastructure and logistics at regional level, including concepts for regional accessibility are important requirements for future viability and competitiveness of our regions. Moreover, the supported development of new logistics concepts and innovations in the transport sector will provide the necessary means to deliver the objectives of this priority. Projects are also sought to tackle issues related to the development of multi-modal transport corridors, improvement in cargo logistics systems, inter-modal transport interfaces and transport monitoring systems.

### **3.3.4 Priority 4 Promoting sustainable and competitive communities**

The communities that make up the North Sea Region are all experiencing pressures of change. This takes different forms depending upon the particular mix of demographic,

economic and environmental drivers in each case. For those places that are already attracting new populations, issues of inclusion, congestion and demand for land, rise to the fore, whilst for those that are losing jobs, services and population the challenge is one of finding mechanisms that stem this tide. Many of these issues are best tackled at the local and regional level, yet the commonality of these issues and the functional interconnections of communities in the region present a strong argument for supplementary efforts built upon transnational cooperation. In this respect this priority seeks to create more sustainable communities through developing radical approaches to the pressures that they face. In the light of the diverse patterns of structural change it is vital for the NSR to apply a holistic approach to the sustainable development of regions and ensure vibrant communities that are attractive places in which to live and work.

The priority aims to enhance the strengths of urban and rural areas, thus creating conditions in the regions to build up their individual capacity for innovation and accommodate favourable opportunities for growth and more and better jobs. Transnational co-operation will concentrate on those geographical areas that are suffering from economic and population decline and subsequent social pressure. The ongoing patterns of demographic change have profound implications for service delivery and for territorial patterns such as land-use in the future. At the same time, larger urban centres and metropolitan areas works as catalysts for innovation, many urban areas are struggling with the consequences of immigration and issues related to urban expansion. Projects will have to tackle issues related to new approaches to service delivery, integration of an in-migrating labour force and economic restructuring, using individual regional assets such as the cultural heritage. This priority also focuses on promoting greater efficiency in energy consumption. Transnational exchange of experience in this area will lead to tangible outputs in encouraging the development and implementation of energy-efficient approaches within the society and the regional economies in the build environment that are crucial components in order to develop sustainable and competitive communities for the future.

### **3.3.5 Interrelation and links between the priorities**

Although the Programme is organised around four Priorities and 15 areas of intervention these are not independent of each other, but rather complement one another and are strongly interrelated.

Priority 1 addresses the importance of an integrated approach to developing a knowledge-based and innovation-led economy. This innovative approach is transversal throughout the programme. Developing new ICT concepts, business products and processes, these activities are also particularly linked to Priority 2 promoting 'environmental', maritime and energy-related technologies as key sectors in the Region. The maritime environment and economy is also an important area of action that has direct links to the co-ordination with accessibility strategies (Priority 3) and the attractiveness of communities (Priority 4). Strengthening the innovation profile also dominates Priority 3 through enhancing efficiency in managing goods and passenger flows in the context of corridors reaching

across large territories, and exploiting the potential of new innovative technologies, for example in the field of logistics. Ensuring that institutions and businesses can increase their knowledge and capacity for innovation, that high quality jobs can be maintained and a skilled labour force attracted will require to consider the specific urban and rural tensions and develop holistic place-based solutions in Priority 4, including the response to ongoing demographic and structural changes as well as the impact on the environment in order to promote and build on the diversity of the regions around the North Sea.

### **3.3.6 Justification of the priorities chosen**

The set of priorities in the programme has been chosen by viewing the strengths, weaknesses, opportunities and threats identified in chapter 2 for the North Sea Region in perspective with the policy agendas at European and national levels. The challenges set out in chapter 2.7 are evidence-based and depict the major development issues for the years to come in the North Sea Region, whilst the Lisbon and Göteborg Strategies together with the national policies (including the NSRF) and the Territorial Agenda provide direction for future transnational co-operation in Europe.

In this context,

1. the promotion of innovation amongst institutions, businesses and society is a top priority, particularly when they are linked to benefits for
2. improving the environmental quality, for example through clean technologies. At the same time,
3. improved accessibility of the Region and between its parts and
4. attractive and viable places to live and work in underpin the territorial dimension of transnational co-operation to ensure sustainability and a balanced regional development.

Programme preparation was focused on these four key themes reflecting the Region's development issues described in the analysis so that future interventions would address the barriers and constraints to a sustainable future of the Region. This process and the chosen priorities as its result have been verified by the ex ante evaluation carried out (see page 47).

Virtually all identified internal weaknesses and challenges are addressed by the areas of intervention owing to the holistic territorial approach of the programme. However, where the coverage of a topic is not comprehensive, this is a choice made by the Member States and Norway based on the judgement that it would be dealt with in a comprehensive manner by other policy instruments, respectively in other territorial contexts. Consequently, it is vital for the programme's success and maximum impact that projects link to other funds in order to utilise the transnational results and implement major follow-on projects.

The Programme therefore encourages concrete actions triggering tangible outcomes. Its priorities and areas of intervention are a well-founded response to the identified weaknesses and a sound reflection of the challenges ahead for future transnational territorial co-operation in the transnational North Sea Region.

### **3.4 PRINCIPLES FOR ASSISTANCE**

The strategic value of the North Sea Region Programme lies within the ability of funded projects to achieve impact on account of their contribution to the objectives of the Lisbon and Gothenburg strategies through transnational co-operation. In addition to the Priorities identified as the focus for Programme activities there are six principles for assistance that should be central to any project activity. Project applicants are expected to take these following elements into account when developing their projects. These form essential quality criteria and all projects will be expected to address these, reporting why they feel this is not required if they choose not to do so.

#### **3.4.1 Sustainable development**

It is expected that projects will contribute to the sustainable development of the North Sea Region in correspondence with the renewed EU Sustainable Development Strategy (SDS)<sup>6</sup>. Sustainable development offers a positive long-term vision of a society that is more prosperous and more just, and which promises a cleaner, safer, healthier environment – a society, which delivers a better quality of life for current and future generations. Achieving this in practice requires that economic growth supports social progress and respects the environment, that social policy underpins economic performance, and that environmental policy is cost-effective. Projects are required to endorse the principles of sustainable development as a catalyst for policy-making and raising public awareness. Defining clear, stable, long-term objectives for transnational partnerships will shape expectations and create the conditions in which businesses have the confidence to invest in innovative solutions, and to create new, high-quality jobs. The North Sea Region Programme provides a framework to focus on a number of topics relevant to the region in order to facilitate the translation of the vision into practical policy actions.

#### **3.4.2 Innovation**

It is expected that projects will promote innovation and the transition to a knowledge-based economy in the North Sea Region. Developing a positive innovation-orientated culture will take a sustained effort. We should always be thinking how actions in one area might serve to promote and reward the opportunities for innovation amongst firms in the North Sea Region. This will often involve looking at the 'bigger picture' outside of our own home area, something that transnational cooperation projects are uniquely equipped to achieve. The North Sea Region Programme provides an instrument that promotes long-term planning as the frame of reference in which short-term decisions must be taken. Where projects are considering their role in promoting wider opportunities for innovation they may wish to bear in mind that standard-setting approaches are more likely to encourage innovative responses than those that are technologically driven. Similarly, transnational cooperation projects have a unique opportunity to create, and sustain,

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<sup>6</sup> In line with Regulation (EC) No 1083/2006, Art. 17

collective learning environments which can be used to transmit knowledge to the benefit of innovation practice.

### **3.4.3 Territorial cohesion**

It is expected that projects will work to promote territorial cohesion across the North Sea Region. The concept of territorial cohesion should be regarded in the same light as efforts to stimulate social and economic cohesion and refers to valuing the diversity of the European territory, supporting the European social model and enabling people to continue to live in their home regions. In practical terms this means that projects should consider the contribution that they can make to:

- focusing regional and national territorial development policies on better exploiting regional potentials and territorial capital - Europe's territorial and cultural diversity;
- strengthening the profile of areas within the North Sea Region through transnational European cooperation aimed at facilitating their connectivity and territorial integration;
- promoting the coherence of policies with a territorial impact, both horizontally and vertically, so that they support sustainable development at a national and regional level.

### **3.4.4 Equal opportunities**

It is expected that projects will enhance equal opportunities for all and the equality between men and women and non-discrimination<sup>7</sup>. The North Sea Region Programme is committed to the promotion of equal opportunities in all its activities. This includes project sponsors having a developed organisational strategy demonstrating how they act to promote equal opportunities themselves but also, naturally, how the project will impact on equal opportunities in the Region. Projects will be expected to identify how their activities deliver positive benefits in the area of gender equality and non-discrimination. Equality of opportunity is not purely about opportunities for women. The North Sea Region Programme recognises that people with disabilities, ethnic minority groups and others who may be disadvantaged need help and support to gain and stay in work, whether that be paid employment or in the voluntary sector. In promoting equal opportunities projects may consider the wider economic benefits that emerge in terms of tackling skills shortages, increasing employment levels, higher income levels and increasing levels of entrepreneurship within the economy, thus making full use of the productive potential of the North Sea Region's work force. For further information in this area projects are advised to consider the lessons learnt from the EQUAL Initiative and the opportunities for further mainstreaming these.

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<sup>7</sup> In line with Regulation (EC) No 1083/2006, Art. 16

### 3.4.5 Transnational co-operation and the partnership principle

It is anticipated that projects will demonstrate the added value of undertaking the proposed actions on a transnational basis. The partnership principle<sup>8</sup> is an intrinsic part of the NSRP as it promotes transnational co-operation and thus focuses its funds on a specific need of regions to best tackle weaknesses and meet challenges for regional development. The transnational North Sea Region Programme enables the actors involved to place regional policy objectives into a wider territorial context of a macro-region, enhancing the cohesiveness of actions at regional, national, and European levels. More specifically, the role of the North Sea Region Programme is to create an organisational and institutional environment that is conducive for innovation, regional development and transnational learning, by building on the strengths of its individual territories and utilising their potential as a resource. Areas where added value can be identified include:

- The benefit of developing a joint learning and implementation environment. In this respect the programme allows cooperation between different levels of government (vertical integration), among different policy sectors (horizontal integration), whilst reaching across national boundaries (geographic integration).
- The benefits of enhancing the complementarity of activities, policies and programmes developed in the North Sea Region.
- The benefit of acting as a catalyst for the transnational region to provide a unique opportunity for delivering concrete strategic actions and improving regional performance in multi-dimensional and cross-sectoral partnerships.
- The benefit of undertaking actions at the greater scale that transnational working enables, either providing subsequent economies of scale or allowing the development of a requisite critical mass.

The specific added value deriving from this is inherent in projects with certain features. The following elements serve as criteria aiding the selection of transnational projects:

- The problem addressed cannot, by its nature, be satisfactorily tackled within one country;
- The objectives defined, and work carried out are consequently shared between partners from different countries;
- Co-operation between partners improves the quality of results compared to the possible achievements of a partner working on its own;
- Networking, knowledge transfer and the exchange of good practice in transnational partnerships (inviting private partners<sup>9</sup>) create added value and enable the individual regions and organisations to attain increased capacity in running sustainable economic development policies;
- The results of the work performed are relevant to the wider North Sea Region and can therefore to some extent be transferred to other parts of the transnational territory;

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<sup>8</sup> As stipulated in Regulation (EC) No 1083/2006, Art. 11

<sup>9</sup> Cf. "public similar partners", p. 99

- Co-operation arrangements are integrated across sectors (horizontally) and national boundaries (geographically) and embrace all levels of government and administration (vertically) in pursuit of achieving sustainable development.

### **3.4.6 Additionality**

Only projects, which provide “additional” outputs – i.e. which would not have been provided without support by the North Sea Region Programme – will be selected at application stage. By this we ensure that funds from the North Sea Region Programme do not replace public or equivalent structural expenditure by a beneficiary.

## **3.5 COHERENCE AND COMPLEMENTARITY WITH COMMUNITY AND NATIONAL POLICIES AND PROGRAMMES**

Building synergies and complementarities with other community and national policies, initiatives and programmes will maximise the strategic impact of the North Sea Region Programme, by utilising the results of these or forming the basis for follow-up activities, such as investments.

Projects are expected at application stage to have considered those links in line with the general regulation<sup>10</sup> and to specify and describe complementarity and synergies with different Community funds and national programmes in the participating countries. This information will be considered by the programme authorities before decision-making to grant funding. In this way projects will be enabled to mobilise additional resources hence increasing the leverage effect of the programme.

In this position, the North Sea Region Programme can make a significant contribution to delivering the aims of the Lisbon strategy and the Gothenburg agenda. The NSRP is therefore developed in line with a number of core policies and programmes.

### **3.5.1 Core policies and programmes**

- Innovation, growth and competitiveness policy (Lisbon strategy, the Community Strategic Guidelines on Cohesion, National Reform Programmes for jobs and growth),
- Sustainable development policy (Gothenburg agenda, the renewed Sustainable Development Strategy (SDS), national Sustainable Development Strategies)
- National Strategic Reference Frameworks (NSRF) of the member states
- Cohesion policy,
- European Agricultural Fund for Rural Development (EAFRD) and European Fisheries Fund (EFF)
- European Social Fund (ESF)
- Territorial agenda of the European Union – Towards a More Competitive Europe of Diverse Regions,

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<sup>10</sup> Regulation (EC) No 1083/2006, Art. 9 and Regulation (EC) 1080/2006, Art. 12

- The Bristol Accord (Sustainable Communities accord signed under the UK presidency December 2005),
- EU and North Sea Maritime policy, Maritime Safety Umbrella Operation (MSUO),
- European Spatial Development perspective (ESDP), the spatial vision for the North Sea region (NorVision) and the spatial vision reports on updating NorVision.

At the core of these reference policies are the Community Strategic Guidelines on Cohesion 2007-2013 and the corresponding National Strategic Reference Frameworks (NSRF). (Appendix 3.1)

In the Third and Fourth Cohesion Report and the ERDF Regulation, the European Commission has advocated a strategic approach to cohesion with an emphasis on economic growth and employment and the objectives of the Lisbon-Gothenburg Strategy. The Community Strategic Guidelines for Cohesion 2007-2013 (COM(2005) 0229) provide the basis for the preparation of the drafting of the National Strategic Reference Frameworks (NSRF) by the Member States.

The NSRFs have been reviewed with regard to the identified priorities covered by the North Sea Region Programme on transnational co-operation and their relation to delivering the aims of the Regional Competitiveness and Employment and European Territorial Co-operation objectives. For Norway as the only non-EU Member State participating in the North Sea Region Programme, the National Framework for Rural and Regional Policy (white paper no. 21, 2005-2006) has been reviewed.

Another important point of reference is the EU Sustainable Development Strategy. The North Sea Region programme endeavours to contribute to its aims through the thematic scope and focus of actions and by ensuring co-ordination with other funds, such as the Life+ programme, in order to enhance complementarity and synergies and optimise the use of programme funds to promote sustainable development.

### **3.5.2 Coherence with measures financed by the EAFRD and EFF**

The North Sea Region Programme operates to some extent in the same sectors as the rural development programmes financed under the European Agricultural Fund for Rural Development (EAFRD), particularly axis 3 (The quality of life in rural areas and diversification of the rural economy) and axis 4 (Local Action Groups). The measures may include e.g. diversification into non-agricultural activities, support for business creation and development, encouragement of tourism activities, basic services for economy and rural population as well as conservation and upgrading of the rural heritage. Under axis 4, it is also possible to finance transnational co-operation projects in any of the sectors covered by the rural development programme. Furthermore, the measures under axis 3 and 4 are targeted not only to the farmers, but to the whole rural population.

The major difference between the North Sea Region Programme and actions eligible under the EAFRD is the magnitude and profile of operations. Most of the projects financed by the EAFRD programmes are implemented at local or regional levels and are targeted at benefit of local communities (farmers, forest owners, economic operators). For transnational co-operation projects financed by the EAFRD programmes the initiative

comes from the local level (from so called Local Action Groups), while in the North Sea Region Programme the initiative and ideas are introduced more from an overall North Sea Region perspective. Moreover, the focus of the North Sea Region Programme is on settlement structures of the rural areas and functional co-operation between towns and cities of different sizes (including metropolitan areas), which is not covered by EAFRD programmes.

The North Sea Region Programme can bring value-added to the rural development programmes by identification, planning and implementation of activities targeted in a wider context. This gives the opportunity, in co-operation with the national, regional and local levels, to find new solutions in problems that are common in larger territories and that cannot be solved at a local or national level alone.

In the regions in the programme area with significant sector-dependency on fishery the North Sea Region Programme may supplement actions co-financed by the European Fisheries Fund (EFF), especially with regard to sustainable development of coastal fishing areas, which are in the process of economic decline. It foresees under its axis 4 the sustainable development of fisheries areas, which should be particularly taking into consideration for complementarity and synergy for activities in priority 2. This may be done through elaboration and implementation of new pilot solutions promoting a multi-sectoral and territorial approach to identified problems.

### **3.5.3 Links to other territorial programmes**

The transnational co-operation programme for the North Sea region encourages links to the adjacent transnational areas, both at programme and project level, in order to enhance synergies and avoid overlap. This accounts particularly the neighbouring macro-regions and programmes, i.e. Northern Periphery, Baltic Sea Region and North West Europe and can play a crucial role as a catalyst for making a greater impact on European territorial development. The Maritime Safety Umbrella Operation (MSUO) involving these four transnational co-operation areas is an excellent example for identifying and responding to the need of co-ordinating efforts in different transnational areas, which are working in the same field and where close co-operation is inevitable for meeting the common challenges.

Being an instrument to facilitate territorial co-operation it is crucial to ensure complementarity with cross-border programmes in the co-operation area (Interreg IV A, e.g. Kattegat-Skagerak-Øresund) and interregional programmes (Interreg IV C), including particular initiatives with close relation to the NSRP, such as 'Regions for Economic Change', of which also the URBACT programme is a part. The NSRP may set the scene for cross-border co-operation through strategies focused on regional integration yet embracing larger territories. It may also serve as a tool to implement model solutions in specific policy areas such as urban policy devised in interregional co-operation projects, by 'translating' generic methodologies into instruments that are adapted to regional

conditions specific to the transnational area and integrated into comprehensive regional development strategies.

Special attention shall be given to the services provided by the INTERACT II programme. This EU-wide programme focuses on the good governance of territorial cooperation and provides needs-based support to stakeholders involved in implementing programmes under the European Territorial Co-operation objective. The target groups for INTERACT are primarily the authorities to be established according to Council Regulations 1083/2006 and 1080/2006 as well as other bodies involved in programme implementation. In order to ensure maximum benefit from the INTERACT programme for the implementing bodies of this programme, the use of INTERACT services and documentation as well as the participation in INTERACT seminars will be encouraged. Related costs are eligible under Technical Assistance.

The NSRP encourages projects to be evidence-based when focussing on territorial development and cohesion, and therefore to build on existing findings and knowledge of the ESPON programme 2000-2006 and establish links with its successor.

#### **3.5.4 Examples of links to other types of programmes**

It is also important to build strategic links to other complementary European programmes and instruments, initiatives, and financing sources focused at assisting sector development or the improvement of access to knowledge, technology, or funding. Establishing links to the Regional Competitiveness and Employment objective of the European Structural Funds with its development programmes are key for all priorities of the NSRP to maximise its impact and increase its leverage effect, particularly with regard to promoting economic change through innovation and the promotion of the knowledge society, entrepreneurship, the protection of the environment, and the improvement of the accessibility of the regions. Actions financed from the Competitiveness and Innovation Programmes (CIP) potentially offer complementary funding for the projects implemented in the NSRP as a result of transnational co-operation. In this context, the cohesion policy initiatives JASPERS, JEREMIE and JESSICA will be of utmost importance as complementary tools to transnational NSRP projects to facilitate access to finance for investments, implement follow-on projects and unlock resource for SMEs.

More specifically, potential synergies and complementarity in relation to each programme priority can clearly be identified:

As part of the CIP the Entrepreneurship and Innovation Programme (EIP) is highly relevant for synergies with actions funded in Priority 1 of the NSRP, particularly regarding business support networks as a result of transnational co-operation, or the efficient use of the risk capital instrument or possible SME loan portfolios of the EIP.

The ICT policy support programme, also as part of the CIP running under the Competitiveness and Employment objective is of great importance to Priority 1 in particular, but also to Priorities 3 and 4 of the NSRP as they share objectives that

contribute to the European Information Society strategy i2010. NSRP project can profit from links and further financing of actions related to, e.g. stimulating the emerging digital economy by promoting innovative approaches to social inclusion, quality of life and public services, or testing services and infrastructure in both the public and the private sector.

Actions financed under the Intelligent Energy – Europe programme as part of the CIP directly link to transnational territorial co-operation projects in Priority 2 and 4 with regard to the promotion of renewable energy sources and of increased energy efficiency. The NSRP can significantly support actions under this programme by building higher administrative capacity in a transnational multi-level governance context to develop policies and foster compliance with the energy regulatory framework. It is also relevant for Priority 1 where actions are designed to increase the level of investments in new and best performing technologies and facilitate the effective introduction to the market.

Additionally, activities funded under the 7<sup>th</sup> Framework Programme (7<sup>th</sup> FP) i.e. those related to Regions of Knowledge aimed at building research capacity in a regional context. Particular opportunities for synergies and complementary funding to projects in Priority 1 and 4 of the NSRP provide integrated projects, networks of excellence and regional research-driven clusters, bringing the benefits of research to SMEs and integrating rural and maritime knowledge economies.

The Marco Polo II programme has considerable potential for synergies with projects funded under Priority 3 of the NSRP in the context of transnational accessibility strategies. Particular complementarity can be identified in relation to actions promoting motorways of the sea. Among other policies, strategies and programmes that should be used to inform projects or provide the framework for follow-on actions in Priority 3 are, for example, TEN-T with regard to potential follow-up investments and the European transport policy white paper for 2010.

The 6<sup>th</sup> Environmental Action Programme (6<sup>th</sup> EAP) provides great potential for synergies with NSRP projects in Priority 2 and 4 in pursued of the Lisbon and Gothenburg agendas, for example through the thematic strategy on sustainable urban development.

The North Sea Region Programme also promotes actions of a similar character to the ESF, such as attraction of different social groups to innovation and environmental issues, transformation of North Sea Region labour market policies and areas etc. These actions will, however, always be implemented in a transnational and regional development context. Projects directly supported under ESF could deepen this approach in local and regional contexts, but could also provide inputs to the North Sea Region Programme towards transnational North Sea Region strategies. It is therefore essential to link NSRP activities to the ESF and co-ordinate the results of projects as necessary, especially with regard to interventions concerning the promotion of partnership for reform in the fields of employment and inclusion, enhancing participation in the labour market as well as the increase of adaptability of enterprises. Actions promoted under the ESF related to the now mainstreamed former EQUAL initiative bear distinct opportunities for synergies and complementarity with regard to transnational co-operation, with the NSRP taking up results or providing good practice in a North Sea Region perspective.

Links to the ESF may be of particular relevance in the context of priority 4 where a holistic territorial approach is pursued, which promotes the development of comprehensive concepts and actions to tackle specific regional issues, for example as a response to demographic trends in the North Sea Region (e.g. with regard to the labour market, employment or social inclusion).

A more comprehensive overview of policy frameworks and funding programmes relevant to the North Sea Region Programme is given in Appendix 3.2.

The North Sea Region Programme can play a vital role in the advancement of networks and the consequent development of project ideas that can be taken forward and further developed within complementary programmes. This relationship between programmes will greatly contribute to achieving common goals, particularly those relating to increasing levels of economic activity and the promotion of territorial cohesion.

By ensuring coherence and complementarity, the Interreg IVB North Sea Region Programme is designed to achieve maximum impact on account of its distinct strategic focus and through its position in the structural and regional policy environment, maximising its leverage effect.

### **3.5.5 Strategic Projects**

Compared to 'good' projects financed under the programme, strategic projects should have certain additional features. Strategic projects should not be regarded mechanically, where just some "tick-box" requirements are to be met. Rather, they should be seen as projects that have all the characteristics of "good" projects but in addition have the ambition to result in significant change or improvement in the whole or large parts of the NSR. One way they may indicate this would be by using the transnational programme funds to prepare major cooperation projects, which could subsequently be financed by other programmes and funds (e.g. Objective 2 of EU Cohesion Policy, TEN-T or national budgets).

There are a limited number of examples of strategic projects in each priority in order to; give a clear structure to the priorities; illustrate the strategic value of each priority in the framework of the whole programme; and demonstrate concrete outcomes expected from each priority.

The examples of strategic projects included in the priorities are indicative and **not** exclusive. The intention is to leave the opportunity to fund other projects that may also tackle strategic issues.

Strategic projects are expected to demonstrate the following:

- The geographical area or area of influence encompasses a large part of the region,

- Actions refer not to a single standing local or regional case but contribute to the prosperous development of a major part of the region,
- The projects have political support and backup at the national level of the member states involved (for Germany National/Länder level, for Belgium read Flanders), which take responsibility for endorsement of the policy recommendations,
- The project has the potential to act as the preparation phase for a major co-operation project,
- They will have a lasting impact.

There is one example of a strategic project listed under each priority.

### **3.5.6 Conditions for cooperation outside the eligible area**

In order to support the objective to establish strong links to relevant activities outside the eligible programme area (cf. Chapter 3, Strategy), and in line with Article 21 of the ERDF Regulations, in cases where there is clear benefit for the North Sea Region, expenditure of up to 20% of the individual project budget may be spent outside the North Sea Region Programme eligible area. This will be restricted to: North West Europe, Northern Periphery and Baltic Sea. Spending of 10% in the rest of Europe and outside the European Community may be possible, in rare and exceptional cases where the impact of a strategic project would thereby be maximised. The responsibility for the correct use of the funding of activities carried out outside the eligible area will remain with one specific project partner inside the eligible area. This partner will be the final beneficiary. The chain of responsibility will be specified in the Grant Offer Letter for each individual project. This means that the member state/Norway, in which the responsible partner/beneficiary is located, is ultimately responsible in cases of irregularities in line with Article 17(3) of Regulation (EC) No 1080/2006.

### **3.5.7 Maintaining the strategic focus of the programme**

It is essential for the success of the North Sea Region Programme to steer programme implementation and to provide for an effective system enabling project generation, project and programme monitoring and programme promotion. This will ensure to maintain the strategic focus of the programme and to meet its objectives.

The way this has been achieved under the current Interreg IIIB North Sea Region Programme is through the Business and Implementation plan. This was submitted to the Monitoring Committee for approval at an early stage of programme implementation and updated annually until all the funds were committed. The implementation strategy included gaps analysis, focused calls for applications, thematic seminars, road show promotion events in each participating country, an annual conference with seminars and workshops, lead beneficiary seminars, calls for project application focussed on specific themes and topics or with a defined strategic direction.

Building on this good practice, programme implementation will be accompanied by key measures to ensure that the programme runs smoothly and meets its objectives and targets.

Concerning requirements for project development, this implies:

- Projects developers are required to assemble partnerships comprising European, national, intermediate (international, transnational, interregional, cross-border), regional and local actors.
- Projects developers are expected to deliver European, national, regional and local policy with added value via the transnational projects.

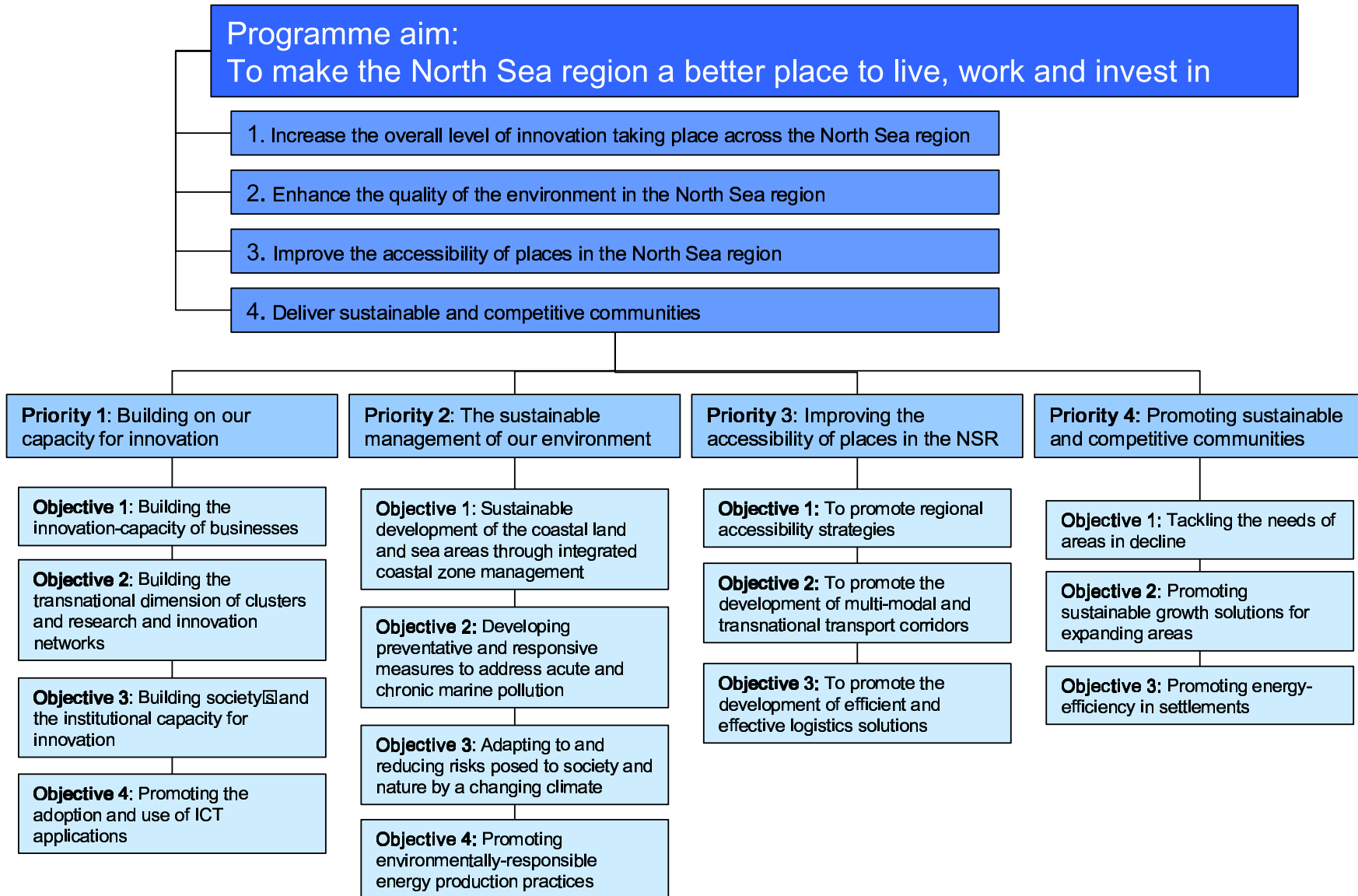
For the implementation system, this implies:

- At project level, to assess project applications against eligibility criteria reflecting the minimum requirements for projects, and priority considerations as decided by the Monitoring Committee at its first meeting to be set out in accordance with the strategy and the strategic focus; an effective project monitoring system corresponding to application and assessment procedures;
- At priority level, to monitor the thematic coverage within and across priorities employing instruments to guide project generation and give strategic direction.
- At programme level, to provide a system of core indicators that are meaningful, few in number, measurable and easy to collect; this allows for monitoring the programme progress and impact, informs programme dissemination, and aids the adjustment of targets and the update of baseline information.

Organisationally, this implies:

- A strong involvement of the Member States and Norway at national and regional level in project generation and selection, which in turn demands a strong role of the National Contact Point Network to be established
- Conducting surveys amongst projects during the programme period on the effects of the 'soft' impacts of co-operation (i.e. building capacity, raising competence and awareness) to better inform evaluation and to provide a sound basis for steering the project generation process.

### 3.6 THE LOGIC OF THE PROGRAMME



## **3.7 SUMMARY DESCRIPTION OF THE EX ANTE EVALUATION RESULTS**

### **3.7.1 Introduction**

This chapter reports on the assessment by the ex ante evaluation and strategic environmental assessment team (ECORYS, ECOTEC & COWI) of the Objective 3 North Sea Programme 2007 – 2013 (NSP). This chapter describes the outcomes of the ex ante evaluation and a summary of the results from the strategic environmental assessment (SEA). A full account of the findings of the SEA is presented in separate report.

The evaluation and environmental assessment was carried out in an iterative process with the programme preparation group and the programme secretariat. In each stage of the preparation process the evaluation and assessment team reacted on draft texts of the programme document and changes made as follow up on the outcomes from the evaluation and assessment. Beginning of November 2006 the ex ante and environmental assessment team attended the meeting of the programme preparation group in Gothenburg and presented a full overview of the assessment of the draft programme document available at that moment.

In their assessment and environmental evaluation the team followed the evaluation questions as listed in the terms of reference for the assessment. In each section of this chapter the evaluation questions to be answered are listed.

### **3.7.2 Appraisal of SWOT and analysis**

*Is there a sound basis of the SWOT in the analysis?*

Yes. The analysis in Chapter 2 of Version 5 gives a sound background to the strategy of the programme. Relevant topics of the future development of the North Sea Region have been addressed in the analysis and clear challenges have been defined summarizing the available research on the different topics. The challenges mentioned are widely recognised and are also addressed by regional, national and European policies.

*Are there clear links between strengths and opportunities, and trends in the region?*

Yes. All challenges for the North Sea region as mentioned in the analysis are listed in the SWOT table, mostly as weaknesses or opportunities.

*Are there clear links between analysis/SWOT and priorities?*

Yes. There is a clear link between the analysis/SWOT (particularly the challenges formulated in the analysis) and priorities. All main challenges are incorporated in the objectives of the different priorities.

Chapter 3 of the programme document describing the strategy of the programme contains a basic justification of the challenges which have been selected.

*Is the SWOT underpinning a successful programme?*

Yes, the SWOT/analysis forms a solid base for a successful programme.

### **3.7.3 Rationale and consistency of the programme**

*Does the strategy have clear objectives and priorities?*

Yes, the North Sea Programme has clearly defined objectives, clearly defined priorities, and there is a clear link between the objectives, the priorities, the description of the rationale and the interventions. Not only are the objectives of the priorities clearly described but also the areas of intervention and possible co-operation activities are defined. The evaluators consider it positive to include example activities as this provides the project developers guidance in setting up their projects.

The strategy of the North Sea Programme follows clearly the EC Regulations (No 1080/2006, article 6.2) in A) the thematic focus on Innovation, Environment, Accessibility and Sustainable Urban Development and B) stimulating networks and actions. All four priorities are very well in line with the regulations.

The North Sea Programme follows clearly article 12 of the same regulations by justifying the priorities through the Community Strategic Guidelines and the National Strategic Reference Frameworks.

The principles of assistance (EC Regulation No 1083/2006, chapter IV) such as equal opportunities, sustainable development, the partnership principle and additionality are dealt with. Furthermore the requirements and possibilities of transnational co-operation are clearly described.

The target groups are not defined in the text describing the priorities, areas of intervention and indicative cooperation activities. However, they are listed for each area of intervention in the indicator tables.

*Can those objectives be realistically achieved with the financial resources allocated to the different priorities?*

On the one hand, the programme document contains a clear set of indicators with quantified target values. The target values are based on the experience with the implementation and evaluation of the previous North Sea programmes and seem to be realistic. On the other hand, the programme is addressing a wide variety of topics. This bears the risk of fragmentation of the budget and can prevent achieving significant results. The programme document recognises this risk and stresses the need for a strategic focus during the implementation of the programme by using flexibility in project development. Moreover, areas of intervention are interlinked and are enhancing each other's impact.

### **3.7.4 Coherence of the programme with regional and national policies**

*Is the strategy coherent with policies at regional, national and community level?*

*How will the strategy contribute to the achievement of the Lisbon and Gothenburg strategies?*

Yes. The NSP is coherent with the policies of the 7 participating countries and the European Union.

The NSP is contributing to all three objectives of the Lisbon strategy and the Community Strategic Guidelines. The NSP is indicating clearly its complementarity of the programme with other community and national programmes and policies.

### **3.7.5 Quantification of the strategy & expected results and impacts**

*Are appropriate indicators identified for the objectives and can these indicators and their targets form the basis for future monitoring and evaluation performance?*

Yes, there are clear and limited sets of output and result indicators defined for each of the priorities. The indicators match well the objectives of the programme.

Most of the indicators have quantified target values. The quantified target values are based on experiences with the implementation of previous North Sea programmes and seem realistic.

The evaluators hold the opinion that these quantified indicators form an appropriate basis for the future monitoring and evaluation.

### **3.7.6 Administrative and implementation arrangements**

*Are implementation systems appropriate to deliver the objectives of the programme?*

Yes, the administrative arrangements described in the programme document are appropriate to deliver the objectives of the programmes.

These arrangements are based on a vast and positive experience in transnational programme management for the NSR in the framework of INTERREG.

The arrangements are in line with the Regulations for ERDF programmes for the period 2007 – 2013 (Regulation (EC) No 1080/2006) and with the General Provisions for Structural Funds and Cohesion Fund (Council Regulation (EC) No 1083/2006).

Continuation of the lead partner principle as proposed in the programme document is justified by the positive experiences in the current INTERREG IIIB programme.

### **3.7.7 Strategic Environmental Assessment**

*To what extent do the aims of the NSP emphasise sustainable development?*

The general objective of the programme as well as two out of four objectives of the programme, emphasise sustainable dimensions vested into the objectives adopted.

*To what extent do the objectives of the priorities of the NSP emphasise sustainable development?*

The second priority - Promoting the sustainable management of our environment – focuses on environmental management explicitly and the fourth - Promoting sustainable and competitive communities - emphasises sustainability.

*To what extent is there an environmental impact by the projects to be expected?*

At this stage it is hard to assess in detail to which extent an overall significant environmental impact from the programme activities is expected. The objectives of the programme, its priorities and areas of interventions are in line with European and member states' environmental policies (including Norway).

It has only been possible to identify relevant environmental issues and criteria to be considered in the environmental assessment for a limited number of areas of interventions given in the text under each priority. More than half of the areas of intervention relate to activities which can be characterised as process designs aiming at changing processes and/or working modes of different societal segments. Such process designs may in the longer run lead to a change in practices and policies that may - as a consequence of including considerations of possible environmental impacts into the design of policies and or changes to practices - pave the way for changes in environmental impact extent and direction.

The remaining areas of intervention relate to what may be called project designs, where it will be possible to assess the likely environmental impacts.

If any significant impacts are to be expected these are primarily *positive* impacts that may contribute to a minimization of environmental impacts of existing activities and practices across the North Sea region.

More detailed assessment of environmental impact can only be done when the cooperation activities financed by the programme are more detailed than in this stage of the programming would be possible. For the purpose of ensuring that the integration of environmental considerations takes place when developing concrete activities under the programme a so called downstream environmental screening mechanism have been recommended by the evaluation team and will be considered as an important part of the implementation arrangements for the programme.

### **3.7.8 Conclusion**

Concluding, the North Sea Programme presents a consistent and coherent programme for transnational cooperation. The programme has a clear logic, has clear, well structured objectives, priorities and interventions. The implementation system is clearly described.

A lot of work is done and the document was prepared in good co-operation between the participating countries and the programme secretariat.

The evaluators are confident that a good programme is prepared for 2007-2013 that implements both European, national and regional policies, enables the North Sea Region to strengthen its weaknesses through transnational co-operation.

## 4. THE PROGRAMME PRIORITIES

### 4.1 PRIORITY 1 BUILDING ON OUR CAPACITY FOR INNOVATION

#### 4.1.1 Rationale

Innovation underpins a competitive economy and is fundamental to long-term wealth creation. In the absence of innovation, a firm (and by extension an economy) will become uncompetitive and fail to sustain employment or wage levels. Innovation refers to the introduction of new or improved products and processes and applies to all sectors of the economy. Innovation is the commercial application of knowledge. It needs to be fostered by knowledge based institutions and public authorities.

The North Sea Region has a world-class knowledge and research base and a globally competitive business base. The Region also benefits from a strong institutional base that supports the development and introduction of new and improved products and processes. Together these have made the North Sea Region one of, if not the, most innovative economies in Europe.

The Region's strengths can be found both in leading technology areas, such as ICT, Life Sciences, environmental technologies and so-called competence areas, where different technologies are applied to task-orientated activities, such as our strengths in natural resource exploitation, logistics and the energy sectors.

But we cannot be complacent. Over the next decade, regions in the North Sea area will increasingly need to focus on matching global competition in order to create or maintain sustainable economies. This will only be achieved by creating, at the regional level, the conditions and the structures, which will enable companies to think strategically about the future, grasp new opportunities and manage change more effectively than elsewhere. The public sector can play a crucial role in acting as a facilitator for business-led innovation. The aim is to engage business, researchers and public administrations in the shared task of promoting our innovation performance.

Equally, our strengths are not evenly distributed. There are many parts of the Region where levels of innovation are below average, contributing to disparities in wealth and well-being. Some sectors perform better than others and there is room for improvement in both the public and the private-sectors. The urban areas of the North Sea Region are engines for innovation. They provide the best conditions for implementing the triple helix approach<sup>11</sup>. We need to capitalise on these assets whilst also using them in ways that extend the benefits to improve levels of innovation smaller towns and our rural areas.

Innovation does not just apply to high-technology sectors. It is equally important that our industries are encouraged to evolve and develop to ensure that they can continue to compete in a globally competitive environment. Similarly innovation in the service sector

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<sup>11</sup> In an innovation system the interaction takes place between three kinds of actors – from business, public administration and the research community.

– from tourism through to business services - is also important for the future development of the North Sea Region. In each case the key is the creation of higher value added activities in order to generate more and better-paid jobs across the economy as a whole.

Consequently we are seeking to encourage the application and commercialisation of new ideas<sup>12</sup> through transnational cooperation, connecting people, organisations, regions and sectors. This priority will create the opportunity to develop, support and nurture our strengths and help to deliver the European policy priorities in this field, all of which require a clear and tangible transnational dimension. The principle European goals that this Priority contributes to are:

- Promoting innovation and entrepreneurship in SMEs and our knowledge base
- Supporting the development of higher value added activities in identified sectors
- Increasing and improving levels of investment in R&D, particularly through encouraging greater levels of business investment
- Promoting the adoption of ICT technology in the form of new products and processes

To achieve these goals we need to improve the environment for innovation across the North Sea Region, we also need to strengthen the practical linkages between firms and between firms and research centres, such as those in universities. Finally we need to facilitate the uptake of ICT-led opportunities by firms.

In developing projects under this priority, it is of great importance to consider other European programme and initiatives, such as the 7<sup>th</sup> RTD Framework Programme, the Competitiveness and Innovation Framework Programme - particularly the Entrepreneurship and Innovation Programme - as well as the JEREMIE Instrument (Joint European Resources for Micro and Medium Enterprises). Projects will also need to demonstrate how they add value to activities being undertaken through the Competitiveness strands of the Structural Funds. Project activities should be clearly linked to regional development, and not merely focused on networking within a specific sector, for which the interregional strands of the Territorial Cooperation Objective might be more relevant. In delivering this Priority particular consideration will also be given to ensuring compliance with the State Aids Regulations.

#### **4.1.2 Aim of the Priority**

To promote transnational co-operation activities that will strengthen the North Sea Region's capacity for innovation.

#### **4.1.3 Objectives**

- To encourage the introduction and development of new and improved products and processes within the Region's businesses and services.

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<sup>12</sup> These might be new to the sector or to the NUTS II region involved. It should be more than just new to a particular business.

- To stimulate innovation within identified clusters and research and innovation networks
- Creating the right conditions for an innovation orientated environment.
- To encourage the adoption and use of ICT applications across the North Sea Region

#### **4.1.4 Areas of intervention**

##### **4.1.4 .1 Building the innovation-capacity of businesses and services**

We aim to encourage the Region's businesses to continuously improve their competitive position through ongoing innovation. To do so we need to raise the sights of our business leaders and to encourage them to compete with the best. This involves taking advantage of the combined strengths offered by the North Sea Region as a whole and exploiting the critical mass that this offers through working together towards common goals. This will have particular benefits in those sectors where the North Sea Region forms a natural area for collaboration and cooperation due to its particular set of research and business strengths.

Particular attention may need to be paid to encouraging innovation in those areas which are currently underperforming, where transnational cooperation actions can add value to existing strategies and interventions. It is crucial that innovation support should be aimed at encouraging, and equipping, firms to operate in export markets in order to ensure that levels of displacement are minimised.

The Priority aims to enhance the capacity of firms to engage in innovation. Inter alia, this may entail increasing the knowledge of those in the firm of new developments in their field, raising the skills and experience of workers to introduce new ideas or in finding solutions to other constraints facing firms. As part of this, access to finance of SMEs and links of measures to other funding sources are a vital prerequisite to engage in innovation.

The North Sea Region has a wealth of experience in promoting innovation behaviour and this Priority seeks to capitalise on this through transnational cooperation.

Co-operation activities will be considered that, for example:

- Promote the innovation capacity of SMEs in emerging sectors;
- Improve the capacity and knowledge base of SMEs to engage in innovation;
- Support the development of intermediary bodies focused on building the capacity of SMEs to engage in innovation;
- Support joint efforts to develop new products and processes;
- Promote efforts to improve the access to finance of SMEs engaged in innovation;
- Support the exchange of staff and good practice between organisations to benefit innovation activities of constituent SMEs and other businesses;
- Promote initiatives of transnational knowledge transfer.

#### **4.1.4 .2 Building the transnational dimension of clusters and research and innovation networks**

The Priority aims to build on the acknowledged strengths of the North Sea Region and create opportunities to stimulate SME's, research institutions and public administrations to work together on a transnational basis. In doing so it will stimulate the overall capacity of the North Sea Region to develop and commercialise globally-competitive products, leading to economic growth and more and better jobs.

The Programme will build on existing clusters<sup>13</sup> and sectors (e.g. those identified in the Analysis) of activity and strengthen these by introducing a transnational dimension. The programme seeks to build connections between clusters across national borders in order to develop the capacity for growth and employment across the North Sea Region as a whole. Doing this the programme will not only cater for better performance of the (existing) leading clusters but may also nourish promising bottom-up initiatives.

It will also seek to develop research and innovation networks<sup>14</sup> outside of clusters of activity in order to stimulate the commercialisation of the Region's knowledge base and encourage the development of new employment opportunities. A particular priority is to strengthen the links between research bodies and commercial companies in order to commercialise existing knowledge or to develop new ideas that might be exploited through national and European research programmes.. By securing transnational cooperation we will build the overall capacity of the North Sea Region in this regard through effectively increasing the 'critical mass' of available skills and experience.

Co-operation activities will be considered that, for example:

- Encourage transnational partnerships within and between clusters;
- Strengthen and promote transnational co-operation between universities, research institutes and SMEs, located across the North Sea Region, concerning comparable research and development interests;
- Interconnect clusters to new sources of knowledge and ideas on a transnational level;
- Stimulate the exchange of knowledge between businesses and universities;
- Facilitate the development of joint collaborations between the research base and businesses;
- Build strategic links between urban areas and urban-rural areas in order to strengthen the combined transnational innovation potential.

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<sup>13</sup> A cluster is regarded as a geographic concentration of interconnected businesses, suppliers, and associated institutions in a particular field.

<sup>14</sup> Networks are structures consisting of nodes which are generally individuals or organizations. A network indicates the ways in which these are connected. Networks tend to have fewer interdependencies than clusters and do not need to be geographically proximate.

#### **4.1.4 .3 Strengthening the capacity of institutions and society for innovation**

Institutional capacity is an important component of overall innovation performance, as the notions of systems of innovation recognise. Similarly, a society that is conducive to innovation will stimulate better business performance and more and better jobs. Whilst there has been much attention focused on national and regional innovation systems, we are seeking to encourage the notion of a transnational innovation system for the North Sea Region.

The role of local and regional institutions is crucial in influencing the climate for innovation; they can foster, or become, key nodes in innovation networks. They also determine whether public policies support, or hinder, innovation activity. Their decisions can influence what receives support and what is overlooked. As part of this Priority we are seeking to encourage the development of institutional capacity for innovation, particularly the skills and experience at a regional level. At this level techniques such as ‘foresight’ planning<sup>15</sup> could be used to create a shared long-term vision to inform decision-making for the regions of the NSR. ‘Foresight’ planning could form the basis of a strategic action plan based on a common vision.

There is scope to co-ordinate the differing approaches to innovation policies and strategies at national and regional levels throughout the NSR. Building on existing good practice in Regional Innovation Strategies is encouraged, e.g. from the EU’s Innovative Actions programme (RIS, RIS+, and RITTS). There is much to be learned regarding the different approaches used throughout Europe and the North Sea region, particularly when successes lead to the implementation of concrete actions. Projects should, where appropriate, refer to activities under these strategies and provide synergies through, for example, transnational knowledge transfer vehicles such as networks or clusters.

Sharing knowledge and experience between innovation intermediaries and policy makers can also play a valuable role in stimulating the capacity to nurture an innovation-rich economy. In pursuit of this goal the priority will support staff exchanges, twinning arrangements and other knowledge-sharing initiatives that result in tangible policy outcomes.

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<sup>15</sup> Foresight is a process initiated systematically attempting to look into the longer-term future of science, technology, the economy and society with the aim of identifying the emerging generic technologies likely to yield the greatest economic and social benefits. A series of well-planned, clearly defined Foresight-type projects that together straddle the North Sea Region could contribute significantly to the creation of such benefits. The Foresight process is inclusive and well structured as it draws extensively on stakeholder experience and on expert knowledge when shaping the strategy for future activities. This should lead to concrete outputs such as action and investment plans.

Co-operation activities will be considered that, for example:

- Create knowledge networks across boundaries linking institutions among the North Sea Region;
- Development of shared institutional resources to expand the available talent base (ie developing shared specialisations);
- Development of staff exchange programmes and lifelong learning;
- Development of transnational Foresight and Intelligence initiatives;
- Testing new approaches to innovation policy.

#### **4.1.4 .4 Promoting the adoption and use of ICT applications**

The use and adoption of ICT is acknowledged as crucial to productivity growth. Yet our performance in this regard lags behind the best, with some exceptions. There are great opportunities for the North Sea Region to drive forward in this area and the Programme seeks to capitalise on these. Promoting an 'Information Society' will not only have benefits in terms of raising our productivity but can also deliver significant social benefits through promoting new mechanisms for service delivery in more remote areas.

Take-up of ICT provision depends upon awareness of the opportunities available, the benefits that this might bring and confidence in the technology available as well the availability of the technology and the skills to use it. The public sector can play an important role in stimulating the adoption of ICT in business through supportive actions in all these areas. Equally, it can act as a 'leader' through the deployment of e-government applications.

It is anticipated that the Priority will support transnational actions designed to stimulate e-business activities by SMEs, strengthen the e-commerce sector in the North Sea Region and encourage innovations in e-working. It will also encourage the continued adoption of e-governance applications in the public sector, including considerations such as e-health and the use of ICTs to promote economic and social inclusion. Actions in this area should complement and add value to national and European strategies, particularly supporting the goals of the i2010 programme. Actions that stimulate the roll-out of new high capacity internet provision will also be considered where transnational cooperation benefits can be identified. When it comes to development of ICT infrastructure North Sea Region projects should take complementarities and synergies with regional programmes covering this issue into consideration.

Co-operation activities will be considered that, for example:

- Stimulate the use of ICT in production and distribution processes;
- Stimulate the greater engagement of SMEs in e-commerce and e-business solutions;

- Stimulate the role of e-government to facilitate the transition to a knowledge economy;
- Promote the roll-out of high capacity internet provision;
- Stimulate the use of e-services and e-commerce.

#### **4.1.4.5 Strategic project example:**

##### *Northern Cluster Development Strategy*

It is proposed to link and develop a network of transnational clusters of regions of innovation and business sectors in the NSR and possibly neighbouring macro-regions and to build up strong, multinational partnerships among actors from these regions. Through linking knowledge centres in networks of public authorities, research institutions and businesses, the implementation of cluster strategies by way of exchange of know-how and expertise and the set-up of joint tools for business cluster development should result in improved connections in the value and innovation chain in economic sectors in driving technologies and leading-edge business areas such as sustainable energy, water management or sensor technology, amongst others. Co-operation in areas including financial, organisational, legal and administrative support elements should lead to concrete benefits for businesses and regions regarding the transfer of innovations that improves the absorption capacity of innovations by small and medium-sized enterprises. It should also explore opportunities of the creation of a common identity of regions, i.e. with regards to product and technology branding.

## 4.1.5

### Indicative Priority Targets Priority 1

Objective: To increase the overall level of innovation taking place across the NSR

Output indicator [2]					Baseline	Target [3]	Source of Information	
Type of indicator	Area of intervention	1. Building the innovation capacity of businesses and services	2. Building the transnational dimension of clusters and research and innovation networks	3. Strengthening the capacity of institutions and society for innovation	4. Promoting the adoption and use of ICT applications			
	Target groups [1]	SMEs, emerging sectors of business	business clusters, research institutes, universities, public support agencies in urban and rural areas, workers	institutions, business	public authorities, business, service providers, citizens			
Core activities		Number of new / improved transnational networks, alliances, collaborations				0	77 [4]	activity report
		Number of new / improved knowledge bases, technology transfer centres & platforms						
		Number of new / improved demonstration and pilot schemes						
					Number of awareness raising activities on ICT applications			
					Number of e-Government services			
		Number of transnational training and exchange programmes developed				0	75	activity report
		Number of initiatives that provide or help find investment resources					[5]	activity / final report
Raising awareness of project results		Number of transnational dissemination outputs (e.g. exhibitions, published material, websites, TV and radio appearances)					[5]	activity report
Strengthening transnational co-operation		Number of project partnerships				0	11	activity report
		Number of partners involved in projects					110	
		Number of project administration outputs: transnational partner management meetings					33	
		Number of project administration outputs: shared IT systems					11	
Value for money [6]		% of total project resources spent on Dissemination and Publicity outputs				5	> 5	activity report
		% of total project resources spent on Material Investment outputs [7]				29	< 29	
		% of total project resources spent on Transnational Administration and Partnership Building outputs				48	< 48	

Result indicator [5]					Baseline	Target	Source of Information	
Type of indicator	Area of intervention	1. Building the innovation capacity of businesses and services	2. Building the transnational dimension of clusters and research and innovation networks	3. Strengthening the capacity of institutions and society for innovation	4. Promoting the adoption and use of ICT applications			
	Target groups [1]	SMEs, emerging sectors of business	business clusters, research institutes, universities, public support agencies in urban and rural areas, workers	institutions, business	public authorities, business, service providers, citizens			
Core activities		Number of tools for transnational technology transfer adopted for RTD exchanges within and between clusters and target groups				0	11	activity report
		Amount (€) of private and public investment in RTD				0	[5]	activity report
					Number of people in the NSR reached by specific awareness raising activities	0	41,000	activity report
					Number of people in the NSR provided access to new / improved e-government services	0	> 60,000 per project [5]	activity report
			Number of individuals (male / female) trained or participated in exchange schemes				0	450
		Amount (€) of complementary financing secured (additional to approved project budget)				0	[5]	activity / final report
Raising awareness of project results		Individuals within and outside the NSR with greater awareness of project outputs				0	317,000	activity report
Strengthening transnational co-operation		Number of organisations involved in projects (contributing to a project activity)				0	1,700	activity report
		Number of individuals (male / female) involved in projects (contributing to a project activity)					8,200	
Value for money [6]		Average number of people benefitted by each € 1,000 spent (cost effectiveness)				2,6	> 2,6	activity report

[1] Target groups are defined for each area of intervention. The combination of the target groups addressed by individual projects and impacted through their outputs and results will be determined by the project activities and monitored through the activity reports, and the programme targets related to target groups adjusted accordingly. (see also Appendix 4.1: Target Groups)

[2] See Appendix 4.1: Output indicators

[3] See Appendix 4.1: Baselines and Targets

[4] Targets assigned to more than one indicator (i.e. certain types of activities) are accumulated, since their mix adding up to the total number is determined as funds are allocated. These targets will be monitored in relation to the output or result, based on information from activity reports. They will be adjusted and reported on annually. (see also Appendix 4.1)

[5] The output or result cannot be determined until the bulk of funds have been allocated and reliable information from activity reports gathered. For these reasons, not quantified indicators (without targets) will be monitored throughout the programme implementation period and targets for outputs and results will be quantified, reviewed and adjusted as funds are allocated. They will be refined annually and reported on in the annual reports. (see also Appendix 4.1)

[6] See Appendix 4.1: Value for Money

[7] Investments are defined as any material expenditure that incurs as part of an output and that contributes to increased productivity of future action, and that does not fall under other budget lines (e.g. administration costs).

## **4.2 PRIORITY 2 PROMOTING THE SUSTAINABLE MANAGEMENT OF OUR ENVIRONMENT**

### **4.2.1 Rationale**

Environmental sustainability is a vital pre-condition for the competitiveness of the North Sea Region and is a core goal of national and European policies. As stated in the Lisbon strategy and Gothenburg agenda, it is important that future economic development goes hand-in-hand with environmentally responsible practices. The North Sea Region deservedly has a reputation for high environmental standards and maintaining and enhancing these standards, whilst stimulating the provision of more and better-paid jobs, requires decisive action at a transnational level.

One of the areas where these pressures are being felt most strongly is in the many competing uses for our land and sea areas. The coastline is an area where this competition is most acute and a common challenge is how to find positive solutions where social, economic and environmental development pressures come into conflict. The potential of Integrated Coastal Zone Management to offer such positive solutions has been explored in several parts of the North Sea Region but progress remains patchy and is too often focused on the landward area of the coastline and fails to tackle the seaward elements of coastal zone management. This Priority is intended to expand and enhance the development of ICZM strategies, but also to encourage the development of transnational strategies where appropriate.

The maritime environment is a central feature of the North Sea Region. Yet it is under extensive pressure. The North Sea, Skagerrak and Kattegat, are all subject to widespread commercial and leisure uses. Amongst other things, they are criss-crossed by substantial maritime traffic corridors, are crossed by oil, gas, electricity and communications network infrastructures, are the centre of fishing and mineral extractive industries, and are the location of wind and wave power schemes. The risks of accidents, and the damaging effects of this on the marine eco-system and associated economic uses, including tourism, are well known. Actions to prevent marine pollution, and response measures should those preventative measures not succeed, are an area of common transnational concern. Consequently this programme seeks to support transnational cooperation efforts in developing effective preventive and response measures to tackle the risks of marine pollution.

The North Sea Region is affected by the effects of climate change. It is now acknowledged that an increase in sea levels will accompany climate change, as will an increased incidence of storms and severe weather events. The effect of these events on the North Sea Region is likely to be an increased risk of coastal and watershed flooding, with adverse social and economic consequences in the affected areas, as well as profound environmental effects. This Priority seeks to develop transnational cooperation actions to tackle these common challenges across the North Sea Region in order to mitigate and ameliorate the anticipated social and economic consequences of climate change. It is anticipated that actions will build on the expertise and knowledge in fields

where the North Sea Region has a strong expertise, such the management of coastal zones and inland water areas.

Finally, this Priority recognises the unique position that the North Sea Region occupies in the Europe Union in terms of its rich energy resources. This forms a strong common bond between the regions in the Programme area, from shared skills and expertise in the gas and oil extracting industries, through to physical connections such as the gas-connectors between Norway and the UK and the Netherlands and the UK. The Region also shares a strong heritage in the development of renewable energy sources, with firms in the North Sea Region proving to be global leaders in the field of wind power. Hydro-electric, wave and tidal power all offer rich potential, and are tapped to varying degrees. This Priority seeks to build upon this rich endowment and to exploit the potential it offers, both in terms of the environmental benefits of low-carbon energy production, but also the economic advantages of prowess in energy-related technologies.

The programme focuses on transnational aspects. On the level of co-operation activities some of the issues raised in this priority might also relate to interregional aspects. Activities need to distinguish between these aspects to clearly meet the transnational aspects of this priority.

The activities supported under this Priority may assist the North Sea countries to fulfil their obligations under international conventions, EU directives (especially Water Framework Directive, Natura 2000) and the EU Maritime Safety Package where the added value of transnational cooperation can be demonstrated.

#### **4.2.2 Aim of the priority**

To promote transnational actions for the sustainable management of the common environmental resources of the North Sea Region, both to maintain and enhance the quality of the environment for the benefit of future generations and to secure associated social and economic benefits.

#### **4.2.3 Objectives of the priority**

- Sustainable development of the coastal land and sea areas through integrated coastal zone management;
- Developing preventative and response measures to address marine acute and chronic pollution;
- Adapting to and reducing risks posed to society and nature by a changed climate;
- Promoting environmentally-responsible energy production practices.

## **4.2.4 Areas of Intervention**

### **4.2.4 .1 Sustainable development of the coastal land and sea areas through integrated coastal zone management**

The coastal areas of the North Sea lie at the heart of economic and social life throughout the Programme area. Managing the complex and competing uses present in these areas is a common concern across the whole of the North Sea Region. Following the EU's recommendation on implementation of ICZM the countries around the North Sea have gained experience and developed different approaches to implement the management of the coastal zone. This Priority seeks to further extend and develop that approach through transnational cooperation. In particular this includes ensuring that the concept extends to include the seaward dimensions of the coastal zone as well as the inland areas (e.g. wetlands, rivers) traditionally included.

Cross-sectoral and integrated coastal and marine management is increasingly required in view of the growing number of uses taking place in these areas. The aim of addressing issues arising from cumulative and potentially conflicting uses of the sea is to create a balance between sustained economic viability and improved environmental and social conditions. This calls for a strategic approach in order to manage the environment and help avoid or reduce conflict; to identify and permit appropriate, compatible and sustainable development; and to protect and enhance important environmental and social and economic assets from inappropriate development.

An account should be also taken to the need for developing methods for pro-active community involvement in coastal management. Such initiatives will also have a significant impact in promoting management practices in the region in areas with fragmented and sectoral policies. Activities in the area of integrated coastal zone management should therefore also be developed in coordination with these EU initiatives aiming at furthering a sustainable management and economic viability of coastal and marine areas.

Transnational co-operation activities will be considered that, for example:

- capitalise on experiences developed by promoting integrated and coherent approaches to manage the coastal and marine areas, including management of wetlands, lakes, rivers, small islands, estuarine areas and other coastal and marine ecosystems;
- in line with the marine strategy directive and the green paper on a future maritime policy, develop a common marine spatial planning concept for the North Sea encompassing coordination of multinational/ regional plans across borders in order to provide sustainable management of coastal zones and marine resources, including risk prevention and environmental protection activities; this may entail

activities of data co-ordination and, where appropriate, collection, without overlapping with existing data sources (e.g. EEA);

- investigate the possible complementarity of the actions with other financing sources (e.g. the EEF) and with the opportunities arising from public-private partnerships and attracting investment.

#### **4.2.4 .2 Developing preventative and responsive measures to address acute and chronic marine pollution**

The North Sea has both an environmental and an economic value, as well as being a strong cultural resource of the Region. Each of these functions are adversely affected by marine pollution. Maintaining biodiversity and enhancing the quality of the North Sea as a resource, by addressing marine pollution, is essential if we are to continue to prosper. A common, transnational, and integrated approach is required owing to the complexity of the issue. The efforts of a single country are rarely sufficient to offset adverse impacts; instead transnational efforts are required if they are to be effective. Equally, pollution incidents can have significant impacts across many different sectors, owing to their interdependency on a common resource. Arrangements and activities for concerted assistance between North Sea countries are already in place – as e.g. the Dutch-Danish-German DengerNeth-Plan, the Danish-Swedish SweDenger-Plan, the Dutch-German towage agreement WAKER – as well as the work of international expert-groups – as e.g. the Bonn-agreement working group for the North Sea - should be taken into consideration.

This Priority seeks to prepare the institutional structures to manage chronic and acute marine pollution, to establish adequate mitigation and control measures, promote innovative technology and working methods, involve stakeholders, and identify demonstration pilots for transnational knowledge and technology transfer. It will develop frameworks for co-operation and response, and facilitate the conditions for exchange of best practice. Areas for co-operation may include cross-border contingency planning for marine pollution at sea and in coastal regions, or response to maritime accidents corresponding to the third maritime safety package of the EU. Activities should contribute to bind in and make links to local and regional levels – including port authorities – in terms of decision making and information-flows with national and European administrations and/or institutions.

Transnational co-operation activities will be considered that, for example:

- establish joint transnational contingency planning for marine pollution at sea and in coastal regions;
- establish commonly accepted principles for management systems, to encourage the prevention and control of major accident hazards, and limit the consequences, should accidents unavoidably occur;
- adopt responsible measures to mitigating and preventing technological hazards, including the identification of training needs of land personnel (e.g. operators), ship

crews and responders and the subsequent provision of appropriate training and skills improvement schemes;

- promote innovative technologies and working methods to safeguard biodiversity and address causes of chronic sea pollution, for example through the promotion of the “Clean Ship Approach”;
- identify and implement demonstration pilots addressing the issues stated above.

#### **4.2.4 .3 Adapting to and reducing risks posed to society and nature by a changing climate**

In the North Sea Region a number of threats related to a changing climate pose challenges to our lifestyles and livelihoods. These include an increased occurrence and severity of winter storms, storm surges and flood hazards. The potential social, economic and environmental costs of these incidences are increasingly well-documented. The North Sea Region presents some good examples in alleviating the impacts from a changed climate, such as the implementation of forward-looking risk management practices and concepts such as storm resistant coastal landscapes or flood contingency frameworks.

This Priority supports transnational cooperation actions that seek to apply and enhance our knowledge in this area. The development and implementation of comprehensive regional management plans involving multiple institutions and stakeholders and fields of action such as nature protection, civil protection and security policy is one example of an important area of action.

Transnational co-operation activities will be considered that, for example:

- Strengthen the resilience of the regions and communities and create a safer environment;
- Broaden the implementation of the “living with water” concept, which promotes a re-conciliating way of addressing threats from water to society, by investigating into storm resistant coastal landscapes and setting up common flood contingency frameworks;
- Develop and implementing transnational management plans involving multiple institutions and stakeholders in fields of action such as nature protection, civil protection and security policy.

#### **4.2.4 .4 Promoting environmentally-responsible energy production practices.**

Our economy remains highly energy-dependent, despite positive efforts to improve energy-efficiency. Yet our traditional sources of energy are diminishing, our concerns regarding related emissions of carbon dioxide are increasing and global demand for energy shows no sign of lessening. The North Sea Region has been a major provider of energy, particularly from oil and gas deposits found and developed in the North Sea, and

may continue to be so. New technologies extend the commercial life of fossil fuel deposits and the potential offered by the extensive renewable energy resources of the North Sea Region (particularly hydro, wind, solar, wave and tidal sources) are beginning to be realised. Firms and research organisations in the North Sea Region have developed a global reputation for the quality of their activity in the energy sectors and there are opportunities to enhance this reputation through further technological development.

This Priority is intended to build on the acknowledged strengths of the Region and to equip it for the future. It is intended to address the need for access to a wide range of energy sources and technologies and a robust infrastructure to bring the energy to where we want to use it in the form that we need it. It intends to promote the development of responsible energy production practices through transnational cooperation. Among other things, this may be in the form of technological developments, strategic impact assessment, foresight exercises, knowledge sharing actions, formal cooperation and collaboration agreements, feasibility studies and investment actions.

Through transnational cooperation we can promote responsible energy practices, helping to move our economy towards a low-carbon future and managing the emergent tensions in the exploitation of new energy technologies. Actions in this area are also expected to stimulate the competitiveness of domestic firms by encouraging innovation in the use and application of energy-related technologies, whether this be related to wind-power, offshore or sub-sea engineering or some other aspect of the sector. The skills and competencies developed will equip our firms well to compete at the global level.

Transnationality co-operation activities will be considered that, for example:

- Realise and create framework conditions (e.g. legal, administrative, business support, stakeholder networks, opportunities for technology transfer, political commitment) for large-scale uptake of renewable energy sources;
- Encourage the diversification of energy resources by widening of the range of energy technology and the carbon emission-reduction technology deployed in the North Sea Region;
- Provide institutional support for optimisation of delivery systems and create functioning market conditions;
- Facilitating the pre-conditions for network/ knowledge exchange into development of new technologies and development of knowledge based clusters e.g. related to carbon capture;
- Share experience and good practice in integrating energy concerns into territorial development, exploit the energy production opportunities of resources (e.g. estuary resources) and investigate the related environmental impacts.

#### **4.2.4.5 Strategic project example:**

##### *North Sea Region Maritime Safety Governance*

It is proposed that a strategic project on maritime safety is to create a transnational co-operation platform on this issue and a common safety regime giving strategic support to national or regional solutions in the NSR, utilising lessons and results from previous work, such as MSUO. Joint action should be focused on more systematic and common risk management strategies and methods, including joint actions to consider; a more harmonised safety governance in the NSR in terms of common understanding, objectives, and tools for risk management; the implementation of a common maritime data management and a virtual traffic monitoring centre; a wider cross-sectoral perspective promoting innovative solutions and encouraging business opportunities. The joint strategic approach may contain elements of a common approach to marine spatial planning and management for the North Sea (building on Interreg and Irish Sea experience) and proactively support investment decisions of transnational scale (e.g. investments in energy and other supply installations, pollution mitigation measures, safety enhancement infrastructure and equipment, etc.). Such a strategic project is expected to define concrete actions for major follow-up co-operation projects to be financed from other European and national funds. Links should be established with organisations dealing with maritime safety at European and global level and environmental protection and monitoring, i.e. IMO, EMSA, EEA, IEA, OSPAR, and with relevant programmes and funds to finance further actions.

## 4.2.5

## Indicative Priority Targets Priority 2

Objective: To enhance the quality of the environment in the NSR

		Output indicator [2]				Baseline	Target [3]	Source of Information
Type of Indicator	Area of intervention	1. Sustainable development of the coastal land and sea areas through ICZM	2. Developing preventative and responsive measures to address acute and chronic marine pollution	3. Adapting to and reducing risks posed to society and nature by a changing climate	4. Promoting environmentally-responsible energy production practices			
	Target groups [1]	national / regional / local authorities, environment and marine agencies, business		local / regional / national authorities, water management and environment agencies, citizens	business, local / regional / national authorities, energy agencies			
Core activities		Number of new / improved transnational integrated strategies				0	105 [4]	activity report
		Number of new / improved contingency plans						
		Number of new / improved common databases						
		Number of new agreements						
		Number of new transnational model approaches						
		Number of new transnational demonstration pilots and feasibility studies						
	Number of transnational networks, discussion fora, technology transfer exchange schemes							
	Number of transnational training and staff exchange programmes developed				0	100	activity report	
	Number of initiatives that provide or help find investment resources				0	[5]	activity / final report	
Raising awareness of project results		Number of transnational dissemination outputs (e.g. exhibitions, published material, websites, TV and radio appearances)				0	[5]	activity report
Strengthening transnational co-operation		Number of project partnerships				0	15	activity report
		Number of partners involved in projects					150	
		Number of project administration outputs: transnational partner management meetings					45	
		Number of project administration outputs: shared IT systems					15	
Value for money [6]		% of total project resources spent on Dissemination and Publicity outputs				5	> 5	activity report
		% of total project resources spent on Material Investment outputs [7]				29	< 29	
		% of total project resources spent on Transnational Administration and Partnership Building outputs				48	< 48	

		Result indicator [5]				Baseline	Target	Source of Information
Type of Indicator	Area of intervention	1. Sustainable development of the coastal land and sea areas through ICZM	2. Developing preventative and responsive measures to address acute and chronic marine pollution	3. Adapting to and reducing risks posed to society and nature by a changing climate	4. Promoting environmentally-responsible energy production practices			
	Target groups [1]	national / regional / local authorities, environment and marine agencies, business		local / regional / national authorities, water management and environment agencies, citizens	business, local / regional / national authorities, energy agencies			
Core activities		Ha of land / sea area subject to transnational management tools, action plans, agreements, common databases, model approaches and pilots, risk prevention and management schemes				0	100,000 [4]	activity report
		km of coastline subject to transnational management tools, action plans, agreements, common databases, model approaches and pilots, risk prevention and management schemes					10,000	
		Number of people (male / female) in the NSR covered by one of above results					220,000	
			Number of new technologies / pilots to reduce pollution and manage risks transferred transnationally and implemented			0	[5]	activity report
		Number of organisations in target groups in the NSR reached by project activities				0	2,500	activity report
		Number of individuals (male / female) trained or participated in exchange schemes				0	620	activity report
		Amount (€) of complementary financing secured (additional to approved project budget)				0		activity report
					km of clean and renewable energy infrastructure provided	0	[5]	activity report
				Increased supply of clean and renewable energy (kilogramme of oil equivalent)				
Raising awareness of project results		Individuals (male / female) within and outside the NSR with greater awareness of project outputs				0	430,000	activity report
Strengthening transnational co-operation		Number of organisations involved in projects (contributing to a project activity)				0	2,300	activity report
		Number of individuals (male / female) involved in projects (contributing to a project activity)				0	11,200	
Value for money [6]		Average number of people benefitted by each € 1,000 spent (cost effectiveness)				2,6	> 2,6	activity report

[1] Target groups are defined for each area of intervention. The combination of the target groups addressed by individual projects and impacted through their outputs and results will be determined by the project activities and monitored through the activity reports, and the programme targets related to target groups adjusted accordingly. (see also Appendix 4.1: Target Groups)

[2] See Appendix 4.1: Output indicators

[3] See Appendix 4.1: Baselines and Targets

[4] Targets assigned to more than one indicator (i.e. certain types of activities) are accumulated, since their mix adding up to the total number is determined as funds are allocated. These targets will be monitored in relation to the output or result, based on information from activity reports. They will be adjusted and reported on annually. (see also Appendix 4.1)

[5] The output or result cannot be determined until the bulk of funds have been allocated and reliable information from activity reports gathered. For these reasons, not quantified indicators (without targets) will be monitored throughout the programme implementation period and targets for outputs and results will be quantified, reviewed and adjusted as funds are allocated. They will be refined annually and reported on in the annual reports. (see also Appendix 4.1)

[6] See Appendix 4.1: Value for Money

[7] Investments are defined as any material expenditure that incurs as part of an output and that contributes to increased productivity of future action, and that does not fall under other budget lines (e.g. administration costs).

## **4.3 PRIORITY 3 IMPROVING THE ACCESSIBILITY OF PLACES IN THE NSR**

### **4.3.1 Rationale**

Good and sustainable accessibility is a vital precondition to support a successful economy. It enables producers to efficiently access markets for their products, encourages the diffusion of innovations and knowledge and contributes to sustainable growth, job creation and competitiveness in the North Sea Region. At the same time the growth of the transport sector in terms of the different modes of transport and the logistics sector must be managed in order to reduce the increasing social, environmental and economic costs associated with emissions pollution and congestion. Many parts of the North Sea Region are highly accessible and carry extensive movements of goods and people, acting as regional, national and international gateways. Other areas though suffer from relatively poor levels of accessibility, which constrains their social and economic development.

This Priority seeks to address these concerns in order to promote the sustainable development of the North Sea Region. In doing so it focuses on a limited range of common issues where it is believed that there is an added value to be gained from taking a transnational perspective.

Intermodal transport corridors are the backbone of the North Sea Region for the movement of goods and people. The development of new transport corridors that connect the North Sea Region to major markets, or offer alternative routes to existing but congested corridors, should also be encouraged, where they provide more efficient transport solutions and contribute to the development of the North Sea Region. Many of these transnational corridors have a strong maritime dimension. The importance of the maritime sector is evident from the central position of the North Sea itself and offers an opportunity for modal shifts in the transportation of some products to reduce the emissions associated with the alternative modes of air and road transport. Short sea shipping has a particular role to play in this regard and the development of appropriate approaches, including related port-facilities and intermodal technologies is to be encouraged.

Supporting the continuous development of the logistics sector as a whole, particularly the technologies underpinning distribution systems, is critical to improving levels of accessibility across the North Sea Region. The cost savings achieved and improved access to markets can benefit businesses across the Region, whilst local markets benefit from greater choice and competition. Developing more efficient and effective logistical processes, including intermodal technologies, also offers benefits in areas of transport congestion, through increasing the capacity of the existing infrastructure. Given the transnational dimension of much of the transport movements across the North Sea Region there is a strong transnational benefit to be gained here.

A further area where transnational cooperation is to be encouraged is in the development of secondary networks, connecting places to the national and international connections provided by primary transport networks. This is particularly the case in more remote

regions where regional air services often play an important role in connecting places to national and international gateways. Secondary networks can include rail, road, air and maritime connections. The common denominator is that in their absence the accessibility of many places is significantly less than their location may suggest, as they are adversely affected by so-called 'tunnel' effects, whereby high speed links that do not stop at places on route effectively isolate these places unless secondary connections are established.

#### **4.3.2 Aim of the priority**

To promote transnational cooperation activities that contribute to improving the accessibility of places in the North Sea Region and deliver economic and social benefits.

#### **4.3.3 Objectives**

- To promote regional accessibility strategies;
- To promote the development of multi-modal and transnational transport corridors;
- To promote the development of efficient and effective logistics solutions.

#### **4.3.4 Areas of intervention**

##### **4.3.4.1 To promote regional accessibility**

A lack of accessibility is hampering the development of many of our settlements. This is most clearly the case with remoter settlements and in areas of sparse population. However, it can also occur in more central areas where secondary networks are underdeveloped. The extra time and cost involved in accessing these areas can act as a brake on their economic development, making businesses less competitive and encouraging the out-migration of population to more accessible places.

Improving the accessibility of these places can provide opportunities to reverse the spiral of decline and provide both economic and social benefits. It is a crucial aspect of our aspiration to increase the overall competitiveness of the North Sea Region. New technologies and innovations in the transport sector provide the means to deliver the objectives of this Priority, through harnessing the potential offered by regional air services, road and rail connectivity and ICT infrastructure.

Practical transnational cooperation actions in this area are challenging. Improvements to the physical infrastructure offer the strongest benefits but at a high cost. Road investments that connect remote settlements to secondary transport networks or other hubs are often preferred, although the potential for rail connections might be explored. This will be particularly the case where strong 'border' effects are present whereby the benefits do not only accrue to a particular settlement or region but impacts can also be demonstrated in the areas to which connections are made. The role of regional airservices to connect remote areas should not be overlooked, particularly with the advent of more efficient smaller scale aircraft aimed at the regional air service market.

The Programme can support some capital investment but consideration should also be given to the role of pilot actions which provide significant demonstration effects and have a real potential for being taken forward on a substantial scale subsequently. In many cases successful practical approaches to promoting accessibility in remote areas have involved the development of novel approaches such as novel means of providing public transport service connections and using new technology solutions to promote car sharing. Novel approaches that consider the potential of new communications technologies such as satellite technologies might also be considered in this area. Transnational cooperation that generates substantial economies of scale and encourages the uptake of new technologies, for example through the procurement of receiver equipment, might be one approach to be considered.

In order to promote the accessibility of regions - in terms of physical accessibility by transport or in terms of access to information - transnational strategies, which are implementing activities to consider the above, should be developed.

Co-operation activities will be considered that, for example:

- Stimulate pilot actions with extensive demonstration effects for improved regional accessibility;
- Develop and implement transnational strategies to better finance regional accessibility in terms of transport and communication;
- Promote the uptake of new communications technologies for better accessibility among different regions.

#### **4.3.4.2 To promote the development of multi-modal transport corridors**

The efficient movement of goods and passengers depends upon well-functioning transport corridors and effective multi-modal transfer. This Priority seeks to develop this aspect of the North Sea Region in order to maintain its attractiveness as a place in which to live, work and, crucially, invest. There are three elements to this area of intervention which will promote the overall objective of increasing accessibility across the North Sea Region:

- Support of maritime transport corridors
- Support for integrated transport corridors
- Support for multimodal transfer initiatives

These three areas are linked by the common need to use transnational cooperation in order to develop corridors or to increase the effective capacity of existing corridors

The North Sea basin is an international transportation hub within Europe. There are efficient maritime corridors to be developed to implement concepts such as the Motorways of the Sea (MoS) and short sea shipping (SSS) in practice. These can reduce congestion by transferring the transport of goods from road to sea, improve the accessibility of peripheral regions and stimulate regional competitiveness. Corridor concepts may include connections to the port gateways and secondary hub networks, and promote harmonised

systems and access to data. Projects should draw on the experience and achievements gained by the Maritime Safety Umbrella Operation (MSUO) as a co-ordinating entity, and intensify co-operation in the future. Close linkages should be established to the aims and objectives of the EU Maritime Policy Green Paper, EU Maritime Strategy, the Third Maritime Safety Package and the White Paper on Transport for 2010.

Integrated transport corridors offer a means for the efficient movement of goods to market. An efficient movement along the corridor requires acceptance of common administrative and technical standards as well as potentially including initiatives that allow for differential standards of access, for example restricting access to purely local traffic. The economic benefits to the North Sea Region as a whole should be demonstrated by projects seeking to develop new transport corridors.

Inter-modal transport is the key to providing a transport system which reduces congestion and offers door-to-door delivery services. Measures are required to improve and harmonise goods handling systems in transport nodes and logistics hubs (i.e. ports, regional airports and railway stations), and to strengthen the links between and across national borders through improved interoperability. Activities in this area are likely to have strong links to developments in the logistics sector and to the corridor concepts above.

Co-operation activities should be considered that, for example:

- Develop implementation strategies for the management of transnational transport corridors and accessibility concepts, addressing common planning, technological and administrative constraints;
- Support of the Motorways of the Sea (MoS) system and the development of secondary hubs and seaports, thriving for a multi-nodal balanced mobility network including the hinterland connection and IT/infrastructure planning;
- Devise transnational models for foresight planning exercises and best practices implementations for intermodal transport concepts, i.e. « door to door » movement of goods, using two or more modes of transport, in an integrated transport chain;
- Develop systems for effective and sustainable inter-modal links, especially regarding water-borne transport (rail-sea, road-sea) and including air transport;
- Promote harmonised and easy access to data bases on maritime transport activities, meteorological data etc. and devise ways of broad application of harmonised multi-modal transport systems.

#### **4.3.4.3 To promote the development of efficient and effective logistics solutions**

Access to information is central for the effective management of complex logistical systems. This Priority will support the further development and wider application of intelligent transport systems (ITS) as part of integrated transport solutions. The intention is to assist in improving the functioning of logistics systems across the North Sea Region in order to provide social, economic and environmental benefits.

Actions that are designed to stimulate the logistics sector have the benefit of increasing the load factors on the transport network, offer the opportunity to reduce the turnaround times at key transport hubs and can improve levels of backloading (which reduces the proportion of empty return journeys). The benefits are felt directly and indirectly in terms of improved levels of competitiveness and reduced environmental impacts. It is anticipated that actions will be focused on the promotion of innovation in delivering logistics solutions which will deliver tangible benefits for regional development across the North Sea Region.

Support should aim towards the improvement of and innovations in cargo logistics systems especially in port operations, inter-modal transport interfaces, and transport monitoring systems. This could comprise the development of new logistics concepts and ICT systems, as well as new ways of implementing technologies, including organisational issues and means of reducing the transport needs. One element might be to develop and test identification and tracking systems and organisational arrangements to maximise efficiency across all transportation modes. For cargo transport, congestion costs might be addressed by the application of improved traffic management technologies and organisational measures, where ports, terminals, transporters as well as road and railway companies/authorities are joining efforts.

Co-operation activities will be considered that, for example:

- Create, share and pilot innovative solutions in transport technologies;
- Develop and improve sustainable transport logistics;
- Jointly develop transnational strategies for the preparation of investments in infrastructure and logistics at regional level, involving the competence and capacity and promoting co-operation of the private and the public sector in developing practical and innovative solutions;
- Develop technology roadmaps of common interest, by exercising transnational Technology Foresight processes and strategic product planning;
- Support the engagement of companies to identify and develop common solutions to logistical issues.

#### **4.3.4.4 Strategic project example:**

##### *Masterplan for the Motorways of the North Sea*

The co-ordination of the development of a masterplan for the Motorways of the North Sea is proposed in order to catch up with the state of development in other sea regions relevant to the NSR, including a business plan and an investment plan involving both public and private sectors. Conceivable topics include a quality label for the MoS, safety and security, transnational intermodal transport and communication systems, modernisation and innovation, information systems, hinterland connections, connections to Russia. Links should be established to the TEN-T and masterplans developed in

adjacent seas (e.g. Baltic Sea) and possible European and national funding sources, including the private sector.

### 4.3.5

## Indicative Priority Targets Priority 3

Objective: To improve the accessibility of places in the NSR

Type of Indicator	Area of intervention	Output indicator [2]			Baseline	Target [3]	Source of Information
		1. To promote regional accessibility strategies	2. To promote the development of multi-modal transport corridors	3. To promote the development of efficient and effective logistics solutions			
	Target groups [1]	national / regional / local authorities, transport providers, community and business representatives, transport supply chains					
Core activities		Number of transnational pilot actions			0	105 [4]	activity report
		Number of new transnational implementation strategies					
		Number of new transnational demonstration projects					
		Number of transnational knowhow exchange platforms			0	100	activity report
		Number of transnational training and staff exchange programmes developed			0	[5]	activity / final report
Raising awareness of project results		Number of initiatives that provide or help find investment resources			0	[5]	activity report
Strengthening transnational co-operation		Number of transnational dissemination outputs (e.g. exhibitions, published material, websites, TV and radio appearances)			0	[5]	activity report
		Number of project partnerships			0	15	activity report
		Number of partners involved in projects				150	
		Number of project administration outputs: transnational partner management meetings				45	
	Number of project administration outputs: shared IT systems			15			
Value for money [6]		% of total project resources spent on Dissemination and Publicity outputs			5	> 5	activity report
		% of total project resources spent on Material Investment outputs [7]			29	< 29	
		% of total project resources spent on Transnational Administration and Partnership Building outputs			48	< 48	

Type of Indicator	Area of intervention	Result indicator [5]			Baseline	Target	Source of Information	
		1. To promote regional accessibility strategies	2. To promote the development of multi-modal transport corridors	3. To promote the development of efficient and effective logistics solutions				
	Target groups [1]	national / regional / local authorities, transport providers, community and business representatives, transport supply chains						
Core activities		Area in ha subject of transnational management tools, strategies and logistics solutions			0	[5]	activity report	
		Km of transnational transport corridor and links between urban and rural areas subject of reduced travel time (time-distance minutes over 100 km) by more sustainable transport (rail, sea)						
			Number of new logistics or multi-modal technologies / pilots transferred transnationally and implemented			0	20	activity report
			Number of technology centres and transnational databases helping transnational exchange			0	[5]	activity report
			Number of individuals (male / female) trained or participated in exchange schemes			0	620	activity report
Raising awareness of project results		Amount (€) of complementary financing secured (additional to approved project budget)			0	[5]	activity report	
Strengthening transnational co-operation		Individuals (male / female) within and outside the NSR with greater awareness of project outputs			0	430,000	activity report	
		Number of organisations involved in projects (contributing to a project activity)			0	2300	activity report	
	Number of individuals (male / female) involved in projects (contributing to a project activity)			11,200				
Value for money [6]		Average number of people benefitted by each € 1,000 spent (cost effectiveness)			2,6	> 2,6	activity report	

[1] Target groups are defined for each area of intervention. The combination of the target groups addressed by individual projects and impacted through their outputs and results will be determined by the project activities and monitored through the activity reports, and the programme targets related to target groups adjusted accordingly. (see also Appendix 4.1: Target Groups)

[2] See Appendix 4.1: Output indicators

[3] See Appendix 4.1: Baselines and Targets

[4] Targets assigned to more than one indicator (i.e. certain types of activities) are accumulated, since their mix adding up to the total number is determined as funds are allocated. These targets will be monitored in relation to the output or result, based on information from activity reports. They will be adjusted and reported on annually. (see also Appendix 4.1)

[5] The output or result cannot be determined until the bulk of funds have been allocated and reliable information from activity reports gathered. For these reasons, not quantified indicators (without targets) will be monitored throughout the programme implementation period and targets for outputs and results will be quantified, reviewed and adjusted as funds are allocated. They will be refined annually and reported on in the annual reports. (see also Appendix 4.1)

[6] See Appendix 4.1: Value for Money

[7] Investments are defined as any material expenditure that incurs as part of an output and that contributes to increased productivity of future action, and that does not fall under other budget lines (e.g. administration costs).

## **4.4 PRIORITY 4 PROMOTING SUSTAINABLE AND COMPETITIVE COMMUNITIES: CREATING ATTRACTIVE PLACES TO LIVE AND WORK IN.**

### **4.4.1 Rationale**

Sustainable communities are the foundation of a successful economy. Markets, services and living spaces that our villages, towns and cities provide need to be sustained to secure a viable future for the North Sea Region. The purpose of this priority is to support the development of dynamic and successful communities in all parts of the region, through enhancing the strengths of urban and rural areas and their mutual links, thus making places more attractive spaces in which to live, work and invest. This requires investing in their future and ensuring that they are places, which are environmentally, socially and economically sustainable. Above all they should offer a high quality of life based on their specific qualities of cultural and natural heritage and the built environment.

Many parts of the North Sea Region are experiencing significant structural economic and social changes. In some cases this relates to the pressures of declining viability and vitality where out-migration exacerbates the problems of low birth rates and a destructive spiral of decline develops. Fewer jobs, lower rates of pay, limited amenities and a lack of services encourages those that have the means to leave a community in order to seek opportunities elsewhere. Breaking this spiral is essential if we are to have sustainable development patterns in the future. Yet the opportunity is there, new technologies, higher value smaller businesses, often based on exploiting quality natural resources, and a new appreciation of the benefits of small communities provide the seeds for success. Our experience demonstrates that radical and innovative solutions are required and that positive action is needed, as the trends are deeply entrenched and hard to change. Transnational cooperation in determining - and sharing - effective approaches is a crucial factor in achieving our goals here.

On the other side, many of our larger urban centres, and some that are smaller or are more rural too, are feeling the pressures of growth, particularly in the integration of an in-migrating labour force, but also in terms of competing land-uses. Again there is a value in transnational cooperating in developing joint actions on how to deal with these pressures. Without tackling these challenges the growth trajectories that we desire in order to sustain more and better-paid jobs will be choked off by increasing levels of negative external effects, impeding our efforts to attract and retain the best workers and the best companies. Rather than reacting to problems as they arise we seek to develop notions of sustainable growth. We strive to attract the best and to develop competitive advantage in stimulating sustainable and knowledge-based economies. We believe that there is merit in launching this at a transnational level, both because of the signal it sends to eligible regions but also because our goals will thus have visibility, which will ensure greater success.

A third challenge facing both our urban and rural areas is that of demographic change. This will have fundamental effect on our urban and rural areas and the implications of this

require consideration now. It has implications for service delivery and for transport and land-use patterns in the future. The development of new technologies and products may offer some solutions others will require policy and strategy actions. Demographic change is both an opportunity for economic and social development as well as a challenge though. One of the challenges is the out-migration of young people from some areas. The higher proportion of retired persons may also offer new life to some of our more remote, but highly attractive living spaces. Transnational co-operation offers the unique opportunity to consider these challenges at a macro-regional scale and tackle the described problems that are mutually affecting the North Sea regions. We need to base our solutions on the pooling of competences and the complementary functions of the individual regions. We thus see transnational cooperation as a crucial mechanism for developing, launching and implementing new approaches in this area and context, always with an eye on the tangible benefits that this will deliver.

Finally, we aim to encourage towns and regions to reduce their ecological footprint through the adoption of energy-efficient practices. This may be through encouraging more environmentally sustainable building practices, particularly with regard to energy consumption.

This priority supports actions that address these issues by applying an integrated regional perspective based on the specific assets of territories with a view to the distinct opportunities and challenges of places and the links between them. By this we aim to encourage a holistic territorial approach as the framework for action. We seek to provide favourable conditions in the regions to build up their capacity for innovation, individually but with a transnational perspective, and to accommodate sustainable growth and more and better jobs. Work at the European level has stressed the importance of improving the knowledge and skills available to deliver more sustainable communities and this priority seeks to address that challenge through transnational cooperation activities. This requires efforts to identify and involve key stakeholders in the North Sea Region in order for the actions financed to deliver concrete results and lasting impact.

In developing projects under this priority it is important to establish links to other European Programmes and initiatives such as the Bristol Accord, the 6<sup>th</sup> Environmental Action Programme, Urbact, rural development programmes, the Territorial Agenda and Objective 2 programmes.

#### **4.4.2 Aim of the Priority**

Transnational cooperation to promote attractive and viable communities which help to strengthen the competitiveness of the North Sea Region and contribute to its balanced sustainable development.

#### **4.4.3 Objectives:**

- To secure solutions to the needs of areas in decline to ensure that they contribute to the economic and social wealth of the North Sea Region
- To promote and manage sustainable growth in expanding areas in order that they achieve their full economic and social potential
- To implement energy-efficient solutions for settlements

#### **4.4.4 Areas of intervention**

##### **4.4.4.1 Tackling the needs of areas in decline**

Parts of the North Sea Region are characterised by urban and rural settlements that are suffering from economic and population decline, especially the out-migration of young people, and effects of demographic change such as an ageing population. This is leading to an imbalance in the territorial structure of the affected areas, and contributes to the problems of urban expansion elsewhere in the Region. Experience from some parts of the Region demonstrates that these trends are not inevitable and that more remote settlements can be viable and vibrant centres offering sustainable living conditions and a good quality of life. A challenge here is the (re)integration of unemployed people.

The aim of this Priority is to explore different approaches to enhance the viability and vitality of these areas. Interventions in this area will promote transnational cooperation as a means of sharing experience and exploring solutions as well as to produce tangible results. Opportunities may include new approaches to economic development, solutions built upon new technologies for economic activity or new ways of delivering services and amenities. Actions that improve and maintain access to and extend high-quality services such as higher education, finance, health care and cultural facilities are to be considered. Equally, concepts of sustainable tourism can be a driver for economic diversification and growth. It is anticipated that projects might seek means of developing practical linkages between places as part of an integrated development strategy.

Transnational cooperation activities will be considered that, for example:

- Develop and implement pilot actions tackling issues related to new approaches to service delivery (including economic, business, welfare and other amenities);
- Develop actions revitalising declining towns and cities in response to demographic trends;
- Develop sustainable tourism concepts to utilise the cultural assets, natural and the built environment;
- Develop and implement pilot actions tackling opportunities and challenges for economic restructuring, particularly in the fields of health, care and leisure/tourism or social and labour market stabilisation (i.e. (re)integration of unemployed);
- Build links between rural and urban areas in order to utilise the combined economic potential and strengthen regional integration.

#### **4.4.4.2 Promoting sustainable growth solutions for expanding areas**

Attractive places in which people want to live, work and invest are crucial for the long-term success of an economy. This includes the preservation of cultural heritage, the more so in the knowledge-based economy where global talent can choose where to locate. For the North Sea Region to deliver its full potential it must offer attractive places with a good quality of life and a vibrant sense of community. Without this it will find it difficult to attract or even just to retain its population.

However, the priority builds on the recognition of the crucial importance of larger urban centres and metropolitan areas as motors for economic progress, catalysts for innovation and centres of excellence with the potential to influence other less-dynamic regions.

But in spite of these strengths, many urban areas in the North Sea Region are struggling with the consequences of immigration and issues related to urban expansion. For this reason the Programme seeks to support sustainable growth solutions to common problems across the Region. These issues include the integration of migrant populations and the challenge of accommodating an increasing demand for land.

Transnational actions will be supported that develop our capacity to deliver long-term solutions to these challenges and that help to build attractive places in which to live and work.

Transnational cooperation activities will be considered that, for example:

- Tackle problems of urban sprawl and congestion, e.g. through novel approaches for sustainable urban/regional transport solutions;
- Build, expand and strengthen urban and metropolitan networks with a view of their complementary functions for economic growth;
- Tackle the challenges of integrating migrant and immigrant populations;
- Developing strategies tackling changing requirements for land-use and transport patterns;
- Develop sustainable practices to maintain and enhance cultural heritage.

#### **4.4.4.3 Promoting energy-efficiency in urban and rural communities**

Developing sustainable communities will require a reduction in the energy footprint of our towns and rural areas. This area of intervention seeks to support this by encouraging the development and implementation of energy-efficient approaches to the built environment.

Stimulating greater energy-efficiency in the built environment can benefit individuals, and firms, by reducing their energy bills as well as society as a whole by reducing the amount of energy consumed, which helps to cut costs and provide e.g. affordable housing in

areas experiencing rapid growth. Much good work has been undertaken here at a national level and at a European-level. Yet there is the need to develop a transnational approach that involves local but also national authorities, intermediaries and trans-regionally operating stakeholders in order to share practice and understanding, which will lead to tangible outputs such as improvements in accepted construction standards. Transnational cooperation can have a place in informing the investment decisions to be made by urban and rural areas and in developing the skills and knowledge required by practitioners to implement policies in this area.

Transnational cooperation activities will be considered that, for example:

- Promote energy efficient consumption patterns in society;
- Create capacity in the construction sector and in building design towards energy efficiency and technological and business innovation, resulting in strategies for broader implementation;
- Introduce alternative energy schemes for business and domestic users;
- Develop common energy standards for building and construction activities.

#### **4.4.4.4 Strategic project example:**

##### *Cooperation between North Sea Region Coastline Communities*

Many communities on the North Sea coastline are vulnerable to the effects of climate change (e.g. flooding from rivers, increases in sea level) and at the same time play a driving role for the prosperous and sustainable development of the NSR as a whole. A strategic project is expected to employ a holistic approach to the development of these areas with their multifunctional relevance to the regional, national and European development regarding tourism, agriculture, industries and transport, but also land-use and as a residential area. A network of demonstration sites could illustrate different technical and policy approaches to dealing with the problem of flooding and the adaptation of the regions to changing socio-economic conditions through local and regional partnerships of city and port authorities, regulators and competent authorities. A strategic aspect here may be that this will inform national policies on how to engender resilience and adapt to climate change in these sensitive areas. As these play a critical role for the regional economies and for the future competitiveness of the NSR as a whole, a strategic project in this field will take a wider socio-economic and environmental perspective. It will have implications for the sustainable development of, for example port cities, which are adapting to changes in maritime industries, shipping and population. An important result will be to establish more uniform and better compatible response measures across national and regional borders in the NSR and create favourable conditions for the economic development of forward-looking industries and those capable of promoting economic diversification and higher employment levels (e.g. tourism) in these areas, as well as for environmentally sensitive management.

## 4.4.5

### Indicative Priority Targets Priority 4

Objective: To deliver sustainable and competitive communities

		Output indicator [2]			Baseline	Target [3]	Source of Information
Type of indicator	Area of intervention	1. Tackling the needs of areas in decline	2. Promoting sustainable growth solutions in expanding areas	3. Promoting energy efficiency in urban and rural communities			
	Target groups [1]	national / regional / local authorities; economic development agencies; service providers; community and business representatives; disadvantaged social groups		national / regional / local authorities; economic development agencies; service providers; community and business representatives; energy agencies; citizens			
Core activities		Number of transnational pilot actions					
		Number of demonstration projects					
		Number of implementation strategies					
		Number of transnational know-how exchange platforms between communities (urban-urban, urban rural)			0	65 [4]	activity report
			Number of transnational energy efficiency campaigns				
		Number of training and staff exchange programmes			0	60	activity report
	Number of initiatives that provide or help find investment resources			0	[5]	activity / final report	
Raising awareness of project results		Number of transnational dissemination outputs (e.g. exhibitions, published material, websites, TV and radio appearances)		0	[5]	activity report	
Strengthening transnational co-operation		Number of project partnerships			9		
		Number of partners involved in projects			90		
		Number of project administration outputs: transnational partner management meetings		0	27	activity report	
		Number of project administration outputs: shared IT systems			9		
Value for money [6]		% of total project resources spent on Dissemination and Publicity outputs		5	> 5		
		% of total project resources spent on Material Investment outputs [7]		29	< 29		
		% of total project resources spent on Transnational Administration and Partnership Building outputs		48	< 48	activity report	

		Result indicator [5]			Baseline	Target	Source of Information
Type of indicator	Area of intervention	1. Tackling the needs of areas in decline	2. Promoting sustainable growth solutions in expanding areas	3. Promoting energy efficiency in urban and rural communities			
	Target groups [1]	national / regional / local authorities; economic development agencies; service providers; community and business representatives; disadvantaged social groups		national / regional / local authorities; economic development agencies; service providers; community and business representatives; energy agencies; citizens			
Core activities		ha of areas in decline subject of management tools, strategies, initiatives			0	15,000 [4]	activity report
			ha of expanding areas subject of management tools, strategies, initiatives				
			ha of brownfield land re-used				
		Number of individuals from different target groups NSR reached by new / improved services			0	[5]	activity report
		Number of pilots / services / new technologies transferred transnationally and implemented					
			Number of people (male / female) in the NSR reached by energy-efficiency awareness raising campaigns		0	44,000	activity report
		Number of individuals in different social and age groups (18-24, 55+, male / female, unemployed) undertaken transnational training or staff exchange			0	370	activity report
	Amount (€) of complementary financing secured (additional to approved project budget)			0	[5]	activity report	
Raising awareness of project results		Individuals (male / female) within and outside the NSR with greater awareness of project outputs		0	260,000	activity report	
Strengthening transnational co-operation		Number of organisations involved in projects (contributing to a project activity)			1,400		
		Number of individuals (male / female) involved in projects (contributing to a project activity)		0	6,700	activity report	
Value for money [6]		Average number of people benefitted by each € 1,000 spent (cost effectiveness)		2,6	> 2,6	activity report	

[1] Target groups are defined for each area of intervention. The combination of the target groups addressed by individual projects and impacted through their outputs and results will be determined by the project activities and monitored through the activity reports, and the programme targets related to target groups adjusted accordingly. (see also Appendix 4.1: Target Groups)

[2] See Appendix 4.1: Output indicators

[3] See Appendix 4.1: Baselines and Targets

[4] Targets assigned to more than one indicator (i.e. certain types of activities) are accumulated, since their mix adding up to the total number is determined as funds are allocated. These targets will be monitored in relation to the output or result, based on information from activity reports. They will be adjusted and reported on annually. (see also Appendix 4.1)

[5] The output or result cannot be determined until the bulk of funds have been allocated and reliable information from activity reports gathered. For these reasons, not quantified indicators (without targets) will be monitored throughout the programme implementation period and targets for outputs and results will be quantified, reviewed and adjusted as funds are allocated. They will be refined annually and reported on in the annual reports. (see also Appendix 4.1)

[6] See Appendix 4.1: Value for Money

[7] Investments are defined as any material expenditure that incurs as part of an output and that contributes to increased productivity of future action, and that does not fall under other budget lines (e.g. administration costs).

## **4.5 PRIORITY 5 TECHNICAL ASSISTANCE.**

### **4.5.1 Rationale**

The funds for Technical Assistance will be spent in order to ensure an efficient and accountable management of the programme. The tasks will be mainly carried out by the joint technical secretariat and are described in details in chapter 5. It will ensure the provision of general publicity and information on the programme for the lead beneficiaries and other beneficiaries as well as for the general public. Overall monitoring of the programme content and of the take up of funds in order to optimise the quality of the programme implementation.

### **4.5.2 Aim of the Priority**

The joint technical secretariat will carry out the practical management and administration of the programme. The Monitoring Committee will supervise the programme on behalf of the Member States and Norway.

### **4.5.3 Objectives**

- Efficient and accountable management of the programme in line with the decisions of the Monitoring and Steering Committees.
- Ensure that information about and publicity for the programme is widespread and in line with the publicity requirements in Commission Regulation (EC) No 1083/2006, Chapter III and Commission Regulation (EC) No 1828/2006, Section 1.
- Guidance to potential project applicants and information to final beneficiaries (Lead Beneficiaries).
- Collection and management of necessary data to monitor the achievements of the programme.
- Ongoing improvements of the programme implementation throughout the programme period.
- Implementation of the decisions of the Monitoring and Steering Committees.

### **4.5.4 Areas of Intervention**

#### **4.5.4.1 Accountable and efficient programme implementation**

The delivery of the North Sea Region programme in an accountable and efficient way is key to the success of the programme. The delivery of the programme builds on the descriptions of activities in the Operational Programme and the implementation strategy which will be part of the Business and Implementation Plan. The Business and Implementation Plan will be approved by the Monitoring Committee.

#### **4.5.4.2 Documentation of programme achievements**

Regular reporting on programme achievements to the monitoring and steering committees, the national, regional and local stakeholders as well as the European Commission is an integrated part of the delivery of the programme. The provision of dependable and meaningful data for this purpose is necessary for this purpose. All key data will be made available to the general public in the annual report and reports targeted specific events or purposes.

#### **4.5.4.3 Programme promotion**

Promotion of the North Sea Region programme is an important task for the joint technical secretariat. The added value of the programme will be a key focus for the programme promotion and the aims, objectives, results and outcomes will be communicated using all available sources of communication. A communication strategy will be presented to the Monitoring Committee at its first meeting as an integrated part of the Business and Implementation Plan.

## 4.5.5

## Indicative Priority Targets Priority 5

Objective: Technical Assistance

		Output indicator [2]			Baseline	Target [3]	Source of Information
Type of indicator	Area of intervention	1. Accountable and efficient programme implementation	2. Documentation of programme achievements	3. Programme promotion			
	Target groups [1]	national / regional / local authorities (in particular representatives in the SC and MC; economic development agencies; service providers; community and business representatives; disadvantaged social groups		national / regional / local authorities; economic development agencies; service providers; community and business representatives; energy agencies; citizens			
Core activities		Number of project applications			0	350	Annual Report
		Number of projects approved (Grant Offer Letters issued)			0	>50	
		Allocation of funds			0	100%	
Raising awareness of project results		Number of transnational dissemination outputs (e.g. exhibitions, published material, websites, TV and radio appearances)			0	[5]	Annual Report
Strengthening transnational co-operation		Number of Lead Partner seminars			0	10	Annual Report
		Number of Steering Committee meetings				12	
		Number of Monitoring Committee meetings				15	
		Number of targeted seminars				[5]	

		Result indicator [5]			Baseline	Target	Source of Information
Type of indicator	Area of intervention	1. Accountable and efficient programme implementation	2. Documentation of programme achievements	3. Promoting energy efficiency in urban and rural communities			
	Target groups [1]	national / regional / local authorities (in particular representatives in the SC and MC; economic development agencies; service providers; community and business representatives; disadvantaged social groups		national / regional / local authorities; economic development agencies; service providers; community and business representatives; energy agencies; citizens			
Core activities		Certified take up of funds by projects			0	100%	Annual Report
		Amount of automatic decommitment			0	0	
Raising awareness of project results		Number of evaluations carried out on programme level			0	[5]	Annual Report
Strengthening transnational co-operation		Number of participants in seminars and conferences			0	[5]	Annual Report

[1] Target groups are defined for each area of intervention. The combination of the target groups addressed by individual projects and impacted through their outputs and results will be determined by the project activities and monitored through the activities.

[2] See Appendix 4.1: Output indicators

[3] See Appendix 4.1: Baselines and Targets

[4] Targets assigned to more than one indicator (i.e. certain types of activities) are accumulated, since their mix adding up to the total number is determined as funds are allocated. These

[5] The output or result cannot be determined until the bulk of funds have been allocated and reliable information from activity reports gathered. For these reasons, not quantified indicators (without targets) will be monitored throughout the programme implementation.

## **5. ADMINISTRATION, IMPLEMENTATION AND FINANCIAL ARRANGEMENTS**

**The member states Denmark, Germany, the Netherlands, Sweden, the UK, the Flemish region of Belgium and the non-member state Norway participating in the North Sea Region Programme have agreed the following administrative and financial set-up for the programme.**

The North Sea Region Programme transnational partnership builds on the efficient administrative structures established for the Interreg IIIB North Sea Region Programme.

The North Sea Region Programme responsible national authorities have designated the Danish Enterprise and Construction Authority as the managing authority of the programme. The managing authority is responsible towards the European Commission for the management and implementation of the operational programme.

The managing authority will conclude an agreement with Central Denmark Region whereby the managing authority tasks except the formal communication with the European Commission will be delegated to the Department of Regional Development of the Central Denmark Region, who will host the Joint Technical Secretariat.

Without prejudice to the General Regulation the member states and Norway will lay down rules governing relations with the authorities referred to below and their relations with the European Commission in accordance with their institutional, legal and financial systems.

By the joint submission of the operational programme the responsible national authorities in the member states and Norway have agreed to accept mutual overall financial liability for the administration.

The relevant national authorities in the member states and Norway will retain responsibility for the technical assistance budget proportionally to their ERDF contribution to the programme and for funds spent on their territory in line with Article 17 of the ERDF regulations.

In addition, national letters of agreement between each participating country and the Central Denmark Region Department for Regional Development will outline country specific requirements in relation to the administration of the programme. The letters of agreement regulate the delegation of tasks as described in this chapter.

## **5.1 PART 1 MANAGEMENT, MONITORING AND CONTROL**

### **5.1.1 Designation of authorities - roles and responsibilities of the designated bodies**

*Article 14 of the ERDF Regulations and Article 59 of the General Regulations.*

*Flowchart illustrating the Roles and Responsibilities found in appendix 5.1*

#### **5.1.1.1 The Managing Authority**

The national authorities of the participating countries designate the Danish Enterprise and Construction Authority, Vejlsøvej 29, DK-8600, Silkeborg as the managing authority of the programme.

#### **5.1.1.2 The Certifying Authority**

The Central Denmark Region Accounts Department, Skottenborg 26, DK-8800 has been designated as the certifying authority by the national authorities of the participating countries.

#### **5.1.1.3 The Audit Authority**

The single audit authority will be the ERDF-Control unit for the Danish Enterprise and Construction Authority, Dahlerups Pakhus, Langelinie Allé 17, DK-2100, Copenhagen, Denmark. The audit authority is located in the member state of the managing authority and is functionally independent of the managing authority and the certifying authority.

The managing authority and the audit authority belong to the same national authority, but are in different locations and are functionally separate. The audit authority staff cannot be involved in the tasks of the MA or the implementation of projects directly or indirectly.

The audit authority will be assisted by a group of auditors representing each participating member state and Norway. The group of auditors will be set up within three months of the approval of the operational programme. It will draw up its own rules of procedure and be chaired by a representative of the audit authority for the operational programme. The auditors will be independent from the control system referred to in Article 16(1) of the ERDF regulations.

The member states and Norway will ensure that the necessary resources for the execution of this task are made available.

#### **5.1.1.4 The Central Denmark Region**

The Central Denmark Region Department for Regional Development, Tingvej 15, DK-8800 Viborg, Denmark is the employer of the staff in the Joint Technical Secretariat and host the secretariat. International staff will be appointed.

#### **5.1.1.5 The Joint Technical Secretariat**

The managing authority will, after consultation with the member states and Norway represented in the North Sea Region Programme area, set up a Joint Technical Secretariat. It will assist the managing authority, the monitoring committee and where appropriate the audit authority to carry out their respective duties in line with Article 14(1) of the ERDF regulation.

The tasks of the managing authority except the formal communication with the European Commission will be delegated to the JTS, in accordance with the decisions of the monitoring committee.

#### **5.1.1.6 Lead Beneficiaries**

The Lead Beneficiary principle will be applied throughout the North Sea Region Programme. In accordance with this principle, a Lead Beneficiary will be appointed for each project. The primary task of the Lead Beneficiary is to ensure that the project is delivered in accordance with the conditions laid down in the Grant Offer Letter. The specific tasks of the Lead Beneficiary are described on page 97.

#### **5.1.1.7 The Joint Monitoring Committee**

The participating member states and Norway will appoint representatives to sit on the joint monitoring committee, taking into account the Article 16 of the General Regulation on equality between men and women and on discrimination. The decisions of the monitoring committee will be made by consensus.

#### **5.1.1.8 The role and composition of the Joint Monitoring Committee**

*Articles 63, 64 and 65 of the General Regulations*

The purpose of the monitoring committee is to secure an effective implementation of the programme at a qualitatively high level.

The member states and Norway will set up a monitoring committee for the programme within three months of programme approval. It will draw up rules of procedure within the institutional, legal and financial framework of the participating countries. A national representative of the member state will chair the joint monitoring committee. There will

also be two co-chairpersons, who are previous and future chairpersons. The chair and co-chairs will be nominated for a period of twelve months and alternate between the member states in the following order (continuing from the order that ran in the Interreg IIIB Programme) (DK, UK, S, NL, G, FL).

The joint monitoring committee will meet at least twice a year.

The joint monitoring committee will be composed of three representatives – 2 national and 1 regional – from each of the member states and Norway (including a representative of the authority responsible for the North Sea Region Programme from each participating country). A representative from the European Commission will participate in an advisory capacity.

The joint monitoring committee will be assisted by the JTS, which will be responsible for the preparation of documentation relating to monitoring reports, agendas and minutes of the meetings. The documents required for the joint monitoring committee meeting will be available three weeks in advance of the meeting.

The joint monitoring committee will satisfy itself as to the effectiveness and quality of the implementation of the operational programme, in accordance with the following provisions:

- a. it will consider and approve the criteria for selecting the operations financed within six months of the approval of the operational programme and approve any revision of those criteria in accordance with the programming needs.
- b. it will periodically review progress made towards achieving the specific targets of the operational programme on the basis of documents submitted.
- c. it will examine the results of implementation, particularly achievement of the targets set for each priority axis and the evaluations referred to in Article 47 (3) of the General Regulations.
- d. it will consider and approve the annual and final reports on implementation referred to in Article 67 of the General Regulations.
- e. it will be informed of the annual audit report and any relevant comments the Commission may make after examining that report.
- f. it may propose to the JTS any revision or examination of the operational programme likely to make possible the attainment of the Funds' objectives (referred to in Article 3 of the General Regulation) or to improve its management, including its financial management.
- g. it will consider and approve any proposal to amend the content of the European Commission decision on the contribution of the Funds.
- h. it will consider and approve the joint administrative and financial arrangements to be set to implement the programme.

#### **5.1.1.9 The Joint Steering Committee**

A Joint Steering Committee will be set up by the member states and Norway at the first meeting in the Joint Monitoring Committee. The Joint Steering Committee will set up its own rules of procedure, which will be adopted by the Joint Monitoring Committee. The

purpose of the Joint Steering Committee is to approve or reject project applications for funding under the North Sea Programme. The Joint Steering Committee will report to the Joint Monitoring Committee.

In order to enable efficiency in decision making, the Joint Steering Committee will have a limited number of representatives from each member state and Norway. The composition of the delegations from each country will ensure that the views of social partners, including environmental actors, are taken into account in accordance with the regulations and the administrative traditions in the countries concerned.

A national representative from the member states or Norway will chair the Joint Steering Committee. The chair will be nominated for a period of twelve months and alternate between the member states and Norway in the following order (continuing from the order followed in the Interreg IIIB Programme) (S, UK, DK, FL, G, NL and N).

The Steering Committee will be composed of three representatives and at least one each from regional and national level from each of the member states and Norway. The national representative will be from the authority responsible for Interreg IVB. A representative from the European Commission shall attend the meetings in an advisory capacity.

Decision-making in the Joint Steering Committee will be by consensus.

The Joint Steering Committee will meet twice a year or as necessary. The committee will be assisted by the JTS responsible for the preparation of documentation relating to monitoring, reports, agendas and minutes for meetings.

#### **5.1.1.10 The tasks of the Managing Authority**

*Article 15 of the ERDF regulations, Articles 59(2) and 60 of the General Regulations* The managing authority will manage and implement the operational programme in accordance with the principles of sound financial management on behalf of the member states and Norway. The managing authority tasks except the formal communication with the European Commission will be delegated by the managing authority to the Department of Regional Development of the Central Denmark Region, where the JTS will be located. The JTS will carry out these tasks. The formal communications with the European Commission, which include the formal submission of the annual reports, the final report and the ongoing evaluation studies will be carried out by the managing authority..

The tasks of the managing authority that will be delegated are:

- a. ensuring that projects (operations) are selected for funding in accordance with the criteria applicable to the operational programme and that they comply, for their whole implementation period with applicable Community and national rules.

- b. Satisfying itself that the expenditure of each beneficiary participating in an operation has been validated by the controller referred to in Article 16 (1) of the ERDF regulation.
- c. ensuring that there is a system for recording and storing in computerised form accounting records of each project under the operational programme and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation is collected.
- d. ensuring that beneficiaries and other bodies involved in the implementation of projects maintain either a separate accounting system or an adequate accounting code for all transactions relating to the project without prejudice to national accounting rules.
- e. ensuring that the evaluations of operational programmes referred to in Article 48(3) are carried out in accordance with Article 47 of the General Regulations.
- f. setting up procedures to ensure that all documents regarding expenditure and audits required to ensure and adequate audit trail are held in accordance with the requirements of Article 90 of the General Regulations.
- g. ensuring that the certifying authority will receive all the necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification.
- h. guiding the work of the monitoring committee and providing it with the documents required to permit the quality of the implementation of the operational programme to be monitored in the light of its specific goals.
- i. drawing up and, after approval by the monitoring committee, submitting to the Commission the annual and final report on implementation. The formal submission of the documents will be executed by the Managing Authority.
- j. ensuring compliance with the information and publicity requirements laid down in Article 69 of the General Regulations.
- k. ensuring compliance with relevant Commission Regulations on public procurement, equal opportunities and the environment.

#### **5.1.1.11 The tasks of the Certifying Authority**

*General Regulations Articles 59 and 61, and ERDF Regulations Article 14*

The certifying authority will be responsible in particular for:

- a. drawing up and submitting to the Commission certified statements of expenditure and applications for payment
- b. certifying that:
  - i. the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents
  - ii. the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and national rules

- c. ensuring for the purposes of certification that it has received adequate information from the JTS on the procedures and verifications carried out in relation to expenditure included in statements of expenditure.
- d. taking account for the purposes of certification of the results of all audits carried out by or under the responsibility of the Audit Authority.
- e. maintaining accounting records in computerised form of expenditure declared to the Commission.
- f. keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the European Union prior to the closure of the operational programme by deducting them from the next statement of expenditure.
- g. the certifying authority will receive the payments made by the Commission and enter these on the programme Euro account (ERDF). Payments from the non-member state Norway will enter a separate Euro account (Norwegian ERDF-equivalent).
- h. the certifying authority will, based on the periodic reports on expenditure and supporting accounting evidence processes and cleared by the JTS, make the payments to the project Lead Beneficiaries.
- i. the opening of the single joint Euro account to which all ERDF for the programme are transferred. Similarly a single Euro account will be opened for the Norwegian ERDF-equivalent. All payments from the non-member state Norway will enter this account.

#### **5.1.1.12 The functions of the Audit Authority**

*Article 62 of the General Regulations & Article 14 of the ERDF Regulations*

1. The audit authority will be responsible in particular for:
  - a. ensuring that audits are carried out to verify the effective functioning of the management and control system of the operational programme.
  - b. ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared.
  - c. presenting to the European Commission within nine months of the approval of the operational programme an audit strategy covering the bodies which will perform the audits referred to above, the method to be used, the sampling method for audits on operations and the indicative planning of audits to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period.
  - d. By 31 December each year from 2008 to 2015:
    - i. submitting to the European Commission an annual control report setting out the findings of the audits carried out during the previous 12 month period ending on 30 June for the year concerned in accordance with the audit strategy of the operational programme and reporting any shortcomings found in the systems for the management and control of the programme. The first

report to be submitted by 31 December 2008 shall cover the period from 1 January 2007 to 30 June 2008. The information concerning the audits carried out after 1 July 2015 will be included in the final control report supporting the closure declaration referred to in point (e).

- ii. issuing an opinion, on the basis of the controls and audits that have been carried out under the responsibility of the Audit Authority, as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the European Commission are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular.
  - iii. submitting, where applicable under Article 88 of the General Regulations, a declaration for partial closure assessing the legality and regularity of the expenditure concerned.
- e. Submitting to the European Commission at the latest by 31 March 2017 a closure declaration assessing the validity of the application for payment of the final balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure which shall be supported by a final control report.
2. The Audit Authority will ensure that the audit work takes account of international accepted audit standards
  3. Where the audits and controls referred to in paragraph 1(a) and (b) are carried out by a body other than the Audit Authority, the Audit Authority shall ensure that such bodies have the necessary functional independence.
  4. The Commission shall provide its comments on the audit strategy presented under paragraph 1(c) no later than three months following its reception. In the absence of comments within this period it will be considered to be accepted.
  5. The Audit Authority will set up a Group of Auditors (GOA) with representatives from the relevant (audit) authorities in each of the 6 member states and Norway. The GOA will coordinate the audit of projects and will select projects for audit.

### **5.1.2 Arrangements for Monitoring**

#### *Articles 66 of the General regulations*

All managing authority tasks except the formal communication with the European Commission will be delegated by the managing authority to the Central Denmark Region Department for Regional Development, where the JTS is located. The JTS will carry out these tasks.

1. The JTS and the monitoring committee will ensure the quality of the implementation of the operational programme.
2. The JTS and the monitoring committee will carry out monitoring by reference to financial indicators referred to in Article 37 (1)(c) specified in the operational programme.

3. Data exchange between the European Commission and the JTS on behalf of the participating countries for this purpose will be carried out electronically, in accordance with the procedure referred to in Article 103(3).

#### **5.1.2.1 Annual report and final report on implementation**

##### *Article 67 of the General regulations*

For the first time in 2008 and by 30 June each year, the Managing Authority shall send the European Commission an annual report and by 31 March 2017 a final report on the implementation of the operational programme. The JTS will prepare these documents for the monitoring committee. The documents will subsequently be approved by the monitoring committee before submission to the European Commission.

These reports will include the following information in order to obtain a clear view of the implementation of the operational programme.

- a. the progress made in implementing the operational programme and priorities in relation to their specific, verifiable targets, with a quantification, wherever and whenever they lend themselves to quantification, using the indicators referred to in Article 37 (1)(c) of the General Regulations at the level of the priority axis.  
Annual targets will be established, reviewed and adjusted annually based on information collected from the monitoring system and included in the annual reports, starting from the Annual Report for 2007 in June 2008.
- b. the financial implementation of the operational programme, detailing for each priority axis:
  - i. the expenditure paid out by the beneficiary included in the payment claims sent to the JTS and the corresponding public contribution,
  - ii. the total payments received from the European Commission and quantification of the financial indicators referred to in Article 67(2) of the General Regulations.
  - iii. the expenditure paid out by the certifying authority located in the Accounts Department of the Central Denmark Region to the beneficiaries.
- c. for information purposes only, the indicative breakdown of the allocation of funds by categories, in accordance with the implementation rules adopted by the Commission in accordance with the procedure referred to in Article 103(3) of the General Regulations
- d. the steps taken by the monitoring committee to ensure the quality and effectiveness of the implementation, in particular;
  - iv. monitoring and evaluation measures, including data collection arrangements
  - v. a summary of any significant problems encountered in implementing the operational programme and any measures taken, including the response to comments made under Article 68(2) where appropriate
  - vi. the use made of technical assistance
- e. the measures taken to provide information on and publicise the operational programme

- f. information about significant problems relating to the compliance with community law which have been encountered in the implementation of the operational programme and the measures taken to deal with them
- g. the use made of assistance released following cancellation as referred in Article 98 (2) of the General Regulations
- h. cases where it has been detected that operations have been subject to substantial modifications under Article 57 of the General Regulations.

The reports will be judged admissible when they contain all the appropriate information listed in paragraph 2 above. The European Commission will inform the Managing Authority on the admissibility of the annual report within 10 working days from the day of its receipt.

The European Commission will inform the Managing Authority of its opinion on the content of an admissible annual report on implementation submitted by the Managing Authority on behalf of the member states within two months from the date of receipt. For the final report on the operational programme, the time limit will be a maximum of five months from the date of receipt of an admissible report. If the Commission does not respond within the limit laid down the report will be deemed to be accepted.

#### **5.1.2.2 Annual Examination of Programmes**

##### *Article 68 of the General Regulations*

Every year when the annual report on implementation referred to in Article 67 of the General Regulations is submitted, the European Commission and representatives from the member states and Norway will examine the progress made in implementing the operational programme, the principal results achieved over the previous year, the financial implementation and other factors with a view to improving implementation.

Any aspects of the operation of the management and control system referred to in Article 62 (1), point d) i) of the General Regulations, may be examined.

After the examination referred to in paragraph 1, the European Commission may make comments to the member states, Norway and the managing authority. The issues arising will be discussed in the monitoring committee. The member states and Norway will inform the European Commission of the action taken in response to those comments.

When the ex-post evaluations of assistance granted over the 2000-2006 programming period are available, the overall results may be examined in the next annual examination.

#### **5.1.3 Arrangements for Control at Programme level**

##### *Article 16 of the ERDF Regulation*

In order to validate the expenditure, each member state and Norway shall set up a control system making it possible to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for operations or parts of operations implemented on its territory, and the compliance of such expenditure and of related operations, or parts of those operations, with Community rules and its national rules.

For this purpose each member state shall designate the controllers responsible for verifying the legality and regularity of the expenditure declared by each beneficiary participating in the operation.

Where the delivery of the products or services co-financed can be verified only in respect of the entire operation, the verification shall be performed by the controller of the member state (or Norway) where the Lead Beneficiary is located.

Each member state and Norway shall ensure that the expenditure can be validated by the controllers within a period of three months.

Each member state and Norway will within 9 months of approval of the Operational Programme in line with Articles 70 and 71 of the General Regulation submit a description of the management and control systems in force. The system descriptions will be submitted to the JTS, who will submit these and the Handbook of Standard Procedures to the Audit Authority. On the basis of this the Audit Authority will submit a compiled description of the management and control systems a report assessing the systems to the Commission in line with Article 71 1) 2) of the General Regulations.

## **5.2 PART 2 THE FINANCIAL MANAGEMENT AND CONTROL SYSTEM**

### **5.2.1 Financial management**

#### *Article 17 of the ERDF Regulations*

The ERDF will be paid into a single joint bank account in Jyske Bank, Sct Mathias Gade 21, DK-8800, Viborg, Denmark. The account will be opened immediately following approval of the Operational Programme.

The Joint Technical Secretariat will provide the monitoring committee with information regarding the level of commitment of funds, spending rates of the programme, forecast for and expenditure of the Technical Assistance budget.

In order to promote a uniform implementation of the programme, the application form and technical assessment procedures will be prepared and approved by the monitoring committee at its first meeting.

The certifying authority will certify the payment claims which it will send to the Commission as correct and containing only eligible expenditure.

Without prejudice to the member states' responsibility for detecting and correcting irregularities and for recovering amounts unduly paid, the certifying authority will ensure that any amount paid as a result of an irregularity is recovered from the lead beneficiary

(lead partner). The project partners will repay the Lead Beneficiary the amounts unduly paid in accordance with the agreement existing between them.

If the Lead Beneficiary does not succeed in securing repayment from a beneficiary, the member state on whose territory the relevant beneficiary is located shall reimburse the certifying authority the amount unduly paid to that beneficiary in line with Article 17 (3) of the ERDF Regulations/ Commission Regulation No 1080/2006.

## **5.2.2 Financial Management of Projects**

### **5.2.2.1 Application procedure**

Project applications will be sent to the Joint Technical Secretariat. The applications will be submitted to the secretariat in English. The project development unit of the secretariat will carry out a technical assessment of the projects, which will be based on the system developed under the Interreg IIB North Sea Region Programme and approved by the monitoring committee.

Projects will be submitted to the steering committee for consideration by the Joint Technical Secretariat. The steering committee will meet at least twice a year. Only eligible projects will be considered by the steering committee. Projects will be considered by the steering committee only when the full financing package exists. There will be public calls for proposals every year for applicants to submit their applications for funding. The application, together with the technical assessment will be sent to the steering committee members at least 3 weeks before the meeting.

- All projects applying for funds under the programme will appoint a Lead Beneficiary. The Lead Beneficiary will be appointed by the beneficiaries amongst them selves and will submit the project application on behalf of the partnership. The Lead Beneficiary responsibilities are described later in this chapter.

For each application the Joint Technical Secretariat will consult the relevant national authorities to ensure that the project does not conflict with community or national policy.

The Joint Technical Secretariat will check that the letters of Intent from the project partners are in place and valid for the project period indicated in the project application as proof of match funding. In the interest of avoiding the risk of double funding applicants must state whether they are bidding for any other European grants. They will be asked to declare any other grant aid given and its purpose. In the Grant Offer Letter it will be stated that the responsibility lies with the Lead Beneficiary for ensuring that no double funding takes place.

### **5.2.2.2 Strategic Environmental Assessment**

The North Sea Programme has been subject to a Strategic Environmental Assessment (SEA). As part of this process, some recommendations have been made for the assessment of the environmental impact of the programme. Projects will be asked to provide information on a set of indicators, on the basis of which their likely environmental impact can be assessed.

In order to ensure that the implementation of the programme has no negative environmental effects, project applications will be screened against these indicators as part of the assessment procedure. The actual process will be initiated by the programme secretariat following the approval of the individual project by the Steering Committee.

The methodology used in Appendix 2 of the Final SEA Report will be proposed to the Monitoring Committee to be used concerning the indicators in order to provide information about the environmental performance in the project application form. To ensure sustainability of projects environmental expertise will be considered among the Monitoring and Steering Committee when deciding about the selection criteria and selecting projects.

The indicators included in chapter 13.8 of the Final SEA Report will be used for monitoring. Information about these indicators will be collected through the reporting of the projects. They will be asked to continue reporting based on the environmental information given in the application form. This information will be used for the programme evaluation, carried out as described in the operations chapter on evaluation. The evaluation reports will be presented to the Monitoring Committee of the Programme to assess the environmental situation of the Programme and to decide about appropriate remedial action to be taken, if necessary.

### **5.2.2.3 Issuing Grant Offer Letters**

The finance unit of the Joint Technical Secretariat will, on behalf of the MA, member states and Norway and taking into account country specific requirements from the national authorities, prepare and issue the Grant Offer Letter for the Lead Beneficiary. The Grant Offer Letter will be signed and verified by the head of secretariat and a senior officer representing the Central Denmark Region Department for Regional Development. Neither the programme manager nor the senior officer from the Central Denmark Region Department for Regional Development will subsequently be involved with making payments to the projects. The issuing of Grant Offer Letters and the subsequent payment of projects will in other words be kept separate. Once completed, the Grant Offer Letter will be sent to the Lead Beneficiary, who will sign it on behalf of the partnership and return it to the secretariat.

In order to provide an appropriate overview of the project control process, the first level controller selected to control expenditure of the Lead beneficiary shall also act as “project

controller". The role of the project controller requires the controller thus selected to provide a consolidated control report on behalf of the whole project, by integrating the individual control reports established for each project partner. The Grant Offer Letter will not be considered valid before controllers have been appointed for each partner. All controllers will individually declare that they have been designated as controllers in accordance with the relevant national regulations and that are familiar with the contents of the project application and the conditions stated in the Grant Offer Letter."

In order to enhance a consistent handling of the decisions of the steering committee by the Joint Technical Secretariat, when issuing the Grant Offer Letter on behalf of the national authorities, harmonised payment procedures will be established.

#### **5.2.2.4 Project Reporting and Payment Procedures**

The finance unit of the Joint Technical Secretariat will, in line with Article 15 (1) of the ERDF Regulations, check project reports and claims have been adequately validated against the financial regulations (national, community and programme) and the requirements laid down in the Operational Programme by the designated controllers.

The Lead Beneficiary will provide the Joint Technical Secretariat with a periodic activity report and claim for payment based on eligible expenditure actually defrayed. The format of the progress reports on activities and finance will in accordance with the format pre-approved by the monitoring committee. This will include a format for the controllers report – (accountant's certificate).

ERDF: Payments to projects will take the form of interim payments and the payment of the final balance. These payments shall relate to expenditure actually paid out, corresponding to payments effected by the beneficiaries. Both interim and final claims will be controlled in accordance with the relevant national standards as defined for this programme and the final claim will be audited in accordance with internationally accepted standards. Based on the request from the Lead Beneficiary, the Joint Technical Secretariat will present all information necessary for the certifying authority to authorise the bank to transfer directly the requested amount to the Lead Beneficiary's bank account.

Co-financing: The project partners will provide the co-financing for their project. Before projects can be considered by the steering committee the Lead Beneficiary will demonstrate evidence of co-financing in the form of letters of intent. The letters of intent are binding for the individual partner and cannot be withdrawn without previous acceptance of the Lead Beneficiary and formal notification to the Joint Technical Secretariat. The withdrawal of match funding from one of the partners jeopardises the whole project and require a new funding plan to be submitted to the Joint Technical Secretariat in order to secure the ERDF.

### **5.2.2.5 The final report**

Immediately following completion of a project, the Lead Beneficiary will submit a final report to the JTS. The final report will consist of two sections, a report on activities and a report on finances.

The specific content and format of the report on activities is outlined in the Fact Sheet on drawing up the final report.

The report on finances consists of:

- A consolidated statement of account covering the entire project – including all beneficiaries.
- A specific accountant's certificate specifying the work carried out and its result.
- A format for the accountant's certificate for the final report will be drawn up by the JTS and approved by the monitoring committee.

## **5.2.3 Operations**

### **5.2.5.1 Selection of operations**

*Article 19 of the ERDF Regulations*

Operations (projects) will include beneficiaries from at least three countries of which at least two will be a member state. They will co-operate in at least two of the following ways for each project: joint development, joint implementation, joint staffing and joint financing.

### **5.2.3.2 Responsibilities of the lead beneficiary and the other beneficiaries**

*Article 20 of the ERDF Regulations*

For each project, a lead beneficiary will be appointed with the following responsibilities:

- a. It will lay down the arrangements for its relations with the partners participating in the project in an agreement comprising, inter alia, provisions guaranteeing the sound financial management of the funds allocated to the project, including the arrangements for recovering amounts unduly paid.
- b. It will be responsible for ensuring the implementation of the entire project.
- c. It will ensure that the expenditure presented by the partners participating in the project has been paid for the purpose of implementing the operation and corresponds to the activities agreed between the beneficiaries participating in the operation.
- d. It will verify that the expenditure presented by the beneficiaries participating in the operation has been validated by the controllers.
- e. It will be responsible for transferring the ERDF contribution to the partners participating in the project.
- f. It will be responsible for dissemination and durable publicity of the project and its results to the general public.

Each partner participating in the project will:

- a. assume responsibility in the event of any irregularity in the expenditure which it has declared.
- b. inform the member state where it is located about its participation in an operation in case this member state as such is not participating in the operational programme concerned. (ie in 10% and 20% cases outside the eligible area).

Project partners from Norway can be Lead Beneficiaries and as such be responsible for the distribution of both ERDF funding and ERDF equivalent from Norway. The chain of responsibility in relation to Norwegian participation as Lead Beneficiaries in cases of irregularities is described in letters of agreement between Norway and the Managing Authority and Certifying Authorities. The letters of agreement emphasise that the Norwegian state will reimburse any ERDF unduly paid by the programme to a Norwegian beneficiary. In line with Article 17 of the ERDF regulation, the Norwegian government accepts ultimate responsibility for all ERDF monies administered by a Norwegian Lead Beneficiary.

Norwegian participation as Lead Beneficiary will be possible in duly justified cases. A case is duly justified when the complexity of a project makes a separation of the functional and financial responsibilities inappropriate due to the number of partners involved. This is the case for projects involving 3 or more partners.

#### **5.2.3.3 Special conditions governing the location of operations**

##### *Article 21 of the ERDF Regulations*

In line with Article 21 of the ERDF Regulations, in cases where there is clear benefit for the North Sea Region, expenditure of up to 20% of the individual project budget may be spent outside the North Sea Region Programme eligible area. This will be restricted to within the 3 neighbouring transnational programme areas: North West Europe, Northern Periphery and Baltic Sea. Spending of 10% in the rest of Europe and outside the European Community may be possible, in rare and exceptional cases where the impact of a strategic project would thereby be maximised. The responsibility for the correct use of the funding of activities carried out outside the eligible area will remain with one specific project partner inside the eligible area, this partner will be the final beneficiary. The chain of responsibility will be specified in the Grant Offer Letter for each individual project. This means that the member state/Norway, in which the responsible partner/beneficiary is located, is ultimately responsible in cases of irregularities in line with Article 17(3) of Regulation (EC) No 1080/2006.

#### **5.2.3.4 Eligibility of Expenditure**

##### *Article 56 of the General Regulation and Article 13 of the ERDF Regulation*

Expenditure shall be eligible for a contribution from the Funds if it has actually been paid between the date of submission of the operational programme to the Commission or from 1st January 2007 whichever is the earliest, and 31 December 2015. Operations co-financed by ERDF must not have been completed before the starting date for eligibility. Expenditure shall be eligible for funding only where incurred for operations decided on by the steering committee in accordance with criteria fixed by the monitoring committee.

New expenditure, added at the moment of the modification of an operational programme referred to in Article 33, shall be eligible from the date of the submission to the Commission of the request for modification of the operational programme.

When there are differences in the rules of eligibility of expenditure in different member states participating in the North Sea Region Programme, a common set of rules will be decided on by the Monitoring Committee and described in a Fact Sheet. Guidance in Fact Sheets is valid from the date of approval by the monitoring committee. This means that the rules on eligibility will be based on national rules in combination with the specific ERDF Regulations and amended when relevant by specific “North Sea” common rules as described in a set of Fact Sheets, which are approved by the monitoring committee. The Fact Sheets cover the entirety of the expenditure declared under the Operational Programme.

#### **5.2.3.5 Public similar partners**

##### *Article 2(5) of the General Regulation*

Organisations, who from a legal perspective constitute private organisations, can participate in projects under the North Sea Programme as public similar partner if:

- It constitutes a legal body.
- Act as a non-profit organisation in the context of the project – this does not exclude companies acting on a for-profit basis in other contexts.
- It makes all project results available to the general public free of charge. This includes securing public access to the project results.
- Project activities are carried out in accordance with the principle of real costs
- Project activities are carried out in accordance with public tender rules i.e. Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for award of public works contracts, public supply contracts and public service contracts.

These requirements, e.g. national rules etc., and the conditions for the acquisition of fixed assets will be confirmed in the Grant Offer Letter.

#### **5.2.3.6 Evaluation**

##### *Articles 47, 48 and 59 of the General Regulations*

In accordance with the general provisions laid down in Article 47 the purpose of evaluations is to improve the quality, effectiveness and consistency of the operational programme. Evaluations will be carried out with respect to the specific structural problems affecting the member states and Norway participating in the North Sea Region Programme, while taking account of the objective of sustainable development and the relevant Community legislation concerning environmental impact and strategic environmental assessment. Evaluations will be carried out by experts or bodies, internal or external, functionally independent of the authorities referred to in Article 59 (b) and (c) of the General Regulations. The evaluations will be carried out under the responsibility of

the member states and Norway and the results will be published according to the applicable rules on access to documents.

In compliance with Articles 47 (2) and 48 (2), an ex-ante evaluation of the Interreg IVB North Sea Region Programme has been carried out. A summary of the outcomes can be found in chapter 3 - Summary Description of the Ex-ante Evaluation Results -. The full report is available as a separate document.

The Member States and Norway carry out at national level strategic and thematic evaluations on a continuous basis - including e.g. analyses on key strategic programme issues such as innovation or energy, among others. Taking budgetary constraints into account the North Sea Region Programme authorities will carry out evaluations of an operational nature during programme implementation linked to the monitoring of the Operational Programme, with reference to Chapter 3 of the Operational Programme laying down the provisions for “maintaining the strategic focus of the programme”. In line with a milestone-approach a first evaluation for the ongoing programme will be made, when 30% of allocated ERDF funds for the Member States and Norway are spent by the final beneficiary. The Monitoring Committee will decide about the next milestone, depending on the outcome of the evaluation.

#### **5.2.3.7 Software for financial and monitoring information**

Financial and monitoring information will be stored in three different software systems. The systems are as follows:

- A filing system – SB SYS.Net
  - A financial system – ØS2000web
- Both the filing and the financial system are designed for the purpose of and in accordance with Danish national rules for public administration
- A monitoring system – The software platform is not yet selected as the tender process is not yet complete. The monitoring system will include facilities for e.g. on-line applications, project monitoring and on-line monitoring access by the member states and Norway.

For safety reasons the three systems are not connected, but the information stored in each of the systems is verified against the information in the two other systems on a regular basis. The procedures for this verification is described in the Handbook of Standard Procedures.

#### **5.2.3.8 Computerised exchange of data**

*Article 76 (4) of the General Regulations and section 7 of the Implementation Regulation*

The Operational Programme will be submitted via the SFC2007 system in line with section 7 of the Implementation Regulation. The access right rests with the Danish Agency for Enterprise and Construction assisted by the Joint Technical Secretariat. All exchanges concerning financial transactions between the Commission and the authorities and bodies designated by the member states shall be made by electronic means, in accordance with

the implementing rules of the General Regulation as described in Article 103 (3). Only in cases of force majeure, and in particular of malfunction of the common computerized system or lack of a lasting connection the statement of expenditure and the application for payment can be submitted in hard copy.

#### **5.2.3.9 Grant intervention rate**

The ERDF-grant intervention rate will be 50% of eligible public or public similar expenditure across priorities 1-4 and 60% for priority 5.

### **5.3 PART 3 INFORMATION AND PUBLICITY**

#### *Article 69 of the General Regulations*

The Managing Authority on behalf of the member states and Norway will delegate to the JTS the task of providing information on and publicising the North Sea Region Programme according to the procedure laid down in Article 103(3) of the General Regulations.

The aim of the information and publicity activities carried out by the JTS will be to communicate the work and progress of the programme to the general public, practitioners and politicians. Special attention will be paid to communicating the added value of the programme, i.e. its transnational aspects.

The European Commission's initiatives to engage the general public and stakeholders on different levels in the work of the European Union, such as the White Paper on Communication, Plan D for Democracy and the Strategic Objective of the European Commission to Communicate Europe to the general public will be taken into account.

The aims and objectives, results and outcomes of the programme will be communicated widely on several different levels using all relevant sources of communication. The main means of communication will be web based solutions, such as a user friendly website containing extensive information about the programme and its progress, including video material and other related techniques such as pod casts depicting good projects and good practice work. Traditional print solutions will be used to further enhance and improve the impact of the communication efforts when appropriate, which will be available to download or order from the JTS.

Activities will include informing press and media on regional, national and European level, as well as relevant in-house press of authorities and public bodies on regular basis about the work and progress of the programme.

A number of seminars, workshops and conferences will be held with the purpose of guiding and informing stakeholders about their roles and responsibilities regarding information and publicity in relation to the programme and the European Union. Special attention will in this case be paid to informing the Lead Beneficiaries of the projects in this respect, which will be expected to communicate their respective work with reference to the programme and the European Union.

The publicity strategy will be presented to the first monitoring committee meeting as part of the Business and Implementation Plan.

## 6. FINANCIAL PLAN

The total budget available for the member states under the Interreg IVB – North Sea Programme is €138,538,957. In addition to this a budget of €10,000,000 (including match-funding of TA) is available for the non-member state Norway.

### 6.1 ALLOCATION OF FUNDS BY YEAR 2007-2013

In line with Article 75(1) of the general regulation, budget commitments by the European Commission to the North Sea Programme are made by year. The annual commitment to the programme is illustrated below.

#### Member states

		Structural Funding <b>ERDF</b>	<b>Total</b>
<b>2007</b>			
	In regions without transitional support	18,027,820	<b>18,027,820</b>
<b>Total 2007</b>		18,027,820	<b>18,027,820</b>
<b>2008</b>			
	In regions without transitional support	18,465,396	<b>18,465,396</b>
<b>Total 2008</b>		18,465,396	<b>18,465,396</b>
<b>2009</b>			
	In regions without transitional support	19,037,902	<b>19,037,902</b>
<b>Total 2009</b>		19,037,902	<b>19,037,902</b>
<b>2010</b>			
	In regions without transitional support	19,736,433	<b>19,736,433</b>
<b>Total 2010</b>		19,736,433	<b>19,736,433</b>
<b>2011</b>			
	In regions without transitional support	20,455,290	<b>20,455,290</b>
<b>Total 2011</b>		20,455,290	<b>20,455,290</b>
<b>2012</b>			
	In regions without transitional support	21,084,802	<b>21,084,802</b>
<b>Total 2012</b>		21,084,802	<b>21,084,802</b>
<b>2013</b>			
	In regions without transitional support	21,731,314	<b>21,731,314</b>
<b>Total 2013</b>		21,731,314	<b>21,731,314</b>
<b>Total in regions without transitional support ( 2007-2013)</b>		<b>138,538,957</b>	<b>138,538,957</b>
<b>Grand Total 2013</b>		<b>138,538,957</b>	<b>138,538,957</b>

Funding for the non-member state Norway is allocated by year in line with the principles applied by the European Commission. The annual allocation to the programme from Norway is illustrated below.

**Norway**

		Structural Funding <b>ERDF</b>	<b>Total</b>
<b>2007</b>			
	In regions without transitional support	1,371,428	<b>1,371,428</b>
<b>Total 2007</b>		1,371,428	<b>1,371,428</b>
<b>2008</b>			
	In regions without transitional support	1,371,428	<b>1,371,428</b>
<b>Total 2008</b>		1,371,428	<b>1,371,428</b>
<b>2009</b>			
	In regions without transitional support	1,371,428	<b>1,371,428</b>
<b>Total 2009</b>		1,371,428	<b>1,371,428</b>
<b>2010</b>			
	In regions without transitional support	1,371,428	<b>1,371,428</b>
<b>Total 2010</b>		1,371,428	<b>1,371,428</b>
<b>2011</b>			
	In regions without transitional support	1,371,428	<b>1,371,428</b>
<b>Total 2011</b>		1,371,428	<b>1,371,428</b>
<b>2012</b>			
	In regions without transitional support	1,371,428	<b>1,371,428</b>
<b>Total 2012</b>		1,371,428	<b>1,371,428</b>
<b>2013</b>			
	In regions without transitional support	1,371,432	<b>1,371,432</b>
<b>Total 2013</b>		1,371,432	<b>1,371,432</b>
<b>Total in regions without transitional support (2007-2013)</b>			
		<b>9,600,000</b>	<b>9,600,000</b>
<b>Grand Total 2013</b>		<b>9,600,000</b>	<b>9,600,000</b>

In line with Article 93 of the general regulations, committed funds not actually paid out by the end of the second year following the year of commitment (N+2) will automatically be de-committed by the European Commission. De-committed funding will be lost to the programme. In cases where the loss is directly attributable to individual projects as a result of slow implementation, the loss will be passed on to the relevant projects.

## 6.2 ALLOCATION OF FUNDS BY PRIORITY 2007-2013

Funding under the North Sea Programme is allocated under 5 priorities. Priorities 1-4 cover funding available for projects and priority 5 cover technical assistance. The allocation of funds by priority for member states is illustrated below.

	Community funding (a)	National counterpart (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total funding (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	For information	
			National public funding (c)	National private funding (d)			EIB contributions	Other funding
<b>Priority axis 1</b>								
BUILDING ON OUR CAPACITY FOR INNOVATION	28,649,856	28,649,856	28,649,856	0	57,299,713	50%	0	0
<b>Priority axis 2</b>								
PROMOTING THE SUSTAINABLE MANAGEMENT OF OUR ENVIRONMENT	39,067,986	39,067,986	39,067,986	0	78,135,972	50%	0	0
<b>Priority axis 3</b>								
IMPROVING THE ACCESSIBILITY OF PLACES IN THE NSR	39,067,986	39,067,986	39,067,986	0	78,135,972	50%	0	0
<b>Priority axis 4</b>								
PROMOTING SUSTAINABLE AND COMPETITIVE COMMUNITIES	23,440,792	23,440,792	23,440,792	0	46,881,583	50%	0	0
<b>Priority axis 5</b>								
TECHNICAL ASSISTANCE	8,312,337	5,541,558	5,541,558	0	13,853,895	60%	0	0
<b>Total</b>	<b>138,538,957</b>	<b>135,768,178</b>	<b>135,768,178</b>	<b>0</b>	<b>274,307,135</b>		<b>0</b>	<b>0</b>

Funding from the non-member state Norway is allocated by priority in line with the same principles as for the member states. The Norwegian allocation is illustrated below.

	Community funding (a)	National counterpart (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total funding (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	For information	
			National public funding (c)	National private funding (d)			EIB contributions	Other funding
<b>Priority axis 1</b>								
BUILDING ON OUR CAPACITY FOR INNOVATION	1,980,000	1,980,000	1,980,000	0	3,960,000	50%	0	0
<b>Priority axis 2</b>								
PROMOTING THE SUSTAINABLE MANAGEMENT OF OUR ENVIRONMENT	2,700,000	2,700,000	2,700,000	0	5,400,000	50%	0	0
<b>Priority axis 3</b>								
IMPROVING THE ACCESSIBILITY OF PLACES IN THE NSR	2,700,000	2,700,000	2,700,000	0	5,400,000	50%	0	0
<b>Priority axis 4</b>								
PROMOTING SUSTAINABLE AND COMPETITIVE COMMUNITIES	1,620,000	1,620,000	1,620,000	0	3,240,000	50%	0	0
<b>Priority axis 5</b>								
TECHNICAL ASSISTANCE	600,000	400,000	400,000	0	1,000,000	60%	0	0
<b>Total</b>	<b>9,600,000</b>	<b>9,400,000</b>	<b>9,400,000</b>	<b>0</b>	<b>19,000,000</b>		<b>0</b>	<b>0</b>

### 6.3 INDICATIVE BREAKDOWN OF USE OF THE FUNDS

Article 37(1) of the general regulation and article 11 of the implementation regulation

#### Indicative breakdown of the Community contribution by category

All amounts in €

Priority theme			Form of finance			Territory		
Code	Share	Amount	Code	Share	Amount	Code	Share	Amount
Priority 1								
Building on our capacity for innovation								
03	25%	7,162,464	01	100 %	28,649,856	09	100 %	28,649,856
09	25%	7,162,464						
11	25%	7,162,464						
15	25%	7,162,464						
Priority 2								
Promoting the sustainable management of our environment								
48	25%	9,766,996	01	100%	39,067,986	09	100%	39,067,986
49	25%	9,766,997						
53	25%	9,766,996						
54	25%	9,766,997						
Priority 3								
Improving the accessibility of places in the NSR								
26	20%	7,813,597	01	100%	39,067,986	09	100%	39,067,986
27	20%	7,813,597						
28	20%	7,813,597						
30	20%	7,813,597						
53	20%	7,813,598						
Priority 4								
Promoting sustainable and competitive communities								
43	34%	7,813,598	01	100%	23,440,792	09	100%	23,440,792
80	33%	7,813,597						
81	33%	7,813,597						
Priority 5								
Technical Assistance								
85	75%	6,234,253	01	100%	8,312,337	09	100%	8,312,337
86	25%	2,078,084						

## APPENDICES

### APPENDIX 2.1 LIST OF NUTS III AREAS (ART. 12-2)

<b>Table 1: Eligible regions in the North Sea Programme: NUTS regions by country</b>				
	<b>State</b>	<b>NUTS 1 regions</b>	<b>NUTS 2 regions</b>	<b>NUTS 3 regions</b>
<b>be</b>	<b>Belgium</b>			
<b>be2</b>		<b>Vlaams Gewest</b>		
<b>be21</b>			<b>Antwerpen</b>	
be211				Antwerpen (Arrondissement)
be212				Mechelen
be213				Turnhout
<b>be23</b>			<b>Oost-Vlaanderen</b>	
be231				Aalst
be232				Dendermonde
be233				Eeklo
be234				Gent (Arrondissement)
be235				Oudenaarde
be236				Sint-Niklaas
<b>be25</b>			<b>West-Vlaanderen</b>	
be251				Brugge
be252				Diksmuide
be253				Ieper
be254				Kortrijk
be255				Oostende
be256				Roeselare
be257				Tielt
be258				Veurne
<b>dk</b>	<b>Denmark</b>	<b>Danmark</b>	<b>Danmark</b>	
dk001				København og Frederiksberg Kommuner
dk002				Københavns amt
dk003				Frederiksborg amt
dk004				Roskilde amt
dk005				Vestsjællands amt
dk006				Storstrøms amt
dk007				Bornholms amt
dk008				Fyns amt
dk009				Sønderjyllands amt
dk00a				Ribe amt
dk00b				Vejle amt
dk00c				Ringkøbing amt
dk00d				Århus amt
dk00e				Viborg amt
dk00f				Nordjyllands amt

<b>Table 1: Eligible regions in the North Sea Programme: NUTS regions by country</b>				
	<b>State</b>	<b>NUTS 1 regions</b>	<b>NUTS 2 regions</b>	<b>NUTS 3 regions</b>
<b>de</b>	<b>Germany</b>			
<b>de5</b> de50 de501 de502		<b>Bremen</b>	<b>Bremen</b>	Bremen, Kreisfreie Stadt Bremerhaven, Kreisfreie Stadt
<b>de6</b> <b>de60</b> <b>de600</b>		<b>Hamburg</b>	<b>Hamburg</b>	<b>Hamburg</b>
<b>de9</b> <b>de91</b> de911 de912 de913 de914 de915 de916 de917 de918 de919 de91a de91b		<b>Niedersachsen</b>	<b>Braunschweig</b>	Braunschweig, Kreisfreie Stadt Salzgitter, Kreisfreie Stadt Wolfsburg, Kreisfreie Stadt Gifhorn Göttingen Goslar Helmstedt Northeim Osterode am Harz Peine Wolfenbüttel
<b>de92</b> de922 de923 de924 de925 de926 de927 de928			<b>Hannover</b>	Diepholz HamelN-Pyrmont Region Hannover Hildesheim Holzminden Nienburg (Weser) Schaumburg
<b>de93</b> de931 de932 de933 de934 de935 de936 de937 de938 de939 de93a de93b			<b>Lüneburg</b>	Celle Cuxhaven Harburg Lüchow-Dannenberg Lüneburg, Landkreis Osterholz Rotenburg (Wümme) Soltau-Fallingb.ostel Stade Uelzen Verden

<b>Table 1: Eligible regions in the North Sea Programme: NUTS regions by country</b>				
	<b>State</b>	<b>NUTS 1 regions</b>	<b>NUTS 2 regions</b>	<b>NUTS 3 regions</b>
<b>de94</b>			<b>Weser-Ems</b>	
de941				Delmenhorst, Kreisfreie Stadt
de942				Emden, Kreisfreie Stadt
de943				Oldenburg (Oldenburg), Kreisfreie Stadt
de944				Osnabrück, Kreisfreie Stadt
de945				Wilhelmshaven, Kreisfreie Stadt
de946				Ammerland
de947				Aurich
de948				Cloppenburg
de949				Emsland
de94a				Friesland
de94b				Grafschaft Bentheim
de94c				Leer
de94d				Oldenburg, Landkreis
de94e				Osnabrück, Landkreis
de94f				Vechta
de94g				Wesermarsch
de94h				Wittmund
<b>def</b>		<b>Schleswig-Holstein</b>		
def01				Flensburg, Kreisfreie Stadt
def02				Kiel, Kreisfreie Stadt
def03				Lübeck, Kreisfreie Stadt
def04				Neumünster, Kreisfreie Stadt
def05				Dithmarschen
def06				Herzogtum Lauenburg
def07				Nordfriesland
def08				Ostholstein
def09				Pinneberg
def0a				Plön
def0b				Rendsburg-Eckernförde
def0c				Schleswig-Flensburg
def0d				Segeberg
def0e				Steinburg
def0f				Stormarn

<b>Table 1: Eligible regions in the North Sea Programme: NUTS regions by country</b>				
	<b>State</b>	<b>NUTS 1 regions</b>	<b>NUTS 2 regions</b>	<b>NUTS 3 regions</b>
<b>nl</b>	<b>Netherlands</b>			
<b>nl1</b>		<b>Noord-Nederland</b>		
<b>nl11</b> nl111 nl112 nl113			<b>Groningen</b>	Oost-Groningen Delfzijl en omgeving Overig Groningen
<b>nl12</b> nl121 nl122 nl123			<b>Friesland</b>	Noord-Friesland Zuidwest-Friesland Zuidoost-Friesland
<b>nl13</b> nl131 nl132 nl133			<b>Drenthe</b>	Noord-Drenthe Zuidoost-Drenthe Zuidwest-Drenthe
<b>nl2</b>		<b>Oost-Nederland</b>		
<b>nl21</b> nl211 nl212 nl213			<b>Overijssel</b>	Noord-Overijssel Zuidwest-Overijssel Twente
<b>nl23</b>			<b>Flevoland</b>	<b>Flevoland</b>
<b>nl3</b>		<b>West-Nederland</b>		
<b>nl32</b> nl321 nl322 nl323 nl324 nl325 nl326 nl327			<b>Noord-Holland</b>	Kop van Noord-Holland Alkmaar en omgeving Ijmond Agglomeratie Haarlem Zaanstreek Groot-Amsterdam Het Gooi en Vechtstreek
<b>nl33</b> nl331 nl332 nl333 nl334 nl335 nl336			<b>Zuid-Holland</b>	Agglomeratie Leiden en Bollenstreek Agglomeratie 's -Gravenhage Delft en Westland Oost-Zuid-Holland Groot-Rijnmond Zuidoost Zuid-Holland
<b>nl34</b> nl341 nl342			<b>Zeeland</b>	Zeeuwsch-Vlaanderen Overig Zeeland
<b>se</b>	<b>Sweden</b>			
<b>se0</b> <b>se04</b> se044		<b>Sverige</b>	<b>Sydsverige</b>	Skåne län
<b>se06</b> se061			<b>Norra Mellansverige</b>	Värmlands län

<b>Table 1: Eligible regions in the North Sea Programme: NUTS regions by country</b>				
	<b>State</b>	<b>NUTS 1 regions</b>	<b>NUTS 2 regions</b>	<b>NUTS 3 regions</b>
<b>se09</b> se092			<b>Småland med öarna</b>	Kronobergs län
<b>se0a</b> se0a1 se0a2			<b>Västsverige</b>	Hallands län Västra Götalands län
<b>uk</b>	<b>United Kingdom</b>			
<b>ukc</b>		<b>North East</b>		
<b>ukc1</b> ukc11 ukc12 ukc13 ukc14			<b>Tees Valley and Durham</b>	Hartlepool and Stockton South Teeside Darlington Durham CC
<b>ukc2</b> ukc21 ukc22 ukc23			<b>Northumberland, Tyne and Wear</b>	Northumberland Tyneside Sunderland
<b>uke</b>		<b>Yorkshire and The Humber</b>		
<b>uke1</b> uke11 uke12 uke13			<b>East Riding and North Lincolnshire</b>	City of Kingston upon Hull East Riding of Yorkshire North and North East Lincolnshire
<b>uke2</b> uke21 uke22			<b>North Yorkshire</b>	York North Yorkshire CC
<b>uke3</b> uke31 uke32			<b>South Yorkshire</b>	Barnsley, Doncaster and Rotherham Sheffield
<b>uke4</b> uke41 uke42 uke43			<b>West Yorkshire</b>	Bradford Leeds Calderdale, Kirklees and Wakefield
<b>ukf</b>		<b>East Midlands</b>		
<b>ukf1</b> ukf11 ukf12 ukf13 ukf14 ukf15 ukf16			<b>Derbyshire and Nottinghamshire</b>	Derbyshire East Derbyshire South and West Derbyshire Nottingham North Nottinghamshire South Nottinghamshire

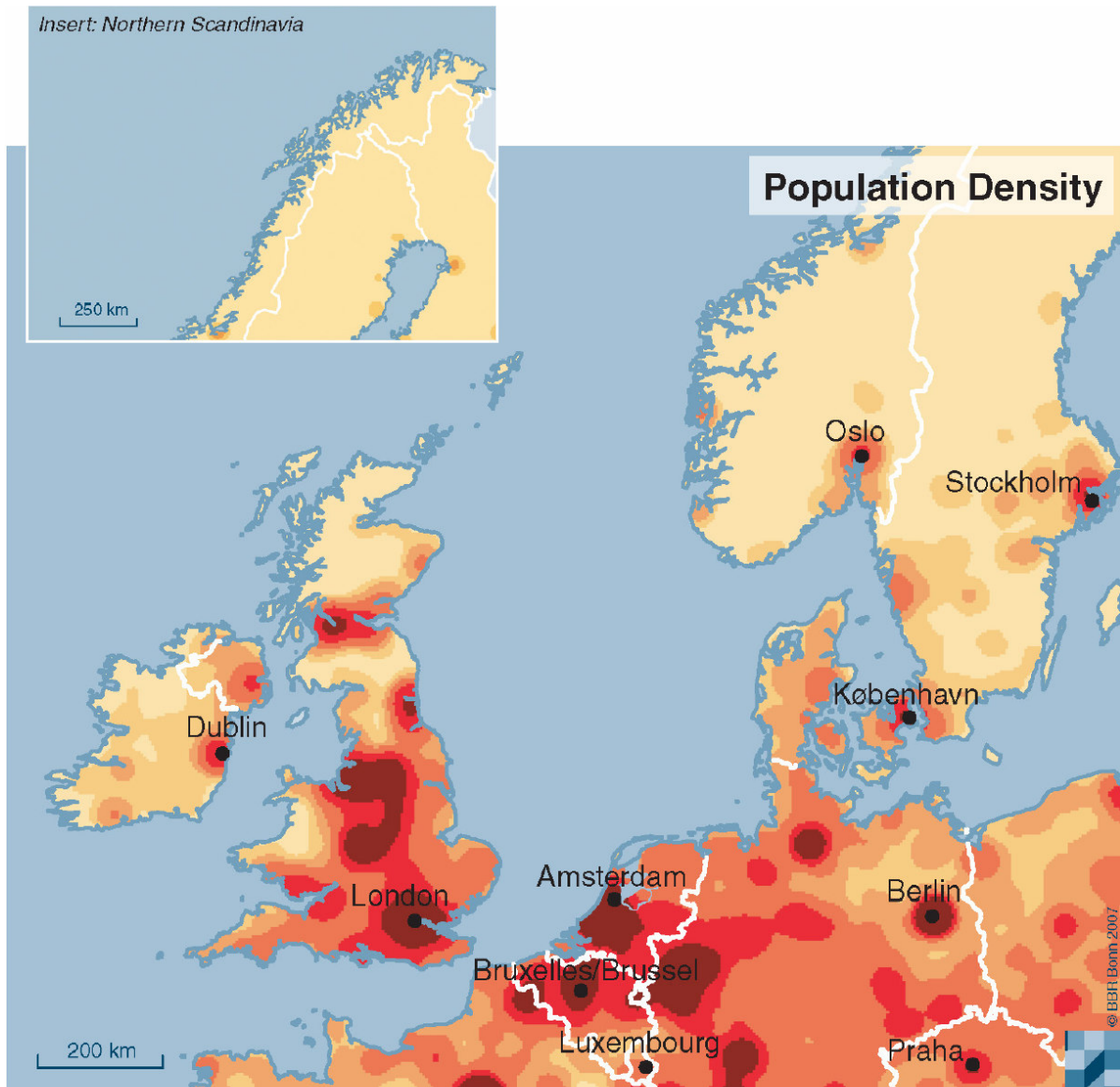
<b>Table 1: Eligible regions in the North Sea Programme: NUTS regions by country</b>				
	<b>State</b>	<b>NUTS 1 regions</b>	<b>NUTS 2 regions</b>	<b>NUTS 3 regions</b>
<b>ukf2</b>			<b>Leicestershire, Rutland and Northhamptonshire</b>	
ukf21				Leicester City
ukf22				Leicester CC and Rutland
ukf23				Northhamptonshire
<b>ukf3</b>			<b>Lincolnshire</b>	<b>Lincolnshire</b>
<b>ukh</b>		<b>Eastern</b>		
<b>ukh1</b>			<b>East Anglia</b>	
ukh11				Peterborough
ukh12				Cambridgeshire CC
ukh13				Norfolk
ukh14				Suffolk
<b>ukh3</b>			<b>Essex</b>	
ukh31				Southend-on-Sea
ukh32				Thurrock
ukh33				Essex CC
<b>ukj</b>		<b>South East</b>		
<b>ukj4</b>			<b>Kent</b>	
ukj41				Medway
ukj42				Kent CC
<b>ukm</b>		<b>Scotland</b>		
<b>ukm1</b>			<b>North Eastern Scotland</b>	
ukm10				Aberdeen City, Aberdeenshire and North East Moray
<b>ukm2</b>			<b>Eastern Scotland</b>	
ukm21				Angus and Dundee City
ukm22				Clackmannanshire and Fife
ukm23				East Lothian and Midlothian
ukm24				The Scottish Borders
ukm25				Edinburgh, City of
ukm26				Falkirk
ukm27				Perth and Kinross, Stirling
ukm28				West Lothian
<b>ukm4</b>			<b>Highlands and Islands</b>	
ukm41				Caithness and Sutherland, Ross and Cromarty
ukm42				Inverness and Nairn, Moray, Badenoch and Strathspey
ukm45				Orkney Islands
ukm46				Shetland Islands

**Table 1: Participating regions in the non-member state of Norway**

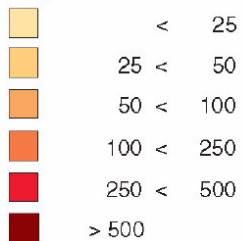
State	NUTS 1 regions	NUTS 2 regions	NUTS 3 regions
Norway			Østfold Akershus Oslo Hedmark Oppland Buskerud Vestfold
			Telemark Aust-Agder Vest-Agder Rogaland Hordaland Sogn og Fjordane Møre og Romsdal Sør-Trøndelag Nord-Trøndelag Nordland Troms Finnmark

## APPENDIX 2.2 MAPS

Map 1:

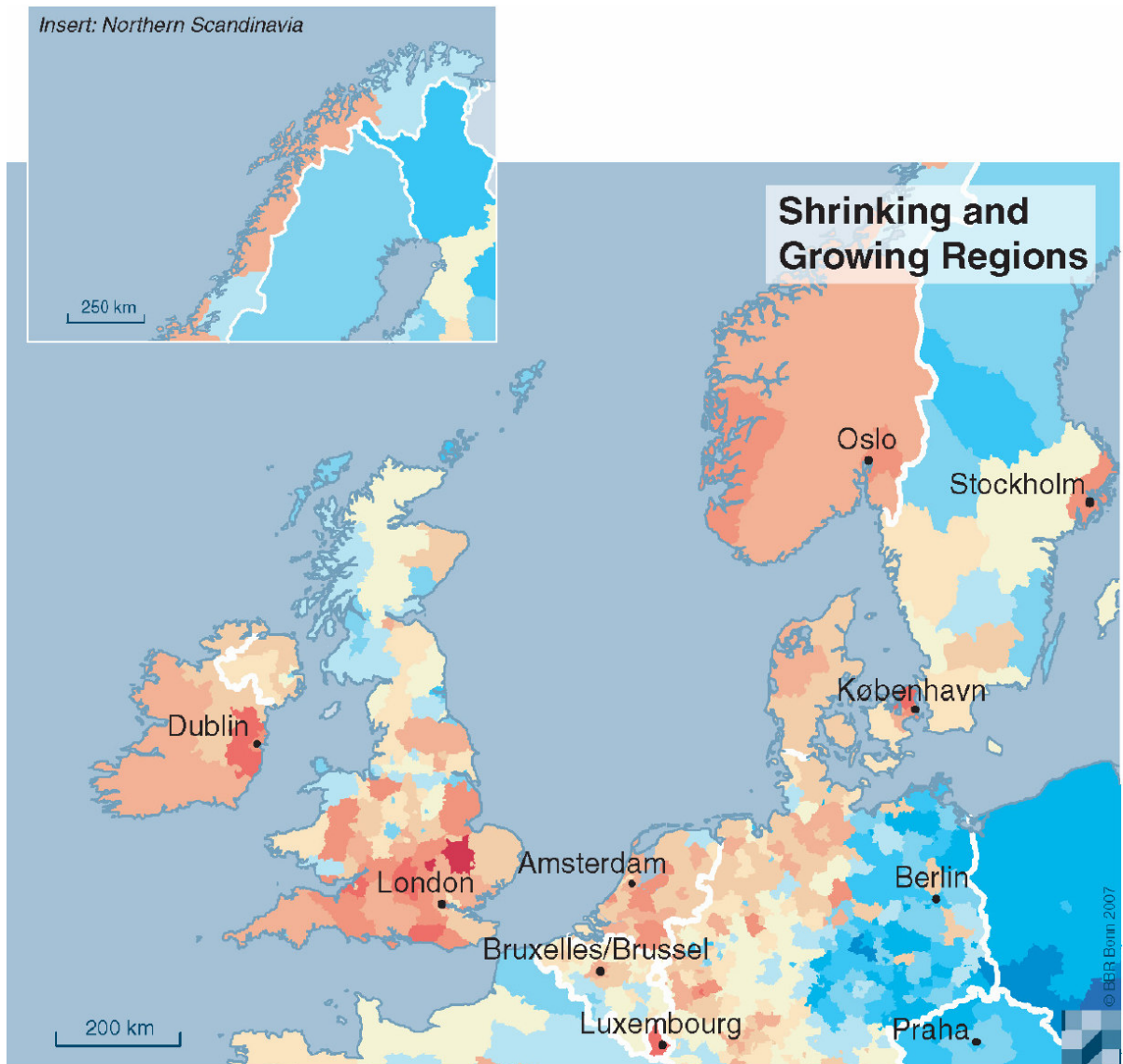


**Population density 2000, inhabitants per km<sup>2</sup> including accessible population in a 50km radius, weighted by distance**

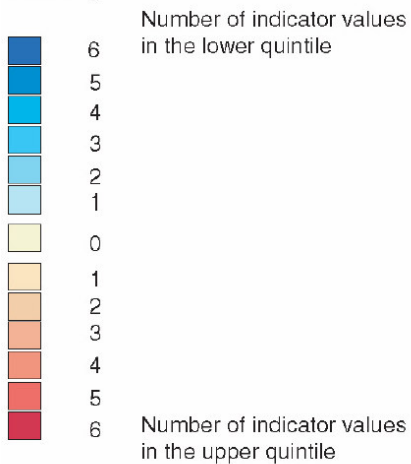


Continuous Spatial Monitoring System of the BBR  
 Database: National and federal statistical offices,  
 ATKIS: Basis-DLM,  
 LOCAL Demographie - infas GEOdaten  
 Geometric Basis: Eurostat GISCO

**Map 2:**



**Shrinkage**



**Indicators used**

- ◆ Population development 1995 - 2002
- ◆ Development of jobnumbers 1995-2000
- ◆ Migratory balance 1995 - 2000
- ◆ Unemployment rate 2003
- ◆ Gross Domestic Product 2002
- ◆ Purchasing Power 2001

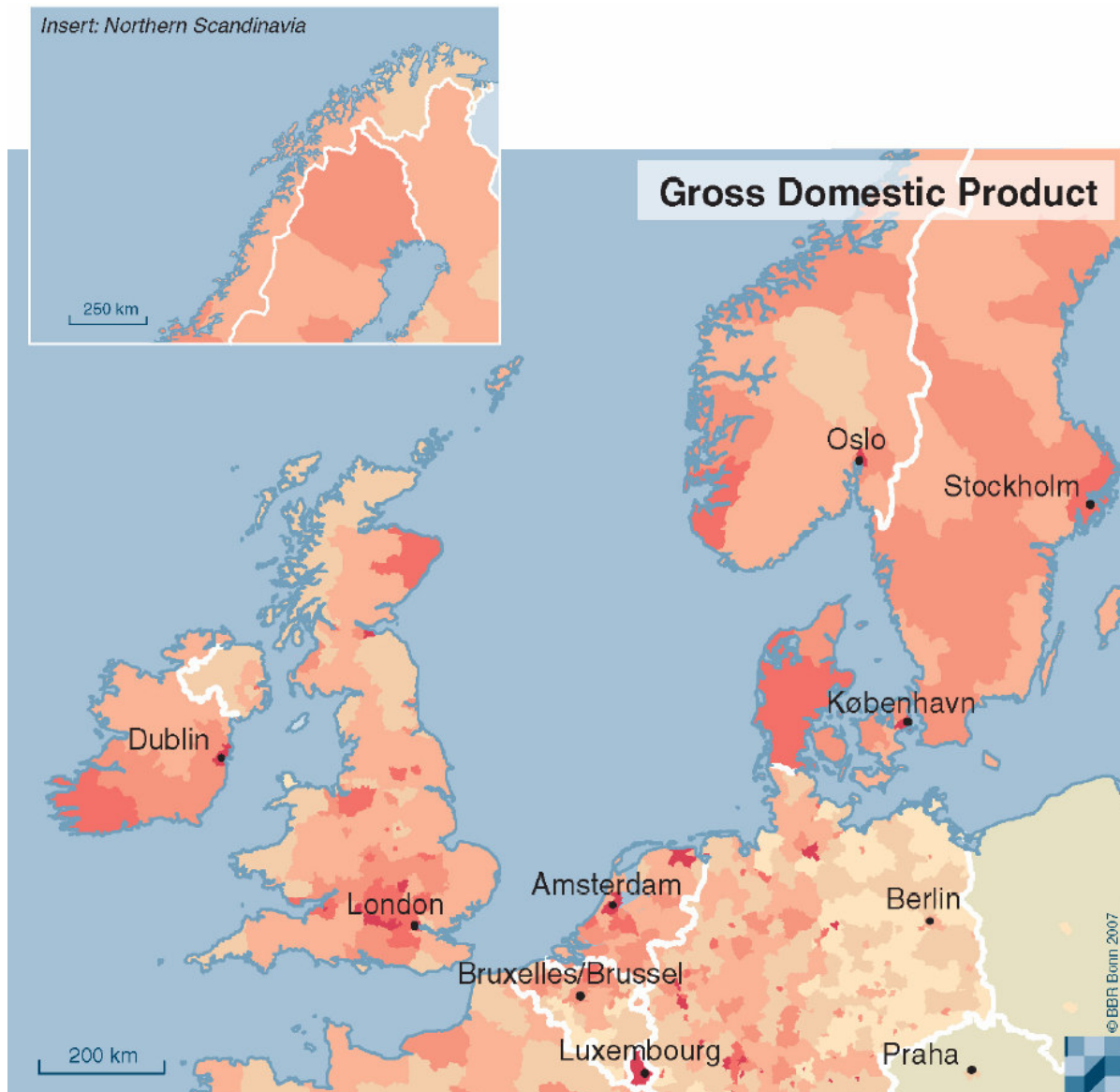
Due to lack of data, Bulgaria, Romania and Slovenia could not be considered in this analysis.

N.U.T.S. 3

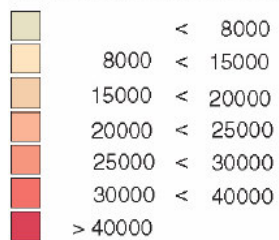
Source: Eurostat, OECD, GfK Marktforschung, Continuous Spatial Monitoring System of the BBR

**Growth**

**Map 3:**

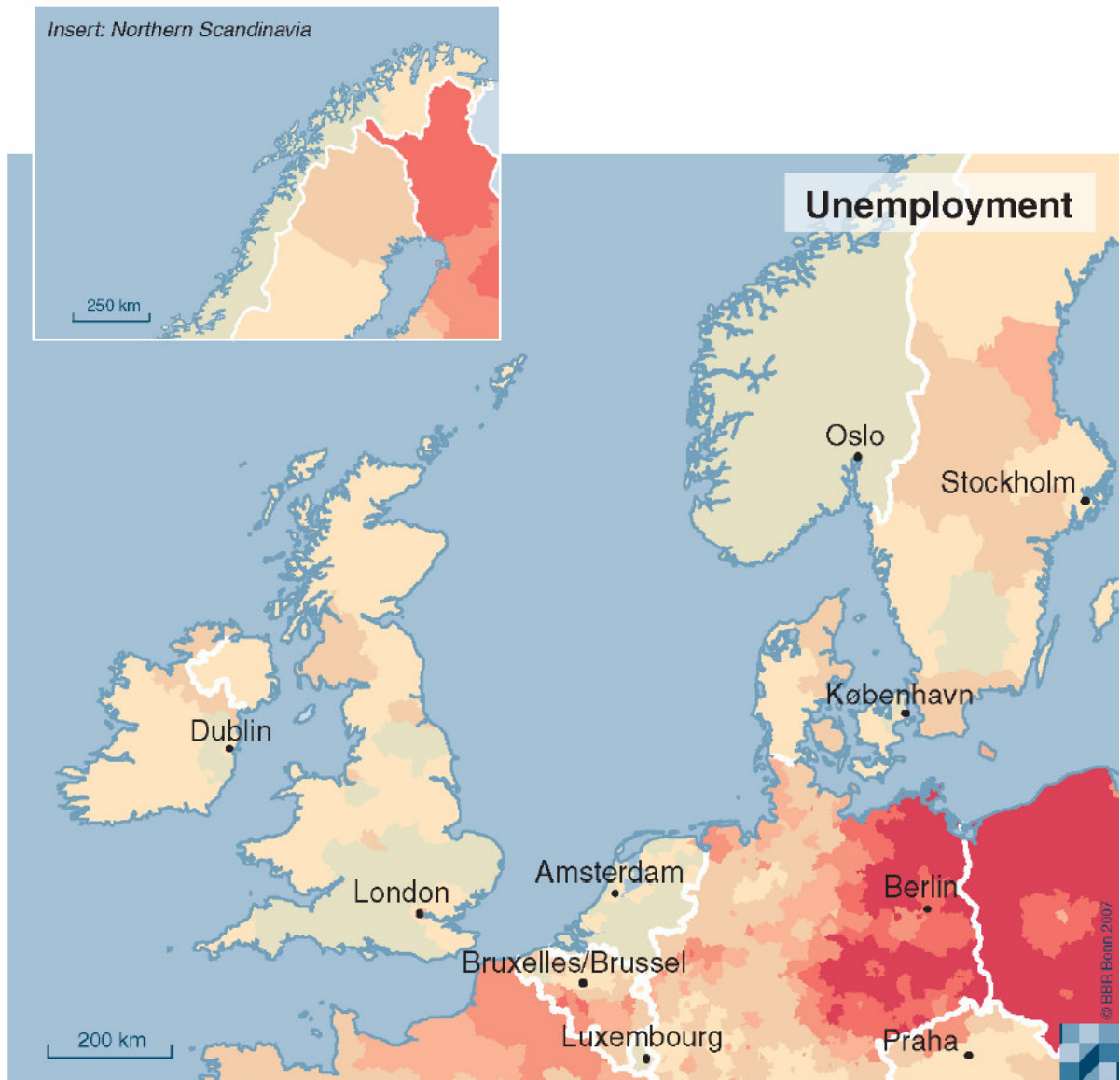


**Gross Domestic Product \* 2002 in € per inhabitant**

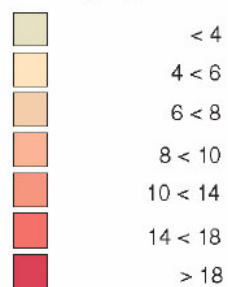


\* Norway and Switzerland 2000, Data of OECD  
 N.U.T.S. 3  
 Source: Eurostat, OECD,  
 Continuous Spatial Monitoring System of the BBR

**Map 4:**



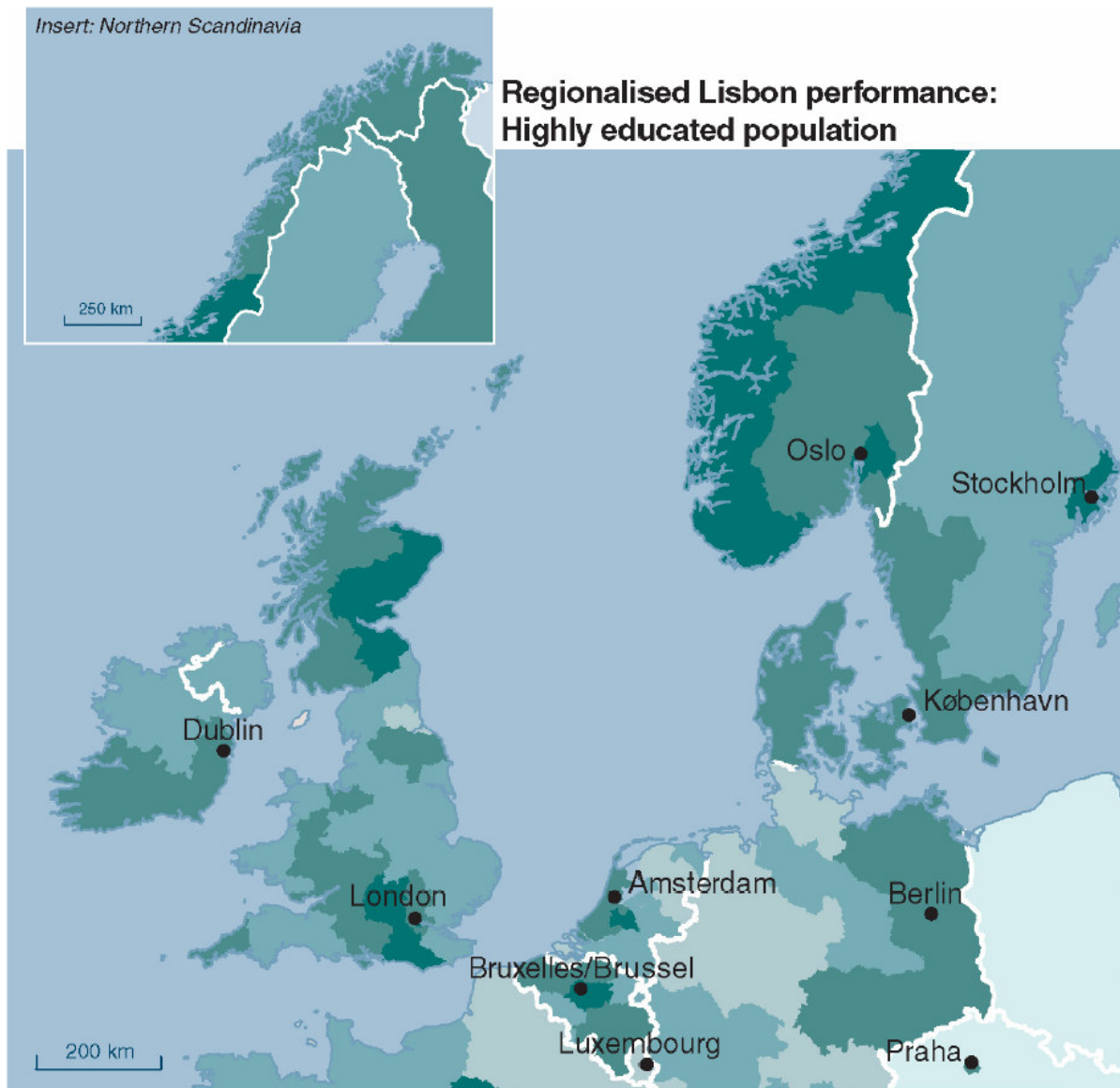
**Unemployment rate\* 2003 in %**



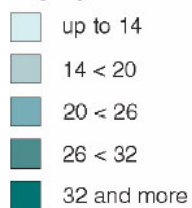
\* Norway and Switzerland 2000, Data of OECD  
N.U.T.S. 3

Source: Eurostat, OECD,  
Continuous Spatial Monitoring System of the BBR

Map 5:

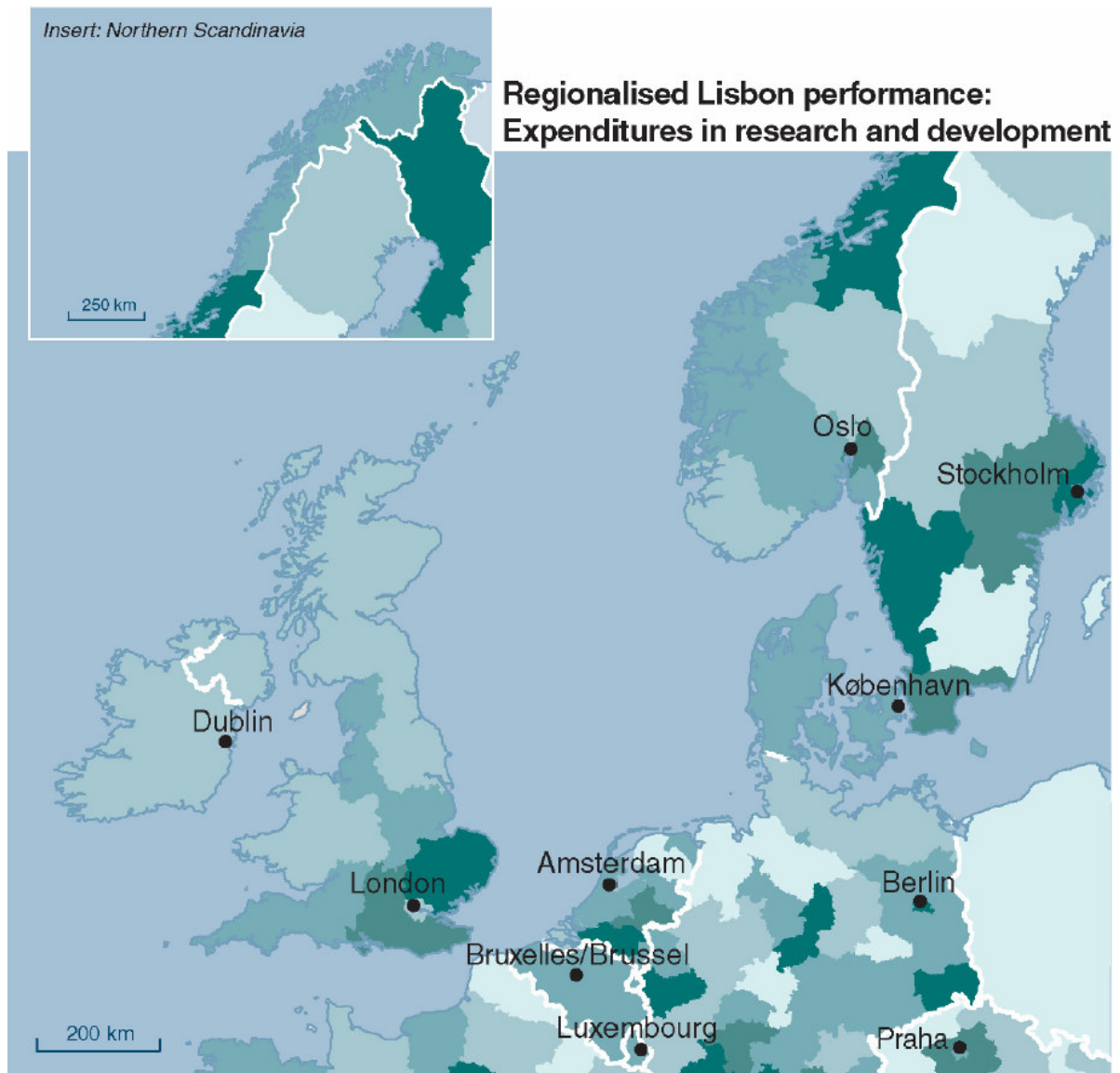


**Highly educated population in %, 2002**

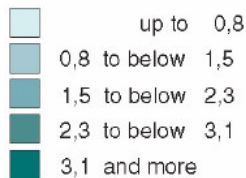


© EuroGeographics Association for administrative boundaries  
Regional level: NUTS 2  
Origin of data: Project 3.1, TAURUS  
Source: ESPON Project 2.4.2, BBR, modified.

**Map 6:**

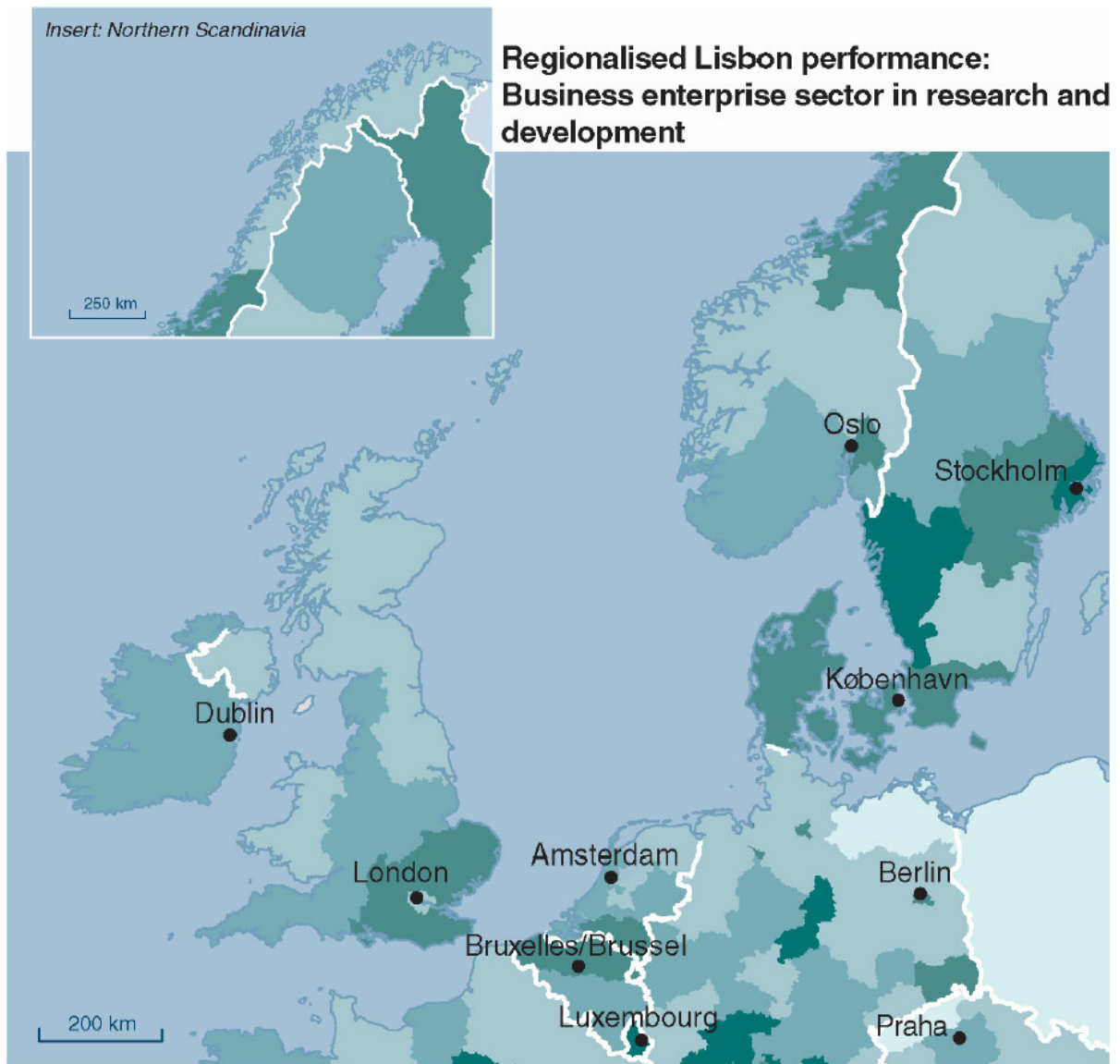


**Share of expenditures on R&D in  
total Gross domestic product 2001 in %**

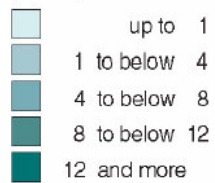


© EuroGeographics Association for administrative boundaries  
Regional level: NUTS 2  
Origin of data: ESPON Project 3.1, TAURUS  
**Source: ESPON Project 2.4.2, BBR, modified.**

**Map 7:**

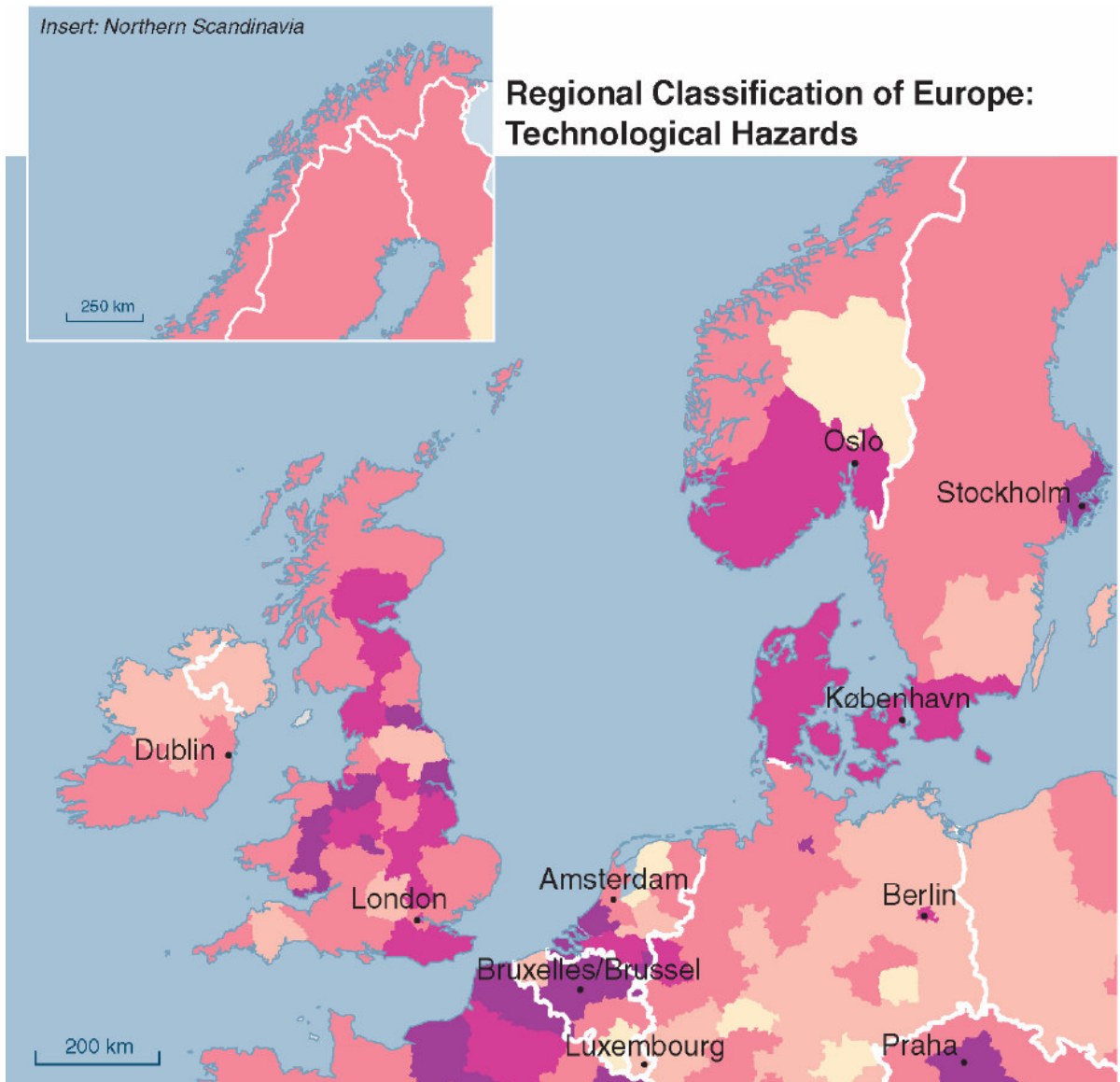


**Personell in R&D business enterprise sector  
per 1,000 active persons 2001**



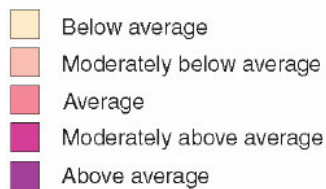
© EuroGeographics Association for administrative boundaries  
 Regional level: NUTS 2  
 Origin of data: Project 3.1, BBR  
**Source: ESPON Project 2.4.2, BBR, modified.**

**Map 8:**



**Degree of technological hazard exposure as an aggregate of 2 indicators:**

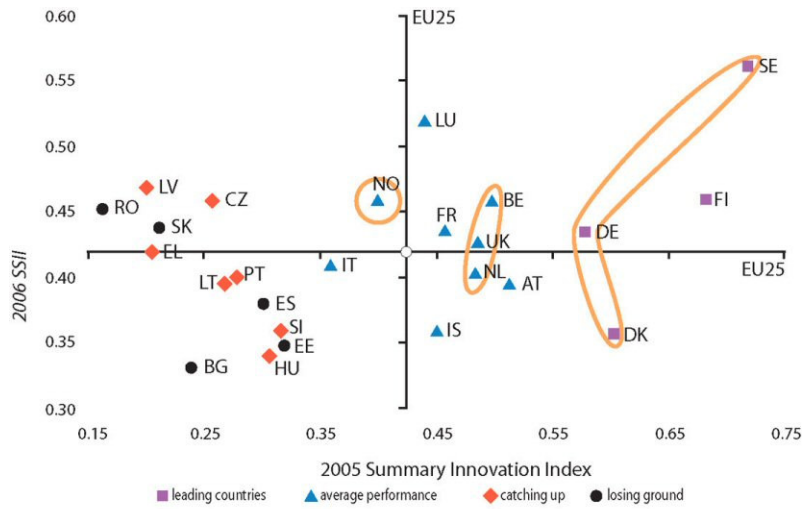
- Oil hazards -
- Chemical plants (Density of chemical plants) -



© EuroGeographics Association for administrative boundaries  
Regional level: NUTS 2  
Origin of data: ESPON 1.3.1 GTK,  
ESPON 2.4.2 BBR, own calculations  
Standardised based on the European mean value  
**Source: ESPON Project 2.4.2, BBR, modified.**

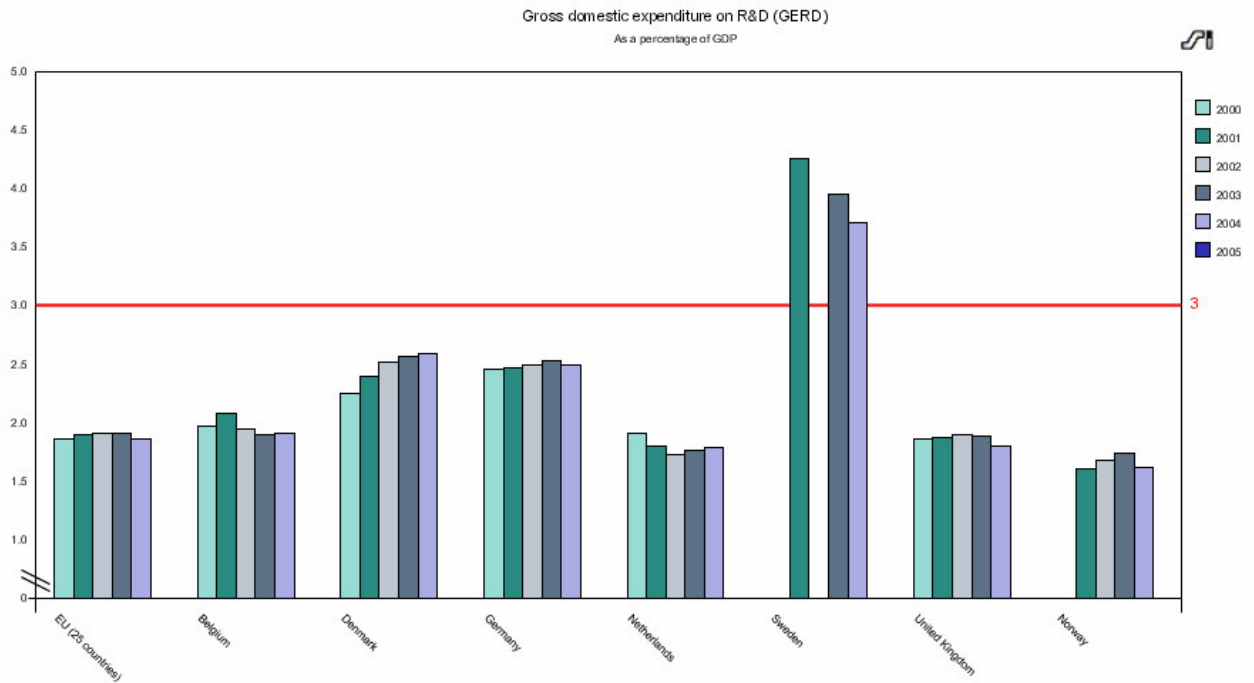
## APPENDIX 2.3 FIGURES

Figure 1: 2005 EIS (Summary Innovation Index) plotted against 2006 SSII



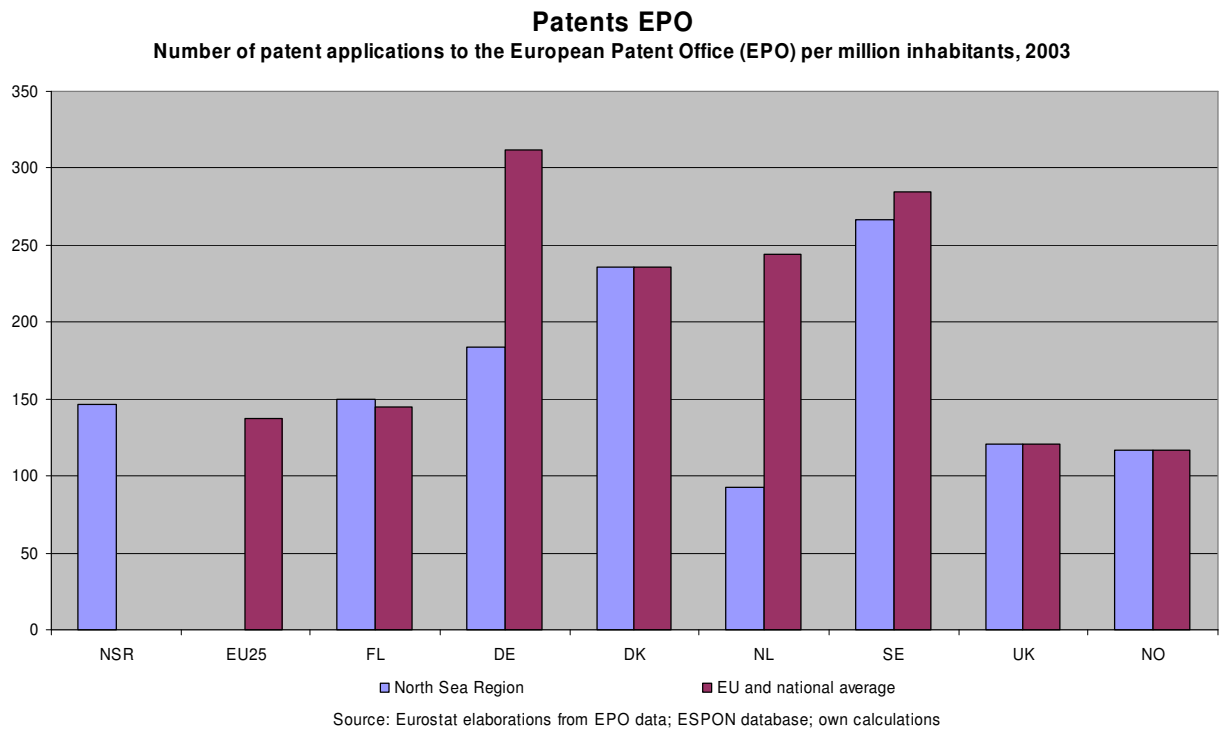
Source: European Innovation Scoreboard, 2006. Modified.

Figure 2: Gross Domestic Expenditure on R&D (GERD)

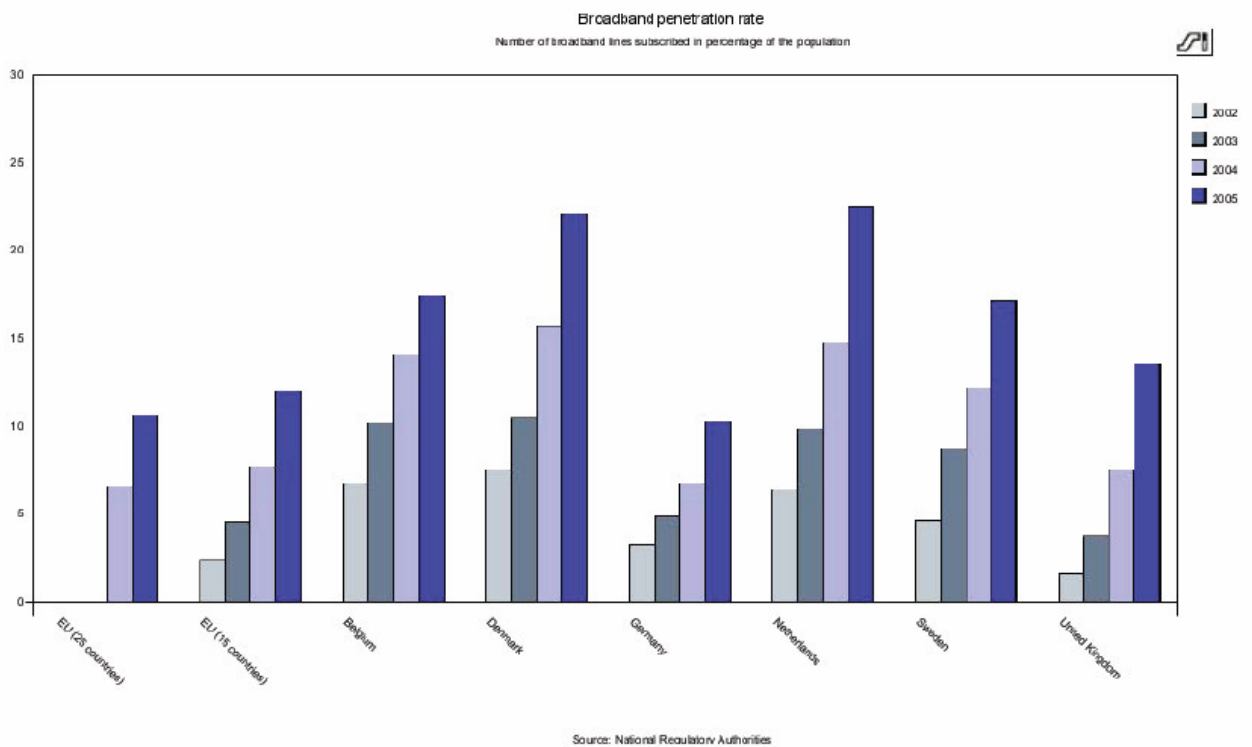


Source: Eurostat, OECD

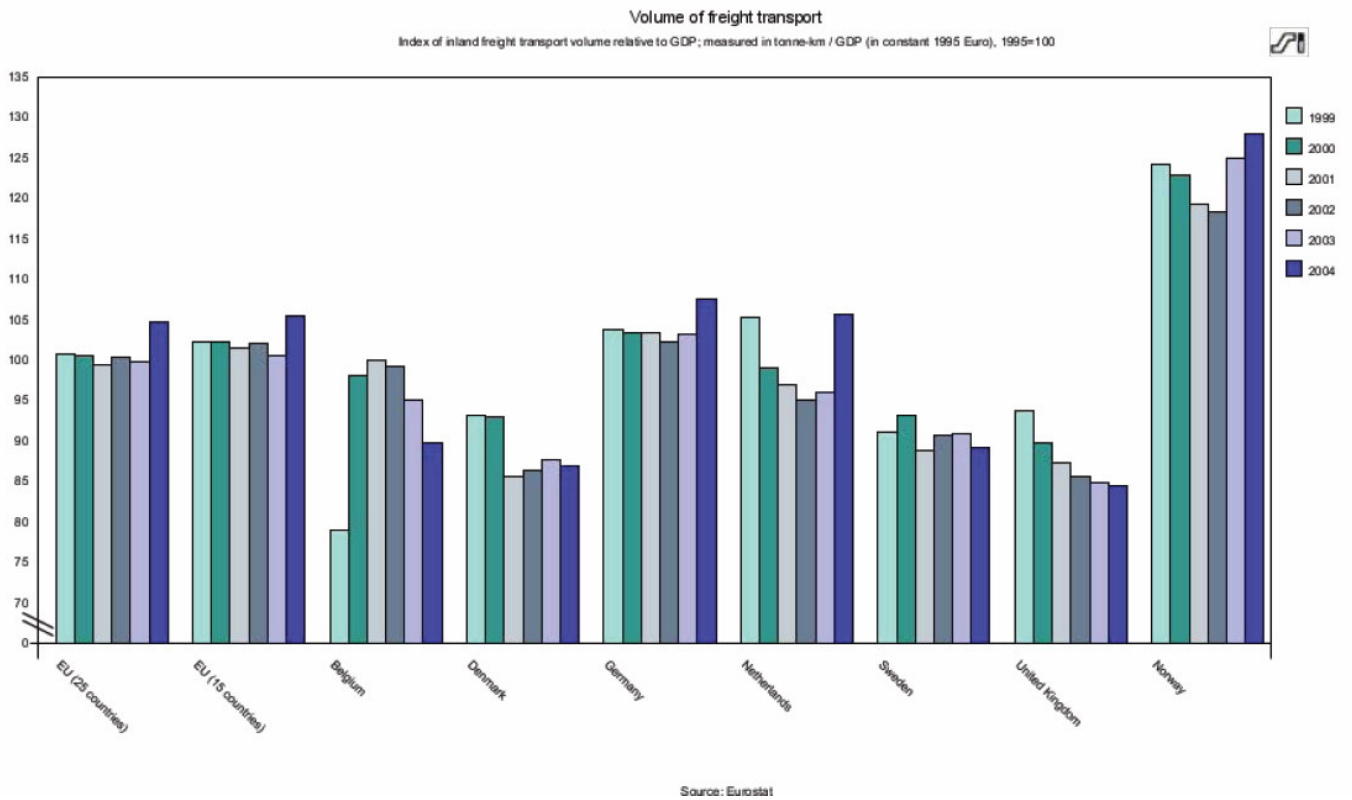
**Figure 3: Patent applications to EPO**



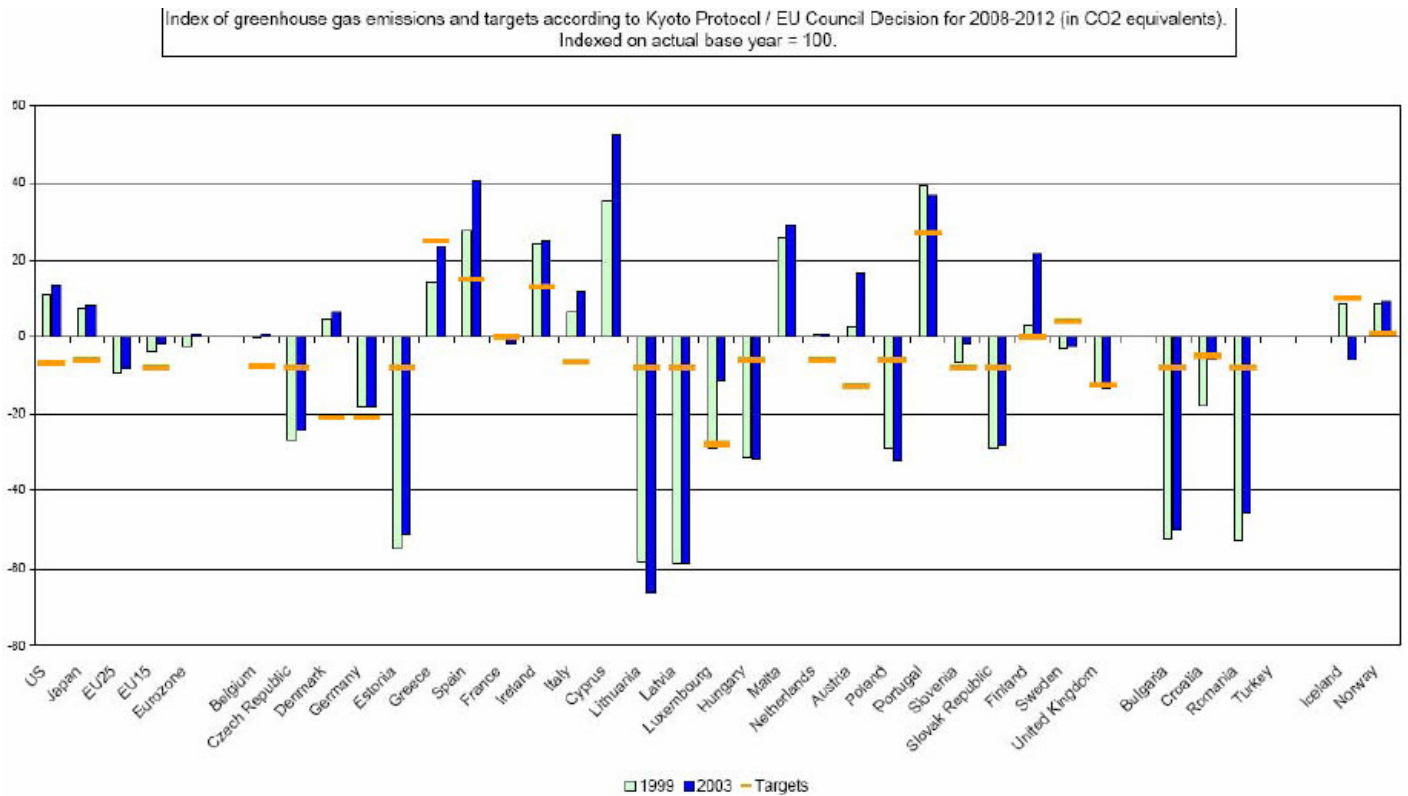
**Figure 4: Broadband Penetration Rate**



**Figure 5: Volume of Freight Transport**



**Figure 6: Total Greenhouse Gas Emissions**



Sources: European Environment Agency, European Topic Centre on Air and Climate Change, United Nations Framework Convention on Climate Change

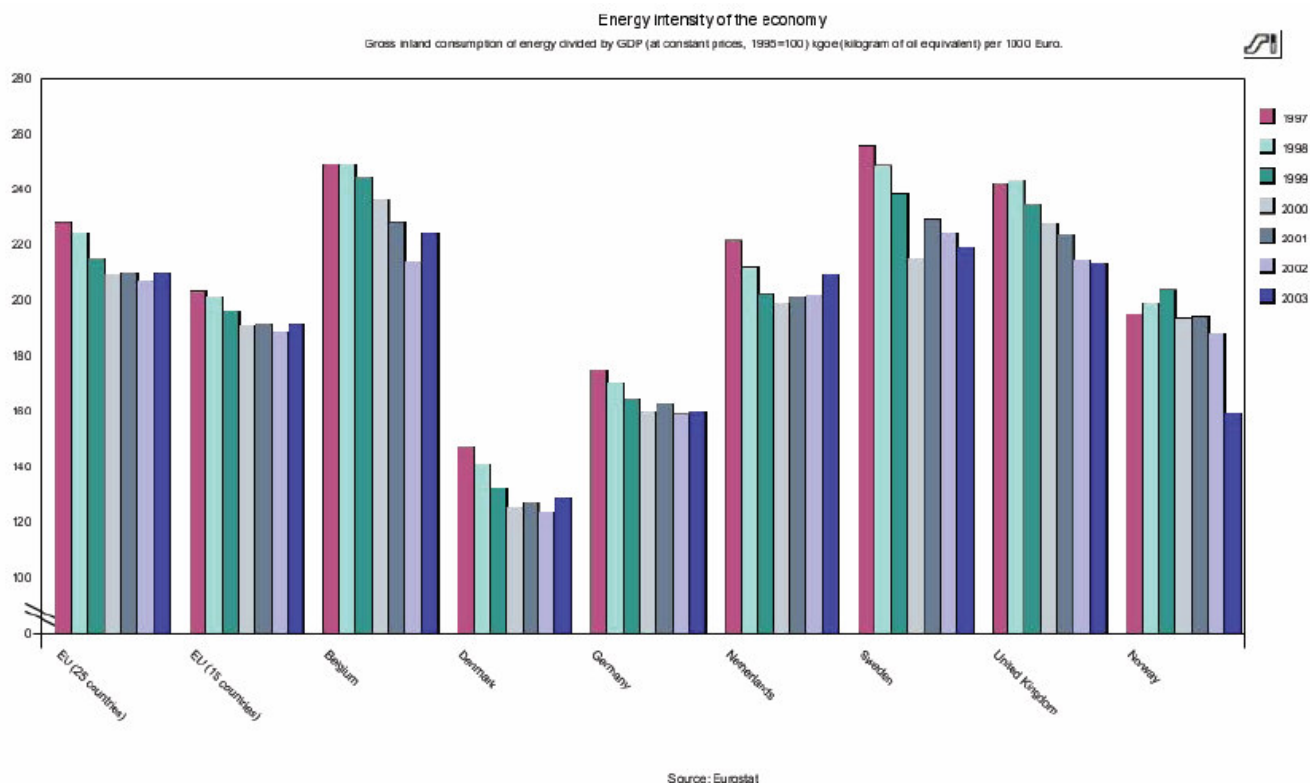
Notes:

Country values reflect the distance to the targets established under the EU Burden Sharing Agreement (Council Decision 2002/359/EC).

The US has indicated its intention not to ratify the Kyoto Protocol. Total GHG emissions comprise the Kyoto basket of 6 greenhouse gases: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs and SF<sub>6</sub>. Data exclude emissions and removals due to land use change and forestry (LUCF).

Eurozone: Eurostat estimates

**Figure 7: Energy Intensity of the Economy**



**Table 2: Share of SMEs in the North Sea Region Economies (except Norway)**  
*Breakdown of main indicators by enterprise size class, non financial business economy (NACE Sections C-I and K), 2003 (%share of total)*

<b>Number of Enterprises</b>	<b>EU-25</b>	<b>BE</b>	<b>DK</b>	<b>DE</b>	<b>NL</b>	<b>SE<sup>(2)</sup></b>	<b>UK</b>
SMEs and Micro (1-249) <sup>(1)</sup>	99.8	99.8	99.7	99.5	99.7	99.7	99.6
Large (250+)	0.2	0.2	0.3	0.5	0.3	0.3	0.4
<b>Number of persons employed</b>							
SMEs and Micro (1-249)	67.1	44.9*	44.5*	60.2	47.5*	41.3*	53.8
Large (250+)	32.9	:	:	39.8	:	:	46.2
<b>Turnover</b>							
SMEs and Micro (1-249)	58.1	64.8	65.9	47.4	60.1	:	49.7
Large (250+)	41.9	35.3	34.1	52.6	36.9	:	50.3
<b>Value added</b>							
SMEs and Micro (1-249)	57.3	38.3*	44.6*	52.4	:	36.7*	50.5
Large (250+)	42.7	:	:	47.6	:	:	49.4

*(1) Includes figures for Micro (1-9), Small (10-49), and Medium (50-249) enterprises.*

*(2) All NACE Sections C to G data, 2002.*

*\* Data for either small (10-49) or medium (50-249) enterprises not available.*

*Source: Eurostat SBS size class. Modified.*

## APPENDIX 3.1 NATIONAL STRATEGIC REFERENCE FRAMEWORKS

### Summary

#### Denmark

**Aim:** The overall aim of the Danish strategy is to create the best framework conditions for growth for the Danish enterprises, especially the SME's.

**Priorities:**

- Innovation and knowledge (ERDF)
- Qualification of the workforce (ESF)
- Creation of new jobs and enlargement of the workforce (ESF)

**Relevant national policies and programmes:**

Under the heading “innovation and knowledge (ERDF)”, support actions focus on particular on the following areas:

- Develop the regional innovation capacity
- Stimulate the co-operation between for example enterprises and education and knowledge institutions on innovation
- Develop clusters
- Public and private business services on development of enterprises, networking and entrepreneurship
- Develop new financial engineering instruments to entrepreneurs
- Promote entrepreneurship
- Develop the utilisation of ICT

Under the heading “qualification of the workforce (ESF)”, support actions focus on particular on the following areas:

- Networking activities between higher education institution, research and technological centres and enterprises
- Strategies on innovation
- Develop the utilisation of ICT

Under the heading “creation of new jobs and enlargement of the workforce (ESF)”, support actions focus on particular on the following areas:

- Promote entrepreneurship and business start-ups

## Flanders

**Aim:** Strengthen competitiveness and attractiveness of the Flemish economy, further development of Flanders as knowledge region and entrepreneurial region with attention for sustainable and balanced development of urban and rural areas.<sup>16</sup>

**Priorities:**

- Promote and stimulate knowledge economy and innovation
- Stimulate entrepreneurship
- Optimise external spatial – economic factors
- Improve urban development

The Flemish region also takes into account the horizontal priorities – territorial dimension, sustainable development and environment, interregional co-operation.

**Relevant national policies and programmes:**

Under the heading “promote and stimulate knowledge economy and innovation”, support actions focus on particular on the following areas<sup>17</sup>:

- Support actions for improved knowledge transfer (knowledge brokers, facilitating access to strategic and job specific knowledge, individual and collective support by knowledge actors, business modelling)
- Set-up co-operation initiatives, stimulating interaction between different actors (creating networks, clusters, platforms)
- Support innovation with a view on eco-efficiency, sustainable production and consumption patterns, attention for environmental and energy technologies and system innovation
- Implement a broader sense of innovation in typical sectors of rural economy (tourism, regional branding)
- Support innovative economic activity

Under the heading “stimulate entrepreneurship”, support actions focus on particular on the following areas:

- Better information on risk capital/financing

Under the heading “optimize external spatial-economic factors”, support actions focus on particular on the following areas:

- Improve external spatial-economic factors in order to create an attractive environment for the location and development of enterprises (including brownfield development)
- Optimising the logistical system, strengthening the ‘economic gates’
- Adapted policy according to area (for example other accents and/or enterprises in rural areas than in more urbanized areas), integrated localisation of business sites/industrial estates in rural areas
- Integral water management (flooding prevention, protecting the water quality, developing waterways in logistic network, attain the tourist and natural attraction of waterways)
- Develop a healthy and natural environment (in line with Natura 2000)

Under the heading “improve urban development”, support actions focus on particular on the following areas:

- Urban renewal – renewal of deprived urban areas (only for Antwerp and Ghent)

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<sup>16</sup> Reference is made to enhance competitiveness and economic growth and to further supporting the dynamic/momentum created by the current Interreg.

<sup>17</sup> Also applicable to other “programme areas” for Flanders.

- Improve the internal and external accessibility of urban areas and improve the attractiveness of cities
- Improve the living quality in urban areas

**NSRF and Objective 3:**

- The Flemish region has only rather general description of the aim of transnational co-operation. Reference is made to the importance of ever closer co-operation between European regions in order to enhance competitiveness and economic growth.

## Germany

**Aim:** The strategy of the German draft National Strategic Reference Framework has been organised around 3 main priorities, the so-called strategic funds-spanning priorities. For transnational co-operation, particular emphasis is put on integration of regions that are lacking in infra-structure and economic structure. Transnational co-operation is an important development factor for German towns and regions.

### **Priorities:**

- Innovation and expansion of the knowledge-society as well as strengthening of economic competitiveness
- Increasing of the attractiveness of regions for investors and inhabitants through sustainable urban and regional development
- Orientation of the labour market according to new challenges – more and better jobs

Germany also takes into account the horizontal priorities – environment – protection of nature and environment (addresses in particular the NSR conditions), equal opportunities, sustainable urban development.

Environment – protection of nature and environment:

- Realisation and compliance of EU environmental law and *acquis communautaire* regarding environmental issue (for instance the Water Framework Directive, Flora Fauna Habitat Directive e t c)
- Compliance of climate protection goals (Kyoto-Protocol)
- Compliance of national environmental standards within all funded regions and measures
- SEA for all projects with significant environmental impacts or effects
- Improvement of risk management as an important precondition for the security of regional economic locations
- Consideration of ecological sustainability within all measures strengthening the economic and social cohesion

Sustainable urban development:

- Integrative strategies regarding the prevention of concentration of economic, ecologic and social problems within urban regions
- Measures taking the changing demographic structures into account

### **Relevant national policies and programmes:**

Under the heading “innovation and expansion of the knowledge-society as well as strengthening of economic competitiveness”, support actions focus on particular on the following areas:

- Improvement of general conditions for entrepreneurial activities particularly the reduction of restraints regarding private initiatives and funding of medium-sized businesses
- Use of ecological innovations as competitive advantage

Under the heading “increasing of the attractiveness of regions for investors and inhabitants through sustainable urban and regional development”, support actions focus on particular on the following areas:

- Reduction of regional development restraints and disparities
- Need to adjust the related measures according to regional strength and weaknesses. Therefore particularly support for regions with weak industrial structure, urban problem as well as rural regions and regions depending on fishery

- Within these measures main importance is attached to ensuring and qualitative enhancing of infra-structure (both high-capacity transport and technological infra-structure)
- Furthermore targeted improvement of environmental quality as well as use of ecological potentials and realisation of ecological innovation

Under the heading “orientation of the labour market according to new challenges – more and better jobs”, support actions focus on particular on the following areas:

- Creation of new and competitive jobs
- Adjustment of labour market with regard to new challenges in the context of progressive globalisation and demographic change
- Further education and lifelong learning
- Expansion of knowledge-society and accomplishment of economic structural change

**NSRF and Objective 3:**

- Germany has only rather general description of the aim of transnational co-operation. Particular emphasis on integration of regions that are lacking in infra-structure and economic structure. Transnational co-operation as important development factor for German towns and regions.

## The Netherlands

**Aim:** The overall aim of the Dutch strategy is to boost the competitiveness of Dutch economy with the extra impetus from the European cohesion policy instruments in the coming years.

### Priorities:

- Innovation, entrepreneurship and knowledge economy
- Attractive regions and cities
- More and better jobs<sup>18</sup>
- Territorial priorities

### Relevant national policies and programmes:

Under the heading “innovation, entrepreneurship and knowledge economy”, support actions focus in particular on the following areas:

- The structural fund programmes can be committed especially to connecting the business community, promoting co-operation between businesses by granting aid to clustering.
- Structural funds can be committed for various forms of financial instruments, such as loans, guarantees and venture capital.
- The Dutch national policy is to “roll out” regional initiatives at national level in order to promote development of ICT services and use of ICT.

Under the heading “attractive regions and cities”, support actions focus in particular on the following areas:

- Transport: National, regional and local networks of road, water and public transport are interdependent. The essence of this is that the decision-making and implementation of the chosen measures are optimised via shared analysis of traffic and transport problems and solutions carried out by various parties concerned.
- Strengthening the interaction between environmental protection and growth: The aim is to ensure attractive conditions for businesses and their highly-skilled staff by means of land-use planning which reduces urban sprawl and by maintaining the physical environment, including natural and cultural assets.
- Renewable energy: This action must be linked to the field of “innovation, entrepreneurship and knowledge economy”, in particular when it comes to investments.

### NSRF and Objective 3:

The section on transnational territorial cooperation makes reference to Rotterdam agenda and 4 ERDF themes (innovation, environment, accessibility, and sustainable urban development). Content is in outline to allow flexibility for transnational discussions on content of the programmes.

Innovation: transnational cooperation to strengthen links between universities and to stimulate knowledge exchange

Environment: river flood protection, maintenance of large natural areas, biodiversity, natural resources, improvement of water quality and impacts of recreation and tourism activities on water quantity and quality. Energy efficiency and risk prevention, external safety (minimisation of natural and technological risks, e.g. through innovative transportation of hazardous substances). Maritime safety and environmental improvements in ports, but also planning and environmentally-responsible installation of energy infrastructures.

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<sup>18</sup> Corresponds mainly to Objective 2 incentives – increasing adaptability, increasing the labour supply, more and more effective investment in human capital.

Accessibility: joint studies on structure planning, track decisions and cross-border PPP constructions, traffic management models and small-scale investments such as connections to main infrastructure. Integrated approach is promoted, such as the development of the Amsterdam-Paris axes or the main structure connecting to Eastern Europe. Water transport, e.g. 'river information systems' and cooperation between ports.

Sustainable urban development: development and improvement of urban networks and urban-rural relationships.

Investments should be of pilot character, given the limited budget which does not allow large-scale strategic projects to be undertaken.

Cross-programme cooperation (specificly mentioned for North Sea and Baltic Sea (applying the flexibility rule).

- The Dutch Cabinet supports the Commission's idea that this can take place via strategic structuring projects within transnational co-operation. Furthermore, the Dutch Cabinet is striving for close co-operation between the North Sea Region Programme and the Baltic Sea region regarding the policy areas of public duties in ports, development of coastal traffic and energy safety, where possible on the basis of the 20% flexibility across borders for programmes proposed in the draft Regulation or with reference to the option of an associated region for specific measures.

## Norway

**Aim:** The objective of the rural and regional policy of Norway is to sustain the current pattern of urban and rural settlements while facilitating economic development in all parts of the country.

**Priorities:**

- Ensure that sector policies promote rural and regional policy objectives; to this end, a new Government Committee on Rural and Regional Policy has been appointed.
- Draft a differentiated land use policy and promote the use of regional plans in important areas of community life.

**Relevant national policies and programmes:**<sup>19</sup>

- Local welfare and development capacity
- An active rural and regional business development strategy
- Targeting business development and job creation outside the main urban centres by means of sector-specific initiatives

**The national strategy and Objective 3:**

- Norway has only rather general description of the aim of the transnational activities in the government's policy for rural and regional development, where parts could be linked to transnational activities (even though it is not mentioned explicitly). The Norwegian government would like to see cities and towns acting as generators of national and regional development. The Norwegian government plans to introduce a White Paper on the Greater Oslo area in the autumn 2006.

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<sup>19</sup> Targeted actions specified under this headline are: culture based business, sustainable tourism, agricultural policy, conservation, management and development of protected areas, fishery and aquaculture, oil industry in the North, alternative sources of energy, development of attractive places, good infrastructure for the entire country, promoting higher education and R&D in all parts of the country. Most of these actions support not only Objective 3, but also Objective 2 areas of activities.

## Sweden

**Aim:** The national strategy for regional competitiveness, entrepreneurship and employment 2007–2013 shall help to create competitive regions and individuals in Sweden.

### **Priorities:**

- Innovation and renewal
- Skills supply and improved workforce supply
- Accessibility
- Strategic cross-border cooperation

### **Relevant national policies and programs:**

Under the priority “Innovation and renewal” ERDF supports actions such as:

#### Innovative environments

- Promote cooperation between research and development, industry and the public sector, develop initiatives for more effective interaction within innovation systems and clusters.
- Encourage an international exchange of knowledge and cooperation between higher education and industry.
- Promote development of regional profiles and specialisation.
- Protect natural environments, culture and cultural heritage in the development of innovative environments.
- Encourage the capacity for innovation in industry by promoting new knowledge, particularly within small and medium-sized businesses.
- Improving businesses’ ability to benefit from new knowledge from universities and research institutes.
- Develop structures which encourage the transfer of knowledge between businesses.
- Promote businesses’ ability to develop new products and services.
- Promote commercialisation of research results and ideas from higher education, industry and other players.

#### Entrepreneurship

- Promote a favourable culture of entrepreneurship and enterprise.
- Promote initiatives which facilitate starting of new businesses.
- Develop strategic forms of cooperation between businesses.
- Support businesses’ capital procurement where the market provisions are not satisfactory.
- Facilitate the development of industry by a greater international exchange of business, and stronger positions on the foreign markets.
- Exploit the opportunities created by sustainable use of natural resources, e.g. by promoting development and greater use of renewable energy sources.
- Use changing to a more sustainable energy system as a driving force for developing technology, products and services.
- Encourage ongoing development of business based on natural environments, culture and cultural heritage to promote socioeconomic development
- Encourage continued development of natural and cultural tourism.

Under the priority “Skills supply and improved workforce” ESF supports actions such as:

- Promote such skills development as to ensure that those already employed do not risk unemployment due to not having the skills required.
- Make it easier for those who find themselves far outside the labour market to enter and remain in the market through non-traditional initiatives.
- Prevent and combat discrimination and exclusion from the labour market.
- Prevent long-term sick leave and facilitate return to work, for those who are or who have been on long-term sick leave, through innovative initiatives.

Under the priority “Accessibility” ERDF supports actions such as:

#### Regional enlargement

- Strengthen the link between traffic and infrastructure measures.
- Develop interaction between different types of transport.
- Develop passenger transport which improves accessibility and which creates better conditions for regional enlargement.

#### An advanced information society

- Encourage and facilitate the use of ITC in small and medium-sized businesses.
- Develop products and services, both private and public, which aim to improve accessibility to, and use of, ITC for people and businesses.
- Continue to develop broadband solutions in sparsely populated and rural areas.

#### **NSRF and Objective 3:**

Under the priority “Strategic cross-border cooperation” ERDF supports actions such as:

- Minimise obstacles for cross-border commuters and businesses which carry out cross-border operations.
- Promote cross-border network cooperation between businesses.
- Develop cross-border cooperation solutions to increase access to key community functions.
- Promote closer cooperation across national borders in order to strengthen innovative environments.
- Contribute to improve communications between the Nordic metropolitan regions.
- Promote sea motorway initiatives across the Baltic in order to improve the effectiveness of transportation within the European union and to improve peripheral regions’ accessibility.
- Promote cross-border cooperation for sustainable and innovative use and development of natural resources, culture and cultural heritage.
- Promote closer cooperation on environmental issues in the Baltic and the North Sea.

## **United Kingdom (UK)**

**Aim:** The overall aim of the UK strategy is to maintain macroeconomic stability, raise the rate of sustainable growth and improve the economic performance of every UK region.

### **Priorities:**

- Promoting innovation and knowledge transfer
- Stimulating entrepreneurship and enterprise
- Upskilling intermediate job sector employees
- Reducing the numbers of economic inactive
- Building sustainable communities
- Improving access and connectivity

The UK also takes into account the horizontal priorities sustainable development, production and consumption, equal opportunity and non-discrimination and environmental sustainability.

### **Relevant national policies and programmes:**

Due to the comments raised above, only general comments are made in order to support actions (which is in line with the 4 priorities of the NSRF):

- All structural fund programmes to include integrated strategies for environmental concerns and sustainable development
- Special encouragement to innovate environmental technology
- Special focus on addressing market failure to provide goods or services

### **NSRF and Objective 3:**

- The NSRF for the UK envisage that priorities for the Objective 3 programmes can be developed in close consultation with the other Member States co-operating in these programmes. The Government remains thus firmly committed to the future co-operation objective programme that the UK is eligible for in the 2007 – 2013 period.

## APPENDIX 3.2 OVERVIEW OF POLICY FRAMEWORKS AND FUNDING PROGRAMMES RELEVANT FOR THE NSR

Review of EU initiatives with connection to the future North Sea Region Programme (2 May 2006)

Priority	Title	Type / funding available	Period covered	Aim / themes / priorities	Link to other initiatives	Status	Website
<b>PROGRAMMES</b>							
<b>INNOVATION</b>	FP7 Research Framework Programme	Funding programme Expected budget EUR 67.8bn	2007-2013	<p>Four specific programmes:</p> <p>1. Cooperation: to gain European leadership in key areas through co-operation of industry and research institutions. Support will be given to research activities carried out in trans-national cooperation, from collaborative projects and networks to the coordination of national research programmes.</p> <p>2. Ideas: To strengthen the excellence of our science base by fostering competition at European level. An autonomous European Research Council will be created to support "frontier research" carried out by research teams, either individually or in partnership, competing at European level, in all scientific and technological fields, including engineering, socio-economic sciences and the humanities.</p> <p>3. People: To reinforce career prospects and mobility for researchers. Activities supporting individual researchers, ("Marie Curie" actions), will be reinforced with the aim of strengthening the human potential of European research through support to training, mobility and the development of European research careers.</p> <p>4. Capacities: To develop research capacities: research infrastructures; regional research driven clusters; stimulating the research potential in the EU's "convergence" regions; clustering regional actors in research to develop "regions of knowledge"; research for and by SMEs; "science in society" issues; "horizontal" activities of international co-operation.</p>		Commission proposal currently under discussion in Parliament and Council	<a href="http://europa.eu.int/comm/research/press/2005/pr0704-2en.cfm">http://europa.eu.int/comm/research/press/2005/pr0704-2en.cfm</a>

Priority	Title	Type / funding available	Period covered	Aim / themes / priorities	Link to other initiatives	Status	Website
	Competitiveness and Innovation Framework Programme	Framework Programme > EUR 4bn in total	2007-2013	Three specific programmes: <ul style="list-style-type: none"> <li>▪ Entrepreneurship and Innovation Programme</li> <li>▪ ICT Policy Support Programme</li> <li>▪ Intelligent Energy Programme</li> </ul>	Combines several existing EU activities Framework for 3 programmes (cf. themes)	Currently under discussion in Parliament and Council	<a href="http://europa.eu.int/comm/enterprise/enterprise_policy/cip/index_en.htm">http://europa.eu.int/comm/enterprise/enterprise_policy/cip/index_en.htm</a>
	Entrepreneurship and Innovation Programme	Funding programme	2007-2013	<ul style="list-style-type: none"> <li>▪ Support of SMEs by providing access to finance: sharing risks and rewards with private equity investors and providing co-guarantees to national guarantee schemes</li> <li>▪ Exchange of best practice between member states and evidence (innovation trendchart, innobarometer, innovation scoreboard)</li> </ul>	Part of Competitiveness and Innovation Framework Programme brings together activities from the Multiannual Programme for Enterprise and Entrepreneurship (MAP), activities for Industrial Competitiveness, the eco-innovation part of the LIFE-Environment programme, and innovation activities under the Research Framework Programme	Currently under discussion in Parliament and Council	<a href="http://europa.eu.int/comm/enterprise/enterprise_policy/cip/index_en.htm#entr">http://europa.eu.int/comm/enterprise/enterprise_policy/cip/index_en.htm#entr</a>

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	ICT Policy Support Programme	Funding programme EUR 728m	2007-2013	<ul style="list-style-type: none"> <li>▪ Stimulate the new converging markets for electronic networks, media content and digital technologies</li> <li>▪ Test solutions to the bottlenecks that delay wide European deployment of electronic services</li> <li>▪ Support the modernization of public sector services that will raise productivity and improve services</li> </ul>	Part of Competitiveness and Innovation Framework Programme  programme will build on the aims of the e-TEN, Modinis and e-Content programmes in line with the new integrated strategy i2010 - European Information Society 2010.	Currently under discussion in Parliament and Council	<a href="http://europa.eu.int/comm/enterprise/enterprise_policy/cip/index_en.htm#ict">http://europa.eu.int/comm/enterprise/enterprise_policy/cip/index_en.htm#ict</a>  <a href="http://europa.eu.int/information_society/activities/eten/new_sroom/programme/framework/index_en.htm">http://europa.eu.int/information_society/activities/eten/new_sroom/programme/framework/index_en.htm</a>
	eContent Plus	Funding programme EUR 149m	2005-2008	<ul style="list-style-type: none"> <li>▪ to tackle organisational barriers and promote take up of leading-edge technical solutions to improve accessibility and usability of digital material in a multilingual environment.</li> <li>▪ addresses specific market areas where development has been slow: geographic content (as a key constituent of public sector content), educational content, cultural, scientific and scholarly content.</li> </ul>		approved	<a href="http://europa.eu.int/information_society/activities/econtent_plus/index_en.htm">http://europa.eu.int/information_society/activities/econtent_plus/index_en.htm</a>
<b>ENVIRONMENT</b>	Sixth Environmental Action Programme		2002-2012	Preparation of seven thematic strategies: <ul style="list-style-type: none"> <li>▪ <a href="#">Air Pollution</a> (adopted 21/09/2005)</li> <li>▪ <a href="#">Prevention and Recycling of Waste</a> (adopted 21/12/2005)</li> <li>▪ <a href="#">Protection and Conservation of the Marine Environment</a> (adopted 24/10/2005)</li> <li>▪ <a href="#">Soil</a></li> <li>▪ <a href="#">Sustainable Use of Pesticides</a></li> <li>▪ <a href="#">Sustainable Use of Resources</a> (adopted 21/12/2005)</li> <li>▪ <a href="#">Urban Environment</a></li> </ul>	Cf. Thematic Strategies on air pollution, waste, marine environment, soil, sustainable use of resources and the urban environment	Adopted in 2002	<a href="http://www.europa.eu.int/comm/environment/newprg/index.htm">http://www.europa.eu.int/comm/environment/newprg/index.htm</a>
	'Intelligent Energy Europe' Programme	Funding programme EUR 250m grant rate usually 50%	2007-2013	Promotion of energy efficiency and renewable energy sources through projects and other actions: <ul style="list-style-type: none"> <li>▪ New and renewable energy sources (ALTENER)</li> <li>▪ Energy efficiency, notably in buildings and industry (SAVE)</li> <li>▪ Energy aspects of transport (STEER)</li> <li>▪ Cooperation with developing countries (COOPENER)</li> </ul>	Part of Competitiveness and Innovation Framework Programme	Currently under discussion in Parliament and Council	<a href="http://europa.eu.int/comm/energy/intelligent/index_en.html">http://europa.eu.int/comm/energy/intelligent/index_en.html</a>

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	LIFE+	Funding programme ca. EUR 2,2bn	2007-2013	<p><b>Objective:</b> Contribute to the development and implementation of EU environment policy and legislation, thus contributing to sustainable development under the 6<sup>th</sup> EAP priorities: climate change; nature and biodiversity; environment &amp; health; sustainable use of resources; strategic approaches to policy development; implementation and enforcement (incl. EIA and SEA); ex-post evaluation of Community environmental policy measures</p> <p><b>Priorities:</b>  <b>Implementation and governance</b> (75-80% of budget)  contribute to the development and demonstration of innovative policy approaches and instruments,  contribute to consolidating the knowledge base for the development, assessment, monitoring and evaluation of environmental policy and legislation,  support the design and implementation of approaches to monitoring and assessment of the state of the environment and the drivers, pressures and responses that impact on it,  facilitate the implementation of Community environment policy, with a particular emphasis on implementation at local and regional level,  provide support for better environmental governance, broadening stakeholder involvement, including that of non-governmental organisations, in policy consultation and implementation.  <b>Information and Communication</b> (20-25% of budget)  disseminate information and raise awareness on environmental issues,  provide support for accompanying measures (information, communication actions and campaigns, conferences, etc).</p>	6th Environmental Action Programme	Currently under discussion in Parliament and Council	<a href="http://europa.eu.int/comm/environment/life/news/futureoflife.htm">http://europa.eu.int/comm/environment/life/news/futureoflife.htm</a>

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<b>ACCESSIBILITY</b>	QuickStart Programme	Ca. EUR 60 bn until 2010	Until 2010	<p>Programme identifies key areas for investment in network and knowledge that can be under way in three years. Projects cover:</p> <p>1) Investing in networks</p> <ul style="list-style-type: none"> <li>▪ QuickStart Transport projects: segments of TEN-T segments, mainly cross-border rail connections, sea and inland waterways or road links interconnecting with other networks such as the “motorways of the sea”</li> <li>▪ Support of Galileo Satellite navigation system</li> <li>▪ 17 Potential Quick-Start Energy links (from energy TENs proposals)</li> <li>▪ 3 Broadband QuickStart projects: digital divide project (remote and rural areas), Mobile Communication and technologies project (research on the introduction of 3G mobile communication systems); ICT-based research network infrastructure project (upgrading the Géant network connecting universities and research centres)</li> </ul> <p>2) Investing in knowledge</p> <ul style="list-style-type: none"> <li>▪ focus on key technology sectors: nanoelectronics, next generation lasers, hydrogen as a source of energy and electricity</li> <li>▪ the EU's presence in space: GMES – continuing support for the new satellite-based Global system for Monitoring of the Environment and Security (expected to be fully operational by 2008); and a launch facility for Soyoz rockets</li> </ul>	TEN Structural Funds		<a href="http://europa.eu.int/eur-lex/en/com/rpt/2003/com2003_0690en01.pdf">http://europa.eu.int/eur-lex/en/com/rpt/2003/com2003_0690en01.pdf</a>
	Marco Polo II Programme	Funding programme EUR 740m	2007-2013	<ul style="list-style-type: none"> <li>▪ Reduce road congestion, improve the environmental performance of the freight transport system within the EU and enhance intermodality</li> <li>▪ Support of actions in the freight transport, logistics and other relevant markets, motorways of the sea and traffic avoidance measures.</li> </ul>	White Paper: European Transport Policy for 2010 – time to decide	Currently under discussion in Parliament and Council	<a href="http://europa.eu.int/comm/transport/marcopolo/index_en.htm">http://europa.eu.int/comm/transport/marcopolo/index_en.htm</a>
<b>SUSTAINABLE COMMUNITIES</b>	URBACT follow-up		2006-2013	Proposal for new framework programme to extend URBACT to cover all cities across Europe as well as the experience gained under individual national networks and the European Urban Knowledge Network (EUKN)	EUKN (www.eukn.org)	Continuation under discussion	<a href="http://www.urbact.org">www.urbact.org</a>

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	Culture 2007	Until 2006: 167m  From 2007: proposed budget of 408 m	From 2007	Three objectives: <ul style="list-style-type: none"> <li>Transnational mobility for everyone working in the cultural sector in the EU.</li> <li>The transnational circulation of works of art and cultural/artistic products.</li> <li>Dialogue intercultural.</li> </ul>		Continuation under discussion	Proposal: <a href="http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2004/com2004_0469en01.pdf">http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2004/com2004_0469en01.pdf</a>
<b>TERRITORIAL COOPERATION</b>	Interregional Co-operation (INTERREG IV C)	Operational Programme  Budget ERDF € 321m	2007-2013	Two Priorities: <ul style="list-style-type: none"> <li>Innovation and the knowledge economy</li> <li>Environment and risk prevention</li> </ul> Instrument delivering the 'Regions for Economic Change' initiative.	Other European Territorial Co-operation Programmes; objective 1 an 2 programmes	approval expected summer 2007	<a href="http://www.interreg3c.net">www.interreg3c.net</a>
	CBC Cross border programmes (INTERREG IV A)	€5.6 bn internal borders  €0.9 bn external borders	2007-2013	Those with relevance to the North Sea Region: <ul style="list-style-type: none"> <li>Skagerrak, Kattegat and Øresund</li> <li>Fyn K.E.R.N/Sønderjylland Schleswig to be combined - with new programme name</li> <li>UK-FR maritime CBC - tbc</li> <li>UK-FR-NL-BE maritime CBC – tbc</li> <li>Central Baltic CBC</li> <li>South Baltic Maritime CBC</li> <li>Other – tbc</li> </ul>	Other European Territorial Co-operation Programmes; objective 1 an 2 programmes	Still in development therefore relevance to the individual priorities still to be determined	Individual websites
<b>STRATEGIES</b>							
<b>ENVIRONMENT</b>	Thematic Strategy on the sustainable use of natural resources	Strategy Budget EUR 10,5m	2006-2030	Actions: <ul style="list-style-type: none"> <li>to improve the understanding and knowledge of European resource use, its negative environmental impact and significance in the EU and globally</li> <li>Develop tools to monitor and report progress in the EU, member states and economic sectors</li> <li>Foster the application of strategic approaches and processes both in economic sectors and in the member states and encourage them to develop related plans and programmes</li> <li>Raise awareness among stakeholders and citizens of the significant negative environmental impact of resource use.</li> </ul>	6 <sup>th</sup> EAP	Adopted December 2005	<a href="http://www.europa.eu.int/comm/environment/natres/index.htm">http://www.europa.eu.int/comm/environment/natres/index.htm</a>

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	Towards a thematic strategy for soil protection			<p>Actions in relation to the threats to soil</p> <ul style="list-style-type: none"> <li>▪ Monitoring soil threats</li> <li>▪ Future soil protection</li> </ul> <p>Three elements envisaged:</p> <ul style="list-style-type: none"> <li>▪ Communication on the principles of Community Soil protection Policy</li> <li>▪ A Soil Framework Directive</li> <li>▪ analysis of the environmental, economic and social impacts of the proposals</li> </ul>	6 <sup>th</sup> EAP	Strategy to be adopted in spring 2006	<a href="http://www.europa.eu.int/comm/environment/soil/index.htm">http://www.europa.eu.int/comm/environment/soil/index.htm</a>
	Taking sustainable use of resources forward: A Thematic Strategy on the prevention and recycling of waste			<p>Action:</p> <ul style="list-style-type: none"> <li>▪ Renewed emphasis on full implementation of existing legislation</li> <li>▪ Simplification and modernization of existing legislation</li> <li>▪ Introduction of life-cycle thinking into waste policy</li> <li>▪ Promotion of more ambitious waste prevention policies</li> <li>▪ Better knowledge and information</li> <li>▪ Development of common reference standards for recycling</li> <li>▪ Further elaboration of the EU's recycling policy</li> </ul>	6 <sup>th</sup> EAP		<a href="http://www.europa.eu.int/comm/environment/waste/strategy.htm">http://www.europa.eu.int/comm/environment/waste/strategy.htm</a>
	Thematic Strategy on the Protection and Conservation of the Marine Environment	Strategy		<p>Promote the sustainable use of the seas and conserve marine ecosystems</p> <ul style="list-style-type: none"> <li>▪ A framework for enhanced cooperation should ensure:</li> <li>▪ A high level of protection for Europe's oceans and seas</li> <li>▪ An improved knowledge base to inform policy making</li> <li>▪ Integrated and cost-effective actions to reduce pressures</li> <li>▪ Effective monitoring and assessment to make sure goals are achieved and actions deliver results</li> </ul>	6 <sup>th</sup> EAP Proposal for a Directive establishing a Framework for Community Action in the field of Marine Environmental Policy New EU Maritime Policy (Green Paper to be presented in 1/2006)	adopted	<a href="http://www.europa.eu.int/comm/environment/water/marine/com_504_en.pdf">http://www.europa.eu.int/comm/environment/water/marine/com_504_en.pdf</a>
	Thematic Strategy on Air Pollution			<ul style="list-style-type: none"> <li>▪ Making environment legislation work better</li> <li>▪ Integrating air quality concerns into other policy areas</li> </ul>	6 <sup>th</sup> EAP	Adopted in 2005	<a href="http://www.europa.eu.int/comm/environment/air/cafe/index.htm">http://www.europa.eu.int/comm/environment/air/cafe/index.htm</a>

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	A European Strategy for Sustainable, Competitive and Secure Energy	Green Paper		<ul style="list-style-type: none"> <li>▪ Energy for growth and jobs in Europe: completing the internal European electricity and gas markets</li> <li>▪ An Internal Energy Market that guarantees security of supply: solidarity between Member States</li> <li>▪ Tackling security and competitiveness of energy supply: towards a more sustainable, efficient and diverse energy mix</li> <li>▪ An integrated approach to tackling climate change</li> <li>▪ Encouraging innovation: a strategic European energy technology plan</li> <li>▪ Towards a coherent external energy policy</li> </ul>		Public consultation to begin in March 2006  8 March 2006 Adoption by the Commission of the GP	<a href="http://www.europa.eu.int/comm/energy/green-paper-energy/index_en.htm">http://www.europa.eu.int/comm/energy/green-paper-energy/index_en.htm</a>

PRIORITY	Title	Type / funding available	Period covered	Aim / themes / priorities	Link to other initiatives	Status	Website
<b>ACCESSIBILITY</b>	i2010 - A European Information Society for growth and employment	Strategy		<p>Three policy priorities:</p> <ul style="list-style-type: none"> <li>▪ to create an open and competitive single market for information society and media services within the EU.</li> <li>▪ to increase EU investment in research on information and communication technologies (ICT) by 80%.</li> <li>▪ to promote an inclusive European information society.</li> </ul>		Initiative adopted on 1 June 2005	<a href="http://europa.eu.int/information_society/eeurope/i2010/index_en.htm">http://europa.eu.int/information_society/eeurope/i2010/index_en.htm</a>
<b>SUSTAINABLE COMMUNITIES</b>	Thematic Strategy on the Urban Environment			<p>Better integration of existing EU environment policies and legislation at the local level by supporting local authorities to adopt a more integrated approach to urban management</p> <p>Measures:</p> <ul style="list-style-type: none"> <li>▪ Guidance on integrated environmental management</li> <li>▪ Guidance on sustainable urban transport plans</li> <li>▪ Support for EU wide exchange of best practices</li> <li>▪ Commission Internet Portal for Local Authorities</li> <li>▪ Training</li> </ul>	6 <sup>th</sup> EAP	Adopted January 2006	<a href="http://www.europa.eu.int/comm/environment/urban/pdf/com_2005_0718_en.pdf">http://www.europa.eu.int/comm/environment/urban/pdf/com_2005_0718_en.pdf</a>

## GUIDELINES

<b>GENERAL</b>	Community Strategic Guidelines on Cohesion	principles and priorities of cohesion policy (€ 308 bn)	2007-2013	<ul style="list-style-type: none"> <li>▪ improving the attractiveness of Member States, regions and cities by improving accessibility, ensuring adequate quality and level of services, and preserving their environmental potential;</li> <li>▪ encouraging innovation, entrepreneurship and the growth of the knowledge economy by research and innovation capacities, including new information and communication technologies; and</li> <li>▪ creating more and better jobs by attracting more people into</li> </ul>	Lisbon and Gothenburg Strategies	Adopted on 6 October 2006	<a href="http://ec.europa.eu/regional_policy/sources/docoffic/2007/osc/index_en.htm">http://ec.europa.eu/regional_policy/sources/docoffic/2007/osc/index_en.htm</a>
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<b>PRIORITY</b>	Title	Type / funding available	Period covered	Aim / themes / priorities	Link to other initiatives	Status	Website
				employment entrepreneurial activity, improving adaptability of workers and enterprises and increasing investment in human capital.			
<b>ENVIRONMENT</b>	Strategic Guidelines for Rural Development		2007-2013	<ul style="list-style-type: none"> <li>▪ Improving the competitiveness of the agricultural and forestry sectors</li> <li>▪ Improving the environment and countryside</li> <li>▪ Improving the quality of life in rural areas and encouraging diversification</li> <li>▪ Building Local Capacity for Employment and Diversification</li> <li>▪ Translating priorities into programmes</li> <li>▪ Complementarity between Community Instruments</li> </ul>	CAP reform, based on LEADER+	Guidelines adopted in February 2006	<a href="http://europa.eu.int/comm/agriculture/capreform/rdguidelines/index_en.htm">http://europa.eu.int/comm/agriculture/capreform/rdguidelines/index_en.htm</a>

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<b>DIRECTIVES/REGULATIONS</b>							
<b>INNOVATION</b>	European Institute of Technology	Regulation	From end of 2007 or early 2008	<ul style="list-style-type: none"> <li>▪ The EIT will contribute to bridge the innovation gap between the EU and its major competitors by promoting further the integration of the three sides of the knowledge triangle in a mutually-supportive manner and providing a world-class innovation-oriented critical mass at the EU level.</li> </ul>		Proposal for a regulation	<a href="http://ec.europa.eu/education/policies/educ/eit/index_en.html">http://ec.europa.eu/education/policies/educ/eit/index_en.html</a>

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<b>ENVIRONMENT</b>	Water Framework Directive	Law	transposition into national legislation in 2003, final river basin management plans incl. programmes and measures in 2009	<ul style="list-style-type: none"> <li>▪ protection of rivers, lakes, coastal areas and groundwater</li> <li>▪ objectives to ensure that all waters meet "good status" by 2015.</li> <li>▪ identification by member states of individual river basins ensuring appropriate administrative arrangements for each river basin district within national territory</li> <li>▪ requires cross-border cooperation to ensure appropriate administrative arrangements for each international river basin district</li> <li>▪ Ensures active participation of all stakeholders, including NGOs and local communities, in water management activities.</li> <li>▪ Ensures reduction and control of pollution from all sources like agriculture, industrial activity, and urban areas, etc.</li> <li>▪ Requires water pricing policies and ensures that the polluter pays.</li> </ul>	<p>Proposals for daughter directives on groundwater and flood risk management</p> <p>Replaces seven earlier directives: on surface water, on measurement methods and sampling frequencies and exchanges of information on fresh water quality; the fish water, shellfish water, and groundwater directives; and the directive on dangerous substances discharges</p>	Adopted in 2000	<a href="http://europa.eu.int/comm/environment/water/water-framework/index_en.html">http://europa.eu.int/comm/environment/water/water-framework/index_en.html</a>
	Proposal for a daughter directive on groundwater protection against pollution	Law		<ul style="list-style-type: none"> <li>▪ criteria for the assessment of good groundwater chemical status;</li> <li>▪ criteria for the identification and reversal of significant and sustained upward trends and for the definition of starting points for trend reversals.</li> <li>▪ establishes a requirement to prevent or limit indirect discharges of pollutants into groundwater</li> </ul>	Cf. Water Framework Directive	Proposal by the Commission (September 2003)	<a href="http://europa.eu.int/eur-lex/en/com/pdf/2003/com2003_0550en01.pdf">http://europa.eu.int/eur-lex/en/com/pdf/2003/com2003_0550en01.pdf</a>
	Proposal for a daughter directive on the assessment and management of floods	Law		<ul style="list-style-type: none"> <li>▪ Flood risk assessment for each river basin district</li> <li>▪ Flood risk maps</li> <li>▪ Flood risk management plans</li> </ul>	Cf. Water Framework Directive	Proposal by the Commission (January 2006)	<a href="http://europa.eu.int/comm/environment/water/flood_risk/pdf/com_2006_15_en.pdf">http://europa.eu.int/comm/environment/water/flood_risk/pdf/com_2006_15_en.pdf</a>

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<b>ENVIRONMENT</b>	Proposal for a Directive establishing a Framework for Community Action in the field of Marine Environmental Policy	Law		A framework for the development of Marine Strategies designed to achieve good environmental status in the marine environment and to ensure the continued protection and preservation of that environment and the prevention of deterioration	6 <sup>th</sup> EAP Thematic Strategy on the Protection and Conservation of the Marine Environment	Under discussion	<a href="http://www.europa.eu.int/comm/environment/water/marine/dir_505_en.pdf">http://www.europa.eu.int/comm/environment/water/marine/dir_505_en.pdf</a>
	Air Quality Framework Directive	Law		<ul style="list-style-type: none"> <li>▪ Streamlining of existing provisions and merging five legal instruments into a single directives</li> <li>▪ The introduction of new air quality standards for fine particulate matter (PM<sub>2.5</sub>) in air</li> <li>▪</li> <li>▪ Objectives for ambient air quality to avoid, prevent or reduce harmful effects on human health and the environment as a whole</li> <li>▪ Assess the ambient air quality in member states on the basis of common methods and criteria</li> <li>▪ Obtain adequate information on ambient air quality and ensure that it is made available to the public by means of alter thresholds</li> </ul>	Four daughter directives	Adopted in 1996	<a href="http://europa.eu.int/comm/environment/air/ambient.htm">http://europa.eu.int/comm/environment/air/ambient.htm</a>

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<b>INITIATIVES/POLICY</b>							
<b>ACCESSIBILITY</b>	TEN-Ts	Proposed total budget of EUR 20.35 billion (ca. 3 bn EUR / year) for 2007 - 2013	2007-2013	30 priority axes. Examples relevant for the North Sea Region: <ol style="list-style-type: none"> <li>1. Nordic triangle railway/road axis</li> <li>2. Motorways of the Sea: Motorway of the Sea if western Europe (leading from Portugal and Spain via the Atlantic Arc to the North Sea and the Irish Sea)</li> <li>3. Øresund fixed link</li> </ol>	TEN	Adopted  Calls for proposals	<a href="http://www.europa.eu.int/comm/ten/transport/index_en.htm">http://www.europa.eu.int/comm/ten/transport/index_en.htm</a>  <b>maps:</b> <a href="http://www.europa.eu.int/comm/ten/transport/maps/index_en.htm">http://www.europa.eu.int/comm/ten/transport/maps/index_en.htm</a>
	Motorways of the Sea	Part of the TEN-T Legal guidelines and funding		<p>Initiative to promote sustainable transport of goods to and through the European economic area, and to aid port development by introducing new intermodal maritime-based logistics chains in Europe.</p> <p>Three main objectives for the sea motorways projects:  (1) freight flow concentration on sea-based logistical routes;  (2) increasing cohesion;  (3) reducing road congestion through modal shift.</p> <p>Four corridors have been designated for the setting up of projects of European interest:  <i>Motorway of the Baltic Sea</i> (linking the Baltic Sea Member States with Member States in Central and Western Europe, including the route through the North Sea/Baltic Sea canal);  <i>Motorway of the Sea of western Europe</i> (leading from Portugal and Spain via the Atlantic Arc to the North Sea and the Irish Sea);  <i>Motorway of the Sea of south-east Europe</i> (connecting the Adriatic Sea to the Ionian Sea and the Eastern Mediterranean, including Cyprus);  <i>Motorway of the Sea of south-west Europe</i> (western Mediterranean, connecting Spain, France, Italy and including Malta and linking with the Motorway of the Sea of south-east Europe and including links to the Black Sea).</p>	Transport White Paper  TEN-T	TEN-T guidelines adopted on 29 April 2004  By 2010 the network of motorways of the sea should be established throughout Europe on the four corridors	<a href="http://europa.eu.int/comm/transport/intermodality/motorways_sea/index_en.htm">http://europa.eu.int/comm/transport/intermodality/motorways_sea/index_en.htm</a>  <b>map:</b> <a href="http://www.europa.eu.int/comm/transport/intermodality/motorways_sea/doc/2004_07_30_map_motorways_sea.pdf">http://www.europa.eu.int/comm/transport/intermodality/motorways_sea/doc/2004_07_30_map_motorways_sea.pdf</a>

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	European transport Policy for 2010: time to decide	White Paper	Until 2010	<ul style="list-style-type: none"> <li>▪ Shifting the balance between modes of transport</li> <li>▪ Eliminating bottlenecks</li> <li>▪ Placing users at the heart of transport policy</li> <li>▪ Managing the globalization of transport</li> </ul>		Adopted in 2001	<a href="http://www.europa.eu.int/comm/transport/white_paper/documents/doc/lb_texte_complet_en.pdf">http://www.europa.eu.int/comm/transport/white_paper/documents/doc/lb_texte_complet_en.pdf</a>
	CIVITAS Initiative	Co-financed by the EU  overall budget of the Initiative more than 300 M €.	CIVITAS II (2005-2009)	<p>Programme coordinated by cities</p> <p>Objectives:</p> <ul style="list-style-type: none"> <li>▪ to promote and implement sustainable, clean and (energy) efficient urban transport measures</li> <li>▪ to implement integrated packages of technology and policy measures in the field of energy and transport in 8 categories of measures (i.e. access restrictions, clean fuels and vehicles, collective passenger transport, integrated pricing strategies, less car intensive lifestyle, soft measures, transport management, urban goods transport)</li> <li>▪ to build up critical mass and markets for innovation</li> </ul>	(also relevant for sustainable urban development priority)	Running  Continuation under discussion	<a href="http://www.civitas-initiative.org">http://www.civitas-initiative.org</a>
	IDABC (European eGovernment services)		2005-2009	<p>IDABC= Interoperable Delivery of European eGovernment Services to public Administrations, Business and Citizens.</p> <p>Builds on ICT:</p> <ul style="list-style-type: none"> <li>▪ to encourage and support the delivery of cross-border public sector services to citizens and enterprises in Europe,</li> <li>▪ to improve efficiency and collaboration between European public administrations and,</li> <li>▪ to contribute to making Europe an attractive place to live, work and invest.</li> </ul>	eEurope	Work programme adopted on 28 February 2006	<a href="http://europa.eu.int/idabc/">http://europa.eu.int/idabc/</a>  work programme: <a href="http://europa.eu.int/idabc/servlets/Doc?id=24379">http://europa.eu.int/idabc/servlets/Doc?id=24379</a>
<b>POLICY</b>							
<b>GENERAL</b>	Territorial Agenda of the EU	Policy Paper	2007 -	<ul style="list-style-type: none"> <li>▪ promoting urban development in a polycentric pattern</li> <li>▪ strengthening urban-rural partnership</li> <li>▪ promoting transnational competitive and innovative regional clusters</li> <li>▪ strengthening trans-European technological networks</li> <li>▪ promoting trans-European risk management</li> <li>▪ strengthening ecological structures and cultural resources</li> </ul>	EU Cohesion Policy, Structural Funds	To be adopted at Ministerial Conference Leipzig, May 2007	<a href="http://www.bmvbs.de/en/artikel,-963636/Territorial-Agenda-of-the-EU.htm">http://www.bmvbs.de/en/artikel,-963636/Territorial-Agenda-of-the-EU.htm</a>

Priority	Title	Type / funding available	Period covered	Aim / themes / priorities	Link to other initiatives	Status	Website
<b>SUSTAINABLE COMMUNITIES</b>	"A European approach to sustainable communities" (the Bristol Accord)	Policy		<p>Bristol Accord set out eight characteristics of a sustainable community and a commitment to share good practice case studies</p> <p>Sustainable communities should be:</p> <ul style="list-style-type: none"> <li>▪ Active, inclusive and safe</li> <li>▪ Well run</li> <li>▪ Well connected</li> <li>▪ Well served</li> <li>▪ Environmentally sensitive</li> <li>▪ Thriving</li> <li>▪ Well designed and built</li> <li>▪ Fair for everyone</li> </ul> <p>Further proposals included:</p> <ul style="list-style-type: none"> <li>▪ To enhance the impact of European Investment Bank loan finance and</li> <li>▪ To foster generic "place-making" skills</li> </ul>		Agreed under UK Presidency: EU Ministerial Informal on Sustainable Communities, November 2005	<a href="http://www.odpm.gov.uk/pub/523/PolicyPapersUKPresidencyEUMinisterialInformalOnSustainableCommunities_id1162523.pdf">http://www.odpm.gov.uk/pub/523/PolicyPapersUKPresidencyEUMinisterialInformalOnSustainableCommunities_id1162523.pdf</a>

Priority	Title	Type / funding available	Period covered	Aim / themes / priorities	Link to other initiatives	Status	Website
	Cohesion Policy and cities: the urban contribution to growth and jobs in the region	Commission staff working paper	November 2005 – ongoing	<p>Strengthening the urban dimension in the EU Cohesion Policy.</p> <p>Themes:</p> <p>Attractive cities:</p> <ul style="list-style-type: none"> <li>▪ Transport, accessibility and mobility</li> <li>▪ Access to services and amenities</li> <li>▪ The natural and physical environment</li> <li>▪ The cultural sector</li> </ul> <p>Supporting innovation, entrepreneurship and the knowledge economy</p> <ul style="list-style-type: none"> <li>▪ Actions for SMEs and micro-enterprises</li> <li>▪ Innovation and the knowledge economy</li> </ul> <p>More and better jobs</p> <ul style="list-style-type: none"> <li>▪ The paradox of cities: many jobs, yet high unemployment</li> <li>▪ Improving employability by raising levels of educational achievement and training</li> </ul> <p>Disparities within cities</p> <ul style="list-style-type: none"> <li>▪ Promoting social inclusion and equal opportunities</li> <li>▪ Increased security for citizens</li> </ul> <p>Governance</p> <ul style="list-style-type: none"> <li>▪ Cities and regions</li> <li>▪ The integrated approach to sustainable urban development</li> <li>▪ Citizen participation</li> <li>▪ Networks and exchange of experience (URBACT extension)</li> </ul> <p>Financing urban renewal</p> <ul style="list-style-type: none"> <li>▪ Developing financial engineering (JEREMIE)</li> <li>▪ Public-private partnership (PPP)</li> </ul>	EU Cohesion Policy 2007-2013 / Community Strategic Guidelines	Public consultation until February 2006 Results to be integrated into the final version of the Community Strategic Guidelines	<a href="http://europa.eu.int/comm/regional_policy/consultation/urban/contri_urban_en.pdf">http://europa.eu.int/comm/regional_policy/consultation/urban/contri_urban_en.pdf</a>

Priority	Title	Type / funding available	Period covered	Aim / themes / priorities	Link to other initiatives	Status	Website
<b>INITIATIVES/OTHER</b>							
<b>ENVIRONMENT</b>	MSUO – Maritime Safety Umbrella Operation	INTERREG cross-programme Jointly funded by four Interreg IIIB programmes (NSR, NWE, Northern Periphery, BSR)		<p>Assistance to INTERREG maritime safety projects by:</p> <ul style="list-style-type: none"> <li>▪ Providing a European and International Network for co-operation on maritime safety</li> <li>▪ Promoting project outcomes to establish Europe and partners at the forefront of maritime safety activity</li> <li>▪ Increasing project competence in maritime safety by closing gaps in knowledge and encouraging co-operation</li> <li>▪ Assisting programmes to become a collective driving force for maritime safety on the European and International agenda</li> </ul>	Interreg IIIB (NWE, NSR, Northern Periphery, BSR)		<a href="http://www.maritim-e-safety.org/">http://www.maritim-e-safety.org/</a>
	Trans-European Energy Networks (TEN-E)	yearly budget of about 25 Million Euros		<ul style="list-style-type: none"> <li>▪ finances electricity and gas transmission infrastructure projects of European interest</li> <li>▪ mainly support for feasibility studies. Most projects cross national borders or have an influence on several EU Member States.</li> </ul>	TEN		<a href="http://www.europa.eu.int/comm/ten/energy/index_en.htm">http://www.europa.eu.int/comm/ten/energy/index_en.htm</a>
<b>INSTRUMENTS</b>							
<b>INNOVATION</b>	Joint European Resources for Micro to Medium Enterprises (JEREMIE)	Joint initiative	2007-2013	<ul style="list-style-type: none"> <li>▪ JEREMIE will enable European Member States and Regions to use part of their structural funds to obtain a set of financial instruments that are specifically designed to support micro and small and medium enterprises.</li> <li>▪ aimed at improving access to finance for the development of SMEs, and to enhance support on competitive terms for start-ups and micro-enterprises, through technical assistance, grants, as well as non-grant instruments such as loans, equity, venture capital and guarantees.</li> <li>▪ Funding made available through JEREMIE must be used to provide financing to SMEs making investments in fixed assets and long-term working capital. This may involve new projects or the modernisation or expansion of existing businesses within sectors such as manufacturing, agribusiness, environment, services, ICT, life sciences, etc.</li> </ul> <p>3 main financial instruments:</p> <ul style="list-style-type: none"> <li>▪ Advisory and technical assistance</li> </ul>		Agreed by the member states in 2005	<a href="http://www.eif.eu.int/jeremie/">http://www.eif.eu.int/jeremie/</a>

Priority	Title	Type / funding available	Period covered	Aim / themes / priorities	Link to other initiatives	Status	Website
				<ul style="list-style-type: none"> <li>▪ Equity and venture capital</li> <li>▪ Guarantees (both for microcredit loans and SME loans)</li> </ul>			
<b>NETWORKS</b>							
<b>INNOVATION</b>	A network for market oriented R&D (EUREKA)	EUREKA facilitates access to national public and private funding schemes.		<ol style="list-style-type: none"> <li>1. EUREKA aims to enhance European competitiveness through its support to businesses, research centres and universities that carry out pan-European projects to develop innovative products, processes and services.</li> <li>2. Includes strategic initiatives: clusters and umbrellas</li> </ol>			www.eureka.be
<b>SUSTAINABLE COMMUNITIES</b>	EUKN European Urban Knowledge Network	Network / interactive portal		<p>Six themes:</p> <ul style="list-style-type: none"> <li>▪ social inclusion &amp; integration;</li> <li>▪ housing;</li> <li>▪ transport &amp; infrastructure;</li> <li>▪ urban environment;</li> <li>▪ economy, knowledge &amp; employment;</li> <li>▪ security &amp; crime prevention.</li> </ul> <ul style="list-style-type: none"> <li>▪ Best practice, summaries of practical urban research, descriptions of successful urban policies at a local, regional, national or European level, and descriptions of relevant networks.</li> </ul>		Launched in 2005,	www.eukn.org

## Structural Funds and other

Title	Type / funding available	Period covered	Aim / themes / priorities	Link to other initiatives	Status	Website
Proposal for the new ESF regulations for the period 2007-2013	Regulation  EU Structural Funds	2007-2013	<p>ESF supports policies and priorities aimed to achieve progress towards full employment, to improve quality and productivity at work, and to promote social inclusion and cohesion. The fund's actions are in line with the guidelines and recommendations under the European Employment Strategy (EES).</p> <p>Focus on four key areas for action:</p> <ul style="list-style-type: none"> <li>▪ increasing adaptability of workers and enterprises;</li> <li>▪ enhancing access to employment and participation in the labour market;</li> <li>▪ reinforcing social inclusion by combating discrimination and facilitating access to the labour market for disadvantaged people;</li> <li>▪ promoting partnership for reform in the fields of employment and inclusion.</li> </ul> <p>In the least prosperous regions and Member States, the Funds will concentrate on promoting structural adjustment, growth and job creation. Under the 'Convergence' objective and in addition to the priorities mentioned above, the ESF will there also support:</p> <ul style="list-style-type: none"> <li>▪ efforts to expand and improve investment in human capital, in particular by improving education and training systems;</li> <li>▪ action aimed at developing institutional capacity and the efficiency of public administrations, at national, regional and local level.</li> </ul>	EU Cohesion Policy	Proposal	<p><a href="http://europa.eu.int/comm/employment_social/esf2000/2007-2013_en.html">http://europa.eu.int/comm/employment_social/esf2000/2007-2013_en.html</a></p> <p><a href="http://ec.europa.eu/comm/regional_policy/sources/docoffic/official/regulation/pdf/2007/fse/com(2004)493_en.pdf">http://ec.europa.eu/comm/regional_policy/sources/docoffic/official/regulation/pdf/2007/fse/com(2004)493_en.pdf</a></p> <p>(general site about changes in regulations: <a href="http://ec.europa.eu/comm/regional_policy/sources/docoffic/official/regulation/newregl0713_en.htm">http://ec.europa.eu/comm/regional_policy/sources/docoffic/official/regulation/newregl0713_en.htm</a>)</p>

## APPENDIX 4.1 NOTES ON INDICATORS, TARGETS AND DATA COLLECTION

### Target Groups:

Who the area of intervention is aiming to engage in transnational cooperation projects. Target groups such as SMEs or other private organisations can take part in project implementation (see p. 99), but are not necessarily direct recipients of programme funds.

### Output Indicators:

Product, service, action obtained in exchange for public expenditure. The type of outputs shown against each area of intervention are not exhaustive and the mix will be determined as funds are allocated.

Data collected for each output will include the number of “recipients” benefiting from the output. These will be counted in two ways:

- as organisations: SMEs and micro businesses (with up to 249 employees), other businesses, public authority or agency,
- as individuals: male/female, 15-24 and 55+ age groups, unemployed, other disadvantaged.

The cost-effectiveness of providing each output will be based on the number of people benefiting from each €1,000 spent .

Data on the location of recipients by NUTS 3 area; and ha or km<sup>2</sup> of area benefiting from project activities will be collected as necessary

Output indicators and associated data will be collected annually from projects and at project end. Uniform definitions of output indicators provided for project reporting will help to collect comparable data to show progress and effectiveness of the programme interventions.

### Result Indicators:

The immediate advantages of the output to “recipients” (for example, an individual, an organisation, an area or other object). This data is to be collated annually from project data. Uniform definitions of result indicators provided for project reporting will help to collect comparable data to show progress and effectiveness of the programme interventions.

### Baselines and Targets:

Target values represent those expected from the activities financed by the programme budget and hence reflect contributions from both the Structural Funds and the national

match funding. Core activities are different to those in the existing INTERREG IIIB NSR programme. In addition, it will not be possible to determine the mix of core activities until the bulk of funds have been allocated. For these reasons, the reliability of data from the IIIB NSR Programme is limited for setting targets for outputs and results and they will be reviewed and adjusted as funds are allocated. Not quantified indicators (without targets) will be quantified on this basis, and all targets will be monitored annually throughout the programme implementation period at programme, priority and intervention level, where possible, and reported to the European Commission in the annual reports. However, dissemination and transnational cooperation activities are likely to operate in a similar way to the existing IIIB NSR programme and targets have been set on the basis of the IIIB results, where appropriate.

### **Value for Money:**

The output data collected from projects will help the programme assess value for money across projects of similar nature and aims by comparing resources input with numbers of people or organisations receiving benefits from the outputs.

It is assumed that only projects which will provide “**additional**” outputs – i.e. which would not have been provided without NSR programme support – will be selected at application stage and that all indicators show absolute additionality.

### **Measuring Programme Impact:**

Given the known impact of INTERREG IIIB, it is expected that the NSR programme will show a greater impact over a longer time period and to other “recipients” beyond that shown in the priority indicators tables. Some examples of these expected impacts are as follows:

- New approaches and techniques established by projects are used elsewhere in the NSR;
- Additional resources are provided to enable project output to be recreated elsewhere or expanded;
- National and/or EU level interest in a project’s output leads to the adoption of new policy guidelines;
- Jobs are created by a business following joint RTD and investment in product development;
- A project partnership undertakes additional cooperation activities, establishes a permanent network or extends the partnership beyond the life of the ERDF NSR funded project;
- Increased awareness of programme results through exposure to multiple dissemination outputs raises awareness of NSR successes and strengthens its profile as an attractive place for business and residents.

No formal indicators are being set to measure impact. However, relevant data will be collected from project lead partners one year after project end and independently by

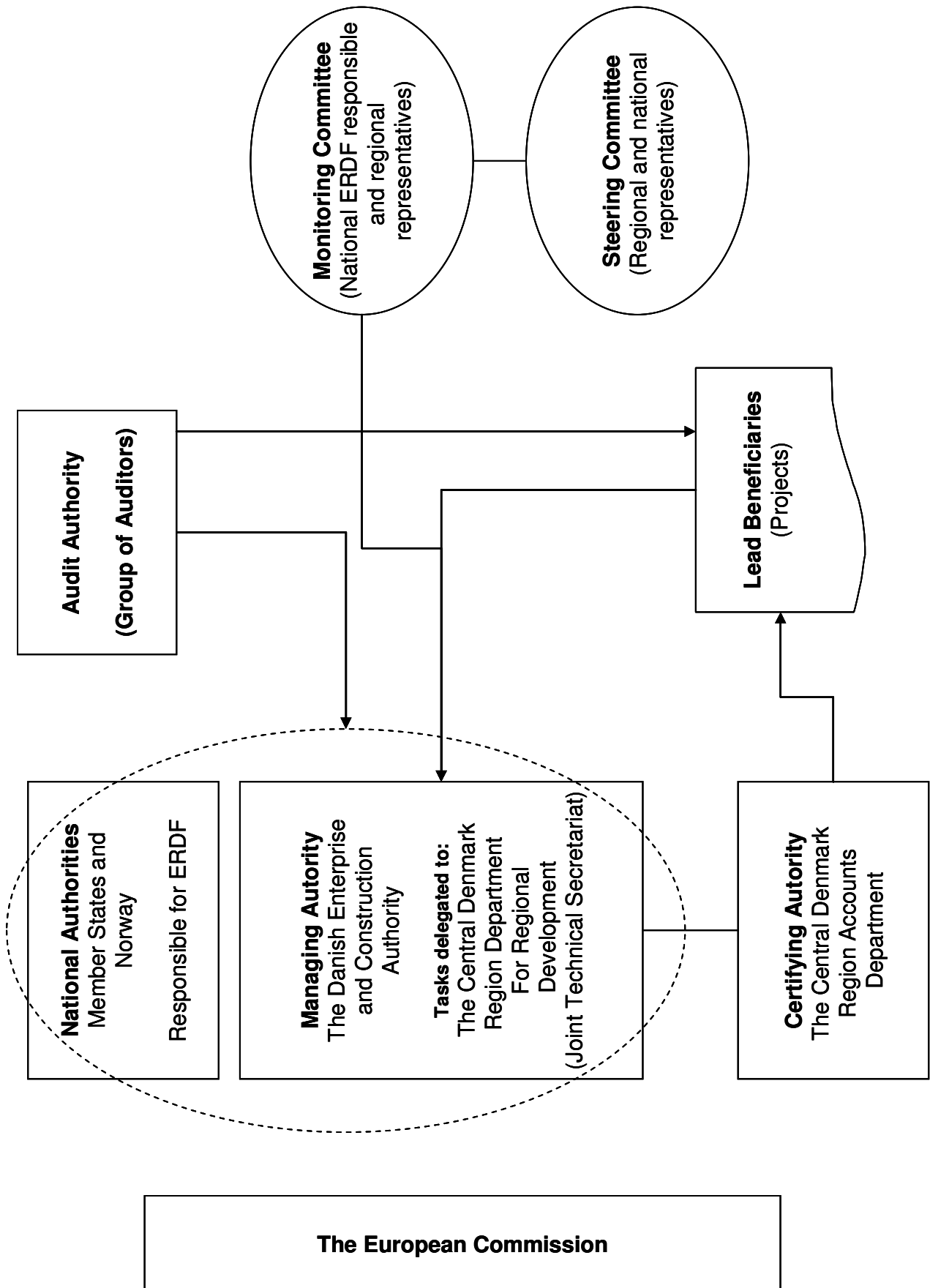
survey at the mid term of the programme and its end. This will be quantified where possible to be consistent with results indicators.

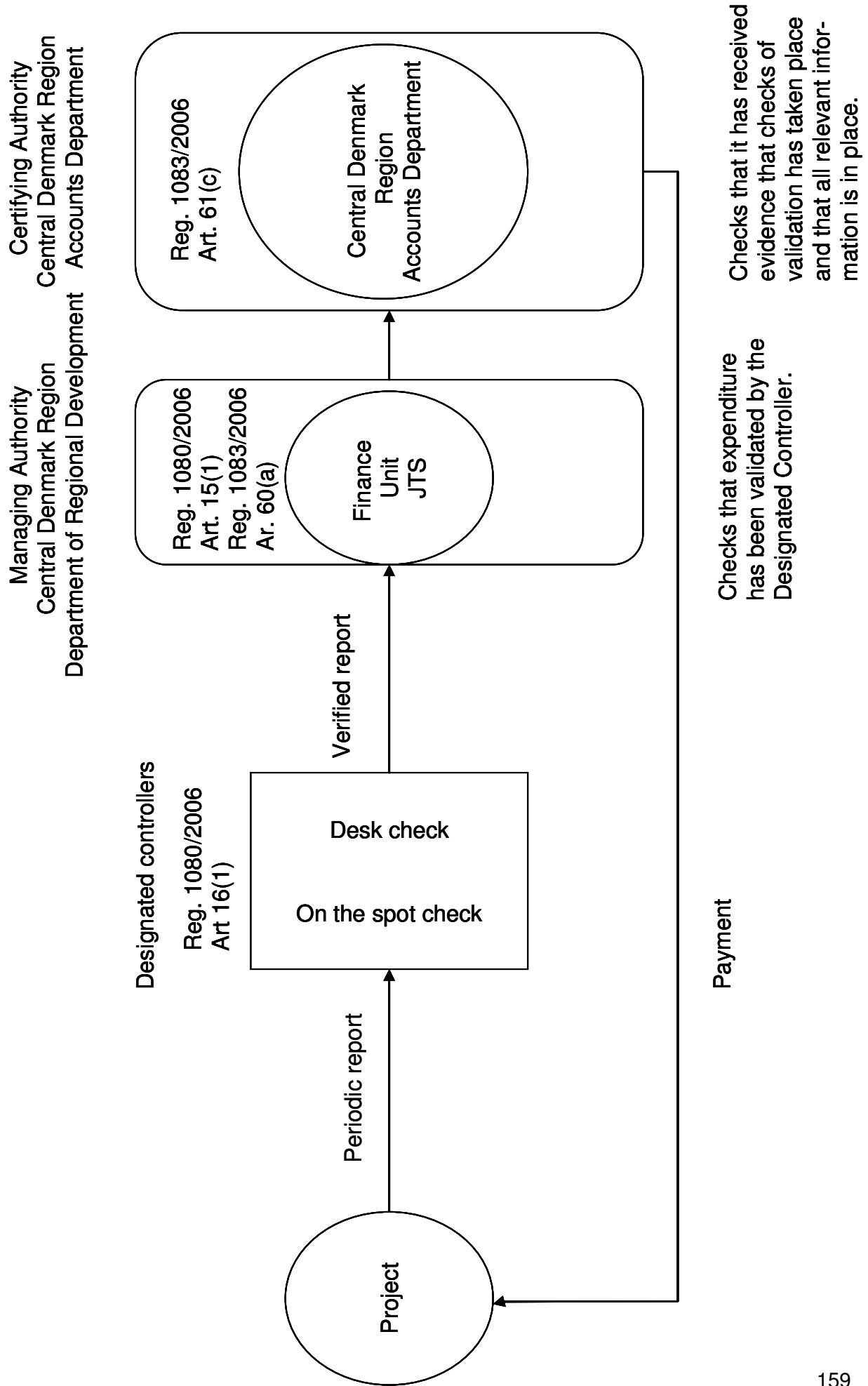
**Reporting on Progress:**

Project targets will be set at project selection stage and aggregated data will be presented by the programme secretariat to each subsequent PMC so as to inform the allocations process.

Output indicator data will be generated by individual projects based on uniform indicator definitions and collected annually by the programme secretariat for the duration of the project's operation. Project level data will be aggregated by the secretariat annually to show results at priority level in annual reports.

APPENDIX 5.1 FLOWCHART OF THE ROLES AND TASKS





## APPENDIX 6 LIST OF REFERENCE DOCUMENTS

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