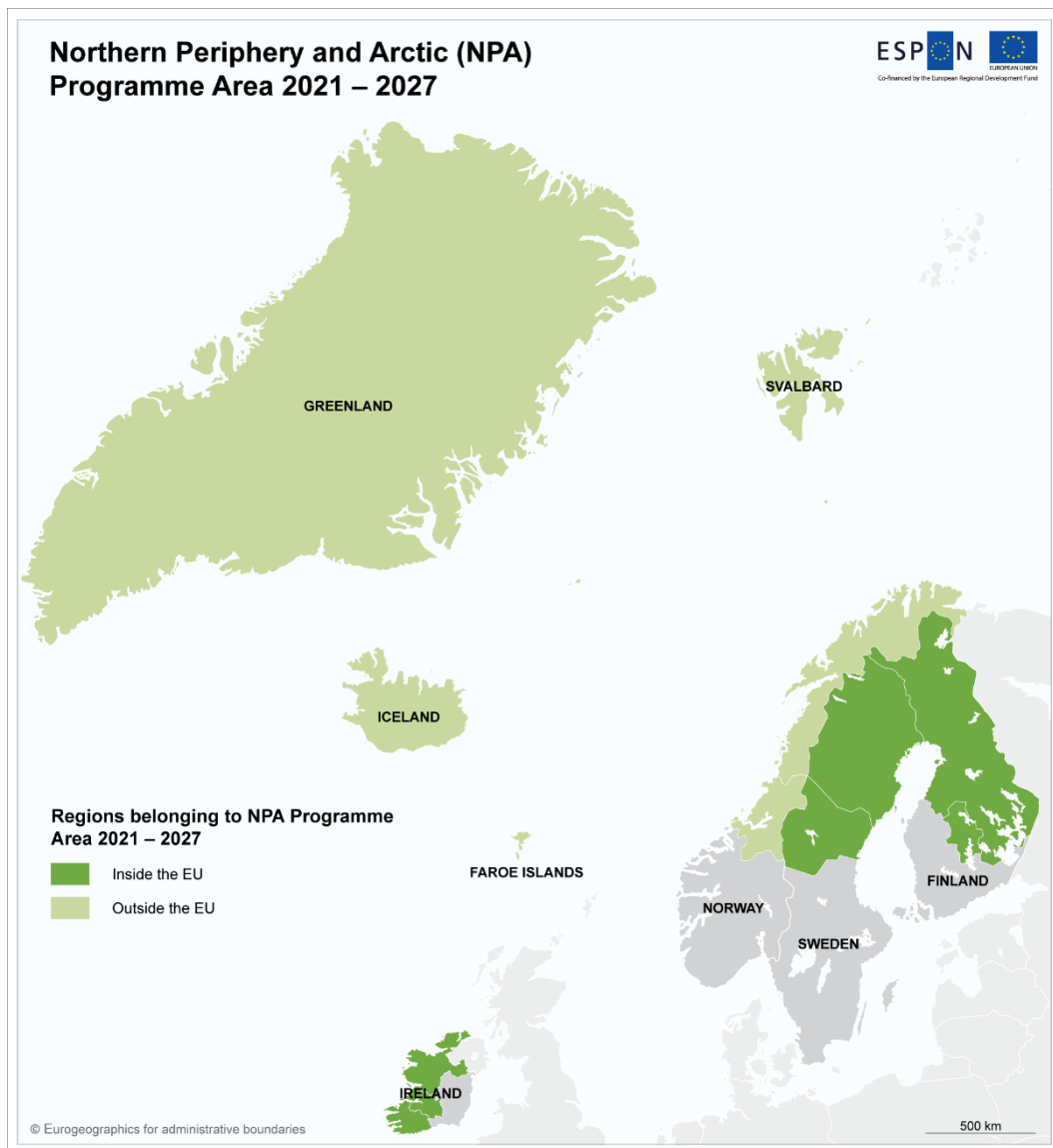


## The Northern Periphery and Arctic Programme 2021-2027

<b>CCI</b>	
<b>Title</b>	The Northern Periphery and Arctic Programme 2021-2027
<b>Version</b>	
<b>First year</b>	
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<b>NUTS regions covered by the programme</b>	<p>Faroe Islands: Entire territory</p> <p>Finland: FI19 Länsi-Suomi (only NUTS 3 region FI193 Keski-Suomi) FI1D Pohjois- ja Itä-Suomi</p> <p>Greenland: Entire territory</p> <p>Iceland: Entire territory</p> <p>Ireland: IE04 Northern and Western IE05 Southern (only NUTS 3 regions IE051 Mid-West and IE053 South-West)</p> <p>Norway: NO06 Trøndelag NO07 Nord-Norge NO0B Jan Mayen and Svalbard</p> <p>Sweden: SE32 Mellersta Norrland SE33 Övre Norrland</p>

# 1. Joint programme strategy: main development challenges and policy responses

## 1.1 Programme area



The Northern Periphery and Arctic Programme area spans the northernmost parts of Europe and North Atlantic territories. From its inception the first Interreg period for this programme, 2000-2006, the programme was called “The Northern Periphery Programme” in order to highlight the peripheral and northern position of the Programme area compared to Europe in general. In 2014, the Arctic dimension was underlined in the Programme title “The Northern Periphery and Arctic Programme” (NPA). The background for this was the growing international and EU interest in the developments in the Arctic area, mainly driven by climate change and the new challenges and opportunities that it brings. It is however important to stress that the programme area does not solely have Arctic coverage but also includes non-Arctic areas.

In the EU Member States, the Programme area covers Northern and Eastern Finland, Northern and Western Regions of Ireland, and Northern Sweden. In the Non-EU Member States, the Faroe Islands, Greenland, Iceland, Northern parts of Norway belong to the Programme area.

Sparse population and extreme peripherality from the economic centres of the EU are defining characteristics that present a functional rationale for cooperation across the territory. The Programme provides a framework for the countries and regions to cooperate on common and shared issues in ways that recognise the particular demands of, in particular, the geographical characteristics of the area. The Programme encourages effective cooperation, e.g. to maximise place-based development, builds on the strengths within sparsely populated communities, and finds innovative solutions to support links into larger markets and more populated areas.

1.2 Summary of main joint challenges taking into account economic, social and territorial disparities as well as inequalities, joint investment needs and complimentary and synergies with other other funding programmes and instruments, lessons-learnt from past experience and macro-regional strategies and sea-basin strategies where the programme area as a whole or partially is covered by one or more strategies.

### **Lessons-learnt from past experience**

The NPA programme area is vast and participating territories separated by long distances. Yet, there are close similarities and links between the participating territories. The NPA and its predecessor Northern Periphery Programmes have worked to reinforce and strengthen these ties over the last 20 years, resulting in valued, and valuable, cooperation delivering innovative approaches to improve peoples' living and working conditions in remote areas. Highlights from previous programmes are:

- promoting sustainable development for people living in remote communities and helping them to adapt to climate change,
- improving health and safety for older people,
- improving the availability and accessibility of public (e.g e-health) and commercial services in rural and remote areas,
- promoting cultural heritage,
- creating employment, socialisation and health improvement opportunities for hard-to-reach groups, and
- creating economic diversification and opportunities.

According to the impact evaluation of the NPA 2014-2020, the Programme delivered positive impacts and results for a wide range of beneficiaries across the area. Beneficiaries include the key stakeholder groups, such as SMEs, research organisations, public authorities and NGOs, and, crucially local communities. The Programme's focus on place-relevant tangible outputs and results has been a strength of the Programme and has led to the development of transferable concepts, ideas, services and tools. The magnitude of the impact has been significant for individuals, organisations and localities at the same time as providing approaches to addressing large-scale development issues based on strengths in the programme area. While the mechanisms that lead to wider and durable impacts are complex and often beyond the control of the Programme or stakeholders, the research suggests that cumulatively at national and transnational

scales impacts demonstrate an increased capacity for external engagement and collaborative action on key development issues for the area.

The transnational dimension has brought significant added value in a number of ways. Cross sectoral and transnational links have enabled local stakeholders to access new know-how and tools, re-evaluate their own unique strengths and opportunities and build capacity for change. Transnational impact can also be seen at regional, national and EU levels through, for example, increased policy coherence and cohesion, regional partnership and new innovative approaches, e.g. in relation to activities aimed at climate adaptations and environmental protection. The programme has also strengthened the capacity for cooperation in the Arctic region. These are all issues that will be taken forward in this new programme, and experiences from earlier programming periods will be applied when developing the work further.

### **Economic, social and territorial disparities as well as inequalities**

The Programme area is diverse in many respects. A considerable part of the area is located north of the Arctic Circle, while other areas belong to the subarctic or the northern temperate zone. The area has an extensive coastline, numerous islands and a high proportion of mountainous regions. Nevertheless, the area has common characteristics and shared development concerns that offer a strong basis for cooperation.

The NPA area has notable regional centres such as Tromsø, Umeå, Oulu, Reykjavik and Galway. However, in contrast to the high levels of urbanisation and connectivity across much of the EU, the scale of distances to and between centres, physical barriers, and cost of transport are key factors shaping development across the NPA area. Larger cities are usually the centres of local labour market areas and have an important role to play in the functioning of the labour market, as the centres for education, but also more widely in regional development and relating to the specific opportunities in the Arctic. In more remote areas, labour markets are more restricted, they have limited opportunities for further education, and service provision is fragile.

The area has valuable capacity and skills in terms of regional innovation and R&D capacity. The European innovation scoreboard ranks all countries within the NPA region as either 'Strong' or 'Leading' innovators. However, within countries there can be large regional disparities between central and more peripheral territories. Some regions and regional centres have high levels of innovation, R&D and knowledge intensive jobs often linked to the presence of universities or research centres and the use of high-tech solutions to diversify traditional primary industries. Other regions face challenges linked to the long distance to research-intensive environments, a lack of venture capital for very sparsely populated areas, and the fragility of the innovation system, often relying on individuals rather than organisations and a corresponding lack of capacity within SMEs and micro businesses. These and other challenges present an opportunity to create new complementary cooperation partnerships, not least to gain the critical mass of actors and competences to strengthen the innovation potential.

The primary characteristics that draw the area together are peripherality and low population density. The surface area that the NPA programme covers about 3 million km<sup>2</sup> and approximately 7 million people. The ice-free surface area is about 1,3 million km<sup>2</sup>. As a whole, the average population density in the ice-free part of the NPA land area is less than 6 inhabitants per km<sup>2</sup>, compared to the EU average of 117 inhabitants per km<sup>2</sup>. Only "pockets" of similarly sparsely populated areas can be found in other parts of the EU. Thus, the programme area is unique in a European context. Another characteristic of the population is the rich, unique cultural heritage. The programme area hosts a wide variety of cultures with their own distinctive

cultural identity and a range of minority languages. The area also has indigenous peoples that live and work across the region.

Other related and shared features include sparse and imbalanced settlement structures, dispersed business base, long distances and physical barriers between the communities, difficulties for communications and accessibility, and extreme climates with many regions experiencing long cold winters. Furthermore, the Programme area suffers from relatively low economic diversity, which means that the regions are dependent on relatively few economic sectors.

### ***Economy:***

Economic performance varies across the programme area. In terms of GDP, NPA regions tend to lag behind national averages. However, GDP levels across the area tend to be above the EU average. The reliance on primary resources is a long-standing trend across the NPA area. The use of natural resources, mining and mineral processing, oil and gas extraction are key industries. Growing numbers of megaprojects in mining, oil and gas is a continuing trend within the area, in particular in Arctic parts of the programme area. Fisheries, forestry and chemical production also rank among the top exports in NPA areas.

Over reliance on single sectors and the vulnerability of primary industries to shifts in global demand and markets, means that economic diversification and resilience are important. Within traditional and primary sectors there are ways to diversify and expand activities, e.g. through innovation and pursuing higher value-added processes within the area drawing on specialist sectoral knowledge and expertise. The importance of secondary and tertiary sectors across the area reflects this trend towards greater diversification.

Manufacture of food products and beverages, construction and public services and education are all key growth sectors. Other areas of activity of particular importance for the NPA area are the circular, green and new areas of the bioeconomy. Creative industries are another example of an area of growth. In the programme geography there are regions that are amongst the global leaders in creative sectors (such as design and games), processes (such as linking new technology to new content), and activities (such as in developing cultural tourism).

As well as common development challenges, the Programme area is characterised by shared and common development resources, including the area's abundant natural resources and high-quality physical environments. All of these characteristics are fundamental to the local communities and indigenous populations in the area. They are also keys to local economies, e.g. through tourism, which is a key sector across the NPA area.

Looking to the future, for both established sectors and new areas of activity, SMEs and larger companies, innovation capacity is key. Innovative firms offering new products and processes also have a potentially vital role for the local economy in expanding market opportunities, increasing the competitiveness of other local suppliers, and providing a model for encouraging wider innovation among local firms and entrepreneurs. A key aspect of emerging strength in the area is the increasing use of e-technologies, innovative solutions and partnerships between private and community sectors that continue to be necessary to deliver high quality services to remote communities. In addition, new forms of economic activity in areas such as niche manufacturing and food production are necessary for ongoing sustainable growth. The growing focus on the circular economy requires new solutions and innovations to transform production processes and change consumer behaviour, for example in waste prevention, recycling and the sharing economy. Across the NPA area, there are important opportunities for knowledge transfer, skills development, and cooperation across this area to inform new thinking, introduce new methods of operation/disruptive technologies, support emerging sectors, and boost productivity. The COVID-19

pandemic has amplified the existing vulnerabilities in the NPA area. However, the NPA area can also build on valuable lessons about resilience in the face of shrinking and ageing communities, and dealing with economic shocks. Regional innovation systems across the NPA can contribute to building greener and smarter communities, putting them in a better position to handle economic fluctuations and natural risks resulting from climate change.

***Environment:***

Climate change is causing ice glaciers to melt at an unprecedented rate, threatening crucial ecosystems and biodiversity across the NPA area and global social, economic and environmental consequences. The NPA region faces numerous environmental challenges linked to the sustainable management of natural resources, environmental protection, and climate change. The impacts of climate change are diverse and wide-ranging, including loss of biodiversity, increased river levels due to higher rates of rainfall, smaller and less glaciated areas, fewer areas with permafrost, and more extreme weather events threatening coastal communities. Climate change affects the whole territory, but regions within the area also face specific challenges. For example, the Arctic NPA area is particularly sensitive to climate change because of ice-albedo feedback and the vulnerability of its ecosystem - temperatures have increased at almost twice the global average rate over the past century.

At the same time, climate change is also opening new opportunities for resource extraction and transport, the area has huge potential for green development and renewable energy resources. The result is increased economic and military activity in the region, both from the Arctic countries and new players.

As has been mentioned already, the area has diverse, unique environments, ranging from Arctic, boreal forest to coastal maritime territories. Due to low population density, the programme-geography has large areas of natural and semi-natural environments. Related, the area has high levels of biodiversity, unique species and large protected areas. Natural resources form an important basis for the economies of the area, e.g. forestry, fishing, mineral extraction. This tradition and the opening of new mining megaprojects highlight the ongoing and evolving challenge of balancing sustainable economic development, environmental management and the needs of local communities.

The exploitation of natural resources, most notably fishing and forestry industries, places significant pressure on sensitive ecosystems and is linked to habitat loss, fragmentation of ecosystems, environmental degradation and threats to vulnerable species. Pressures from pollution, particularly in marine and freshwater ecosystems, managing tourism in fragile environments and high per capita green house gas emissions are additional challenges.

Combatting climate change and climate change adaptation/resilience are major challenges for the area. Climate change is already a common focus in bilateral and multilateral programmes and networks across the area and each NPA country has set ambitious goals toward cutting carbon emissions. This commitment has driven innovation, capacity, and leadership in 'Green technologies and solutions' and with respect to carbon neutrality and environmental aspects. Achieving these goals will rely heavily on innovation in the industrial, transport and building sectors, as well as efforts towards behaviour change, particularly with respect to consumption patterns. For example, actions to support remote working, more energy efficient buildings, developing eco-products, Cleantech, boosting the circular economy, addressing efficiencies in supply chains, recycling and waste reduction (especially food waste) will all have a role.

### ***Connectivity and networks:***

The geographic and climatic conditions of the NPA present particular challenges for both transport and digital connectivity including:

- huge distances between settlements and to nearest regional and national urban centres,
- difficult topography and climatic conditions which increase the logistical feasibility,
- financial cost, and
- potential environmental impact of physical infrastructure links.

Sustainable economic development in peripheral regions that are distanced from major markets is strongly correlated with good transport infrastructure that provides the means for the exchange of physical goods and products, labour mobility, access to services and educational interaction. Good infrastructure provision is also necessary as a factor in population retention as well as the development of industries with growth potential such as tourism. Though the TEN-T network provides access throughout the core of Europe, it does not yet cover much of the NPA area.

However, transport networks and infrastructure are potentially on the cusp of significant change linked to the opening up of new sea routes, wider impacts of climate change, and major economic developments in the region. Territorial cooperation through smaller scale, innovative projects such as Interreg-projects can inform new and innovative approaches to regional transport and logistics, e.g. by mobilising and using existing knowledge. Inter-regional transport networks benefit from close relations between regions, particularly those which are hubs in multi-modal networks. Multi-modal networks (i.e. in which goods or passengers move between destinations via two or more different modes of interconnecting transport) enable economic efficiency savings by maximising the advantages of each transit mechanism.

Digitalisation is vital for the social and economic development of NPA regions but geographical remoteness presents particular challenges for infrastructure provision and supply. Digitalisation has enormous potential to overcome some of the specific challenges facing NPA areas, offering the potential to overcome the barriers of distance and open up new service provision and employment opportunities in e-education, e-health and e-business. Place-based development opportunities can also be exploited more effectively when remote communities can be digitally connected. Barriers to progress in digitalisation in many peripheral areas include: the higher infrastructure costs of bringing new technologies over longer distances to smaller areas of population; urban-led technology development taking less account of the needs of remote areas; and lack of skills and knowledge to fully exploit new technology opportunities. Nevertheless, digitalisation has been a priority for many NPA regions and there are many policy initiatives supporting effective provision and use of new digital technologies.

### **Joint investment needs, complementarities and synergies with other forms of support**

The NPA programme neighbours and overlaps with a number of programmes, due to its large geographic scale. The European Territorial Cooperation programmes that are of relevance to the NPA area are

- Peace plus
- Interreg Aurora
- Sverige-Norge
- Kolarctic CBC
- Karelia CBC
- Baltic Sea Region

- North Sea Region
- Atlantic Area
- North West Europe

All programmes mentioned above have their own distinct focus, but the differentiation between the programmes can be difficult to spot when only looking at the Policy objectives and Specific objectives since these are already formulated and set by the Commission and are similar for all programmes. The differences can instead be seen in what focus a programme with a specific geographic feature has within the policy objectives or specific objectives due to for example the needs of particular communities e.g. coastal or Arctic. Similarly, some themes will be given more emphasis than others e.g. the Peace Plus programme will contain a strong community relationship focus while the Baltic Sea will be expected to have a strong link to the Baltic Sea Macro Regional Strategy and work, in part, through the Interreg specific objectives. There will also be differences between co-operations between neighbouring countries and countries with no common border. However, the broad themes outlined in the regulations, and the nature of the development challenges faced across Europe, mean that many of these broad themes are likely to remain the same, e.g. innovation, supporting SMEs, addressing climate change, protecting the environment. This allows not just for programmes to work for their own territories but also allows them to collaborate and complement activities, building wider impacts and results.

### **Macro-regional strategies and sea-basin strategies**

The NPA area partly corresponds to macro-regional and sea basin strategies, namely the EU Strategy for the Baltic Sea Region, that covers parts of the programme area (Sweden and Finland, Iceland and Norway) and the EU Action Plan for Maritime Strategy in the Atlantic area which applies to NPA regions in Ireland. Since a larger part of the programme area is not covered by the strategy nor the action plan, the focus of the programme is not formally aligned with the two documents. However, there is not any conflict of interest between the goal of the programme and the Baltic Sea Strategy, nor with the Action Plan for Maritime Strategy in the Atlantic area, and in practice there are quite a few areas where NPA actions could complement strategy goals.

### ***Arctic Cooperation***

The NPA Programme has a strong basis upon which to build its contribution to the Arctic and the wider northern periphery neighbourhood. A considerable part of the Programme area is located north of the Arctic Circle, but it also includes areas which belong to the subarctic or the northern temperate zone. Many of the regions in the Programme area are Arctic or at least 'Arctic like'. Most of the programme's partner regions and/or countries have specific Arctic Strategies in place and an interest in advocating close links with the Arctic. Moreover, due to changes taking place in the Arctic region (climate change and reduced sea ice in particular), the political, economic and social importance of the Arctic region is growing impacting the wider NPA area. The EU has been conscious of the need for international cooperation on Arctic issues and the EU's Arctic policy, which has evolved since it was first outlined in 2008, is set to undergo further update to respond to new challenges and opportunities related to climate change and receding sea ice (and in consideration of the European Green Deal) and the increasing geo-political importance of the region. The 2016 Joint Communication on an integrated EU policy for the Arctic is expected to be updated in the autumn 2021.

The programme has demonstrated its value in acting as a bridge between the Arctic and the wider northern periphery and other parts of Europe.



The NPA addresses the Arctic Dimension in three ways:

- Geographically, the Programme covers Arctic and subarctic territories from Finland to Greenland.
- The programme supports cooperation, innovation and transfer of knowledge and technology within themes, which are of specific significance for the Arctic territories, such as sustainable use of non-renewable and renewable resources and demographic development
- Finally, the overall intention is that NPA projects shall foster changes that are of importance to people, including indigenous people, living in the Arctic and the wider northern periphery.

Cooperation in the Arctic has a long history. The European Territorial Cooperation programmes operating within the Arctic have already during the past programming period been working more closely together and will continue to do so in this period. The NPA programme, which is the programme with the widest Arctic coverage, has been chosen to perform this coordination role. This means supporting cross programme collaboration in the Arctic to maximise the benefit of territorial cooperation, support the progression, dissemination and capitalisation of projects and boost strategic synergies with other Interreg, Cohesion policy programme and EU interventions.

The cooperation has so far facilitated

- exchange of information and dissemination of information,
- joint/coordinated project and programme events and representation at larger Arctic and European conferences,
- funding clustering of projects from different programmes,
- the running of an Arctic Award project competition.

Based on experience from the previous period, it must be recognised that the success of the Arctic network cooperation is dependent on the active involvement by all the programmes.

Links with the wider NPA neighbourhood, both within and outside of EU strategies, are an important aspect for the NPA to consider.

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

Table 1

Selected policy objective or selected Interreg-specific objective	Selected specific objective	Priority	Justification for selection
<p><b>PO1</b> A smarter Europe by promoting innovative and smart economic transformation</p>	<p><i>a) Developing and enhancing research and innovation capacities and the uptake of advanced technologies</i></p> <p><i>b) Reaping the benefits of digitisation for citizens, companies, research</i></p>	Strengthening the innovation capacity for resilient and attractive NPA communities	Justification for selecting the policy objective “A smarter Europe” is the need to build adaptive capacity and resilience in the NPA area. Through strengthening the innovation capacity in remote regions, the NPA communities can become more attractive both for businesses and persons, and also be a role model for sustainable living conditions in peripheral areas.

Selected policy objective or selected Interreg-specific objective	Selected specific objective	Priority	Justification for selection
	<p><i>organisations and public authorities</i></p> <p><i>c) Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments</i></p>		<p>There are regional disparities when it comes to innovation. Some regions have high levels of innovation, other faces challenges in relation to long distances. Transnational cooperation provides possibilities to connect key stakeholders and build critical mass to act and combine local expertise and technical/research capacity across the programme area. Sustainable development is of great importance for the area and this includes development of both green and blue technologies.</p> <p>By enhancing research and innovation capacities and reaping the benefits of digitisation, the programme can deliver key services to SMEs and communities and support capacity to adapt to rapidly changing conditions. This is done by building know-how and capacity in new and emerging areas of activity/need, and developing existing areas including new approaches to managing tourism, development of creative industries etc.</p> <p>Actions aimed at supporting SMEs and development of advanced or 'disruptive' solutions, engaging even more fully with the opportunities offered by digitalisation are all areas that benefit the area and lend themselves to transnational cooperation.</p> <p>The key role of SMEs in the NPA area economies, past NPA experience and the new challenges facing SMEs means that by enhancing growth and competitiveness of SMEs, the programme could offer the opportunity to address needs, share experience and develop SME support through advanced SME engagement and business support services. The NPA can add value by focussing on the specific needs for SMEs and innovation in extremely remote and peripheral areas.</p>
<p><b>PO2</b> A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk</p>	<p><i>a) Promoting energy efficiency and reducing greenhouse emissions</i></p> <p><i>d) Promoting climate change adaptation</i></p>	<p>Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities</p>	<p>The NPA areas are highly exposed to the impacts of climate change and are also leaders in the development of innovative approaches to green and low carbon solutions. The areas are early and extensive adopters of green solutions, e.g. energy efficiency, and</p>

Selected policy objective or selected Interreg-specific objective	Selected specific objective	Priority	Justification for selection
prevention and management	<p><i>and disaster risk prevention, resilience taking into account ecosystem-based approaches;</i></p> <p><i>f) Promoting the transition to a circular and resource efficiency economy;</i></p>		<p>renewable energy. This vast expertise and local capacity, including indigenous knowledge, can be brought together by transnational cooperation to e.g. develop industry-specific advances for relevant sectors or place-specific needs, link local know-how with technological/research developments and broadening the application of local solutions. The areas of activity where the programme has most potential are in relation to innovations and promoting tailored green solutions.</p> <p>The area can build on its leadership in developing energy efficiency measures, e.g. cold climate technologies. Some parts of the programme area have a leading capacity and take-up when it comes to renewable energy use, while in other parts, geographic limitations mean that there are still high levels of dependency on fossil fuels.</p> <p>The impacts of climate change in the NPA area make promoting climate change adaptation, risk prevention and disaster resilience an extremely relevant area of intervention, and one where transnational cooperation can support the development of critical mass to act, provide scope to link areas of expertise, and the capacity to develop tailored solutions for peripheral areas.</p> <p>When working with the circular economy, it is important to focus on those sectors that use the most resources and where the potential for circularity is highest. There is scope for transnational cooperation in this field due to the similarities between the NPA communities, and the programme aims at sharing and develop expertise to make circularity work for people, regions and cities in the NPA area.</p> <p>Resource efficiency, creating more with less and delivering a greater value with less input, is one of the bases for this programme.</p>
<b>ISO1</b> A better Interreg/Cooperation governance	<i>a) Enhance institutional capacity of public authorities and stakeholders to</i>	Strengthening the organisational capacity among	Linked to the value of the Arctic dimension of the programme, this priority can provide a mechanism through which to continue to develop

Selected policy objective or selected Interreg-specific objective	Selected specific objective	Priority	Justification for selection
	<p><i>implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies</i></p>	<p>NPA communities to make use of cooperation opportunities</p>	<p>the NPA's role in developing transnational territorial cooperation in the Arctic. This could be done, for example, by setting arenas for cooperation across projects, not only between projects within the NPA programme but also between programmes. This could both enrich and extend cooperation by for example building know-how, shared experience; developing/implementing shared strategies; strategy coordination; commissioning studies or data to better understand cooperation opportunities and challenges (making sure they are applied/used); empowering local communities; and improving communication.</p> <p>Projects in this priority can be developed both as 'top-down', as strategic capacity building actions, or bottom-up initiated actions by stakeholders, such as for example indigenous peoples and local communities.</p> <p>Small projects can be one tool to implement this priority.</p>

## 2. Priorities

### 2.1 Title of the priority

Strengthening the innovation capacity for resilient and attractive NPA communities

#### 2.1.1 Specific objective

**Developing and enhancing research and innovation capacities and the uptake of advanced technologies**

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

Enhancing research and innovation capacities and the uptake of advanced technologies are of key importance for SMEs and micro enterprises, and related, the NPA area as a whole. Through innovation and pursuing higher value-added processes activities can be diversified and expanded, drawing on specialist sectoral knowledge and expertise in the area. Regional programmes and strategies, including smart specialisation strategies, which foster bottom-up policy approach for regional innovation and development can be the basis for identified key regional strengths.

In times of major change, most notably climate change, the vulnerable ecologies of the programme area place even more importance on innovation capacity as a means to adapt, manage and respond to change, and the innovation capacity is also of importance when other unforeseen catastrophes such as pandemics occur. To combat the climate change, green and blue technologies are of interest to the area.

Recognising that the innovation process can take time and involve many stages, projects can engage at various stages in the innovation cycle, from inception to testing and pre-commercial development, to expanding application and adoption. It is important to involve SMEs already when developing innovations, but also in the application of existing technologies. Examples of sectors in which the programme can finance projects are healthcare, energy, the marine economy, circular economy, transport, environmental and natural resources as well as innovation with emphasis on tourism, culture and creative industries.

Types of actions to be funded:

- Facilitating technology transfer to, or across, the Programme area benefiting SMEs, including green technologies
- Facilitating commonly identified opportunities based on strengths in the programme area supported by research and innovation, including smart specialisation strategies.

In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for a performance with low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups, including indigenous peoples and other culturally and linguistically distinct groups originating from the NPA area.

### 2.1.3 Indicators

Table 2: Output indicators

Priority	Specific objective	ID [5]	Indicator	Measurement unit [255]	Milestone (2024) [200]	Final target (2029) [200]
Strengthening the innovation capacity for resilient and attractive NPA communities	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	RCO10	Enterprises cooperating with research institutions			
		RCO 84	Pilot actions developed jointly and implemented in projects			
		RCO 87	Organizations cooperating across borders			
		RCO 116	Jointly developed solutions			

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
Strengthening the innovation capacity for resilient and attractive NPA communities	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	RCR 04	SMEs introducing marketing or organisational innovation						
		RCR 03	SMEs introducing product or process innovation						
		RCR 104	Solutions taken up or upscaled by organizations						

### 2.1.4 The main target groups

- Higher education and research
- Enterprise, except SME
- SME
- Business support organization
- Regional public authority
- National public authority
- Local public authority
- Non-profit organisations / Social enterprises

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

In accordance with PPG decision, the setting up of territorial tools will not be pursued.

### 2.1.6 Planned use of financial instruments

In accordance with PPG decision, the setting up of specific financial instruments will not be pursued.

### 2.1.7 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	1(i)	007 Research and innovation activities in micro enterprises including networking (industrial research, experimental development, feasibility studies)	
1	ERDF	1(i)	008 Research and innovation activities in small and medium-sized enterprises, including networking	
1	ERDF	1(i)	016 Skills development for smart specialisation, industrial transition and entrepreneurship	
1	ERDF	1(i)	021 Technology transfer and cooperation between enterprises, research centres and higher education sector	
1	ERDF	1(i)	022 Research and innovation processes, technology transfer and cooperation between enterprises focusing on the low carbon economy, resilience and adaptation to climate change	
1	ERDF	1(i)	023 Research and innovation processes, technology transfer and cooperation between enterprises focusing on circular economy	

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	1(i)	01 Grant	

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus

Priority No	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	1(i)	48 No territorial targeting	

## 2.2 Title of the priority

Strengthening the innovation capacity for resilient and attractive NPA communities

### 2.2.1 Specific objective

**Reaping the benefits of digitisation for citizens, companies, research organisations and public authorities**

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

Territories across the programme area experience challenges linked to long distances and access to markets and key services. Digitalisation and digital solutions are key to addressing and mitigating these challenges of importance for public service, SMEs and the communities and people who live in the area, e.g. creating links between the public sector, networks of SMEs and education providers. Digitisation can help to mitigate challenges linked to demographic change, mitigate crises such as pandemics, and also create opportunities for younger population in remote and peripheral communities, e.g. through remote healthcare and smart mobility. In order to make the advantages of digitisation accessible for everyone, it is important to develop digital skills and also to build capacity in SMEs, in public service, and in organisations.

Transnational collaboration has a vital role in strengthening the expertise and experiences of working with digital solutions in the programme area, both to widen and deepen the expertise coming from these peripheral areas, and also to apply new solutions.

Types of actions to be funded:

- Transfer and development of accessible digital solutions to create better conditions for people to live and work in the area. This includes technology-driven solutions for public service provision, as well as marketing models and solutions facilitating the use of distance-spanning technology to overcome long distance to market.

In all activities that are approved by the NPA-programme, there should be an integration of the horizontal criteria. This means that the activities should strive for a performance with low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups, including indigenous peoples and other culturally and linguistically distinct groups originating from the NPA area.



## 2.2.3 Indicators

Table 2: Output indicators

Priority	Specific objective	ID [5]	Indicator	Measurement unit [255]	Milestone (2024) [200]	Final target (2029) [200]
Strengthening the innovation capacity for resilient and attractive NPA communities	Reaping the benefits of digitisation for citizens, companies, research organisations and public authorities	RCO 14	Public institutions supported to develop digital services, products, and processes			
		RCO 84	Pilot actions developed jointly and implemented in projects			
		RCO 87	Organizations cooperating across borders			
		RCO 116	Jointly developed solutions			

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
Strengthening the innovation capacity for resilient and attractive NPA communities	Reaping the benefits of digitisation for citizens, companies, research organisations and public authorities	RRC 11	Users of new and upgraded public digital services, products and processes						
		RRC 12	Users of new and upgraded digital services, products and processes developed by enterprises						
		RRC 104	Solutions taken up or upscaled by organizations						

## 2.2.4 The main target groups

- Local public authority
- Regional public authority
- National public authority
- Sectoral agency

- Infrastructure and (public) service provider
- Interest groups including NGOs
- Higher education and research
- Education/training centre and school
- SME
- Enterprise, except SME
- Business support organisation
- General public (including local communities)

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

In accordance with PPG decision, the setting up of territorial tools will not be pursued.

#### 2.2.6 Planned use of financial instruments

In accordance with PPG decision, the setting up of specific financial instruments will not be pursued.

#### 2.2.7 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	1(ii)	010 Digitizing SMEs (including e-Commerce, e-Business and networked business processes, digital innovation hubs, living labs, web entrepreneurs and ICT start-ups, B2B)	
2	ERDF	1(ii)	011 Government ICT solutions, e-services, applications	
2	ERDF	1(ii)	012 IT services and applications for digital skills and digital inclusion	
2	ERDF	1(ii)	013 e-Health services and applications (including e-Care, Internet of Things for physical activity and ambient assisted living)	

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	1(ii)	01 Grant	

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	1(ii)	48 No territorial targeting	

## 2.3 Title of the priority

Strengthening the innovation capacity for resilient and attractive NPA communities

### 2.3.1 Specific objective

**Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments**

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

Through transnational cooperation, the programme will contribute to enhancing the entrepreneurial climate of the NPA area by facilitating the transfer and development of business support strategies and solutions to overcome the particular challenges faced by start-ups and existing SMEs in remote and peripheral regions. An example is building networks and clusters with capacity to tackle the challenge with long distance to market for SMEs. Overcoming these challenges will contribute to a more dynamic business sector, in particular for SMEs in nontraditional sectors.

In the programme area, there are area-based specialisms linked to specific area-based cultural or natural resources as for example uniqueness of Arctic, islands, coastal areas etc. To manage traditional business in remote and sparsely populated areas there is a need to build economic diversification and resilience. Through innovation, traditional sectors can be diversified and expanded. A key sector for the area that has particularly high number of SMEs and micro enterprises is tourism. This is also a sector where it is important to engage indigenous groups and local communities in planning and activities.

Types of actions to be funded:

- Transfer and development of models and solutions for support to SMEs faced with commonly identified challenges and opportunities in peripheral regions with a particular focus on entrepreneurial skills and sustainable business models.
- Transfer and development of concepts for creating networks and clusters of SMEs and connecting entrepreneurial capacities across regions as well as adapting marketing models for a greater market reach.

In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for a performance with a low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups, including indigenous peoples and other culturally and linguistically distinct groups originating from the NPA area.

### 2.3.3 Indicators

Table 2: Output indicators

Priority	Specific objective	ID [5]	Indicator	Measurement unit [255]	Milestone (2024) [200]	Final target (2029) [200]
Strengthening the innovation capacity for resilient and attractive NPA communities	Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	RCO 01	Enterprises supported (of which micro, small, medium, large)			
		RCO 04	Enterprises with non-financial support			
		RCO 05	New enterprises supported			
		RCO 87	Organizations cooperating across borders			
		RCO 116	Jointly developed solutions			

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
Strengthening the innovation capacity for resilient and attractive NPA communities	Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	RCR 104	Solutions taken up or upscaled by organizations						

### 2.3.4 The main target groups

- Local public authority
- Regional public authority
- Sectoral agency
- Higher education and research
- Education/training centre and school
- SME
- Business support organisation

- General public (including local communities)

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

In accordance with PPG decision, the setting up of territorial tools will not be pursued.

### 2.3.6 Planned use of financial instruments

In accordance with PPG decision, the setting up of specific financial instruments will not be pursued.

### 2.3.7 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	1(iii)	015 SME business development and internationalisation	
2	ERDF	1(iii)	017 Advanced support services for SMEs and groups of SMEs (including management, marketing and design services)	
2	ERDF	1(iii)	018 Incubation, support to spin offs and spin outs and start ups	
2	ERDF	1(iii)	019 Innovation cluster support and business networks primarily benefiting SMEs	
2	ERDF	1(iii)	020 Innovation processes in SMEs (process, organisational, marketing, co-creation, user and demand driven innovation)	

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	1(iii)	01 Grant	

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	1(iii)	48 No territorial targeting	

## 2.4 Title of the priority

Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities

### 2.4.1. Specific objective

**Promoting energy efficiency and reducing greenhouse gas emissions**

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

Territories across the programme area have high energy needs linked to their cold and extreme climates. This, in turn requires smart energy solutions, including smart energy storage. Long distances and a lack of access of communities and hubs drives the need to explore community-based systems, for example for islands and remote areas. The area has a high potential for renewable energy resources and can build on vast expertise and experience in the field and a preparedness to adopt and apply new technologies and new solutions. The main focus is achieving net energy savings and respect of biodiversity and habitats. Types of actions to be funded:

- Transfer and development of sustainable renewable energy generation and energy efficiency solutions suitable for cold climates and remote communities.
- Facilitating the use of place-based energy surpluses and development of smart energy management concepts in remote communities.

In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for a performance with low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups, including indigenous peoples and other culturally and linguistically distinct groups originating from the NPA area.

### 2.4.3 Indicators

Table 2: Output indicators

Priority	Specific objective	ID [5]	Indicator	Measurement unit [255]	Milestone (2024) [200]	Final target (2029) [200]
Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities	Promoting energy efficiency and reducing greenhouse gas emissions	RCO 18	Dwellings with improved energy performance			
		RCO 105	Solutions for electricity storage			
		RCO 84	Pilot actions developed jointly and implemented in projects			

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Base-line	Reference year	Final target (2029)	Source of data	Comments
Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities	Promoting energy efficiency and reducing green-house gas emissions	RCR 79	Joint strategies and action plans taken up by organisations						
		RCR 104	Solutions taken up or up-scaled by organisations						

#### 2.4.4 The main target groups

- Local public authority
- Regional public authority
- Sectoral agency
- Infrastructure and (public) service provider
- Interest groups including NGOs
- Higher education and research
- SME
- General public (including local communities)

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

In accordance with PPG decision, the setting up of territorial tools will not be pursued.

#### 2.4.6 Planned use of financial instruments

In accordance with PPG decision, the setting up of specific financial instruments will not be pursued.

## 2.4.7 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	2(i)	024 Energy efficiency and demonstration projects in SMEs and supporting measures	
2	ERDF	2(i)	025 Energy efficiency renovation of existing housing stock, demonstration projects and supporting measures	
2	ERDF	2(i)	026 Energy efficiency renovation of public infrastructure, demonstration projects and supporting measures	
2	ERDF	2(i)	028 Renewable energy: wind	
2	ERDF	2(i)	029 Renewable energy: solar	
2	ERDF	2(i)	030 Renewable energy: biomass	
2	ERDF	2(i)	031 Renewable energy: marine	
2	ERDF	2(i)	032 Other renewable energy (including geothermal energy)	
2	ERDF	2(i)	033 Smart Energy Distribution Systems at medium and low voltage levels (including smart grids and ICT systems) and related storage	

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	2(i)	01 Grant	

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	2(i)	48 No territorial targeting	



## 2.5 Title of the priority

Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities

### 2.5.1 Specific objective

**Promoting climate change adaptation and disaster risk prevention, resilience, taking into account eco-system based approaches**

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

The vulnerability of the NPA regions and their geographies (sparsely populated costal-, mountain-regions and islands) makes combating climate change and climate change adaptation/resilience major challenges for the area. The specific nature and needs of these areas means it is vital to have input from specialists and local input with in depth knowledge of the unique and sensitive natural environments. The programme will support the transfer of knowledge and experiences between the regions in the programme, and the creation of new transnational networks.

Types of actions to be funded:

- Transfer and development of solutions that facilitate the use of community knowledge and builds local capacity for climate change adaptation, risk prevention and disaster resilience in sparsely populated communities.

In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for a performance with a low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups, including indigenous peoples and other culturally and linguistically distinct groups originating from the NPA area.

### 2.5.3 Indicators

Table 2: Output indicators

Priority	Specific objective	ID [5]	Indicator	Measurement unit [255]	Milestone (2024) [200]	Final target (2029) [200]
Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities	Promoting climate change adaptation and disaster risk prevention, resilience, taking into account eco-system based approaches	RCO 27	National and sub-national strategies addressing climate change adaptation			
		RCO 84	Pilot actions developed jointly and implemented in projects			
		RCO 87	Organizations cooperating across borders			
		RCO 116	Jointly developed solutions			

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities	Promoting climate change adaptation and disaster risk prevention, resilience, taking into account eco-system based approaches	RCR 37	Population benefiting from protection measures against climate related natural disasters (other than floods and wildfire)						
		RCR 96	Population benefiting from protection measures against non-climate related natural risks and risks related to human activities						
		RCR 104	Solutions taken up or up-scaled by organisations						

#### 2.5.4 The main target groups

- Local public authority
- Regional public authority
- National public authority
- Sectoral agency
- Infrastructure and (public) service provider
- Interest groups including NGOs
- Higher education and research
- SME
- International organisation, EEIG
- General public (including local communities)

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

In accordance with PPG decision, the setting up of territorial tools will not be pursued.

#### 2.5.6 Planned use of financial instruments

In accordance with PPG decision, the setting up of specific financial instruments will not be pursued.

## 2.5.7 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	2(iv)	035 Adaptation to climate change measures and prevention and management of climate related risks: floods (including awareness raising, civil protection and disaster management systems and infrastructures)	
2	ERDF	2(iv)	036 Adaptation to climate change measures and prevention and management of climate related risks: fires (including awareness raising, civil protection and disaster management systems and infrastructures)	
2	ERDF	2(iv)	037 Adaptation to climate change measures and prevention and management of climate related risks: others, e.g. storms and drought (including awareness raising, civil protection and disaster management systems and infrastructures)	
2	ERDF	2(iv)	038 Risk prevention and management of non-climate related natural risks (i.e. earthquakes) and risks linked to human activities (e.g. technological accidents), including awareness raising, civil protection and disaster management systems and infrastructures	

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	2(iv)	01 Grant	

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	2(iv)	48 No territorial targeting	

## 2.6 Title of the priority

Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities

### 2.6.1 Specific objective

**Promoting the transition to a circular and resource efficient economy**

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

The circular economy requires new solutions and innovations to transform production processes and change consumer behaviour. Crucially responses need to take into account territorial specificities, such as the impact of peripherality and extreme climates, some areas have recognised challenges in dealing with waste management, where distance and transport is an issue. For example waste is one of many aspects that could be included in actions to create circular economy. Other important aspects are resource efficiency in sectors as bio economy, blue economy, the building sector and infrastructure, food, and by-products from production.

In remote communities, there are already important strengths in this field, e.g a tradition of self-reliance, reusing and repurposing. Therefore circular, green and bio-economy are already integral parts of the NPA area. Another reason for the importance of these sectors are the high impact of pollution on sensitive environments in the NPA area.

The programme can, for example, support concepts for engaging sparsely populated areas in accessing wider networks and capacities for knowledge transfer and skills development.

Types of actions to be funded:

- Facilitating the transfer and development of solutions that promote resource efficiency, end-of-waste, and a better use of by-products in remote, and sparsely populated communities
- Facilitating the transfer and development of solutions for community planning for the circular economy in remote, and sparsely populated communities.

In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for a performance with a low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups, including indigenous peoples and other culturally and linguistically distinct groups originating from the NPA area.

## 2.6.3 Indicators

Table 2: Output indicators

Priority	Specific objective	ID [5]	Indicator	Measurement unit [255]	Milestone (2024) [200]	Final target (2029) [200]
Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities	Promoting the transition to a circular and resource efficient economy	RCO 119	Waste prepared for re-use			
		RCO 84	Pilot actions developed jointly and implemented in projects			
		RCO 87	Organizations cooperating across borders			
		RCO 116	Jointly developed solutions			

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Base-line	Reference year	Final target (2029)	Source of data	Comments
Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities	Promoting the transition to a circular and resource efficient economy	RCR 104	Solutions taken up or upscaled by organisations						

## 2.6.4 The main target groups

- Local public authority
- Regional public authority
- Sectoral agency
- Infrastructure and (public) service provider
- Interest groups including NGOs
- Higher education and research
- Enterprise, except SME
- SME
- Business support organisation
- International organisation, EEIG
- General public (including local communities)

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

In accordance with PPG decision, the setting up of territorial tools will not be pursued.

2.6.6 Planned use of financial instruments

In accordance with PPG decision, the setting up of specific financial instruments will not be pursued.

2.6.7 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	2(vi)	045 Promoting the use of recycled materials as raw materials	
2	ERDF	2(vi)	047 Support to environmentally-friendly production processes and resource efficiency in SMEs	

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	2(vi)	01 Grant	

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	2(vi)	48 No territorial targeting	

## 2.7 Title of the priority

Strengthening the organizational capacity among NPA communities to make use of cooperation opportunities

### 2.7.1 Specific objective

**Enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies**

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

The goal for actions to enhance organisational capacity of public authorities and stakeholders in NPA is to develop more resilient communities. This includes working with natural and cultural heritage to protect, promote and develop these important features for the programme area and developing wider territorial synergies and links to the benefits of the programme area.

The NPA Programme has the potential to bring strong regional and territorial development perspectives to the EU Arctic Policy, as well as national Arctic policies, recognising the unique circumstances and challenges of the Northern Periphery and Arctic Programme area compared to other parts of Europe. In particular, common characteristics in relation to demography, indigenous perspectives, peripherality, insularity and harsh conditions .

The NPA programme has a leading role in the cooperation between the Arctic INTERREG programmes (a cooperation that potentially will be extended to national programmes and other Arctic networks). To bring the cooperation to a project level, the NPA can support projects that cooperate across programmes in order to encourage increased alignment, synergies and results.

The specific objective does not only target Arctic regions, but also other northern European regions that have similar features and challenges.

Types of actions to be funded:

- Development and transfer of capacity building concepts to engage stakeholders in cooperation based on local knowledge, supporting them to implement strategies for Northern Periphery and Arctic regions

In all activities that are approved by the NPA programme, there should be an integration of the horizontal criteria. This means that the activities should strive for a performance with a low carbon footprint, with equal opportunities for men and women and inclusion of underrepresented groups, including indigenous peoples and other culturally and linguistically distinct groups originating from the NPA area.

### 2.7.3 Indicators

Table 2: Output indicators

Priority	Specific objective	ID [5]	Indicator	Measurement unit [255]	Milestone (2024) [200]	Final target (2029) [200]
Strengthening the organizational capacity among NPA communities to make use of cooperation opportunities	Enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies	RCO 81	Participations in joint actions across borders			
		RCO 87	Organisations cooperating across borders			
		RCO 116	Jointly developed solutions			

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Base-line	Reference year	Final target (2029)	Source of data	Comments
Strengthening the organizational capacity among NPA communities to make use of cooperation opportunities	Enhance institutional capacity of public authorities and stakeholders to implement macro-regional strategies and sea-basin strategies, as well as other territorial strategies	RCR 79	Joint strategies and action plans taken up by organisations						
		RCR 104	Solutions taken up or up-scaled by organisations						



#### 2.7.4 The main target groups

- Local public authority
- Regional public authority
- National public authority
- Sectoral agency
- Interest groups including NGOs
- Higher education and research
- Education/training centre and school
- SME
- International organisation, EEIG
- General public (including local communities)

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

In accordance with PPG decision, the setting up of territorial tools will not be pursued.

#### 2.7.6 Planned use of financial instruments

In accordance with PPG decision, the setting up of specific financial instruments will not be pursued.

#### 2.7.7 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	ISO1(iv)	135 Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	ISO1(iv)	01 Grant	

Table 6: Dimension 3 – territorial delivery mechanism and territorial focus

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	ISO1(iv)	48 No territorial targeting	

### 3. Financing plan

#### 3.1 Financial appropriations by year

**Table 7**

<i>Fund</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>Total</i>
<i><u>ERDF(territorial cooperation goal)</u></i>								<i>43 752 576</i>
<i>IPA III CBC<sup>1</sup></i>								
<i>NDICI-CBC<sup>2</sup></i>								
<i>IPA III<sup>2</sup></i>								
<i>NDICI<sup>3</sup></i>								
<i>OCTP-<sup>3</sup></i>								
<i>Interreg Funds<sup>4</sup></i>								
<b><i>Total</i></b>								<b><i>43 752 576</i></b>

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<sup>1</sup> *Interreg A, external cross-border cooperation*

<sup>2</sup> *Interreg B and C*

<sup>3</sup> *Interreg B, C and D*

<sup>4</sup> *ERDF, IPA III, NDICI or OCTP, where as single amount under Interreg B and C*

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

Table 8

Policy objective No	Priority	Fund (as applicable)	Basis for calculation EU support (total eligible cost or public contribution)	EU contribution (a)=(a1)+(a2)	Indicative breakdown of the EU contribution		National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	Contributions from the third countries (for information)
					Without TA purs. to Art. 27 (a1)	For TA pursuant to Art. 27 (a2)		National public (c)	National private (d)			
PO1	Priority 1: Strengthening the innovation capacity for resilient and attractive NPA communities	ERDF		19 688 659	18 005 240	683 419	10 601 586	10 283 538	318 048	30 290 245	65 %	4 383 972
		IPA III CBC <sup>5</sup>										
		NDICI-CBC <sup>6</sup>										
		IPA III <sup>6</sup>										
		NDICI <sup>7</sup>										
		OCTP <sup>7</sup>										
		Interreg Funds <sup>8</sup>										
PO2	Priority 2: Strengthening the capacity for climate change adaptation, and resource sufficiency in NPA communities	ERDF		19 688 659	18 005 240	683 419	10 601 586	10 389 554	212 032	30 290 245	65 %	4 383 972
		IPA III CBC <sup>6</sup>										
		NDICI-CBC <sup>6</sup>										
		IPA III <sup>7</sup>										
		NDICI <sup>7</sup>										
		OCTP <sup>8</sup>										
		Interreg Funds <sup>9</sup>										
ISO 1	Priority 3: Strengthening the organisational capacity among NPA communities to make use of cooperation opportunities	ERDF		4 375 258	4 011 164	374 094	2 355 907	2 332 348	23 559	6 731 165	65 %	974 216
		IPA III CBC <sup>6</sup>										
		NDICI-CBC <sup>6</sup>										
		IPA III <sup>7</sup>										
		NDICI <sup>7</sup>										
		OCTP <sup>8</sup>										
		Interreg Funds <sup>9</sup>										
	<b>Total</b>	<b>All funds</b>		<b>43 752 576</b>	<b>40 011 644</b>	<b>3 740 932</b>	<b>23 559 079</b>	<b>23 005 440</b>	<b>553 639</b>	<b>67 311 655</b>	<b>65 %</b>	<b>9 742 160</b>

<sup>5</sup> Interreg A, external cross-border cooperation

<sup>6</sup> Interreg B and C

<sup>7</sup> Interreg B, C and D

<sup>8</sup> ERDF, IPA III, NDICI or OCTP, where as single amount under Interreg B and C

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

### **PREPARING THE PROGRAMME**

In accordance with the multi-level governance approach, the involvement of partners has been a central component throughout the development of this Cooperation Programme and an emphasis has been placed on ensuring both national, regional, and local level participation in the drafting process. The partnership principle has been key to the drafting process with the opportunity to gain regional and local perspectives through open consultation procedures, where relevant bodies representing among others economic and social partners, civil society and NGOs have provided valuable input.

The preparation of the Northern Periphery and Arctic Programme 2021-2027 was initiated by a Task Force consisting of members of the Monitoring Committee of the NPA 2014-2020 programme, with the exception of UK members due to pending negotiations on UK participation in future EU programmes.

At the Task Force meeting in April 2020, a structure for the programming process was agreed, which proposed the following programming bodies and roles:

The Shadow Monitoring Committee 2027 was the main decisionmaking body, with the same set up of national and regional representatives as the MC 2014-2020, with the exception of delegates from the UK.

The Programme Planning Group (PPG) as the main coordinating body consisted of one or two delegates from national and/or regional level. Furthermore, the PPG consisted of NPA 2014-2020 MA and JS staff, as well as the European Commission and representatives from key stakeholder groups, i.e. Nordic Atlantic Cooperation (NORA), the Arctic Council's Indigenous Peoples Secretariat, and representatives from neighboring regions in Russia and Canada.

A content subgroup to the PPG was set up to work on behalf of the PPG in between meetings, with the task to provide constructive feedback to the drafting team as well as considering input from consultants and stakeholders. The PPG nominated four regional representatives to the content subgroup and these worked closely with the drafting team during the whole programming process.

Regional Contact Points played a role in consulting regional stakeholders about lessons learned. Furthermore, NPA projects as main beneficiaries of the programme funding, provided useful feedback on the design of programme priorities, operationalizing the programme objectives.

The inclusion of consultation processes involving a broad partnership from the participating regions has been key to the development process. In February-March 2021 an online survey was open, and more than 1300 people were invited to provide feedback on the draft priorities, NPA project partners being the biggest group among them. Respondents to the survey represented local/regional/national authorities, sectoral agencies, interest groups, higher education and research organizations, education and training centres, SMEs, business support organizations, international organizations as well as the general public. During the same period a series of consultation workshops entitled "Shape the future NPA" were organised, where the draft Priorities were discussed. A majority of the comments received confirmed that the priorities and the actions were well formulated, relevant and clear.

The final draft programme document was subject to a public consultation and a consultation of the Strategic Environmental Assessment (SEA) took place.

Besides strong national and regional input, close cooperation with the consultants responsible for the area analysis and environmental assessment has informed the programme preparation to a great extent. Through an iterative approach, the programming bodies were able to incorporate many helpful suggestions made by the consultants in their role as “critical friends” during the process, allowing the programming bodies to proceed with considerable purpose.

## **IMPLEMENTATION, MONITORING AND EVALUATION**

### **Managing Authority**

The Managing Authority shall carry out the functions laid down in Articles 72, 74 and 75 of Regulation (EU) [draft CPR regulation], with the exception of the task of selecting operations referred to in point (a) of Article 72 (1) and Article 73 of that Regulation (EU) [draft CPR regulation]

### **Accounting function**

The accounting function shall consist of the tasks listed in points (a) and (b) of Article 76(1) of Regulation [draft CPR regulation] and shall also cover the payments made by the Commission and the payments made to the lead partner in accordance with point (b) of Article 74 (1) of Regulation (EU) [draft CPR regulation].

### **Audit Authority incl. Group of Auditors**

The Audit Authority shall perform its tasks in accordance with Article 48 and 49 of Regulation (EU) No [draft ETC regulation]. In accordance with Article 48 of Regulation (EU) [draft Interreg regulation], the Audit Authority shall be assisted by a Group of Auditors composed of a representative from each Member State and, where applicable, third country participating in the Programme.

### **Joint Secretariat**

The Joint Secretariat (JS) shall assist the Managing Authority, the Monitoring Committee and the Audit Authority in carrying out their respective functions. The Joint Secretariat shall also provide information to potential beneficiaries about funding opportunities and shall assist beneficiaries in the implementation of operations.

### **Monitoring Committee**

The composition of the monitoring committee shall be agreed by the Member States and third countries and OCTs participating in the programme and shall ensure a balanced representation of the relevant authorities and representatives of the programme partners referred to in Article 6 of Regulation (EU)[draft CPR regulation].

Gender balance should be strived for in nominations. The chair of the MC can also invite others to attend the meetings such as observers and guests. Each participating country may have one observer at the meetings.

Representatives of the European Commission shall take part in the MC meetings in an advisory capacity.

The MC shall indicatively meet twice a year and the Joint Secretariat will be responsible for coordinating preparation of documents relating to the meetings. At its first meeting, the MC shall establish its own Rules of Procedure, including any appropriate organisational arrangements and rules on decision-making.

The MC may decide to set up advisory groups or decide on other organisational arrangements, as well as to delegate certain decisions to the MA/JS or to other groups in order to support the implementation of the

programme.

The MC will function in accordance with Articles 38 of Regulation (EU) No [draft CPR regulation] and Article 30 of Regulation (EU) No [draft Interreg regulation].

### **Regional Contact Points**

Due to the large Programme area, Regional Contact Points (RCPs) shall be established to assist the JS with its information, promotion and advisory tasks. The RCPs will be located in the Programme area. They will form a network that will work in close cooperation with the JS, and the JS shall be responsible for issuing guidelines and terms for the work of the RCPs. The RCPs are appointed by national authorities in the programme partner countries. Terms of reference will be decided by the MC.

### **Regional Advisory Groups**

In line with the partnership principle and multi-level governance principle as outlined in Article 6 of Regulation (EU) No [draft CPR regulation], programme partner countries shall involve partners from regional and local authorities with relevant expertise in relation to the priorities of the NPA 2021-2027 in the implementation of the programme. Regional Advisory Groups (RAGs) shall be established to assist the Monitoring Committee in assessing project applications. The RAGs are appointed by national authorities in the programme partner countries. The Terms of Reference for the RAGs will be decided by the MC.

### **Controllers**

Each Programme partner country has identified controller(s) responsible for carrying out the verifications in relation to all beneficiaries on its territory, as outlined in Article 46 of Regulation (EU) No [draft Interreg regulation]. Each country has also submitted to the MA a detailed description of the control system setup and the systems described are either centralised (Sweden, Ireland, Iceland, Finland) or decentralised (Norway, Faroe Islands, Greenland). The full description will be included in the description of the management and control system in accordance with Article 69 of Regulation (EC) No [draft CPR regulation].

### **Project partners**

In the implementation of the programme there will be an emphasis on including partners from a wide range of organizations as a means to ensure that real needs in the programme area can be better addressed. A diversity of stakeholders provides for the introduction of new knowledge and new perspectives that can contribute to enhanced results. Organizations that have contributed to the preparations of the programme will likely be found among project participants in the implementation.

### **Evaluation strategy**

An evaluation plan will be drafted for the NPA 2021–2027 as outlined in article 35 of regulation (EU) No [draft Interreg regulation]. The purpose of the evaluation plan will be to assess one or more of the criterias effectiveness, efficiency, relevance, coherence and EU added value with the aim to improve the quality of the design and implementation of the programme. An evaluation to assess the programmes impact shall also be carried out by 30 June 2029.

## 5. Approach to communication and visibility for the Interreg programme (objectives, target audiences, communication channels, including social media outreach, where appropriate, planned budget and relevant indicators for monitoring and evaluation)

The NPA programme approach to communication and visibility serves the programme vision through 5 main objectives and a set of operational objectives defined in a Communication Evaluation Matrix. Programme vision: “A Northern Periphery and Arctic area where communities cooperate with each other to find common solutions to shared challenges, to together become more prosperous and resilient”.

### **1 A supportive NPA- To make the programme known, easily accessible and functional to its target audience.**

For ensuring clarity, completeness and accessibility to necessary information, resources, skills, and networks empowering people and organisations to prepare and implement NPA projects that successfully contribute to the programme vision.

### **2 An inspiring NPA – To be recognized as the platform empowering NPA communities to achieve a higher quality of life by means of cooperation.**

For raising stakeholders’ awareness of the added value of cooperation for achieving the results , especially by means of enhancing access to the knowledge, products, services and networks developed by the NPA projects. The programme will also endeavour to engage stakeholders to communicate this further and account for EU investment.

### **3 An engaged NPA – To consolidate a proactive and lasting community of stakeholders that shares ownership of the programme vision and acts as an ambassador.**

For consolidating the Interreg NPA community based on shared values such as trust, sustainability and solidarity, and maintain engagement even after project closure.

### **4 A well working NPA – To create an efficient and inspiring working culture within the programme bodies.**

For an efficient and effective governance of the programme based on internal knowledge sharing, and cooperation with Interreg and other funding instruments operating in the NPA area.

### **5 An NPA championing Northern Periphery and Arctic regions – To be recognised as the platform bringing the transnational and community dimension of the Northern Periphery and Arctic regions to the agenda of EU stakeholders.**

For raising awareness among EU stakeholders about the NPA contribution to the EU policy goals, empowering NPA stakeholders in their role to put issues of importance to the area on the agenda, and benefit from synergies fostered by the cooperation with other programmes (Transnational and Arctic), thereby contributing from a regional level to the EU Policy.

In the framework of the Arctic Cooperation the programme contributes specifically to raising awareness about the EU Arctic Policy and facilitating synergies and clustering among Arctic and near-Arctic stakeholders between the different EU programmes participating in the Arctic Cooperation.

The Programme addresses a broad audience cutting across objectives. However, for each objective a main target group can be outlined: objectives 1, 2 and 3 target organisations who potentially and/or actually carry out the projects, as identified in detail for each Specific Objective in Chapter 2. Objective 4 targets programme bodies responsible for the smooth running of the programme such as the Joint Secretariat, Managing Authority, programme committees, National and Regional representatives and the Regional Contact Points. Objectives 2, 3 and 5 target organisations and people who might not have directly

participated in an NPA project, but might benefit from it, have direct influence on it or act as multiplier at the local as well as European level. This includes project end users, policy makers, local representatives and community groups. Members of European institutions and other international organisations, networks and groups with an overlapping geography and thematic focus such as: Baltic Sea and Atlantic macro regional and sea basin strategies, policy initiatives related to the Arctic, other EU funded programmes, etc. The programme will also reach to the wider public mostly through initiatives carried out jointly with local and/or European partners to ensure a successful outreach e.g. #EUinmyRegion, European Cooperation Day, etc.

While the programme website is the main source of information, other communication channels are used to reach different target groups. To allow active exchange within the NPA community the programme uses Facebook, Twitter, events (online and in person) and will establish focussed communities on Teams. Digital publications and audio-visuals are privileged over printed documents.

The NPA Monitoring Committee monitors the communication performance towards the achievement of the programme communication objectives on an annual basis, based on the Annual Communication Plans and the updated communication evaluation matrix. The evaluation matrix is approved at the beginning of the programme and includes: Indicators, Measurement units, Baseline values (2021), Target values (2023, 2027), Source of data, Frequency of reporting.

Communication is coordinated by the programme's Secretariat with the support of all programme bodies and especially the Regional Contact Points. The indicative communication budget, excluding staff costs, will be at least 0,3 % of the total programme budget. The yearly budget reflects communication needs at different stages of the programme life cycle. Resources are decreasingly distributed between channels: website, events, social media & community platforms, (e-)publications & audio-visuals, other.



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

Larger organizations such as universities, research institutes and business organizations have been active in applying for NPA programme funding in the past. In general, small organizations have been less active. There is no lack of ideas and needs in small organizations, the problem seems instead to be related to administrative capacity, a lack of liquidity as well as lack of knowledge and resistance to the bureaucracy of running an EU-project.

A main project in the NPA programme is normally a project with a total budget above 200 000 Euro. During the 2014-2020 programme period, measures to encourage small organizations to apply for NPA funding have been pursued, such as the introduction of new project types for projects of limited financial volume. In the 2021-27 period, the NPA programme will continue to support projects of limited financial volume by using differentiation in the types of projects supported.

The Northern Periphery and Arctic Programme 2021-27 will indicatively support the following types of small-scale projects:

### **Preparatory projects**

Preparatory projects are an important tool for development of strong and well-balanced project partnerships in a dispersed geography where long distances and costs are obstacles for project development. Preparatory projects bring potential project partners together to generate high-quality main project applications. Experience from previous programme periods has shown that preparatory projects often result in more successful main project applications.

Preparatory projects can also be a tool for building up capacity and experience for representatives for specific under-represented groups (women, young people, and indigenous peoples) in relation to the NPA programme. On the one hand, the ambition is that partners shall become better suited for engagement in main projects as partners in the future. On the other hand, these smaller projects might complement main projects and support the Programme to foster changes that are of importance for people living in the programme area.

Typically, a preparatory project runs for 6-18 months and the support to the beneficiaries will be handled as a lump sum based on a draft budget established on a case-by-case basis and agreed ex ante by the Managing Authority. In some cases the lump sums can be based on achievement at set milestones.

### **Clustering projects**

Clustering projects are a means of diversifying and capitalizing on outputs and results from two or more previously implemented or ongoing projects. Clustering projects are a tool to further integrate results as well as disseminate their impacts by reaching a wider group of stakeholders with project outputs, supplementary learning and capacity building.

During 2014-2020, clustering has been used both for combinations of projects inside the programme, but also to allow collaboration across programmes, in particular, Arctic clustering projects, to take advantage of synergies between projects funded by EU programmes in the Arctic.

Typically, a clustering project runs for up to 12 months and the support to the beneficiaries will be handled as a lump sum based on a draft budget established on a case-by-case basis and agreed ex ante by the Managing Authority. In some cases the lump sums can be based on achievement at set milestones.

Besides the two main types of small-scale projects described above, the Monitoring Committee may decide on additional small project types on a call-by-call basis, for example to further capitalise on project results.

## 7. Implementing provisions

### 7.1 Programme authorities

**Table 10**

Programme authorities	Name of the institution [255]	Contact name [200]	E-mail [200]
Managing authority	County Administrative Board of Västerbotten	Programme director Annika Blomster Annika.blomster@lansstyrelsen.se	Vasterbotten@lansstyrelsen.se
National authority (for programmes with participating third countries, if appropriate)	<u>Finland:</u> Ministry of Economic Affairs and Employment	Ministerial adviser Petri Haapalainen petri.haapalainen@tem.fi	kirjaamo@tem.fi
	<u>Faroe Islands:</u> Ministry of Foreign Affairs and Culture	Director Foreign Service Gunnar Holm Jacobsen gunnarh@ummr.fo	ummr@ummr.fo
	<u>Greenland:</u> Ministry of Foreign Affairs, Business, Trade and Climate	Head of section Marlene Kongsted mkon@nanoq.gl	ISIIN@nanoq.gl
	<u>Iceland:</u> Ministry of Transport and Local Government.	Senior Advisor Hólmfríður Sveinsdóttir holmfridur.sveinsdottir@srn.is	srn@srn.is
	<u>Ireland:</u> Department of Public Expenditure and Reform	EU Structural Funds, PEACE & Cohesion Policy Unit Michael McGrath michael.mcgrath@per.gov.ie	michael.mcgrath@per.gov.ie
	<u>Norway:</u> Ministry of Local Governance and Modernisation	Director General, Department of Regional Development Anne Karin Hamre Anne-Karin.Hamre@kmd.dep.no	postmottak@kmd.dep.no
	<u>Sweden:</u> Ministry of enterprise and innovation	Deputy Director, EU and international department Isabella Palomba Rydén Isabella.palomba.ryden@regeringskansliet.se	n.registrator@regeringskansliet.se
Audit authority	The Swedish National Financial Management Authority (ESV)	Head of EU audit Ulrika Bergelv <a href="mailto:ulrika.bergelv@esv.se">ulrika.bergelv@esv.se</a>	registrator@esv.se

Group of auditors representatives			
Body to which the payments are to be made by the Commission	County Administrative Board of Västerbotten	Head of Finance Margareta Biström Margareta.bistrom@lansstyrelsen.se	Vasterbotten@lansstyrelsen.se

## 7.2. Procedure for setting up the joint secretariat

In accordance with point 2, Article 46 of Regulation (EU) [draft ETC regulation], the Managing Authority, after consultation with the Member States and third countries and OCTs participating in the Interreg programme, shall set up a Joint Secretariat with staff taking into account the programme partnership.

The joint secretariat shall assist the Managing Authority and the Monitoring Committee in carrying out their respective functions. The Joint Secretariat shall also provide information to potential beneficiaries about funding opportunities under Interreg programmes and shall assist partners in the implementation of operations.

Building on implementation arrangements in the Northern Periphery and Arctic Programme 2014-2020, the Joint Secretariat shall have an appropriate international staff, and shall be hosted by the Faroe Islands Representation in Copenhagen. The role of the representation office as host organisation for the Secretariat shall be defined in an agreement with the Managing Authority.

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

In accordance with Article 16 of Regulation (EU) No [draft Interreg Regulation], the programme partner countries shall confirm in writing their agreement to the contents of the NPA 2021-2027 programme. The agreement shall include commitments to provide necessary co-financing for the implementation as well as the commitment for the financial contribution of non-member states.

In case of interruptions or suspensions of payments from the Commission or other implementation difficulties, the participating Programme partner country or countries concerned will support the Managing Authority or Joint Secretariat to clarify the particular case(s) regarding potential sanctions imposed on the Programme.

### **Irregularities**

In accordance with Article 74(1) of Regulation (EU) No [Draft CPR Regulation], the Managing Authority shall prevent, detect, and correct irregularities.

Irregularities detected by any programme authorities or programme partner country(-ies), shall be notified to the Managing Authority.

In compliance with Article 69(2) of Regulation (EU) No [Draft CPR Regulation], each EU Member State, as well as Norway and Iceland, is responsible for reporting irregularities committed by beneficiaries located on its territory or operating under its responsibility to the European Commission and at the same time to the Managing Authority. Each EU Member State, as well as Norway and Iceland, shall keep the European Commission as well as the Managing Authority informed of any progress of related administrative and legal proceedings. The Managing Authority will ensure the transmission of information to the national controllers, Audit Authority or Group of Auditors, where relevant.

If a Programme partner country does not comply with its duties arising from these provisions, the Managing Authority is entitled to suspend payments to all project partners located in the territory of this Programme partner country. The Managing Authority will send a letter to the Programme partner country concerned requesting them to comply with their obligations within 3 months. If the concerned programme partner country reply is not in line with the obligations, then the Managing Authority will propose to put this issue on the MC agenda for discussion and for decision.

According to Article 52 of Regulation (EU) No [Draft Interreg Regulation], the Managing Authority shall ensure that any amount paid as a result of an irregularity is recovered from the lead or sole partner. Partners shall repay the lead partner any amounts unduly paid. Details on the recovery procedure will be included in the description of the management and control system to be established in accordance with Article 69 of Regulation (EU) No [Draft CPR Regulation].

Where the lead partner does not succeed in securing repayment from other partners or where the Managing Authority does not succeed in securing repayment from the lead or sole partner, the Member State, third country or OCT on whose territory the partner concerned is located or, in the case of an EGTC, is registered, shall reimburse the Managing Authority any amounts unduly paid to that partner. The Managing Authority shall be responsible for reimbursing the amounts concerned to the general budget of the Union, in accordance with the apportionment of liabilities as laid down below.

Each Member State, as well as Non-Member States, bears the possible financial consequences of irregularities committed by the partners, associated participants, the Managing Authority and the Joint Secretariat in compliance with Article 52 of Regulation (EU) No [Draft ETC Regulation]

The Member States as well as Non-Member States will bear liability in connection with the use of the Programme ERDF and ERDF equivalent funding as follows:

- For project-related expenditure granted to project partners located on its territory, liability will be born individually by each programme partner country.
- In case of amounts lost to the Programme budget, or systemic irregularity, the Member States as well as Non-Member States will jointly bear the financial consequences, whereby each Member State and Non-Member State shall be responsible in proportion to the ERDF/ERDF equivalent contribution paid to the respective national project partners involved in the programme.

### **Technical Assistance**

With regard to TA expenditure, the participating countries bear joint liability proportionally to their respective share in the overall TA budget, whereas regarding irregularities connected to the incorrect use of TA, liability is with the Programme body organization spending the TA.

For the technical assistance expenditure (calculated as a flat rate in accordance with Article 27 of Regulation (EU) No [Draft ETC Regulation]), the above liability principles applicable for project-related expenditure and systemic irregularities / financial corrections may also be applied to TA corrections as they

are the direct consequence of project expenditure related corrections.

## 8. Use of unit costs, lump sums, flat rates and financing not linked to costs

Table 11: Use of unit costs, lump sums, flat rates and financing not linked to costs

Intended use of Articles 94 and 95	YES	NO
From the adoption the programme will make use of reimbursement of the Union contribution based on unit costs, lump sums and flat rates under priority according to Article 94 CPR (if yes, fill in Appendix 1)	<input type="checkbox"/>	x
From the adoption the programme will make use of reimbursement of the Union contribution based on financing not linked to costs according to Article 95 CPR (if yes, fill in Appendix 2)	<input type="checkbox"/>	x

**APPENDICES**

**Appendix 1:** Map of the programme area