



COOPERATION PROGRAMME INTERREG NORTH-WEST EUROPE 2014 - 2020

CCI 2014 TC 16 RF TN 006

INDEX

SECTION 1 - STRATEGY FOR THE COOPERATION PROGRAMME	3
SECTION 2 - DESCRIPTION OF THE PRIORITY AXES	20
2.A.1 Priority Axis 1 ‘Innovation’	20
2.A.1 Priority Axis 2 ‘Low carbon’	30
2.A.1 Priority Axis 3 ‘Resource and materials efficiency’	50
2.B.1 Priority Axis 4 ‘Technical Assistance’	59
SECTION 3 - THE FINANCING PLAN.....	64
SECTION 4 - INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT.....	67
SECTION 5 - IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME	71
SECTION 6 - COORDINATION	87
SECTION 7 - REDUCTION OF THE ADMINISTRATIVE BURDEN FOR BENEFICIARIES.....	90
SECTION 8 - HORIZONTAL PRINCIPLES.....	92
SECTION 9 - SEPARATE ELEMENTS	94
ANNEXES.....	91

SECTION 1 - STRATEGY FOR THE COOPERATION PROGRAMME'S CONTRIBUTION TO THE UNION STRATEGY FOR SMART, SUSTAINABLE AND INCLUSIVE GROWTH AND THE ACHIEVEMENT OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION

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

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

Introduction

The INTERREG North West Europe (NWE) Programme is a transnational European Territorial Cooperation Programme funded by the European Commission. The NWE Programme involves Ireland, the United Kingdom, Belgium, Luxembourg, Switzerland, and parts of France, Germany and the Netherlands. The Programme area has a population of about 180 million people living in the eligible area of 845 000 km². On one hand, it can be considered as one of the most dynamic and prosperous areas of Europe. On the other hand the area faces a number of environmental, social and economic needs and challenges.

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

So, NWE is characterised by high levels of heterogeneity among its regions evidenced through a number of socio-economic and environmental indicators. Many of these differences seem to be increasing with time. As a result, one of the main challenges for the NWE area is to manage excellence and diversity at once. One of the fundamental aims of the NWE Programme is to stimulate transnational cooperation between various stakeholders in the NWE area to improve territorial cohesion.

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

The European framework

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

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

Besides economic and social cohesion, territorial cohesion is playing an important role in EU policy. The Territorial Agenda 2020 (TA2020) suggests six territorial priorities of which the following are of particular importance to the NWE Programme: polycentric and balanced territorial development; encouraging integrated development in cities, rural and other areas; territorial integration in transnational functional regions; ensuring global competitiveness of the regions based on strong local economies. Furthermore, the TA defines that transnational cooperation programmes could foster territorial cohesion by focusing on territorial integration by sustainable enlargement of markets for workers, consumers and SME, and more efficient access to private and public services.

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

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

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

Country specific recommendations

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

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

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

Lessons learnt from the INTERREG IVB Programme

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

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

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

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

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

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

NWE's ambition

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

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

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

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

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

Challenge 1: Boosting knowledge flows

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

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

Specific transnational development needs to:

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

Challenge 2: SMEs innovative capabilities

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

Specific transnational development needs to:

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

Challenge 3: Resource and materials efficiency

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

Specific transnational development needs to:

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

Challenge 4: Energy security and supply

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

Specific transnational development needs to:

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

Challenge 5: Vulnerability to climate change events

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

Specific transnational development needs to:

- Reduce the risk of the NWE area to climate change events, specifically in the urban areas in NWE;
- Cooperate on relevant risk mitigation measures;
- Address specific climate change phenomena and risks and to implement the uptake of climate change mitigation solutions.

Challenge 6: Inclusion

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

faces a considerable challenge to ensure the protection and integration of at-risk populations.

Specific transnational development needs to:

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

The NWE Programme strategy

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

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

TO 1: strengthening research, technological development and innovation;

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

TO 6: protecting the environment and promoting resource efficiency;

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

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

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

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

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

Overview NWE Programme strategy

Priority	TO	IP	Specific Objective
1. Innovation	1	1b	SO1: To enhance innovation performance of enterprises throughout NWE regions
	4	4e	SO2: To facilitate the implementation of low-carbon, energy and climate protection strategies to reduce GHG emissions in NWE
2. Low Carbon		4f	SO3: To facilitate the uptake of low carbon technologies, products, processes and services in sectors with high energy saving potential, to reduce GHG emissions in NWE
	7	7c	SO4: To facilitate the implementation of transnational low-carbon solutions in transport systems to reduce GHG-emissions in NWE.
3. Resource and materials efficiency	6	6f	SO5: To optimise (re)use of material and natural resources in NWE

Description of the three Priorities

Priority Axis 1 ‘Innovation’

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

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

Eco-innovation is addressed under Priority 3.

Priority Axis 2 ‘Low carbon’

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

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

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

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

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

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

Priority Axis 3 ‘Resource and materials efficiency’

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

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

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

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

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

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

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

- The relevance of the TOs to the key challenges and most important transnational development needs identified under each of the overarching objectives of the EU2020 strategy (territorial and statistical evidence) within the NWE area;
- The potential added value of adopting a transnational approach for the implementation of actions under the TO, to address issues identified under the objective (transnational cooperation potentials);
- The financial capacity of the Programme and its potential to generate impact on the identified needs and challenges;

- The complementarity and potential overlaps between IPs under different TOs and the possibility to regroup IPs under a single TO;
- Lessons drawn from the NWE IVB Programme and activities.

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

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

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

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

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

Innovation at the heart of the strategy

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

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

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

Social innovation is defined in the European Commission's "Guide to Social Innovation" as "[...] the development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands, which affect the process of social interactions. It is aimed at improving human well-being. Social innovations are innovations that are social in both their ends and their means. They are innovations that are not only good for society but also enhance individuals' capacity to act. They rely on the inventiveness of citizens, civil society organisations, local communities, businesses and public servants and services. They are an opportunity both for the public sector and for the markets, so that the products and services better satisfy individual but also collective aspirations."

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

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

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

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

Contribution to Europe 2020 strategy

Contribution to Smart Growth

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

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

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

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

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

Contribution to Sustainable Growth

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

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

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

Contribution to Inclusive Growth

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

Contribution to the Territorial Agenda (TA2020)

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

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

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

1.2 Justification of the financial allocation

The financial allocation per thematic objective (TO) reflects the scope of the transnational development needs and key challenges of the NWE Programme. As described under section 1.1, innovation is at “the heart of the NWE strategy” and thus an important matter for the Programme. A low carbon economy is another major theme to be tackled. Thus, four out of the six NWE key challenges identified relate to innovation and low carbon economy.

To reflect this importance in the budget, the NWE Programme allocates more than two thirds of its total ERDF budget to thematic objectives 1 (innovation), 4 and 7 (both low carbon).

As a conclusion, 33% of the total ERDF budget is allocated to TO1, 25% to TO4, 12% for TO7 and 24% to TO6 (resource efficiency). The difference in terms of budget between TO4 and 7 stems from the fact that TO4 is generally open to all sectors while TO7 explicitly targets the transport sector and therefore has a more limited target group. TO6 has the same budget share as TO4 since both objectives are considered to be equally important for the NWE Programme. TO1 has the highest share which underlines that innovation is a priority in NWE.

On the level of investment priorities (IP), the distribution is more differentiated. Here, 33% of the total ERDF budget is allocated to IP1b, 12% to IP4e, 13% to IP4f, 12% to IP7c and 24% to IP6f. For IP1b and IP6f the share is the same as on TO level, since the TOs only consist of one IP each. As on TO level, IP1b - on innovation - has the highest share. The budget of the remaining three IP's relating to low-carbon is evenly distributed. This underlines the fact that the NWE Programme gives equal importance to the three IPs under the low carbon theme.

Table 2: Overview of the Programme investment strategy

Priority	Thematic objective	Investment priorities	Specific objectives corresponding to the investment priorities	Result indicators corresponding to the specific objective [input from result indicator tables]	ERDF support- EUR	Share of the total Union support to the Cooperation Programme (by Fund) ²		
						ERDF	ENI (where appl.)	IPA (where appl.)
1 Innovation	1	1b	1. To enhance innovation performance of enterprises throughout NWE regions	Degree of SME involvement in collaboration with other institutions (including R&D)	130,724,334	100%	n/a	n/a
2 Low carbon	4	4e	2. To facilitate the implementation of low-carbon, energy and climate protection strategies to reduce GHG emissions in NWE	Effectiveness of the NWE public sector organisations in the implementation of low carbon strategies	47,536,121	100%	n/a	n/a
		4f	3. To facilitate the uptake of low carbon technologies, products, processes and services in sectors with high energy saving potential, to reduce GHG emissions in NWE	Status of conditions for low carbon technology deployment in NWE	51,497,464	100%	n/a	n/a
	7	7c	4. To facilitate the implementation of transnational low-carbon solutions in transport systems to reduce GHG-emissions in NWE	Status of competences of the transport sector in the use of low carbon solutions in the transport systems	47,536,121	100%	n/a	n/a
3 Resource & materials efficiency	6	6f	5. To optimise (re)use of material and natural resources in NWE	Status of competences in the resource intensive sectors in NWE for eco-innovation diffusion	95,072,242	100%	n/a	n/a
Technical Assistance	n/a	n/a	n/a		23,768,060	100%	n/a	n/a

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

SECTION 2 - DESCRIPTION OF THE PRIORITY AXES

Section 2.A A description of the priority axes other than technical assistance

2.A.1 Introduction of the Priority Axis 1 'Innovation'

ID of the priority axis	1
Title of the priority axis	INNOVATION

- ☐ The entire priority axis will be implemented solely through financial instruments Not applicable
- ☐ The entire priority axis will be implemented solely through financial instruments set up at Union level Not applicable
- ☐ The entire priority axis will be implemented through community-led local development Not applicable

2.A.2 Justification for the establishment of a priority axis covering more than one thematic objective (where applicable)

Not applicable

2.A.3 Fund and calculation basis for Union support (repeated for each fund under the priority axis)

Fund	ERDF
Calculation basis	total eligible expenditure

2.A.4 Investment Priority (repeated for each investment priority under the priority axis)

Investment Priority 1B	Promoting business [...] investment in innovation and research, and developing links and synergies between enterprises, R&D centres and higher education[...]
-----------------------------------	--

2.A.5. Specific objective(s) corresponding to the investment priority and expected results

ID	SO1
Specific objective 1	To enhance innovation performance of enterprises throughout NWE regions

THE RESULTS THAT THE MEMBER STATES SEEK TO ACHIEVE WITH UNION SUPPORT

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

As a result of this Specific Objective, the Programme aims to increase SME innovation levels. This will be done by capturing the innovation efforts at SME level, in line with the Innovation Union and Regional Innovation 2014 Scoreboards. SMEs are considered as the main target group of this SO and will benefit from the provision of support for the testing and development phases of innovation. The Programme will hence act as an innovation enabler at SME level. The Programme will therefore apply the following result indicator “Degree of SME involvement in collaboration with other institutions (including R&D)” to demonstrate the Programme’s contribution to building SME capabilities and increase the level of their involvement in cooperation projects, hence allowing a better exploitation of research outcomes.

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

In addition, the NWE area as a whole continues to have difficulties transforming science and research into products and other commercial outputs. This is due to poor circulation of knowledge and limited collaboration among innovation stakeholders, but also to a recurrent lack of critical mass in local innovation communities. Potentially, this problem could be overcome by creating a link between regional knowledge and business and industry clusters.

ToA2 therefore focuses on bringing new products closer to the market. ToA2 excludes basic research projects and marketing/commercialisation actions.

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

Whenever relevant smart specialisation strategies exist, projects supported under this SO should demonstrate their strategic alignment with the objectives of these strategies.

Table 3: Programme specific result indicators specific objective 1

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value ³ (2023)	Source of Data	Frequency of reporting
R1	Degree of SME involvement in collaboration with other institutions (including R&D)	Percentage	15%	2014	20%	Innovation Union Scoreboard 2014 Community Innovation Survey 2014 Innovation Union Scoreboard 2010 – Methodology Report	2014 (baseline) 2018 (interim) 2020 (interim) 2023 (end)

2.A.6 Actions to be supported under the investment priority (by investment priority)

2.A.6.1 A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives- Article 8(2) (b) (iii) ETC Regulation

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

³ Target values can be qualitative or quantitative.

Actions may include collaboration on:

- Enhancing and developing transnational (self-sustaining) clusters or networks in order to:
 - Conduct focused market watch and gap analysis, develop intelligence and scoping tools to foster transnational innovation partnerships (for example, databases of business expertise, international benchmarking, market SWOTs and market studies) which lead to improved innovation performance;
 - Facilitate open innovation processes across organisations and sectors;
 - Design and implement joint development strategies to enhance innovation performance (for example: providing mentoring during the set up phase of innovative projects, enhancing staff knowledge and skills, fostering the transfer of knowledge into supply chains);
 - Explore, enhance or develop supply chains to bridge the gap between capacity building and the delivery of products to the market;
- Supporting the internationalisation through sharing know-how and cross-sectoral collaborations;
- Developing transnational schemes for infrastructure sharing for research and innovation (knowledge transfer centres, B2B initiatives).

These actions lead to an improved and increased cooperation among innovation stakeholders on a transnational level (for example, public, private, research and society) and thus an improved transnational research and knowledge infrastructure. This will enhance the innovation capacity to increase innovation performance.

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

Actions may include collaboration on:

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

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

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

Actions may include collaboration on:

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

These actions lead to product-, service- or process-oriented solutions that address the social change needed in NWE and allow the Programme to deliver towards the ‘inclusive growth’ aspect of EU2020.

The identification of the main target groups

The main target groups for this specific objective are:

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

Specific territories targeted

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

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

Types of beneficiaries

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

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

2.A.6.2 The guiding principles for the selection of operations

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

- Transnational additionality: Projects should have a clear focus on delivering joint transnational actions and must demonstrate the additionality of the transnational approach compared to regional, national, interregional or cross-border approaches;
- Innovation: Projects should meet the criteria of innovation as described in section 1. Innovation should lead to a strengthened competitiveness of the NWE area.
- External coherence: Projects building on the results generated by other European programmes or networks (such as the EU's Research Framework Programme or the European Enterprise Network) are welcome. Transnational cooperation should refer to activities under these programmes, provide an explanation of synergies (e.g. technology transfer services) and must ensure there is no duplication of existing or previous projects carried out under other European programmes or national funding;
- Sector-specific relevance: Projects should demonstrate a clear link between the project's objectives and the participating regions' Smart Specialisation Strategies or regional ESIF strategies and programmes;
- Cross sectoral relevance: Partnerships must involve a diversified mix of innovation stakeholders (for example, enterprises, researchers, education institutions, training organisations, policy-makers, private investors, end users);
- Territorial relevance: Projects should include partners from different types of innovation territories, as defined by the Regional Innovation Scoreboard (i.e. innovation leader, innovation follower and moderate innovators), where relevant;
- Result-based approach: Projects should be geared towards a specific innovative product, service, process or transnational tool. In addition, projects should demonstrate that they contribute to one or more key social, economic or environmental challenges of the NWE area. Projects must demonstrate how they contribute to the Programme result indicator under this SO.

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

2.A.6.3 Planned use of financial instruments (where appropriate)

Not applicable

2.A.6.4 Planned use of major projects (if relevant)

Not applicable

2.A.6.5 Output indicators (by investment priority) (Table 4)

Table 4: Common and Programme specific output indicators

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
1.01	Number of new or enhanced transnational clusters or innovation networks	No. of clusters and innovation networks	27 (9 projects x 3 cluster supported per project)	Own registration based on information from beneficiaries	Annual
1.02	Number of technologies, products, services and processes developed and tested in real life conditions	No. of solutions tested	68 (17 projects x 4 technologies, products, services, processes per project)	Own registration based on information from beneficiaries	Annual
1.03	Number of pilot actions implemented, focusing on social innovation	No. of actions	30 (10 projects x 3 pilot actions)	Own registration based on information from beneficiaries	Annual
1.04	Number of jobs created in all economic sectors	No. of jobs	860 (43 projects x 20 jobs per project)	Own registration based on information from beneficiaries	Annual
1.05	Number of jobs maintained in all economic sectors	No. of jobs	860 (43 projects x 20 jobs per project)	Own registration based on information from beneficiaries	Annual
1.06	Amount of funding leveraged by the project (in €)	EUR	222,000,000 (130,724,333 EUR ERDF granted x 1,7 leverage expected)	Own registration based on information from beneficiaries	Annual
1.07	Number of end-users benefitting from social innovation	No. of end-users	600 (10 projects x 3 pilot actions x each pilot action having impact on 20 end-users)	Own registration based on information from beneficiaries	Annual
CO01	Number of enterprises receiving support	No. of enterprises	540 (27 projects x 20 enterprises supported per project)	Own registration based on information from beneficiaries	Annual
CO26	No. of enterprises co-operating with research institutions	No. of enterprises	540 (27 projects x 20 enterprises)	Own registration based on information from beneficiaries	Annual
CO28	Number of enterprises supported to introduce new to the market products	No. of enterprises	340 (17 projects x 20 enterprises supported per project)	Own registration based on information from beneficiaries	Annual
CO29	Number of enterprises supported to introduce new to the firm products	No. of enterprises	200 (10 projects x 20 enterprises supported per project)	Own registration based on information from beneficiaries	Annual

2.A.7 Performance framework - Article 8(2) (b) (v) ETC Regulation

Table 5: The performance framework of the priority axis

Priority Axis	Indicator type (Key implementation step, financial, output or, where appropriate, result indicator)	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator, where appropriate
1	Key implementation step	1.A	Number of approved projects under Priority 1, focusing on the new or enhanced transnational clusters and innovation networks	Number of projects	5	9	E-Monitoring system	The number of projects ensuring the target values of the output indicator "Number of new or enhanced transnational clusters or innovation networks" for Priority Axis 1 are delivered by the end of the Programme.
1	Key implementation step	1.B	Number of approved projects under Priority 1, focusing on enterprises receiving support	Number of projects	14	27	E-Monitoring system	The number of projects ensuring the target values of the output indicator "Number of enterprises receiving support" for Priority Axis 1 are delivered by the end of the Programme.
1	Output indicator	1.C	Number of new or enhanced transnational clusters or innovation networks	Number of networks/clusters	0	27	E-Monitoring system	Crucial output indicator for SO1 due to the focus on the reduction of the gap in the innovation performance among the NWE regions. Only transnational clusters are counted.
1	Output indicator	1.D	Number of enterprises receiving support	Number of enterprises	0	540	E-Monitoring system	Crucial output indicator that covers a large part of projects of SO1. The number of enterprises receiving support (including social enterprises) will be the outcome of the technologies/ products/processes developed and tested in real life conditions as well as the pilot actions implementing social innovation.
1	Financial indicator	1.E	Total amount of eligible expenditure certified to EC for Priority Axis 1	EUR	32,681,033	217,873,890	E-Monitoring system	

Additional qualitative information on the establishment of the performance framework

The milestones in 2018 for output indicators in the performance framework are set at '0' since the NWE Programme does not expect any operation (=project approved) to be finished by the end of 2018. Based on IVB experience, the average duration of a IVB project was more than 4 years. Taking this into account, the first NWE projects are expected to close at the end of 2019 the earliest. For this reason, key implementation steps are introduced which count the projects approved by the end of 2018 which will directly lead to the selected output indicators in the performance framework.

2.A.8 Categories of intervention (by priority axis) - Article 8(2) (b) (vii) ETC Regulation

Tables 6-9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	1 -INNOVATION
Code	€ amount
063	43,574,778
064	43,574,778
112	43,574,778

Table 7: Dimension 2 Form of finance

Priority axis	1 -INNOVATION
Code	€ amount
01	130,724,334

Table 8: Dimension 3 Territory

Priority axis	1 -INNOVATION
Code	€ amount
07	130,724,334

Table 9: Dimension 6 Territorial delivery mechanism

Priority axis	1 -INNOVATION
Code	€ amount
07	130,724,334

2.A.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for the enhancement of the administrative capacity of relevant partners to participate in the implementation of programmes (by priority axis) - Article 7 (2) (b) (vi) ETC Regulation

Not applicable

2.A.1 Introduction to the Priority Axis 2 ‘Low carbon’

ID of the priority axis	2
Title of the priority axis	LOW CARBON

- ☐ The entire priority axis will be implemented solely through financial instruments Not applicable
- ☐ The entire priority axis will be implemented solely through financial instruments set up at Union level Not applicable
- ☐ The entire priority axis will be implemented through community-led local development Not applicable

2.A.2 Where applicable, a justification for the establishment of a priority axis covering more than one thematic objective

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

The reason for including transport is a consequence of its relatively high contribution to energy consumption and GHG emissions in the EU. Transport is responsible for the lion's share of GHG emissions in the EU15. Currently, road traffic is the most common form of freight transport for most parts of NWE, responsible for 22% of total CO₂ emissions. Thereby, the motorisation rate is above the EU27 average making transport the largest consumer of energy in NWE. In the future, CO₂ emissions from road transport continue to increase. With this in mind, transport has been identified as one of the main sectors with the greatest potential for energy savings. Mobility and sustainable transport are also fundamental to the smooth operation of the internal market, which, from a transnational perspective, is of high importance for the NWE area as the powerhouse of Europe.

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

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

2.A.3 Fund and calculation basis for Union support (repeated for each fund under the priority axis)

Fund	ERDF
Calculation basis	total eligible expenditure

2.A.4 Investment Priority *(repeated for each investment priority under the priority axis)*

Investment Priority 4E	Supporting the shift towards a low carbon economy in all sectors through promoting low carbon strategies for all types of territories, in particular urban areas, including the promotion of sustainable urban mobility and mitigation relevant adaptation measures.
-----------------------------------	---

2.A.5 Specific objective(s) corresponding to the investment priority and expected results

ID	SO2
Specific objective 2	To facilitate the implementation of low-carbon, energy and climate protection strategies to reduce GHG emissions in NWE

THE RESULTS THAT THE MEMBER STATES SEEK TO ACHIEVE WITH UNION SUPPORT

This Specific Objective will lead to a reduction of emissions, less energy consumption and an increase in the use of renewable energy in NWE, in particular in public buildings, public infrastructure and social housing. NWE cities will be more resilient to the effects of climate change.

The success of these initiatives relies to a large extent on the increased capacity of public institutions in NWE, being the main target group of this Specific Objective. Therefore the increased capacity level of public institutions in implementing low carbon measures effectively is the main expected result of this Specific Objective. Such a capacity focus will allow the Programme to gain knowledge about how quickly and how far the low carbon strategies have been rolled out in NWE. It will be measured using the following result indicator “Effectiveness of the NWE public organisations in the implementation of low carbon strategies”. The baseline and target values for the result indicator are presented in table 3 below. The NWE 2022 target is based on a negative annual growth rate (-15%) and the 2022 estimate of 9% that the Programme wishes to double by 2022.

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

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

Actions must address the above challenges (which may be technological, organisational or financial) through the actual implementation of detailed and specific low carbon, energy or climate protection strategies. Actions should lead to real solutions put into practice (technical,

organisational, or financial) that themselves lead to reduced GHG emissions in NWE territories.

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

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

Table 3: Programme specific result indicators specific objective 2

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value ⁴ (2023)	Source of Data	Frequency of reporting
R2	Effectiveness of the NWE public sector organisations in the implementation of low carbon strategies	Percentage	31	2014	18	Joint Research Centre 2013 report "Covenant of Mayors in Figures" "How to develop a Sustainable Energy Action Plan" - guidebook, European Commission 2010	2014 (baseline) 2018 (interim) 2020 (interim) 2023 (end)

2.A.6 Actions to be supported under the investment priority (by investment priority)

2.A.6.1 A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives

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

⁴ Target values can be qualitative or quantitative.

Actions may include collaboration on:

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

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

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

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

Actions may include collaboration on:

- Analysing, testing, demonstrating and implementing solutions that integrate mitigation and adaptation measures. This involves technical, financial, organisational, regulatory and institutional aspects, such as:
 - Structures which deliver outcomes in adaptation (reduction in risk) and mitigation (reduction in GHG emissions), which are sustainably designed or built;
 - Innovative approaches to environmental risk at a city or region level, which bring adaptation and mitigation benefits, such as Water Sensitive Urban Design (WSUD);
 - Measures to reduce or compensate emissions in water systems, such as optimised water distribution and CO2 neutral maintenance of adaptation measures;

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

The identification of the main target groups

The main target groups are:

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

Specific territories targeted

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

Types of beneficiaries

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

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

2.A.6.2 The guiding principles for the selection of operations

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

- Transnational additionality: Projects should have a clear focus on delivering joint transnational actions and must demonstrate the additionality of the transnational approach compared to regional, national, interregional or cross-border approaches;
- Innovation: Projects should meet the criteria of innovation as described in section 1. Innovation should lead to limited volume of GHG emissions in the NWE area;
- External coherence: Projects building on the results generated by other European programmes (such as the Framework Programme, Horizon 2020, COSME or LIFE) are welcome. Transnational cooperation should refer to activities under these programmes, provide an explanation of synergies and must ensure there is no duplication of existing or previous projects carried out under other EU-programmes or national funding;
- Cross-sectoral relevance: Projects should involve all key stakeholders from the field in question in the proposed project activities and ensure an integrated approach;
- Integrated approach: For the implementation of strategies, projects should take into account several topics regarding energy, for example, energy distribution, energy efficiency, energy in transport and energy use of public infrastructure / building;

- Territorial relevance: In line with the challenge of reducing territorial differences, preference is given to projects that include a mentoring/learning dimension between more developed and less developed regions. For projects aiming to improve energy accessibility / affordability, so as to maximise the benefits for citizens, preference is given to projects targeting socially deprived areas and excluded population or population at risk for exclusion;
- The involvement of local and regional public authorities is a basic prerequisite. In addition, there must be an existing or emerging low carbon strategy, energy strategy or climate protection strategy to act as a framework to guide projects' activities. Only joint implementation of existing or emerging strategies is supported;
- Result-based approach: Projects should be geared towards the development and implementation of real solutions (technological, organisational, financial, regulatory and institutional) leading to reduced GHG emissions in NWE territories.

2.A.6.3 Planned use of financial instruments (where appropriate)

Not applicable

2.A.6.4 Planned use of major projects (where appropriate)

Not applicable

2.A.6.5 Output indicators (by investment priority) (Table 4)

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

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
2.01	Number of solutions facilitating the delivery of existing or emerging low-carbon, energy or climate-protection strategies	No. of solutions	18 (6 projects x 3 solutions per project)	Own registration based on information from beneficiaries	Annual
2.02	Number of combined mitigation-relevant adaptation solutions implemented	No. of solutions	15 (5 projects x 3 solutions per project)	Own registration based on information from beneficiaries	Annual
2.03	Number of jobs created in all economic sectors	No. of jobs	200 (10 projects x 20 jobs per project)	Own registration based on information from beneficiaries	Annual
2.04	Number of jobs maintained in all economic sectors	No. of jobs	200 (10 projects x 20 jobs per project)	Own registration based on information from beneficiaries	Annual
2.05	Amount of funding leveraged by the project	EUR	80,811,405 (47,536,121 EUR ERDF x 1,7 leverage)	Own registration based on information from beneficiaries	Annual
CO31	Number of households with improved energy	No. of households	450 (5 projects x 3 solutions x 30 households per	Own registration based on information from	Annual

	classification		solution)	beneficiaries	
CO32	Decrease of annual primary energy consumption of public buildings	kWh/year	300,000 (10 projects x 3 investments per project x 40 kWh/m2/year x 250 m2 building)	Own registration based on information from beneficiaries	Annual
CO34	Estimated annual decrease of GHG	Tonnes of CO2eq	450	Own registration based on information from beneficiaries	Annual

2.A.4 Investment Priority (repeated for each investment priority under the priority axis)

Investment Priority 4F	Promoting research, innovation and adoption of low carbon technologies.
-------------------------------	--

2.A.5 Specific objective(s) corresponding to the investment priority and expected results

ID	SO3
Specific objective 3	To facilitate the uptake of low carbon technologies, products, processes and services in sectors with high energy saving potential, to reduce GHG emissions in NWE

THE RESULTS THAT THE MEMBER STATES SEEK TO ACHIEVE WITH UNION SUPPORT

This specific objective will lead to reduced GHG emissions and pollution and optimise the regions' energy consumption and production in the NWE areas (geographic, functional or economic) or sectors responsible for the highest levels of GHG emissions (for example, construction and the built environment). The expected result of initiatives undertaken within this Specific Objective will be the removal of barriers to the adoption of and improvement of conditions for low carbon technology deployment by enterprises (the main target group of this Specific Objective). These are considered as key factors to increase market penetration of such solutions and decrease market failure. Both technical and non-technical barriers and conditions will be a focus of the Programme, including public acceptance and awareness about the environmentally feasible and economically viable solutions. The result indicator used for measuring the progress towards the result will be the following "Status of conditions for low-carbon technology deployment in NWE".

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

Actions under this SO focus on demonstrating low carbon solutions, illustrating their feasibility, relevance and economic/environmental rationale. Actions will raise awareness among all relevant stakeholders and hereby increase the implementation of low carbon solutions.

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

Table 3: Programme specific result indicators specific objective 3

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value ⁵ (2023)	Source of Data	Frequency of reporting
R3	Status of conditions for low carbon technology deployment in NWE	Percentage	60	2014	70	European Strategic Energy Technology Plan, DG Energy, 2013 ESCO Market Report 2013, Joint Research Centre Flash Barometer 381 of the EU "SMEs, Resource Efficiency and Green Market"	2014 (baseline) 2018 (interim) 2020 (interim) 2023 (end)

⁵ Target values can be qualitative or quantitative.

2.A.6 Actions to be supported under the investment priority (by investment priority)

2.A.6.1 A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives

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

Actions may include collaboration on:

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

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

The identification of the main target groups

The main target groups are:

- Enterprises, including SMEs;
- Governmental organisations (local, regional, national, international);
- Civil society stakeholders promoting energy saving measures (for example, third sector organisations such as NGOs and non-profit organisations);
- Intermediate bodies, such as chambers of commerce, development agencies, cluster organisations, technology transfer offices;
- Environmental and energy agencies.
- Households / inhabitants;

Specific territories targeted

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

Types of beneficiaries

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

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

- Enterprises, including social enterprises.

2.A.6.2 The guiding principles for the selection of operations

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

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

2.A.6.3 The planned use of financial instruments (if relevant)

Not applicable

2.A.6.4 The planned use of major projects (if relevant)

Not applicable

2.A.6.5 Output indicators (by investment priority) (Table 4)

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

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
3.01	Number of adopted or applied low carbon technologies	Number of adopted or applied low carbon	44 (11 projects x 4 adopted/applied technology per	Own registration based on information from	Annual

		technologies	project)	beneficiaries	
3.02	Number of jobs created in all economic sectors	No. of jobs	220 (11 projects x 20 jobs supported per project)	Own registration based on information from beneficiaries	Annual
3.03	Number of jobs maintained in all economic sectors	No. of jobs	220 (11 projects x 20 jobs supported per project)	Own registration based on information from beneficiaries	Annual
3.04	Amount of funding leveraged by the project	EUR	87,545,688 (51,497,464 EUR ERDF x 1,7 leverage)	Own registration based on information from beneficiaries	Annual
CO26	No. of enterprises co-operating with research institutions	No. of enterprises	220 (11 projects x 20 enterprises supported per project)	Own registration based on information from beneficiaries	Annual
CO28	Number of enterprises supported to introduce new to the market products	No. of enterprises	220 (11 projects x 20 enterprises supported per project)	Own registration based on information from beneficiaries	Annual
CO29	Number of enterprises supported to introduce new to the firm products	No. of enterprises	220 (11 projects x 20 enterprises supported per project)	Own registration based on information from beneficiaries	Annual
CO30	Additional capacity of renewable energy production	MW	120	Own registration based on information from beneficiaries	Annual
CO31	Number of households with improved energy consumption classification	No. of households	660 (11 projects x 2 solutions per project x 30 households per solution)	Own registration based on information from beneficiaries	Annual
CO34	Estimated annual decrease of GHG	Tonnes of CO2eq.	500	Own registration based on information from beneficiaries	Annual

2.A.4 Investment Priority *(repeated for each investment priority under the priority axis)*

Investment Priority 7C	Developing environmental friendly and low carbon transport systems including river and sea transport, ports and multimodal links [...].
-----------------------------------	--

2.A.5 Specific objective(s) corresponding to the investment priority and expected results

ID	SO4
Specific objective 4	To facilitate the implementation of transnational low-carbon solutions in transport systems to reduce GHG emissions in NWE

THE RESULTS THAT THE MEMBER STATES SEEK TO ACHIEVE WITH UNION SUPPORT

This specific objective will lead to reduced GHG emissions in transport systems in NWE (such as networks of mobility connections, flows of passengers and goods, travel patterns, logistics chains, multimodal systems).

The expected result of this Specific Objective is related to the main target group, the transport sector (passenger and freight). The Programme aims to improve the conception and coordination of low carbon transport and mobility solutions by the sector by increasing its institutional capacity. This can be achieved by maximising the potential of heterogeneity of the public-private partners involved in the NWE projects. “The status of competences of the transport sector in the use of low carbon solutions in the transport systems” will be used as a result indicator monitored by the Programme.

The transport sector is by far the largest consumer of energy in the EU and also one of the main sources of pollution and CO₂ emissions. Consequently, as the transport sector grows, energy use, pollution and emissions continue to rise. With such a large transport sector, NWE countries rank among the leading polluters in the EU, notably in terms of GHG emissions, which contribute to global climate change. Air pollution is causing public health problems, especially in densely populated areas.

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

Therefore, this SO targets the transnational components of NWE transport systems. Thus, it does not support stand-alone solutions, but focuses on corridors or transport systems. These are important for inter-country or inter-regional flows of goods or people and therefore relevant for all NWE countries. As such, rather than promoting the uptake and sharing of stand-alone solutions, the actions have to demonstrate a transnational added value and lead to a decrease of GHG emissions.

Table 3: Programme specific result indicators specific objective 4

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value ⁶ (2023)	Source of Data	Frequency of reporting
R4	Status of competences of the transport sector in the use of low carbon solutions in the transport systems	Percentage	6	2014	15	EMAS – Eco-Management and Audit Scheme website and online register database, DG Environment, European Commission	2014 (baseline) 2018 (interim) 2020 (interim) 2023 (end)

2.A.6 Actions to be supported under the investment priority (by investment priority)

2.A.6.1 A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives

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

Actions may include collaboration on:

- Developing pilot or demonstration actions to bring in-reach technologies or emerging solutions for low carbon transportation (e.g. new forms of propulsion systems) closer to public use in NWE transport systems or networks;
- Testing and demonstrating low carbon transport solutions in real life conditions, such as low carbon or zero-carbon rolling stock, vehicles using alternative fuels, increasing levels of e-mobility, in NWE transport systems or networks;
- Engaging with different kinds of transport operators and their supply chains across the NWE area to affect large-scale behavioural change with respect to the use of low carbon transportation and the implementation of different low carbon solutions.

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

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

Actions may include collaboration on:

⁶ Target values can be qualitative or quantitative.

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

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

The identification of the main target groups

The main target groups are:

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

Specific territories targeted

All regions and stakeholders are eligible to participate in actions under this SO since low carbon transport solutions are relevant for the entire NWE area. Actions should therefore target both the major urban areas of NWE, but also the peripheral regions.

Type of beneficiaries

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

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

2.A.6.2 The guiding principles for the selection of operations

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

- Transnational additionality: Projects should clearly focus on delivering joint transnational actions and must demonstrate the additionality of the transnational approach compared to regional, national, interregional or cross-border approaches. This SO therefore targets transnational components of the NWE transport systems, such as corridors or transport flows (of goods/people) across the NWE territory;
- Innovation: Projects should meet the criteria of innovation as described in section 1. Innovation should lead to limited volume of GHG emissions;
- External coherence: Projects building on the results of other European programmes (such as the Connecting Europe Facility) are welcome. Transnational cooperation should refer to activities under these programmes, provide an explanation of synergies

with them and must ensure there is no duplication of existing or previous projects carried out under other EU programmes;

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

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

2.A.6.3 Planned use of financial instruments (if relevant)

Not applicable

2.A.6.4 Planned use of major projects (if relevant)

Not applicable

2.A.6.5 Output indicators (by investment priority) (Table 4)

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

ID	Indicator (name of indicator)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
4.01	Number of implemented low carbon solutions in transport	No. of solutions	20 (5 projects x 4 solutions per project)	Own registration based on information from beneficiaries	Annual
4.02	Number of new or improved transport management systems leading to GHG reduction	No. of systems	10 (5 projects x 2 systems per project)	Own registration based on information from beneficiaries	Annual
4.03	Number of transport operators supported implementing low carbon solutions	No. of transport operators	200 (10 projects x 20 transport operators supported per project)	Own registration based on information from beneficiaries	Annual
4.04	Number of jobs created in all economic sectors	No. of jobs	200 (10 projects x 20 jobs per project)	Own registration based on information from beneficiaries	Annual
4.05	Number of jobs maintained in all economic sectors	No. of jobs	200 (10 projects x 20 jobs per project)	Own registration based on information from	Annual

				beneficiaries	
4.06	Amount of funding leveraged by the project	EUR	80,811,405 (47,536,121 EUR ERDF x 1,7 leverage)	Own registration based on information from beneficiaries	Annual
CO26	No. of enterprises co-operating with research institutions	No. of enterprises	200 (10 projects x 20 transport operators supported per project)	Own registration based on information from beneficiaries	Annual
CO28	Number of enterprises supported to introduce new to the market products	No. of enterprises	200 (10 projects x 20 transport operators supported per project)	Own registration based on information from beneficiaries	Annual
CO29	Number of enterprises supported to introduce new to the firm products	No. of enterprises	200 (10 projects x 20 transport operators supported per project)	Own registration based on information from beneficiaries	Annual
CO34	Estimated annual decrease of GHG	Tonnes of CO ₂ eq	500	Own registration based on information from beneficiaries	Annual

2.A.7 Performance framework (by priority axis) - Article 8(2) (b) (v) ETC Regulation

Table 5: The performance framework of the priority axis

Priority Axis	Indicator type (Key implementation step, financial, output or, where appropriate, result indicator)	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator, where appropriate
2	Key implementation step	2.A	Number of approved projects under Priority 2, leading to solutions facilitating the delivery of existing or emerging low carbon, energy or climate protection strategies	Number of projects	3	6	E-Monitoring system	The number of projects selected under Priority 2 will deliver the target set for the output indicator "Number of solutions facilitating the delivery of existing or emerging low carbon, energy or climate protection strategies"
2	Key implementation step	2.B	Number of approved projects under Priority 2, leading to enterprises co-operating with research institutions	Number of projects	11	21	E-Monitoring system	The number of projects selected under Priority 2 will deliver the target set for the output indicator "Number of enterprises co-operating with research institutions"
2	Output indicator	2.C	Number of solutions facilitating the delivery of existing or emerging low carbon, energy or climate protection strategies	Number of solutions	0	18	E-Monitoring System	Crucial output indicator to facilitate the reduction of emissions, a decrease in the energy consumption and an increase in use of renewable energies as the main aims of SO2.
2	Output indicator	2.D	No. of enterprises co-operating with research institutions	Number of enterprises	0	420	E-Monitoring System	Crucial common output indicator to ensure the uptake of low carbon technologies/products/ processes – to justify the effectiveness of

								projects approved under SO 3 and SO4.
2	Financial indicator	2.E	Total amount of eligible expenditure certified to EC for Priority Axis 2	EUR	36,642,427	244,282,844	E-Monitoring System	

Additional qualitative information on the establishment of the performance framework

The milestones in 2018 for output indicators in the performance framework are set at '0' since the NWE Programme does not expect any operation (=project approved) to be finished by the end of 2018. Based on IVB experience, the average duration of a IVB project was more than 4 years. Taking this into account, the first NWE projects are expected to close at the end of 2019 the earliest. For this reason, key implementation steps are introduced which count the projects approved by the end of 2018 which will directly lead to the selected output indicators in the performance framework.

2.A.8 Categories of intervention (by priority axis) - Article 8(2) (b) (vii) ETC Regulation

Tables 6-9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	2 – LOW CARBON
Code	€ amount
012	16,505,598
013	16,505,598
015	16,505,598
023	16,505,598
065	16,505,597
087	16,505,598
036	15,845,373
043	15,845,373
044	15,845,373

Table 7: Dimension 2 Form of finance

Priority axis	2 – LOW CARBON
Code	€ amount
01	146,569,706

Table 8: Dimension 3 Territory

Priority axis	2 – LOW CARBON
Code	€ amount
07	146,569,706

Table 9: Dimension 6 Territorial delivery mechanism

Priority axis	2 – LOW CARBON
Code	€ amount
07	146,569,706

2.A.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for the enhancement of the administrative capacity of relevant partners to participate in the implementation of programmes (by priority axis)

Not applicable

2.A.1 Introduction of the Priority Axis 3 ‘Resource and materials efficiency’

ID of the priority axis	3
Title of the priority axis	RESOURCE AND MATERIALS EFFICIENCY

- ☐ The entire priority axis will be implemented solely through financial instruments Not applicable
- ☐ The entire priority axis will be implemented solely through financial instruments set up at Union level Not applicable
- ☐ The entire priority axis will be implemented through community-led local development Not applicable

2.A.2 Where applicable, a justification for the establishment of a priority axis covering more than one thematic objective

Not applicable

2.A.3 Fund and calculation basis for Union support (repeated for each fund under the priority axis)

Fund	ERDF
Calculation basis	total eligible expenditure

2.A.4 Investment Priority (repeated for each investment priority under the priority axis)

Investment Priority 6F	Promoting innovative technologies to improve environmental protection and resource efficiency in the waste sector, water sector, soil protection or to reduce air pollution.
-----------------------------------	---

2.A.5 Specific objective corresponding to the investment priority and expected results

ID	SO5
Specific objective 5	To optimise (re)use of material and natural resources in NWE

THE RESULTS THAT THE MEMBER STATES SEEK TO ACHIEVE WITH UNION SUPPORT

This specific objective will lead to an optimised use of material resources and a reduction in the use of natural resources in NWE. Success will be measured in terms of the use and uptake of eco-innovations in NWE, but also in terms of the resource savings and (waste) recycling rates they generate.

The expected result of this Specific Objective relates to the main target group, the resource intensive industrial sectors. The Programme aims to accelerate the transition of the NWE economy to a circular model (3Rs - Reduce, Reuse, Recycle) by enabling spill-over effects of eco-innovation in the resource intensive industry. This will be achieved by increasing the competences. “The status of the competences in the resource-intensive sectors in NWE for eco-innovation diffusion” will thus be the Programme result indicator for this Specific Objective.

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

Addressing this issue requires the development and uptake of new technologies, products and processes to improve resource efficiency (ToA9). Such a drive towards eco-innovation is facilitated by collaboration among innovation stakeholders on the development and testing phases of innovations and/or innovative solutions that are less material intensive than those currently on the market. This SO also covers actions focusing on the use of land in production processes (for example, non-food crops).

Table 3: Programme specific result indicators specific objective 5

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value ⁷ (2023)	Source Data of	Frequency of reporting
R5	Status of competences in the resource intensive sectors in NWE for eco-innovation diffusion	Percentage	110 (110% of EU average)	2014	112% (112% of EU average)	Eco-Innovation Scoreboard 2014 Flash Eurobarometer 381, “SMEs, Resource Efficiency and Green Markets”, European Commission, 2013	2014 (baseline) 2018 (interim) 2020 (interim) 2023 (end)

2.A.6 Actions to be supported under the investment priority (by investment priority)

2.A.6.1 A description of the type and examples of actions to be financed and their expected contribution to the corresponding specific objectives

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

Actions may include collaboration on:

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

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

⁷ Target values can be qualitative or quantitative.

The identification of the main target groups

The main target groups are:

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

Specific territories targeted

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

Types of Beneficiaries

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

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

2.A.6.2 The guiding principles for the selection of operations

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

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

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

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

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

2.A.6.5 Output indicators (by investment priority) (Table 4)

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

ID	Indicator (<i>name of indicator</i>)	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
5.01	Number of efficient natural and material resources solutions implemented and tested	No. of solutions implemented	42 (14 projects x 3 solutions tested per project)	Own registration based on information from beneficiaries	Annual
5.02	Number of innovative uses of waste processes/products/services from waste materials	No. of solutions designed	18 (6 projects x 3 innovative uses of waste per project)	Own registration based on information from beneficiaries	Annual
5.03	Amount of funding leveraged by the project	EUR	161,622,811 (95,072,242 EUR ERDF x 1,7 leverage)	Own registration based on information from beneficiaries	Annual
5.04	Amount of decreased raw material use	Tonnes	1,000,000 (10 projects x 100.000 tonnes per project)	Own registration based on information from beneficiaries	Annual
5.05	Amount of increased material recovery, re-use and recycling	Tonnes	1,000,000 (10 projects x 100.000 tonnes per project)	Own registration based on information from beneficiaries	Annual
5.06	Number of jobs created in all economic sectors	No. of jobs	400	Own registration based on information from beneficiaries	Annual
5.07	Number of jobs maintained in all economic sectors	No. of jobs	400	Own registration based on information from beneficiaries	Annual
CO01	Number of enterprises receiving support	No. of enterprises	200	Own registration based on information from beneficiaries	Annual

CO26	No. of enterprises co-operating with research institutions	No. of enterprises	200	Own registration based on information from beneficiaries	Annual
CO28	Number of enterprises supported to introduce new to the market products	No. of enterprises	200	Own registration based on information from beneficiaries	Annual
CO29	Number of enterprises supported to introduce new to the firm products	No. of enterprises	200	Own registration based on information from beneficiaries	Annual

2.A.7 Performance framework (by priority axis) - Article 8(2) (b) (v) ETC Regulation

Table 5: The performance framework of the priority axis

Priority Axis	Indicator type (Key implementation step, financial, output or, where appropriate, result indicator)	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of the relevance of the indicator, where appropriate
3	Key implementation step	3.A	Number of projects approved under Priority 3	Number of projects	10	20	E- monitoring system	The number of projects selected under Priority 3 will deliver the targets set for the output indicator "number of enterprises supported applying new eco-innovation solutions" chosen as a crucial one for Priority 3.
3	Output indicator	3.B	Number of enterprises receiving support	Number of enterprises	0	400	E-monitoring system	Crucial output indicator that covers the entire SO5. The "number of receiving support" will be a major outcome of the enterprises supported by the resource efficient solutions and new uses of waste.
3	Financial indicator	3.C	Total amount of eligible expenditure certified to EC for Priority Axis 3	EUR	23,768,061	158,453,737	E-Monitoring System	

Additional qualitative information on the establishment of the performance framework

The milestones in 2018 for output indicators in the performance framework are set at '0' since the NWE Programme does not expect any operation (=project approved) to be finished by the end of 2018. Based on IVB experience, the average duration of a IVB project was more than 4 years. Taking this into account, the first projects are expected to close at the end of 2019 the earliest. For this reason, key implementation steps are introduced which count the projects approved by the end of 2018 which will directly lead to the selected output indicators in the performance framework.

2.A.8 Categories of intervention (by priority axis) - Article 8(2) (b) (vii) ETC Regulation

Tables 6-9: Categories of intervention

Table 6: Dimension 1 Intervention field

Priority axis	3 – RESOURCE AND MATERIALS EFFICIENCY
Code	€ amount
019	31,690,747
069	31,690,747
085	31,690,748

Table 7: Dimension 2 Form of finance

Priority axis	3 – RESOURCE AND MATERIALS EFFICIENCY
Code	€ amount
01	95,072,242

Table 8: Dimension 3 Territory

Priority axis	3 – RESOURCE AND MATERIALS EFFICIENCY
Code	€ amount
07	95,072,242

Table 9: Dimension 6 Territorial delivery mechanism

Priority axis	3 – RESOURCE AND MATERIALS EFFICIENCY
Code	€ amount
07	95,072,242

2.A.9 A summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries and, where necessary, actions for the enhancement of the administrative capacity of relevant partners to participate in the implementation of programmes (by priority axis)

Not applicable

Section 2.B A description of the priority axis 4 for technical assistance

2.B.1 Priority Axis 4 'Technical Assistance'

ID of the priority axis	4
Title of the priority axis	TECHNICAL ASSISTANCE

2.B.2 Fund and calculation basis for Union support (repeated for each fund under the priority axis)

Fund	ERDF
Calculation basis	total eligible expenditure

2.B.3 Specific objectives and expected results

ID	SO6
Specific objective 6	To maximise the effectiveness and efficiency of the management and implementation of the INTERREG NWE Programme

THE RESULTS THAT THE MEMBER STATES SEEK TO ACHIEVE WITH UNION SUPPORT

The main result of the Technical Assistance priority will be the effective and efficient delivery of the INTERREG NWE Programme over the 2014-2020 period.

This requires the setting up of support structures and the development of tools and activities at Programme level to provide the highest level of effectiveness and efficiency in Programme management and implementation.

These include an effective project generation and selection system that leads to manageable numbers of high quality applications with a realistic chance of approval.

To bring about this result, actors need adequate support and facilities in the funded Transnational Cooperation Projects enabling them to perform their planned activities in an efficient way.

It also requires a monitoring, evaluation and control system that provides adequate insight in the regularity and quality of the supported actions with as little administrative burden to beneficiaries and Programme bodies as possible. This contributes to assuring that the outputs and results of supported actions are relevant and also ensures the proper use of community funding distributed by the Programme.

Key to achieving this result will also be the development of suitable channels and activities for the communication of funding opportunities and the dissemination and capitalisation of results of Transnational Cooperation Projects.

Finally, it is essential to enable the Programme management bodies to make informed decisions and give effective steering to the implementation of transnational cooperation actions and to the strategic course of the Programme.

2.B.4 Result indicators (by specific objective)

Table 10: Programme specific result indicators (by specific objective)

ID	Indicator	Measurement Unit	Baseline Value	Baseline Year	Target Value ⁸ (2023)	Source of Data	Frequency of reporting
TA1	Share (%) of all supported operations that are implemented successfully, demonstrated by the achievement of planned objectives	Percentage	0	2013	90%	Programme monitoring	Annual
TA2	Percentage of satisfaction of supporting beneficiaries in the implementation and communication of their projects	Percentage	66%	2014	76%	Survey	Every three years
TA3	Amount of regular expenditure in sample for audit of operation	Percentage	0%	2013	98%	Annual Control Report	Annual

2.B.5 Actions to be supported and their expected contribution to the specific objectives

2.B.5.1. A description of actions to be supported and their expected contribution to the specific objectives

Technical Assistance will finance the Programme's Joint Secretariat and the network of Contact Points, as well as certain activities undertaken by the Managing Authority and Certifying Authority.

The Joint Secretariat needs a team of professionals bundling the skills and competences required for the management, content delivery, financial and communication tasks related to implementing this EU-wide cooperation Programme. Staffing and equipping the Joint Secretariat is a core part of the Technical Assistance budget expenditure.

In addition to sustaining the personnel of the Joint Secretariat, the Technical Assistance priority will support a range of activities and tools that are instrumental to achieving the specific objective of this priority. These include following types of activities:

Project generation and selection

⁸ The target values can be qualitative or quantitative.

- Developing application forms, calls for proposals/terms of reference and guidance documents for potential project applicants.
- Providing assistance and advice to potential applicants in the process of developing their project application, e.g. through project development workshops, bilateral consultations and contacts.
- Performing quality assessments of applications for projects.

Support to the actors involved in Transnational Cooperation Projects

- Providing tools and guidance documentation (manuals, supporting project beneficiaries implement their project).
- Providing assistance and advice to lead partners and partners on the implementation of their project e.g. through lead partner seminars, first level control seminars, trainings and bilateral contacts.
- Participating in project related meetings and events and performing “on-the-spot visits” to projects to address project progress, outputs and results as well as obstacles in the implementation.

Monitoring, evaluation, control and reporting

- Installing and operating a computerised system for Programme management, monitoring, audit and control.
- Regular review of project’s progress and evaluation of outputs and results.
- Providing guidance and support to ensure adequate control of the Programme actions at all levels (partners, controllers, Member State bodies responsible for first level controller approbation) e.g. through seminars, guidance documents and advice.
- Coordinating and organising Programme level audit activities, including the (external) audits on projects and supporting the Group of Auditors.
- Regular reporting to the European Commission on progress of the Programme.

Communication, dissemination and capitalisation

- Continuous development of the Programme website.
- Creation of Programme information and publications and other relevant online tools.
- Organisation of events to generate interest for participation in the Programme, showcase and disseminate results of the Programme supported actions to professional audiences and the wider public and facilitate inter-project interaction and cooperation.

Programme management and steering

- Organisation, preparation and facilitation of meetings of the Programme bodies, in particular the Monitoring Committee and Group of Auditors meetings.
- Evaluations, analysis and studies related to the delivery of the Programme in support of the continuous improvement of its management and implementation.

2.B.5.2 Output indicators expected to contribute to results (Table 12)

Table 11: Output indicators

ID	Indicator (<i>name of indicator</i>)	Measurement unit	Target value (2022) ⁹	Source of data
6.01	Number of Transnational Cooperation projects approved	Number		Programme monitoring
6.02	Number of on the spot verifications (site visits) done by JS staff	Number		Programme monitoring
6.03	Average number of visits to the Programme website	Number/month		Programme monitoring
6.04	Number of Monitoring Committee meetings	Number		Programme monitoring
6.05	Duration of reimbursement of expenditure to final beneficiaries	Weeks		Programme monitoring
6.06	Number of appeals to calls for proposals	Number		Programme monitoring
6.07	Number of evaluations, studies, surveys, experts, reports	Number		Programme monitoring
6.08	Number of employees whose salaries are co-financed by Technical Assistance	Number		Payroll
6.09	Staff turn-over	%		Payroll

2.B.4 Categories of intervention

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

Tables 12-14: Categories of intervention

Table 13: Dimension 1 Intervention field

Priority axis	4 – TECHNICAL ASSISTANCE
Code	€ amount
121	18,568,524
122	2,030,766
123	3,168,770

⁹ Target values for output indicators under technical assistance are optional.

Table 14: Dimension 2 Form of finance

Priority axis	4 – TECHNICAL ASSISTANCE
Code	€ amount
01	23,768,060

Table 15: Dimension 3 Territory

Priority axis	4 – TECHNICAL ASSISTANCE
Code	€ amount
07	23,768,060

SECTION 3 - THE FINANCING PLAN

3.1 Financial appropriation envisaged from the ERDF (in EUR) - Article 8(2) (D) (i) ETC Regulation¹⁰

Table 15

	2014	2015	2016	2017	2018	2019	2020	Total
ERDF	0	48,338,137	40,970,523	74,443,199	75,932,063	77,450,703	78,999,717	396,134,342
IPA amounts (where applicable)	Not applicable							
ENI amounts (where applicable)	Not applicable							
Total	0	48,338,137	40,970,523	74,443,199	75,932,063	77,450,703	78,999,717	396,134,342

¹⁰ Where outermost regions combine cross-border cooperation and transnational allocations in one programme, the respective allocations need to be presented separately.

3.2.A Total financial appropriation from the ERDF and the national co-financing (in EUR)

Table 16

	Fund	Basis for the calculation of the Union support (Total eligible cost or public eligible cost)	Union support (a)	National counterpart (b) = (c) + (d))	Indicative breakdown of the national counterpart		Total funding (e) = (a) + (b)	Co-financing rate** (f) = (a)/(e)	For information	
					National Public funding (c)	National private funding (d)*			Contributions from third countries	EIB contributions
<i>Priority axis 1 - Innovation</i>	ERDF	Total eligible cost	130,724,334	87,149,556	74,077,123	13,072,433	217,873,890	60%		
	IPA									
	ENI									
<i>Priority axis 2- Low carbon</i>	ERDF	Total eligible cost	146,569,706	97,713,138	87,941,824	9,771,314	244,282,844	60%		
	IPA									
	ENI									
<i>Priority axis 3 – Resource and Material efficiency</i>	ERDF	Total eligible cost	95,072,242	63,381,495	57,043,345	6,338,150	158,453,737	60%		
	IPA									
	ENI									
<i>Priority axis 4 – Technical Assistance</i>	ERDF	Total eligible cost	23,768,060	4,194,364	4,194,364	0	27,962,424	85%		
	IPA									
	ENI									
Total	ERDF	Total eligible cost	396,134,342	252,438,553	223,256,656	29,181,897	648,572,895	61.08%		
	IPA									
	ENI									
Total	Total all Funds	Total eligible cost	396,134,342	252,438,553	223,256,656	29,181,897	648,572,895	61.08%		

* To be completed only when priority axes are expressed in total costs.

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

3.2.B Breakdown by priority axis, and thematic objective - Article 8(2) (d) (ii) ETC Regulation

Table 17

Priority axis	Thematic objective	Union support	National counterpart	Total funding
1 - Innovation	Thematic objective 1	130,724,334	87,149,556	217,873,890
2 - Low carbon	Thematic objective 4	99,033,585	66,022,390	165,055,975
	Thematic objective 7	47,536,121	31,690,748	79,226,869
3 - Resource and Material efficiency	Thematic objective 6	95,072,242	63,381,495	158,453,737
4 - Technical Assistance	n/a	23,768,060	4,194,364	27,962,424
TOTAL		396,134,342	252,438,551	648,572,895

Table 18: Indicative amount of support to be used for climate change objectives (Article 27(6) CPR)

Priority axis	Indicative amount of support to be used for climate change objectives (EUR)	Proportion of the total allocation to the cooperation Programme (%)
2	118,048,034.60	29.80%
3	25,352,598.00	6.40%
Total	143,400,632.60	36.20%

SECTION 4 - INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

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

The NWE Programme applies an integrated approach to territorial development by building on North West Europe's territorial assets. This means that the projects approved by the Programme should address territorial challenges, link to relevant territorial development policies (e.g. smart specialisation strategies, regional ERDF programmes) and follow a cross-sectoral approach. Thus, relevant actors from different sectors and various administrative levels should be involved directly or in a consultative way.

As mentioned under section 1, the NWE regions are rather heterogeneous – in terms of, for example, socio-economic performance, employment, energy accessibility or environmental issues. Reducing these territorial disparities and thus achieving a greater level of territorial cohesion in NWE is the overarching aim for all projects.

Transnational cooperation will be key in reaching this aim. The NWE Programme seeks to provide transnational solutions – this means project partnerships need to work jointly, across borders, to achieve their results on the ground.

Moreover, the Programme is to contribute to the Europe 2020 Strategy for smart, sustainable and inclusive growth. To unlock new growth opportunities the Programme supports smart specialisation as an instrument to make use of territorial assets where regions are most specialised. It is equally important to build links with other regions and to foster a mentoring/learning approach between them. For example, for priority 1, projects will need to include partners from different types of innovation territories, e.g. innovation followers and moderate innovators. In this way, growth contributes to increased territorial cohesion in NWE.

4.1 Community-led local development (where appropriate)

Community-led local development instruments, as defined under Article 8(3) of the ETC Regulation, will not be applied in the NWE Programme.

4.2 Integrated actions for sustainable urban development (where appropriate)

The specific approach on integrated actions for sustainable urban development, as defined in Article 8(3) of the ETC Regulation, will not be applied in the NWE Programme.

Table 19: The indicative allocation of the ERDF support for integrated actions for sustainable urban development

	Resources for integrated actions for sustainable urban development
ERDF	0

4.3 Integrated Territorial Investment (ITI) (where appropriate)

The approach to Integrated Territorial Investments, as defined in Article 36 of Regulation (EU) No 1303/2013, will not be applied in the NWE Programme.

Table 20: Indicative financial allocation to ITI other than those mentioned under point 4.2

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

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

4.4.1 The mechanisms to ensure coordination with macro-regional and sea-basin strategies

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

- Atlantic Sea-basin strategy (France, Ireland, and UK);
- Danube Macro-Region Strategy¹¹ (Germany: Baden-Württemberg and parts of Bavaria).

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

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

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

Atlantic Sea-basin strategy

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

The action plan sets 4 priorities:

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

The NWE Programme is complementary to the Atlantic Sea basin action plan, and will

¹¹ <http://www.danube-region.eu/>

contribute in part to its first three priorities, and within each of the priorities to the following specific objectives of the action plan:

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

Danube macro regional strategy

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

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

Since the Danube region covers only a very limited area of the NWE Programme (NUTS1 regions Bavaria and Baden-Wuerttemberg), NWE will only marginally contribute to the achievement of the Danube Region Strategy in those regions. Potential complementaries can be found on the themes of innovation, renewable energy development and mobility and multimodality.

SECTION 5 - IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

5.1 Relevant authorities and bodies

Table 21: Programme authorities¹²

Authority/body	Name of the authority/body	Head of the authority/body
Managing Authority	Région Nord-Pas de Calais Conseil régional	Daniel Percheron
Certifying Authority	Provincie Oost-Vlaanderen	Marie-Paule Boone
Audit Authority	Commission Interministérielle de Coordination des Contrôles des actions cofinancées par les Fonds structurels (CICC)	Jean-Louis Rouquette

The body to which payments will be made by the Commission is:

- ☐ the Managing Authority
☒ the Certifying Authority

Table 22: Body or bodies carrying out control and audit tasks

Authority/body	Name of the authority/body	Head Of The Authority/Body
Body or bodies designated to be responsible for carrying out audit tasks	Brussels Regional Public Service - Financial Control Department, Belgium-Brussels	Abderrahmane Jaichi
Body or bodies designated to be responsible for carrying out audit tasks	Department of Communities and Local Government, United Kingdom	Desmond Mulcahy
Body or bodies designated to be responsible for carrying out audit tasks	Department of Public Expenditure & Reform, Ireland	Gerard Doherty
Body or bodies designated to be responsible for carrying out audit tasks	Agentschap Ondernemen – Afdeling Inspectie en Ondersteuning, Belgium- Flanders	Dirk De Rijck
Body or bodies designated to be responsible for carrying out audit tasks	Inspection Générale des Finances, Luxembourg	Jeannot Waringo
Body or bodies designated to be responsible for carrying out audit tasks	Inspection Générale des Finances, Belgium- Wallonia	Gérard Quinet
Body or bodies designated to be	Ministry of Economics, Climate Protection, Energy and Spatial	Udo Teßmer

¹² In accordance with Article 8 (12) ETC Regulation, the information on the identification of the managing authority, the certifying authority, where appropriate, and the audit authority is not subject to the Commission decision approving the cooperation Programme, but remain under the responsibility of the participating Member States.

responsible for carrying out audit tasks	Planning of the German State Rhineland-Palatinate, Germany	
Body or bodies designated to be responsible for carrying out audit tasks	National Audit Service (Ministry of Finance), The Netherlands	Ruud Van As
Body or bodies designated to be responsible for carrying out audit tasks	Région Nord-Pas De Calais, France	Touhami Gherissi
Body or bodies designated to be responsible for carrying out audit tasks	Swiss Federal Audit Office, Switzerland	Grégoire Demaurex
Body or bodies designated to carry out control tasks	Agentschap Ondernemen – Entiteit Europa Economie, Belgium-Flanders	Werner Van den Stockt
Body or bodies designated to carry out control tasks	Brussels Regional Public Service - ERDF Department, Belgium-Brussels	Corentin Dussart
Body or bodies designated to carry out control tasks	Department of Communities and Local Government, United Kingdom	Arni Narain
Body or bodies designated to carry out control tasks	Direction du Contrôle financier, Luxembourg	Patrick Gillen
Body or bodies designated to carry out control tasks	Federal Office for Spatial Development ARE, Switzerland	Nora Bosshard
Body or bodies designated to carry out control tasks	Ministry of Finance and Economics Baden-Württemberg, Germany	Christian Debach
Body or bodies designated to carry out control tasks	Netherlands Enterprise Agency, The Netherlands	Lambert Smeets
Body or bodies designated to carry out control tasks	Région Nord-Pas De Calais, France	Christophe Uliasz
Body or bodies designated to carry out control tasks	Southern & Eastern Regional Assembly, Ireland	Stephen Blair
Body or bodies designated to carry out control tasks	Wallonie-Bruxelles International, Belgium-Wallonia	Christian Carette

5.2 Procedure for setting up the Joint Secretariat

The Joint Secretariat (JS) is set up after consultation with the Member States under the responsibility of the Managing Authority.

The JS assists the Monitoring Committee, the Managing Authority, and where appropriate, the Audit Authority in carrying out their duties. It is funded from the TA budget.

The JS is based in Lille, France. Implementation arrangements are already in place at the time of Programme submission as they are kept from the 2007-2013 programming period. The internal organisation of the JS has gone through a review process in order to better match the challenges of the new Programme, i.e. the focus on results orientation (thematic specialisation, increased expertise in risk management etc).

The working language of the Programme shall be English.

5.3 Summary description of the management and control arrangements

The INTERREG NWE Programme shall be implemented through: a Managing Authority, a Joint Secretariat, a Monitoring Committee, an Audit Authority and a Group of Auditors.

Role and tasks of the Managing Authority

The Managing Authority, assisted by the Joint Secretariat, is responsible for managing the Cooperation Programme in accordance with the principle of sound financial management as described in Article 125 of the Regulation (EU) 1303/2013 [CPR] and Article 23 of the Regulation (EU) 1299/2013 [ETC].

This includes the following tasks and responsibilities:

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

Joint Secretariat

The Joint Secretariat is set up under the legal responsibility of the Managing Authority. The Joint Secretariat assists the Monitoring Committee, the Managing Authority and, where appropriate, the Audit Authority in carrying out their respective functions and especially:

- a. to prepare, implement and follow-up decisions of the Monitoring Committee, to organise the Monitoring Committee meetings;
- b. to liaise with the implementing authorities and the European Commission, to ensure that the relevant implementation reports and any other relevant information is made available to them;
- c. to cooperate with organisations, institutions and networks relevant for the objectives of the Programme;
- d. to distribute information and publicise the Programme, its various components and its projects, including running a Programme website and events;
- e. to establish a Programme database and project online monitoring system to provide data in computerised form necessary for the monitoring, evaluation, financial management, verification and audit;
- f. to develop for approval by the Monitoring Committee a transparent selection procedure, selection criteria, terms of reference for the calls for applications, application pack incl. funding rules;
- g. to manage the project application process for all projects, including providing information and advice to applicants (e.g. by means of an applicants' pack), checking, assessing applications on the basis of approved criteria and procedure, and informing partners on Monitoring Committee decisions;
- h. to assist and organise activities to support project generation and development;
- i. to organise partner search events concerning the whole NWE cooperation area;
- j. to monitor commitments and payments of ERDF funds at Programme level by categories of intervention;

- k. to provide advice and assistance to projects regarding implementation of activities and financial administration;
- l. to monitor progress made by projects through collecting and checking project monitoring reports, monitoring outputs, results and financial implementation;
- m. to ensure that payments to projects are made within the agreed timeframe;
- n. to support the Managing Authority in setting up a coherent Programme management and control system ensuring the legality, regularity of declared expenditure and the respect of the principle of sound financial management and liaise with first level controllers designated by the Programme Member States to carry out the verifications pursuant to Article 23 (4) of the ETC regulation;
- o. to support the Managing Authority in drawing up the management declaration of assurance on the functioning of the management control system;
- p. when necessary, to support the Managing Authority in the management of the technical assistance budget (accounting, procurement, payments, reporting);
- q. to fulfil the usual work of a Programme secretariat, i.e. organisation of meetings, preparation of documents, drafting of minutes, etc.;
- r. to liaise with the body carrying out the functions of the Certifying Authority and to make all relevant data available to them;
- s. to support the Audit Authority and the group of auditors: organisation and following up of meetings, following up of members' lists, following the procurement procedure for the externalisation of audits, ensure a good communication flow between the Audit Authority, the group of auditors members, audited projects and the external audit firm, making relevant data available to these actors to allow for a smooth implementation of their tasks.

With regard to the management of projects, the Managing Authority / Joint Secretariat have the following discretionary powers:

They can decide on changes as long as the purpose and basic features of the project are not altered. It can also decide on changes in projects which do not have consequences on the eligibility or the results of the project. In particular the Managing Authority/Joint Secretariat can decide on:

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

The Monitoring Committee decides in cases of doubt and in all other cases and shall be informed on the decisions taken by the Managing Authority/Joint Secretariat on the cases mentioned above.

Role and tasks of the body carrying out the functions of the Certifying Authority

The CA will be responsible for carrying out the functions defined in Article 126 of Regulation (EU) No 1303/2013 and Article 21(2) of Regulation (EU) No 1299/2013.

Role and tasks of the Audit Authority and group of auditors

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

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

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

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

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

Role and tasks of the Monitoring Committee

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

The Monitoring Committee is made up of:

- up to three representatives per country (NWE-MS and Switzerland) at the appropriate governance level;
- representatives of the European Commission; in advisory capacity;
- the Managing Authority, the Joint Secretariat and, where necessary the Audit Authority, in an advisory capacity;
- Relevant stakeholders may participate in advisory capacity upon invitation.

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

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

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

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

Role and tasks of the network of Contact Points

The Programme will establish a network of Contact Points (CPs) to facilitate the implementation of the Programme within the Member States. A *Manifesto for the improved functioning of the CP-JS Network* was approved by the Managing Authority and Member States in 2014 in order to clarify the roles and function of each entity and their relationship (Annex 8).

The CPs represent the 'front-office' of the Programme and therefore shall have a sound knowledge of the local and regional specificities of each territory. They will assist the generation of high quality project ideas, i.e. concentrate on the strategic fit and on partner search facilitation. CPs will be the main contacts to accompany and support the project

generation process, and will closely work with the JS along the overall project development phase. A network coordinator will be appointed in the JS.

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

Project applications can be submitted following calls for proposals. The documents related to the application process will be published on the Programme website. They will include the terms of reference and the Programme manual, which outlines the funding rules. Details of the selection procedure will also be made available to all applicants through the Programme manual. All applications will be made available to the members of the Monitoring Committee. The Joint Secretariat organises the impartial assessment of these applications based on the eligibility and quality criteria approved by the Monitoring Committee, and makes a proposal for a decision to the Monitoring Committee.

Each Member State is in charge of checking the eligibility and, where applicable, of confirming the relevance of each project partner located on its territory. This should be preferably done prior to the project approval by the Monitoring Committee and at the latest within two weeks following the project approval by the Monitoring Committee. Any Member State can reject the participation of project partners on their territory for justified reasons without rejecting the whole project proposal. Following the Monitoring Committee's decision, the Managing Authority will prepare a subsidy contract between the Managing Authority and the lead applicants of the approved projects.

Project lead applicants of rejected project proposals are informed in writing about the reasons why an application was not eligible or approved. Any questions in relation to the assessments will be examined and answered by the Managing Authority/Joint Secretariat. If needed, remaining complaints will be examined and answered jointly by a complaint panel involving the previous, present and future chairs of the Monitoring Committee and the Managing Authority/Joint Secretariat. If deemed necessary, the complaint panel may decide to refer back a complaint to the Monitoring Committee. An overview of complaints examined and answered by the panel will be provided to the Monitoring Committee in the following meeting. Detailed procedures will be set out in the Programme manual and thus be available to applicants.

Complaints against decisions of the Programme's Managing Authority/Joint Secretariat during project implementation will follow the rules laid down in the subsidy contract that concluded between the Managing Authority and the Lead Partner. Complaints related to first and second level control have to be lodged against the responsible national authority according to the applicable national rules.

Procedure for the signature of the document setting out the conditions of support "subsidy contract"

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

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

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

Financial control of beneficiaries

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

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

Each NWE-MS shall ensure that the expenditure of a beneficiary can be verified within a period of three months of the submission of the documents by the beneficiary concerned in line with Article 23 of the Regulation (EC) 1299/2013.

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

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

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

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

Project monitoring

The Managing Authority/Joint Secretariat shall monitor the activity and financial progress of projects. For this purpose, three main types of information need to be considered:

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

The Managing Authority/Joint Secretariat shall assess the reports and monitor the proper implementation of the approved project referred to in the subsidy contract according to the procedure laid down in the description of the management and control system.

Programme monitoring

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

Monitoring will encourage high quality, effective implementation by monitoring the progress of the projects against the goals and intended results of the Programme. Monitoring will be mainly based on regular reports from the projects. The Programme will ask each project to perform risk management, to comply with Programme requirements and to prevent and mitigate risks (e.g. risk-sensitive infrastructure).

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

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

The Joint Secretariat will collect and compile the data stemming from these reports in order to allow for conclusions on the Programme level. The Managing Authority will use this documentation – together with additional information on the financial implementation – to draft the annual and final reports and submit them to the Monitoring Committee.

Annual and final implementation reports and closure of the Programme

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

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

Evaluation

The Programme has been subject to an ex-ante evaluation of independent evaluators with the aim of improving the overall quality of the Programme and to optimise the allocation of budgetary resources and the quantification of target values in the performance framework. The recommendations of this evaluation have been taken into account during the drafting of this Programme, as described in the final report of the Ex-ante Evaluation.

In accordance with Articles 56 and 114 of the Regulation (EC) 1303/2013 [CPR], the Managing Authority will draw up an evaluation plan for the Programme. The evaluation plan shall be submitted to the first meeting of the Monitoring Committee.

One or several evaluations will be carried out to assess effectiveness, efficiency and impact of the Programme. All evaluations will be examined by the Monitoring Committee and sent to the Commission.

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

The computerised exchange of data

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

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

Mobilisation and circulation of financial flows

The contribution of the various partners to the financing of the Programme

On Programme level the technical assistance is financed from the ERDF and national contributions from the NWE-MS. The rate of co-financing from the EU-Member States for technical assistance is 15% (ERDF co-financing rate 85%). The share of each NWE Member State results from the number of inhabitants of the related NUTS2 regions of the cooperation area in relation to the current NWE-MS overall population in 2012. An additional contribution to the technical assistance budget comes from Switzerland. The total budget for technical assistance is EUR 27,962,424 (incl. EUR 24,000 from Switzerland).

The Managing Authority administers the ERDF funding of the Programme as well as the national contributions to the technical assistance budget. Separate accounts will be set up within 3 months after the approval of the cooperation Programme: one for technical

assistance contributions and one for the ERDF funding. The Swiss funding for projects will be paid out directly by the responsible national body to the Swiss project partners. The Swiss funding for technical assistance will be paid to the technical assistance account.

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

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

In the case that – at the end of the Programme implementation period – the Member States have transferred more funds than have actually been used for technical assistance, the Managing Authority will reimburse these funds.

Main stages of Community funding from the Managing Authority to the lead partners

All projects have to be pre-financed by the project partners. The lead partner collects the certified declarations of expenditure of all project partners and makes a claim for reimbursement within the progress report to the Managing Authority/Joint Secretariat. The maximum rates for reimbursement of the eligible expenditure are specified in Table 16 in paragraph 3.2.A. ERDF funds will contribute up to 60% of the total eligible cost on project partner level. The reimbursement is paid from the Managing Authority to the lead partner; and the lead partner distributes the money to the partners as set out in the progress report and the project's partnership agreement. All amounts referred to in the subsidy contract are expressed in EURO (EUR). Funds will be disbursed in EURO (EUR) to the bank account specified by the lead partner in the project application. The exchange rate risk is borne by the lead partner.

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

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

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

Countries outside the NWE eligible area

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

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

Information and communication

The Managing Authority, assisted by the Joint Secretariat, will draw up a communication strategy which will be discussed and approved by the Monitoring Committee no later than 6 months after the adoption of the cooperation Programme, in accordance with Article 116 of Regulation (EU) No 1303/2013 [CPR]. Any revision of the communication strategy shall be discussed in, and approved by, the Monitoring Committee.

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

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

The communication strategy will be implemented in the Joint Secretariat, under the direction of the Programme director and the Managing Authority. It will work in partnership with the NWE-MS and other bodies identified in Annex XII (3) of Regulation (EU) No 1303/2013 [CPR]. In particular, the NWE-MS will support the communication activities through providing, where necessary, national specific information on potential beneficiaries; providing a point of contact for potential applicants; ensuring wide dissemination of Programme information; organising national events.

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

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

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

5.4 The apportionment of liabilities among the participating Member States in case of financial corrections imposed by the Managing Authority or the Commission

Reduction and recovery of payments from beneficiaries

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

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

With regard to financial correction being the subject of a EC decision on the basis of Articles 144 to 147 of Regulation (EU) No 1303/2013 [CPR], financial consequences for the NWE-MS are laid down in the section “liabilities and irregularities” below. Any related exchange of correspondence between the EC and an NWE-MS will be copied to the Managing Authority/Joint Secretariat. The Managing Authority/Joint Secretariat will inform the Audit Authority/group of auditors where relevant.

Liabilities and irregularities

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

- for project-related expenditure granted to project partners located on its territory, liability will be born individually by each Member State;

- in case of a systemic irregularity or financial correction (the latter decided by the EC), the NWE-MS will bear the financial consequences in proportion to the relevant irregularity detected on the respective NWE-MS territory. Where the systemic irregularity or financial correction cannot be linked to a specific NWE-MS territory, the NWE-MS shall be responsible in proportion to the ERDF contribution paid to the respective national project partners involved;
- for the technical assistance expenditure :
 - Member State will bear joint liability for decision of the Monitoring Committee in proportion to their respective share in the technical assistance budget. If technical assistance is used directly by a Member State, this Member State will bear full liability for this expenditure.
 - Being responsible for the day-to-day implementation of technical assistance, the Managing Authority bears full responsibility for consequences of any decision made on its behalf.

If the Managing Authority/Joint Secretariat, all NWE Member States become aware of irregularities, it shall without any delay inform the liable NWE Member States or the Managing Authority/Joint Secretariat. The latter will ensure the transmission of information to the Audit Authority or group of auditors, where relevant.

In compliance with Article 122 of Regulation (EU) No 1303/2013 [CPR], each NWE-MS is responsible for reporting irregularities committed by beneficiaries located on its territory to the EC and at the same time to the Managing Authority. Each NWE Member States shall keep the EC as well as the Managing Authority informed of any progress of related administrative and legal proceedings. The Managing Authority will ensure the transmission of information to the Audit Authority.

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

5.5 Use of the Euro

In accordance with option (b) of Article 28 of Regulation (EU) No 1299/2013 [ETC], and by way of derogation from Article 133 of Regulation (EU) No 1303/2013 [CPR], expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiaries in the month during which expenditure submitted for verification to the controller in accordance with Article 23 of Regulation (EU) No 1299/2013 [ETC]. The conversion shall be verified by the controller in the Member State or third country in which the beneficiary is located.

5.6 Involvement of partners

1) A short summary of the process of the preparation of the Cooperation Programme, with a specific focus on partnership

The drafting of the NWE Programme was organised in compliance with the partnership approach as referred to in Article 5 of Regulation (EU) No 1303/2013.

A Programme Preparation Group (PPG) was set up to prepare the NWE Programme. The PPG consists of representatives of national and regional authorities from the eight participating Member States, the Managing Authority, the Joint Secretariat, the NWE Contact Point Network and INTERACT. During the process, the hired Programme drafters and the ex-ante evaluators took part in several meetings. The process of drafting the Programme was

highly interactive among all PPG members, continuously leading to new proposals and improvements.

The first PPG meeting took place in February 2012, and was followed by 19 meetings before the formal submission of the Programme to the European Commission. At the start of the process, a data and policy analysis of the Programme area and a result analysis of INTERREG IVB projects were drafted and discussed. The outcome of these two analyses gave input to a SWOT analysis of the Programme area.

Based on the results from the SWOT and discussions in the PPG, the strategy has been defined and TO's, IP's and SO's have been selected. In an ongoing process, the content of specific objectives, types of actions, indicators, beneficiaries and guiding principles have been further refined.

PPG members also discussed about future programme structures, procedures and implementation tools. Lessons learnt and recommendations from evaluations of the IVB Programme were taken into account in order to improve programme management and procedures.

The involvement of and input from other public and private partners in the NWE area played a key role in the preparation of the Programme (this included national, regional and local authorities, economic, research and social partners, and non-governmental organisations including environmental or energy organisations).

Input for the new Programme was collected at NWE annual events in 2010 in Manchester, in 2012 in Dortmund and in 2013 in Roubaix as well as at various national or regional consultations rounds organised by the NWE Member States. The event in 2013 was a crucial one where more than 400 participants had the opportunity to directly give input on the thematic priorities chosen at this stage. The input received has led to direct amendments in the cooperation Programme.

Furthermore, in September 2013, an online survey was launched to gather input on key challenges and thematic priorities from stakeholders in the area, leading to more than 200 responses from NWE (public, private, research organisations, NGOs etc).

At the end of the process, the draft cooperation Programme was published for public consultations in April 2014, in parallel with the consultations on the environmental report. The survey mobilised 124 organisations from 7 NWE countries. A number of suggestions for improvements were taken into account and the Cooperation Programme has been revised accordingly in the appropriate sections. A list of participating partners from both surveys in 2013 and 2014 is referred to in section 9.3.

2) A description of how the relevant partners will be involved in the implementation, monitoring and evaluation of the cooperation Programme.

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

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

SECTION 6 - COORDINATION

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

Synergies

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

- In most of the regional ERDF programmes in the NWE Member States, the themes of 'innovation' and 'low carbon' play an important role. The NWE Programme focuses on research and technological development activities close to the market (for example, proof of concept), and market exploitation of new products, processes and services (SO1). The challenges addressed in relation to innovation should be preferably linked to green growth and social inclusion, because these are promising and urgent in NWE. The aim of the NWE Programme is to support the implementation of the regional smart specialisation strategies at the transnational level. The Programme's strategy is also aimed at closing the gap between innovation leaders, innovation followers, hereby also contributing to territorial cohesion within the NWE area.
- Rural development programmes stimulate the socio-economic development of rural areas in NWE, thereby fostering inclusiveness and strengthening territorial cohesion. The NWE Programme and the rural programmes are complementary on innovation (SO1) in and energy supply (SO3) in rural areas. Transnational projects are able to create new synergies between the different projects and stakeholders in the rural areas of NWE.
- Other INTERREG Programmes show thematic similarities with the NWE Programme, such as a focus innovation capacity (SO1) and energy related issues (SO2, SO3 and SO4). Some of these INTERREG Programmes overlap with the NWE area (for example, INTERREG North Sea Region, INTERREG Europe, INTERREG 2 Seas, INTERREG Greater Region). These Programmes will be strongly complementary by scaling up projects to different institutional levels or by the disseminating project results in other areas. The INTERACT Programme will play a role in the coordination between the different INTERREG Programmes and projects.
- Coherence with Horizon 2020 exists in a majority of the Specific Objectives of the NWE Programme (SO1, SO3 and SO5). The NWE Programme contributes to accelerate innovation and enhance the uptake of technologies for new businesses, in particular with respect to the societal challenges (for example, environment, demography, health). Horizon 2020 focuses on (applied) research and the NWE Programme is able to use these results for implementation at a transnational level.
- The COSME Programme strenghtens the competitiveness and sustainability of the Union's enterprises, in particular by offering new transnational framework conditions for enterprise based cooperation in the field of R&D innovation, low carbon technologies and natural/material resource efficiency (SO1, SO3, SO5). The NWE Programme shows a number of complementarities while enterprises are an important target group for enhancing the innovation capacity in the NWE area.

- The LIFE Programme covers two thematic domains that are of interest for the NWE Programme: climate change mitigation (focus on reducing greenhouse gas emissions) and adaptation (focus on increasing resilience to climate change). In addition, the sub-Programme for Environment will support efforts in the area of “Environment and Resource Efficiency” that “shifts its focus towards implementation of Union environmental policy and legislation and excludes market replication-oriented innovation”¹³.
- For the 2014-2020 period, Connecting Europe Facility (CEF) investments will focus in particular on projects with high EU added value, such as building missing cross-border links and removing bottlenecks along main Trans-European Transport corridors. The Connecting Europe Facility will support large infrastructure development projects, while the NWE Programme supports the development and the uptake of low carbon technologies to reduce GHG emissions (SO3), or the testing and demonstration of new solutions for green transnational systems (SO4).
- The URBACT Programme focuses on the transfer and dissemination of good practices on sustainable urban development, including urban-rural linkages. The NWE Programme complements the URBACT Programme by supporting the uptake of social innovation (SO1); demonstrating solutions for energy accessibility and affordability in socially deprived (urban) areas, energy efficiency in social housing, mitigating/adapting climate change effects particularly in urban areas (SO2); or promoting low carbon transport in urban and rural areas (SO4).
- The ESPON Programme can deliver useful territorial information in order to inform project development and project selection in the NWE Programme. ESPON can also be useful to look at NWE project results in combination with relevant territorial data. This requires a minimum of coordination/cooperation between both programmes.

Coordination

The inventory above shows that in a lot of policy areas more than one programme can be used to achieve the objectives of the Europe 2020 strategy. The partners in the NWE Programme recognise the importance of the complementarity between different programmes at the European, national and regional level in both the planning and implementation phase. Coordination with these programmes will be ensured on project and programme level::

Project level

- When applying for NWE funding, projects have to describe if and how they contribute to or complement other EU programmes (such as Horizon 2020, COSME or LIFE). This will be clearly announced in the calls for proposals and the Application Form.;
- In case potential successful cooperation is identified, relevant project partners can be brought together to think about cross-programme clustering. The example of the NWE IVB initiative “Strategic Health Cluster Europe” shows the benefits of sharing project results across different programmes.

¹³ Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the establishment of a Programme for the Environment and Climate Action (LIFE), http://ec.europa.eu/environment/life/about/documents/COMM_PDF_COM_2011_0874_F_EN.pdf?reference=IP/11/1526&format=PDF&aged=0&language=EN&guiLanguage=en

Programme level

- All Member States will make use of their own structures for the coordination of the different regional and national programmes, as described in their respective partner agreements;
- The Programme partners are also involved in other ESI-Programmes in their regions. The Member States take care of the dissemination of project information and the assurance of complementarity of different projects within their organisations;
- Next to the ESI-Programmes, overlap also exists with other European programmes, as already indicated above. In particular the Horizon 2020 Programme shows strong overlaps and synergies. Hence, the Programme will ensure that NWE Contact Points will be regularly in contact with the national Contact Points of other European programmes, in particular Horizon 2020. This will allow staying informed about other Programmes' calls for proposals, common project partners and reviewing certain project proposals relevant for more than one Programme. When a project or project partners overlap with another European programme consultation will take place within the Member States;
- As already in the past, the Managing Authority, Joint Secretariat and NWE Contact Points will seek active cooperation with other European Programmes and instruments, for example, by attending each other's events, following the calls of other Programmes, organising joint events, facilitating project exchanges between the beneficiaries of the different programmes, or exchanging results and lessons learnt.

SECTION 7 - REDUCTION OF THE ADMINISTRATIVE BURDEN FOR BENEFICIARIES

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

7.1 Assessment of the administrative burden of beneficiaries

An in-depth analysis of the effectiveness and efficiency of the NWE project development and selection procedures was carried out in 2012 (external mid-term evaluation). The report concluded with some recommendations, some of which would result in simplification and reduction of administrative budget for beneficiaries:

- Due to the complexity involved in developing transnational projects, a two stage process should be introduced for the next programming period, or at the least a voluntary pre-assessment phase, to ensure a more efficient and cost-effective process, which additionally avoids abortive efforts
- To better manage the application process, all projects should be required to seek advice of either CP or JS before submission. An alternative option would be to provide up-front preparation costs for all on a Programme-wide basis
- The lead-in time and length of the call window should be increased for new partnerships to develop robust applications
- The Application Form format should be reviewed and simplified for the next Programme taking into account the advice of INTERACT and additional advice provided in the advance of NWE.

7.2 Main actions planned to reduce the administrative burden of INTERREG NWE

The simplification measures started in the IVB Programme will be kept and further developed in the NWE Programme. These will particularly be an online reporting form for payment claims and progress reports. This online procedure is important in the context of simplification:

- it allows instant exchanges and corrections between parties (partners and controllers) as the payment claim and progress report can be filled by multiple users and thus accelerates the process
- it gives transparency for the partner, the Lead Partner and the JS who can check at any given time what stage the procedure is at. It wraps up when the JS validates the amounts that will be paid to the beneficiaries and certified to the Commission. It also gives transparency about the corrections made (which item, what amount, who made the correction and why).

Other elements to reduce the administrative burden are:

- The NWE Programme will make use of the Simplified Cost Options foreseen in Article 67 of Regulation (EU) No 1303/2013 [CPR], in particular by:
 - The use of a lump sum to reimburse preparation costs

- The possibility to use a flat rate of up to 20% of the direct costs other than staff costs to calculate staff costs
 - the use of a flat rate of up to 15% of eligible direct staff costs to calculate office and administrative costs
- The online reporting system will be adjusted to the new Programme requirements and will also be further developed to increase transparency, user-friendliness and simplification. The description of the costs will be included so that all documents are merged into one tool and the system will include more automatisms (automatic calculation of the flat rate, grant rate, etc.)
- The Application Form will be web-based (increasing user-friendliness and decreasing character limit) and will be a collaborative tool. The INTERACT standard application form will be used as a basis for the NWE application form. Terminology, name and definition of budget lines will be in line with the INTERACT glossary. Changes will be monitored directly in the Application Form through versioning, and not through a separate excel document anymore. This is meant to increase flexibility.
- The application process will be a two-step application process where applicants will only need to fill in a short Application Form in Step 1. Member States will give them green light before they can fill in the full Application Form needed for Step 2. This new process is aimed to make efficient use of applicants' resources during the application phase and to attract newcomers and front runners. The two-step application process will create more opportunities to better steer project development from start to finish, thus, beneficiaries will have feedback on their ideas in an early stage of project development.
- It is the intention to produce one reference document for project guidance and to make it more user- and reader-friendly for beneficiaries, taking into account remarks of the NWE IVB mid-term evaluation.

To conclude, simplification, harmonisation and reduction of the administrative burden are priorities for the NWE Programme.

7.3 e-Cohesion

The Common Provision Regulation (Article 112 (3)) states that at the latest by the end of 2015, programmes should ensure that all data exchanges between beneficiaries and programme authorities will be carried out electronically. More precisely the e-Cohesion initiative for the structural funds sets the following requirements for electronic data exchange in the 2014-2020 period:

- Beneficiaries do not have to enter the same data more than once in the system.
- Interoperability is guaranteed, which means that data entered by beneficiaries is shared between different bodies within the same cooperation programme.
- The electronic audit trail complies with relevant articles of the Common Provision Regulation (Articles 112 and 132) as well as with any national requirements on the availability of documents.
- The system for electronic data exchange guarantees data integrity and confidentiality, authentication of the sender and storage in compliance with defined retention rules (Article 132 of the CPR).

The electronic data exchange system operated under NWE IVB already largely complied with these norms. The NWE Programme will continue to operate fully in line with these principles from the start of the programming period.

SECTION 8 - HORIZONTAL PRINCIPLES

8.1 Sustainable development

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

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

Project proposals are only eligible if the project objectives and activities do not conflict with the principles of sustainable development, as defined by the Programme. Projects must comply with all EU and national environmental legislations and standards. By signing the application form, applicants automatically agree with the principle of sustainable development. Furthermore, the applicants are obliged to define in their application how their projects contribute to environmental challenges in NWE.

The contribution of the NWE Programme to the promotion of sustainable growth will be part of the NWE Programme evaluation.

8.2 Equal opportunities and non-discrimination

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

By adding social and economic inclusion in the NWE Programme strategy, vulnerable economic and social groups, such as young, elderly, migrants and individuals who suffer from economic or social difficulties, are included. The strategy supports the development of technologies and services with a high social impact (for example, in the health domain) for all types of population. Besides this, under Priority 2, the Programme addresses energy affordability for all and encourages improving energy efficiency in social housing to reduce “fuel poverty”. This relevant issue for NWE will be tackled through the calls for proposals of projects.

Project proposals are only eligible if the project objectives and activities are not in conflict with the principles of equal opportunities and non-discrimination, as defined by the Programme. Following this, the applicants confirm in their application forms that their

projects contribute to this principle. By signing the application form, applicants automatically agree with this principle.

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

8.3 Equality between men and women

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

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

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

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

SECTION 9 - SEPARATE ELEMENTS

9.1 Major projects to be implemented during the programming period

Not applicable

Table 23: List of major projects

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

9.2 Performance framework of the Cooperation Programme

Table 24: Performance framework (summary table)

Priority axis	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)
1 - INNOVATION	1.A	Number of approved projects under Priority 1, focusing on the new or enhanced transnational clusters and innovation networks	Number of projects	5	9
1 - INNOVATION	1.B	Number of approved projects under Priority 1, focusing on enterprises receiving support	Number of projects	14	27
1 - INNOVATION	1.C	Number of new or enhanced transnational clusters or innovation networks	Number of networks/clusters	0	27
1 - INNOVATION	1.D	Number of enterprises receiving support	Number of enterprises	0	540
1 - INNOVATION	1.E	Total amount of eligible expenditure certified to EC for Priority Axis 1	EUR	32,681,033	217,873,888
2 - LOW CARBON	2.A	Number of approved projects under Priority 2, leading to solutions facilitating the delivery of existing or emerging low carbon, energy or climate protection strategies	Number of projects	3	6

2 - LOW CARBON	2.B	Number of approved projects under Priority 2, leading to enterprises co-operating with research institutions	Number of projects	11	21
2 - LOW CARBON	2.C	Number of solutions facilitating the delivery of existing or emerging low carbon, energy or climate protection strategies	Number of solutions	0	18
2 - LOW CARBON	2.D	No. of enterprises co-operating with research institutions	Number of enterprises	0	420
2 - LOW CARBON	2.E	Total amount of eligible expenditure certified to EC for Priority Axis 1	EUR	36,642,427	244,282,844
3 - RESOURCE AND MATERIALS EFFICIENCY	3.A	Number of projects approved under Priority 3	Number of projects	10	20
3 - RESOURCE AND MATERIALS EFFICIENCY	3.B	Number of enterprises receiving support	Number of enterprises	0	400
3 - RESOURCE AND MATERIALS EFFICIENCY	3.C	Total amount of eligible expenditure certified to EC for Priority Axis 1	EUR	23,768,061	158,453,737

9.3 List of relevant partners involved in the preparation of the cooperation Programme

The NWE Programme has involved a variety of partners through several consultation rounds and events in the preparation of the Programme as described in section 5.6. Two major consultation rounds seeking input on the draft Cooperation Programme were a survey in September 2013 to give input on the strategy and selected priorities and the public consultations in April/May 2014 covering partners from all NWE Member States.

A full list of participating organisations of both surveys can be found in Annex 4 of the Cooperation Programme.

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

Not applicable

ANNEXES

- Annex 1 - List of abbreviations in the *Cooperation Programme*
- Annex 2 - List of NUTS 2 regions in the NWE area
- Annex 3 - A map of the programme area
- Annex 4 - List of partners involved in the preparation of the *Cooperation Programme*
- Annex 5 - Methodology for the result indicator baselines and targets
- Annex 6 – Intervention logic
- Annex 7 – Output indicators: target calculation
- Annex 8 - A manifesto for the improved functioning of the Contact Point - Secretariat network
- Annex 9 – Summary of the *Cooperation Programme*
- Annex 10 - Ex-ante Evaluation & Strategic Environmental Assessment
- Annex 11 - Strategic Environmental Assessment Consultation Report
- Annex 12 – Strategic Environmental assessment – Environmental report
- Annex 13 - SWOT-analysis for the smart, sustainable and inclusive growth objectives
- Annex 14 - Follow-up of recommendations from the draft environmental report