

## Cooperation programmes under the European territorial cooperation goal

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**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.....5**

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# **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**

1.1.1 Description of the cooperation programme's strategy for contributing to the delivery of the Union strategy for smart, sustainable and inclusive growth and for achieving economic, social and territorial cohesion.

The Programme was prepared by Latvia and Lithuania jointly. The Ministry of Environmental Protection and Regional Development of the Republic of Latvia and the Ministry of Interior of the Republic of Lithuania, following the principle of partnership, established a JPC for developing and preparing the Programme.

Latvia and Lithuania built a robust cooperation relationship during the implementation of the 2007–2013 Programme. The implementation of the Programme will lead this cooperation into a new level by providing key contributions to Europe 2020 and the achievement of economic, social and territorial cohesion, with a focus on support fields that match the development needs and interests of Programme regions.

The Programme objective is to contribute to the sustainable and cohesive socio-economic development of the Programme regions by helping to make them more competitive and attractive for living, working and visiting.

### **Programme area: geographical coverage and population**

The Programme area includes the following NUTS III regions:

Latvia: Kurzeme, Zemgale, Latgale;

Lithuania: Klaipėda, Telšiai, Šiauliai, Panevėžys, Utena and Kaunas counties.

The territory of the Programme covers Latvian and Lithuanian border regions, as well as Kaunas County, which has significant cooperation experience from implementing 2007–2013 Programme's projects.

Please see a map of the Programme area in Annex 1 (Figure 1).

The Programme area includes Southern Latvia and Northern Lithuania. It covers a territory that extends from the Baltic Sea in the West to the external border of the EU with Russia and Belarus in the East. The eligible area covered by the Programme is 80 160 square kilometres, of which 38 890 square kilometres are in the territory of Latvia

and 41 270 square kilometres are in Lithuania. It includes a 588 km land border between the two countries. The territory covered is predominantly rural. It includes forests and a significant part of the Baltic Sea coastline. The region also contains important strategic transport routes (Via Baltica and Via Hansaetica), the ports of Liepāja, Ventspils and Klaipēda, as well as a number of smaller ports.

The total population of the Programme area is 2.6 million inhabitants (comprising approximately 800 000 people in Latvia and 1.8 million people in Lithuania [2012]). An overall decrease of approximately 400 000 people is estimated to have occurred in the Programme area since 2007. Depopulation trends from 2009 to 2012 were similar in both Latvia and Lithuania – in the Programme area the population decreased by 7.4% in Latvia and 7.2% in Lithuania respectively.

Population density in the Programme area is relatively low. The average population density in the Programme area is 32 inhabitants per square kilometre.

The area contains the following larger urban settlements. In Latvia: Ventspils, Liepāja, Jēkabpils, Jelgava, Rēzekne and Daugavpils. In Lithuania: Klaipēda, Panevėžys, Šiauliai, Telšiai, Utena and Kaunas. Regional differences in the population density of the Programme area depend mainly on whether a region has a large settlement or regional centre in the territory. Latvian regions are quite similar, as density varies only from 20 to 23 inhabitants per square kilometre. Bigger differences are found in Lithuania, where densities range from 21 inhabitants per square kilometre in Utena County to 42 inhabitants per square kilometre in Klaipēda County and 73 inhabitants per square kilometre in Kaunas County. Direct correlations exist between population density and the socio-economic development of the region (i.e. the greater the population density, the easier it is to ensure access to infrastructure and services and vice versa for lower population densities).

The Programme Strategy (Section 1.1.) is divided into thematic subtopics. These provide brief overviews of the current socio-economic situation in the Programme area. An analysis of the socio-economic situation was carried out taking into account the potential scope of the Programme, the possible impact of cross border cooperation, as well as common needs and problems. Therefore, challenges and opportunities to be tackled by the Programme are included for each subtopic. This is also the basis for the choice of TOs, which are described as Priority Axes in Section 2.

### **Employment and labour mobility**

Latvia and Lithuania experienced a severe economic crisis in 2008 and 2009. Over recent years, both countries have been recovering and are considered to be among the most rapidly growing economies in the EU. Yet, a considerable share of the economic growth is concentrated in the capital cities and large urban areas. In Latvia, the Riga region alone produced about half of the national GDP (52.2% in 2012), while all Programme regions together produced less than one third of the national GDP (26.9%). In Lithuania, though much of the economy was concentrated in the capital city Vilnius (38.5% of the national GDP in 2012), Programme regions produced more than half of the national GDP

(52.8%). At the same time, statistics show that the share of the national GDP produced in the regions compared to the capital city Vilnius has been shrinking over recent years.

The trend shows that inhabitants tend to move from less developed areas to more developed ones, including to foreign countries, thus reducing the development opportunities of the least developed areas even more, as they lose both human capital and tax revenue. Therefore, the disparities between Programme regions and capital cities, as well as between Programme large urban areas and rural territories, are increasing. It creates an unequal quality of life and fewer development opportunities for the population of different regions, especially for ones located in the close vicinity of the Latvia and Lithuania border.

### *Employment*

Since 2010, the employment rate in general has increased throughout the Programme area (Annex 1, Table 2), but in most of the Programme area (Zemgale and Latgale regions, Panevėžys, Telšiai, Utena and Šiauliai counties) it has remained lower than national averages. Positive employment trends are characteristic for Klaipėda and Kaunas Counties and the Kurzeme region, where employment rate was higher than the national average. However, with general positive tendencies, there remained several vulnerable groups with a higher risk for unemployment (persons with a low education level and qualification, seniors, disabled persons and youth).

Furthermore, from 2010 to 2012 there was a positive trend of an almost 20% increase in newly registered enterprises in the Programme area (20% increase in Latvian regions and 17% increase in Lithuanian regions). However, these rates in the Programme area were lower than those at the national levels (e.g. average increase in Latvia was 26% and in Lithuania 28%).

In regard to the above mentioned, the Programme has considered several aspects which could facilitate employment in border regions:

#### *Facilitation of entrepreneurship*

Taking into account the regional socio-economic development challenges mentioned above, it is necessary to facilitate the start-up of entrepreneurship and self-employment in the Programme area. According to the conclusions of the Programme's 2007–2013 Thematic Capitalization Report: Improvement of Labour Mobility and Employment (2014) cross border cooperation could contribute to the diversification of local economies by facilitating entrepreneurship in the following fields (for which support from national and other EU funds is limited or not available), but not limited to:

- Promotion of high value added production (including niche products) in the traditional fields of the regions;
- Promotion of creative industries;

- Developing entrepreneurship and new business models in the existing specialisation areas of the regions.

Entrepreneurial initiatives and capacities are rather low in most of the border regions. Therefore, it is necessary to cooperate in the facilitation of the skills and knowledge needed to initiate entrepreneurship and provide indirect cross border business support. To achieve that, the quality and accessibility of public business support services have to be improved.

One way forward would be to increase cooperation between various business support institutions (business information centres, business consultants in municipalities, business incubators, creative industries incubators in Lithuania and newly established entrepreneurship centres, as well as business incubators and responsible personnel at local municipalities in Latvia) along and across the border. Additionally, it is necessary to improve cooperation among different business support system stakeholders throughout the border regions: educational institutions, local, regional, national policy makers, business support organisations, and business representatives.

The need for the Programme cross border intervention is also supported by the fact that business support systems are different, while approaches and available tools to facilitate entrepreneurship also vary. Therefore, networking and the exchange of experience would allow locally based solutions to be defined and new business support services to be developed. At the same time, a strategic and integrated approach would be facilitated.

Moreover, considerable attention should be devoted to the development of an entrepreneurial attitude in the local communities from the early school years by adding entrepreneurial or business content to curricula, strengthening the role of municipalities as the coordinator of all business facilitation initiatives in the border regions.

Given the above, the Programme intervention would be very valuable, as it would improve the business support services in the regions and areas where it is not possible from other funding sources. Another Programme contribution of great importance would be the exchange of experience, allowing the development of locally based business support solutions that would efficiently promote entrepreneurship in the regions.

### *Reduction of skill mismatch*

Programme regions face ongoing structural change in the economy related to the consequences of the global economic crisis – increasing exports and growing the service sector, while decreasing the agriculture and manufacturing sectors. Taking into account economic restructuring and global demographic challenges, such as a decrease in the number of economically active inhabitants, the brain-drain of the young, qualified labour force from the border regions and the significant rate of long-term unemployment, there is a clear need to facilitate a balance between labour market demand and supply, as well as overcoming an existing skill mismatch.



The report on Medium and Long-term Labour Market Forecasts (2014) highlights the evident mismatch between the formal education supply and labour market demand: an excess of specialists in the humanitarian and social science and a shortage of specialists in life sciences and physical sciences. There is a lack of ICT, engineering, wood and metal processing, as well as bio-technologies specialists in both countries.

Modifications in curricula do not provide immediate positive changes to the labour market. Therefore, it is important to improve the quality and accessibility of vocational education and life-long learning possibilities, which are not used to their full extent in the Programme area. Training programmes lack focus on real-time labour market needs, working with new technologies, systems and tools.

Cooperation between businesses and vocational education institutions, lifelong learning centres and educational institutions is important to improve their services and training programmes. Moreover, for educational institutions to offer most up to date curricula it is required that also appropriate infrastructure and equipment is at their disposal. Thus in order to ensure the maximum benefit to the target group, curricula improvements should be complemented by relevant infrastructure works and equipment upgrade.

All above mentioned measures targeted to reduce the skill mismatch would facilitate the functional flexibility of the workforce – higher readiness to improve/change qualification, easier adaptation to requirements of employers, improving their status in the labour market and at the same time improving employment.

#### *Facilitation of geographical mobility of the labour force*

One of the solutions for increasing employment and competitiveness in the border regions might be the facilitation of geographical labour mobility, which would encourage a match of labour demand and supply. The principle of the free movement of people is one of the core principles of the EU (Europe 2020, the European Employment Strategy) and the Baltic Sea Region (Horizontal Action "Neighbours").

Improved and efficient labour mobility in the Programme regions would allow employees better access to more job opportunities, thus reducing the risk of unemployment. Efficient labour mobility would also bring benefits for employers, facilitating access to a more extensive workforce with a wider range of skills, knowledge and competences.

The potential benefits from labour mobility are not widely used in the Programme area. Therefore, it is very important to promote labour mobility solutions and apply coordinated tools and approaches. There is a clear need to improve the quality and accessibility of information regarding available job vacancies and legal issues, as well as exploring the most efficient ways to solve language obstacles while providing relevant information and services online. In order to achieve this, networking and experience exchange between relevant stakeholders and responsible institutions (for example, state employment agencies, local municipalities, enterprises etc.) is important.

### *Elimination of infrastructure limitations*

The low quality of road infrastructure is a considerable impediment to sustainable regional development, including geographical labour mobility. It has been discussed in different polls, research works and planning documents. For example, the Latvian Competitiveness Report 2011 identified that investments in road infrastructure would significantly improve national economic competitiveness in the medium term and would reduce the interpersonal and regional inequality of income, taking into consideration that growth centres outside Riga will have better access to goods, services, and human capital.

There are four main border roads along the 588 km border between Lithuania and Latvia which ensure transport links between key economic centres across border (please see map in the Annex No 2, marked in blue colour):

- Liepāja–Klaipėda;
- Jelgava–Šiauliai;
- Bauska–Panevėžys;
- Daugavpils–Utena.

While transportation flow across border is ensured, the location of all aforementioned four roads does not ensure connection between Programme regions thus hindering their development.

Considering the aforementioned and also the fact that resources to ensure good quality road infrastructure in the whole border area are limited, the analysis was made and road sections were identified, where by improving road infrastructure most potential benefits to economic activity and employment will be created. Thus reconstruction of the following road sections is foreseen in the Programme (please see map in the Annex no 2, marked in red colour Annex No 2):

- Latvian road Bauska–Bērzi–Lithuanian border and Lithuanian road Žeimelis–Vileišiai–Latvian border (Road section No 1);
- Latvian road Jēkabpils–Nereta–Lithuanian border and Lithuanian road Pandėlys–Suvainiškis–Latvian border (Road section No 2);
- Latvian road Ezere–Embute–Grobiņa–Lithuanian border and Lithuanian road Mažeikiai–Latvian border (Road section No 3).

As a result around 174 000 working age inhabitants living in the vicinity of aforementioned road sections will benefit from their reconstruction and movement of goods, labour force, inhabitants and visitors will be improved between the following regional development centres:

- Saldus (LV), Liepāja (LV) and Mažeikiai (LT);
- Bauska (LV) and Pasvalys (LT), Pakruojis (LT), Joniškis (LT);
- Jēkabpils (LV), Krustpils (LV) and Rokiškis (LT), Kupiškis (LT).

Largest enterprises operating in the field of livestock auction, logging, cattle breeding, dairy, woodworking, etc. and biggest producing farms located in the vicinity of road sections will benefit from reconstruction, however, majority of the beneficiaries will be micro and small enterprises and farms in both countries. The reconstruction of the above mentioned road sections will have a positive effect on:

- Labour mobility and education accessibility;
- Wider access to the markets and subsequently new business opportunities;
- Accessibility of the regions by reducing travelling time and increasing the potential to travel;
- Traffic safety.

The facilitation of employment in the Programme area will be approached by various means: facilitation of entrepreneurship, reduction of skills mismatch, facilitation of geographical labour mobility and the elimination of infrastructure limitations. These means are complementary in character and therefore are expected to bring the maximum positive effect to the sustainable increase of employment in the Programme area.

In conclusion, it has to be noted that although there are some measures available for the promotion of entrepreneurship at national levels, the Programme intervention is targeted on specific fields which are not covered by other EU or national funds. Moreover, the transferring and application of best practices from one country to another and improving the cooperation of relevant stakeholders will complement each other, while creating significant valuable synergies with other support sources available in the Programme area.

### **Natural and cultural resources, environment**

#### ***Cultural and natural heritage***

The Programme area has a very rich natural and cultural (tangible and intangible) heritage. It comprises several Natura 2000 protected areas. There are several sites of the RAMSAR Convention on Wetlands of International Importance (Pape Wetland Complex, Lubana Wetland Complex, Kamanos bog). In addition, there are internationally recognized natural and cultural heritage sites by UNESCO: the Curonian Spit in Lithuania and the Strūve geodesic circle in Latvia. Among the examples of the intangible cultural heritage, one can mention the Song and Dance celebration tradition both in Latvia and Lithuania, the Suiti cultural space in Latvia, cross-crafting, a unique branch of Lithuanian folk art and symbolism of the crosses, and sutartinės – Lithuanian polyphonic songs inscribed on the UNESCO List of Masterpieces of the Oral and Intangible Heritage of Humanity.

As may be concluded from the tourist surveys conducted by the Latvian Tourism Development Agency (Guidelines LV), foreign tourists who visit the Baltic States are attracted by an authentic cultural heritage, untouched nature and an unpolluted environment. Taking into account the aforementioned, as well as the increasing internal tourist flows and need for sustainable and balanced preservation, the development of

natural and cultural resources could considerably contribute to sustainable and smart growth, especially bearing in mind the multiplier effect of tourism. This occurs when the growth of the number of visitors encourages the growth of hotel, catering, transport, health, entertainment, trade and other services.

Tourism plays an important role in the economic development of both countries – in 2012 the total contribution of travel and tourism to GDP in Latvia was 2.8% (WTTC LV: 2013) and in Lithuania it was 1.8% (WTTC LT: 2013). Yet, communities do not fully comprehend the meaning, principles and types of protection of objects of natural and cultural heritage. Public awareness of environmental protection and public activity is quite low, while inhabitants' cultural and recreational needs are not sufficiently satisfied. Therefore, the potential of cultural and natural heritage is not used to the full extent for sustainable economic growth, social, cultural and recreational societal needs.

The Programme's aim is to ensure consistent, balanced, sustainable preservation and the development of cultural and natural heritage. 2007–2013 Programme proved that in many cases the most efficient results can be ensured if a cross border approach is applied. To diversify the regional economy through the development of natural and cultural resources and to make the border regions attractive for both visitors and local inhabitants, the Programme needs to intervene in the following fields, which require improvements:

### *Infrastructure*

In the Programme area there are many cultural and natural sites. Considering the limited financial resources available, it is important to pay attention to the determination of objects and common routes of the highest potential where cross border intervention is most beneficial.

A high degree of attention should be paid to the buildings, objects and sites that need to be preserved and could have the potential to attract more visitors to the border region. Infrastructure works (for example, establishment of fencing, fortification of slopes and stairs in order to minimize soil erosion; creation of comfortable resting places in order to minimize nature pollution; placement of informative signs to optimize visitors flow and redirect it to less vulnerable territories; creation of access roads and car parking places for visitors in order to ensure access to the territory) in these objects and their surrounding area can be related to small scale sustainable preservation, (re)construction and other improvements.

### *Services*

The attractiveness of natural and cultural heritage is hindered by a lack of up to date and satisfactory services that are well-considered and adapted for attendants of the objects and users of infrastructure.

Therefore when preserving and promoting natural and cultural heritage, considerable attention should be paid to the development of new services, as well as the improvement in the quality and attractiveness of the existing services.

It is necessary to find new and/or innovative and sustainable ways to preserve and at the same time adapt natural and cultural heritage objects to the modern needs and interests of visitors and local inhabitants. Attractive information provision, organisation of promotional events and offer of various activities (educational programmes, workshops etc.) would attract visitors and improve awareness of natural and cultural heritage objects and related intangible cultural values.

In order to diminish the impact of tourism seasonality new services for the low tourism season could be developed and promoted.

### *Raising awareness*

There is a need to increase the awareness of local inhabitants and visitors about the sustainable preservation and promotion of cultural and natural heritage objects. The main focus should be on environmental protection, encouragement of cultural heritage revitalisation, establishment of the social and cultural identity at the local level, and maintaining the authenticity of the historic environment and its knowledge and traditions.

### *Cooperation*

A more strategic, better coordinated approach to the preservation and promotion of natural and cultural resources is necessary in the Programme area in order to minimize the lack of actual information and implementation of separate, overlapping or sometimes even opposite activities by different levels of participants dealing with preservation and development of cultural and natural heritage objects. Therefore, cooperation among different levels of participants involved in planning, development, implementation and control of preservation and development of cultural and natural heritage objects shall be promoted to plan and implement activities in a complementary way by covering as large territory as possible and at the same time ensuring that the human, financial and time resources are used more efficiently.

Additionally, the benefits of clustering in sustainable preservation and the development of natural and cultural heritage shall be promoted, e.g. identification and promotion of common routes, regions etc. across the border shall be facilitated.

### *Accessibility*

It is important to ensure that natural and cultural objects are marked by information signs, stands and road marks, while high quality, attractive and user friendly information in relevant languages is available through websites, mobile applications, social media and other channels in order to maintain good promotion and accessibility. Moreover, cooperation and coordination between different actors/clusters regarding available information is extremely important in order to avoid overlaps and provide for an efficient use of resources.

In addition to the aforementioned, there is a need for facilitating a good balance between the preservation of cultural heritage and the sustainable long-term socio-economic development of these regions in order to strengthen their attractiveness and competitiveness. The emphasis should be put on balancing usage interests and capitalising on the potential of natural and cultural objects for economic, social, and cultural activities.

Based on an analysis of tourism planning documents from 2014–2020 and objects of natural and cultural heritage, it may be concluded that cultural tourism and green/ecotourism have the most potential in the Programme area:

- Cultural tourism

The further promotion of investments in cultural tourism (visiting various cultural heritage objects located in the Programme area (castles, churches, monasteries, old towns, museums, art galleries, and other heritage buildings), participating in the events, getting acquainted to the traditions, crafts etc.) would be very important for developing the Programme area as a tourism destination less influenced by seasonality.

- Green/ecotourism

As one of the greatest tourism assets in both Latvia and Lithuania is nature, there is a need to preserve and manage it in sustainable way. It is important to reveal nature objects in a way that people do not harm them, but at the same time are mindful of their existence and unique origin. There is an unused potential in the field of green/ecotourism, which could bring new possibilities to the Programme area municipalities and their inhabitants.

### ***Joint environmental resources***

The main challenges and opportunities addressed by the Programme are:

#### *Coordination of actions aimed at sustainable natural resources management*

Since ecosystems in the Programme area are closely interrelated and/or partly common, there is an urgent need to focus on integrated environmental management approaches and tools, as well as on the ecological restoration of degraded ecosystems. Efficient resource management should be considered as a guiding principle. In order to facilitate its application, innovative methods should be developed and introduced both by public and private sectors as justified by the outcomes of the 2007–2013 Programme projects Live Venta (2012), Protected areas (2014) and other ventures such as the results of the Thematic Capitalisation Report of Latvia–Lithuania Programme: Sustainable and Clean Environment through Cooperation (2014).

#### *Raising Awareness*

Considerable attention should be paid to raising awareness of environmental matters. This should be promoted at all levels – at schools, local communities and public administration institutions, in order to consider such important environmental matters as energy saving, efficient use of natural resources, minimizing negative human impact on nature, climate change mitigation and adaptation, development and promotion of green infrastructure, environmentally friendly agriculture etc.

*Improvement of the infrastructure, reducing human impact, and fostering sustainable use of natural resources*

Investments in infrastructure, equipment and works might be necessary to facilitate efficient management of natural resources and reduce human impact. It could be related to, but not limited to, the monitoring and quality assurance of natural resources, landscaping activities of nature objects to improve access and allow exploration without environmental harm, etc. In order to ensure sustainability and the responsible use of natural resources, it is of great importance to involve local communities in joint exploration, planning, cleaning and other related activities.

***Improving municipal environments***

After the major changes caused by the transition from a socialistic to market economy, many previously used infrastructure objects were abandoned and together with adjacent territories turned into brownfields (Brownfields Manual, 2010). In the context of the Programme a brownfield is a place or a part of the city, which has so far been used, covered with buildings or planned for business activities, but now the business activities and employment are not at a satisfactory level. Territories or objects within these territories are wholly or partially abandoned or neglected, or often – contaminated. Brownfields may have real or perceived contamination problems, negatively affecting their directly adjacent, as well as neighbouring areas.

The significance of this issue is also supported by statistical data on households that have reported environmental concerns. In five Programme regions (Kurzeme and Zemgale in Latvia; Klaipėda, Telšiai and Kaunas in Lithuania) the registered percentage of households facing environmental problems (i.e. pollution and other environmental degradation) is higher than national averages.

In Latvia, while the overall percentage of households facing pollution, grime and other environmental degradation decreased from 28.7% in 2010 to 21.6% in 2012, the regions with more developed manufacturing and industry (Ventspils and Liepāja in Kurzeme, Dobeles and Jelgava in Zemgale) registered a ratio above the national average (Kurzeme – 27.5%, Zemgale – 25.4%).

In Lithuania, the overall percentage of households facing environmental problems (i.e. pollution and other environmental degradation) increased from 12.1% in 2010 to 14.6% in 2012. Moreover, in the regions with more developed manufacturing and industry the ratio (Klaipėda County with 26.7%, Telšiai County with 16.6% and Kaunas County with 17.9%) is above the national average (Deprivation LV CSB, LT STAT, 2012).

During the last decade issue of brownfields and their revitalisation options has been raised in society and among responsible institutions. Revitalisation of brownfields is a complicated process requiring specific knowledge and skills (sectoral and managerial) and strong cooperation between the participants involved. In Latvia and Lithuania the revitalisation of brownfields has been undertaken by using different financial resources, however cross border cooperation and experience exchange across the border and also with other EU countries which have relevant experience in carrying out brownfield revitalisation and dealing with different types of brownfields is necessary. Experience exchange would allow to identify and take the best and most cost efficient practices which could be used for defining, planning, coordinating, and implementing brownfield revitalisation activities further. The knowledge transfer processes will concentrate on the sustainable development of problematic areas by involving all relevant stakeholders, raising awareness and pilot initiatives for establishing sustainable infrastructure.

Furthermore, decontaminating the soil of brownfields will result in cleaner groundwater and joint/inter-related water basins.

## **Social inclusion and combating poverty**

### ***Social services and social inclusion***

Social inclusion can be defined as the provision of certain rights, such as employment, adequate housing, health care, educational training, social and public services etc., to all individuals and groups in society. Persons who face social exclusion problems can come from different parts of the community. In order to promote social inclusion it is important to provide the possibility for all members of the community to participate in economic, social, political and cultural life as well.

Social inclusion and the availability of social services to all groups of society became more crucial during the recent economic crisis. While the Latvian and Lithuanian economies are recovering from the global economic crisis, poverty and social exclusion still affect a significant proportion of the population in the Programme area.

According to Eurostat 36.2% (2012) of Latvia's inhabitants and 32.5% of Lithuania's inhabitants live at risk of poverty or social exclusion (the EU average is 24.7 %). In comparison with previous years, this number is slowly decreasing, but significant improvements are still needed.

Preventing social exclusion is one of the priorities indicated in the Latvian and Lithuanian medium-term development documents. It is also considered a common challenge by regional development plans targeted to enhance the quality of life through improved social services. These plans support a wide range of social inclusion measures, including the improvement of infrastructure.

The Latvian government has stated that during the programming period 2014–2020 it is important to raise the professionalism and efficiency of social services by improving staff knowledge and experience in social service fields. All services and infrastructure should



be made more accessible and suitable for the main beneficiaries – people. In order to enhance the efficiency of social services, mutual cooperation between different field organisations providing similar services should be strengthened (for example, NGOs and employment agencies are both helping people to deal with employment issues; social service offices and NGOs are providing social services for specific community groups). At this moment all these players are acting individually, but mutual cooperation would bring sufficient improvement in social inclusion field).

These problems exist similarly defined in Lithuania, as well as supporting actions for social inclusion are the same as in Latvia – to invest in infrastructure, to improve quality of social services, to train social services providers, improve accessibility of services etc.

Cross border cooperation in the social inclusion field between Latvia and Lithuania may be considered as unused potential due to several reasons. Firstly, there is a need to integrate and design social services in a complementary manner across the border to ensure their better accessibility and efficiency to target groups. Secondly, there are different approaches applied and the best practices are accumulated in each country because the social service systems are different. Therefore exchange of experience and other capacity building activities would facilitate identification/joint development, and while the dissemination of new solutions will improve social inclusion in the Programme area.

### ***Regeneration of deprived urban and rural communities and territories***

In the context of the Programme, deprived communities are communities living in territories (according to the national administrative division) with low development indicators. Communities from territories which are not considered deprived will be able to participate with well-founded justification only in exceptional cases, in order to ensure cooperation with the project partners across the border. A more precise definition of communities and territories which can apply for Programme funding will be included in the Programme Manual.

Deprived communities experience intensive depopulation, lack of employment possibilities, skills, knowledge, deficient infrastructure and services.

The cross border cooperation will encourage the exchange of experience and knowledge among communities across border, their leaders and local municipalities in deprived areas, thus facilitating the inclusion of deprived communities' members into society.

### **Public services**

Taking into account the short distances between the main regional development centres in the Programme area, (Klaipėda to Liepāja – 97 km; Jelgava to Šiauliai – 87 km; Daugavpils to Utena – 78 km; etc.) immediate and effective coordination of actions aimed at combating cross border crime, as well as ensuring safety and security of civil society, etc., is necessary. To achieve that, relevant information and management systems

shall be integrated and cross border networks of involved organisations and institutions established.

In 2006, the Latvian and Lithuanian governments signed an Agreement between the Government of the Republic of Lithuania and the Government of the Republic of Latvia on Cooperation in Combating Organised Crime and other Offences and on Joint Actions in Border Regions. This established a legal framework for cooperation actions focused on protecting and ensuring civil security.

Cross border crime has become an increasing concern for the EU, and the Programme area is not an exception. Taking into account that necessary legal preconditions have been established, the Programme aims to support actions to prevent and deal with cross border crime and improve civil safety in the Programme area. Cross border cooperation would facilitate improved harmonisation of systems for ensuring public safety as well as the implementation of joint activities for combating crime more effectively. Strong cooperation between responsible institutions is required due to their different legal and practical aspects.

Regions are much more adversely affected than capital cities by depopulation, poor infrastructure, and low population density. Hence, the effectiveness and accessibility to regional public services remains of the utmost importance. Subsequently, regional development plans highlight the benefits of improving the efficiency of local public services. Cross border cooperation for public services makes synergies in legal and administrative cooperation possible, as well as allowing capitalisation on positive experiences through the mentoring and transferring of good practices. The added value of cross border cooperation is visible in various fields such as risk prevention, improvement of municipalities' services, and other ventures. In addition to legal and administrative cooperation, the involvement of society in the decision-making processes is a valuable tool to increase the efficiency and transparency of public services.

Some challenges to be tackled by the public administrations are described in previous sections; however, there is a potential to increase the capacity and quality of services provided by Latvian and Lithuanian national, regional, and local institutions. The Programme area shows potential for e-government in both countries (Latvia – 48%, Lithuania – 35%, EU average is 43% (E-Government, 2012)). Evidence from the 2007–2013 Programme indicates useful potential for e-government cooperation projects in various public sector fields that can be built on and strengthened.

Experience from the 2007–2013 Programme also shows that cross border cooperation on public administration projects in the field of public services provide opportunities for effective (including financially feasible) problem solving that would be a challenging task if done separately by each region or partner. Cooperation between administrations continues either in the same area, or is progressing by implementing joint projects in other areas. This continuity reinforces the durability and strength of such cooperation.

### **Strategy of the Programme to address the needs in the regions and contribution to Europe 2020**

Multi-level programming tasks were carried out to ensure a justified basis for the selection of the Programme's priorities. This included:

- Analysis of national and regional statistical data in order to identify main problems and challenges and quantify the needs of the Programme area;
- Research on the existing cooperation experience by performing quantitative and qualitative evaluation of projects from the 2007–2013 Programme;
- Analysis of the medium and long-term development documents of the Member States and Programme regions and defining the Programme priorities;
- Cooperation with stakeholders in regional seminars and public consultations;
- Development of a justified intervention logic for the Programme;
- Aligning priorities with the European Commission Services' agreed position on the development of the Partnership Agreements and programmes in Latvia and Lithuania.

Analyses and other actions taken to facilitate the programming process were carried out to ensure that objectives and targets are aligned to the regional and national strategies, which in turn are contributing to the medium-term development documents that lead to the achievement of the Europe 2020 targets.

The Member States decided that the Programme will contribute towards four TOs. The TOs have been translated into the Programme priorities. This selection is based on the Programme area's characteristics and the identified needs and challenges that may potentially be solved via cross border cooperation. Each of the selected TOs contributes to the achievement of the Programme objective.

Details regarding contributions to the Europe 2020 are described in Section 4 of this document and a review of key TO contributions is noted in Annex 1 (Table 1 – overview of specific objectives of the Programme).

1.1.2 Justification for the choice of thematic objectives and corresponding investment priorities, having regard to the Common Strategic Framework, based on an analysis of the needs within the programme area as a whole and the strategy chosen in response to such needs, addressing, where appropriate, missing links in cross-border infrastructure, taking into account the results of the ex-ante evaluation

**Table 1: Justification for the selection of thematic objectives and investment priorities**

Selected thematic objective	Selected investment priority	Justification for selection
06 - Preserving and	6c - Conserving, protecting,	Extract from the section "Natural

Selected thematic objective	Selected investment priority	Justification for selection
protecting the environment and promoting resource efficiency	promoting and developing natural and cultural heritage	<p>and cultural resources, environment" of the Programme:</p> <ol style="list-style-type: none"> <li>1. strong potential of cultural and natural heritage to be used for tourism and recreational purposes;</li> <li>2. necessity to capitalise on advantages of the region for local inhabitants and visitors;</li> <li>3. need for coordination and cooperation of actions in order to manage natural and cultural resources in regions in more efficient, more sustainable and environment-friendly ways, ensure durability;</li> <li>4. need to improve quality and diversify services related to culture and nature heritage;</li> <li>5. necessity to raise awareness about sustainable use of natural resources;</li> <li>6. contribution to the Europe 2020 'Sustainable growth' target;</li> <li>7. contribution to the EUSBSR, Priority Areas 'Bioeconomy', 'Tourism' and 'Culture'.</li> </ol>
06 - Preserving and protecting the environment and promoting resource efficiency	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure	<p>Extract from the section "Natural and cultural resources, environment" of the Programme:</p> <ol style="list-style-type: none"> <li>1. need to support the authorities to deal with regional and local environment problems;</li> <li>2. need to decrease the number of persons living in households facing environmental problems;</li> <li>3. necessity to raise awareness of the sustainable use of natural resources;</li> <li>4. contribution to the Europe 2020 'Sustainable growth'</li> </ol>

Selected thematic objective	Selected investment priority	Justification for selection
		target; 5. contribution to the EUSBSR, Priority Areas ‘Bio’, ‘Tourism’ and ‘Culture’.
06 - Preserving and protecting the environment and promoting resource efficiency	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures	Extract from the section "Natural and cultural resources, environment" of the Programme: <ol style="list-style-type: none"> <li>1. need to support the authorities to deal with regional and local environment problems;</li> <li>2. need to decrease the number of persons living in households facing environmental problems;</li> <li>3. contribution to the Europe 2020 ‘Sustainable growth’ target;</li> <li>4. contribution to the EUSBSR, Priority Areas ‘Bio’, ‘Tourism’ and ‘Culture’.</li> </ol>
08 - Promoting sustainable and quality employment and supporting labour mobility	8a - Supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation	Extract from the section "Employment and labour mobility" of the Programme: <ol style="list-style-type: none"> <li>1. lack of indirect business support and business infrastructure in the regions;</li> <li>2. slow growth of business creation in regions;</li> <li>3. business creation and competitiveness of regions is a strong priority for both Member States;</li> <li>4. necessity to reduce unemployment;</li> <li>5. contribution to the Europe 2020 ‘Inclusive growth’ target;</li> <li>6. contribution to the EUSBSR, Priority Areas ‘Transport’ and ‘Education’.</li> </ol>
08 - Promoting sustainable and	8e - Integrating cross-border labour markets, including cross-border	Extract from the

Selected thematic objective	Selected investment priority	Justification for selection
quality employment and supporting labour mobility	mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)	<p>section "Employment and labour mobility" of the Programme:</p> <ol style="list-style-type: none"> <li>1. lack of indirect business support and business infrastructure in the regions;</li> <li>2. business creation and competitiveness of regions is a strong priority for both Member States;</li> <li>3. need to decrease mismatches between professional skills and labour market needs;</li> <li>4. need to improve road sections that contribute to cross-border mobility;</li> <li>5. contribution to the Europe 2020 'Inclusive growth' target;</li> <li>6. contribution to the Europe 2020 'Sustainable growth' target;</li> <li>7. contribution to the EUSBSR, Priority Areas 'Transport' and 'Education'.</li> </ol>
09 - Promoting social inclusion, combating poverty and any discrimination	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services	<p>Extract from the section "Social inclusion and combating poverty" of the Programme:</p> <ol style="list-style-type: none"> <li>1. social exclusion and poverty risk is significant in the Programme regions;</li> <li>2. high long-term unemployment rate creates social pressure;</li> <li>3. poor socio-economic conditions in rural and urban communities cause deprivation in the regions;</li> <li>4. need to improve social services and infrastructure;</li> <li>5. the potential of socially excluded groups is not adequately explored nor used;</li> <li>6. contribution to the Europe 2020 'Inclusive growth' target;</li> </ol>

Selected thematic objective	Selected investment priority	Justification for selection
		7. contribution to the Europe 2020 ‘Sustainable growth’ target.
09 - Promoting social inclusion, combating poverty and any discrimination	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas	<p>Extract from the section "Social inclusion and combating poverty" of the Programme:</p> <ol style="list-style-type: none"> <li>1. social exclusion and poverty risk is significant in the Programme regions;</li> <li>2. high long-term unemployment rate creates social pressure;</li> <li>3. poor socio-economic conditions in rural and urban communities cause deprivation in the regions;</li> <li>4. need to improve social services and infrastructure;</li> <li>5. the potential of socially excluded groups is not adequately explored nor used;</li> <li>6. contribution to the Europe 2020 ‘Inclusive growth’ target;</li> <li>7. contribution to the Europe 2020 ‘Sustainable growth’ target.</li> </ol>
11 - Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)	<p>Extract from the section "Public services" of the Programme:</p> <ol style="list-style-type: none"> <li>1. cross-border cooperation is required to combat cross-border crime and civil protection issues;</li> <li>2. close proximity of regions is a potential for joint services and administrative cooperation;</li> <li>3. a legal framework for cross-border cooperation is in place, thus the Programme can focus on cooperation activities;</li> <li>4. contribution to the Europe</li> </ol>

Selected thematic objective	Selected investment priority	Justification for selection
		2020 ‘Inclusive growth’ target; 5. contribution to the Europe 2020 ‘Sustainable growth’ target; 6. contribution to the EUSBSR, horizontal action ‘Neighbours’.

## 1.2 Justification for the financial allocation

Justification for the financial allocation (i.e. Union support) to each thematic objective and, where appropriate, investment priority, in accordance with the thematic concentration requirements, taking into account the ex-ante evaluation.

The Programme is co-financed by the ERDF. Originally the total ERDF support to the Programme was 54 966 201,00 EUR, 6% of which (3 297 972,00 EUR) were allocated for TA purposes. After allocation of additional ERDF in the amount EUR 14 654 871,00 from the Latvia-Russia and Lithuania-Russia European neighbourhood Instrument (ENI) Cross Border Cooperation programmes 2014-2020, the total ERDF support to the Programme increased to 69 621 072,00 EUR, however keeping the same ERDF amount for TA – 3 297 972 EUR (5% from the total ERDF).

The financial allocation to the Programme priority axes was designed to effectively achieve the Programme results using the available resources.

The rationale for the financial commitment to each priority axis include: expected results to be achieved; planned types of actions under each priority axis, as well as types of investments to be made. The implementation, financial performance, experience from the 2007–2013 Programme, as well as data of implementation of current Programme (results from the 1st and the 2nd Call for Proposals) was taken into account.

37% of the total ERDF support (excluding TA) shall be allocated to Priority Axis 1. In total, three specific objectives are defined and should be achieved under this Priority Axis (increasing the number of visitors to the Programme area through improving and developing cultural and natural heritage objects, services and products; increasing the integration and efficiency of environmental resource management; regenerating public areas with environmental problems). Investments in infrastructure are foreseen under Priority Axis 1.

27% of the total ERDF support (excluding TA) shall be allocated to Priority Axis 2. In total, two specific objectives are defined under this Priority Axis (creating employment opportunities through entrepreneurship support; increasing job opportunities by improving mobility and workforce skills). The Programme has earmarked 9 000 000 EUR for the improvement of cross border road infrastructure and has selected three cross border road sections. Planned investments will improve labour mobility and access to



services, as well as connect regional towns where main services and employment opportunities are available. Investments in infrastructure are foreseen under Priority Axis 2.

21% of the total ERDF support (excluding TA) shall be allocated to Priority Axis 3. Two specific objectives are defined under this Priority Axis: improving the accessibility and efficiency of social services; improving the living conditions in deprived communities and territories. Investments in infrastructure are foreseen under Priority Axis 3.

15% of the total ERDF support (excluding TA) shall be allocated to Priority Axis 4. One specific objective will be implemented under this Priority Axis aimed at improving the efficiency of public services by strengthening capacities and cooperation between institutions. Investments in infrastructure are foreseen under Priority Axis 4.

The Ex-ante evaluation report states that the financial allocations are well justified, reasonable and logical, acknowledging that there is a financially feasible balance between the priority axes, results and planned allocation of the EU support. The Ex-ante evaluation report states that the financial allocations are well justified, reasonable and logical, acknowledging that there is a financially feasible balance between the priority axes, results and planned allocation of the EU support. Based on stipulations set out in Article 4.8 of the Regulation (EU) 1299/2013 of the European Parliament and of the Council of 17 December, 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal, to the Programme additionally allocated ERDF in the amount of EUR 14 654 871,00, as well as reallocation of EUR 455 779,00 from Priority Axis 2 to Priority Axis 1 and EUR 2 522 168,00 from Priority Axis 4 to Priority Axis 1 is distributed based on existing demand from Programme regions which identifies fields where persistent and continuous necessity for cross border cooperation support is still needed.

Aforementioned reallocation of EUR 455 779,00 from Priority Axis 2 to Priority Axis 1 is done due to the fact that within Priority Axis 2 there was no more funding absorption potential, despite promotional activities performed by the Managing Authority/Joint Secretariat during the application phases within both Calls for Proposals. Also, Programme regions did not indicate this field as requiring further support. Reallocation of EUR 2 522 168,00 from Priority Axis 4 to Priority Axis 1 is done to ensure availability of funds needed for implementation of results of third Call for Proposals and to meet actual needs and demand from regions thus contributing to the Programme's territorial development in a more targeted way.

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

Priority axis	ERDF support (€)	Proportion (%) of the total Union support for the cooperation programme (by Fund)			Thematic objective / Investment priority / Specific objective	Result indicators corresponding to the specific objective
		ERDF	ENI (where applicable)	IPA (where applicable)		
1.	24,569,256.00	35.29%	0.00%	0.00%	<ul style="list-style-type: none"> <li>▼ 06 - Preserving and protecting the environment and promoting resource efficiency                             <ul style="list-style-type: none"> <li>▼ 6c - Conserving, protecting, promoting and developing natural and cultural heritage                                     <ul style="list-style-type: none"> <li>▼ 1.1 - To increase number of visitors to the Programme area through improving and developing cultural and natural heritage objects, services and products</li> </ul> </li> <li>▼ 6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure                                     <ul style="list-style-type: none"> <li>▼ 1.2 - To increase integration and efficiency of environmental resource management</li> </ul> </li> <li>▼ 6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures                                     <ul style="list-style-type: none"> <li>▼ 1.3 - To regenerate public areas with environmental problems</li> </ul> </li> </ul> </li> </ul>	[1.1.1, 1.2.1, 1.3.1]
2.	17,628,101.00	25.32%	0.00%	0.00%	<ul style="list-style-type: none"> <li>▼ 08 - Promoting sustainable and quality employment and supporting labour mobility                             <ul style="list-style-type: none"> <li>▼ 8a - Supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation                                     <ul style="list-style-type: none"> <li>▼ 2.1 - To create employment opportunities through entrepreneurship support</li> </ul> </li> <li>▼ 8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)                                     <ul style="list-style-type: none"> <li>▼ 2.2 - To increase job opportunities by improving mobility and workforce skills</li> </ul> </li> </ul> </li> </ul>	[2.1.1, 2.2.3, 2.2.4]
3.	14,000,074.00	20.11%	0.00%	0.00%	<ul style="list-style-type: none"> <li>▼ 09 - Promoting social inclusion, combating poverty and any discrimination                             <ul style="list-style-type: none"> <li>▼ 9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services                                     <ul style="list-style-type: none"> <li>▼ 3.1 - To improve accessibility and efficiency of social services</li> </ul> </li> <li>▼ 9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas                                     <ul style="list-style-type: none"> <li>▼ 3.2 - To improve living conditions in deprived communities and territories</li> </ul> </li> </ul> </li> </ul>	[3.1.1, 3.2.1]
4.	10,125,669.00	14.54%	0.00%	0.00%	<ul style="list-style-type: none"> <li>▼ 11 - Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration                             <ul style="list-style-type: none"> <li>▼ 11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)                                     <ul style="list-style-type: none"> <li>▼ 4.1 - To improve efficiency of public services by strengthening capacities and cooperation between institutions</li> </ul> </li> </ul> </li> </ul>	[4.1.1]
TA	3,297,972.00	4.74%	0.00%	0.00%	TA - Technical assistance	[]

## 2. PRIORITY AXES

### 2.A DESCRIPTION OF THE PRIORITY AXES OTHER THAN TECHNICAL ASSISTANCE

#### 2.A.1 Priority axis

<b>ID of the priority axis</b>	1.
<b>Title of the priority axis</b>	Sustainable and clean environment through cooperation

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

#### 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

<b>Fund</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>
ERDF	Total

#### 2.A.4 Investment priority

<b>ID of the investment priority</b>	6c
<b>Title of the investment priority</b>	Conserving, protecting, promoting and developing natural and cultural heritage

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

<b>ID of the specific objective</b>	1.1
<b>Title of the specific objective</b>	To increase number of visitors to the Programme area through improving and developing cultural and natural heritage objects, services and products
<b>Results that the Member States seek to achieve with Union support</b>	It is expected that by approaching the identified problems of sustainable culture and nature tourism in a multi-layered

<b>ID of the specific objective</b>	1.1
<b>Title of the specific objective</b>	To increase number of visitors to the Programme area through improving and developing cultural and natural heritage objects, services and products
	and integrated manner, project activities will help to preserve the existing cultural and natural heritage.

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

Specific objective		1.1 - To increase number of visitors to the Programme area through improving and developing cultural and natural heritage objects, services and products					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.1.1	Overnight stays of visitors in the Programme area	number	3,085,435.00	2013	3,548,250.00	National statistics bureaus	2018, 2021, 2023

## 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 supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries TTT

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<p>It is planned that the specific objective will be achieved through activities directly targeted at solving problematic aspects of sustainable preservation, development and promotion of natural and cultural heritage objects:</p> <ul style="list-style-type: none"> <li>• Ensuring sustainable accessibility to natural and cultural heritage objects;</li> <li>• Improvement of infrastructure in places/routes with considerable potential for sustainable preservation and development of natural and cultural heritage objects;</li> <li>• Creation/upgrading of attractive/high quality services to reduce seasonality impact by using established networks within the Programme area (especially in the culture sector);</li> <li>• Improving related knowledge and skills.</li> </ul> <p>It is believed that projects will give a stronger contribution to the Programme specific objective and result indicator if they are implemented in an integrated manner. For example, infrastructure improvements and equipment upgrades shall be planned and implemented in close relation with the</p>	

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
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improvement of services, skills and accessibility.

The horizontal principle of sustainable development, with special attention to climate change mitigation/environmental friendly/eco-innovative initiatives and solutions, should be applied by the projects. Emphasis should be put on balancing the usage interests and capitalization of cultural and natural heritage as assets for sustainable long-term regional development.

The Programme anticipates that the above mentioned measures, when applied in an integrated manner, will have positive impact on increasing the number of visitors to the Programme area.

The anticipated results can be affected by different factors. Hence, the Programme focuses on one specific area of interventions, namely: improving the infrastructure of cultural and natural heritage objects and related services, developing new joint services, products and clusters, as well as building capacity based on natural and cultural heritage objects.

Indicative list of actions to be supported:

- Preservation/sustainable improvements of cultural and natural heritage sites, including the improvement of infrastructure and equipment which are accompanied by newly developed/improved joint services in order to attract more visitors;
- Developing of joint/innovative/sustainable services targeted to tackle different problems (for example, the seasonality problem) including tangible and intangible culture heritage objects as a basis for new services (potential of creative industries, culinary heritage, etc.);
- Clustering – creation and branding of joint service packages for visitors including the definition and promotion of joint attractions/routes combined with catering, transport and other services (tourism information centres, catering enterprises, museums, etc.);
- Joint marketing of cultural and natural heritage objects, routes and products;
- Raising awareness among local inhabitants and visitors about the value of natural and cultural heritage and the necessity and applicable means to preserve and develop it in a sustainable manner;
- Capacity building of involved actors, enabling improvements in quality and ensuring the diversification of services;

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
<ul style="list-style-type: none"> <li>• ICT solutions for joint routes/products/clusters;</li> <li>• Promotion of sustainable and environmentally friendly products/services.</li> </ul> <p><u>Target group:</u></p> <ul style="list-style-type: none"> <li>• Public authorities and public equivalent bodies (as defined in the Section 5.3) responsible for culture and natural resources, environmental protection at national, regional and local levels;</li> <li>• Research/educational institutions;</li> <li>• NGOs involved in activities and in the interest of culture and natural resources;</li> <li>• Enterprises;</li> <li>• Local inhabitants and visitors.</li> </ul>	

#### ***2.A.6.2 Guiding principles for the selection of operations***

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
See Section 5.3 for description of project selection principles.	

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

<b>Investment priority</b>	6c - Conserving, protecting, promoting and developing natural and cultural heritage
Not applicable.	

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

Investment priority	6c - Conserving, protecting, promoting and developing natural and cultural heritage
Not applicable.	

#### 2.A.6.5 Output indicators (by investment priority)

**Table 4: Common and programme-specific output indicators**

Investment priority		6c - Conserving, protecting, promoting and developing natural and cultural heritage			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
CO09	Sustainable Tourism: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions	Visits/year	382,054.00	Progress reports	Annually

#### 2.A.4 Investment priority

ID of the investment priority	6d
Title of the investment priority	Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure

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

ID of the specific objective	1.2
Title of the specific objective	To increase integration and efficiency of environmental resource management
Results that the Member States seek to achieve with Union support	The Programme expects that progressive environmental improvements, effective integration of environmental, economic and social considerations in the decision-making process, shared responsibility for the environment and promotion of the principles of ecologically sustainable development will have positive impact on the sustainable management of the environmental resources in the Programme area.

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

Specific objective	1.2 - To increase integration and efficiency of environmental resource management
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ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
1.2.1	Number of organisations jointly contributing to environmental resource management	Number	177.00	2015	186.00	Survey	2018, 2021, 2023

## 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 supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiariesTTT

<b>Investment priority</b>	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<p>The Programme area has the potential to become an environmentally attractive region due to exceptional landscapes and biodiversity. Due to its topography, the area is also characterised by high environmental vulnerability strongly influenced by the impacts of human activities and climate change. Natural resources (including water, soil, fauna and flora) are subject to numerous pressures by and contradictions of, different user categories e.g. environmental protection, industrial, agriculture, transport, urbanisation, or tourism organisations. The biodiversity of the seacoast, agro-ecosystems, surface waters, natural forest ecosystems and fragments of ecosystems surviving in urban areas are the most at risk. The complexity of these challenges requires an integrated approach based on sustainable long-term strategic vision when linking different policies, sectors and administrative levels. Where possible, green infrastructure solutions shall be promoted, positively contributing to climate change mitigation and adaptation.</p> <p>It is expected that more active coordination and cooperation starting with planning, continuing with implementation, monitoring, including classification/metrology/sampling and other relevant natural resources management activities will ensure a more integrated and efficient management of natural resources. At the same time, it is important that integration and improved efficiency is also ensured in practice and concrete solutions are defined and applied.</p> <p>Cooperation between both countries will allow for improvement in the capacities of the involved actors. In the Programme context, improving capacities is understood primarily as improving institutional frameworks, as well as developing human resources and strengthening the managerial systems of institutions dealing with environmental related matters.</p>	



**Investment priority**

6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure

Joint management includes the following objects:

- Wide range of natural object types (river basins, lakes, wetlands, coastal areas, etc.);
- Protected areas (improvements of the biodiversity situation, flora and fauna conditions, etc.);
- Risk management (floods, fire, chemicals spills, etc.).

The Programme will also support protecting biodiversity for maintaining healthy ecosystems, ensuring sustainable development and reducing vulnerability to climate change. The Programme will help beneficiaries increase their capacity to better manage and monitor Natura 2000 protected areas and protect native ecosystems. Actions related to Natura 2000 sites will be in line with the priority action framework for Natura 2000 areas.

The EUSBSR and its Action Plan had an important role in the process of identifying the needs for cooperation in the Programme. The specific objectives under IP 2 are closely linked to the EUSBSR priority areas "Agri", "Hazards" and "Nutri". Moreover, in line with its integrated approach, the Programme contributes to the aims of the horizontal actions in the EUSBSR.

Target group:

- Public authorities and public equivalent bodies (as defined in the Section 5.3) responsible for environmental management and protection at national, regional and local levels;
- Research/educational institutions;
- NGOs related to environmental protection and management;
- Local inhabitants and visitors.

Indicative list of actions to be supported:

<b>Investment priority</b>	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
<ul style="list-style-type: none"> <li>• Joint environmental resource management activities, including those aimed at coordination/unification of methodologies and approaches through the exchange of practices, trainings, seminars and other actions;</li> <li>• Improvement of nature infrastructure and equipment;</li> <li>• Educational and awareness raising activities;</li> <li>• Joint environmental risk (flood, pollution, etc.) management actions and related equipment and infrastructure.</li> </ul>	

#### ***2.A.6.2 Guiding principles for the selection of operations***

<b>Investment priority</b>	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
See Section 5.3 for description of project selection principles.	

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

<b>Investment priority</b>	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
Not applicable.	

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

<b>Investment priority</b>	6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure
Not applicable.	

#### ***2.A.6.5 Output indicators (by investment priority)***

**Table 4: Common and programme-specific output indicators**

<b>Investment priority</b>		<b>6d - Protecting and restoring biodiversity and soil and promoting ecosystem services, including through Natura 2000, and green infrastructure</b>			
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
1.2.2	Number of organisations supported	Number	98.00	Progress reports	Annually

**2.A.4 Investment priority**

<b>ID of the investment priority</b>	6e
<b>Title of the investment priority</b>	Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures

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

<b>ID of the specific objective</b>	1.3
<b>Title of the specific objective</b>	To regenerate public areas with environmental problems
<b>Results that the Member States seek to achieve with Union support</b>	The Programme expects that a cross border approach will help identify the best practices for the planning and implementation of sustainable brownfields revitalisation activities. It will result in an improved sustainable municipal environment for inhabitants and visitors as well as support for economic development.

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

<b>Specific objective</b>		<b>1.3 - To regenerate public areas with environmental problems</b>					
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Baseline value</b>	<b>Baseline year</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
1.3.1	Number of households not facing pollution, grime and other municipal environmental problems	number	855,069.00	2013	861,054.00	National statistics	2018, 2021, 2023

**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 supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiariesTTT**

<b>Investment priority</b>	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures
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The presence of brownfields with degraded public infrastructure in urban/municipal territories hinders the economic potential and well-being of inhabitants in the border regions. The Programme recognises the necessity to minimise this problem.

In order to ensure sustainable and resource-efficient revitalisation of municipality-owned brownfields, it is of great importance to involve all relevant stakeholders and foster cooperation among them, allowing the best practices to be created/identified and put into practice. It is expected that this will result in a range of economic, social and environmental benefits to local communities, including the restoration of environmental quality, elimination of health threats, creation of employment opportunities and an improvement of the quality of citizens' lives.

Target group:

- Public authorities and public equivalent bodies (as defined in Section 5.3), responsible for spatial planning, environment protection and other relevant fields;
- Enterprises;
- Local inhabitants and visitors.

Anticipated results can be affected by different factors. Hence, the Programme focuses on one specific area of intervention, namely: revitalisation of brownfield sites by improving urban/municipal territories and providing a range of economic, social and environmental benefits to local communities for future development.

Indicative list of actions to be supported:

- Experience exchange activities, cross border and also with other EU countries, in municipal planning to identify sustainable and resource-

<b>Investment priority</b>	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures
<p>efficient approaches to brownfields revitalisation;</p> <ul style="list-style-type: none"> <li>• Concepts and primary designs for brownfield revitalisation;</li> <li>• Pilot investments in municipal brownfield sites, including the deconstruction of derelict buildings, cleaning territory and improving public infrastructure;</li> <li>• Dissemination of good practices.</li> </ul>	

#### ***2.A.6.2 Guiding principles for the selection of operations***

<b>Investment priority</b>	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures
See Section 5.3 for description of project selection principles.	

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

<b>Investment priority</b>	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures
Not applicable.	

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

<b>Investment priority</b>	6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures
Not applicable.	

#### ***2.A.6.5 Output indicators (by investment priority)***

**Table 4: Common and programme-specific output indicators**

Investment priority		6e - Taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites (including conversion areas), reduce air pollution and promote noise-reduction measures			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
CO22	Land rehabilitation: Total surface area of rehabilitated land	Hectares	38.71	Progress reports	Annually

## 2.A.7 Performance framework

**Table 5: Performance framework of the priority axis**

Priority axis		1. - Sustainable and clean environment through cooperation					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
CO22	O	Land rehabilitation: Total surface area of rehabilitated land	Hectares	0	38.71	Progress reports	Target size of output indicator is recalculated taking into account actual costs per indicator from implemented projects in 2014 – 2020 programming period.
1.1.2	F	Expenditure	EUR	2,954,207.00	28,905,008.00	Monitoring system	The milestone for 2018 is 10% (ERDF plus national co-financing) of the final target of the Priority Axis 1.
1.2.2	O	Number of organisations supported	Number	0	98.00	Progress reports	Target size of output indicator is recalculated taking into account actual costs per indicator from implemented projects in 2014 – 2020 programming period.
CO22	I	Approved projects under investment priority 6e	Number	4		MA's decision on projects' financing	
1.2.2	I	Approved projects under investment priority 6d	Number	2		MA's decision on projects' financing	

### Additional qualitative information on the establishment of the performance framework

In accordance with Article 21 of the Regulation (EU) No 1303/2013 the achievement of the milestones of each priority axis will be evaluated by the European Commission in 2019 based on the information and the assessment presented in the annual implementation report submitted in the year 2019.

Milestones for 2018 have been set for financial indicators which imply the total amount (ERDF and national co-financing) of expenditure incurred by beneficiaries in implementing projects and certified by the MA.

Based on the estimated average project duration it is likely that there might not be fully implemented projects by 31 December 2018, therefore the estimated milestone 2018 target for output indicators is “0”. Instead the key implementation steps referring to the number of approved projects under relevant investment priority are determined. The MA’s decision on projects’ financing will be used as the source of data, thus ensuring that the numbers in 2018 are not forecasts.

The calculation of the performance framework milestones and final targets is based on 2007–2013 Programme (with an exception in the case of output indicator "Total length of reconstructed or upgraded roads"), the expected time frame of the calls for proposals, additionally allocated ERDF funding from the Latvia-Russia and Lithuania-Russia ENI Cross Border Cooperation programmes 2014-2020, as well as reallocation of funds from Priority Axis 4 to Priority Axis 1. When elaborating performance framework during Programme preparation stage, the 1st Call for proposals was planned in the 1st quarter of 2016 and conclusion of subsidy contracts during the 1st quarter of 2017. It is assumed that there might be up to three calls for proposals in order to achieve all result and output indicators, as well as allocate all available financing.

The total number of projects that can be funded by the end of 2023 is indicative, as the number depends on the available financing determined by the size of the partnership and the necessary budget for each project implementation. The interest in the Programme during recent years has risen considerably, which was confirmed by an increased number of project applications and approved projects during the previous calls for proposals. When elaborating performance framework during Programme preparation stage, it was expected that during the 1st call for proposals approximately 40 projects, with an allocation of at least 50% of the total financing might be approved. The milestones for financial indicators were calculated cautiously so that their fulfilment is realistic. Also, pessimistic scenarios of the project implementation were kept in mind when setting milestones – the possible limited absorption of financing due to the results of public procurement, the need for project prolongation because of seasonality, and the unsuccessful public procurement procedures on activities etc. In reality, milestones achieved in 2018 might be even higher. The thematic seminars, an online survey, as well as direct contacts with applicants show that there is both interest and demand for support under each priority axis.

## 2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

### Tables 6-9: Categories of intervention

**Table 6: Dimension 1 Intervention field**

Priority axis	1. - Sustainable and clean environment through cooperation
Code	Amount (€)
021. Water management and drinking water conservation (including river basin management, water supply, specific climate change adaptation measures, district and consumer metering, charging systems and leak reduction)	903,991.28
085. Protection and enhancement of biodiversity, nature protection and green infrastructure	1,000,000.00
086. Protection, restoration and sustainable use of Natura 2000 sites	2,700,000.00
087. Adaptation to climate change measures and prevention and management of climate related risks e.g. erosion, fires, flooding, storms and drought, including awareness raising, civil protection and disaster management systems and infrastructures	2,000,000.00
089. Rehabilitation of industrial sites and contaminated land	3,088,827.62
094. Protection, development and promotion of public cultural and heritage assets	8,388,274.24
095. Development and promotion of public cultural and heritage services	6,488,162.86

**Table 7: Dimension 2 Form of finance**

Priority axis	1. - Sustainable and clean environment through cooperation
Code	Amount (€)
01. Non-repayable grant	24,569,256.00

**Table 8: Dimension 3 Territory type**

Priority axis	1. - Sustainable and clean environment through cooperation
Code	Amount (€)



<b>Priority axis</b>	<b>1. - Sustainable and clean environment through cooperation</b>
<b>Code</b>	<b>Amount (€)</b>
01. Large Urban areas (densely populated >50 000 population)	12,538,981.14
02. Small Urban areas (intermediate density >5 000 population)	10,030,274.86
03. Rural areas (thinly populated)	2,000,000.00

**Table 9: Dimension 6 Territorial delivery mechanisms**

<b>Priority axis</b>	<b>1. - Sustainable and clean environment through cooperation</b>
<b>Code</b>	<b>Amount (€)</b>
07. Not applicable	24,569,256.00

**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 to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

<b>Priority axis:</b>	<b>1. - Sustainable and clean environment through cooperation</b>
Not applicable.	

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	2.
<b>Title of the priority axis</b>	Support to labour mobility and employment

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

### 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

<b>Fund</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>
ERDF	Total

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	8a
<b>Title of the investment priority</b>	Supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation

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

<b>ID of the specific objective</b>	2.1
<b>Title of the specific objective</b>	To create employment opportunities through entrepreneurship support
<b>Results that the Member States seek to achieve with Union support</b>	The Programme anticipates that the idea of entrepreneurship will be promoted and local inhabitants will become more open and capable of becoming involved in entrepreneurship. It is expected that providing capacity building activities will improve the economic activity in the Programme area and provide new business opportunities (evidenced by an increased number of newly

<b>ID of the specific objective</b>	2.1
<b>Title of the specific objective</b>	To create employment opportunities through entrepreneurship support
	established businesses) in the regions.

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

Specific objective		2.1 - To create employment opportunities through entrepreneurship support					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.1.1	Newly established businesses per year	Number	6,619.00	2012	6,818.00	National statistics	2018, 2021, 2023

## 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 supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiariesTTT

<b>Investment priority</b>	8a - Supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation
<p>Population density in the Programme regions is substantially lower than in the capital cities of both countries, meaning that access to consumer markets is relatively limited. Hence, infrastructure and the connections necessary for establishing a business are even more important. The Programme is planning to support measures that will encourage and generate the sustainable creation of local employment in traditional fields (for example, (bio-)food, traditional crafts, etc.). At the same time, it is expected that entrepreneurship and new business models in the fields of the knowledge economy will be facilitated, e.g. IT, creative industries and distant professional services.</p> <p>The Programme shall not provide direct business support, but shall support capacity building activities: the promotion of the potential and benefits of local entrepreneurship and self-employment, consultations, mentoring, training, experience exchange visits and other activities enabling potential local entrepreneurs to start entrepreneurship activities.</p> <p>When supporting the creation of employment possibilities, the Programme does not encourage the creation of new business support institutions (for example, business incubators) and related new infrastructure, but rather the usage of the existing infrastructure to the maximum.</p>	

<b>Investment priority</b>	8a - Supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation
<p><u>Target group:</u></p> <ul style="list-style-type: none"> <li>• Public authorities and public equivalent bodies (as defined in Section 5.3), NGOs related to business promotion and labour mobility;</li> <li>• Research/educational institutions;</li> <li>• Enterprises;</li> <li>• Local inhabitants and visitors.</li> </ul> <p>The anticipated results can be affected by different factors. Hence, the Programme focuses on one specific area of intervention, namely: support for employment by improving business support services and infrastructure. The main result relates to the evidence of a stable increase in newly established businesses that ensures the sustainability of the Programme's investments.</p> <p><u>Indicative list of actions to be supported:</u></p> <ul style="list-style-type: none"> <li>• Development of basic municipal infrastructure necessary for business creation and support (utilities, connections for business environment, etc.);</li> <li>• Development of business support services with cross border dimension;</li> <li>• Promotion of innovative ICT solutions and technologies used for improving business support services;</li> <li>• Joint awareness initiatives on cross border business opportunities;</li> <li>• Training, coaching and mentoring for potential cross border businesses;</li> <li>• Networking of entrepreneurs.</li> </ul>	

#### ***2.A.6.2 Guiding principles for the selection of operations***

<b>Investment priority</b>	8a - Supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation
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<b>Investment priority</b>	8a - Supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation
See Section 5.3 for description of project selection principles.	

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

<b>Investment priority</b>	8a - Supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation
Not applicable.	

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

<b>Investment priority</b>	8a - Supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation
Not applicable.	

#### **2.A.6.5 Output indicators (by investment priority)**

**Table 4: Common and programme-specific output indicators**

<b>Investment priority</b>		<b>8a - Supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation</b>			
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
2.1.1	Business support services improved/created as result of the cross border cooperation	Units	26.00	Progress reports	Annually
2.1.2	Improved or created business support infrastructure objects that ensure indirect business support	Units	15.00	Progress reports	Annually
CO01	Productive investment: Number of enterprises receiving support	Enterprises	546.00	Progress reports	Annually
CO04	Productive investment: Number of enterprises receiving non-financial support	Enterprises	546.00	Progress reports	Annually

#### **2.A.4 Investment priority**

<b>ID of the investment priority</b>	8e
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<b>ID of the investment priority</b>	8e
<b>Title of the investment priority</b>	Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)

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

<b>ID of the specific objective</b>	2.2
<b>Title of the specific objective</b>	To increase job opportunities by improving mobility and workforce skills
<b>Results that the Member States seek to achieve with Union support</b>	The Programme expects that by applying different integrated tools and approaches, labour mobility in the region will be increased through the improved quality and accessibility of relevant information, improved curricula, procedures, the availability of life-long learning and vocational education, removed physical obstacles.

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

Specific objective		2.2 - To increase job opportunities by improving mobility and workforce skills					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
2.2.3	Number of people receiving upgraded skills matching labour market needs per year	Persons	34,396.00	2013	36,116.00	Survey	2018, 2021, 2023
2.2.4	Number of commuters per day	Persons	1,561.00	2013	1,717.00	Based on the information from national road administrations	2018, 2021, 2023

### 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 supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiariesTTT

<b>Investment priority</b>	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
<p>The Programme regions face typical unemployment dynamics, rather high long-term and youth unemployment has been recorded, indicating a mismatch between actual skills and the skills demanded by the labour market.</p> <p>Facilitation of labour mobility is seen as one of the possible solutions to improve employment and increase the competitiveness of border regions. To achieve this, different integrated approaches need to be applied: the improvement of quality and the availability of information about job vacancies and</p>	

**Investment priority** | 8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)

the promotion of labour mobility solutions; the improvement of curricula, organizational procedures and the availability of life-long learning professional education to reduce skills mismatch; removing physical obstacles hindering labour mobility (renovation of road sections).

Under this IP, the Programme also focuses on the cooperation between businesses and educational institutions (improvement of training, exchanges, field practices, etc.); and cooperation between educational institutions to improve their services and training programmes, as well as necessary infrastructure.

To connect regional towns, and in order to ensure convenient and safe access to services and workplaces in territorial units where main services and employment opportunities are available, the Programme shall support the improvement of cross border road infrastructure on the following cross border road sections:

Latvia:

- Road classification code: V1028 Bauska–Bērzi–Lithuanian border; 7.44–14.625 km; length 7.185 km;
- Road classification code: P75 Jēkabpils–Nereta–Lithuanian border; 56.09–60.50 km Nereta–Sleķi 0–1.2 km; length 5.61 km;
- Road classification code: P106 Ezere–Embute–Grobiņa–Lithuanian border; 0–14 km; length 14 km.

Lithuania:

- Road classification code: 2912 Žeimelis–Vileišiai–Latvian border; 0–5.1 km; length 5.1 km;
- Road classification code: 3647 Pandėlys–Suvainiškis–Latvian border; 13.3–18.3 km; length 5 km;
- Road classification code: 163 Mažeikiai–Latvian border; 0–9.19 km; length 9.19 km.

The Programme expects to see an increase of job opportunities due to the upgrading of skills matching labour market needs and the improved road infrastructure and labour mobility.

Target groups:

- Public authorities and public equivalent bodies (as defined in Section 5.3), NGOs related to labour mobility, transport;
- Research/educational/vocational institutions;
- Enterprises;
- Local inhabitants and visitors.

Indicative list of actions to be supported:

- Improvement and creation of educational infrastructure/improvement and the purchase of equipment;
- Mobility and training programmes to increase entrepreneurship;
- Involvement of entrepreneurs and employed persons in life-long learning and other support activities in order to improve their labour market competitiveness;
- Trainings, exchanges, internships and international field practices;
- Cooperation between businesses and educational institutions;
- Job fairs and information exchange about job demands and skill requirements;
- Improvement of cross border road infrastructure.

Territories and beneficiaries:



<b>Investment priority</b>	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
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Road sections to be reconstructed in the Programme area can be identified according to the road classification codes.

The Project partners to carry out road reconstructions are:

- Latvia: the Ministry of Transport of the Republic of Latvia (State Joint Stock Company "Latvian State Roads" will act on behalf the Ministry of Transport of the Republic of Latvia and do all reconstruction works of road sections in Latvia);
- Lithuania: State Budgetary Institution “Lithuanian Road Administration under the Ministry of Transport and Communications”.

#### ***2.A.6.2 Guiding principles for the selection of operations***

<b>Investment priority</b>	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
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##### Guiding principles for the application and selection of projects under Priority axis 2

A direct award procedure will be applied to road reconstruction projects contributing to the result indicator "Increased number of commuters" and the output indicator "Total length of reconstructed or upgraded roads", as Project partners are obliged to reconstruct the road sections described in the section above. Up to EUR 9 000 000 of the Programme's ERDF funding are earmarked for this purpose.

The selection procedure for the project(s) of direct award shall consist of the following main steps:

1. Identifying beneficiaries of the projects by the Member States followed by inviting lead partners to prepare the project application and submit it to the JS;
2. Verification of the application by JS/MA in order to verify the project application's correspondence with the assessment criteria, in order to ensure the appropriate quality of the project application;

<b>Investment priority</b>	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
<p>3. Approval of the project application by the MC.</p> <p>An open call for proposals will be organised for other projects under this specific objective. Detailed information shall be provided in the Programme Manual. Use of other modes of calls for proposals may be decided by MC.</p> <p><u>The following rules will apply to the bodies receiving a direct award:</u></p> <ul style="list-style-type: none"> <li>• If during the implementation of the project, the costs exceed (for example, as a result of the public procurement) the available funding earmarked in the Programme and in the Subsidy Contract, the bodies must cover the costs (exceeding earmarked funding) from sources other than project funding, while implementing the activities in the planned amount;</li> <li>• If during the implementation of the project, the actual costs are below the available funding earmarked in the Programme, unspent funding will be "returned" to the Programme and committed to projects selected via open calls for proposals under the same TO and IP.</li> </ul>	

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

<b>Investment priority</b>	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
Not applicable.	

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

<b>Investment priority</b>	8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)
Not applicable.	

**2.A.6.5 Output indicators (by investment priority)**

**Table 4: Common and programme-specific output indicators**

Investment priority		8e - Integrating cross-border labour markets, including cross-border mobility, joint local employment initiatives, information and advisory services and joint training (ETC-CB)			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
2.2.1	Created or improved educational and training infrastructure objects planned for joint use	Number	27.00	Progress reports	Annually
CO14	Roads: Total length of reconstructed or upgraded roads	km	46.08	Progress reports	Annually
CO44	Labour Market and Training: Number of participants in joint local employment initiatives and joint training	Persons	2,323.00	Progress reports	Annually

## 2.A.7 Performance framework

**Table 5: Performance framework of the priority axis**

Priority axis		2. - Support to labour mobility and employment					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
CO14	O	Roads: Total length of reconstructed or upgraded roads	km	0	46.08	Progress reports	In total 3 road sections will be reconstructed. Reconstruction is planned within 1 project, however, it might change due to the most suitable organisation of work.
2.2.1	O	Created or improved educational and training infrastructure objects planned for joint use	Number	0	27.00	Progress reports	Target size of output indicator is recalculated taking into account actual costs per indicator from implemented projects in 2014 – 2020 programming period.
1.1.1	F	Expenditure	EUR	4,255,031.00	20,738,943.00	Monitoring system	The milestone for 2018 is 21% (ERDF plus national co-financing) of the final target of the Priority axis 2.
2.2.1	I	Approved projects under investment priority 8e for creating or improving educational and training infrastructure objects planned for joint use	Number	4		MA's decision on projects' financing	
CO14	I	Approved projects under investment priority 8e for roads reconstruction and upgrade	Number	1		MA's decision on projects' financing	

### **Additional qualitative information on the establishment of the performance framework**

In accordance with Article 21 of the Regulation (EU) No 1303/2013 the achievement of the milestones of each priority axis will be evaluated by the European Commission in 2019 based on the information and the assessment presented in the annual implementation report submitted in the year 2019.

Milestones for 2018 have been set for financial indicators which imply the total amount (ERDF and national co-financing) of expenditure incurred by beneficiaries in implementing projects and certified by the MA.

Based on the estimated average project duration it is likely that there might not be fully implemented projects by 31 December 2018, therefore the estimated milestone 2018 target for output indicators is “0”. Instead the key implementation steps referring to the number of approved projects under relevant investment priority are determined. The MA’s decision on projects’ financing will be used as the source of data, thus ensuring that the numbers in 2018 are not forecasts.

The calculation of the performance framework milestones and final targets is based on 2007–2013 Programme (with an exception in the case of output indicator "Total length of reconstructed or upgraded roads"), the expected time frame of the calls for proposals, additionally allocated ERDF funding from the Latvia-Russia and Lithuania-Russia ENI Cross Border Cooperation programmes 2014-2020, as well as reallocation of funds from Priority Axis 4 to Priority Axis 1. When elaborating performance framework during Programme preparation stage, the 1st Call for proposals was planned in the 1st quarter of 2016 and conclusion of subsidy contracts during the 1st quarter of 2017. It is assumed that there might be up to three calls for proposals in order to achieve all result and output indicators, as well as allocate all available financing.

The total number of projects that can be funded by the end of 2023 is indicative, as the number depends on the available financing determined by the size of the partnership and the necessary budget for each project implementation. The interest in the Programme during recent years has risen considerably, which was confirmed by an increased number of project applications and approved projects during the previous calls for proposals. When elaborating performance framework during Programme preparation stage, it was expected that during the 1st call for proposals approximately 40 projects, with an allocation of at least 50% of the total financing might be approved. The milestones for financial indicators were calculated cautiously so that their fulfilment is realistic. Also, pessimistic scenarios of the project implementation were kept in mind when setting milestones – the possible limited absorption of financing due to the results of public procurement, the need for project prolongation because of seasonality, and the unsuccessful public

procurement procedures on activities etc. In reality, milestones achieved in 2018 might be even higher. The thematic seminars, an online survey, as well as direct contacts with applicants show that there is both interest and demand for support under each priority axis.

### 2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

#### Tables 6-9: Categories of intervention

**Table 6: Dimension 1 Intervention field**

Priority axis	2. - Support to labour mobility and employment
Code	Amount (€)
034. Other reconstructed or improved road (motorway, national, regional or local)	8,999,889.93
049. Education infrastructure for tertiary education	765,243.42
050. Education infrastructure for vocational education and training and adult learning	0.00
102. Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	1,526,713.13
103. Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee	1,975,381.97
104. Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises	1,706,048.65
118. Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and	2,654

<b>Priority axis</b>	<b>2. - Support to labour mobility and employment</b>
strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes	,823.90

**Table 7: Dimension 2 Form of finance**

<b>Priority axis</b>	<b>2. - Support to labour mobility and employment</b>
<b>Code</b>	<b>Amount (€)</b>
01. Non-repayable grant	17,628,101.00

**Table 8: Dimension 3 Territory type**

<b>Priority axis</b>	<b>2. - Support to labour mobility and employment</b>
<b>Code</b>	<b>Amount (€)</b>
01. Large Urban areas (densely populated >50 000 population)	6,229,870.00
02. Small Urban areas (intermediate density >5 000 population)	10,398,231.00
03. Rural areas (thinly populated)	1,000,000.00

**Table 9: Dimension 6 Territorial delivery mechanisms**

<b>Priority axis</b>	<b>2. - Support to labour mobility and employment</b>
<b>Code</b>	<b>Amount (€)</b>
07. Not applicable	17,628,101.00

**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 to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

<b>Priority axis:</b>	<b>2. - Support to labour mobility and employment</b>
Not applicable.	

<b>Priority axis:</b>	<b>2. - Support to labour mobility and employment</b>

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	3.
<b>Title of the priority axis</b>	Social inclusion as a precondition of territorial development

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

### 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

<b>Fund</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>
ERDF	Total

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	9a
<b>Title of the investment priority</b>	Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services

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

<b>ID of the specific objective</b>	3.1
<b>Title of the specific objective</b>	To improve accessibility and efficiency of social services
<b>Results that the Member States seek to achieve with Union support</b>	The improved actions will be targeting people at risk of vulnerability with an emphasis on enhancing their social inclusion, increasing their labour market participation and reducing inequalities in terms of educational goals, as well as increasing the



<b>ID of the specific objective</b>	3.1
<b>Title of the specific objective</b>	To improve accessibility and efficiency of social services
	cost-effectiveness and sustainability of social care.

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

Specific objective		3.1 - To improve accessibility and efficiency of social services					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3.1.1	Number of people benefitting from more accessible, efficient social inclusion measures and social services	Persons	2,000.00	2013	3,000.00	Survey	2018, 2021, 2023

## 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 supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiariesTTT

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p>The Programme aims to promote social inclusion across borders through supporting investment in social services, including the improvement of the quality, cost-effectiveness and sustainability of services; integration of vulnerable groups (a population that has some specific characteristics that create a higher risk of falling into poverty than others living in areas targeted by a project) into society; as well as the establishment of social networks and partnerships between local government and local stakeholders.</p> <p>The lack of relevant social services and poor infrastructure is a main challenge to the social development of the Programme area. The sustainable development and improvement of social infrastructure and the creation of joint social services could contribute to sustainable economic growth and a general increase of wealth in the Programme area.</p> <p>Actions financed under IP 1 will focus on reducing the integration obstacles of vulnerable groups, meaning that people in difficulty will get more support and have the same opportunities as others to integrate into society. Targeted actions will be implemented in close cooperation between public</p>	

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p>authorities, NGOs and bodies at national, regional and local levels throughout the whole Programme cycle.</p> <p><u>Indicative list of actions to be supported:</u></p> <ul style="list-style-type: none"> <li>• Identification of the needs and possible solutions which require cross border intervention;</li> <li>• Networking between social service providers and stakeholders in order to exchange experience and identify good practices in the Programme area;</li> <li>• Improvement of the infrastructure and equipment necessary for improved and more accessible social services;</li> <li>• Improvement of the competencies of specialists providing social services;</li> <li>• Improvement of the quality, diversification of innovative services/ solutions;</li> <li>• Informative campaigns to raise awareness about available social services for vulnerable groups;</li> <li>• Integration of people at risk of social exclusion in the labour market/educational activities/social life.</li> </ul>	

#### ***2.A.6.2 Guiding principles for the selection of operations***

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p>See Section 5.3 for description of project selection principles.</p>	

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

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
<p>Not applicable.</p>	

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

<b>Investment priority</b>	9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services
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#### 2.A.6.5 Output indicators (by investment priority)

**Table 4: Common and programme-specific output indicators**

Investment priority		9a - Investing in health and social infrastructure which contributes to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from institutional to community-based services			
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
3.1.1	Created/improved social services and infrastructure	Units	55.00	Progress reports	Annually
3.1.2	Created/improved social inclusion measures	Units	116.00	Progress reports	Annually

#### 2.A.4 Investment priority

<b>ID of the investment priority</b>	9b
<b>Title of the investment priority</b>	Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas

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

<b>ID of the specific objective</b>	3.2
<b>Title of the specific objective</b>	To improve living conditions in deprived communities and territories
<b>Results that the Member States seek to achieve with Union support</b>	The Programme anticipates that support for deprived communities will help reduce the number of people facing deprivation-related problems. Due to the mutual cooperation between social service providers and stakeholders, services become more accessible, adapted to individual needs and people are motivated and prepared to participate in social processes.

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

<b>Specific objective</b>	3.2 - To improve living conditions in deprived communities and territories
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ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
3.2.1	Number of households not facing pollution, grime and other municipal environment problems	Number	855,069.00	2013	861,054.00	National statistics	2018, 2021, 2023

## 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 supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiariesTTT

Investment priority	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
<p>The Programme recognises that within its scope, the most efficient way to contribute to the regeneration of deprived communities is by small scale social cooperation projects. The focus is on solving practical local community level problems within diverse social themes. The Programme will support municipalities and other social service providers in creating conditions for deprived communities and their members' inclusion into society. Community members should be motivated to change their life and willing to be socially inclusive.</p> <p>Social and material deprivation is also measured through housing and living conditions in settlements. Taking into account that the Programme also plans to fund small scale infrastructure projects for deprived communities, it is expected that municipal environmental problems in communities will decrease (and fewer households will report on such problems in the Programme area).</p> <p>Cross border activities will help local communities exchange experience on the best practices, build up networks in education, culture, healthy lifestyle etc. fields, as well as improve the availability of services. This could improve the interaction of deprived communities with local municipality, as one of the main problems for deprived communities is the lack of accessible services, since municipal centres are often located far from living areas.</p> <p><u>Indicative list of actions to be supported:</u></p> <ul style="list-style-type: none"> <li>• Joint mapping and actions for activating deprived communities and solving related problems;</li> <li>• Networking activities in education, culture, healthy lifestyle and other fields to activate deprived communities;</li> <li>• Creation/upgrading/equipping social spaces (excluding basic public infrastructure) in the form of small scale infrastructure works for deprived</li> </ul>	

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
communities and territories.	

#### ***2.A.6.2 Guiding principles for the selection of operations***

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
See Section 5.3 for description of project selection principles.	

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

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
Not applicable.	

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

<b>Investment priority</b>	9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas
Not applicable.	

#### ***2.A.6.5 Output indicators (by investment priority)***

**Table 4: Common and programme-specific output indicators**

<b>Investment priority</b>		<b>9b - Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas</b>			
<b>ID</b>	<b>Indicator</b>	<b>Measurement unit</b>	<b>Target value (2023)</b>	<b>Source of data</b>	<b>Frequency of reporting</b>
3.2.1	Number of deprived communities participating in the regeneration activities	Units	85.00	Progress reports	Annually

## 2.A.7 Performance framework

**Table 5: Performance framework of the priority axis**

Priority axis		3. - Social inclusion as a precondition of territorial development					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
3.1.1	O	Created/improved social services and infrastructure	Units	0	55.00	Progress reports	Target size of output indicator is recalculated taking into account actual costs per indicator from implemented projects in 2014 – 2020 programming period. It is assumed that 55 social services and infrastructure could be created/improved within projects, involving several partners in each.
3.2.1	O	Number of deprived communities participating in the regeneration activities	Units	0	85.00	Progress reports	Target size of output indicator is recalculated taking into account actual costs per indicator from implemented projects in 2014 – 2020 programming period. At least 85 communities can be funded in order to improve living conditions in the deprived territories.
3.1.2	O	Created/improved social inclusion measures	Units	0	116.00	Progress reports	Target size of output indicator is recalculated taking into account actual costs per indicator from implemented projects in 2014 – 2020 programming period. It is assumed that 116 social inclusion measures could be created/improved within projects, involving several partners in each project implementation.
1.1.1	F	Expenditure	EUR	2,066,730.00	16,470,676.00	Monitoring system	The milestone for 2018 is 13% (ERDF plus national co-financing) of the final target of the Priority Axis 3.
3.1.1	I	Approved projects under investment priority 9a for creating/improving social services and infrastructure	Number	4		MA's decision on projects' financing	
3.1.2	I	Approved projects under investment priority 9a for creating/improving social inclusion measures	Number	6		MA's decision on projects' financing	
3.2.1	I	Approved projects under investment priority 9b	Number	7		MA's decision on projects' financing	

### Additional qualitative information on the establishment of the performance framework

In accordance with Article 21 of the Regulation (EU) No 1303/2013 the achievement of the milestones of each priority axis will be evaluated by the European Commission in 2019 based on the information and the assessment presented in the annual implementation report submitted in the year 2019.

Milestones for 2018 have been set for financial indicators which imply the total amount (ERDF and national co-financing) of expenditure incurred by beneficiaries in implementing projects and certified by the MA.

Based on the estimated average project duration it is likely that there might not be fully implemented projects by 31 December 2018, therefore the estimated milestone 2018 target for output indicators is “0”. Instead the key implementation steps referring to the number of approved projects under relevant investment priority are determined. The MA’s decision on projects’ financing will be used as the source of data, thus ensuring that the numbers in 2018 are not forecasts.

The calculation of the performance framework milestones and final targets is based on 2007–2013 Programme (with an exception in the case of output indicator "Total length of reconstructed or upgraded roads"), the expected time frame of the calls for proposals, additionally allocated ERDF funding from the Latvia-Russia and Lithuania-Russia ENI Cross Border Cooperation programmes 2014-2020, as well as reallocation of funds from Priority Axis 4 to Priority Axis 1. When elaborating performance framework during Programme preparation stage, the 1st Call for proposals was planned in the 1st quarter of 2016 and conclusion of subsidy contracts during the 1st quarter of 2017. It is assumed that there might be up to three calls for proposals in order to achieve all result and output indicators, as well as allocate all available financing.

The total number of projects that can be funded by the end of 2023 is indicative, as the number depends on the available financing determined by the size of the partnership and the necessary budget for each project implementation. The interest in the Programme during recent years has risen considerably, which was confirmed by an increased number of project applications and approved projects during the previous calls for proposals. When elaborating performance framework during Programme preparation stage, it was expected that during the 1st call for proposals approximately 40 projects, with an allocation of at least 50% of the total financing might be approved. The milestones for financial indicators were calculated cautiously so that their fulfilment is realistic. Also, pessimistic scenarios of the project implementation were kept in mind when setting milestones – the possible limited absorption of financing due to the results of public procurement, the need for project prolongation because of seasonality, and the unsuccessful public procurement procedures on activities etc. In reality, milestones achieved in 2018 might be even higher. The thematic seminars, an online survey, as well as direct contacts with applicants show that there is both interest and demand for support under each priority axis.

## 2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

### Tables 6-9: Categories of intervention

**Table 6: Dimension 1 Intervention field**

Priority axis	3. - Social inclusion as a precondition of territorial development
Code	Amount (€)
055. Other social infrastructure contributing to regional and local development	4,693,832.66
109. Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	4,283,202.00
112. Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest	5,023,039.34

**Table 7: Dimension 2 Form of finance**

Priority axis	3. - Social inclusion as a precondition of territorial development
Code	Amount (€)
01. Non-repayable grant	14,000,074.00

**Table 8: Dimension 3 Territory type**

Priority axis	3. - Social inclusion as a precondition of territorial development
Code	Amount (€)
01. Large Urban areas (densely populated >50 000 population)	7,000,000.00
02. Small Urban areas (intermediate density >5 000 population)	4,900,025.00
03. Rural areas (thinly populated)	2,100,049.00

**Table 9: Dimension 6 Territorial delivery mechanisms**

Priority axis	3. - Social inclusion as a precondition of territorial development
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Code	Amount (€)
07. Not applicable	14,000,074.00

**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 to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

<b>Priority axis:</b>	<b>3. - Social inclusion as a precondition of territorial development</b>
Not applicable.	

### 2.A.1 Priority axis

<b>ID of the priority axis</b>	4.
<b>Title of the priority axis</b>	Improved quality of living through efficient public services and administration

- The entire priority axis will be implemented solely through financial instruments
- The entire priority axis will be implemented solely through financial instruments set up at Union level
- The entire priority axis will be implemented through community-led local development

### 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

Fund	Calculation basis (total eligible expenditure or eligible public expenditure)
ERDF	Total

### 2.A.4 Investment priority

<b>ID of the investment priority</b>	11b
<b>Title of the investment priority</b>	Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)

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

<b>ID of the specific objective</b>	4.1
<b>Title of the specific objective</b>	To improve efficiency of public services by strengthening capacities and cooperation between institutions
<b>Results that the Member States seek to achieve with Union support</b>	Increased efficiency of public services by introducing new cross border cooperation solutions.

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

Specific objective		4.1 - To improve efficiency of public services by strengthening capacities and cooperation between institutions					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting
4.1.1	Number of solutions improving public services	Number	36.00	2013	40.00	Survey	2018, 2021, 2023

## 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 supported and their expected contribution to the specific objectives, including, where appropriate, identification of the main target groups, specific territories targeted and types of beneficiaries TTT

Investment priority	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)
<p>At a national level, both Member States recognise the need to improve the efficiency of public services. Regions are much more adversely affected than capital cities by depopulation, poor infrastructure and low population density. Hence, the effectiveness and accessibility of public services is of the utmost importance and regional development plans highlight the need for improving the efficiency of public services.</p> <p>Supporting improvements in the efficiency of public services also fosters a synergy with priority axes 1, 2 and 3. Complementary benefits can be generated by combining support for public services with actions tackling employment and mobility, as well as social and environmental challenges. Results can be combined to create positive impacts in terms of quality of life and the sustainable development for the regions.</p> <p>Cooperation between organisations providing services is a very important element in improving the efficiency of public services. In the field of security and cross border crime, there are necessary legal arrangements in place between both Member States. Hence, the Programme aims to provide support for actions to combat and prevent cross border crime and improve civil security.</p> <p>In relation to services either not covered by other Programme priorities, services which reduce cross border obstacles or services which are relevant for ensuring sustainable development of the regions as described above, cross border cooperation presents benefits through increased availability of services; exchange of best practices; cost effectiveness; and the establishment of traditions for cooperation that lead to durability and serve as a precondition for further development. Therefore, the Programme aims to ensure the cooperation of the organisations providing public services and cooperation between citizens and institutions.</p>	

<b>Investment priority</b>	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)
<p>The Programme shall focus its intervention on the delegated functions of the public bodies in order to ensure the concentration of the expected results. It is expected that synergies in legal and administrative cooperation will be sought by the Project partners, as well as capitalising on positive experience through mentoring, and the transfer of good practices. Added value is visible in various fields such as risk prevention, decreasing administrative burden in the regions, gaining capacity and exchanging experience in climate change mitigation adaptation related issues and others. In addition to the legal and administrative cooperation, the involvement of society in civic decision-making is a valuable tool to increase the efficiency and transparency of public services.</p> <p><u>Indicative list of actions to be supported:</u></p> <ul style="list-style-type: none"> <li>• Cross border cooperation actions in protection and security of civil society;</li> <li>• Capacity building and the development of cooperation between Latvian and Lithuanian national, regional and local institutions on topics not covered by other priorities of the Programme;</li> <li>• Activities reducing cross border obstacles;</li> <li>• Development and implementation of training and mentoring activities;</li> <li>• Transfer of good practices;</li> <li>• Societal involvement in civic decision making;</li> <li>• Small scale infrastructure and equipment for increased community capacity-building;</li> <li>• Promotion of legal and administrative cooperation that create synergies;</li> <li>• Improvement of the technical and infrastructure capacities and tools to tackle disasters and/or crime.</li> </ul>	

**2.A.6.2 Guiding principles for the selection of operations**

<b>Investment priority</b>	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)
See Section 5.3 for description of project selection principles.	

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

Investment priority	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)
Not applicable.	

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

Investment priority	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)
Not applicable.	

### 2.A.6.5 Output indicators (by investment priority)

**Table 4: Common and programme-specific output indicators**

Investment priority	11b - Promoting legal and administrative cooperation and cooperation between citizens and institutions (ETC-CB)				
ID	Indicator	Measurement unit	Target value (2023)	Source of data	Frequency of reporting
4.1.1	Number of institutions, participating in cooperation	Units	151.00	Progress reports	Annually

### 2.A.7 Performance framework

**Table 5: Performance framework of the priority axis**

Priority axis	4. - Improved quality of living through efficient public services and administration						
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
4.1.1	O	Number of institutions, participating in cooperation	Units	0	151.00	Progress reports	Target size of output indicator is recalculated taking into account actual costs per indicator from implemented projects in 2014 – 2020 programming period. At least 151 institutions can be financed.
1.1.1	F	Expenditure	EUR	1,641,226.00	11,912,552.00	Monitoring	The milestone for 2018 is 14% (ERDF plus national co-financing) of the final

Priority axis		4. - Improved quality of living through efficient public services and administration					
ID	Indicator type	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)	Source of data	Explanation of relevance of indicator, where appropriate
						system	target of the Priority Axis 4.
4.1.1	I	Approved projects under investment priority 11b	Number	10		MA's decision on projects' financing	

#### **Additional qualitative information on the establishment of the performance framework**

In accordance with Article 21 of the Regulation (EU) No 1303/2013 the achievement of the milestones of each priority axis will be evaluated by the European Commission in 2019 based on the information and the assessment presented in the annual implementation report submitted in the year 2019.

Milestones for 2018 have been set for financial indicators which imply the total amount (ERDF and national co-financing) of expenditure incurred by beneficiaries in implementing projects and certified by the MA.

Based on the estimated average project duration it is likely that there might not be fully implemented projects by 31 December 2018, therefore the estimated milestone 2018 target for output indicators is "0". Instead the key implementation steps referring to the number of approved projects under relevant investment priority are determined. The MA's decision on projects' financing will be used as the source of data, thus ensuring that the numbers in 2018 are not forecasts.

The calculation of the performance framework milestones and final targets is based on 2007–2013 Programme (with an exception in the case of output indicator "Total length of reconstructed or upgraded roads"), the expected time frame of the calls for proposals, additionally allocated ERDF funding from the Latvia-Russia and Lithuania-Russia ENI Cross Border Cooperation programmes 2014-2020, as well as reallocation of funds from Priority Axis 4 to Priority Axis 1. When elaborating performance framework during Programme preparation stage, the 1st Call for proposals was planned in the 1st quarter of 2016 and conclusion of subsidy contracts during the 1st quarter of 2017. It is assumed that there might be up to three calls for proposals in order to achieve all result and output indicators, as well as allocate all available financing.

The total number of projects that can be funded by the end of 2023 is indicative, as the number depends on the available financing determined by the size of the partnership and the necessary budget for each project implementation. The interest in the Programme during recent years has risen considerably, which was confirmed by an increased number of project applications and approved projects during the previous calls for proposals. When elaborating performance framework during Programme preparation stage, it was expected that during the 1st call for proposals approximately 40 projects, with an allocation of at least 50% of the total financing might be approved. The milestones for financial indicators were calculated cautiously so that their fulfilment is realistic. Also, pessimistic scenarios of the project implementation were kept in mind when setting milestones – the possible limited absorption of financing due to the results of public procurement, the need for project prolongation because of seasonality, and the unsuccessful public procurement procedures on activities etc. In reality, milestones achieved in 2018 might be even higher. The thematic seminars, an online survey, as well as direct contacts with applicants show that there is both interest and demand for support under each priority axis.

#### 2.A.8 Categories of intervention

Categories of intervention corresponding to the content of the priority axis, based on a nomenclature adopted by the Commission, and indicative breakdown of Union support

#### Tables 6-9: Categories of intervention

**Table 6: Dimension 1 Intervention field**

Priority axis	4. - Improved quality of living through efficient public services and administration
Code	Amount (€)
096. Institutional capacity of public administrations and public services related to implementation of the ERDF or actions supporting ESF institutional capacity initiatives	10,125,669.00

**Table 7: Dimension 2 Form of finance**

Priority axis	4. - Improved quality of living through efficient public services and administration
Code	Amount (€)
01. Non-repayable grant	10,125,669.00

**Table 8: Dimension 3 Territory type**

Priority axis	4. - Improved quality of living through efficient public services and administration
Code	Amount (€)
01. Large Urban areas (densely populated >50 000 population)	3,794,352.00
02. Small Urban areas (intermediate density >5 000 population)	6,000,000.00
03. Rural areas (thinly populated)	331,317.00

**Table 9: Dimension 6 Territorial delivery mechanisms**

Priority axis	4. - Improved quality of living through efficient public services and administration
Code	Amount (€)
07. Not applicable	10,125,669.00

**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 to enhance the administrative capacity of relevant partners to participate in the implementation of programmes (where appropriate)**

Priority axis:	4. - Improved quality of living through efficient public services and administration
Not applicable.	



## 2.B DESCRIPTION OF THE PRIORITY AXES FOR TECHNICAL ASSISTANCE

### 2.B.1 Priority axis

<b>ID</b>	TA
<b>Title</b>	Technical assistance

### 2.B.2 Fund and calculation basis for Union support

<b>Fund</b>	<b>Calculation basis (total eligible expenditure or eligible public expenditure)</b>
ERDF	Public

### 2.B.3 Specific objectives and expected results

<b>ID</b>	<b>Specific objective</b>	<b>Results that the Member States seek to achieve with Union support</b>
TA	Technical assistance	The TA budget will finance the actions necessary for Programme administration, monitoring and control, and support of the Project partners in order to ensure successful implementation of the projects.

### 2.B.4 Result indicators

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

Priority axis		TA - Technical assistance					
ID	Indicator	Measurement unit	Baseline value	Baseline year	Target value (2023)	Source of data	Frequency of reporting

## 2.B.5 Actions to be supported and their expected contribution to the specific objectives (by priority axis)

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

Priority axis	TA - Technical assistance
	<p>In general, the TA budget will finance the actions necessary for Programme administration, monitoring and control, and support of the Project partners in order to ensure successful implementation of the projects.</p> <p>Examples of the actions to be financed under the TA budget, but not limited to, are:</p> <ul style="list-style-type: none"><li>• Administration and management of the Programme;</li><li>• Individual consultations;</li><li>• Information seminars;</li><li>• Partner and thematic seminars;</li><li>• Information through the Programme website;</li><li>• Regular monitoring of the projects.</li></ul> <p>National co-financing of the TA budget is 930 197 EUR (22% co-financing rate). 53% of TA budget (493 004 EUR) will be financed by Latvia, 47% (437 193 EUR) by Lithuania. Detailed breakdowns of national co-financing by each Member State are presented in Annex 5 "Annual instalments of the TA co-financing".</p>

### 2.B.5.2 Output indicators expected to contribute to results (by priority axis)

**Table 11: Output indicators**

Priority axis	TA - Technical assistance
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ID	Indicator	Measurement unit	Target value (2023)	Source of data
TA.1	Events, seminars, workshops and trainings organised for publicity, information and capacity building about the Programme	Number of events	50.00	Information from the Programme
TA.2	Participants at different Programme events (conferences, workshops, seminars, trainings)	Number of participants	1,800.00	Information from the Programme
TA.3	Consultations held by the JS staff	Number of consultations	375.00	Information from the Programme
TA.4	Site visits to the projects	Number of site visits	145.00	Information from the Programme
TA.5	Number of employees (full-time equivalents - FTEs) whose salaries are co-financed by technical assistance	full-time equivalent (FTE)	14.50	Information from the Programme

## 2.B.6 Categories of intervention

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

### Tables 12-14: Categories of intervention

**Table 12: Dimension 1 Intervention field**

Priority axis	TA - Technical assistance
Code	Amount (€)
121. Preparation, implementation, monitoring and inspection	2,877,972.00
122. Evaluation and studies	170,000.00
123. Information and communication	250,000.00

**Table 13: Dimension 2 Form of finance**

Priority axis	TA - Technical assistance
Code	Amount (€)
01.Non-repayable grant	3,297,972.00

**Table 14: Dimension 3 Territory type**

Priority axis	TA - Technical assistance
Code	Amount (€)
07.Not applicable	3,297,972.00

### 3. FINANCING PLAN

#### 3.1 Financial appropriation from the ERDF (in €)

**Table 15**

<b>Fund</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
ERDF	0.00	6,707,229.00	5,684,925.00	10,329,475.00	15,324,612.00	15,631,105.00	15,943,726.00	69,621,072.00
<b>Total</b>	<b>0.00</b>	<b>6,707,229.00</b>	<b>5,684,925.00</b>	<b>10,329,475.00</b>	<b>15,324,612.00</b>	<b>15,631,105.00</b>	<b>15,943,726.00</b>	<b>69,621,072.00</b>

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

**Table 16: Financing plan**

Priority axis	Fund	Basis for calculation of 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) (2)	100% CO-FINANCING RATE FOR ACCOUNTING YEAR 2020-2021 (3)	For information	
					National public funding (c)	National private funding (d)				Contributions from third countries	EIB contributions
1.	ERDF	Total	24,569,256.00	4,335,752.00	3,685,389.00	650,363.00	28,905,008.00	84.9999972323%			
2.	ERDF	Total	17,628,101.00	3,110,842.00	2,644,216.00	466,626.00	20,738,943.00	84.9999973480%			
3.	ERDF	Total	14,000,074.00	2,470,602.00	2,100,012.00	370,590.00	16,470,676.00	84.9999963572%			
4.	ERDF	Total	10,125,669.00	1,786,883.00	1,518,850.00	268,033.00	11,912,552.00	84.9999983211%			
TA	ERDF	Public	3,297,972.00	930,197.00	930,197.00	0.00	4,228,169.00	78.0000042572%			
<b>Total</b>	<b>ERDF</b>		<b>69,621,072.00</b>	<b>12,634,276.00</b>	<b>10,878,664.00</b>	<b>1,755,612.00</b>	<b>82,255,348.00</b>	<b>84.6401768308%</b>			
<b>Grand total</b>			<b>69,621,072.00</b>	<b>12,634,276.00</b>	<b>10,878,664.00</b>	<b>1,755,612.00</b>	<b>82,255,348.00</b>	<b>84.6401768308%</b>		<b>0</b>	<b>0</b>

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

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

(3) By ticking the box the Member State requests to apply, pursuant to Article 25a(1) of Regulation (EU) No 1303/2013, a co-financing rate of 100% to expenditure declared in payment applications during the accounting year starting on 1 July 2020 and ending on 30 June 2021 for all /some of the priority axes of the operational programme.

### 3.2.B Breakdown by priority axis and thematic objective

**Table 17**

Priority axis	Thematic objective	Union support	National counterpart	Total funding
1.	Preserving and protecting the environment and promoting resource efficiency	24,569,256.00	4,335,752.00	28,905,008.00
2.	Promoting sustainable and quality employment and supporting labour mobility	17,628,101.00	3,110,842.00	20,738,943.00
3.	Promoting social inclusion, combating poverty and any discrimination	14,000,074.00	2,470,602.00	16,470,676.00
4.	Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration	10,125,669.00	1,786,883.00	11,912,552.00
<b>Total</b>		<b>66,323,100.00</b>	<b>11,704,079.00</b>	<b>78,027,179.00</b>

**Table 18: Indicative amount of support to be used for climate change objectives**

Priority axis	Indicative amount of support to be used for climate change objectives (€)	Proportion of the total allocation to the programme (%)
1.	3,841,596.51	5.52%
<b>Total</b>	<b>3,841,596.51</b>	<b>5.52%</b>

#### 4. INTEGRATED APPROACH TO TERRITORIAL DEVELOPMENT

Description of the integrated approach to territorial development, taking into account the content and objectives of the cooperation programme, including in relation to regions and 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 Programme strategy addresses territorial challenges shared across the Programme area and leverages its development potentials. The strategy reflects the common challenges, needs and potentials that can be effectively tackled through cooperation in this cross border region.

The Programme strategy builds on the Europe 2020 priorities of smart, sustainable and inclusive growth through an integrated approach combining thematic dimensions in the design of 4 Priority axes and fully reflects the principles of the Territorial Agenda 2020. At the national and regional level, the Programme strategy was assessed through the course of an ex-ante evaluation and was found to be highly consistent and complementary.

The extensive analysis of the territorial features of the participating regions and challenges described in Section 1 reflected on the potential and needs of the Programme area and at the same time identified the means to achieve improved coordination across different territorial levels and instruments, in order to deliver an integrated approach with regional and local actors.

The complementarity of the Programme strategy with the national Partnership Agreements of both Member States was verified. The national Partnership Agreements recognise 4 TOs selected for the Programme as highly relevant, putting a specific emphasis on the role of ETC in these thematic fields.

**Priority axis 1:** Natural and cultural heritage is at risk of deterioration (e.g. biodiversity loss) and unsustainable use. Land use conflicts, the decline of the urban environment and urban sprawl are also observed. This priority axis tackles these issues by improving capacities for integrated management approaches, thus fostering sustainable use of natural and cultural heritage and resources, as well as improving the municipal environment for inhabitants and supporting economic development.

**Priority axis 2:** Cross border benefits will be achieved by creating additional employment opportunities through activities providing possibilities for people on both sides of the border to obtain the skills required by the labour market; improving the entrepreneurship environment; promoting self-employment; facilitating cooperation between businesses and educational organisations; and enhancing labour mobility by improving road infrastructure.

**Priority axis 3:** The integrated approach to territorial development will be achieved via supporting joint social inclusion actions and infrastructure improvements, which will lead to the improvement of living conditions in the Programme area.



**Priority axis 4:** Cross border cooperation, in fields where collaboration and joint approaches might provide effective solutions, will be encouraged, in order to improve the efficiency of public services in civil protection, safety, security and other areas.

The Programme requires that projects demonstrate the application of an integrated approach to territorial development, taking into account the horizontal principles indicated under Section 8. Projects should address territorial challenges, consider relevant territorial development policies and regional conditions of envisaged actions, as well as regard their implications and impacts on other sectors. If possible, relevant actors from different sectors and various administrative levels should be involved in the project activities directly or in a consultative way.

#### 4.1 Community-led local development (where appropriate)

Approach to the use of community-led local development instruments and principles for identifying the areas where they will be implemented

Not applicable.

#### 4.2 Integrated actions for sustainable urban development (where appropriate)

Principles for identifying the urban areas where integrated actions for sustainable urban development are to be implemented and the indicative allocation of the ERDF support for these actions

Not applicable.

**Table 19: Integrated actions for sustainable urban development – indicative amounts of ERDF support**

Indicative amount of ERDF support (€)
0.00

#### 4.3 Integrated Territorial Investment (ITI) (where appropriate)

Approach to the use of Integrated Territorial Investments (ITI) (as defined in Article 36 of Regulation (EU) No 1303/2013) other than in cases covered by 4.2, and their indicative financial allocation from each priority axis

Not applicable.

**Table 20: Indicative financial allocation to ITI other than those mentioned under point 4.2 (aggregate amount)**

Priority axis	Indicative financial allocation (Union support) (€)
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Priority axis	Indicative financial allocation (Union support) (€)
<b>Total</b>	<b>0.00</b>

**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 those strategies (where appropriate)**

**(Where Member States and regions participate in macro-regional and sea basin strategies)**

The territory of the Programme is a part of the area covered by the EUSBSR. The Programme strategy reflects the objectives of the EUSBSR in identifying common challenges and needs that could be addressed through cross border cooperation in the Programme area.

Starting from the end of 2009, the 2007–2013 Programme took the EUSBSR on board, the macro-regional strategy initiated by the European Parliament and coordinated by the EC. By the end of November 2014, there were 129 projects co-financed by the Programme, out of which 37 projects contributed to the EUSBSR (almost 32% of all approved projects; therefore, one third of the Programme's projects contribute to the implementation of the EUSBSR, although the Programme does not have flagship projects).

A similar approach is foreseen during the 2014–2020 programming period.

The EUSBSR builds upon 17 priority areas within three strategy objectives "Save the sea", "Connect the region" and "Increase prosperity". Common fields of action and possible synergies related to the Programme Priority axes and following priority areas of the EUSBSR:

Priority axis 1: Contributes to the "Save the sea" objective, and more specifically, to the Priority area "Bioeconomy" by supporting the joint management interventions of protected areas. In addition, other interventions may contribute to the "Connect the region" objective and the Priority areas concerning "Tourism" and "Culture" by capitalising on cultural and natural heritage resources in the Programme area.

Priority axis 2: Contributes to the "Connect the region" objective, and more specifically, to the Priority area "Transport" by supporting the mobility of local inhabitants through improving the road infrastructure in Programme regions. Part of Priority axis 2 may also contribute to the EUSBSR objective concerning "Increased prosperity" and the Priority area "Education" by tackling unemployment challenges in both Member States.

Priority axis 3: Contributes to the "Increase prosperity" objective by focusing on interventions related to the creation and improvement of joint social services and infrastructure, as well as regenerating deprived communities.

Priority axis 4: Contributes to the "Connect the region" objective, and more specifically, to the horizontal action "Neighbours", by supporting cooperation between institutions and between institutions and inhabitants.

## 5. IMPLEMENTING PROVISIONS FOR THE COOPERATION PROGRAMME

### 5.1 Relevant authorities and bodies

**Table 21: Programme authorities**

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)	Address	Email
Managing authority	The Ministry of Environmental Protection and Regional Development of the Republic of Latvia	Deputy State Secretary		Sandis.Cakuls@varam.gov.lv
Certifying authority	N/A	N/A		Sandra.Vilcina@varam.gov.lv
Audit authority	The Ministry of Environmental Protection and Regional Development of the Republic of Latvia, Audit Department	Head of Audit Department		Zanda.Janusauska@varam.gov.lv

**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 authority/body and department or unit	Name of the person responsible for the authority/body (position or post)	Address	Email
Body or bodies designated to be responsible for carrying out audit tasks	The Audit Authority, the Ministry of Environmental Protection and Regional Development of the Republic of Latvia (supported by the Group of Auditors)	Head of Audit Department		Zanda.Janusauska@varam.gov.lv
Body or bodies designated to carry out control tasks	Latvia: Ministry of Environmental Protection and Regional Development, Investments Supervision Department	Director of Investments Supervision Department		imants.klavs@varam.gov.lv

Authority/body	Name of authority/body and department or unit	Name of the person responsible for the authority/body (position or post)	Address	Email
Body or bodies designated to carry out control tasks	Lithuania: decentralised system. The Ministry of the Interior of the Republic of Lithuania will be responsible for setting up, coordinating and controlling the financial control system in Lithuania.	decentralised system		Sandra.Vilcina@varam.gov.lv

## 5.2 Procedure for setting up the joint secretariat

The JS will be set up by the MA in accordance with Article 23 of Regulation (EU) No 1299/2013.

The JS will be located in Riga, hosted by the Ministry of Environmental Protection and Regional Development of the Republic of Latvia. The change of the JS hosting institution has been initiated after internal evaluation and restructuring in order to facilitate mutual coordination between MA and JS, and to focus on the simplification of processes and correlation of functions, thus allowing for a more flexible and efficient use of resources.

The intention is to keep the existing arrangements (division of functions among the MA and the JS and staff for the new Programme) while adjusting them to the new regulatory requirements. The usage of experience from the 2007–2013 programming period shall be considered predictive, particularly in terms of employing international staff, preferably with a balanced number of representatives from both Programme countries who speak either Latvian and/or Lithuanian, to ensure an adequate level of assistance in preparation and implementation of projects.

The staff of the JS will be mainly recruited according to the intensity of the Programme implementation. During the recruitment process, both smooth finalization of the 2007–2013 Programme, as well as the transfer of knowledge and resources to actively start the new Programme, will be ensured. Monthly payments to cover partial lodging expenses in Riga, to persons other than Latvian residents, shall be covered from the JS TA budget in amounts agreed by the MC.

Another modification in comparison with the 2007–2013 programming period is that the Member States have agreed that the JS will have a branch office in Vilnius (which will be hosted by the Public Establishment "Joint Technical Secretariat" (VŠĮ "Jungtinis Techninis Sekretoriatas"). Details of the operation of the branch office in Vilnius will be

laid down with an administrative contract between the Ministry of Environmental Protection and Regional Development of the Republic of Latvia and VŠĮ "Jungtinis Techninis Sekretoriatas".

The staff of the JS will be employed under Latvian law. The staff of the branch office will be employed under Lithuanian law.

The tasks of the JS and its branch office will vary during the implementation cycle of the Programme and shall include (among other tasks): providing information to potential beneficiaries about funding opportunities, as well as assisting beneficiaries in the preparation and implementation of operations; project monitoring; involvement in the assessment of project applications (at least an administrative check and eligibility check); providing information concerning the Programme and projects, and communicating Programme results in the Programme regions.

### **5.3 Summary description of the management and control arrangements**

This section contains elements related to the management and control system:

#### **Designation of the main implementation structures**

The MA, AA and the JS, in establishing and conducting their tasks, will be governed by Latvian law. The financial control and national bodies will be governed by the respective national law.

#### ***Managing authority:***

The Ministry of Environmental Protection and Regional Development of the Republic of Latvia will continue fulfilling the functions of the MA from the 2007–2013 programming period. Therefore, the accumulated knowledge, administrative capacity, arrangements and staff are already in place.

The MA will be responsible for managing the Programme in accordance with the principle of sound financial management. It will perform the duties laid down in Article 125 of Regulation (EU) No 1303/2013 and Article 23 of Regulation (EU) No 1299/2013. The MA will also carry out the tasks of the Certifying Authority stipulated in Article 126 of Regulation (EU) No 1303/2013 in accordance with the institutional, legal and financial systems of the Republic of Latvia. Separation of MA and Certifying Authority functions within the MA shall be ensured on the individual employee's level by the decree of the Ministry of Environmental Protection and Regional Development of the Republic of Latvia and by employees' job descriptions. The employees responsible for operational management are in no case to interfere in the financial management functions and vice versa.

#### ***Monitoring committee:***

The Member States participating in the Programme will set up a joint MC within three months from the date of the notification of the European Commission's decision approving the Programme.

The Programme's MC will comprise representatives from both the national and regional level, as well as relevant partners from both participating countries. In order to ensure continuity between the preparation, implementation and monitoring of the Programme, the involvement in the MC of the same partners involved in the Programme's preparation is foreseen.

The MC will perform the duties listed in Article 47 of Regulation (EU) No 1303/2013 and Article 12 of Regulation (EU) No 1299/2013 and will make decisions on the selection of projects. The MC's Rules of Procedure will be agreed on by the MC at its first meeting.

***Audit authority:***

The Ministry of Environmental Protection and Regional Development of the Republic of Latvia continues as the AA from the 2007-2013 programming period. The AA shall perform the duties listed in Article 127 of Regulation (EU) No 1303/2013 and Article 25 of Regulation (EU) No 1299/2013.

The AA shall plan the systems audits, audits of the accounts and audits of operations in such a way that each year it would be able to gain sufficient confidence as to whether the management and control system function effectively; therefore, providing a reasonable assurance that statements of expenditure presented to the European Commission are correct, and as a consequence, reasonable assurance that the underlying transactions are legal and follow reasonable standards.

In order to designate the MA of the programme as stipulated in the Article 123 of the Regulation (EU) No 1303/2013, the AA shall carry out assessment of the fulfilment by the MA of the criteria relating to the internal control requirement, risk management, management and control activities, and monitoring set out in Annex XIII of Regulation (EU) No 1303/2013. It shall carry out its work in accordance with internationally accepted audit standards. Notification of designation, based on the report and opinion of the AA, shall be issued in the form of formal letter signed by the State Secretary of the Ministry of Environmental Protection and Regional Development of the Republic of Latvia and submitted prior to the submission of the first application for interim payment to the European Commission.

The AA is assisted by the GoA, comprising of a representative from each Member State. The audits of operations to be carried out by the GoA members are limited to the Project partners located in the territory of the participating Member State represented by the GoA member. The GoA will be coordinated by the AA. In addition, the AA will provide the auditors with guidance and manuals to perform the audits. Each member of the GoA representing a participating Member State shall carry out audits of operations on the basis of a sample provided by the AA.

The national member of the GoA reports the audit results to the AA.

### **Management verifications**

In accordance with Article 23(4) of Regulation (EU) No 1299/2013 the Member States are responsible for designating the body for carrying out verifications under point (a) of Article 125(4) of Regulation (EU) No 1303/2013 in relation to Project partners on its territory.

The Ministry of Environmental Protection and Regional Development of the Republic of Latvia will be responsible for carrying out financial control functions in Latvia. The approach of the 2007–2013 Programme will be continued with a centralised financial control system.

Rules and procedures for establishing the financial control system in Lithuania are to be retained and continued from the 2007–2013 programming period. The Ministry of the Interior of the Republic of Lithuania will be responsible for setting up, coordinating and controlling the financial control system in Lithuania. A decentralised system introduced by the Ministry of the Interior of the Republic of Lithuania will be used.

The Programme uses the term "Lead partner" or "Project partner" in order to describe beneficiaries. A project supported by the Programme will be implemented by at least two Project partners (at least one from each Member State). During project implementation, the Project partners will follow the Lead partner principle: one of the Project partners shall be designated as the Lead partner according to Article 12 of the Regulation (EU) No 1299/2013. The Lead partner will be responsible for signing a Subsidy Contract on behalf of all Project partners.

Lead and Project partners will also choose external auditors using a public procurement procedure and following requirements set by the Ministry of the Interior of the Republic of Lithuania. Financial control costs will be included in the Lead and Project partners' budgets in the Application Form and will be covered by the project expenditure.

Management verifications of TA expenditure used by the MA, AA, JS and its branch office shall be arranged by the respective Member State ensuring adequate separation of functions.

### **Anti-fraud measures**

With regards to the Programme, similar to 2007–2013 Programme, the risks, including those of fraud, will be monitored in the process of Programme risk management. Effective and proportionate anti-fraud measures as part of the Management and Control System will be put in place for the Programme by the MA according to paragraph 4c of Article 125 of the Regulation (EU) No 1303/2013 and guidance note 14-0021-00 of 16 June, 2014.



## **Programme language**

The official language for implementing the Programme shall be English.

## **Territories and beneficiaries**

Organisations from all Programme regions can participate as Project partners in all Programme priority axes (if not stipulated differently for the respective Programme priority axis).

The following organisations can apply as Lead and Project partners in the Programme:

- Public authorities (national, regional, and local authorities);
- Public equivalent bodies, meaning any legal body governed by public or private law:
  - Established for the specific purpose of meeting the needs for the general interest and not having an industrial or commercial character,
  - Having legal personality, and
    - Either financed for the most part by the state, by regional or local authorities, or by other bodies governed under public law;
    - Or subject to management supervision by those bodies;
    - Or having an administrative, managerial, or supervisory board where more than half of the members are appointed by the state, regional local authorities, or by other bodies governed by public law;
- NGOs constituting legal bodies that have been established for the specific purpose of meeting the needs of the general interest and not having an industrial or commercial character and having a legal personality.

## **Assessment and selection of projects**

The Programme will ensure that the projects selected will efficiently contribute to Programme objectives. The Programme funding will be allocated via open Calls for proposals and direct award procedure:

- Open call for proposals is a generally adopted procedure. Open calls for proposals will be launched according to a decision of the MC until the Programme's funds are completely allocated. During Programme implementation the MC may decide on use of other modes of calls for proposals.
- Direct award procedure will apply for a list of projects agreed on between both Member States during the Programme preparation, under Priority axis 2 IP 2 for the reconstruction of roads (information about the activities to be financed here are indicated in section 2.2. above, concerning Priority axis 2, IP 2);

- During Programme implementation the Member States may agree on additional direct award procedures.

Details concerning the submission of applications, assessment, selection and eligibility requirements of projects will be approved by the MC and described in the Programme manual, which will be a legally binding document for the project applicants, project implementers and Programme management bodies.

The assessment and selection of projects will begin after Project proposals are received. The project assessment will consist of an administrative check, an eligibility check performed by the JS, and a quality assessment ensured by the MA/JS. Upon necessity, the Member States might be asked to provide their opinion on the eligibility of the Project partners from their territory.

The quality assessment will be comprised of a project assessment regarding strategic relevance and operational coherence. When judging the strategic relevance contribution of the Project against the Programme's specific objective, output and result indicators, the relevance of the partnership, cooperation nature, and the possible effects will be assessed. When assessing the operational level of application management structure, work and budget plans will be weighted. More detailed selection criteria will be defined and included in the Programme manual, which will be approved by the MC.

Assessment results will be submitted to the MC, which will be responsible for project selection. The MA/JS will officially inform the applicants about the results of the project selection. The MA, assisted by the JS, will prepare and sign the Subsidy contract for the Lead partner of approved projects.

Project applications will be submitted through the Programme's e-monitoring system, established and monitored by the MA/JS. Assessment and monitoring of the projects will be carried out using the same system.

## **Complaints**

In accordance with Article 74(3) of Regulation (EU) No 1303/2013 the programme Member States shall ensure that effective arrangements for the examination of complaints concerning the programme are in place.

Complaints against project selection decisions shall be lodged by the project's lead partner to the programme's MA on behalf of the partnership.

Complaints against the MA decisions to implementation of the subsidy contract between the MA and the lead partner shall be lodged by the lead partner to the MA on behalf of the partnership.

Complaints against decisions of Latvian financial control institution shall be lodged by the respective Latvian project partner to the Latvian National authority (Ministry of Environmental Protection and Regional Development of Latvia).

Complaints against decisions of Lithuanian financial control institution shall be lodged by the respective Lithuanian project partner according to provisions set in the contract between the respective Lithuanian project partner and Lithuanian financial control institution.

Complaints by other actors (citizens, NGOs etc.), who are not partners of a project or directly related with the implementation of a project in the frames of the programme, may lodge their complaint regarding decisions taken by the programme authorities, directly to the MA. The complaint is proceeded in accordance with the complaint procedures, as described in detail in the programme manual.

The complaint procedure shall be described in the Programme manual.

The complaints procedure of the Programme is without prejudice to any mechanism or process for legal redress at national level.

#### **5.4 Apportionment of liabilities among participating Member States in case of financial corrections imposed by the managing authority or the Commission**

Member States participating in the Programme will take responsibility for the use of the Programme's ERDF co-financing in the following way:

- The MA shall ensure that any amount paid as a result of an irregularity is recovered from the Lead partner. Project partners shall repay the Lead partner any amount unduly paid to the respective partner;
- If the Lead partner does not succeed in securing repayment from other partners, or if the MA does not succeed in securing repayment from the Lead partner, the Member State on whose territory the Project partner concerned is located shall reimburse the MA for the amount unduly paid to that partner;
- In case of corrections arising from systemic errors or MC decisions, Member States jointly bear the financial consequences, whereby each Member State is responsible in proportion to the ERDF paid out to Project partners per Member State;
- In case of irregularities that result from fault or negligence by the MA, AA and/or the JS, the Member State hosting the MA, AA and/or the JS shall be responsible for reimbursing the amount concerned to the budget of the EU;
- In case of irregularities in the TA budget used by the MA, the AA, the JS or the branch office, the respective Member State hosting the MA, the AA, the JS or the branch office shall bear full liability for this expenditure.

#### **5.5 Use of the Euro (where appropriate)**

Method chosen for the conversion of expenditure incurred in another currency than the Euro

The official currency of both member states is the Euro.

## **5.6 Involvement of partners**

Actions taken to involve the partners referred to in Article 5 of Regulation (EU) No 1303/2013 in the preparation of the cooperation programme, and the role of those partners in the preparation and implementation of the cooperation programme, including their involvement in the monitoring committee

The drafting of the Programme was organised in compliance with the partnership approach as referred to in Article 5 of Regulation (EU) No 1303/2013. The JPC established by the Ministry of Environmental Protection and Regional Development of the Republic of Latvia and Ministry of the Interior of the Republic of Lithuania coordinated the preparation of the Programme and involved the partners (national and regional representatives, social partners, and experts from specific fields) in the preparation of the Programme. Members of the JPC were nominated by the responsible national authority for each Member State.

A wide partnership for the programming process was achieved through thematic seminars held in both Member States. The seminars attracted more than 150 participants, including civil society representatives. They represented both partners from projects funded from the 2007–2013 Programme and organisations previously not involved in implementation of cross border cooperation projects. The partners discussed the needs and challenges in the Programme regions and defined the topics relevant for cross border cooperation in the Programme area.

The intervention logic was defined in consensus between the JPC, based on the Member States' priorities, analysis of the regional needs and outcomes of thematic seminars. All comments and recommendations submitted by institutions involved in the JPC, when supported by other members of the JPC, were incorporated into the Programme, or taken into consideration during its elaboration.

A public hearing was carried out during the 2nd quarter of 2014, in both Member States, to communicate and clarify the needs that the Programme is addressing. Additionally, the aim of this public hearing was to continue the dialogue and gather feedback from different partners and focus groups, as well as to increase awareness about the Programme.

Many of the partners currently involved in the preparation of the Programme are predicted to be involved in the MC. Continuity between preparation and fulfilment contributes to a good implementation of the Programme and its objectives.

### **Involvement of partners during Programme implementation**

The involvement of national, regional and local authorities, economic, social partners and relevant bodies representing civil society in the implementation of the Programme will be of great importance.

The MC of the Programme will comprise representatives from both the national and regional level from both Member States. The MC will be formed in line with provisions of Article 48 of the Regulation (EU) no 1303/2013.

## 6. COORDINATION

The mechanisms that ensure effective coordination between the ERDF, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and other Union and national funding instruments, including the coordination and possible combination with the Connecting Europe Facility, the ENI, the European Development Fund (EDF) and the IPA and with the EIB, taking into account the provisions laid down in the Common Strategic Framework as set out in Annex I to Regulation (EU) No 1303/2013. 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

This section of the Programme document provides an overview about the coordination between the Programme and other funding instruments in the Programme area, in order to create synergies and avoid duplication between efforts by different funding instruments and to allow financing of complementary actions at different levels by the Programme.

The Programme will put forth efforts to confirm that activities do not overlap with financed actions by other national or international funds/programmes, but will create synergies or be of a complementary character. In order to achieve this, the following mechanisms will be used:

- JS will have a basic knowledge of the relevant EU funds and therefore, during consultations, assess if a project idea is suitable for cross border intervention and in such a way, the risk of overlapping will be diminished at an early stage;
- When submitting Project proposals, Lead partners and Project partners will ensure that the proposed project is not financed by other funds and they will give an outline on how the project is linked with any national and regional programmes, policies or implemented projects;
- Coordination with relevant institutions responsible for the implementation of the EU-funded programmes will be ensured by the JS, the MA and Latvian and Lithuanian National Authorities prior to the financing decisions on projects being made by the MA. Due diligence analysis will clarify whether projects applying for funding from the Programme have not already received financing from regional, national or EU programmes;
- An advisory work group will be set up in Latvia to monitor the quality of development of ETC 2014–2020 programmes. The advisory group will comprise of representatives from line ministries, MAs of other EU funds, regions and social partners;
- The Member States will strive for the coordination of activities with other programmes that operate in the same territory, as well as with relevant national and regional policies and programmes by using measures for national coordination.

After the approval of the Programme, national coordination bodies will be established in both Member States. The national coordination body in Latvia – the national sub-committee, will be established according to the Law on Programme Management of the

Goal "European Territorial Cooperation" of European Structural and Investment Funds. Representatives from line ministries (Ministry of Economics, Ministry of Finance, Ministry of Education and Science, Ministry of Culture, Ministry of Welfare and others), representatives of 3 Programme regions and social partners will be involved. According to the provisions of article No 8.1. of the Law on Programme Management of the Goal "European Territorial Cooperation" of European Structural and Investment Funds the national sub-committee is obliged to provide consultations to the responsible national institution regarding overlapping risks of the projects submitted within the Programme by the potential beneficiaries registered in Latvia, with other national or international programs available upon request.

The national coordination body in Lithuania – the Committee of European Territorial Cooperation Goal Programmes – will be established in accordance with the Decision on the Implementation of Programmes of the European Territorial Goal for the 2014–2020 EU programming period. The Committee of European Territorial Cooperation Goal Programmes will be an advisory body, comprising of representatives of the line ministries and other stakeholders. The main functions of the national coordination body will be to advise the Lithuanian members of the MCs on the eligibility of Lithuanian partners and the purposefulness of their activities in the received project applications (including overlapping risks).

## **7. REDUCTION OF ADMINISTRATIVE BURDEN FOR BENEFICIARIES**

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

During the period 2007–2013 a number of key administrative challenges for the partners were observed. These included requirements concerning copying/duplicating supporting project documents, long reimbursement processes and the lack of co-financing for the projects.

Simplification provisions were made during the period 2007–2013 (e.g. a simplified payment system involving a two-step check of the Project progress reports. It helped to speed up payments to Project partners).

The following steps are proposed in order to reduce the administrative burden for Lead and Project partners during 2014–2020 programming period.

### **"Only once" encoding principle**

According to the "only once" encoding principle, a new IT system for managing Programme interventions and in particular for the exchange of data will be established. It will allow for the storage and sharing of data so that Project partners are asked to provide data and information only once. This will reduce the administrative burden on them.

Project partners will be enabled to provide all data (project applications, progress reports, project change requests, etc.) requested for compliance electronically. A database system will store and share the information between all Programme authorities and bodies. Clear guidelines will be available on the information requested and the level of detail that is needed.

For Project partners, this will result in easier access and a more cost-efficient administration of the project as the administrative burden will be reduced. Claims will be handled faster and there will be a considerable reduction in the time spent on the application and follow up processes. Transparency will be improved because the Project partners will be able to check the progress of their application in real time.

By applying this principle, the efficiency of the Programme will be increased (significant amount of time is lost in the existing system while waiting for official/signed documents for the submission of progress reports, clarifications, letters, etc.). Monitoring and control systems will also be improved by the "only once" principle.

The main actions planned by the Programme are to elaborate on the information system and the guidelines, and to organise training for potential applicants/Project partners.

The "only once" encoding principle is anticipated to be operational before launching the 1st call for proposals.

### **Flat rate concept**



In the Programme, Project partners will be able to apply a flat rate for staff costs and administration costs.

By applying this principle, the administrative burden will be reduced and the delivery of payments will be sped up. There will no longer be any need to trace every co-financed Euro to the individual supporting documents, and the amount of supporting documents will decrease. Communication about the Programme funding rules to potential Project partners will be easier, and the time spent on hourly rate calculations, timesheets, and work agreement clarifications will be reduced. The number of change requests in the projects will be lower and reporting to the centralised financial control will be faster.

Exact flat rates will be set based on simplified procedures for the calculation of project costs and a verification of expenditures in accordance with Article 67 and 68 of Regulation (EU) No 1303/2013, Article 19 of Regulation (EU) No 1299/2013 and Regulation (EU) No 481/2014.

The rules and methodology for the application of the flat rate method will be described in the Programme manual and detailed explanations for potential applicants will be provided during trainings after launching the call for proposals.

### **Other instruments**

In addition, the Programme will consider and implement actions in order to reduce administrative burden at the project level. Options that will be considered on a case-by-case basis for each call for proposals and shall be subject to the decision of the MC (and shall be stipulated in the Programme manual) are the following (but are not limited to):

- Pre-payments;
- More flexible approach of the project budget (a certain percentage that can be reported in different work packages/budget lines without prior acceptance etc.);
- Simplified procedures for introducing modifications in the approved projects.

## **8. HORIZONTAL PRINCIPLES**

### **8.1 Sustainable development**

Description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations.

The Programme contributes to sustainable and cohesive socio-economic development in the border region by making it more competitive for economic and business development, as well as an attractive place for people to live, work, and visit. Sustainable development will be taken into account as a horizontal principle during the Programme implementation processes. It will cover the following aspects:

- Resource efficient development of the regional economy for the benefit of all local inhabitants;
- Smart conservation and the use and promotion of natural and cultural heritage;
- Sustainable intervention into social inclusion actions;
- Wise and efficient use and management of natural resources, as well as the promotion and contribution to climate change mitigation and adaptation;

- Raising a high level of awareness among different actors and at all levels of society about the elements and processes leading to sustainability, including climate change mitigation and adaptation.

The Programme will help secure long-term improvements in quality of life through the creation of sustainable communities that are able to: manage and use resources efficiently and intelligently; tap the ecological and social innovation potential of the economy; and ultimately ensure improved prosperity, environmental protection, and social cohesion for the long term.

All projects financed by the Programme will be asked to follow and demonstrate their contributions to the principle of sustainability (either in economic, social, ecological, or cultural dimensions). Where appropriate, projects will also be required to apply environmental and spatial impact assessments. Project contributions to sustainable development principles will be monitored by the Programme. Project selection criteria concerning sustainable development will be described in the Programme manual.

## **8.2 Equal opportunities and non-discrimination**

Description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the cooperation programme and, in particular, in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination, and in particular, the requirements of ensuring accessibility for persons with disabilities.

The aim of this horizontal priority is not only to ensure equal opportunities for men and women but also to secure equal access to new opportunities for all people, especially for socially excluded groups. The Programme's emphasis on equal opportunity principles will help people from the border regions to: make full use of physical infrastructure; participate in education and training activities; upgrade skills or acquire new ones; and get any other direct or indirect assistance with an emphasis on remaining or becoming an active participant in economic and social life.

Hence, the Programme's implementation processes will help secure equal opportunities for socially excluded groups and assist them in taking part in different measures and receiving support. Programme activities will also facilitate a support framework for the aforementioned groups, with an emphasis on disadvantaged people and without prejudice to their gender, racial or ethnic origin, religion or belief, disability, age, or sexual orientation.

Activities financed by the Programme will particularly contribute to the following areas:

- Promoting the interest of one or more groups at risk of discrimination on the basis of their gender, ethnic origin or race, religion or belief, disabilities, age, sexual orientation;
- Promoting the integration of anti-discrimination and equal opportunity initiatives with respect to employment, social inclusion, education, etc.

Projects financed by the Programme will be asked to follow universal design principles that refer to a broad-spectrum of equality issues, including considerations during construction works and product and service developments. Specific requirements in relation to this universal design will be described in the Programme manual. Where appropriate, projects will be asked to follow the principle of equal

opportunities and non-discrimination principles and spatial impact assessments. The relevant criteria and follow-up implementation processes will be set by Programme management bodies.

### 8.3 Equality between men and women

Description of the contribution of the cooperation programme to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of the gender perspective at cooperation programme and operation level.

Equal opportunities are an important component of the Programme's strategic level objectives. Particular recognition is given to tasks and measures in the Programme concerning equal opportunities for men and women.

Programme support will cover many areas, thereby consolidating gender equality and ensuring equal opportunities for men and women who are interested in seeking education, upgrading their skills, and improving their employment. The 2007–2013 Programme experience showed that activities implemented during projects impacted both men and women (without discriminating for or against one gender); therefore, no specific requirements are necessary. For example, social inclusion projects helping persons with disabilities integrate in the job market helped both men and women – the same approach is used throughout all projects.

Taking into account experience from the previous programming period, Member States have agreed that any specific actions or measures on the Programme level to promote gender equality principles are not intended (and no specific selection criteria are foreseen) to favour the development of projects dealing with this issue.

## 9. SEPERATE ELEMENTS

### 9.1 Major projects to be implemented during the programming period

**Table 23: List of major projects**

Project	Planned notification / submission date (year, quarter)	Planned start of implementation (year, quarter)	Planned completion date (year, quarter)	Priority axes / Investment priorities
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### 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. - Sustainable and clean environment through cooperation	1.1.2	Expenditure	EUR	2,954,207.00	28,905,008.00
2. - Support to labour mobility and employment	1.1.1	Expenditure	EUR	4,255,031.00	20,738,943.00
3. - Social inclusion as a precondition of territorial development	1.1.1	Expenditure	EUR	2,066,730.00	16,470,676.00
4. - Improved quality of living through efficient public services and administration	1.1.1	Expenditure	EUR	1,641,226.00	11,912,552.00
1. - Sustainable and clean environment through cooperation	CO22	Approved projects under investment priority 6e	Number	4	
1. - Sustainable and clean environment through cooperation	1.2.2	Approved projects under investment priority 6d	Number	2	
2. - Support to labour mobility and employment	2.2.1	Approved projects under investment priority 8e for creating or improving educational and training infrastructure objects planned for joint use	Number	4	

Priority axis	ID	Indicator or key implementation step	Measurement unit, where appropriate	Milestone for 2018	Final target (2023)
3. - Social inclusion as a precondition of territorial development	3.1.1	Approved projects under investment priority 9a for creating/improving social services and infrastructure	Number	4	
4. - Improved quality of living through efficient public services and administration	4.1.1	Approved projects under investment priority 11b	Number	10	
3. - Social inclusion as a precondition of territorial development	3.1.2	Approved projects under investment priority 9a for creating/improving social inclusion measures	Number	6	
2. - Support to labour mobility and employment	CO14	Approved projects under investment priority 8e for roads reconstruction and upgrade	Number	1	
3. - Social inclusion as a precondition of territorial development	3.2.1	Approved projects under investment priority 9b	Number	7	
1. - Sustainable and clean environment through cooperation	1.2.2	Number of organisations supported	Number	0	98.00
2. - Support to labour mobility and employment	2.2.1	Created or improved educational and training infrastructure objects planned for joint use	Number	0	27.00
3. - Social inclusion as a precondition of territorial development	3.1.1	Created/improved social services and infrastructure	Units	0	55.00
3. - Social inclusion as a precondition of territorial development	3.2.1	Number of deprived communities participating in the regeneration activities	Units	0	85.00
4. - Improved quality of living through efficient public services and administration	4.1.1	Number of institutions, participating in cooperation	Units	0	151.00
3. - Social inclusion as a precondition of territorial development	3.1.2	Created/improved social inclusion measures	Units	0	116.00
2. - Support to labour mobility and employment	CO14	Roads: Total length of reconstructed or upgraded roads	km	0	46.08
1. - Sustainable and clean environment through cooperation	CO22	Land rehabilitation: Total surface area of rehabilitated land	Hectares	0	38.71

### 9.3 Relevant partners involved in the preparation of the cooperation programme

See Annex 4.

### 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.

## DOCUMENTS

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Annex 1 "Tables and figures"	Supplementary information	07-Jul-2020		Ares(2020)3619744	Annex 1	09-Jul-2020	n0021s09
Annex 2 "Cross border road sections to be improved by the Programme"	Supplementary information	07-Jul-2020		Ares(2020)3619744	Annex 2	09-Jul-2020	n0021s09
Annex 3 "Document list"	Supplementary information	07-Jul-2020		Ares(2020)3619744	Annex 3	09-Jul-2020	n0021s09
Annex 4 "Relevant partners involved in the preparation of the cooperation Programme"	Supplementary information	07-Jul-2020		Ares(2020)3619744	Annex 4	09-Jul-2020	n0021s09
Annex 5 "Annual instalments of the Technical Assistance co-financing"	Supplementary information	07-Jul-2020		Ares(2020)3619744	Annex 5	09-Jul-2020	n0021s09
Annex 6 "Abbreviations used in the Programme"	Supplementary information	07-Jul-2020		Ares(2020)3619744	Annex 6	09-Jul-2020	n0021s09
Agreement to the programme and commitment to provide co-financing (Latvia)	Confirmation of agreement in writing to the contents of the cooperation programme	13-Aug-2014		Ares(2020)3619744	Agreement to the OP	09-Jul-2020	n0021s09
Agreement to the programme and commitment to provide co-financing (Lithuania)	Confirmation of agreement in writing to the contents of the cooperation programme	04-Sep-2014		Ares(2020)3619744	Agreement to OP (LT)	09-Jul-2020	n0021s09

### Submitted annexes by the Commission implementing regulation laying down the model of the programme

Document title	Document type	Programme version	Document date	Local reference	Commission reference	Files	Sent date	Sent By
Ex-ante evaluation of Latvia–Lithuania Cross Border Cooperation Programme for the 2014–2020 programming period	Report of the ex-ante evaluation	1.3	19-Jun-2014		Ares(2015)3916980	Ex-ante report	23-Sep-2015	nmarnagn
Agreement to the programme and commitment to provide co-financing (Latvia)	Confirmation of agreement in writing to the contents of the cooperation programme	3.0	13-Aug-2014		Ares(2020)3619744	Agreement to the OP	09-Jul-2020	n0021s09
Programme Snapshot of data before send 2014TC16RFCB027 3.0	Snapshot of data before send	3.0	09-Jul-2020		Ares(2020)3619744	Programme Snapshot of data before send 2014TC16RFCB027 3.0 lv	09-Jul-2020	n0021s09

**LATEST VALIDATION RESULTS**

Severity	Code	Message
Info		Programme version has been validated.