

## SFC2021 INTERREG Programme

CCI	2021TC16RFCB026
Title	(Interreg VI-A) Latvia-Lithuania
Version	1.0
First year	2021
Last year	2027
Eligible from	Jan 1, 2021
Eligible until	Dec 31, 2029
EC decision number	
EC decision date	
NUTS regions covered by the programme	LT023 - Klaipėdos apskritis LT025 - Panevėžio apskritis LT026 - Šiaulių apskritis LT028 - Telšių apskritis LT029 - Utenos apskritis LV005 - Latgale LV009 - Zemgale LV003 - Kurzeme
Strand	Strand A: CB Cross-Border Cooperation Programme (ETC, IPA III CBC, NDICI-CBC)

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

### 1.1. Programme area (not required for Interreg C programmes)

Reference: point (a) of Article 17(3), point (a) of Article 17(9)

The Programme area covers the western and southern part of Latvia and northern part of Lithuania, and includes three Latvian regions: Kurzeme, Zemgale, Latgale and 5 Lithuanian regions: Klaipėda, Telšiai, Šiauliai, Panevėžys and Utena counties. The Programme area covers the same NUTS 3 regions (with an exception of Kaunas County) as in the 2014 - 2020 programming period, thus ensuring coherence and continuity.

The Programme area covers 72 067 square kilometres, of which 38 890 square kilometres are in Latvia and 33 177 square kilometres are in Lithuania, which amounts to 1.7% of the total land area of the European Union[1] (detailed references in enclosed document). The land border between the two countries is 588 km long. The total population of the Programme area is 1.8 mill. inhabitants, of which 1.1 mill. people live in Lithuania and 731 thsnd. people live in Latvia (2019).

According to the urban-rural typology by Eurostat[2] (2020), all regions in the Programme area are intermediate, except for Zemgale which is predominantly rural. The largest urban settlements in the Programme area are Daugavpils, Liepāja, Jelgava, Ventspils, Rēzekne and Jēkabpils in Latvia, and Klaipėda, Šiauliai, Panevėžys, Telšiai and Utena in Lithuania.

The region contains important strategic transport routes (Via Baltica and Via Hansaetica), the ports of Liepāja, Ventspils and Klaipėda, as well as a number of smaller ports.

The Programme area of both countries is characterised by common historical, cultural, social, economic and tourism links. Particularly, local and regional authorities have established long-lasting partnerships in various thematic fields.

The Programme area is rich in natural capital and has a high level of biodiversity. Both countries have three common river basins in the Programme area (Daugava, Venta and Lielupe) that require common efforts for ensuring their ecological quality, as well as a joint Baltic Sea coastline requiring the necessity to safeguard the biodiversity and adapt to climate change challenges.

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

Reference: point (b) of Article 17(3), point (b) of Article 17(9)

## **Demographics, territory and governance**

From 2015 to 2019, the number of inhabitants in the Programme area decreased by 122 thsnd. or 6.4%. The depopulation rate was similar on both sides of the border (6.6% in Lithuania and 6.1% in Latvia). The regions with the highest depopulation rates include Utena County (9.4%), Panevėžys County (8.8%), Telšiai County (8.0%) and Šiauliai County (6.8%) in Lithuania and Latgale (7.6%) in Latvia. Klaipėda County in Lithuania has the lowest depopulation rates (2.9%) in the Programme area. In Latvia, the depopulation rate in Zemgale (4.9%) and Kurzeme (5.7%) was close to the average depopulation rate of the Programme area.

The population density in the Programme area is relatively low. The average population density in the Programme area is 25 inhabitants per square kilometre with higher average population density in Lithuania (32 inhabitants per square kilometre) than in Latvia (19 inhabitants per square kilometre). The most populated region is Klaipėda County in Lithuania, where the population density reaches 60.8 inhabitants per square kilometre. The least populated regions are Zemgale, Kurzeme and Latgale in Latvia and Utena County in Lithuania with 21.4, 17.9, 17.7 and 17.7 inhabitants per square kilometre. The differences in population density are mainly explained by a presence or absence of large regional centres in the area.

According to the urban-rural typology by Eurostat[1] (2020), all regions in the Programme area are intermediate, except from Zemgale, which is classified as predominantly rural. The Programme area includes a significant part of the Baltic Sea coastline. The largest urban settlements in the Programme area include: in Latvia - Daugavpils (82.6 thsnd. inhabitants), Liepāja (68.5 thsnd. inhabitants), Jelgava (56.0 thsnd. inhabitants), Ventspils (33.9 thsnd. inhabitants), Rēzekne (27.6 thsnd.inhabitants) and Jēkabpils (21.9 thsnd.inhabitants); in Lithuania – Klaipėda (147.9 thsnd.inhabitants), Šiauliai (100.1 thsnd.inhabitants), Panevėžys (87.1 thsnd.inhabitants), Telšiai (around 24 thsnd.inhabitants) and Utena (around 25 thsnd. inhabitants).

Changes in the population structure, in particular aging society, increase the demographic burden on the working age population especially in rural communities. In Latvia in 2020 over 20% of the population is over retirement age with the highest ratio in Latgale (22.3%), Kurzeme (21.5%) and lowest in Zemgale (19.9%). In Lithuania this ratio is similar. In Lithuania in 2020 19.9%[2] of the population was over retirement age. In the Programme area this ratio fluctuates from 19.3% in Klaipėda, 20% in Telšiai to 21.4% in Šiauliai, 23.2% in Panevežys and 24.6% in Utena counties. Since a significant part of the Programme region is rural, these ageing tendencies create particular challenges to the farming sector where the largest part of small farmers tend to be over the age of 55.

Over the last years, the economy of Latvia and Lithuania has been growing steadily, at a rate above the EU-28 average. However, in terms of socio-economic development disparities the economic growth is largely concentrated in the capital cities and their surrounding areas. In Latvia, Riga and Pierīga account for 71.5% of the whole economy; 56.3% of GDP is produced in Riga and 15.2% in Pierīga (2018). In Lithuania, Vilnius County produces 41.6% of the country's GDP. In Lithuania, the Programme regions produce 29.8% of the national GDP, whereas in Latvia the share of Programme regions is 22.2% of the national GDP (2018).

The GDP per capita in the Programme area is 11 169 euro (2018). From 2014 to 2018 the GDP per capita has risen significantly by 23%. It has been rising faster in Lithuania (by 25.6 %) than in Latvia (by 17.9 %). The GDP per capita in the Programme area is 45% higher on the Lithuanian side (12 810 euro) compared to the GDP per capita on the Latvian side (8 804 euro). The highest GDP per capita is in Klaipėda County (15 677euro, 100% of national GDP per capita in Lithuania), whereas the lowest values of GDP per capita are recorded in Latgale (7 133 euro, 47% of national GDP per capita in Latvia), Zemgale (8 743 euro, 58% of national GDP per capita in Latvia) and Utena County (9 414 euro, 60% of national GDP per capita in Lithuania).

The COVID-19 crisis has caused a shrinking of the GDP. In Latvia, GDP fell by 3.6% in 2020, compared to 2019. In Lithuania, GDP decreased by 1.3%, compared to 2019. The most affected economic activities include accommodation and food service activities, wholesale and retail trade, arts, entertainment and recreation, and administrative and support service activities (travel agencies, tour operators).

The disparities between the capital cities and regions, as well as between urban areas and rural territories are increasing, creating territorial inequalities in terms of welfare, jobs, education, healthcare and other services. As a result, internal migration flows in Latvia and Lithuania move from the periphery to the capital city and its surroundings, whereas the external migration is oriented towards the old EU member states. Due to inequalities in wellbeing and in development opportunities, Programme regions are losing the working-age population and experiencing brain drain of qualified labour force.

Regional and local institutions and actors on both sides of the border encounter similar challenges in order to maintain quality and accessibility of public services despite the changes in population structure and its flows, in particular, population flows from rural areas to larger centres, aging and decreasing population especially in rural and remote areas. Sparsely populated, remote or border areas in comparison to more urban territories tend to have fewer local education or job opportunities, have difficulties in accessing public services or transport services, insufficient coverage of social and health services or lack of cultural venues and leisure activities[3].

There are also various internal migration tendencies that affect population structure. Migration of young people to cities from more remote areas pose risks of losing talents and potential entrepreneurs thus endangering rural vitality in the coming decades[4]. At the same time there are also reverse processes where due to the high costs of urban living people are leaving inner city areas in search of more affordable living space in suburbs, smaller towns, or the countryside. This effect is observable more in the rural areas closer to cities and urban centres in both countries[5]. In the context of these trends the existing role and potential of regional and local centres is changing, requiring for new solutions and extended cooperation to fulfil the various services and functions. Cooperation across the border between institutions in finding major obstacles, identifying potential joint functional areas may provide new solutions for these increasingly complex processes.

A growing trend to compensate for accessibility of physical services is increased use of ICT facilitated services. Demand for remote services is particularly accelerated during the COVID-19 pandemic lockdown. In the previous planning period various efforts under the mainstream EU funds programs in both countries were made to create digital and remotely accessible services. However, in Latvia demand and use of e-services still is lower than expected[6]. One of the reasons is related to the quality and accessibility of these services. An emerging tendency in the public administration is to apply various user-oriented methods in planning and designing public services e.g. service design, design thinking etc. These approaches stress and prefer the user perspective instead of the sole perspective of the service provider. Use of services may also be fostered by improved accessibility of information regarding services available on the other side of the border.

It is also important to make good use of local development initiatives, community-based initiatives, to involve the non-governmental sector in the provision of services. Active participation of local residents in various community initiatives is very important for the development of any region. In the Programme area there are various initiatives related to the involvement of citizens in development of public services,

planning of multifunctionality of public infrastructure as well as fostering participatory budgeting processes. Sharing of experience and best practice may improve and help to spread these initiatives that would increase accountability, promote efficiency and better use of financing. Hence, as a result trust towards the local and regional authorities should be increased.

Local and regional authorities both in Latvia and Lithuania in the next planning period will have to reconsider and reorganize their work in new territorial and thematic settings that result from the administrative reform in Latvia and changes of the role of regional development councils in Lithuania. Previously, cooperation between the local municipalities across the border was hindered, since the territory and the number of population of the local authorities in Lithuania and Latvia differed significantly – in Latvia they were relatively smaller than in Lithuania. As a result of the administrative territorial reform that comes into effect in 2021 and the total number of (119) Latvian local authorities significantly reduces, while increasing their size. Due to the reform the local authorities will be of comparable size, and consequently the challenges and opportunities will also be more compatible thus increasing cooperation possibilities and capacities. These processes demand new solutions and require additional administrative capacity. Participation in the Programme may provide authorities with international cooperation experience, increase their capacity and serve as an impulse for participation in new wider partnerships and cooperation programmes.

#### Previous experience of projects implemented

The Programme 2014 – 2020 has supported several projects targeted to improve management and efficiency of public services, strengthening capacities of employees and fostering cooperation between institutions. Several projects have focused on improving management and governance capacity of municipalities and improving quality and accessibility of municipal services e.g. by fostering creation of municipal service value to residents (customer-oriented services), by introducing novel approaches and modern e-services for citizens and by widening the access to these services across the border or simply by simplifying administrative procedures making specific services more effective, accessible and efficient. Other projects have addressed wider governance related issues e.g. by strengthening spatial planning capacity, adding stronger cross-border perspective in strategic development planning thus fostering coherent development and effective collaboration across borders. Joint capacity building activities including training, meetings, working groups and experience exchange have served as a network for building platforms for the involved parties, promoted exchange of information and experiences, as well contributing to development of common platforms for functional cooperation across the borders. Lessons learned from these efforts highlight the still largely uncovered potential for such joint activities. Various challenges that are emerging across the border require constant adaptation, mutual learning and sharing of experiences thus making more dense cooperation networks and fostering establishment of functional territorial cooperation.

#### Main joint challenges related to demographics, territory and governance:

- Local and regional authorities face similar problems in reacting to the challenges caused by changes of population structure, regional disparities, global climate changes, environmental effects;
- New territorial and thematic settings for local and regional authorities in the Programme area demand new solutions and require additional administrative capacity;
- Under-exploited cooperation among the authorities prevent from sharing the best practices and development of organisational capacity and multilevel governance;
- Insufficient involvement of society in decision making at the local level, leading to lack of trust of the

society in public authorities.

*The Programme will address the defined joint challenges through the Programme priority 1 which corresponds to the ISO 1, SO (f).*

#### Joint investments needs and focus of cross border cooperation

Acknowledgement of joint challenges and necessity to improve the capacity of public institutions to deal with those, provide the common ground for cross-border cooperation of public institutions and entities at local and regional level, particularly, in rural areas and cities. Cooperation at municipal and regional level between public institutions and entities is becoming increasingly important and strengthened.

Development of cooperation mechanisms through various networking, training and best practice sharing activities are just as important as the cooperation itself. It is very important to strengthen existing insufficient capacity and cross-border cooperation among local and regional institutions.

Cross-border cooperation among people and communities working in various fields (including, but not limited): sport, social sphere, environmental protection, education, crafts and other local initiatives on both sides of the border has a potential to contribute to better understanding between the nations of both countries, since these provide good opportunities for interaction among people and communities.

#### **Nature and climate**

The Programme area is rich in natural capital and has a high level of biodiversity, the landscape is diverse with forests, rivers, lakes, mires, rolling hills and valleys. The Programme area contains numerous protected territories, created to ensure the long-term survival of most valuable and threatened species and habitats. Many of these sites are well-respected natural heritage sites with significant recreational and educational importance.

In the Programme area in Latvia, Natura 2000 sites include three national parks (Raznas National Park in Latgale, Slitere National Park in Kurzeme and Kemeru National Park shared by Kurzeme and Zemgale), three nature reserves (Teici shared by Zemgale and Vidzeme, Moricsala and Grini in Kurzeme) and other nature reserves, nature parks, protected landscape areas, nature monuments and micro reserves. In total, Latvia has 333 Natura 2000 territories, which cover 12% of the total area of the country (Nature Conservation Agency, Latvia, 2020)[7].

In the Programme area in Lithuania, Natura 2000 sites include three national parks (Curonian Spit National Park in Klaipėda County, Žemaitija National Park in Telšiai County and Aukštaitija National Park in Utena County), one strict nature reserve (Kamanos Strict Nature Reserve in Šiauliai County), numerous regional parks and other sites. In total, Natura 2000 sites in Lithuania include 84 territories important for the protection of birds and 481 territories important for the protection of habitats, which cover 13% of the total area of the country.

In terms of water resources, Latvia and Lithuania share the Baltic Sea coastline and Baltic Sea coastal waters. The Programme area contains four river basin areas. The Daugava river basin district, Venta river basin district and Lielupe river basin district are located in the Programme territory in Latvia and Lithuania. Nemunas river basin district in Lithuania shares water courses with Belarus, Kaliningrad (Russia) and Poland. The Programme area is rich in wetlands of international importance (Ramsar sites), including Kamanos bog (Šiauliai County) and Nemunas delta (Klaipėda County) in Lithuania and Pape Wetland Complex (Kurzeme), Lubana Wetland Complex (Vidzeme and Latgale) and Teici and Pelecare

bogs (Zemgale, Latgale) in Latvia.

The ecological quality of lakes and rivers in Lithuania is estimated above the EU average. However, around half of Lithuanian surface water bodies are not reaching good ecological status (51% of rivers and 40% of lakes). The ecological quality of lakes and rivers in Latvia is estimated below the EU average, 79% of rivers and 77% of lakes are not reaching good ecological status. Pressures causing significant negative impacts on water bodies, such as eutrophication and loss of biodiversity, are mainly nutrient and chemical pollution from wastewater treatment plants, agricultural land and managed forests (European Environment Agency, 2018)[8].

The effects of climate change in the Programme area include extreme weather risks (high risk of storm, snowfall, and drought), fluvial and coastal flooding risks (significant risk in Latvia and high risk in Lithuania) and forest-fire risks (significant risk in Latvia and high risk in Lithuania), which are rapidly increasing in the last decade. There is a necessity of lowering the impact of the terrestrial activities on the marine environment. Coastal erosion, caused by rising sea level and increased storminess, is a particularly severe problem in Latvia and Lithuania and can have severe consequences on tourism and recreation sector. Climate change also leads to the spread of invasive alien species and plant, animal and human diseases, decreasing the resilience of the socio-ecological systems (CASCADE, 2020[9]; DR REGIO, 2019)[10].

The European Green Deal Strategy[11] highlights the need for the society to change towards more sustainable and green behaviours and to recognise the environmental challenges. However, only 43% of inhabitants in Latvia and 54% of inhabitants in Lithuania have taken personal action to fight climate change, which is below the EU average of 60% (Eurostat, 2019)[12]. In order to stimulate the transition and achieve the ambitious sustainability and green goals, it is necessary to put efforts toward educating the society on environmental values, sustainable principles and develop common new framings how people interact and depend upon the environment.

Exchange of information, mutual learning, assessment of current status of natural systems, estimation of ecosystem services and values, and transfer of best practices in management, and protection of the natural capital (e.g. green areas, biodiversity, ecosystems that are benefiting the humanity) are particularly important, since the Programme area is rich with ecosystem services and has abundant biodiversity. However, there are also processes mostly related to intensive economic activities that are over exploiting natural capital thus endangering surface water quality, soil fertility and biodiversity in the Programme area. Both countries risk losing these ecosystem services and biodiversity that form an important part of common regional identity. Negative impacts of climate change on weather conditions and incautious economic activities also increase the risks of potential disasters. There is an unused potential for joint activities related to the protection of nature, management of ecosystem services, preservation of biodiversity and joint disaster management.

#### Previous experience of projects implemented

The Programme 2014 – 2020 support was allocated for the promotion of sustainable and clean environment, of the water resource sustainability, the green transformation and risk resilience towards floods and other disasters. This focus creates preconditions for further cooperation in order to capitalise results achieved and increasing efforts to achieve wider impacts towards sustainability and nature protection.

There have been some pioneering projects trying to elaborate common strategies to combat pollution in the transboundary river basins (e.g. Venta and Lielupe) and to reduce the resulting pollution flow into the Baltic Sea. The anthropogenic pollution has not been tackled sufficiently in common transboundary river basins, the cross-border efforts should be devoted to the research of feasible, viable and sustainable solutions, development of action plans and engagement of various actors (policy making bodies, industry,

society and environmental practitioners) to combat causes of pollution.

There were pilots to set up common methodologies for monitoring of appropriate ecological water flows in the common river basins that have been impacted by the hydropower production and thus negatively affects the biotic composition and the ecosystem. This knowledge can be further used for development of holistic framework for common management of ecologically appropriate water flows in all transboundary river basins and rising awareness of these issues.

Attempts were made to improve the development planning capacity of local/ regional development planners and environmental practitioners in relation to integrated management of lowland rivers at local and regional scale. This forms a good network and framework for further capacity building and development of a common framework for integrated transboundary management and development of other green areas.

One of the projects focused on the preservation of old traditions of horticultural plant cultivars and their products as an important natural heritage of the Programme area. This demonstrated great experience of possibilities to combine nature preservation activities with a sustainable agro-tourism development.

In the Programme 2014-2020 the capacity of the State Fire and Rescue Services of both countries has been improved to be able to combat man - made disasters, incidents and pollution in the high-risk sites (such as the Ignalina nuclear power plant) having negative impact on the common transboundary territory.

Jelgava and Siauliai cities have joined efforts to develop a capacity and a common system for detecting potential risks of environmental or man - made disasters, pollution prevention and mitigation. This project covered just two cities but has a huge further potential to exploit this knowledge on a wider geographical scale across the common border in the fields of environmental and civil protection, the prevention against environmental and man - made negative impacts and disasters.

#### Main joint challenges related to climate change and nature preservation:

- Unsatisfactory condition of common cross-border water bodies and coastal waters due to nutrient and chemical pollution;
- Increasing risks of extreme weather, flood, drought, forest-fire, coastal erosion and spread of invasive alien species and diseases due to climate change;
- Loss of biodiversity and decline in the quality of the ecosystem services due to the pollution and the effects of climate change;
- Lack of common approach for protecting biodiversity, safeguarding ecosystem services and adapting to climate change;
- Insufficient awareness among society regarding climate change and pro-environmental behavior, meaning, how humanity can interact and depend upon the environment in a positive manner;
- Increased pressure on the natural capital, ecosystem services and biodiversity due to environmental pollution and climate change.

*The Programme will address the defined joint challenges through the Programme priority 2, which corresponds to the PO 2: SO (iv) and SO (vii).*

## Joint investments needs and focus of cross border cooperation

From the environmental ecosystem perspective, the Programme area is relatively homogeneous where environmental and climate change challenges that adversely affect the environment and nature have negative effects not only on particular settlements or regions, but usually have a significant impact on the larger cross-border territory. The cross-border cooperation will allow for establishment of networks and wider analytical capacity to ensure a holistic and systems-based view on environmental impacts and climate change risks, develop new common frameworks for smart and sustainable management, perform studies of species ecology, threats and pressures, identification and estimation of ecosystem services and values, preservation and restoration of the natural capital in order to strengthen the overall resilience of the Programme cross-border area. Cross border cooperation would provide contribution towards integration of environmental protection, climate change adaptation and sustainable development through joint planning and new knowledge development for the maintenance of habitat structures of the environmental ecosystem. Programme area shares the Baltic Sea coastline and coastal waters as well as four river basin areas, which highlights the need for promoting joint solutions for sustainable water management. The common river basins face pollution problems caused by humans and various industries, that cause negative effects on the ecosystem and biodiversity in the Programme area. Covered regions cannot apply just single solutions as in such way they just treat part of the consequences of the pollution. Instead joining forces and capacities are necessary to develop new frameworks and approaches to eliminate or reduce the causes of pollution and set-up appropriate and unified pollution monitoring systems. Also, cross-border cooperation has high potential to improve joint management of natural capital (e.g. lakes, river basins, fish stock) and protected areas (e.g. nature parks), as well as improve the overall restoration and management of bogs, fens, mires and other wetlands habitats. Common efforts on both sides of the border are needed to enhance the improvement of green areas, the development of green infrastructure and nature based solutions, thus safeguarding of ecosystem services, protecting nature and adapting to climate change.

### **Social inclusion**

Before the COVID-19 crisis, the overall economic situation in the Programme area demonstrated growth, and the employment level increased during 2015-2019. However, it still remained lower than the national average (in Latgale (Latvia) the employment level was 64.0% compared to 72.3% national average; in Panevėžys and Utena counties (Lithuania) it was 63.4% and 63.5% respectively, compared to 71.7% national average). Consequently, the unemployment level decreased during 2015 – 2019, and reached 6.5% in Latvia and 6.3% in Lithuania. However, in Latgale (Latvia), Utena, Panevėžys and Šiauliai counties (Lithuania) the unemployment level remained higher than the national average (11% in Latgale, 10.6% in Utena County, 8.5% in Panevėžys County and 8.1% in Šiauliai County). It can be observed that unemployment is higher in the Latvian part of the Programme area.

With regard to social exclusion, it is important to mention that long-term unemployment remains a significant problem - in Latgale it reached 6.5% and in Utena county it reached 6.8%. Also in Panevėžys County (3.8%), Šiauliai County (3.7%) and Telšiai County (3.1%) in Lithuania the long-term unemployment level is higher than the national average (2.7%).

The youth unemployment level is higher than the national average in all Programme's regions, except for Klaipėda County (10.7%), where the youth unemployment level is only slightly below the national average (11.9%).

These data clearly demonstrate the challenges that the Programme area is facing in terms of economic and social cohesion, particularly in the bordering regions. Thus, a significant share of inhabitants in both countries remain at risk of poverty, having low income in comparison to other residents. The at-risk-of-poverty rate in Latvia is 21.6% and in Lithuania 20.6% (2019)[13]. Regional data in Latvia show that the at-risk-of-poverty rate in Latgale (35.9%) and Kurzeme (27.9%) is higher than the national average

(21.6%), whereas in Zemgale it is slightly lower (20.7%). In Lithuania, the at-risk-of-poverty rate is much higher in rural areas (27.9%) than in the large cities Vilnius, Klaipėda, Šiauliai, Panevėžys (14.0%).

Moreover, the COVID-19 outbreak has created a negative impact on the employment situation. In Latvia, the unemployment level increased from 7.0% in February 2020 to 9.1% in March 2021; In Lithuania the unemployment level increased from 6.3% in February 2020 to 8.9% in March 2021. Despite the negative trends, it should be mentioned that since the end of summer 2020, Latvia has generally seen a declining trend in the registered unemployment rate, reaching the pre - pandemic level at the beginning of September 2021 (6.4% at the beginning of December 2021). The number of vacancies has increased. However, long-term unemployment and regional disparities in the field of unemployment are relevant, and the number/share of the unemployed of pre-retirement age and the unemployed with disabilities has increased. Vulnerable populations are doubly affected by the crisis. First, because they are often more at risk from a health standpoint. Second, because they are particularly hard hit by the economic crisis[14]. Furthermore, the strongest impact of COVID19 crisis is expected in the medium term, and COVID-19's second wave adds to the uncertainty. In this respect, local governments, which are closer to the population, play a crucial role in social protection of the most fragile groups, which are physically and economically more exposed to the pandemic[15].

It can be concluded that the global pandemic has reinforced longstanding challenges regarding equal access to economic opportunities. The current health crisis is particularly challenging vis-à-vis the global trend of aging society, since the elderly members of society are more vulnerable to the infection and more prone to develop long-term negative consequences. There is increased demographic burden on the working age population especially in rural communities. In Latvia in 2020 over 20% of the population is over retirement age with the highest ratio in Latgale (22.3%), Kurzeme (21.5%) regions and lowest in Zemgale region (19.9%). In Lithuania this ratio is similar. In Lithuania in 2020 19.9% of the population was over retirement age. In the Programme area this ratio fluctuates from 19.3% in Klaipėda, 20% in Telšiai to 21.4% in Šiauliai, 23.2% in Panevėžys and 24.6% in Utena counties.

The disparities between the capital cities and regions, as well as between urban areas and rural territories are increasing, creating territorial inequalities in terms of welfare, jobs, education, healthcare and other services. As a result, internal migration flows in Latvia and Lithuania move from the periphery to the capital city and its surroundings, whereas the external migration is oriented towards the old EU member states. Due to inequalities in wellbeing and in development opportunities, Programme regions are losing the working-age population and experiencing “brain drain” of qualified labour force. While there is a growing share of the silver economy and a quest to “live agelessly”, there is also growing demand for health and social services. Availability of social services is still suboptimal vis-à-vis increasing demand, and social service providers lack of human resources, especially community based social services[16], despite previous efforts made. Also, the adult participation in learning remains lower than in the EU on average (10.8%); in Latvia 7.4% of adults and in Lithuania 7.0% of adults participated in lifelong learning in 2019[17], which enforces the long-term problems regarding availability of qualified work-force in the fast changing economic realm, especially given the transition to digitalisation underway. The challenges are not evenly distributed, since there are differences in development potentials, opportunities and constraints, especially at the border areas, that are economically, socially and demographically extremely vulnerable.

#### Previous experience of projects implemented

The Programme 2014 – 2020 has supported several projects in this area in order to reduce social exclusion of various target groups, e.g. to develop elderly care services and availability of services for people with special needs; to provide help for disabled children suffering from social deprivation/inferiority/disadvantage and develop their social skills, and improve their quality of life; to develop interactive educational space for social integration of children from disadvantaged families, who do not have access to IT at home; to help youth at risk – young people from socially deprived families,

early school dropouts, youngsters with addictions or criminal records; to combat social exclusion of people with disabilities, at risk children, youth and elderly people, etc. Project participants confirmed that all services designed and delivered under the projects are highly demanded by the beneficiaries, as there are no alternatives in place, hence the projects fill in gaps in the current system and help to improve the overall social inclusion of the vulnerable groups.

Despite the efforts made, the needs in the sector remain very topical and services are under-developed in many communities. Also, there is a need to respond to the new challenges prompted by the COVID-19 crisis in a timely and proactive manner to keep society as resilient as possible and offset the negative effects.

#### Main joint challenges related to social inclusion:

- Insufficiently developed, adapted and accessible social services (including, for elderly facing disabilities, social deprivation and disadvantages), particularly in the least developed, distant border areas of the Programme territory, particularly in regard to the disadvantaged groups that are not covered by the services developed and provided within the framework of the deinstitutionalisation strategies;
- The need of further development and improvement of solutions for integration of disadvantaged social groups (including, youth and long-term unemployed) into the labour market, that are worsened by the COVID-19 crisis;
- Lack of capacity and know-how of organisations involved in provision of social services to develop more efficient and proactive services;
- Lack of awareness and existing stereotypes about the disadvantaged social groups and their possibility to integrate into society.

*The Programme will address the defined joint challenges through the Programme priority 3, which corresponds to the PO4, SO (iii).*

#### Joint investments needs and focus of cross border cooperation

In this context the Programme may provide relevant, albeit, indirect support to address these global challenges and help the Programme area transform into resourceful, resilient, collaborative and inclusive communities. Accessibility and availability of social services, building on internal resources of the communities, are crucial factors to diminish social vulnerability of certain social groups, who risk economic and social exclusion. Such ambitious goals can be attained by relevant policy instruments at the national level, but the Programme can contribute towards these aims by enabling initiatives that advocate for social inclusion and integration of these groups, develop new services and instruments, pilot and test new solutions, while also building capacities of all involved stakeholders. The Programme efforts should be focused to help reverse the depopulation of the Programme regions, and to improve conditions of people living there. Hence, it is proposed to focus on 1) youth, incl., unemployed, socially vulnerable, economically deprived and geographically restricted youth, to improve their social cohesion and social mobility; 2) persons with disabilities, who suffer from social deprivation, inferiority and disadvantages; 3) pre-retirement and post-retirement population, given the high percentage of such population and the overall demographic trend of aging society in Programme area. Programme intervention would be particularly relevant in the areas where services are not available/ are sub-optimal due to the low population density, socio-economic situation and geographical distances from the economical centres (e.g., mobile services, hybrid forms of services, where support is available online / in person / on the

phone, etc.).

Implementation of a cross-border cooperation approach that could lead to cross-border spillovers, hybridisation and the invention of new ways of doing and thinking in order to lead to development of innovative practices and workable arrangements that combine or reinterpret some aspects from the national systems. These innovations could involve new forms of support (see above), different administrative set-up (e.g., cooperation between public, NGO and private sector), different approaches for involvement of the target groups in design and implementation of services.

In this context new and improved solutions should be explored, involving a broad spectrum of stakeholders. E.g., social enterprises may be considered as instruments to address this need, among others. Still importance of collaboration and networking between local and regional authorities, local action groups and other societal incentives for promotion of social entrepreneurship is not sufficiently recognized, and there is comparatively low number (52 in 2019[18]) of the social enterprises in the Programme area. These and similar initiatives can provide added value within the least developed, distant border areas of the Programme territory, that face difficulties to ensure access to services e.g., social entrepreneurship could be a valuable instrument to help pre-retirement and post-retirement population join the silver economy - while economic activity is an important factor to reduce the risk of poverty, it can also significantly contribute towards social inclusion of those involved, since activity increases social, human and financial capital of participants. In this respect the stakeholders of the social entrepreneurship eco-system may develop common solutions to fulfil this gap on both sides of the border[19], along with other stakeholders from the public and private sector. Long present socio-economic problems and newly emerging challenges that are related to COVID-19 impact, require mutual learning and sharing of experiences thus helping to define the most efficient and sustainable solutions to address social inclusion in Programme territory.

## **Tourism**

Both Latvia and Lithuania have inherited rich natural and cultural resources that define their unique identity within the global landscape. The Programme's area comprises pristine nature, seaside, architecture, gastronomy, ancient crafts, expression of contemporary culture and presence of different religions. It includes two UNESCO World Heritage Sites: Struve Geodetic Arc's points in Jekabpils (Zemgale) and in Gireišiai (Panevėžys County) and Curonian Spit cultural landscape (Klaipeda County). Latvia's tentative list of UNESCO World Heritage sites include nature park "Daugavas loki" in Latgale. Also, Grobiņa archaeological ensemble and Kuldīga (both Kurzeme) have recently been included in the tentative list.

In addition to the tangible heritage, there is unique intangible heritage: Baltic song and dance celebrations, Sutartinės, Lithuanian multipart songs from north-east Lithuania, and cross-crafting, a widespread tradition of making crosses and altars, as well as the consecration of these crosses and the rituals associated with them in Lithuania, are included in the UNESCO Representative List of Intangible Cultural Heritage of Humanity. Suiti cultural space (Kurzeme) is acknowledged by UNESCO as intangible cultural heritage in need of urgent safeguarding.

Several of countries' most popular tourism destinations are located within the Programme area: the coastline of the Baltic Sea, Ventspils, Liepāja and Daugavpils cities, nature park "Daugavas loki" in Latgale and Rundale palace in Zemgale; in Lithuania - Neringa, and Palanga resorts, Aukštaitija National Park, Anykščiai town, Kretinga town and Kėdainiai city. These nature and culture heritage sites are located within a relatively close proximity, but they provide diverse experience, and could serve for development of sustainable tourism in the area.

Tourism has played an increasing role in economies of the Programme area. Thus, in 2019, the contribution of travel and tourism to national GDP was 7.6% in Latvia and 5.5% in Lithuania. In terms of

employment, travel and tourism accounted for 8.3% of employment in Latvia and 5.8% of employment in Lithuania (World Travel & Tourism Council, 2020). In 2019, 533 thousand foreign tourists visited the Programme area. Almost half of the foreign tourists that visited the Programme area went to Klaipėda County (46%). Kurzeme welcomed 18% of tourists, Šiauliai County 11% of tourists and Latgale 9% of tourists that arrived in the Programme area.

Each tourist spent on average 2.0 nights in hotels and other tourist accommodation establishments. The total number of nights spent in hotels and other tourist accommodation establishments reached 1.1 million. It should be noted that from 2015 to 2019, the number of nights spent in tourist accommodations has increased in the Programme area by 34%. The increase was higher in Latvia (59%) than in Lithuania (26%). These data also reflect the efforts made by several instruments and players, inter alia, the previous Latvia-Lithuania cross border cooperation programmes, that have historically supported tourism development in the area. However, there remain challenges to position the Programme area as an attractive destination vis-à-vis the international tourists. Also, the tourist flow is affected by seasonal imbalance, and there remains a challenge to attract the visitors during off-season and to increase the length of stay (2.1 nights per foreign tourist before COVID-19 crisis).

The Programme area is relatively close to the larger cities, in particular, Riga or Vilnius, and often tourists prefer to visit the Programme area for one – day trip or even just visit one tourism site or destination. Afterwards they return back to the larger city with a wider choice of tourism services and attractions. For example, in Šiauliai County in 2018 there were more than 415 thousand visitors, but from them only 101 thousand stayed overnight. Also, tourists prefer travel destinations located around the major transport routes (e.g. Via Baltica). Although there are tourism related services and facilities available outside the catchment area of the major transport routes in the Programme area, they are less promoted and accordingly less visited by tourists - these rural areas remain less demanded by tourists and more vulnerable. Major part of tourists are not sufficiently motivated and informed to make turns in their travel routes through such smaller roads and least demanded local rural areas.

Also, despite rich heritage and resources, tourism services, particularly interactive services, are not sufficiently developed. Tourists, similar to society in general, become more ICT oriented and use different IT solutions. Various studies[20],[21],[22], stress the great potential of use of IT solutions in creating new attractions for tourists or creating new modern solutions for promoting local tourism attractions to motivate the tourists to stay for more days within the Programme area. Interactive, audio, video and 3D solutions that present information about tourism destinations, objects, sites and attractions of cultural and historical heritage may widen the interactive content with new tourism offers, cover larger geographical areas and ensure better accessibility to tourism objects for persons with disabilities. IT solutions enable possibilities to update intangible tourism offer regularly in such allowing to attract returning or “repeat” tourists and offer new tourists experience[23].

Furthermore, the immediate effects of COVID-19 crisis on the tourism sector are dramatic, and the long-term effects are still unknown. Accommodation, entertainment and recreation are among the economic activities most affected. In Latvia, the number of foreign tourists decreased by 63% and in Lithuania by 73%[24] in 2020 compared to 2019. There is a need for support to strengthen local tourism service providers, promote joint tourism offers and attract foreign tourists in order to stabilise the tourism sector after COVID-19 outbreak.

Moreover, the COVID-19 also can be considered as an opportunity to reflect, reinterpret and reset the industry to create a healthier, more sustainable approach. E.g., during the COVID-19 outbreak the demand has increased for natural recreational possibilities, incl., tourism paths, roads, and tracks within ecologically significant and specially protected natural areas. Nature territories, including protected areas and nature parks, can also contribute to addressing health challenges, incl., mental health. They have already been recognized as “preventative health care centres” and “health hubs” for reducing stress and maintaining everyday well-being, as well as by providing spaces for effective treatment and rehabilitation. An increasing number of health-related activities are taking place in these areas[25].

The current crisis has also brought more recognition and appreciation for sustainable way of living and working. There is an increasing recognition of quality over quantity, and demand for more inclusive economic systems and activities, which serve people and the planet. Achievement of these ambitions is a long journey – one that involves all stakeholders. In this respect the Programme can provide space for evaluation of practices, advocate for change of consumers' behavior, social perceptions, and provide instruments for designing sustainable solutions that serve the national economies, local stakeholders and communities. It is essential that the industry and stakeholders do not just focus on the existing needs of tourists, but rather on the development of tourism destinations, assuming sustainability principles and preserving available natural capital, landscapes and biotopes[26]. Value creation and knowledge development in tourism are considered key challenges that would provide economic value, while also creating value for society. The tourism industry shall consider new development transition assuming the principles of the sustainable and circular business models, which would allow the sector to remain competitive, resilient, and environmentally, socially and economically sustainable. This requires also specific actions aiming at green and digital reskilling and upskilling needed to ensure resilient and sustainable jobs in the tourism sector.

UNESCO has declared 2021 as the International Year of Creative Economy for Sustainable Development, to highlight the power of creativity for resilience in a time of pandemic and to share best practices and experiences, enhance human resource capacity, promote an enabling environment at all levels as well as tackle the challenges of creative economy. In this respect, creative industries should also be considered as important stakeholders within the wider map of the tourism sector and could help it become more resilient in the face of potential future crises.

The industry needs to be revitalized and revived following the crisis, in order to continue providing input to the national economies and livelihood to local stakeholders and communities, helping the tourism sector become an integral part of the sustainable development of the local economy.

#### Previous experience of projects implemented

Various tourism sector stakeholders have previous cooperation links established within the Programme 2014 – 2020 which is considered as a benefit. Several important tourism projects were implemented, some of which focused on the development and promotion of the sustainable tourism offer (e.g. UniGreen, Learn Eco Travel, Hiking project). In turn, some of the projects focused on exploiting the potential of historical and cultural heritage in tourism, creating new tourism offers and promoting tourism destinations more widely (e.g. CIRCUIT, 4SeasonsParks, SunRoute). Some projects have successfully combined cultural and historical values, creating a basis for further traditions and regular touristic events with an international resonance (e.g. Balt's Roud).

#### Main joint challenges related to tourism:

- Low competitiveness and added value, and insufficient positioning of cross-border tourism offer and infrastructure;
- Lack of joint efforts to promote the Programme region as an attractive tourism destination and, particularly, weak recognition of the Programme region within international tourism arena;
- Insufficient cooperation and connection links with international tourism networks and transport modes of travelers, in particular in Baltic Sea Region and Northern Europe;
- Insufficient use of nature and cultural heritage for development of sustainable tourism to increase the livelihood of local communities;

- Lack of knowledge and experience in adoption of principles of sustainable and circular business models leading to the resilient, and environmentally, socially and economically sustainable transition within the tourism sector;
- Local communities and stakeholders (e.g., craftsmen, artisans, rural producers, etc.) not sufficiently equipped and involved in development and provision of tourism services, especially, using modern and interactive technologies.

*The Programme will address the defined joint challenges through the Programme priority 4, which corresponds to the PO 4, SO (vi).*

#### Joint investments needs and focus of cross border cooperation

The Programme shall stimulate initiatives that create common cooperation models, development and promotion of common tourism products. The cross-border projects may position tourism destinations and products to specific (niche) groups of travellers and tourists, for instance, sports tourists, creative tourism, “history-experience catchers”, “culinary-experience travelers”, groups of seniors, families with small children, etc. Such specific positioning of tourism destinations and tourism offer will allow for more precise reach-out of specific groups of travelers. Also, this allows for development and promotion of specific tourism offers appropriate for each season, thus decreasing the negative effects of seasonality in the tourism sector.

The cross-border cooperation shall enable creation of longer and more diverse tourism routes and destinations, that encourage people to stay longer (with overnights for at least 2 days) in the Programme area, thus increasing regional economic potential from the tourism and other related business sectors. Since different tourism and heritage objects within the Programme area are not sufficiently integrated (e.g., in one route or network, in a joint tourism package or offer), the tourists within the Programme area visit only one or few, the most popular tourism destinations, instead of travelling through well planned and promoted tourism routes that are equipped with the necessary catering, accommodation and other tourism services. New offers need to be developed that look beyond the traditional and overexploited objects, in order to include new, small scale operators and communities that can offer unique and tailored experiences. In this respect solutions have to be found jointly, for instance developing and promoting attractive joint tourism service packages that motivate tourists to experience new tourism opportunities and destinations in less demanded and vulnerable local rural areas.

Creating joint tourism routes and other tourism facilities that are unusual, attractive and interactive may change the behavior of tourists and motivate them to prefer longer tourism travels through cross border tourism routes with more than one day stays in the Programme area. By working together on both sides of the border the projects would be able to create more demanded and competitive tourism services in comparison to larger cities.

It is expected that such projects could have a multiplicative effect on the local economy, since they could encourage tourists to spend on products and services of other related business industries (e.g., creative industries) and, therefore, accumulate and capture value of local entrepreneurs in the Programme region.

#### **Complementarity and synergies with other support**

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 will contribute to the implementation of strategic documents of the European Union, Latvia and Lithuania. The Programme will support the delivery of the EU Strategy for the Baltic Sea Region.

The Programme will contribute to the implementation of national strategies: 1) in Latvia – National Development Plan for 2021-2027, Latvia’s Sustainable Development Strategy until 2030 “Latvia 2030” and regional strategies; 2) in Lithuania – National Progress Program 2021-2030, National Progress Strategy “Lithuania 2030” and regional strategies.

In both countries the Programme is complementary to the mainstream programmes of EU cohesion policy funds and other EU funding, such as the European Maritime, Fisheries and Aquaculture Fund, Horizon Europe, LIFE, EU Civil Protection Mechanism, etc., but the Programme has a specific emphasis on the added value of the cross-border cooperation. Thus, it has the potential to support unique local or regional joint initiatives that address common challenges in both countries. The Programme will have synergies with other Interreg programmes in the area ensuring wider scale of cross-border and transnational cooperation initiatives and solutions, in particular:

- Interreg VI-B BALTIC SEA programme;
- Interreg Central Baltic programme;
- Interreg VI-A NEXT Lithuania-Russia programme and Latvia – Russia programme and other cooperation programmes with neighboring countries and
- Interreg VI-A Poland-Denmark-Germany-Lithuania-Sweden (South Baltic);
- Interreg VI-A Lithuania – Poland;
- Interreg VI-A Estonia – Latvia;
- Interreg Europe programme;
- INTERACT IV programme.

Coordination among various instruments will be ensured by the responsible National Authorities –mainly through national sub-committees of both participating countries, as there is a high potential to identify complementarities and create synergies of results.

The horizontal principles (the Charter of Fundamental Rights of the European Union, gender equality, non-discrimination and accessibility as well as sustainable development, are considered core values for all involved Programme stakeholders, including project partners. Sustainable development will be taken into account in Programme implementation, as well as during the selection and implementation of projects by using (when relevant) Green Public Procurement, nature-based solutions, lifecycle costing criteria, standards going beyond regulatory requirements, avoiding negative environmental impacts, climate proofing and ‘energy efficiency first principle’ etc. The objective is to ensure that all Programme activities are socially, ecologically, culturally, and economically sustainable. The impact on the environment, climate and human wellbeing should be positive.

The Programme contributes to mainstreaming the biodiversity objectives of the European Union with a planned contribution to biodiversity objectives representing 27% of its ERDF allocation, and with regard to climate the Programme includes a planned contribution to support climate objectives representing 30% of its ERDF allocation (based on related methodology).

Guaranteeing equal opportunities and preventing discrimination are important principles in all Programme

stages. No-one should be discriminated based on sex, racial or ethnic origin, religion or belief, disability, age, or sexual orientation. Instead, Programme and project activities should, where possible, increase the possibilities of all groups to participate in society.

In addition to the general principle of non-discrimination the Programme will pay attention to gender equality. An assessment of the relevance of measures to promote gender equality and their impact on the achievement of the objectives set out in the Programme will be made. This principle will be considered for all projects and priorities. Gender equality will also be considered in Programme implementation, for example when recruiting staff and in all personnel policy.

Projects will need to reflect in the application form whether they are neutral or have a positive contribution to these principles and this information will be considered when the applications for funding are assessed. Projects with a negative impact on any of these principles will not be funded. The respect of these principles will be followed up during the monitoring of project implementation and also assessed during Programme's evaluations. It is expected that the projects will foster a positive contribution to these horizontal principles.

The Programme mainly will contribute to the implementation of the UN Sustainable Development Goals such as "No poverty", "Clean water and sanitation", "Decent work and economic growth", "Reduced inequalities", "Sustainable cities and communities", "Responsible consumption and production", "Climate action", "Life below water", "Peace, justice and strong institutions", "Life on Land", "Partnerships for the goals" and "Good health and well-being".

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

Reference: point (c) of Article 17(3)

Table 1

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
<p>2. A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility</p>	<p>RSO2.4. Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system based approaches</p>	<p>2. Priority 2 Green, resilient and sustainable development</p>	<p>The needs and problems to be tackled that lead to the selection of the PO2/ SO(iv) are summarized below: ● The effects of climate change in the Programme area include extreme weather risks, fluvial and coastal flooding risks and forest fire risks. Climate change also leads to coastal erosion, caused by rising sea level and increased storminess, and the spread of invasive alien species and diseases. ● There is a need for closer cooperation, mutual learning and transfer of good practices regarding the adaptation to climate change and the prevention of disaster risks. ● Joint monitoring activities may enhance knowledge of climate impacts and facilitate a holistic and systems-based approach to climate change adaptation in the cross-border area. ● Cooperation among emergency services should be strengthened to build disaster resilience. Cross-border cooperation is necessary for establishment of joint networks and common analytical capacity to ensure a holistic and systems-based view to treat common environmental and climate change risks, disasters and their negative impacts. The Programme will provide the support to beneficiaries in the form of grants.</p>
<p>2. A greener, low-carbon transitioning towards a net zero carbon economy and</p>	<p>RSO2.7. Enhancing protection and preservation of nature, biodiversity</p>	<p>2. Priority 2 Green, resilient</p>	<p>The needs and problems to be tackled that lead to the selection of the PO2/ SO (vii) are summarized</p>

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation risk prevention and management, and sustainable urban mobility	and green infrastructure, including in urban areas, and reducing all forms of pollution	and sustainable development	below: <ul style="list-style-type: none"> <li>• The Programme area is rich with the natural capital and a rich biodiversity. However, pollution is causing a loss of biodiversity and decline in the quality of the ecosystems. Sustainable management (including protection, preservation and restoration) of the available natural capital is hampered by a lack of joint management solutions. There is a need to more effectively reduce negative impacts on ecosystems, develop joint solutions for reduction of pollution in shared water bodies, cross-border natural sites and protected areas, mutually learn, transfer best practices and exchange of information.</li> <li>• Cross-border cooperation has high potential to improve joint sustainable management of natural capital (e.g. lakes, river basins, fish stock) and protected areas, safeguarding of ecosystems, conservation and management of biodiversity. The cooperation to address environmental risks and for planning, development and management of related green infrastructure and nature-based solutions should be strengthened.</li> <li>• Development and improvement of existing (green) small scale infrastructure would make the Programme area more attractive for residents, visitors, recreation and entrepreneurship purposes. Cross-border cooperation is necessary for establishment of joint networks and common analytical capacity to ensure joint approaches and solutions in order to preserve common and cross-border natural, environmental resources and green areas. The Programme will provide the support to beneficiaries in the form of grants.</li> </ul>
4. A more social and inclusive Europe	RSO4.3. Promoting the	3. Priority 3 Fair	The needs and problems to be tackled that lead to

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
implementing the European Pillar of Social Rights	socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups, including people with special needs, through integrated actions, including housing and social services	and inclusive society	the selection of the PO4/ SO (iii) are summarized below: ● The Programme region faces challenges related to depopulation, aging society, higher than national average unemployment and poverty level, - these processes are particularly topical in rural, remote and border areas. Thus, communities in these areas have less access to social, health and education services. ● The COVID-19 crisis has triggered new, emerging needs, particularly, for youth and pre-retirement and post-retirement population. Service providers and public authorities operate with limited resources, and lack capacity and know-how to develop more efficient, accessible and diverse services. ● Programme can help to address these challenges and support initiatives, that can lead to cross-border spillovers, hybridisation and the invention of new ways of doing and thinking in order to lead to development of innovative practices and workable arrangements that combine or reinterpret some aspects from the national systems. As a result, more efficient and diverse social services could be developed that are relevant to remote areas. Cross-border cooperation is necessary for establishment common capacity and expertise to develop joint approaches and cross-border innovative and workable solutions relevant to particular disadvantages groups in remote areas, and also, for the cross-border initiatives that facilitate the development of the social entrepreneurship within the Programme area. The Programme will provide the support to beneficiaries in the form of grants.
4. A more social and inclusive Europe	RSO4.6. Enhancing the role of culture	4. Priority 4	The needs and problems to be tackled that lead to

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
implementing the European Pillar of Social Rights	and sustainable tourism in economic development, social inclusion and social innovation	Economic potential of tourism and heritage	<p>the selection of the PO4/ SO (vi) are summarized below:</p> <ul style="list-style-type: none"> <li>• The diverse natural and cultural heritage in the Programme area offers good preconditions for the development of tourism, promotion of economic activity and creation of jobs.</li> <li>• Until the Covid-19 pandemic, the number of tourists was increasing in the Programme area. However, the number of nights spent in the Programme area remains rather low. New cross-border tourism offers need to be developed that look beyond the traditional and overexploited objects and offer unique and tailored experiences based on the local cultural and natural heritage and provided by the local communities.</li> <li>• Development of new sustainable tourism products, creation of integrated cross-border tourism offers and joint marketing activities has high potential to raise the competitive advantage of tourism in the Programme area and facilitate the recovery from the COVID-19 crisis. Innovative solutions should be developed by using IT.</li> <li>• There is a high potential to protect nature by preserving and improving access to valuable nature objects, green and protected areas in environmentally friendly ways via cycling infrastructure, educational (study) and walking paths. Focus shall be upon sustainable solutions minimizing the negative environmental impact of visitors in these sites and promotion of the adoption of principles of the sustainable and circular business models, which would allow the sector to remain competitive, resilient, and environmentally, socially and economically sustainable. The Programme will provide the support to beneficiaries in the form of grants.</li> </ul>

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
6. Interreg: A better Cooperation Governance	ISO6.6. Other actions to support better cooperation governance (all strands)	1. Priority 1 Capacity building and people-to-people cooperation	<p>The needs and problems to be tackled that lead to the selection of this ISO are summarized below:</p> <ul style="list-style-type: none"> <li>• Regional and local institutions and actors on both sides of the border encounter similar challenges caused by changes in population structure, ageing, population flows from rural areas to larger centres, and decreasing population especially in rural and remote areas. These processes create a pressure on authorities to maintain quality and accessibility of public services.</li> <li>• Acknowledgement of joint challenges and necessity to improve the capacity of public institutions, provide common ground for cooperation of public institutions and entities at local and regional level, in rural areas and cities.</li> <li>• New territorial and thematic settings for local and regional authorities in the Programme area pose new challenges and require additional administrative capacity that can be addressed via cross border cooperation.</li> <li>• Insufficient capacity and cooperation among local and regional institutions were indicated among the most important challenges by the stakeholders participating in the survey (2020) .</li> <li>• More active involvement of society in decision making at the local level is required in order to increase trust. Therefore, good practices of society involvement and multilevel governance may be shared and disseminated across the border.</li> <li>• Programme area unites different ethnic groups with their traditions that have created a unique socio-cultural area with specific values. Preservation of these values, their contextualization, translation in new applications and sharing with wider audiences via people-to-</li> </ul>

Selected policy objective or selected Interreg specific objective	Selected specific objective	Priority	Justification for selection
			<p>people collaboration provides the most prominent networking potential between individuals and communities in the Programme area. Cross-border cooperation is necessary for establishment of joint networks and common analytical capacity to ensure a holistic and systems-based treatment of common demographic and socio-economic challenges, maintaining accessibility of qualitative public services and preserving unique socio-cultural environment and active citizenship by people-to-people activities, especially in remote areas. The Programme will provide the support to beneficiaries in the form of grants.</p>

## 2. Priorities

Reference: points (d) and (e) of Article 17(3)

### 2.1. Priority: 1 - Priority 1 Capacity building and people-to-people cooperation

Reference: point (d) of Article 17(3)

#### 2.1.1. Specific objective: ISO6.6. Other actions to support better cooperation governance (all strands)

Reference: point (e) of Article 17(3)

#### Priority 1. Capacity building and people-to-people cooperation

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

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Activities implemented by projects will contribute to this specific objective by helping local and regional authorities to use cooperation and share best practices for finding solutions how to solve similar problems when reacting to challenges caused by changes of population structure, regional disparities, global climate changes, environmental effects, new territorial and thematic settings for local and regional authorities in the Programme area. Activities aiming to enhance the involvement of society in decision making at the local level will increase the trust of the society in public authorities.

Indicative activities for support:

- Efficient joint solutions and pilot actions for development/improvement of public services in the field of public administration, education, healthy lifestyle;
- People-to-people actions and involvement of society in the field of healthy lifestyle, education, cultural heritage promotion;
- Capacity building, transfer of good practices and development of necessary competences of local and regional authorities.

The list of indicative activities provided above is not in order of priority. Any project should use a suitable mix of activities based on the project topic. The chosen mix of activities must be relevant for achieving the contribution to both the project and Programme results. 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.

It is expected that in the result of activities implemented by projects would be improved the capacity of public institutions and entities at local and regional level, in rural areas and cities, as well as mechanisms for cooperation among them would be developed. Cross-border interaction among people and communities working in various fields on both sides of the border would be enhanced, thus contributing to better understanding between the inhabitants of both countries.

Potential partners: national, regional, local public authorities, public equivalent bodies and NGO's.

There will be no specific activities foreseen, but the Programme promotes the New European Bauhaus.

The types of actions have been assessed as compatible with the DNSH (Do no significant harm) principle, since they are not expected to have any significant negative environmental impact due to their nature.

It is foreseen that this Programme specific objective will contribute to the actions of several EUSBSR Policy Area “Health”, “Culture” and “Secure”.

It is expected that activities implemented under this priority will contribute to the implementation of the UN Sustainable Development Goals “Peace, justice and strong institutions”, “Decent work and economic growth”, “Partnerships for the goals” and “Good health and well-being”.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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### 2.1.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
1	ISO6.6	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	8	16
1	ISO6.6	RCO87	Organisations cooperating across borders	organisations	36	72

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
1	ISO6.6	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	11.00	Joint electronic monitoring system	
1	ISO6.6	RCR84	Organisations cooperating across borders after project completion	organisations	0.00	2021	50.00	Joint electronic monitoring system	

### 2.1.1.3. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Project partners, regional and local authorities, municipalities, educational institutions, foundations, NGOs, local inhabitants, citizens, SME's etc.

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

Reference: Article point (e)(iv) of 17(3)

The Programme will not use ITI, CLLD or other territorial tools. The Programme priorities are not targeting any specific territory in the Programme area.

#### 2.1.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The Programme is not planning to use financial instruments.

The Programme will provide the support to beneficiaries in the form of grants. The nature and relatively small scale of the operations does not really allow the efficient deployment of financial instruments. The grants under each priority of the Programme was designed to effectively achieve the Programme results using the available resources and taking into account planned types of actions, beneficiaries as well as the implementation experience of the previous Programme.

2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 - Dimension 1 – intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
1	ISO6.6	ERDF	171. Enhancing cooperation with partners both within and outside the Member State	4,674,981.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
1	ISO6.6	ERDF	01. Grant	4,674,981.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
1	ISO6.6	ERDF	33. Other approaches - No territorial targeting	4,674,981.00

## 2.1. Priority: 2 - Priority 2 Green, resilient and sustainable development

Reference: point (d) of Article 17(3)

2.1.1. Specific objective: RSO2.4. Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system based approaches

Reference: point (e) of Article 17(3)

SO 4: Promoting climate change adaptation and risk prevention and resilience, taking into account eco-system based approaches;

Priority 2: Green, resilient and sustainable development

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

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Activities implemented by projects will contribute to this specific objective by enhancing knowledge of climate impacts and facilitating a holistic and systems-based approach to climate change adaptation in the cross-border area, as well as by mutual learning and transfer of good practices regarding the prevention of disaster risks.

Indicative activities for support:

- Activities related to the joint management solutions of cross-border natural sites promoting climate change adaptation and disaster risk prevention, resilience, taking into account eco-system based approaches and addressing the following climate change risks – extreme weather risks, drought risks, fluvial and coastal flooding risks, sand and sediment accumulation, forest fire risks, coastal erosion and the spread of invasive alien species and diseases;
- Activities related to flood protection and prevention infrastructure (nature-based solutions, including flood plains, ecosystem restoration, afforestation, natural water retention measures and other green (or blue) infrastructure measures that have a direct benefit for climate change adaptation and risk prevention);
- Joint monitoring activities to enhance the knowledge of climate impacts and facilitate a holistic and systems-based approach to climate change adaptation;
- Cooperation among emergency services to build disaster resilience;
- Training, exchange of experience, practical assessments, etc., to support capacity building of organisations in the field of adaptation to climate change and disaster risk prevention, resilience, taking into account eco-system based approaches.

The list of indicative activities provided above is not in order of priority. Any project should use a suitable mix of activities based on the project topic. The chosen mix of activities must be relevant for achieving the contribution to both the project and Programme results. 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.

It is expected that in the result of activities implemented by projects would be enhanced knowledge of climate impacts, would be transferred good practices regarding the adaptation to climate change, as well

as would be strengthened cooperation among emergency services.

Potential partners: national, regional, local public authorities, public equivalent bodies, and NGOs.

There will be no specific activities foreseen, but the Programme promotes the New European Bauhaus.

The types of actions have been assessed as compatible with the DNSH principle, since they are not expected to have any significant negative environmental impact due to their nature.

It is foreseen that the specific objective will contribute to the Action 2 “Promoting a Health in All Policies approach with focus on the impact of environmental factors, and especially climate change on human health” of EUSBSR Policy Area “Health” and Action 1 “Build capacities for prevention, preparedness, response and recovery in emergency and crisis management” of the Policy Area “Secure”.

It is expected that activities implemented under this priority will contribute to the implementation of the UN Sustainable Development Goal “Climate action”.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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### 2.1.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
2	RSO2.4	RCO87	Organisations cooperating across borders	organisations	16	33
2	RSO2.4	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	4	8

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
2	RSO2.4	RCR84	Organisations cooperating across borders after project completion	organisations	0.00	2021	23.00	Joint electronic monitoring system	
2	RSO2.4	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	6.00	Joint electronic monitoring system	

### 2.1.1.3. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Project partners, municipalities, NGOs, state institutions, planning regions and other public bodies, universities, research and development institutions, general public (tourists, local inhabitants, SME's etc.).

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

Reference: Article point (e)(iv) of 17(3)

The Programme will not use ITI, CLLD or other territorial tools. The Programme priorities are not targeting any specific territory in the Programme area.

#### 2.1.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The Programme is not planning to use financial instruments.

The Programme will provide the support to beneficiaries in the form of grants. The nature and relatively small scale of the operations does not really allow the efficient deployment of financial instruments. The grants under each priority of the Programme was designed to effectively achieve the Programme results using the available resources and taking into account planned types of actions, beneficiaries as well as the implementation experience of the previous Programme.

### 2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 - Dimension 1 – intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.4	ERDF	058. Adaptation to climate change measures and prevention and management of climate related risks: floods and landslides (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	2,300,000.00
2	RSO2.4	ERDF	059. Adaptation to climate change measures and prevention and management of climate related risks: fires (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	2,300,000.00
2	RSO2.4	ERDF	060. Adaptation to climate change measures and prevention and management of climate related risks: others, e.g. storms and drought (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	2,300,000.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.4	ERDF	01. Grant	6,900,000.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.4	ERDF	33. Other approaches - No territorial targeting	6,900,000.00

2.1.1. Specific objective: RSO2.7. Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution

Reference: point (e) of Article 17(3)

SO 7: Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution; Priority 2: Green, resilient and sustainable development

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

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Activities implemented by projects will contribute to this specific objective by enhancing protection, preservation and restoration of natural capital, protected areas and biodiversity, as well as by seeking and implementing joint solutions for reduction of human caused pollution.

Indicative activities for support:

- Actions aimed at safeguarding, maintaining and restoring of ecosystems and protection and preservation of cross-border biodiversity and key species;
- Development of joint solutions for enhancing sustainable management (including protection, preservation and restoration) of natural capital (waters, protected areas, soil, fish stock, etc.) and cross-border green networks;
- Training, exchange of experience, etc., to support capacity building of organisations and specific target groups (NGOs, local communities, etc.) having impact on the quality of the environment;
- Joint solutions for reduction of pollution in shared water bodies, cross-border natural sites and protected areas;
- Joint solutions for preservation of nature capital that are used for recreational purposes.

The list of indicative activities provided above is not in order of priority. Any project should use a suitable mix of activities based on the project topic. The chosen mix of activities must be relevant for achieving the contribution to both the project and Programme results. 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.

It is expected that in the result of activities implemented by projects would be developed new common frameworks for smart, joint and sustainable management, as well as preservation and restoration of biodiversity, the natural capital and protected areas. The green areas would be improved, small scale green infrastructure and nature based solutions would be developed, thus safeguarding ecosystem services, protecting nature and adapting to climate change. Joint solutions for sustainable water management and new frameworks and approaches to eliminate or reduce the causes of pollution and set-up appropriate and unified pollution monitoring systems would be develop, thus more effectively reducing negative impacts on ecosystems and biodiversity.

Potential partners: national, regional, local public authorities, public equivalent bodies and NGOs.

There will be no specific activities foreseen, but the Programme promotes the New European Bauhaus.

The types of actions have been assessed as compatible with the DNSH principle, since they are not expected to have any significant negative environmental impact due to their nature.

Regarding contribution to the EUSBSR – as there is no specific Policy Area suitable for preservation of biodiversity, natural sites and protected areas, but Policy Area “Tourism” is related also to natural capital, the proposed types of actions under this specific objective could partly contribute to Action 3 “Protection and sustainable utilisation of cultural heritage and natural resources in tourism destinations” of this Policy Area.

It is expected that activities implemented under this priority will contribute to the implementation of the UN Sustainable Development Goals “Clean water and sanitation”, “Life on land” and “Life below water”.

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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### 2.1.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
2	RSO2.7	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	4	8
2	RSO2.7	RCO87	Organisations cooperating across borders	organisations	16	33

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
2	RSO2.7	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	6.00	Joint electronic monitoring system	
2	RSO2.7	RCR84	Organisations cooperating across borders after project completion	organisations	0.00	2021	23.00	Joint electronic monitoring system	

### 2.1.1.3. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Project partners, municipalities, planning regions, state institutions, NGO-s, development centres, national, regional and local tourism development organisations/umbrellas, tourists, local inhabitants, SME's etc.

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

Reference: Article point (e)(iv) of 17(3)

The Programme will not use ITI, CLLD or other territorial tools. The Programme priorities are not targeting any specific territory in the Programme area.

#### 2.1.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The Programme is not planning to use financial instruments.

The Programme will provide the support to beneficiaries in the form of grants. The nature and relatively small scale of the operations does not really allow the efficient deployment of financial instruments. The grants under each priority of the Programme was designed to effectively achieve the Programme results using the available resources and taking into account planned types of actions, beneficiaries as well as the implementation experience of the previous Programme.

2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 - Dimension 1 – intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.7	ERDF	079. Nature and biodiversity protection, natural heritage and resources, green and blue infrastructure	6,600,000.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.7	ERDF	01. Grant	6,600,000.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
2	RSO2.7	ERDF	33. Other approaches - No territorial targeting	6,600,000.00

## 2.1. Priority: 3 - Priority 3 Fair and inclusive society

Reference: point (d) of Article 17(3)

2.1.1. Specific objective: RSO4.3. Promoting the socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups, including people with special needs, through integrated actions, including housing and social services

Reference: point (e) of Article 17(3)

SO 3: promoting the socioeconomic inclusion of marginalized communities, low income households and disadvantaged groups, including people with special needs, through integrated actions, including housing and social services; Priority 3: Fair and inclusive society

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

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Activities implemented by projects will contribute to this specific objective by facilitating the integration of disadvantaged social groups into society and into the labor market, by developing more efficient and proactive social services, as well as by improving the accessibility to the social services and strengthening the capacity and know-how of organisations which are involved in the provision of these services.

Indicative activities for support:

- Development of integrated services, combining social, education and mental health elements, aimed at integration of vulnerable groups, e.g., elderly people, children from disadvantaged families, people with disabilities, who risk economic and social exclusion;
- Improvement of efficiency and diversification of social services by applying evidence-based measures, new approaches, tools, methods, etc.
- Networking, training, exchange of experience, sharing of good practices between the stakeholders involved in provision of social services;
- Development of joint initiatives and awareness raising activities to facilitate development of social entrepreneurial ecosystem.

The list of indicative activities provided above is not in order of priority. Any project should use a suitable mix of activities based on the project topic. The chosen mix of activities must be relevant for achieving the contribution to both the project and Programme results. 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.

It is expected that in the result of activities implemented by projects the Programme area would become more resourceful, resilient and collaborative, as well as would have more inclusive communities. The social vulnerability of particular social groups would be diminished in the result of initiatives that advocate for social inclusion and integration of these groups, new services and instruments developed, new solutions piloted and tested, and improved capacities of all involved stakeholders. The depopulation of the Programme regions would be minimised by improving living conditions of people living in these

regions.

Potential partners: national, regional, local public authorities, public equivalent bodies, social partners and NGO's.

There will be no specific activities foreseen, but the Programme promotes the New European Bauhaus.

The types of actions have been assessed as compatible with the DNSH principle, since they are not expected to have any significant negative environmental impact due to their nature. It is foreseen that activities implemented under the specific objective will contribute to the Action 1 "Promoting active and healthy ageing to address the challenges of demographic change" and Action 3 "Increasing stakeholder and institutional capacity to tackle regional health challenges" of EUSBSR Policy Area "Health".

It is expected that activities implemented under this priority will contribute to the implementation of the UN Sustainable Development Goals "No poverty" and "Reduced inequalities".

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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### 2.1.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
3	RSO4.3	RCO84	Pilot actions developed jointly and implemented in projects	pilot actions	3	7
3	RSO4.3	RCO87	Organisations cooperating across borders	organisations	15	30

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
3	RSO4.3	RCR104	Solutions taken up or up-scaled by organisations	solutions	0.00	2021	5.00	Joint electronic monitoring system	
3	RSO4.3	RCR84	Organisations cooperating across borders after project completion	organisations	0.00	2021	21.00	Joint electronic monitoring system	

### 2.1.1.3. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Project partners, municipalities, planning regions, state institutions, NGO-s, development centres, national, regional and local organisations/umbrellas for people with disabilities students, vulnerable groups, SME's etc.

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

Reference: Article point (e)(iv) of 17(3)

The Programme will not use ITI, CLLD or other territorial tools. The Programme priorities are not targeting any specific territory in the Programme area.

#### 2.1.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The Programme is not planning to use financial instruments.

The Programme will provide the support to beneficiaries in the form of grants. The nature and relatively small scale of the operations does not really allow the efficient deployment of financial instruments. The grants under each priority of the Programme was designed to effectively achieve the Programme results using the available resources and taking into account planned types of actions, beneficiaries as well as the implementation experience of the previous Programme.

### 2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 - Dimension 1 – intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
3	RSO4.3	ERDF	163. Promoting social integration of people at risk of poverty or social exclusion, including the most deprived and children	5,000,000.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
3	RSO4.3	ERDF	01. Grant	5,000,000.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
3	RSO4.3	ERDF	33. Other approaches - No territorial targeting	5,000,000.00

## 2.1. Priority: 4 - Priority 4 Economic potential of tourism and heritage

Reference: point (d) of Article 17(3)

2.1.1. Specific objective: RSO4.6. Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation

Reference: point (e) of Article 17(3)

SO 6: Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation; Priority 4: Economic potential of tourism and heritage

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

Reference: point (e)(i) of Article 17(3), point (c)(ii) of Article 17(9)

Activities implemented by projects will contribute to this specific objective by enhancing the role of cultural heritage, nature, sustainable tourism, involvement of local communities and stakeholders (e.g., craftsmen, artisans, rural producers, etc.) in the development and provision of tourism services, especially, using modern and interactive technologies, and thus increasing the livelihood of local communities in the Programme area.

Indicative activities for support:

- Development of modern, digital and interactive cross-border tourism products that look beyond the traditional and overexploited objects and offer unique and tailored experiences in order to include new, small scale operators and local communities in providing tourism and related services.
- Ensuring better conservation and preservation of cultural and historical heritage (including development of cultural/historical heritage sites), strengthen the role of heritage in creating jobs and promoting local economic activity, diversifying the use of heritage and heritage sites, including the development of revenue-generating activities, and enhancing its use in cross-border activities;
- Improving access to valuable nature and environmental objects, nature parks and reserves in sustainable way (cycling, educational and walking paths) and enhance their international promotion;
- The capacity development of the stakeholders of the tourism sector in adoption the principles of the sustainable and circular business models allowing the sector to remain competitive, resilient and environmentally, socially and economically sustainable;
- The capacity development and other specific actions aiming at green and digital reskilling and upskilling needed to ensure resilient and sustainable jobs in the tourism sector.
- Enchasing the linkage and connectivity of cross-border tourism destinations and offers to international tourism networks and main transport modes of tourists;
- Development of cross-border tourism offers (e.g. related to creative industries, crafts, cultural events, opportunities for active leisure, educational and interactive activities, gastronomy, etc.) and improvement of their positioning to particular groups of tourists, visitors and travelers, especially motivating overnight stays and returning tourists, strengthening the local economy and contributing to the reduction of tourism seasonality;
- Joint cross-border solutions to facilitate recovery of tourism industry from Covid-19 outbreak within the Programme area;
- Joint marketing activities and joint efforts for promotion of the Programme region as an attractive

tourism destination in the international tourism arena, as well as integration of tourism products and offers of Programme area, developed and improved according to the needs of international customers (travelers), into national and international tourism networks and platforms.

The list of indicative activities provided above is not in order of priority. Any project should use a suitable mix of activities based on the project topic. The chosen mix of activities must be relevant for achieving the contribution to both the project and Programme results. 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.

It is expected that in the result of activities implemented by projects would be created well planned and promoted tourism routes that are equipped with the necessary catering, accommodation and other tourism services. New offers would be developed that include new, small scale operators and communities that offer unique and tailored experiences. Tourists would prefer longer tourism travels through cross border tourism routes with more than one day stays in the Programme area and would spend money on products and services of other related business industries (e.g., creative industries) and, therefore, accumulate and capture value of local entrepreneurs in the Programme region.

Potential partners: national, regional, local public authorities, public equivalent bodies and NGO's.

There will be no specific activities foreseen, but the Programme promotes the New European Bauhaus.

The types of actions have been assessed as compatible with the DNSH principle, since they are not expected to have any significant negative environmental impact due to their nature.

It is foreseen that the specific objective will contribute to all actions of EUSBSR Policy Area "Culture" (Action 1 "Promoting the Baltic Sea region cultural and creative industries, encouraging creative entrepreneurship", Action 2 "Promoting BSR culture, cultural diversity and European values, promoting culture as a driver for sustainable development", Action 3 "Preserving the Baltic Sea region cultural heritage, strengthening regional identity") and all actions of Policy Area "Tourism" (Action 1 "Transnational tourism development in remote and rural areas", Action 2 "Investing in people, skills and technology in the tourism industry", Action 3 "Protection and sustainable utilisation of cultural heritage and natural resources in tourism destinations").

It is expected that activities implemented under this priority will contribute to the implementation of the UN Sustainable Development Goals "Decent work and economic growth", "Sustainable cities and communities" and "Responsible consumption and production".

2.1.1.1b. Definition of a single beneficiary or a limited list of beneficiaries and the granting procedure

Reference: point (c)(i) of Article 17(9)

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### 2.1.1.2. Indicators

Reference: point (e)(ii) of Article 17(3), point (c)(iii) of Article 17(9)

Table 2 - Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Target (2029)
4	RSO4.6	RCO87	Organisations cooperating across borders	organisations	15	30
4	RSO4.6	RCO77	Number of cultural and tourism sites supported	cultural and tourism sites	10	20

Table 3 - Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Target (2029)	Source of data	Comments
4	RSO4.6	RCR77	Visitors of cultural and tourism sites supported	visitors/year	89,136.00	2021	802,224.00	Supported projects	
4	RSO4.6	RCR84	Organisations cooperating across borders after project completion	organisations	0.00	2021	21.00	Joint electronic monitoring system	

### 2.1.1.3. Main target groups

Reference: point (e)(iii) of Article 17(3), point (c)(iv) of Article 17(9)

Project partners, municipalities, planning regions, state institutions, NGO-s, national, regional and local tourism development organisations/umbrellas and general public (tourists, vulnerable groups, local inhabitants, SME's etc.).

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

Reference: Article point (e)(iv) of 17(3)

The Programme will not use ITI, CLLD or other territorial tools. The Programme priorities are not targeting any specific territory in the Programme area.

#### 2.1.1.5. Planned use of financial instruments

Reference: point (e)(v) of Article 17(3)

The Programme is not planning to use financial instruments.

The Programme will provide the support to beneficiaries in the form of grants. The nature and relatively small scale of the operations does not really allow the efficient deployment of financial instruments. The grants under each priority of the Programme was designed to effectively achieve the Programme results using the available resources and taking into account planned types of actions, beneficiaries as well as the implementation experience of the previous Programme.

#### 2.1.1.6. Indicative breakdown of the EU programme resources by type of intervention

Reference: point (e)(vi) of Article 17(3), point (c)(v) of Article 17(9)

Table 4 - Dimension 1 – intervention field

Priority	Specific objective	Fund	Code	Amount (EUR)
4	RSO4.6	ERDF	166. Protection, development and promotion of cultural heritage and cultural services	3,000,000.00
4	RSO4.6	ERDF	165. Protection, development and promotion of public tourism assets and tourism services	3,000,000.00

Table 5 - Dimension 2 – form of financing

Priority	Specific objective	Fund	Code	Amount (EUR)
4	RSO4.6	ERDF	01. Grant	6,000,000.00

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

Priority	Specific objective	Fund	Code	Amount (EUR)
4	RSO4.6	ERDF	33. Other approaches - No territorial targeting	6,000,000.00

### 3. Financing plan

Reference: point (f) of Article 17(3)

#### 3.1. Financial appropriations by year

Table 7

Reference: point (g)(i) of Article 17(3), points (a) to (d) of Article 17(4)

Fund	2021	2022	2023	2024	2025	2026	2027	Total
ERDF	0.00	5,424,239.00	5,511,369.00	5,600,241.00	5,690,890.00	4,715,589.00	4,809,902.00	31,752,230.00
Total	0.00	5,424,239.00	5,511,369.00	5,600,241.00	5,690,890.00	4,715,589.00	4,809,902.00	31,752,230.00

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

Reference: point (f)(ii) of Article 17(3), points (a) to (d) of Article 17(4)

Table 8

Policy objective	Priority	Fund	Basis for calculation EU support (total eligible cost or public contribution)	EU contribution (a)=(a1)+(a2)	Indicative breakdown of the EU contribution		National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	Contributions from the third countries
					without TA pursuant to Article 27(1) (a1)	for TA pursuant to Article 27(1) (a2)		National public (c)	National private (d)			
6	1	ERDF	Total	5,087,958.00	4,674,981.00	412,977.00	1,299,342.00	988,406.00	310,936.00	6,387,300.00	79.66	0.00
2	2	ERDF	Total	14,692,558.00	13,500,000.00	1,192,558.00	3,752,126.00	2,927,126.00	825,000.00	18,444,684.00	79.66	0.00
4	3	ERDF	Total	5,441,688.00	5,000,000.00	441,688.00	1,389,676.00	1,077,176.00	312,500.00	6,831,364.00	79.66	0.00
4	4	ERDF	Total	6,530,026.00	6,000,000.00	530,026.00	1,667,611.00	1,292,611.00	375,000.00	8,197,637.00	79.66	0.00
	Total	ERDF		31,752,230.00	29,174,981.00	2,577,249.00	8,108,755.00	6,285,319.00	1,823,436.00	39,860,985.00	79.66	0.00
	Grand total			31,752,230.00	29,174,981.00	2,577,249.00	8,108,755.00	6,285,319.00	1,823,436.00	39,860,985.00	79.66	0.00

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

Reference: point (g) of Article 17(3)

The drafting of the Programme was organised in compliance with partnership approach described in Commission delegated act 240/2014 of 7 January 2014.

Preparation process started in 2019 when two meetings (in February in Vilnius, Lithuania and in September in Biržai, Lithuania) between the National Authority (NA) of the Republic of Latvia (functions fulfilled by the MEPRD) and the NA of the Republic of Lithuania (functions fulfilled by the Ministry of Interior of the Republic of Lithuania) were held.

For discussing and taking decisions on issues related to the Programme preparation, drafting the Programme document, its submission to the European Commission (EC) and update according to the EC comments, etc., the Joint Programming Committee (JPC) was established. Prior establishment of the JPC, both NAs agreed on how to ensure that all types of stakeholders representing civil society at national, regional and local levels are involved within the programming process and how to create adequate consultative mechanisms and procedural arrangements with all relevant partners allowing for the Programme co-design, collection of feedback and information exchange during all programming stages.

Both NAs nominated permanent JPC members and their deputies representing national and regional levels from each Member State. National Authorities ensured that nominated members geographically cover proposed Programme territory, as well as by their functions, responsibilities and competences represent not only relevant fields, but also wide range of potential Programme beneficiaries. Representative from the EC participated in the work of the JPC as an observer.

Both NA launched early stage consultations with the main aim to collect first ideas for the Programme architecture, as well as to build strong foundation for cooperation and consultation channels.

Prior starting the programming process the Consultative working group (CWG) was formed by the NA of the Republic of Latvia, consisting of representatives of regional level and line ministries. The CWG is an advisory group, it consulted the NA on the possible policy objectives, specific objectives and relevant activities to be introduced into the Programme in accordance with national and regional planning documents and strategies.

Involvement of socio-economic partners in the programming and decision making process in Lithuania is ensured and proceeded by national regional policy system via involved representatives of JPC appointed by Region Development Councils, where Region Development Council Boards Partner Groups are to be created from socio-economic partners representing organisations dealing in wide range of social and economic areas. Additionally, consultations with socio-economic partners were introduced by NA of the Republic of Lithuanian by organising information/consultation events about the new financing period 2021-2027 on territorial cooperation programmes, consulting draft Programme document.

Collected opinions served as a basis to filter initial possible areas of intervention for the Programme and simultaneously clearly indicated areas which should be further analyzed to agree upon thematic concentration.

The 1st meeting of JPC took place on 25 February 2020 during which rules of procedure of the JPC were agreed, opinions of both delegations on possible PO, SOs and types of actions were exchanged, etc. The JPC decided that the Programme strategy will be developed by external expertise. Procurement procedure resulted in October 2020 and the company Safege Baltija was selected to work on Programme strategy.

The 2nd JPC meeting took place online on 30 June 2020 during which the JPC appointed the MEPRD as the MA.

The 3rd JPC meeting was organised online on 25 November 2020, during which the external expertise provided by Safege Baltija for development of Programme strategy presented methodology on how it is planned to carry out the strategic socioeconomic analysis, what data would need to be collected and how it will be ensured that relevant stakeholders have the possibility to give their input to the Programme design.

Consequently, as the second step to ensure mid-term consultation, strategic socioeconomic analysis was launched with the main aim to provide in-depth analysis to the JPC on actual relevance of the pre-filtered possible cooperation areas to the existing territorial needs and opportunities. Within the development of the strategic socioeconomic analysis a survey was launched in 2020 in order to involve all relevant stakeholders to gather bottom-up information on what is seen from their perspective as the key challenges to be addressed by the Programme, what key themes should be supported, whether there are certain project ideas already on the table and in which spheres, and/or what would be the necessary partnership to realize them. In addition, it was possible to indicate any other recommendations or proposals to be taken into account during programming.

Intentionally, survey was designed in a user-friendly manner as the aim was to collect feedback from potential project implementers in the Programme area. Therefore, thematic scope menu from EC regulations was explained and translated into themes allowing respondents to clearly envision and understand whether their current needs, challenges and topics of interests can be addressed by the Programme. The survey was available in Latvian and in Lithuanian. To ensure wide reach and good response to the survey, it was distributed through Programme 2014 – 2020 social media and website, as well as sent directly to Programme 2014 – 2020 beneficiaries. Simultaneously, JPC members also distributed the survey through their communication channels to all relevant stakeholders.

The results of the survey (survey was filled in by national and local level institutions, education and research institutions, NGOs, inhabitants, companies) were discussed during the 4th JPC meeting on 29 January 2021. Based on the survey results and the summary of the most demanded areas of intervention, a proposal for the Programme thematic scope was designed and draft Programme strategy prepared. To ascertain that the designed Programme thematic scope indeed corresponds to the demands of the prospective project implementers, challenges and indicative Programme's interventions identified by external experts, on 27 May 2021 the focus group involving 38 representatives from Latvia and Lithuania (NGOs, government institutions, Research & education institutions, local authorities and Programme

bodies) was organised. The results of focus group were taken into account by defining more precise focus and scope for cross border cooperation challenges, target groups and indicative activities.

The 5th JPC meeting was organized on 10 June 2021 and during it decisions were taken on necessary corrections in the Programme document in order to submit it for public hearing.

Public hearing was launched from 23 July till 22 August 2021 in both participating countries. In order to discuss the proposed thematic focus, priorities and other implementation issues of the Programme, on 10 August 2021 was organised joint webinar for all interested members of the society from Latvia and Lithuania. 77 participants took part in webinar, representing Ministry of Transport of the Republic of Latvia, state police, health institutions, municipalities, NGOs, as well as Programme bodies.

The information about public hearing and the Programme document in English, Latvian and Lithuanian, was published on webpage [www.latlit.eu](http://www.latlit.eu). The information about launched public hearing was sent to the relevant planning regions and municipalities in Latvia and Lithuania, published in the Facebook account of Interreg V-A Latvia – Lithuania Cross Border Cooperation Programme 2014-2020, as well as in national websites in Latvia and Lithuania. Between JPC meetings exchange of opinions and decision taking was ensured via JPC written procedures.

Discussions between NAs and the MA were organised in form of Joint Task Force meetings (in total 7 online meetings took place).

To ensure smooth transition from the Programme preparation to its implementation, as well as to secure that decisions taken by MC of the Programme meet the aim of the Programme, it is planned to involve in the MC a balanced representation of the relevant authorities, including intermediate bodies, and representatives of the programme partners referred to in Article [8] of Regulation (EU) Regulation (EU) 2021/1060 and Article 29 of the Interreg Regulation, which participated in the Programme's preparation. Members of the MC will have a voting rights (one vote per delegation) and representatives of the EC and the MA/JS will participate in an advisory capacity.

Monitoring function will be covered by the MC, that will be set up within 3 months of the date of notification of the EC decision adopting the Programme. 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 MC shall meet at least once a year and shall review all issues that affect the Programme implementation progress towards achieving its objectives. Thus it will be ensured that the relevant partners are involved in the preparation of calls for proposals, monitoring progress of the Programme, preparation of the final performance report, etc. It will be ensured that all necessary measures are taken in order to avoid conflict of interest. The MA shall publish a list of the members of the MC on the website referred to in Article 29(2).

In addition, national sub-committees of both participating countries will make sure that the regional and

local level, economic and social partners as well as bodies representing the civil society will participate in implementation, monitoring and evaluation of the Programme. In order to strengthen capacity of project partners, it is planned to organize capitalization events/exchanges of experience. Project partners will be invited to join and get involved in the capitalization events/exchanges of experience in order to find out about results of other projects, to receive advice from experienced project implementers, as well as strengthen their own capacity which later could be used for developing new projects. Organisation of capitalization events/exchanges will be financed from Technical Assistance.

Evaluation of the Programme shall be carried out by functionally independent external experts. The MA will prepare the evaluation plan and within 1 year of approval of the Programme will submit it to the MC. It will approve Programme's evaluation plan, decide on setting up of specific working groups upon necessity and will be involved in approval of final evaluation reports as well as for examining progress made in implementation of the evaluation plan and the follow up of recommendations. Interreg regulation states that evaluation of the Programme to assess its impact shall be carried out by 30 June 2029. The MA will produce and collect the data necessary for evaluation, according to developed procedures. All evaluations will be published by the MA on the Programme's website. They will be based on one or more of the following criteria: effectiveness, efficiency, relevance, coherence, and the EU, Latvia and Lithuania added value with the aim to improve the quality of the design and implementation of the Programme. Evaluations may also cover other relevant criteria.

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

Reference: point (h) of Article 17(3)

## **Objectives**

To ensure the visibility of activities supported by the Programme and to contribute to the achievement of the objectives of the Programme, following communication objectives are specified:

- the Programme is recognized for its commitment to better Interreg governance, a greener, low-carbon, resilient and more social Europe;
- organisations relevant for reaching the specific objectives of the Programme are informed about the funding opportunities and receive all required information and support for preparing the appropriate applications;
- project partners receive clear and timely information about the project implementation process and have all the necessary information and support to reach the indicators and objectives set in the project;
- general public is aware of the results and benefits achieved by the Programme and supported operations showing positive impact and added value of cross-border cooperation and the EU intervention;
- media and influencers receive Programme news and are invited to events;
- stakeholders, policy and decision-makers are informed about the Programme as an important instrument for the benefit of the Programme area;
- timely and efficient communication among the implementing bodies of the Programme, social and economic partners, the EC and public authorities of Latvia and Lithuania is ensured;
- if operation of strategic importance (strategic project) will be defined during Programme life cycle, it receives adequate support for communication activities as needed.

## **Target audiences**

Tailored information will be delivered to the following main target audiences:

- potential applicants and partners.
- media and influencers;
- people living in the Programme area will be reached by tailoring of communication channels and messages to people by age group, location or attitude towards the EU (e.g. social media for younger people, traditional print media for older generations, events and project visits for eurosceptics);
- stakeholders, policy and decision-makers;
- Programme bodies, social and economic partners, the EC and public authorities of Latvia and Lithuania.

## **Communication channels and Social media outreach**

The following communication channels will be used:

- Website. The MA will ensure that within 6 months of the Programme approval, there is a website where information about the Programme objectives, activities, available funding opportunities and achievements is available. Existing domain [www.latlit.eu](http://www.latlit.eu) shall be used.

- Social media platforms. The most popular social media platforms will be used.
- Events: seminars/webinars/workshops/public events/etc.
- Audiovisual production for promotion of Programme's results.
- Digital and printed materials. Communication guidelines for project partners will be developed by the JS in cooperation with the MA and the MC.
- Direct communication: on-spot/remote consultations/etc.

### **Relevant indicators for monitoring and evaluation**

The following indicators will be used for monitoring and evaluation of communication measures:

- number of potential applicants received information about funding opportunities within the relevant Programme implementation period;
- number of unique and recurrent visitors of the website per year;
- number of social media posts per year;
- number of subscribers/followers on the social media per year and engagement rate;
- number of informative events delivered to project partners per year;
- number of project partners attending seminars per year;
- appreciation rate of project partners receiving consultations on the project implementation process per year;
- number of public events delivered to general public per year;
- % of people who are aware of EU projects in their own region.
- % of people who believes that EU-projects have a positive impact on their city or region.

In accordance with the Programme implementation phase, specific communication measures, targets for indicators and budget will be included in respective plans for each year prepared by JS in cooperation with MA and NAs and approved by the MC. The MC will examine the implementation of communication and visibility actions.

The indicative budget planned for communication and visibility is 165 000 EUR. It is estimated that during the launch phase 70% of the budget will be allocated to setting up a website and organizing seminars for potential applicants. During the implementation phase, 60% of the budget will be allocated to communicating Programme achievements.

A communication officer will be assigned to the Programme, whose tasks will include drafting annual activity plan, it's daily implementation and evaluation of communication measures.

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

Reference: point (i) of Article 17(3), Article 24

The implementation of small – scale projects may be supported under all specific objectives of all priorities of the Programme.

The purpose of small – scale projects is to encourage unexperienced partners and newcomers to participate in the Programme, as well as to provide possibility for experienced project partners to implement activities of targeted scope. It is envisaged that in the final stage of Programme implementation small – scale projects would mainly capitalize the results from former or ongoing projects.

The indicative budget of small – scale project will be up to EUR 200 000 ERDF and duration – up to 1 year. In order to maintain the added value and advantages of small-scale projects, also with regard to local and regional development, and to simplify the management of the financing of small projects by the project partners who are often not used to applying for European Union funds, the use of simplified cost options and lump sums will be obligatory.

The main target groups are unexperienced partners and newcomers representing regional and local public authorities, municipalities, foundations, NGOs.

Potential partners: national, regional, local public authorities, public equivalent bodies and NGO's.

## 7. Implementing provisions

### 7.1. Programme authorities

Reference: point (a) of Article 17(6)

Table 9

Programme authorities	Name of the institution	Contact name	Position	E-mail
Managing authority	The Ministry of Environmental Protection and Regional Development of the Republic of Latvia	Sandis Cakuls	Head of the Managing Authority	Sandis.Cakuls@varam.gov.lv
Audit authority	The Ministry of Environmental Protection and Regional Development of the Republic of Latvia, Audit Department	Zanda Janušauska	Head of the Audit Authority	Zanda.Janusauska@varam.gov.lv
Group of auditors representatives	The Ministry of Environmental Protection and Regional Development of the Republic of Latvia The Ministry of the Interior of the Republic of Lithuania	Zanda Janušauska	Head of the Audit Authority	Zanda.Janusauska@varam.gov.lv
Body to which the payments are to be made by the Commission	The Ministry of Environmental Protection and Regional Development of the Republic of Latvia, Development Instruments Department	Iruma Kravale	Deputy Head of the Managing Authority	Iruma.Kravale@varam.gov.lv

## 7.2. Procedure for setting up the joint secretariat

Reference: point (b) of Article 17(6)

The Joint Secretariat (hereinafter – JS) will be set up by the MA in accordance with Article 46(2) of Interreg Regulation.

The JS will maintain its location in Riga and will continue to be hosted by the Development Instruments Department of the Ministry of Environmental Protection and Regional Development of the Republic of Latvia.

The JS operational arrangements, functions of the MA and the JS, essentially will continue from the 2014 – 2020 programming period while adjusting them to the new regulatory requirements. It proved that close location of the MA and the JS, i.e. within one structural unit of the Ministry of Environmental Protection and Regional Development of the Republic of Latvia, facilitates coordination of tasks, simplification of processes and correlation of functions, thus allowing for a more flexible and efficient use of available resources.

The JS will have the international staff, preferably with a balanced number of representatives from both Programme countries covering either Latvian and/or Lithuanian languages, to ensure an adequate level of assistance in preparation and implementation of projects. The number and qualification of the staff shall correspond to the functions carried out by the JS. Preferable is to keep the JS staff which worked during 2014 - 2020 programming period, however, if the attraction of the new staff will take place the transfer of knowledge and resources to actively start the new Programme will be ensured.

The Member States have agreed on intention to have a Regional antenna in Lithuania. Regional antenna in Lithuania in its tasks will be subordinated to the MA.

The tasks of the JS and the Regional antenna in Lithuania will vary during the implementation cycle of the Programme and shall include (among other tasks): providing information to potential applicants about funding opportunities and assisting them in the preparation of projects applications and implementation of projects; project monitoring; involvement in the assessment of project applications; providing information concerning the Programme and projects, and communicating Programme results in the Programme regions and wider society.

The JS and the Regional antenna in Lithuania tasks are financed from the technical assistance budget.

With regard to E-cohesion, the Joint Electronic Monitoring System developed by Interact will be set up for the use of Programme. Thus it will be ensured that all exchanges are carried out between beneficiaries and all the Programme authorities by means of electronic data exchange in accordance with Annex XIV of the CPR. During the implementation of the projects the MA will promote the strategic use of public procurement to support policy objectives (including professionalization efforts to address capacity gaps). Beneficiaries will be encouraged to use more quality-related and lifecycle cost criteria and, when feasible, to incorporate environmental (e.g. green public procurement criteria) and social considerations as well as innovation incentives into public procurement procedures.

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

Reference: point (c) of Article 17(6)

The arrangements related to financial corrections, irregularities and cost recovery will essentially continue from the 2014-2020 programming period.

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.
- 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. Once the Member State has reimbursed the MA any amounts unduly paid to a partner, it may continue or start a recovery procedure against that partner under its national law. Where a Member State has not reimbursed the MA any amounts unduly paid to a partner, those amounts must be subject to a recovery order issued by EC which must be executed, where possible, by offsetting against amounts due to the Member State under subsequent payments to the same Programme. Such recovery shall not constitute a financial correction and shall not reduce the support from the ERDF to the respective Programme. The amount recovered shall constitute assigned revenue in accordance with Article [177(3)] of Regulation (EU, Euratom) [FR-Omnibus].
- In case of financial corrections arising from the systemic error in both Member States or where the “responsible owner” of irregularity could not be identified, 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 if financial correction arise from systemic error in one of the Member States, the respective Member State bears the financial consequences. Systemic and other errors detected on Programme level leading to consequences such as financial corrections or interruption/suspension of payments on Programme level might also affect the project level. Responsibilities and actions of the Programme authorities in such case in more detail will be described within the respective Programme documentation.
- In case of irregularities that result from fault or negligence by the MA, the JS or the AA, the Member State hosting the MA, the JS or the AA shall be responsible for reimbursing the amount concerned to the budget of the EU.

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

Reference: Articles 94 and 95 of Regulation (EU) 2021/1060 (CPR)

Table 10: Use of unit costs, lump sums, flat rates and financing not linked to costs

Intended use of Articles 94 and 95 CPR	Yes	No
From the adoption, the programme will make use of reimbursement of the Union contribution based on unit costs, lump sums and flat rates under the priority according to Article 94 CPR	<input type="checkbox"/>	<input checked="" type="checkbox"/>
From the adoption, the programme will make use of reimbursement of the Union contribution based on financing not linked to costs according to Article 95 CPR	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Appendix 1

### A. Summary of the main elements

Priority	Fund	Specific objective	Estimated proportion of the total financial allocation within the priority to which the simplified cost option will be applied in %	Type(s) of operation covered		Indicator triggering reimbursement		Unit of measurement for the indicator triggering reimbursement	Type of simplified cost option (standard scale of unit costs, lump sums or flat rates)	Amount (in EUR) or percentage (in case of flat rates) of the simplified cost option
				Code(1)	Description	Code(2)	Description			

(1) This refers to the code for the intervention field dimension in Table 1 of Annex 1 CPR

(2) This refers to the code of a common indicator, if applicable

Appendix 1

B. Details by type of operation

C. Calculation of the standard scale of unit costs, lump sums or flat rates

1. Source of data used to calculate the standard scale of unit costs, lump sums or flat rates (who produced, collected and recorded the data, where the data is stored, cut-off dates, validation, etc):

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2. Please specify why the proposed method and calculation based on Article 94(2) is relevant to the type of operation:

3. Please specify how the calculations were made, in particular including any assumptions made in terms of quality or quantities. Where relevant, statistical evidence and benchmarks should be used and, if requested, provided in a format that is usable by the Commission:

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4. Please explain how you have ensured that only eligible expenditure was included in the calculation of the standard scale of unit cost, lump sum or flat rate:

5. Assessment of the audit authority or authorities of the calculation methodology and amounts and the arrangements to ensure the verification, quality, collection and storage of data:

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## Appendix 2

### A. Summary of the main elements

Priority	Fund	Specific objective	The amount covered by the financing not linked to costs	Type(s) of operation covered		Conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission	Indicator		Unit of measurement for the conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission	Envisaged type of reimbursement method used to reimburse the beneficiary or beneficiaries
				Code(1)	Description		Code(2)	Description		

(1) This refers to the code for the intervention field dimension in Table 1 of Annex 1 to the CPR and Annex IV to the EMFAF Regulation.

(2) This refers to the code of a common indicator, if applicable.

## B. Details by type of operation

During programming stage no operation of strategic importance (strategic project), i.e. a project which will provide a significant contribution to the achievement of the objectives of a Programme and is particularly important for communication purposes, was identified.

Strategic project(s) might be defined and integrated at later time during the Programme life cycle. Strategic project(s) could be identified and selected during Calls for Proposals – either during regular Call for Proposals with integrated specific features and selection criteria for strategic projects or by deciding later on to run a focused call for proposals for strategic projects. Relevant thematic areas could include notably climate under Policy Objective 2 and tourism under Policy Objective 4, however also other thematic areas could be relevant, if projects from these thematic areas will have potential to ensure wide communication and recognition of Programme.

According to current indicative timeline Calls for regular project applications are foreseen in the 4<sup>th</sup> quarter of 2022 and 2024.