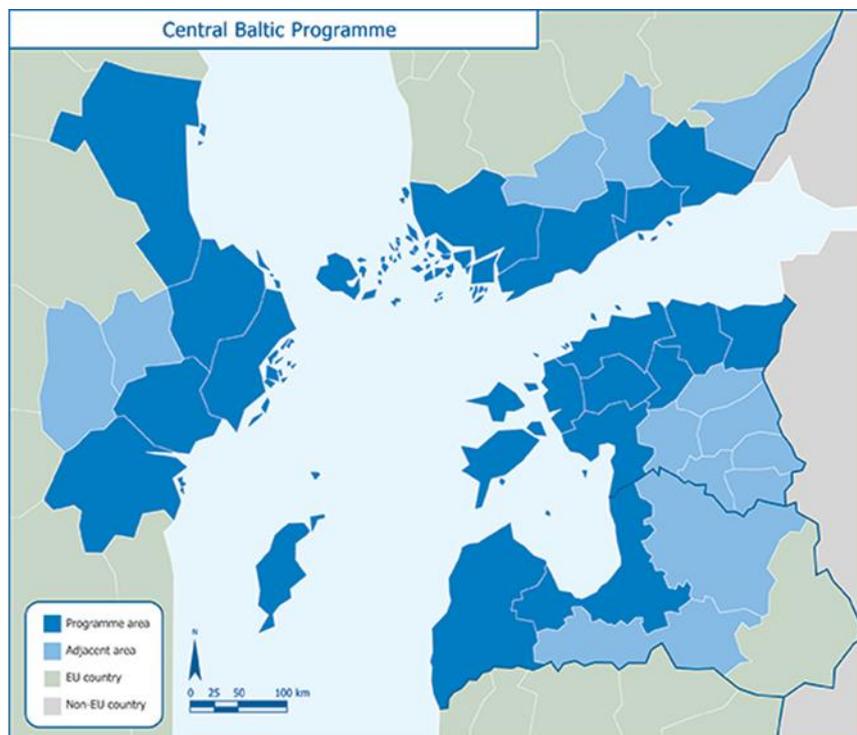




## Central Baltic Programme 2014-2020 Ex-ante Evaluation

### EVALUATION REPORT



**This Ex-ante evaluation is implemented by the following Consortium:**

- CPD (Estonia, leader)
- Nordregio (Sweden)
- Safege Baltija (Latvia)
- TK-Eval (Finland)

**Version of: 28 February 2014 (FINAL VERSION)**

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## Introduction

This Evaluation Report reflects the entire period of the ex-ante evaluation process of the Central Baltic Programme 2014-2020. The ex-ante evaluation work took place in parallel with the process of programme writing from February 2013 to February 2014. The report contains the most important conclusions and recommendations on the Central Baltic Programme 2014-2020 by the ex-ante evaluation team. The main suggestions are provided based on the **20 February version of the Operational Programme (OP)**. In addition, the overview of the public hearing process has been taken into account where possible. The report includes an overview of the ex-ante evaluation process, including a description of the ex-ante evaluation team and the roles of the participants, and the materials used for the analysis. The main part of the report comprises of conclusions on the evaluation questions, and of the summary on the Strategic Environmental Assessment (SEA). The main recommendations on the Central Baltic Programme 2014-2020 are presented at the end of each section in Chapter 2. The structure of the second chapter of the report follows the structure of the evaluation questions. The full SEA report is annexed to this report as a separate file.

A first Draft Evaluation Report was provided to the Managing Authority (MA) and the members of the Joint Programming Committee (JPC) for commenting on 28 January 2014, which was based on the 15 November 2013 version of the OP. The current final version of the report reflects the reaction to this draft and takes into account the changes in the OP between 15 November and 20 February, as well as the decisions the JPC made in the meantime.

# 1. Overview of evaluation process

## 1.1 Ex-ante evaluation team

The ex-ante evaluation process of the Central Baltic Programme 2014-2020 took place from February 2013 to February 2014. During the evaluation process four main outputs for external working purposes were produced: Concept Paper, Fact Sheet, Flash Report and Evaluation Report. The timing of the actual ex-ante evaluation work and its outputs were synchronized with the preparation of the Central Baltic Programme, in particular with the JPC, WG1 and WG2 meetings, and the shared written material related to the programme writing and meetings. There has been intensive contact between the evaluation team and the programme writers, with numerous rounds of written and oral feedback given outside the scope of the official meetings as well. Next, the division of key responsibilities of the ex-ante evaluation team is described in detail.

### *CPD's contribution to the evaluation process*

- Project management, including day-to-day communication with the client.
- Subcontracting of SEA and managing the work by the subcontractor ELLE.
- Carrying out analysis, synthesis and reporting for all evaluation questions related to the relevance and clarity of indicators as well as the monitoring and evaluation system of the programme.
- Carrying out purely Estonia-based data collection.

With regard to evaluation questions, CPD was responsible for answering the following ones.

- Recommendations for the improvement of the relevance and quality of the programme *indicators*.
- Recommendations for the improvement of the *monitoring and evaluation system*, keeping in mind its utility and proportionality.

In addition to coordinating the ex-ante evaluation process of the Central Baltic Programme, the experts of CPD focused on analysing the relevance and quality of the programme indicators, and the monitoring and evaluation system. Their evaluation work took place in close cooperation with the programme writers. For instance, two common brainstorms on programme indicators were organised in October 2013 in Helsinki, and in December 2013 in Tallinn. Also, the evaluation experts provided feedback during various meetings, and via the ex-ante evaluation reports and email conversations. In addition, CPD participated in the Thematic Workshop in Tallinn organised by the programme writers in May 2013.

The analysis was mainly based on the draft Central Baltic Programme documents, meeting materials, as well as observations during official and unofficial meetings.

The following CPD's experts participated in the ex-ante evaluation process of the Central Baltic Programme 2014-2020: *Klaas-Jan Reincke* and *Kerli Müürisepp*.

#### *TK-Eval's contribution to the evaluation process*

- Carrying out analysis, synthesis and reporting for all evaluation questions related to the strategy's *internal coherence*, including the analysis of the needs and challenges of the programme area and the relevance of the objectives.
- Carrying out purely Finland (incl. Åland)-based data collection.

In particular, TK-Eval's evaluation work of the Central Baltic programme focused on the following key questions.

- Are the key problems, challenges and development *needs* of the Central Baltic region adequately described?
- Connection between development needs and programme *objectives*?
- *Internal coherence* between the various objectives formulated for the new programme?

Besides the analysis of the draft versions of the Regional Analysis and the Central Baltic Programme documents, TK-Eval has participated in JPC and WG1 meetings where appropriate, and provided relevant inputs to the ex-ante evaluation reports and presentations according to the ex-ante evaluation project plan. In addition, TK-Eval participated in the Thematic Workshop in Helsinki organised by the programme writers in May 2013.

The following TK-Eval experts participated in the ex-ante evaluation process of the Central Baltic Programme 2014-2020: *Tommi Ålander* and *Keimo Sillanpää*.

#### *Safege Baltija's contribution to the evaluation process*

- Carrying out analysis, synthesis and reporting for all evaluation questions related to the *financial allocations*, the *target values* of the indicators as well as the *implementation system* of the programme.
- Carrying out purely Latvia-based data collection.

In particular, Safege Baltija's evaluation work of the Central Baltic Programme focused on the following key questions.

- Recommendations for the improvement of the *administrative capacity* of the programme.
- Recommendations for the improvement of the balance between the programme's objectives and resources (i.e. both its *feasibility* and *cost-effectiveness*).

The first evaluation question addressed mainly issues related to the programme management and overall capacity for the implementation of the Central Baltic Programme 2014-2020.

The analysis of the second evaluation question concentrated on the coherence of the financial allocations planned within the programme with the identified needs, objectives and results. The principle of territorial concentration was examined taking into account the specifics of the needs of the regions participating in the programme, and outside the core programme area.

The evaluation process was implemented in close cooperation with the programme writers, and the WG2 which was established by the programming bodies for setting up the implementation framework and deciding on the financial issues of the programme. However, several questions were discussed within the WG1 as well.

The following expert of Safège Baltija participated in the ex-ante evaluation process of the Central Baltic Programme 2014-2020: *Inga Uvarova*.

### *Nordregio's contribution to the evaluation process*

Nordregio's evaluation work focused on the following key issues:

- Carrying out analysis, synthesis and reporting for all evaluation questions related to the strategy's *external coherence*, especially in relation to the Europe 2020 and Baltic Sea macro-region strategies, and taking into account all relevant external factors having a potential influence on the programme objectives.
- Carrying out purely Sweden-based data collection.

In particular, Nordregio's evaluation work of the Central Baltic programme focused on the following key questions.

- How should *external coherence* of the programme be addressed?
- Is there a sufficient external coherence of the Thematic Objectives with the *Europe 2020* objectives?
- Is there a sufficient external coherence of the Thematic Objectives and the EU Strategy for the Baltic Sea Region (*EUSBSR*)?
- What kind of external coherence exists there between the Central Baltic Programme and the *national planning* environments?

Within the evaluation team, Nordregio has been primarily responsible for ensuring "external coherence" between the work on drafting the OP and with the EU Strategy for the Baltic Sea Region (EUSBSR), and the Europe 2020 strategy leading to smart, inclusive and sustainable growth in Europe.

Thus, Nordregio's focus has been on following, and where needed providing input to, the process of determining the selection of Thematic Objectives (TO) and subsequently the selection of Investment Priorities (IP) and Specific Objectives (SO). Methods for this have been close reading of the OP drafts and the Regional Analysis and compiling inputs to the Conceptual Report, the Fact Sheets, the Flash Report, as well as to presentations for the various WG1, WG2 and JPC meetings.

Also, Nordregio has actively participated in some of the WG1 meetings, as well as in a few JPC meetings in 2013 and 2014 and in one of the thematic workshops (in Sweden) conducted in 2013.

The following experts of Nordregio participated in the Central Baltic ex-ante evaluation process: *Petri Kahila*, *Lisa van Well*, *Lisa Hörnström*, and *Jukka Teräs*.

*In conclusion*, the ex-ante evaluation team has worked in close cooperation throughout the evaluation process of the Central Baltic Programme 2014-2020. There has been an active exchange of and fruitful contacting between the ex-ante team members, and between the evaluators and the programme writers during the whole evaluation process.

## 1.2 Summary of materials used

The ex-ante evaluation team carried out their analysis based on different documents:

- draft versions of the Regional Analysis;
- all subsequent versions of the OP;
- Programme Intervention Logic;
- other supporting documents delivered by the programming team;
- overview on the public hearing process of the Central Baltic Programme 2014-2020;
- mid-term evaluation reports of the previous programme (2007-2013);
- draft and existing regulatory legislation.

In addition, on spot interviews with the representatives of current programme bodies were carried out, in particular with MA and representatives of National Authorities.

Observations during the workshops organised by the programming bodies in each country gave the possibility to collect the opinions of related experts and potential beneficiaries.

Participation in the meetings of WG1, WG2 and JPC gave the possibility:

- to communicate actively with the stakeholders involved in the programming;
- to observe and analyse different opinions expressed by the stakeholders;
- to identify possible bottlenecks and drawbacks of the existing programme during discussions and presentations of the programming team;
- to express direct comments and suggestions on the questions discussed during the meeting.

## 1.3 The process of Strategic Environmental Assessment

The SEA for the Central Baltic Programme has been carried out in 2013 and early 2014, with the public hearings carried out together with the public hearing of the draft Central Baltic Programme extending into January 2014.

The SEA has been carried out and the corresponding SEA report has been prepared according to the SEA Directive. As regarding following the official procedures of the SEA it

has been decided that administratively there is no need to follow fully the national SEA legislation. This is due to several reasons.

Firstly, there is no strict demand to apply the national and regional SEA procedures of all the Member States and Åland. The Guidance Document on ex-ante evaluation “Monitoring and Evaluation of European Cohesion Policy. The Programming Period 2014-2020. EC DG Regio, June 2012.” explains the need and application of the SEA in Chapter 1.5 and in more detail in Annex 1. In Annex I, Chapter 1, the last paragraph states that “...in principle, a SEA will not be required for programmes co-financed by the ESF and for interregional programmes co-financed under the Territorial Cooperation Objective”. Based on this it has been decided that in principle an SEA was not required, but the assessment would be carried out anyway following the basic principles of the SEA Directive (2011/92/EU).

Secondly, the SEA has been an integral part of the Programming Process (alternatives assessed during the programming process, public hearing carried out together with the programme public hearing). The SEA Report has been compiled and its results will be taken into consideration in the finalisation of the programme documents.

Furthermore, the programme document does not contain any specific activities that can be assessed at the current planning and programme design stage. It is assumed that all activities will already have been subjected to an environmental assessment during the project preparation stage as they will not be considered eligible. Finally, the assessment process is following the main SEA principles and fulfils all the aims of the SEA Directive.

The basis for the SEA has been desk study, interviews with various stakeholders, selection of relevant documents, analysis of current strategic documents, an assessment of the draft programme activities at different programme development stages (alternatives assessment), public hearings, and a consideration of public input received during these.

### *List of selected materials used*

#### Strategic Environmental Policies:

- EU Environment Action Programme to 2020 “Living well, within the limits of our planet” 2012
- HELCOM Action Plan
- European Climate Change Programme (ECCP)
- Monitoring and Evaluation of European Cohesion Policy. Guidance document on ex-ante evaluation. The programming period 2014-2020. June 2012.

#### Strategic Environmental Assessment:

- SEA Directive
- Strategic Environmental Assessment (SEA). Kerstin Ehrhardt and Mans Nilsson
- Stockholm Environment Institute. A paper produced within the EU “Sustainability- A TEST project”.

#### Environmental Management and Indicators:

- Environmental Indicators: Typology and use in Reporting. Peder Gabrielsen and Peter Bosch. European Environment Agency, August 2003
- European Eco-Management and Auditing Scheme
- ISO 14001. Environmental Management System

## 2. Answers to evaluation questions

### 2.1 The analysis of problems, opportunities and the subsequent development needs for 2014-2020 in the Central Baltic region

Answers to evaluation questions in this part are mainly related to the four versions of the regional analysis drawn up by the programme writers as well as the Draft version (15/11/2013) of the Central Baltic Programme 2014-2020 (Draft OP) and especially to the “Cross-border challenges and opportunities for the Central Baltic region” part in the Draft OP. The Ex Ante evaluators examined all four versions of the regional analysis and gave recommendations in order to improve it. The nature of this procedure was therefore ongoing. When answering the evaluation question in this part the main focus is on the final and fourth version of the regional analysis and how it is summarized in the Draft OP.

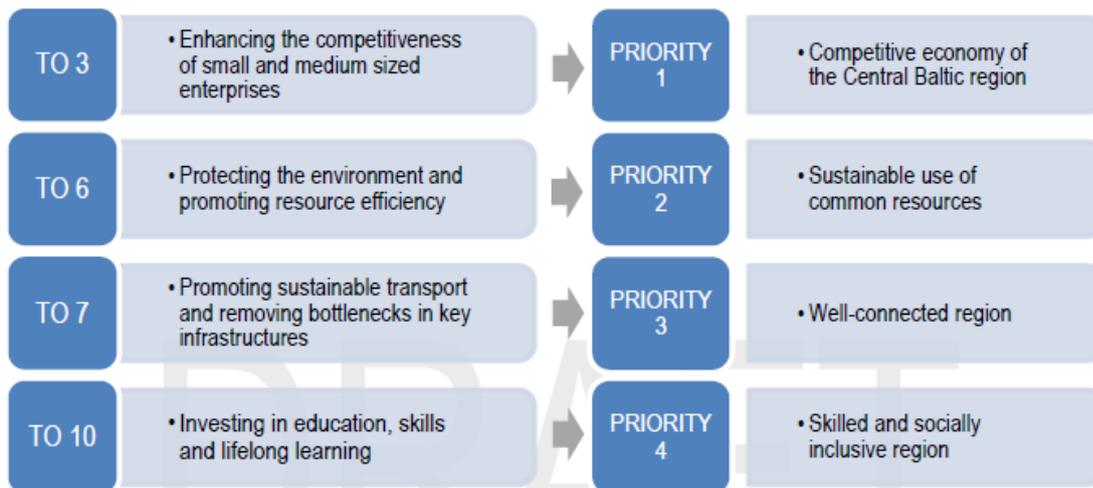
#### *Are the key problems, challenges and development needs of the Central Baltic region adequately described?*

Generally, the regional analysis can be considered as good and profound. It contains adequate descriptions concerning the regions’ population, labour market, education and research, economic development, gender equality, transport, environment, natural and cultural heritage, communication infrastructure and social inclusion. These themes also include the presentation of some key problems, challenges and development needs concerning the region and differences in the situation/development have been noted.

The key problems, challenges and development needs of the Central Baltic region are summarized well in the Draft OP. Tourism has been raised as an important sector for all the Central Baltic countries. There are also other essential sectors mentioned now in order to be developed in this context. There are no relevant themes missing from the Draft OP.

### 2.2 The connection between development needs and programme objectives

The Central Baltic programme has chosen four thematic objectives (TOs). The thematic objectives have been translated into the programme priority axes (Priorities). The selection is mentioned to be based on the region’s characteristics and the identified needs and challenges that may potentially be solved via cross-border cooperation. The following figure illustrates the chosen thematic objectives and how these are converted into the priority axes. During the ex-ante evaluation process, the evaluators made observations and recommendations on the connection between development needs and programme objectives under preparation. Because this examination was done ongoing, observations were made at several phases of this process.



*Figure 1. Programme thematic objectives and priority axes (Draft OP, 15/11/2013)*

The following evaluation questions were answered based on the ongoing evaluation process.

***Do the programme priorities and their specific objectives consistently reflect these challenges and needs?***

Programme priorities and their specific objectives generally reflect well the identified challenges and needs. Some prioritization has naturally been done, because the number of eligible specific objectives and priorities is limited in the programme. In addition, some challenges of the region are too vast to be dealt with using only or mainly the resources of the CB programme. Those challenges and needs which can be handled in the programme setting seem to be identified well.

***Are the key territorial challenges analysed and taken into account in the programme strategy?***

The key territorial challenges are analysed and recognized in the programme strategy. The aspect of territorial challenges is seen mostly in the justification for TO selection. Because there are underlying territorial differences, it is obvious that there will be different territorial target levels within the same objectives.

***Are the identified challenges and needs consistently translated into the objectives of the Operational Programme?***

The identified challenges and needs are translated consistently into the objectives of the OP. Most of the identified challenges and needs of the Programme area are recognized in the selection of TOs, IPs and SOs. Because of the restricted possibility to cover all essential development needs in programme strategy, all the identified challenges and needs cannot be translated into the selection of TOs, IPs or SOs under them. The key challenges and needs are recognized, but also some significant challenges like especially youth unemployment, but also poverty and ageing of population could have been taken into account more specifically.

### Recommendations for this section

Section	Nr.	Finding	Recommendation	Timing	Responsible
2.2	1	The key challenges and needs are recognized, but a significant challenge of youth unemployment seems somewhat disregarded in Priority axes.	This theme could be taken into account more specifically in the people to people projects. Youth employment could be mentioned as a one main target group in the Priority Axis 4 or at least in the horizontal principles.	Before submitting the OP to the EC	MA / Programme writers

### 2.3 The internal coherence between the various objectives formulated for the new programme (including the potential for synergies and the minimalisation of contradictions and overlaps)

Above the connection between development needs and programme objectives was examined. In this part, the focus is on the internal coherence of the various objectives inside the programme. This means that observations were made on the coherence of different levels of objectives. In order to be able to specify the Priority axes, there was a lot of discussion in the working groups and the JPC. Also, various compromises among the members of these bodies were made both on content and formulation. The internal coherence should hold through all levels and types of objectives: priority axes, thematic objectives, investment priorities and specific objectives. Observations concerning the coherence of these different levels were made during the whole ex ante evaluation process (and therefore the programming process). The following evaluation questions were answered based on this ongoing evaluation work.

#### Overall Internal Coherence

The consistency between selected SOs, IPs and TOs is good in the Draft OP. The TOs of all Priority axes transfer consistently into IPs and SOs. SOs have a similar level of generalization. Many of the SOs have a strong economic focus but also an environmental focus is taken adequately. Overall, the SOs have good consistency with the TOs and IPs. Sustainability is underlined more at the IP (of TO7) than at the SO levels, but it is in general an adequate and natural transition. However, it is essential to ascertain that the sustainability issue will be reflected at the result level.

#### *The programme is divided into sub-programmes. Has it been done in a way that is coherent and is the intervention logic in the whole Operational Programme intact? Is the outcome internally coherent?*

The Central Baltic Programme has three sub-programmes: the Central Baltic sub-programme, the Southern Finland-Estonia sub-programme and the Archipelago and Islands sub-programme. The structure continues the previous cooperation programme and it seems

coherent and relevant. Especially the Archipelago and Islands region's specific characteristics (isolation and seasonality especially) emphasize the need of a separate sub-programme. The prevailing Draft OP seems also internally coherent from the perspective of the three sub-programmes.

***Have complementarities and potential synergies been identified between the specific objectives of each priority axis and between the specific objectives of the different priority axis?***

During the ex-ante evaluation process some overlapping themes were observed. These have been eliminated now from the Draft OP. Linkages between the SOs inside the priority axes can now be better identified. For example Priority axis 1 links innovativeness, youth and SMEs. Priority axis 2 links sustainability, tourism and innovativeness. Priority axis 3 emphasises the link between transport, sustainability and tourism. In priority axis 4 a linkage between education and training and social inclusion can be seen. When considering the identification of complementarities between the priority axes, a linkage between priority axis 1 to the other priority axes can be noticed as the most common and strongest in the Draft OP. Priority axis 1 has a linkage to all the other axes and as well to horizontal objectives. This linkage is indirect. Sustainability is the issue that links priority axis 2 and 3 together.

***Are the proposed actions to be supported in each priority axis, including the main target groups identified, the specific territories targeted and the types of beneficiaries sufficiently described?***

The main target groups, specific territories targeted and types of beneficiaries are identified in the Draft OP on the SO level. These are generally described well. There are some differences in the accuracy and extension of the listed main target groups and types of beneficiaries between the priority axes, but this seems purposeful.

***Will the proposed actions lead to the expected outputs and intended results?  
Do other possible action or outputs exist that would be more conducive to the intended results?***

The proposed actions to be supported are listed indicatively and expected outputs in an exact and quantitative fashion in the Draft OP. These different accuracy levels are however purposeful. The overall consistency of the actions to be supported and expected outputs and results seems adequate even though in some cases it is hard to see the direct linkage between these elements. For example the linkage between the awareness raising (action supported) and number of new enterprises supported (output) will not be appropriate to be monitored. Therefore some of the proposed actions with the qualitative nature would need qualitative output indicators in order to capture these actions.

*Are the policy assumptions underpinning the programme logic backed up by evidence (e.g. from previous experiences, evaluations or studies)?*

When it comes to the previous evaluations and experiences, it can be noticed that the programme writers have benefitted from that material and experience during the writing process. Even if this is not shown directly in the policy assumption part (named “Cross-border challenges and opportunities for the Central Baltic region” in the OP), it can be seen from the background material and from the working group observations. In addition, the used workshop method has given valuable insights into the beneficiary point of view to programming.

*Is the proposed form of support suitable for the types of beneficiaries and the specific objectives of the programme?*

There are indicative lists of actions supported in the Draft OP. These lists are made for every SO and they show indicatively where support will be allocated. Generally, these seem to be suitable for the types of beneficiaries and SOs, in part because the content of listed actions is given in quite general level.

*Recommendations for this section*

Section	Nr.	Finding	Recommendation	Timing	Responsible
2.3	1	Some of the proposed indicative actions with the qualitative nature would need qualitative output indicators in order to capture these proposed actions.	Some qualitative output indicators could be formulated later.	When approving the projects	MA /

## **2.4 Recommendations for the improvement of the external coherence between the new programme (and its main objectives) and its strategic context**

The Common Strategic Framework 2014-2020 sets out one of the key features of Cohesion policy after 2014 as a tighter focus upon a narrower set of objectives, and greater efforts to maximise coherence between the activities of the different Funds (European Regional Development Fund the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund).

At the same time there is a need to coordinate the activities of Structural Fund programmes with the overarching Europe 2020 goals. Europe 2020 is a European vision for “smart, sustainable and inclusive growth”. As such the strategy is not solely directed towards territorial or development matters, but addresses a broader array of challenges to the EU brought about by the current financial crisis but also long-term trends such as globalisation, pressure on the environment, and an ageing society.

The European Union Strategy for the Baltic Sea Region (EUSBSR), effectively brands the BSR as EU's first "macro-region" and serves as a prototype for further macro-region establishment. With its focus on three objectives: (1) Save the Sea, (2) Connect the Region, and (3) Increase Prosperity, the EUSBSR sets the framework for implementation via several instruments, including territorial cooperation programmes. The new Action Plan of the EUSBSR outlines 14 Priority Areas and suggests five Horizontal Actions (HA): 1) Spatial planning, 2) Cooperating with neighbours, 3) Boosting joint promotion and regional identity, 4) Multi-level governance, and 5) Sustainable development and bioeconomy.

It is thus important that the Central Baltic Operational Programme has a degree of external coherency with both the Europe 2020 strategy and the EUSBSR to ensure consistency with European goals. This examination of key problems, challenges and development needs in relation to external coherence was based on the Central Baltic regional analysis and the draft versions of the OP as drawn up by the programme writers.

### *External coherence of the Thematic Objectives with the Europe 2020 objectives*

The Thematic Objectives of the Central Baltic programme are closely linked to Europe 2020 Objectives:

- TO 3: "Smart Growth"
- TO 6: "Sustainable Growth"
- TO 7: "Sustainable Growth", ("Inclusive Growth")
- TO 10: "Smart Growth" ("Inclusive Growth")

In addition there are a number of cross-cutting and indirect linkages, i.e. TO3 (Competitiveness of SMEs) and TO7 (Sustainable transport and key network infrastructures) and TO10 (Education and lifelong learning) also address the environmental challenges as well as the challenge of accessibility and underuse of renewable energy. They also indirectly address the problem of unequal distribution of wealth (TO3 and TO7) as well as addressing problems associated with low population density. The addition of TO10, with its focus on joint education and training programmes, has been a good way to address some of the social exclusion issues in the region and show greater coherence with the Europe 2020 goal of inclusive growth.

The Nordregio team of experts has highlighted during the ex-ante process some SOs during the evaluation process in order to further improve their external coherence with Europe 2020, including e.g. SO4 for TO3 IPa "Promoting and supporting entrepreneurship of elderly" links together Smart and Inclusive growth, and SOs 1-4 for IPc TO7 "Developing and improving environment-friendly and low carbon transport systems" to make a more direct linkage to Sustainable and Inclusive growth.

### *External coherence of the Thematic Objectives and the EUSBSR*

The EUSBSR and Action Plan focus on three main objectives: Save the Sea, Connect the Region and Increase Prosperity. The selection of TOs reflects these objectives to great extent. Especially environmental issues are well covered in the environmental as well as transport TO. Also improving competitiveness is a sub-objective in the EUSBSR Action Plan on macro-regional/global level which is well translated into cross-border/regional level as well as made more concrete in the TOs. TO3 in the programme is seen as central for the whole region and can help to contribute to the EUSBSR objective of “increasing prosperity” and directly relates to the Priority Areas SMEs and Innovation. TO6 is very coherent with the objective “Save the Sea and the Priority Area “Nutri”, TO7 helps to fulfil the EUSBSR objective of “connecting the region” and has direct links with the Priority areas Transport and Clean Shipping. Finally TO10 can be closely related to the Priority Area of Education in the EUSBSR, particularly in developing innovative education methods and with a focus on youth.

In addition, the chosen TOs and IPs can be significantly coherent with several of the Horizontal Actions of the EUSBSR, including HA Involve (TO10); HA Spatial Planning (TO7, TO3); HA Sustainable Development and Bio-economy (TO3, TO6); HA Neighbours and HA Joint Promotion and Regional Identity (TO 3).

Based on the documents presented so far, there is a general (external) coherence to be identified between SOs and EUSBSR objectives.

### *External coherence and national planning environments*

Based on the Nordregio evaluation up to Sep 25, 2013, there are considerable and promising attempts to be identified in order to take into account the national goals in the Central Baltic programme preparation. Issues worth emphasizing even more in the Central Baltic Programme might be e.g. climate change, including Green Growth and Cleantech initiatives in various Central Baltic programme countries. These issues, emphasized rather heavily in national plans, have an essential importance in the Central Baltic programme, too.

Finally, it needs to be emphasized that the implementation phase will be the big challenge in meeting the external coherence of the Central Baltic programme. It is important to pay specific attention to the implementation phase from the very beginning when it comes to external coherence, especially related to EU 2020 and EUSBSR.

### Recommendations for this section

Section	Nr.	Finding	Recommendation	Timing	Responsible
2.4	1	Climate Change, Green Growth, Cleantech initiatives – they can't be overemphasized	Additional emphasis on Climate Change, Green Growth, Cleantech initiatives ( Section 1 /Cross-border challenges/Environment)	Before submitting the OP to the EC	MA / Programme writers
2.4	2	Next challenge- the implementation phase and the external coherence	Specific attention on the implementation phase from the very beginning when it comes to external coherence, especially EU 2020 and EUSBSR (to be mentioned at the OP document)	Before submitting to the OP to the EC	MA/Programme writers

## 2.5 Recommendations for the improvement of the relevance and quality of the programme indicators

The set of indicators has been improved continuously during the last phases of the programming process. While the penultimate version of the set of programme indicators, introduced at the WG1 meeting in Stockholm (22 January 2014) was already substantially better as compared to the earlier versions of the programme indicators, there have been further improvements since the draft version of this evaluation report (i.e. during the period of 22 January to 20 February). Now, a result indicator is designated for each specific objective. Similarly, each priority axis include clearly defined output indicators.

In general, the attempts of the programme writers to come up with a relevant yet efficient framework of indicators are commendable. Much effort has gone into formulating indicators which will give meaningful information on the progress towards the achievement of the specific objectives, while at the same time keeping in mind the principle of proportionality.

More specifically, the result indicators have been clearly improved in terms of whether they relate to programme beneficiaries only or to the entire programme area. In general, the updated result indicators capture the desired change in the programme area and relate to the whole target population. The only possible piece of feedback remaining at the end of the programming process relates to the fact that a decision has been taken by the JPC to measure result indicators only twice: at the beginning and at the end of the programme (i.e. in 2014 and 2022). This would, however, in the eyes of the evaluators, reduce the potential utility of the indicators. In our view, measuring in 2018 in addition would provide a wealth of valuable feedback to the programme Monitoring Committee to take strategic decisions halfway.

Moreover, in some cases it is still important to work on the definitions of the result indicators in order to prevent different interpretations by the stakeholders. For instance, in case of the indicator „*share of marine and coastal areas with improved management*” it should be clearly defined how the “improvement” will be determined. The same goes for the

result indicator *“share of communities with improvements”* for which it is necessary to determine how the *“improvements”* will be assessed, and which of the communities are considered as eligible. The indicator *“share of urban areas covered with integrated urban management”* might arise similar questions: are the urban areas defined based on the concept of functional urban areas (FUR) or some other concept?

The area of the Central Baltic Programme covers Estonia, Finland (incl. Åland), Latvia and Sweden. Accordingly, most of the result indicators measure joint actions and/or co-operating entities which is appreciated - it ensures that the principle of sensitivity is taken into account. Nevertheless, in several cases measuring joint actions and/or co-operating entities at the region-level can be challenging and, thus, not resource-efficient. Therefore, it is still important to consider the principle of proportionality in each case separately.

The proposed output indicators are in general well defined. However, in some cases, and similarly to the result indicators, the output indicators might be interpretable in various ways. For instance, in case of the output indicator *“developed and marketed attractions”* it is somewhat unclear what is meant by the *“attractions”*, and moreover, which attractions qualify as *“joint”*. Also, it is not explicitly clear what is meant by *“developed”* and *“marketed”*. To conclude, the output indicators, as well as the result indicators, should be clear to all stakeholders.

In essence, the output indicators are useful as such in order to keep track of an intervention. In accordance, the most proposed output indicators are, indeed, clearly related to goods and services provided with support from the programme, and not to the whole target population. Exceptionally, the output indicator *“reduced nutrient and toxins inflow sources”* can also be interpreted as a result indicator and is, therefore, recommended formulating more precisely.

Perhaps the most challenging indicator of all is the result indicator for specific objective 4.1. This however, is not in itself a problem of indicators but rather one of strategy. Given the fact that there is a widely shared interest in addressing this issue of communities, the indicator selected should be considered as the best possible option among a wide range of far-from-ideal possibilities.

### *Recommendations for this section*

Section	Nr.	Finding	Recommendation	Timing	Responsible
2.5	1	Result indicators will only be measured twice during the programme period (2014 and 2022)	Consider measuring result indicators in 2018 as well	During the first or second MC meeting	MA

## 2.6 Recommendations for the improvement of the monitoring and evaluation system, keeping in mind its utility and proportionality

The draft programme text and the supporting documents in relation to Working Group 2 (on management issues) do not contain very specific references or plans in relation to the monitoring and evaluation of the programme. Where information or intentions are provided which indirectly relate to monitoring and evaluation (e.g. in the Rules of procedure of the Monitoring Committee), they generally make sense. Moreover, experiences with the current programme (2007-2013) do not give reasons for serious concern in relation to the monitoring and evaluation function.

There are, however, a number of issues which would require the full attention of the Member States and Åland in due time (e.g. in the framework of drawing up the Programme Manual).

First of all, this concerns the obvious difference as monitoring is concerned as compared with the current period: the introduction of the e-Monitoring system. While in itself a welcome step towards potential simplification for both programme and applicants, beneficiaries and partners, research carried out in the framework of other Structural Fund driven 2014-2020 programmes shows that beneficiaries might initially have a somewhat sceptical attitude towards the new system. This is in part related to their – subjective – perception that its introduction will first and foremost reduce the administrative burden of the programme structures instead of their own. While there is no reason to assume that this will be the case, this does raise some necessity for a clear communication in the direction of potential applicants, beneficiaries and partners on this issue.

Secondly, some attention is required to monitoring and evaluation as tools supporting decision making and learning in the context of the Monitoring Committee, the main decision making body in the programme. Some thought, discussion (and references in the text of the Rules of Procedure) on how the Monitoring Committee will use monitoring and evaluation outputs as the basis for their decision making and improvement of the programme would be very beneficial. This should go beyond stating the the Monitoring Committee will examine and approve the annual and final implementation reports as well as the evaluation plan for the operational programme (the latter leaving a certain impression that the main responsibility of the Committee in relation to evaluation is to approve of it being done).

A third issue relates to the fact that, given the focus on results in the new programming period, monitoring and evaluation need to become even more indicator-focused. In relation to output indicators, the process of collecting the necessary data is quite straightforward: project-level reporting will provide most of the information required. This by the way means that reporting should not be mainly verification-driven but has a clear role in decision making and learning at a programme level. For instance, there should be a mechanism facilitating the measurement of programme level (output) indicators on the basis of project reports, which in turn implies the need to create a clear link between project and programme indicators. The obligatory use of certain core (output) indicators by the projects could be considered.

Perhaps even most important of all is the measurement of result indicators at programme level. It is unlikely that most of the input for this will be generated by projects. Therefore, the MA should draw up a precise plan for gathering result indicator data, including the necessary resources to do so (both financial and human, e.g. skills). In this context, it is commendable that the programme writers have already done important work in determining how baselines and levels of achievement of the result indicators will be measured in practice. This does, however, lead to a certain additional workload for the MA, which should be carefully planned and budgeted for.

**Recommendations for this section**

Section	Nr.	Finding	Recommendation	Timing	Responsible
2.6	1	The workload of the MA in measuring result indicators will be significantly larger than for the current programme	Carefully plan and budget for this work, then discuss in the MC and allocate the appropriate resources	First MC meeting	MA, MC

**2.7 Recommendations for the improvement of the administrative capacity of the programme**

The evaluation covered the following main aspects of programme management: the structure of the bodies responsible for the implementation of the programme, the division of responsibilities and the staff recruitment plan for the fulfilment of functions set, the approach to project development and selection, the eligibility of partners (applicants) and other issues.

The description of the implementation provisions within the OP and other supporting documents provided by the drafting team in the framework of the meetings of WG2 and JPC were examined. Recommendations for improvements within the programme implementation framework were provided throughout the ongoing work of the drafting team and during discussions among the programming bodies (WG1, WG2, and JPC).

Conclusions and recommendations from the Public hearing process highlighted and confirmed some of the comments provided by the ex-ante evaluation team. Comments and recommendations were taken into account in the last draft of the Implementation Provisions of the OP.

**Are there any possible bottlenecks which might impede management and implementation of the programme based on previous experience?**

Implementation provisions of the programme described in the draft OP and in other supporting documents can be considered as appropriate for smooth and efficient management of the Programme. The planned implementation framework and management setup is consistent with the legislative requirements.

Within the drafting process of the implementation procedures, possible challenges and risks were identified by the ex-ante team and communicated to the drafting team. Some of these challenges were already highlighted by the results of the mid-term evaluation of the Central Baltic Programme (2007 – 2013) and Public hearing process of the new Programme. Most of these bottlenecks were discussed by the drafting team and representatives of Member States and Åland involved in the programming process, and further assumed for the improvement of the management and implementation of the programme.

During the preparation of this report, the work on the draft description of the implementation provisions within OP and in other documents was still ongoing. However, some aspects can already be considered to reduce possible bottlenecks and risks within the management and implementation framework of the programme.

As regards the recruitment plan and administrative set-up of the managing bodies of the new programme, most of the recommendations provided during the programming process (within the discussion of WG2 and JPC meetings) were taken into account and reflected in the last draft of the OP. The capacity of project managers and financial managers to ensure **without delay** a communication with beneficiaries and processing of reports submitted by projects was as one of bottlenecks identified by the mid-term evaluation. The increase of the number of employees (in particular, financial managers), the flexibility in the recruitment of an appropriate number of staff depending on the workload during the lifecycle of the programme and setting up more targeted (topic oriented) functions for the project managers shall ensure appropriate capacity to avoid the bottlenecks mentioned.

The evaluators had expressed some doubts in relation to the duplication of functions and the need to have within the MA both the positions of “Head of MA” and “Regional Development Director”. However, in spite of the fact that such management set up is different from the traditional approach, it can be considered as justified, assuming that a position of the Head of the Joint Secretariat is not planned. Instead, the Head of MA shall bear the overall responsibility for the day-to-day management issues, whereas the Regional Development Director (with 20% workload) as the official authorising person will hold the responsibility for the management of the TA budget and other authorising functions.

The chosen two-phase approach for the project development and selection that has been introduced and is appreciated by the majority of respondents of the Public hearing process. This question has taken a lot of discussions among the representatives involved in the programming process (both in WG1 and WG2). The description of the two-phase approach has been improved and more detailed since the first proposal of this approach. There are still open questions that should be further discussed and elaborated in more detail in the future Programme Manual, for example: (1) the content of a project idea to be submitted by applicants in the first phase, (2) the definition of the strategic relevance of project ideas, (3) the criteria to be used to assess the strategic relevance of projects in the first phase, (4) if and what kind of other (e.g. eligibility) issues should be assessed during first phase.

In any case, such an approach shall bring resource-efficiency for project applicants in preparing a full application. After the first phase only the project ideas of the most

appropriate strategic relevance selected will continue with the preparation of a full application requiring more human, time and other resources. Other rejected projects will save those resources that would otherwise be needed for the preparation of a full application.

Associated risks within the introduction of a two-phase approach for project development and selection are related to time. Management bodies shall consider the most effective way to ensure a selection process which is not requiring too much time and thus prolonging the whole life cycle of projects from the definition of the project idea until its implementation. A strict time schedule should be fixed and followed during the assessment process as well the proper capacity of the human resources involved in the assessment process should be ensured.

Another issue to be further discussed is related to the capacity of first level controllers (FLC) to perform the verifications within a reasonable time, with sufficient and not too detailed level of controls. This bottleneck has been identified by the mid-term evaluation report of the previous programme as well as by respondents during the public hearing process of the draft OP. The MA has foreseen the development of a manual for the process of verification aimed at creating a set of unified rules and requirements for all FLCs. Moreover, regular meetings between MA and FLC shall be organised during the lifecycle of the programme. These activities shall reduce the risk of different requirements by different FLCs and ensure the introduction of common standards for verifications across the whole programme area.

#### ***What is the likely efficiency of the arrangements for communication and cooperation among stakeholders?***

Several improvements in the overall process of a communication and cooperation among stakeholders were introduced in the new programme as compared to the previous Central Baltic Programme (2007 – 2013), as listed below.

The new programme foresees the creation of a network of contact points located in each country represented in the programme. The need for improvements in the communication between programme bodies and project applicants or project partners was highlighted in the recommendations of the mid-term evaluation of the previous programme as well as in the results of the public hearing process. The Contact Points shall work as the information providers to potential applicants and mainly concentrate on the provision of the information locally in the local language, which is seen as a major improvement in ensuring better and faster communication about the programme to the beneficiaries.

Moreover, the approach of the previous programme with different Joint Secretariat units hosted under different organisations in different countries following different legislative frameworks was seen as ineffective. Therefore Contact points should be set up in local hosting organisations separately from the Joint Secretariat (JS) ensuring better administrative management and employment of staff. However, there are some challenges or possible bottlenecks to be considered when setting up and ensuring the work of Contact points:

- To avoid duplication of functions of Contact points and JS, in particular “project team” and “info team”. Clear and precise definition of functions and tasks of Contact points and agreement on the annual work plans with JS can help in coordination of tasks between both bodies.
- Contact Points might lack more detailed information on eligibility issues related to the programme when approached by beneficiaries with such questions. A regular exchange of information should be ensured between Contact Points and JS. Moreover JS shall consider regular trainings and other capacity building events of the staff of Contact points.
- Final beneficiaries may associate Contact Points with programme management bodies and information given by Contact Points can be treated as the official communication of Programme bodies. Consultations or information exchange between Contact points and JS in specific questions raised by beneficiaries would help providing consistent information from both (JS and Contact points). On the other hand, this might prolong the communication process with beneficiaries (require more time for providing the correct answers to beneficiaries).

The decision to use INTERACT harmonised tools, in particular the IT monitoring system, shall bring considerable resource efficiency as there will be no need to develop and maintain an own IT monitoring system. However, the adaption of this system for programme specifics might require additional time and financial resources.

Online application and report submission through the eMonitoring system (and not in paper form) is seen as a significant step forward towards the improvement of cooperation among all stakeholders. However, the associated bottleneck can be related to the still existing need for preparing paper form reports and other supporting documents for FLC by the project partners.

The decision to locate the Joint Secretariat (JS) and MA in one single location – in the Turku office is considered as a positive decision and will allow optimising the administrative and other technical support functions for both administrative bodies (MA, JS), and will improve internal communication and the coordination of work between both bodies.

The issue of duplicating responsibilities of the financial management of programme and payment certification has been addressed by transferring the tasks of the Certifying Authority to the financial team (cell) within the JS.

Compared to the 2007-2013 programme, it has been decided to reduce the number of reporting periods and respective reports to be submitted by the beneficiaries. This will substantially reduce the administrative resources required by the beneficiaries, FLC and JS for the processing (preparation, verification, approval) of monitoring reports.

The programme has certain specifics as it is comprised of 3 sub-programmes and thus requires additional administrative features. In the previous Central Baltic Programme (2007 – 2013) a separate Steering Committee was established for each sub-programme (in total 3 Steering Committees). The new programme has introduced improvements in this area by having just one Steering Committee with agreed rules for the decision making on issues

related to the whole programme and each sub-programme. This is seen as a positive step towards the improvement of the administrative capacity and communication of stakeholders involved.

A significant step towards the reduction of the administrative burden and improving the efficiency of the implementation of projects by the beneficiaries are the advance payments for the projects. However, this might add some concerns for the programme bodies to ensure appropriate controls in order to avoid or minimise the risk of recovery of ineligible funds.

The evaluators are of the opinion that the improvements discussed by programming bodies and introduced within the OP will ensure a higher efficiency of the stakeholders involved and reduce the administrative burden in programme implementation.

### *Recommendations for this section*

Section	Nr.	Finding	Recommendation	Timing	Responsible
2.7	1	The 2 phase approach of the project development and selection is introduced and highly appreciated by potential project applicants (confirmed by the public hearing process).	Details related to the <b>content of a project idea</b> (to be submitted by applicants in the 1 <sup>st</sup> stage) as well as <b>clear evaluation criteria</b> for the assessment of project ideas, and (in later stage) for full project applications should be elaborated and agreed.	Programming and initiation stage of a programme implementation	Programming bodies, JS
2.7	2	The network of Contact Points is considered as a major improvement in ensuring better and faster communication about the programme to beneficiaries. This should reduce administrative burden of programme management compared to the previous programme.	There are some challenges to be considered when setting up and ensuring the work of CPs: (i) <b>duplication of functions</b> of CPs and JS should be avoided, (ii) <b>sufficient capacity building</b> should be ensured for the staff of CPs, (iii) regular <b>information exchange</b> and intercommunication between JS and CPs should be ensured.	Programming stage and during the whole life cycle of the programme	JS and National Authorities deciding on hosting the CPs
2.7	3	Online submission of applications and reports through eMonitoring system is considered as a significant step forward towards the improvement of cooperation among stakeholders	How to avoid the need to prepare <b>documents in paper version</b> for FLC?  Additional <b>events for sharing information</b> on the use of eMonitoring system at the first period of the programme implementation should be organised.	During the whole life cycle of the programme	MA, JS, National Authorities

## 2.8 Recommendations for the improvement of the balance between the programme's objectives and resources (i.e. both its feasibility and cost-effectiveness)

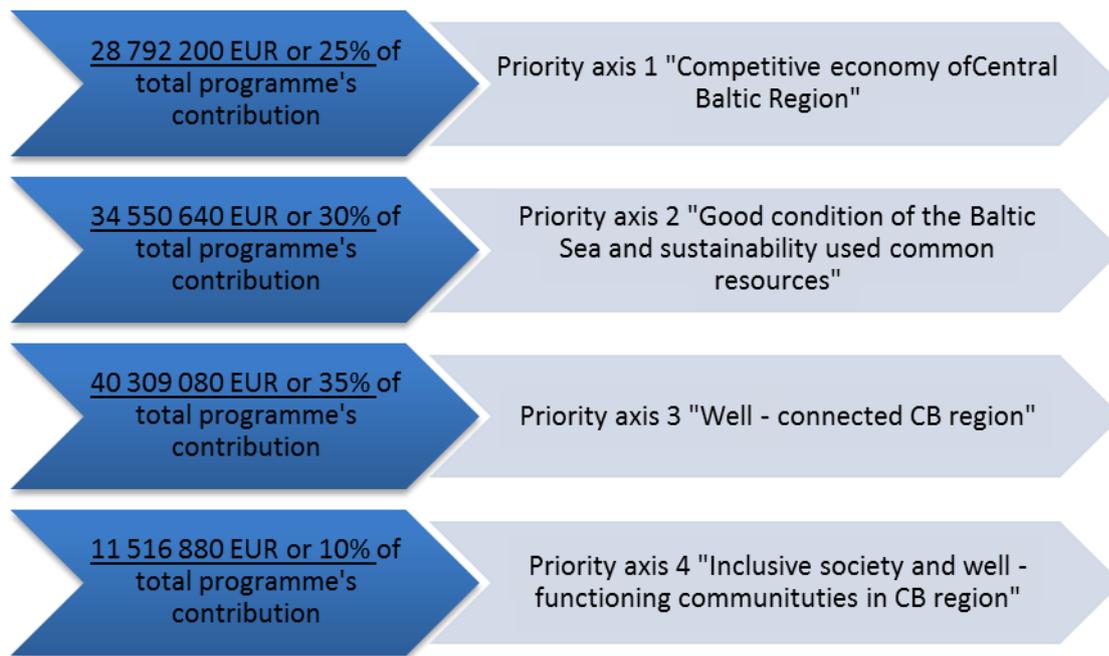
The evaluation also covered questions related to the consistency of the financial allocations. The contribution of the planned financial allocations towards achievement of the objectives and results of the programme was evaluated. This is a continuation of the analysis of the programme intervention logic, with an extra emphasis on the cost element of the intervention. During the drafting process of the OP and Programme Intervention Logic, the ex-ante evaluation team has provided conclusions and recommendations related to the consistence between the planned type of actions (under priorities agreed) and optimum benefit for the programme.

This evaluation has been carried out indicatively with preliminary recommendations based on draft documents provided before the preparation of this report.

### *Does the financial allocation correspond to the related objectives (relevance of the financial allocation)?*

The division of the funding by priority axis has been introduced and put forward for discussions within meetings of the JPC and WGs. The total EU support for the programme is 122 520 000 EUR, which will be committed respectively 94% for thematic objectives (priority axes) and 6% for the Technical Assistance. The selected form of financing under all priority axes is a non-repayable grant corresponding to the indicative type of actions planned under each of the specific objectives.

The division of financial allocations by priority axis (excluding the financial allocation for the Technical Assistance) presented within latest version of the OP (version 20/02/2014) is shown below and has been agreed by the stakeholders in last meetings of the JPC (06/02/2014).



*Figure 2. The division of financial allocations by the priority axis presented in the Operational Programme (Draft version 20.02.2014)*

This financial division among priority axes is considered as reasonable, logic and based on:

- the performance and experience of the previous CBA Programme (2007 – 2013),
- the results to be achieved (defined in the programme intervention Logic),
- the list of specific objectives and potential financial commitment to achieve them under each of Priority axis,
- considers different types of investments required: “soft” or intangible, relatively small scale and larger scale investments.

The proposed division of financial allocations shall ensure the achievement of the results and indicators set for each priority axis. Assuming the financial scale of the projects, the priority axes demonstrate a financially feasible balance between the objectives, results and planned allocation of the programme’s financial contribution. The financial allocations concentrate on the objectives in line with the most important challenges and needs identified within the Regional Analysis and the OP.

The programme presents the performance framework of priority axis containing the milestones (for 2018) and target values (for 2023) for both financial and output indicators. Milestone values (for 2018) of financial indicators are set in the amount of 20% of the total financial allocation for each priority axis. This seems logical and reasonable assuming the planned start of the implementation of the programme and projects accordingly.

The OP contains an indicative breakdown of the programme financial resources on the level of categories of intervention based on the nomenclature adopted by the EC (required according to Common Provisions Regulation). This division reflects the actual fields of intervention planned under priority axis and specific objectives. The financial allocations divided by the intervention fields are coherent with the needs, main challenges described

within the Regional Analyses and the target values of output indicators. However, the intervention fields of the priority axis 2 can still be discussed by the Member States and Åland in due time as they will contribute to wider range of indicators related to environmental issues (e.g. air pollution (082 intervention field), better urban planning for rehabilitation brownfield and industrial sites (087 intervention field)).

Moreover, it has been agreed to set an indicative division of financial allocations by sub-programme that is considered as a reasonable and justified approach. The proposed division of financial allocations by priority axis and indicative division by sub-programme will allow avoiding the situation that projects in the most demanded priorities/ sub-programmes are subject to “first come first served”, while the programme will afterwards not have enough funds for the priorities that are less demanded or more time consuming for the project preparation.

During the preparation of this report there was an on-going discussion on the use of Technical Assistance and therefore the consistency of planned TA funds with resources required is not analysed in detail. However during the ex-ante evaluation process, comments were provided on the recruitment plan observing the consistency of the human resources planned with the actually required resources for the programme implementation and management. Financial allocation of ERDF for the TA is 7.351 million euro. The evaluators are of the opinion that the TA financial plan (by expenditure positions and by years) is reasonable. The comments previously provided in relation to the management and implementation of the programme has been observed and bottlenecks from the predecessor programme assumed demonstrating the actual needs for the management of new programme in the TA financial plan.

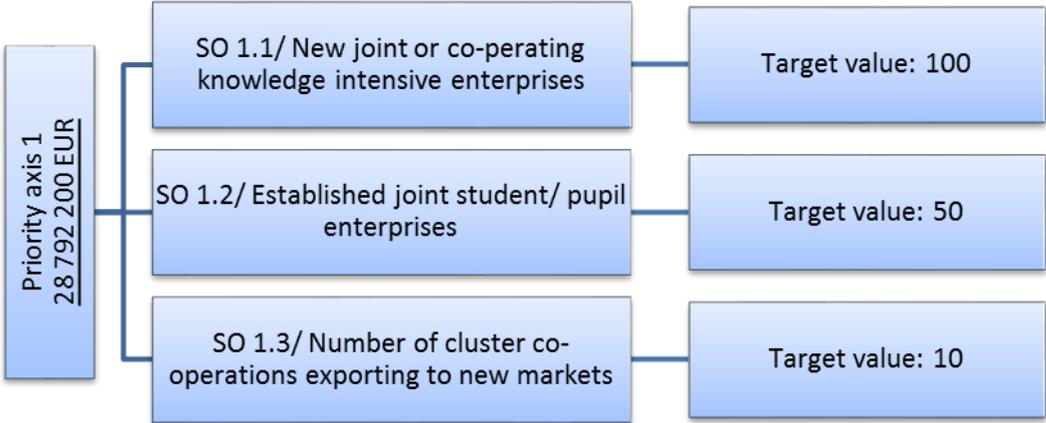
#### ***Will the activity provide the optimum benefit (cost efficiency)?***

The analysis of the consistency of financial allocations with the identified challenges and result indicators provide the basis for conclusions and recommendations to reach the optimum benefit by the EU support in the programme area.

Result and output indicators with the milestones and target values for the performance of the programme are indicatively observed at this stage as the draft of these indicators have been recently presented and should be still agreed among the stakeholders involved in programme preparation. Nevertheless, the nature of the indicators of the programme allows to analyse the overall consistency and the cost-efficiency of the programme’s contribution to the given priority axis.

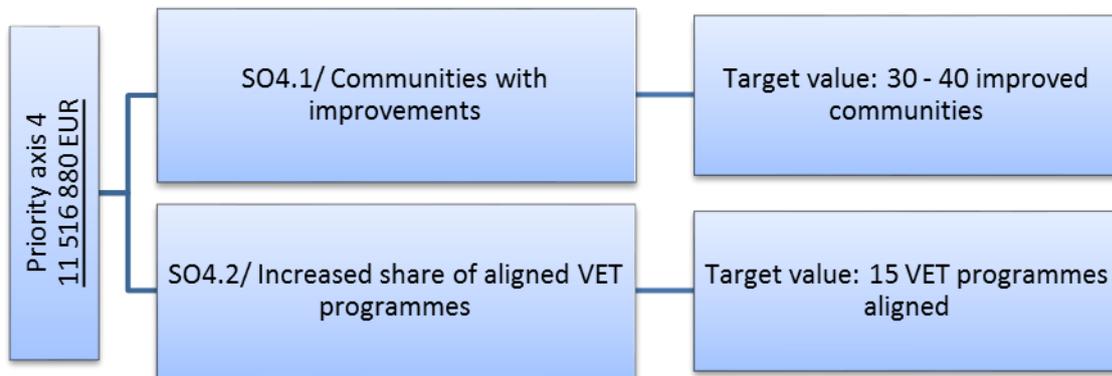
Despite the content of specific objectives and results expected, priority axis 1 and 4 are rather similar by the type of actions and investments. Both priority axes foresee support for different type of “soft” or intangible actions: training, coaching, networking, awareness raising and branding, experience exchange, programme and process development, research and analyses, development of common e-tools and other services.

Assuming the required contribution from the programme and financial scale of type of actions, the result indicators defined under the *priority axis 1* is considered as feasible and consistent with the planned contribution from the programme under the given priority. The target values of indicators proposed are realistically set. Nevertheless Unions support will bring more quantitative and qualitative results related to the business development and cooperation in regard to the business productivity, sales and exports, high value added, taxes paid, innovative products and technologies, know – how and new knowledge, experience and other issues promoting competitiveness of the economy of the Central Baltic region.



**Figure 3.** Target values for priority axis 1

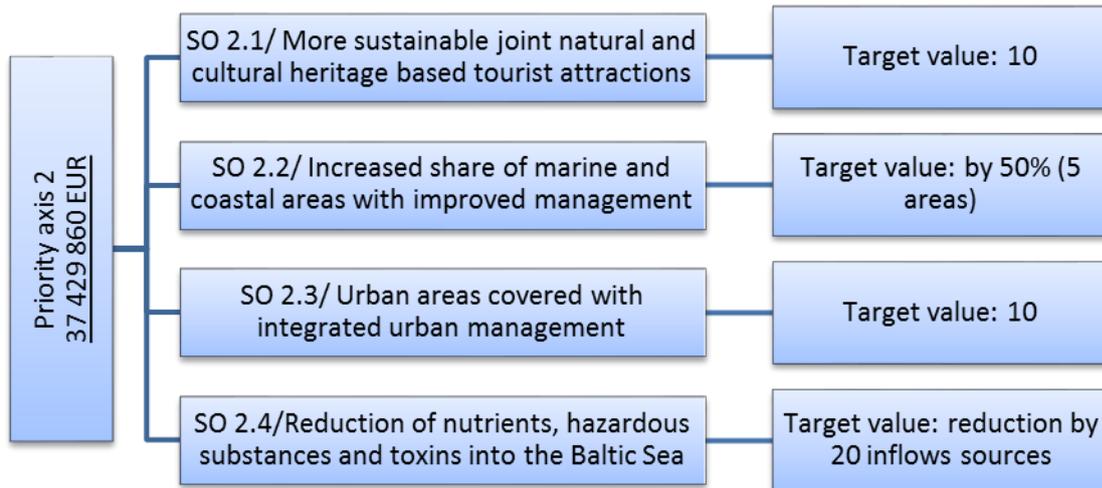
*Priority axis 4* differently from other priority axes will mainly support small projects. Thus, the share of financial allocation of the programme contribution for this priority axis is considerably smaller than in other priorities. This is seen as reasonable and it demonstrates “value for the money”. There is still on-going discussion among the stakeholders whether small-scale investments for obtaining equipment shall be allowed within this priority. The small-scale investments for the equipment are considered as justified for the optimum benefit of the Priority axis 4 within the planned proportion of the financial allocation. Even though the small proportion of the financial allocation for the given priority result indicators demonstrate appropriate ambitions in the target values to be achieved during the programme lifecycle. In long – term this support shall bring the considerable benefits for the development of the labor market in terms of the quality, capacity and competence of the workforce and active local communities being able to tackle common social problems for whole CB region.



**Figure 4.** Target values for priority axis 4

**Priority axes 2 and 3** are more investment intensive in thus committing the Union’s support to smaller number of initiatives and reasonable target values of result indicators. However, precisely targeted investments under both priority axes definitely shall bring strategic significance for the CB region justifying the relevance of the majority of financial allocations. In long term both priority axes shall bring more qualitative and quantitative results covering not just primarily targeted sectors of the transport and environment, but as well indirectly giving the impetus for the development other fields of intervention.

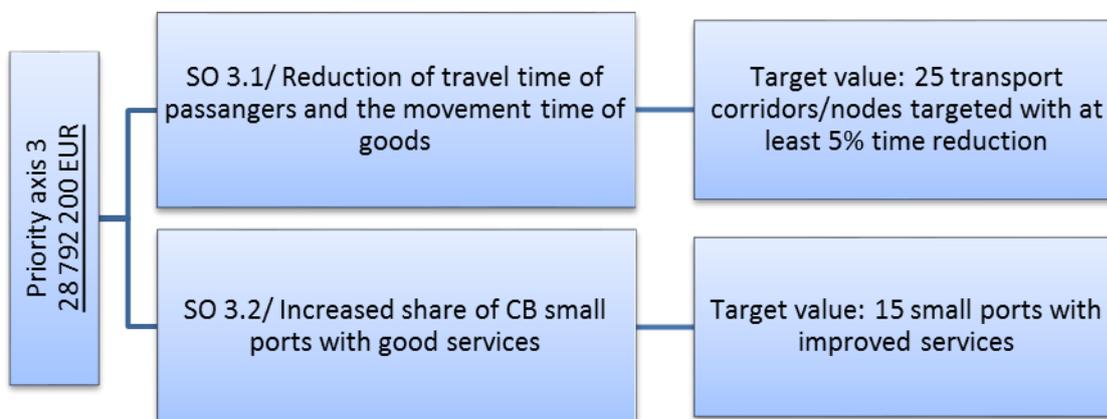
Priority axis 2 includes two types of actions and respective investment requirements. One is rather similar to the type of actions mentioned above (Priority axis 1 and 4) which comprises the rise of awareness and marketing, design and development of products or services, adaption of methods, experience exchange, surveys, evaluations, assessments, researches and other actions. Though, this priority axis includes actions with relatively small-scale capital investments into tourism attractions, and pilot capital investments into other actions (in particular, environment related) that shall give the considerable benefit for achieving the specific objectives and results defined. In general, this Priority axis demonstrates financially feasible and consistent balance between the objectives, results and the required contribution of the programme in proportion of 32,5%. Assuming the financial scale of the actions and the number of specific objectives under this priority, the planned proportion of the financial allocation is considered as appropriate and will ensure the performance of the target values of result indicators.



**Figure 5.** Target values for priority axis 2

**Priority axis 3** seemingly requires the largest financial proportion of the programme contribution; however the proportion of 32.5% of the financial allocation is reasonable in case the projects are selected with most appropriate strategic relevance. Nevertheless, this priority axis, apart from “soft activities”, is the most investment intensive which encompasses the actions with capital investments to decrease CO2 emissions, to improve the efficiency of transport flows and corridors as well as the services of small ports. Moreover, the associated “soft” or intangible actions like development of technical plans, drawings and design solutions for transport corridors are resource intensive as well.

In general, priority axis 3 demonstrates the balance between the financial contribution proposed, the maximum benefit for achieving objectives and reaching the result indicators set. However, this priority axis with rather limited number of projects can utilize the most of the programme’s contribution. Therefore, certain limitations could be considered to the number of investment projects or an indicative scale (amount) of investments per project assuming target values for output indicators.



**Figure 6.** Target values for priority axis 3

## Recommendations for this section

Section	Nr.	Finding	Recommendation	Timing	Responsible
2.8	1	The financial allocations divided by the intervention fields are coherent with the needs and main challenges described within the Regional Analyses.	<i>The priority axis 2</i> might cover more intervention fields as it <i>contribute to wider environmental issues</i> (e.g. air pollution, better urban planning for rehabilitation brownfield and industrial sites).	Programming stage	Programming bodies
2.8.	2	Priority axis 3 with rather limited number of projects can utilize most of the contribution of the programme	Under the <i>priority axis 3</i> , limitations should be considered on the number of investment projects and the indicative investments scale (amount) of a project taking into account the target values of output indicators.	Programming and initiation stage of a programme implementation	Programming bodies, JS

## 2.9 Strategic Environmental Assessment

The SEA report is one of the outcomes of the strategic environmental assessment (SEA) process. The SEA has been carried out according to the requirements of the EU SEA Directive which demands environmental assessment of national and interregional plans prior to their adoption. The SEA procedure does follow the good practice of the strategic assessment with two main cornerstones - the integration with the planning process and with the public involvement. The former is achieved by the regular communication by the environmental assessment experts with the programme team and amendments/contributions to the draft versions of the programme (assessment of the alternatives). The assessment is a continuous process. The public display and hearings contribute to the programme and the SEA results.

The ultimate aim of the SEA is to assess the potential negative and positive effects of the selected Central Baltic Programme objectives on the environment with the suggestions on how the positive effect can be strengthen and negative effects mitigated.

The drivers-pressures-state-impact-response framework (DPSIR) can be applied for the assessment. The DPSIR framework is also suggested for the programme and project environmental performance assessment.

As the result of the SEA the following information is prepared by the ex-ante evaluation to the programming team for submission to the European Commission (*Monitoring and Evaluation of European Cohesion Policy. Guidance document on ex-ante evaluation. The programming period 2014-2020. June 2012. Annex 1, Chapter 4, pp 26-27*):

- A Non-Technical Summary of information provided in the environmental report, as foreseen by SEA Directive annex 1 (j);

- An Environmental Management Plan is suggested. This plan will cover the description of the measures decided concerning monitoring foreseen in the SEA Directive articles 9(1)© and 10. It is suggested that the plan or the core of that will form the centrepiece of the environmental and/or sustainable monitoring in the Programme Manual.
- Information from the consultations with the public and the environmental authorities concerned.

Further, the basic contribution for the summary on how environmental consideration and the opinions expressed should be taken into account will be prepared for the programming team. (The final statement on how the environmental considerations is been taken into account is required by the SEA Directive and is to be issued after the adoption of the Programme by the Commission.)