FINANCING CLIMATE ACTION IN BALTIC SEA REGION.

Stockholm, February 2018

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Cover photo: V. Lahtvee, elevated electrical substation on flood risk area in Kakumäe peninsula, Estonia. A good example how electricity supply could be adapted to sea level rise.
Climate change impacts

Climate change is one of the most pressing environmental issues today. Human influence on the climate system is clear, and recent anthropogenic emissions of greenhouse gases are the highest in history. Recent climate changes have had widespread impacts on human and natural systems. Continued emission of greenhouse gases will cause further warming and long-lasting changes in all components of the climate system, increasing the likelihood of severe, pervasive and irreversible impacts for people and ecosystems. Limiting climate change would require substantial and sustained reductions in greenhouse gas emissions which, together with adaptation, can limit climate change risks (IPCC Climate Change Synthesis report, 2014).

Key observed and projected impacts from climate change for the main regions in Europe. Source: EEA

Current impacts of climate change in the Baltic Sea Region (BSR) are also evident and are expected to emerge also in the future.

Per the conclusions of the BALTADAPT project, most climate change simulations reveal strong changes in the air temperature in BSR. The simulated increase is already statistically significant in the nearest few decades compared to the most recent past decades. The changes are largest in winter and most so in the north-eastern part of the domain, where a coupling to a reduction in snow and sea ice is evident. Temperature extremes are projected to change more than long-term averages. In winter, this implies that cold extremes in today’s climate will get very unusual in a future warmer climate, while summertime hot extremes are expected to be more intense than those today.
Swedish researchers think the changing climate was responsible for doubling the number of heat-related deaths in the capital, Stockholm, in the 30 years from 1980. Image: Theconversation.com

Simulated changes in precipitation in the Baltic Sea Region are large and indicate a wetter climate in the future. The projected increases are largest and most consistent during winter. In summer, the scenarios generally show more precipitation in the north and less in the south but there are large uncertainties in this, even concerning the sign of change. Also, precipitation extremes are projected to change with time and models show increasing amounts of precipitation associated with extreme events, also in areas that may experience decreases in seasonal mean precipitation. Climate change simulations reveal a large spread in changes in wind speed in the Baltic Sea region. Most projections show an increase of wind speed over the Baltic Sea in a future warmer climate but the uncertainty is large.

The projected regional climate change will have the largest effect on the rising sea level in the Bothnian Bay, the Gulf of Finland and the Gulf of Riga. The total rise will be much larger in the southern and south-eastern parts of the Baltic Sea while the northern part will be less affected. The consequences of rising sea levels will differ along the coastline where lowland areas and densely populated regions are more exposed. On a shorter time-scale the sea level in the Baltic Sea is affected by the local meteorological conditions which may cause an extreme sea level rise and flooding. The frequency of such events in the future climate is unpredictable.

The wave climate in the Baltic Sea is changing because of the largescale atmospheric circulation. Model simulations in the Baltic Sea show an increase in maximal wind speed and frequency of extreme events. Following these changes in wind conditions, the wave height and frequency of highest waves are also increasing. Therefore, the number of erosion events in the shallow areas is increasing as well.

All scenario simulations display increasing water temperatures, both for the volume average and for the sea surface. The largest change is obtained in the Bothnian Bay in summer. In winter, the largest increase is found in the Gulf of Finland. Changing water temperatures will have an impact on the occurrence and distribution of various species in the Baltic Sea. In summers, cyanobacterial blooms may be enhanced. In areas where late winter convection normally takes place an increased temperature may change the density distribution in such way that the deep convection is affected.
Occurrence of Invasive Alien Species in Finland. Source: biodiversity.fi

Substantial changes in the Baltic Sea ecosystem are expected in the coming 100 years. The sea will become more brackish, warmer and the sea level will rise in the southern part. Biological communities inhabiting the Baltic will change dramatically. Fewer species will be present in general and more freshwater species will penetrate the Baltic on expense of the marine species. Eutrophication may increase due to the expected increase in precipitation in the catchment area unless political action and proper management measures are taken. Increased plankton production and further reduction in oxygen concentration may cause even larger desert-like areas in the deeper parts of the Baltic, devoid of macroscopic benthic fauna and increase the areas where the species composition of today is changed. The increased plankton production and biomass in the surface layer will reduce light penetration and by that affect eelgrass meadows and seaweed forests on reefs and rocky shores. In the Northern Baltic Sea, the expected lack of or reduced ice cover over the winter season will affect populations of birds and at least the ringed seal, and may have secondary impacts on numerous links in the ecosystem as cold-adapted species are replaced by freshwater species tolerating warmer water. Potentially large-scale functional changes in the ecosystem can be foreseen.

There is indication of increased pup mortality for land breeding Gray seals. Source: Assessment of Climate Change for the Baltic Sea Basin, Photo from seal-camera of Looduskalender.ee
Infrastructure in the Baltic Sea region will be affected by climate change in various ways. Rising temperatures, decreasing sea ice cover, sea level rise, changing precipitation and storm patterns directly impact infrastructure such as coastal protection, maritime traffic, ports and tourism infrastructure. Indirect effects of climate change such as shifts in tourism or changes in demand, occurrence of new species and new diseases will have further consequences for the people’s health and for well-being. Also, economic sectors like forestry, agriculture, construction, energy production and transport will be affected by the climate change.

The left panel below shows a risk model map during summer 2006 and the number of cases in countries reporting infections. The right panel shows a projection of the risk of infection with vibriosis in 2050.

![Risk model map during summer 2006 and number of cases in countries reporting infections (left) and projection of the risk of infection in 2050 (right).](image)

*Current and projected risk of vibriosis infections in the Baltic Sea region. Source: EEA*

The Baltic Sea region is highly industrialized and populated, thus making it particularly vulnerable to climate changes. The riparian BSR countries share a certain responsibility to respond to the climate change and its possible impacts on human security, the environment and competitiveness in the region. It is therefore important to work not only on mitigation measures, but also on strategies to adapt to climatic changes. The establishment and implementation of the Macro-Regional Climate Change Adaptation Strategy and Action Plan in the BSR will strengthen efforts to such cooperation, based on the understanding of the specific impacts within the Baltic Sea Region.

There are two main policy responses to climate change: mitigation and adaptation. Mitigation addresses the root causes, by reducing greenhouse gas emissions, while adaptation seeks to lower the risks posed by the consequences of climatic changes. Both approaches will be necessary, because even if emissions are dramatically decreased in the next decade, adaptation will still be needed to deal with the global changes that have already been set in motion.
Mitigation of Climate Change

In October 2014, EU leaders agreed to reduce greenhouse gas emissions by at least 40% by 2030 compared to 1990 levels across all sectors of the economy. Today's proposals present binding greenhouse gas emission targets for Member States from 2021-2030 for the transport, buildings, agriculture, waste and land use and forestry sectors.

Climate Change Mitigation refers to efforts to reduce or prevent emission of greenhouse gases either by reducing sources of these gases (for example, the burning of fossil fuels for electricity, heat or transport) or enhancing the “sinks” that accumulate and store these gases (such as the oceans, forests and soil). Mitigation can mean using new technologies and renewable energies, making older equipment more energy efficient, or changing management practices or consumer behavior. It can be as complex as a plan for a new city, or as a simple as improvements to a cook stove design. Efforts underway around the world range from high-tech subway systems to bicycling paths and walkways. According to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Accelerating Europe's transition to a low-carbon economy from 20.07.2016 (COM (2016) 500 final) transition to a low-carbon and circular economy is necessary in order to provide jobs, growth and investment opportunities for present and future generations of Europeans, while mitigating climate change.

Source: Covenant of Mayors Infographics: Unlocking the Potential for Urban Action
Adaptation means anticipating the adverse effects of climate change and taking appropriate action to prevent or minimize the damage they can cause, or taking advantage of opportunities that may arise. It has been shown that well planned, early adaptation action saves money and lives later.

Examples of adaptation measures include: using scarce water resources more efficiently; adapting building codes to future climate conditions and extreme weather events; building flood defenses and raising the levels of dykes; developing drought-tolerant crops; choosing tree species and forestry practices less vulnerable to storms and fires; and setting aside land corridors to help species migrate etc.

The European Commission adopted an EU adaptation strategy in April 2013. The EU Adaptation Strategy focuses on three key objectives:

- Promoting action by Member States: The Commission encourages all Member States to adopt comprehensive adaptation strategies (currently 21 have strategies) and provides funding to help them build up their adaptation capacities and act. It also supports adaptation in cities through the Covenant of Mayors for Climate and Energy initiative.

- ‘Climate-proofing’ action at EU level by further promoting adaptation in key vulnerable sectors such as agriculture, fisheries and cohesion policy, ensuring that Europe’s infrastructure is made more resilient, and promoting the use of insurance against natural and man-made disasters.

- Better informed decision-making by addressing gaps in knowledge about adaptation and further developing the European climate adaptation platform (Climate-ADAPT) as the ‘one-stop shop’ for adaptation information in Europe.

European Climate Adaptation Platform has special section for Baltic Sea Region updated by CBSS.
The Baltadapt Strategy on Adaptation to Climate Change in the Baltic Sea Region and its accompanying Action Plan were officially launched in Riga, Latvia, 3-4 September 2013. Overriding aim of the Baltadapt strategy is a connected region with informed actors on all levels responding to climate change in a way that ensures prosperity, competitiveness, as well as clean water, and rich and healthy wildlife. This calls for adaptation integrated with risk handling, and actions that promote resilience of environmental and societal systems. Baltadapt Strategy and Action Plan can be downloaded from link www.baltadapt.eu.

Download the Baltadapt Climate Info bulletins:

Baltadapt Climate Info #1: Air Temperature
Baltadapt Climate Info #2: Precipitation
Baltadapt Climate Info #3: Wind Climate
Baltadapt Climate Info #4: Sea Level Rise
Baltadapt Climate Info #5: Oxygen Content
Baltadapt Climate Info #6: Salinity
Baltadapt Climate Info #7: Water Temperature
Baltadapt Climate Info #8: Biodiversity and Habitats
Baltadapt Climate Info #9: Biological Production
Baltadapt Climate Info #10: Wind Waves
Baltadapt Climate Info #11: River Discharge
Baltadapt Climate Info #12: Nutrient Loads to the Baltic Sea
Baltadapt Climate Info #13: Eutrophication
Baltadapt Climate Info #14: Sea Ice
Funding of the climate action

At the Paris climate conference (COP21) in December 2015, 195 countries adopted the first-ever universal, legally binding global climate deal. The agreement sets out a global action plan to put the world on track to avoid dangerous climate change by limiting global warming to well below 2°C.

Governments agreed a long-term goal of keeping the increase in global average temperature to well below 2°C above pre-industrial levels; to aim to limit the increase to 1.5°C, since this would significantly reduce risks and the impacts of climate change; on the need for global emissions to peak as soon as possible, recognizing that this will take longer for developing countries; and to undertake rapid reductions thereafter in accordance with the best available science. Before and during the Paris conference, countries submitted comprehensive national climate action plans (INDCs). These are not yet enough to keep global warming below 2°C, but the agreement traces the way to achieving this target.

Governments agreed also to come together every 5 years to set more ambitious targets as required by science; report to each other and the public on how well they are doing to implement their targets; track progress towards the long-term goal through a robust transparency and accountability system.

As for adaptation, governments agreed to strengthen societies' ability to deal with the impacts of climate change and to provide continued and enhanced international support for adaptation to developing countries.

On loss and damage caused by the climate change, the agreement also recognizes the importance of averting, minimizing and addressing loss and damage associated with the adverse effects of climate change and acknowledges the need to cooperate and enhance the understanding, action and support in different areas such as early warning systems, emergency preparedness and risk insurance.

The “place” of adaptation on international climate negotiations. Source: Climaps.eu.

The Paris climate agreement recognizes the role of non-Party stakeholders in addressing climate change, including cities, other subnational authorities, civil society, the private sector and others. They are invited to scale up their efforts and support actions to reduce emissions; to build resilience and decrease vulnerability to the adverse effects of climate change and uphold and promote regional and international cooperation.

In Paris, the EU and other developed countries committed to continue to support climate action to reduce emissions and build resilience to climate change impacts in developing countries. Developed countries intend to continue their existing collective goal to mobilize USD 100 billion per year by 2020 and extend this until 2025. A new and higher goal will be set for after this period.
In the EU, efforts have already started to align private investments with climate and resource-efficiency objectives. EU financial instruments are significant contributors to climate funding. Over 50% of the investments approved so far are climate-related. As part of the Investment Plan for Europe, the European Fund for Strategic Investments is on track to deliver on mobilizing at least EUR 315 billion in additional investment in the real economy by mid-2018. Over 50% of the investments approved so far are climate relevant. Co-investment in projects under the European Fund for Strategic Investments can take place either at project level or at the level of an Investment Platform. Investment platforms can help finance small projects and bundle funds from different sources to enable diversified investments with a geographic or thematic focus. They can also render small or local investment opportunities attractive to new investor groups, for example pension funds or overseas institutional investors. The Commission is exploring ways to blend and combine the resources available under other EU programmes, as for example the Connecting Europe Facility or Horizon 2020 to unlock additional investments, in particular through investment platforms, for example in the fields of energy efficiency, smart urban mobility, and innovative technologies.

![The EU Strategy in a Nutshell](image)

The EU strategy on adaptation to climate change aims at making Europe more climate-resilient. Source: ClimateADAPT

The reformed EU Cohesion policy supports measures in energy efficiency in public and residential buildings (EUR 13.3 billion) and in enterprises (EUR 3.4 billion, with a focus on SMEs), in the move towards an energy-efficient, low-emissions transport sector (EUR 39.7 billion for sustainable urban mobility and low-carbon transport modes such as rail, seaports and inland waterways). In addition, EUR 8 billion are allocated for risk prevention and management, including 6.4 billion for climate-related risks. A total of EUR 115 billion of the budget for the reformed Common Agricultural Policy supports climate action through improved land management and targeted investments. Under the Rural Development pillar of the policy, EUR 7.7 billion are earmarked for projects targeting carbon sequestration and storage in soils, the supply and use of sustainable renewable energy and climate smart investments. Another EUR 43.7 billion are earmarked actions to improve ecosystems which also have an effect on the carbon footprint of agriculture and forestry.
European structural and Investment Funds (ESIF) 2014-2020

The EU Strategy on Adaptation, adopted by the Commission in 2013, aims to contribute to a more climate-resilient Europe and enhance its preparedness and capacity to respond to the impacts of climate change at the local, regional, national and EU levels. The Strategy pointed to the potential of the European Structural and Investment Funds for 2014-2020 in this regard.

In its February 2013 Conclusions, the European Council stated that climate action objectives will represent at least 20% of EU spending in the 2014-2020 period. In its resolution of 23rd October 2012, the European Parliament supported this aspiration. The European Structural and Investment Funds constitute 42% of the EU 2014-2020 budget (the Multiannual Financial Framework). Thus, the European Structural and Investment Funds are a key contributor to achieving the political target of 20% of EU spending being for climate action objectives.

The European Structural and Investment Funds comprise a family of five funds: the European Regional Development Fund (ERDF) and European Territorial Cooperation goal (ETC, which falls under ERDF); the Cohesion Fund (CF); the European Social Fund (ESF); the European Agricultural Fund for Rural Development (EAFRD); and the European Maritime and Fisheries Fund (EMFF).

Mainstreaming of adaptation in the 2014-2020 European Structural and Investment Funds programming has taken place at several levels: at the EU level, through the political objective that at least 20% of EU spending should be for climate action; at the legislative level through regulations, delegated and implementing acts; through the programming of the funds and the negotiations between the Member States and the Commission, supported by technical assessments and CLIMA’s proposals for enhanced climate action during 1000+ inter-service consultations; and through Commission guidance on programming, implementation of programmes and on major projects. The Common Provisions Regulation sets the overall funds framework, focusing on the priorities of the Europe 2020 Strategy for smart, sustainable and inclusive growth. The respective regulations on the European Regional Development Fund (including European Territorial Cooperation goal), the Cohesion Fund, the European Social Fund, the European Agricultural Fund for Rural Development and the European Maritime

2014-2020 Structural Funds (ERDF and ESF) eligibility. Source: EC / DG Regio
and Fisheries Fund define how each ESI Fund can contribute to the Thematic Objectives (TO). The European Structural and Investment Funds promote eleven so-called Thematic Objectives, of which Thematic Objective 5, ‘Promoting climate change adaptation, risk prevention and management’, is the key thematic objective regarding adaptation.

National Operational Programmes for ESIF 2014-2020

According to the report Mainstreaming of Climate Action into the ESI Funds, prepared by COWI to the European Commission DG CLIMA in May 2016, the European Structural and Investment Funds allocate as much as 25.2 % of their support for climate action. Estimates of the contributions made towards climate change mitigation and climate change adaption shows that 42 % of the support for climate action is marked towards mitigation purposes, while 15 % is for adaptation. Further, 42 % of the support for climate action can be categorized as being supportive for adaptation and/or mitigation. This means that the concerned investment types have the potential to contribute to both climate change adaptation and to climate change mitigation. The dominant share of this 42 % comes from the European Agricultural Rural Development Fund where the main allocation is likely to contribute directly or indirectly to climate change adaptation. EU support for the European Structural and Investment Funds amounts to EUR 453.3 billion in total. Excluding the Youth Employment Initiative (YEI) which does not contain adaptation actions, this adds up to a total EUR 446.6 billion. The total share for climate action is EUR 113.8 billion. From this climate action amount, 54 % (EUR 62.1 billion) is dedicated for action related to adaptation. Thus, about 14 % of total EU support (excluding Youth Employment Initiative) covers support that directly targets climate change adaptation as well as support that indirectly promotes this.

Table 1: Union Support for climate action under the European Structural and Investment Funds and estimated distribution of support over climate change adaptation and climate change mitigation

<table>
<thead>
<tr>
<th>Fund/Programme</th>
<th>Total support (MEUR)</th>
<th>Share for climate change mitigation (%)</th>
<th>Share for climate change adaptation (%)</th>
<th>Share for measures potentially support climate action (%)</th>
<th>Total share of climate action (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Regional Development Fund</td>
<td>187 469</td>
<td>15.9</td>
<td>1.6</td>
<td>1.7</td>
<td>19.1</td>
</tr>
<tr>
<td>Cohesion Fund</td>
<td>63 393</td>
<td>21.1</td>
<td>4.7</td>
<td>2.0</td>
<td>27.8</td>
</tr>
<tr>
<td>European Social Fund</td>
<td>82 233</td>
<td>1.4</td>
<td>-</td>
<td>-</td>
<td>1.4</td>
</tr>
<tr>
<td>Youth Employment Initiative</td>
<td>6 672</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>European Agricultural Fund for Rural Development</td>
<td>98 619</td>
<td>5.5</td>
<td>7.6</td>
<td>44.0</td>
<td>57.1</td>
</tr>
<tr>
<td>European Maritime and Fisheries Fund</td>
<td>5 749</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17.7</td>
</tr>
<tr>
<td>Total</td>
<td>444 126</td>
<td>11.2</td>
<td>3.0</td>
<td>10.7</td>
<td>25.2</td>
</tr>
<tr>
<td>European Territorial Cooperation</td>
<td>9 192</td>
<td>11.2</td>
<td>4.7</td>
<td>4.8</td>
<td>20.6</td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>453 318</td>
<td>11.2</td>
<td>3.1</td>
<td>10.6</td>
<td>25.1</td>
</tr>
</tbody>
</table>

Source: COWI Mainstreaming of climate action into ESI Funds
From the Baltic Sea Region 4 Member States allocated more than 30% and only one Member State allocated for climate action less than agreed prior the programming.

Table: Share of support for climate action from ESIF by EU Member States from the Baltic Sea Region

<table>
<thead>
<tr>
<th>EU Member State in Baltic Sea Region</th>
<th>Share of support for climate action from ESIF (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>45.8</td>
</tr>
<tr>
<td>Germany</td>
<td>32.9</td>
</tr>
<tr>
<td>Estonia</td>
<td>21.3</td>
</tr>
<tr>
<td>Finland</td>
<td>52.8</td>
</tr>
<tr>
<td>Latvia</td>
<td>24.6</td>
</tr>
<tr>
<td>Lithuania</td>
<td>22.4</td>
</tr>
<tr>
<td>Poland</td>
<td>17.8</td>
</tr>
<tr>
<td>Sweden</td>
<td>39.0</td>
</tr>
</tbody>
</table>

The Common Provisions Regulation of ESIF defines eleven Thematic Objectives. They set the scope of the Partnership Agreements and the programmes. Each fund covers all or some of the Thematic Objectives. The Social Fund covers Thematic Objectives 8, 9, 10 and 11; the Cohesion Fund covers Thematic Objectives 4, 5, 6, 7 and 11; and the European Maritime and Fisheries Fund covers Thematic Objectives 3, 4, 6 and 8.

Table: Distribution of Union support under European Structural and Investment Funds for climate action over Thematic Objectives

<table>
<thead>
<tr>
<th>Thematic Objective</th>
<th>Share of ESIF Climate support (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TO 1 Strengthening research, technological development and innovation</td>
<td>1.5</td>
</tr>
<tr>
<td>TO 2 Enhancing access to and use and quality of ICT</td>
<td>&gt;0</td>
</tr>
<tr>
<td>TO 3 Enhancing competitiveness of SMEs</td>
<td>0.7</td>
</tr>
<tr>
<td>TO 4 Supporting the shift towards a low-carbon economy in all sectors</td>
<td>34.3</td>
</tr>
<tr>
<td>TO 5 Promoting climate change adaptation, risk prevention and management</td>
<td>6.5</td>
</tr>
<tr>
<td>TO 6 Preserving and protecting the environment and promoting resource efficiency</td>
<td>42.4</td>
</tr>
<tr>
<td>TO 7 Promoting sustainable transport and removing bottlenecks in key networks and</td>
<td>9.7</td>
</tr>
<tr>
<td>infrastructures</td>
<td></td>
</tr>
<tr>
<td>TO 8 Promoting sustainable development and quality of employment and supporting</td>
<td>4.8</td>
</tr>
<tr>
<td>labor mobility</td>
<td></td>
</tr>
<tr>
<td>TO 9 Promoting social inclusion, combating poverty and any discrimination</td>
<td></td>
</tr>
<tr>
<td>TO 10 Investing in education, training and vocational training for skills and</td>
<td></td>
</tr>
<tr>
<td>lifelong learning</td>
<td></td>
</tr>
<tr>
<td>TO 11 Enhancing institutional capacity of public authorities and stakeholders and</td>
<td>0.1</td>
</tr>
<tr>
<td>efficient public administration</td>
<td></td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>100</td>
</tr>
</tbody>
</table>

TO4 and TO5 are Thematic Objectives that most directly support climate action. TO6 and TO7 to some extent directly support climate action. The contribution from the remaining Thematic Objectives to climate action is
predominantly of a more indirect nature. The distribution of the support for climate action under the European Structural and Investment Funds mirrors these characteristics. Flooding, sea level rise, water scarcity and drought are the adaptation themes that are covered the most, followed by actions aimed at increasing disaster resilience. However, the level of detail in the descriptions varies considerably across countries.

The European Agricultural Fund for Rural Development translates the Thematic Objectives into funds-specific Union Priorities and Focus Areas. The European Maritime and Fisheries Fund also translates the Thematic Objectives into Union Priorities. For both funds, the funds-specific regulation defines the measures that can used. The programmes select the adequate measures to promote the identified priorities within a given Focus Areas or Union Priority.

Mainstreaming climate within ESIF 2014-2020. Source: DG CLIMA

Below there is given overview of funding priorities as stipulated in the relevant operational programmes for ESIF 2014-2020 of the EU member counties from the Baltic Sea Region.

The Programme aims to boost economic growth in all Danish regions and contribute to achieving the Europe 2020 targets for smart, sustainable and inclusive growth. It should create jobs and boost productivity, particularly in SMEs. EU funding will be targeted according to the unique strengths and development needs of each region.

**Funding priorities:** The Programme will focus on four main priorities:

- **Increase the number of innovative SMEs**
  Investments under this priority will both support cooperation between businesses and knowledge institutions on innovation and promote innovation in SME’s though strong clusters

- **Increase the number of growth SMEs**
  The aim of this priority is to enable SMEs to exploit their growth potential. The priority only targets SMEs which are likely to have a substantial growth potential, which can be quickly exploited and with a management motivated for growth.

- **Enhance energy and resource efficiency in SMEs**
  This priority targets individual SMEs or networks of SMEs with a high and measurable potential for increased resource and energy efficiency

- **Reduce energy consumption in cities with more than 30.000 inhabitants**
  Linking this priority to the other ones, the target here is specifically cities or urban areas. Investments will be part of integrated sustainable urban development strategies. The aim is to increase innovation related on the one hand to resource and energy efficiency in SMEs, and on the other innovation and implementation of low emissions technologies in SMEs.

**Some of the expected results:**

- 1,900 businesses having cooperated with knowledge institutions
- Private investments of DKR 344m (app. € 46m)
- Investments in 6800 SMEs
- 700 new growth businesses
- Turn-over in businesses DKR 5.400m (app. € 725)
- Create 2700 jobs
- 800 businesses having participated in cooperation projects on innovation
- Reduce Green House Gas emissions with 49.000 tons
- Reduce annual energy consumption with 905.000 Gj

**Funds:** **Regional Development Fund (ERDF):** 206,615,841.00 €

**Thematic priorities:** TA - Technical Assistance; TO1 - Research and innovation; TO3 - SMEs competitiveness; TO4 - Low-carbon economy

**Total OP budget:** 399,225,121.00 €
**Total EU contribution:** 206,615,841.00 €

**Managing Authority:** Erhvervsstyrelsen Vejsøvej 29, 8600 Silkeborg, 35 29 10 00, [http://www.regionalt.dk](http://www.regionalt.dk)

The European Regional Development Fund is implemented in Denmark through Growth Forums. There are six such Growth Forums, one in each region plus one in Bornholm. Bornholm, which is formally part of the Capital
region, has its own development strategy. The Danish Business Authority receives recommendations for projects to be funded by the Structural Funds from the Regional Growth Fora. The Danish Business Authority controls the legality of the recommendations, issues approvals and rejections, and manages the daily case handling of the projects. The growth fora make sure that projects do not receive double-financing, but that funding streams are instead complementary. All projects applying for funding must provide a minimum of 50% of the funding themselves, as a supplement to the ESF or ERDF funding.

Approximately 7.5 per cent of the Regional Development Fund and the Social Fund are reserved for a national pool of Structural Funds which is implemented on a central level. Every year, after a hearing of the Danish Growth Council, the Minister for Business makes an announcement of themes applicable for the national pool. The Danish Business Authority is managing the national pool, and decisions on funding are taken by the director of the Danish Business Authority. The themes as well as application deadlines etc. are regularly announced on Authority website. For the whole period 2014-2020, there is a total of approx. DKK 216 million available for trans-regional projects. This is for example projects based on the growth plans or the Baltic Sea strategy. Through the national pool, the government has the possibility to initiate projects of interest in several regions, and the government will be able to cooperate with growth fora through financial contributions.

During the program period of 2014-2020, five percent of the means of the European Regional Development Fund will be used for sustainable urban development. A total of DKK 72 million is available for sustainable green initiatives in the cities during the period 2014-2020. Further details on the conditions for application of the means are described in the ERDF programme under the priority Sustainable Urban Development (axis 4). The main part of the means must be used for measures which aim to reduce the energy consumption in the cities. A minor part must be used to increase the number of innovative SMEs in the relevant urban areas.

Only cities of more than 30,000 inhabitants can apply for the means. The Danish cities of more than 30,000 inhabitants are Aarhus, Odense, Aalborg, Esbjerg, Randers, Kolding, Horsens, Vejle, Roskilde, Herning, Helsingør, Silkeborg, Næstved, Fredericia, Viborg, Køge, Holstebro, Taastrup, Slagelse, Hillerød and the area of Copenhagen capital. The area of Copenhagen capital consists of the following municipalities: København, Frederiksberg, Albertslund, Brøndby, Gentofte, Gladsaxe, Glostrup, Herlev, Hvidovre, Lyngby-Taarbæk, Rødovre, Tårnby, Vallensbæk, Ballerup, Rudersdal, Furesø, Ishøj and Greve. Municipalities with less than 30,000 inhabitants in the area of Copenhagen capital must apply in cooperation with a neighboring municipality and thereby create a cohesive urban area of at least 30,000 inhabitants. Only municipalities can act as lead partner. The complete integrated measures in selected cities or urban areas can be implemented in partnerships between e.g. municipalities, housing associations, education and research institutions etc. Private companies must participate in projects aiming at improving innovation within companies, but they can also participate in other projects.

In order to get support, a municipality must present an urban strategy for the city in question which: is based on socio-economic analyses; to an adequate degree describes an integrated measure within economic, climate and environmental, demographic and social challenges of each city; to an adequate degree takes the promotion of the correlation between rural and urban areas into account; includes both measures aiming at reducing the energy consumption and measures with the purpose of increasing the number of innovative companies.

The measures aiming at reducing the energy consumption can relate to water, buildings and waste management, while the measures with the purpose of increasing the number of innovative companies only can relate to waste management. Activities related to the following areas qualify for funding: Development of methods and/or technologies; Testing of the method in question and/or the technology within the scope of projects conducted in chosen urban areas in Danish cities of more than 30,000 inhabitants; Evaluation of projects and presentation of results, e.g. describing the commercial potential of an effort, i.e. a potential to be applicable to other cities with similar challenges within sustainability; The Regional Development Fund can only contribute to financing means which relate to water, buildings and waste management.

The means for sustainable urban development are allocated by a nomination committee, which is administered jointly by the Danish Business Authority and the Ministry of the Environment and Food. All communication on the implementation (application rounds, announcement of allocated means, exchange of experience etc.) is carried out in cooperation with the Ministry of the Environment and the Danish Business Authority (managing authority).
The ERDF provides support to regions that lag behind in development terms and face structural problems. First and foremost, it finances investments aimed at strengthening the competitiveness of businesses and at creating jobs in small and medium-sized enterprises (SMEs); it also finances measures that pursue the goals of energy efficiency, research and technological development, and environment protection. In the current funding period, Germany is to receive around 11 billion Euro from the ERDF. Beyond this, the ERDF renders support (around one billion Euro) to measures forming part of European Territorial Cooperation (ETC). In particular, the ETC’s objective is cooperation in border regions between Member States. Regional challenges do not care about national borders. In this way, the ETC contributes directly to the improvement of relations between European neighbouring states. Within Germany’s Federal Government, decision-making authority for the ERDF is held by the Federal Ministry for Economic Affairs and Energy (BMWi).

The ESF are the European Union’s most important instrument for advancing social integration and for combating poverty. The ESF’s main concern is to provide support to the long-term unemployed, to individuals with a migration background, and also to disadvantaged youth, in their efforts to integrate into society and the employment market; it also renders support to small and medium-sized businesses, including on matters of competitiveness and of securing access to skilled workers, as well as to the founding of new businesses. Through training measures, the ESF programme promotes access to better jobs, offers professional qualification and thereby supports social integration. In the current funding period, Germany is to receive around 7.5 billion Euro from the ESF. The Cohesion Fund renders support exclusively to environment projects and to projects relating to trans-European transport networks. Its benefits go solely to the European Union’s less-developed Member States. Because of Germany’s strong economic development and performance capacity it receives no financial resources from this fund.

The core concerns addressed by EAFRD funding are: improvement in sustainable management of natural resources, climate protection, and also economic and social development in rural areas. In the current funding period, Germany is to receive around 9.5 billion Euro from the EAFRD.

The EMFF assists fishing communities in making the conversion to sustainable forms of fishing. It provides support to coastal communities in opening up new types of economic activity and also finances projects that create new jobs and improve the quality of life on Europe’s coasts. In the current funding period, Germany is to receive around 220 million Euro from the EMFF.

Within Germany’s Federal Government, decision-making authority for the EAFRD and the EMFF is held by the Federal Ministry of Food and Agriculture (BMEL).

Germany has 16 Operational Programmes, one for each republic. Relevant for BSR are Mecklenburg-Vorpommern Schleswig-Holstein OP-s as well the Baltic Sea territorial cooperation programme (one of the ETC Programmes).
Mecklenburg-Vorpommern pursues with the ERDF the goal to develop a future oriented, self-sustaining economy with competitive and sustainable jobs for women and men. The ERDF should also increase the social inclusion. The economic catching-up of the Land that is still not completed should be further promoted through an increase in intelligent but at the same time sustainable and inclusive growth.

The strategy for the use of the ERDF links the priorities of the strategy Europe2020 with the major economic, social and ecological challenges of the Land. These latter include a very fragmented entrepreneurial base with few businesses in processing industries coupled with weak R&D performance. The unfavorable demographic development with a still above average unemployment rate – despite the recent positive economic development and the successful reduction of the unemployment – pose further challenges, as well as a high at-risk-of-poverty rate.

Therefore, the ERDF investments should first and foremost strengthen the innovation capacity of Mecklenburg-Vorpommern and broaden its economic base while creating even more and better jobs. Beyond this, the ERDF investments will deliver a contribution to the reduction of CO₂-emissions both in the public and private sector. The cities of the Land will also be supported to strengthen their functions in the social, environmental and resource related action fields.

The operational programme for 2014-2020 demonstrates clear concentration and focuses on four thematic priorities in four priority axes:

1. Support to Research & Development and innovation
2. Support to the competitiveness of SMEs
3. Support to the reduction of CO₂-emissions
4. Support to the integrated sustainable urban development

In spite of a reduction in total ERDF allocations (968 Mio. Euro for 2014-2020 vs. 1.252 Mio. Euro for 2007-2013) the intensity of foreseen expenditures for Research & Development and innovation has been increased. 26% of the total allocations (without counting the Technical Assistance) will go into this priority axis. In financial terms, the second priority axis – the support to the competitiveness of SMEs – will receive the highest support in the new operational programme (33% of the total allocations): measures to directly support SMEs are foreseen, as well as the improvement of the economic infrastructure (including the tourism infrastructure).

Some 23% of the overall allocations will be spent on measures in the third priority axis, which go well beyond the regulatory minimum. These measures will target CO₂-reduction, as well as the improvement of the local public transportation infrastructure and construction of cycle tracks.

17% of the overall programme volume will be dedicated to the support of integrated sustainable urban development. Hereby projects can be co-financed to implement integrated strategies for urban development that will address challenges in thematic areas such as 'Conserving of cultural heritage', 'Improvement of environment' or 'Integration into education, work and society'. The support to sustainable urban development will also be concentrated by supporting only projects in major and medium sized regional centers (23 municipalities).
The ERDF-OP pursues its goals in Mecklenburg-Vorpommern under consideration of the goal to preserve and protect the environment and to improve its quality (ecological sustainability). To this end, when designing the support instruments and later at the selection stage of concrete projects the contribution to environment and climate protection, as well as to energy and resource efficiency will be duly considered. In the same manner, the basic horizontal principles of equal opportunities and non-discrimination will also be applied for the period 2014-2020. The ERDF should contribute to the reduction of gender segregation on the labor market and improve work-life balance.

Expected results

- At least 150 research projects in enterprises, alone standing or in cooperation with research organisations
- over 5,500 additional sustainable jobs
- support to investments into 380 SMEs with an overall volume exceeding 600 Mio. €
- reduction of greenhouse gas emission by over 20,000 t CO₂-equivalents
- 250 km of new or extended cycle tracks (along country or municipality roads) and 200 km of new or extended leisure bike trails
- ca. 80,000 m² of created or rehabilitated open space in urban areas
- 200 new or modernized social and education infrastructure with a total surface of ca. 230,000 m²

Regions

- Germany; Mecklenburg-Vorpommern

Funds: Regional Development Fund (ERDF): 967,806,184.00 €

Thematic priorities: TA - Technical Assistance; TO1 - Research and innovation; TO3 - SMEs competitiveness; TO4 - Low-carbon economy; TO6 - Environment and resource efficiency; TO9 - Social inclusion

Total OP budget: 1,209,757,996.00 €
Total EU contribution: 967,806,184.00 €

Managing authorities: Ministerium für Wirtschaft, Bau und Tourismus Referat 350 EFRE-Fondsverwaltung/-steuerung; Johannes-Stelling-Str. 14; 19053 Schwerin; +49 0385-588 5350; e.flick@wm.mv-regierung.de


OP Schleswig-Holstein ERDF 2014-2020

We foster the economy

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Schleswig-Holstein. Germany’s True North

The strategy and the priorities of the ERDF OP 2014-2020 of the Land Schleswig-Holstein aim at the creation of a business environment that promotes innovation and sustainable economic growth while ensuring attractive jobs and contributing to an environmentally friendly development of the region. These priority settings will deliver a significant contribution to the implementation of the Europe 2020-Strategy for an intelligent, sustainable and inclusive growth.

Schleswig-Holstein sets major accents for a development based on economic growth and employment considering the needs identified in the socio-economic and subsequent SWOT-analysis, as well as the country specific recommendations and overarching strategies, in particular the Regional Innovation Strategy (RIS3). The following priority fields will be supported through the operational programme:
• Targeted investments into growth-oriented and sustainable economic structures, as well as measures to achieve sustainable value creation,
• Promotion of innovation, knowledge society, knowledge and technology transfer, as well as cultural potentials,
• Promotion of measures to reduce CO2-emissions, including measures to increase energy efficiency and the use of renewable energies in small and medium sized enterprises (SMEs),
• Protection of the environment and promotion of resource efficiency.

Beyond this, the specific support to the Western Coast of the Land through an integrated territorial investment (ITI) - as an innovative implementation tool for selected parts of the operational programme - forms also an integral part of the strategy of Schleswig-Holstein. The ITI "Western Coast: competence region for tourism and energy" shall be implemented within the framework of competitive calls while addressing the specific regional perspectives. The foreseen volume of the support for the ITI is set at EUR 30 Mio. (the whole programme has an envelope of EUR 271 Mio.)

Funding priorities: The funding priorities are reflected in the following priority axes:

• Strengthening of the regional innovation potentials
• Development of a competitive and sustainable economic structure
• "Energy turn-around" - creation of environmentally friendly economic (infra)-structures
• Sustainable use of existing resources

Expected impacts

• Creation of 500 new jobs in research and science in supported organisations
• Support to 240 SMEs for the development of new products and services
• Support to 1.000 SMEs to carry out investments and facilitate the implementation of growth strategies
• Reduction of the green-house gas emissions by over 5.000 t CO2-equivalent per year
• Promoting and developing of 14 natural parks, sites of natural and cultural heritage with touristic potential
• 35 ha surface undergoing environmental remediation including brownfield site regeneration and decontamination

Regions Germany; SCHLESWIG-HOLSTEIN

Funds: Regional Development Fund (ERDF): 271,244,600.00 €

Thematic priorities

• TA - Technical Assistance
• TO1 - Research and innovation
• TO3 - SMEs competitiveness
• TO4 - Low-carbon economy
• TO6 - Environment and resource efficiency

Total OP budget: 653,937,873.00 €
Total EU contribution: 271,244,600.00 €

Managing authorities: Ministerium für Wirtschaft, Arbeit, Verkehr und Technologie des Landes Schleswig-Holstein Referat VII 21 Regional- und Strukturpolitik, EFRE, GRW, EU-Angelegenheiten; Postfach 7128; D-24171 Kiel; +49 431 988-4526; ruediger.balduhn@wimi.landsh.de;

**Estonia**

**Cohesion Policy Funding - ERDF/ESF/CF**

The Operational Programme (OP) for Cohesion Policy Funds is a multi-fund programme, bringing together investments from the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund and aimed at contributing to the delivery of the European Union's strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion.

**Funding priorities:** The OP, with a total budget of EUR 4,891,748,878, invests in 11 thematic objectives. The total EU contribution is of EUR 3,534,560,285. These EU funds will be allocated as follows:

- **18.2%** is dedicated to research, technological development and innovation to increase investments in R&D to 3% of GDP in 2020, to enhance R&D and innovation in the private sector, and to strengthen the international competitiveness of Estonia’s R&D and higher education system.
- **13.5%** is set aside for sustainable transport in order to limit the increase in greenhouse gas emissions from sectors not covered by the emission trading scheme (ETS), to improve road and rail networks, to enhance maritime transport, to reduce environmental risk and increase safety in airports, to integrate different modes of mobility, and to develop urban mobility.
- **11.7%** will be invested in reforming the general education network and improving access to high-quality education. An important aim is to reduce early school leaving rates by improving career guidance and by producing innovative study materials.
- **11.2%** is allocated to boosting the employment rate to 76% by reforming the working ability assessment, by assisting people in finding jobs, and offering education, training and rehabilitation services. Regions’ competitiveness of regions will be strengthened on the basis of county competitiveness plans.
- **11.0%** is dedicated to social inclusion to reduce the rate of people at risk of poverty to 15% in 2020, to promote the availability of higher quality health care services for the entire population, and to improve welfare and social services. Childcare options will be improved in the urban areas of Tallinn, Tartu and Pärnu. The underused urban districts in the larger cities of Ida-Viru County will also be developed.
- **8.5%** will be used to improve the competitiveness of SMEs through increasing the productivity per employee to 80% of EU average by 2020, by improving the export capacity and growth potential of enterprises, and by increasing the entrepreneurial activity in Estonia.
- **8.4%** will be used to help make the shift towards a low-carbon economy to stabilize energy consumption in 2020 at the 2010 level, to enhance the use of energy-efficient solutions in the housing sector and local infrastructure. Bio-fuels and clean urban transport will also be promoted.
- **7.2%** is dedicated to protecting the environment to meet essential requirements of the environmental acquis in the water sector by ensuring better access to good quality drinking water and more compliant wastewater collection and treatment; and to preserve biodiversity.
- **3.4%** of the EU funds will be spent enhancing institutional capacity to ensure a smart provision of public services through e-government services, to increase the competence of central and local governments, and to improve the policy making processes.
- **2.4%** is used to enhance the digital economy through ICT – for example by making fast broadband connections available, developing the basic service infrastructure, and promoting new e-solutions.
- **1.6%** is set aside for climate change adaptation to enhance risk prevention and management to better cope with emergencies resulting from climate change and extensive pollution incidents.

In addition, 3.1% is invested in technical assistance to ensure effective implementation.

**Some of the expected results (by 2023)**

- Increase of **private sector** R&D expenditure to 2% of GDP (2012 1.26%)
- 8.4 million train passengers per year (compared to 4.2 million in 2013)
- 75% rate of successfully completing apprenticeships (2013 50%)
• 40% in employment 6 months after receiving labor market services (2014 36%)
• 3,700 consultations in primary healthcare centres per 1000 people (compared to 3296 in 2012)
• 15,700 exporting enterprises (compared to 11 281 in 2012)
• Energy savings up to 45% in reconstructed apartment buildings (40% in 2013)
• 95% of agglomerations with more than 2000 people meet sewage collection and treatment requirements (compared to 66% in 2012)
• 90% of people are aware of public e-services (29% in 2012)
• 60% of internet connections are at speeds of 100mbps or more (3.6% in 2012)
• Decrease in the response time of marine pollution response vessels to 6 hours (still 12 hours in 2014)

Regions: Whole Estonia

Funds: CF: 1,073,321,882.00 €; ERDF: 1,874,261,393.00 €; ESF: 586,977,010.00 €

Thematic priorities: TA - Technical Assistance; TO1 - Research and innovation; TO10 - Education and training; TO11 - Better public administration; TO2 - Information and communication technologies; TO3 - SMEs competitiveness; TO4 - Low-carbon economy; TO5 - Climate change and risk prevention; TO6 - Environment and resource efficiency; TO7 - Transport and energy networks; TO8 - Employment and labor market; TO9 - Social inclusion

Total OP budget: 4,891,748,878.00 €
Total EU contribution: 3,534,560,285.00 €


As part of promoting energy efficiency, structural funds in Estonia will be used to support the reconstruction of multiapartment buildings. The target group will comprise apartment associations and communities of apartment owners that are active in multiapartment buildings constructed before 1993. The total net area of such multiapartment buildings is 20.8 million square meters, and they accommodate more than 400,000 apartments. When designing the intervention, establishing climate change resilience as a criterion for design and implementation of reconstruction work will be considered.

In the district heating sector, support will be given to local authorities and private enterprises for the construction of new, more efficient heat generation facilities and pipelines, renovation of existing ones or replacement of district heating with local renewable energy heating solutions, in compliance with the results of the energy efficiency analysis of heating districts conducted when updating the Energy Sector Development Plan.

As regards street lighting systems, comprehensive reconstruction of the systems where the infrastructure has deteriorated beyond the possibility of taking new LED-technologies into use will be supported. The experience and results from the pilot project carried out from 2012–2014 will serve as the basis for this.

In the transport sector, the aim is to encourage shift towards increasing the share of alternative fuels by providing support for construction of biomethane production and filling infrastructure and for activities that ensure the use of biomethane in transport.

Under the investment priority Compliant water management infrastructure, public water supply and sewerage systems will be constructed and reconstructed (drinking water and wastewater treatment plants (including sludge management), drinking water and wastewater pipelines, pumping stations), in compliance with river basin management plans. As a result of investments, the quality of drinking water, as well as wastewater collection and treatment in all water supply systems serving more than 2000 people and agglomerations with a p.e. of more than 2000, will comply with requirements. The target group for public water supply and sewerage investments will be water enterprises of municipalities. The beneficiaries will include consumers of drinking water and sewerage services, i.e. both the population and the enterprises in the region.
Rehabilitation of disused hazardous sites will be continued in order to protect water (including coastal waters) and ensure a safe living environment for people. The target group of these investments will include the owners of polluted areas. Only sites where it is not possible to apply the polluter pays principle, will get support. Under priority green infrastructure and improving preparedness for emergencies, support will be provided for the protection and inventory of protected habitats; restoration of landscape resources; investments in infrastructure necessary for maintaining valuable semi-natural communities and related to the management of protected areas; investments in visitor management infrastructure; investments in ex situ protection of species; and ensuring fish migration conditions in dams constructed on salmon rivers. Funding will be granted to one-off activities that are not eligible to receive EAFRD or EMFF funding.

Increased capability to react to emergencies caused by climate change and extensive pollution, will be supported. Meteorological and hydrological monitoring will be enhanced primarily through the modernisation of the network of monitoring stations. The target group of the action will be the Environment Agency, who will ensure the sustainable use of the results. In terms of increasing the capacity to respond to climate change-induced emergencies, the focus will be on preventing the spread of and eliminating forest fires, thereby reducing CO2 emissions. This will be achieved through the acquisition of rescue equipment (rescue vehicles and vehicles with high cross-country mobility) needed to reduce the consequences of emergencies that have a significant impact on CO2 emissions. The target group of the action will be the Rescue Board. The capacity to respond to climate change-induced emergencies in eliminating marine and coastal pollution, including improved preparedness for emergencies affecting the state of the Baltic Sea, will be enhanced through the acquisition of marine monitoring and pollution elimination equipment (a plane and two additional small vessels). The target group of the action will be the Police and Border Guard Board.

Under the investment priority Promoting low-carbon strategies for all types of territories, in particular urban areas, including the promotion of sustainable multi-modal urban mobility and mitigation relevant adaptation measures, support will be provided for activities that decrease dependence on using a personal car. For that, three types of activities will be supported: development of opportunities for moving on foot or on a bicycle (including pedestrian and bicycle routes, bicycle parking places, bicycle share systems, smart solutions); increasing support of sustainable modes of mobility in public urban space by focusing on key mobility areas; and sustainable provision of public transport services that meets the needs of the population (including mobility surveys and plans, information systems, ticket systems, park-and-ride systems, acquisition of environmentally friendly public transport vehicles to the extent of the portion of the cost that exceeds the price of an ordinary vehicle). Activities will be eligible in all five urban areas that have a sustainable development strategy in place.

Under the priority Providing support for physical, economic and social regeneration of deprived communities in urban and rural areas, support is given for the development of infrastructure necessary for the enlivening of underused inner urban areas (incl. demolition of unnecessary buildings, creation of street networks and construction and reconstruction of buildings) and supporting activities (e.g. concept creation, engagement and marketing) that will create preconditions for business, jobs and the provision of high-quality services. It is recommended that NGOs and enterprises should be engaged in the activities. Specific areas and needed activities for reviving them will be determined in the sustainable development strategies of the urban areas.
The Finnish Operational Programme “Sustainable growth and jobs 2014–2020 – Finland’s structural funds programme” (OP) receives a combined amount of EUR 1,299,461,095 from the European Regional Development Fund (ERDF) and the European Social Fund (ESF) under the Investment Package for growth and jobs in Finland. The OP will contribute to Finland reaching the key EU and national development priorities along with the “Europe2020” objectives.

Funding priorities:

- Improving the competitiveness of SMEs will receive about 20% of the total OP allocations. The investments aim to diversify business structures and increase the number of growing, innovative and internationally expanding companies. In order to reach these objectives, measures will target the start-up of new companies and the development of new business operations.
- Around 24% of programme investments will promote research and innovation activities. The main aim is to boost investments that will strengthen the innovation activity, especially in growth companies and start-ups in chosen smart specialization fields. Finland aims to improve the application of Research & Innovation results into commercial products.
- The shift to a low-carbon economy is a high priority in Finland. 15% of programme funding is allocated to this thematic objective. In relation to energy objectives, these investments will provide a significant contribution to increase the share of use of renewable energy from 33% (2011) to 38% (2020). Finland will mainly invest in research and innovation activities in the low carbon sector, in the development and commercialization of low-carbon products, services and production methods. Furthermore, production of prototypes, piloting and demonstrations in enterprises will also be supported.
- 18% of OP allocation will focus on reducing unemployment with a focus on young people and those with a less favorable labor market position; on lengthening working careers and balancing labor demand and supply, increasing mobility, improving the management of structural changes, improving productivity and quality of working life.
- About 12% of the OP resources are dedicated to investment in education to ensure the availability of a skilled workforce, reinforcing the professional knowledge, innovative abilities and creative skills of the workforce, improving services during transitional periods, promoting educational equality, using the needs of employers as the basis for training and education, developing the availability and quality of supplementary training and advisory services and ensuring the provision of entrepreneurial skills.
- Almost 8% of funding is aimed at investments to fight social exclusion. The Priority axis 5 will focus on mobilizing the full employment potential and promoting the well-being, health, the working capacity and functional ability of working-age people who are out of work, reducing poverty and marginalization and preventing social exclusion, and increasing local, community-based activity and participation.

Expected impacts

Increase in R&I investments from 3.73% of GDP (2011) to 4.0% of GDP (2020).

- 5 660 SMEs will be supported in developing new business opportunities based on regional strengths
- 12 700 new jobs will be created
- Increase the share of use of renewable energy from 33% (2011) to 38% (2020)
- Youth unemployment is tackled and National Youth Guarantee is supported
- Skills and competences of the workforce are upgraded
- Fight against social exclusion is supported

Funds: Regional Development Fund (ERDF): 766,776,918.00 €
European Social Fund (ESF): 512,684,177.00 €
**Thematic priorities:** TA - Technical Assistance; TO1 - Research and innovation; TO10 - Education and training; TO3 - SMEs competitiveness; TO4 - Low-carbon economy; TO8 - Employment and labor market; TO9 - Social inclusion

**Total OP budget:** 2,558,922,190.00 €
**Total EU contribution:** 1,279,461,095.00 €

**Managing authorities:** Ministry of Employment and the Economy; Aleksanterinkatu 4, Helsinki; P.O. Box 32, FI-00023 GOVERNMENT, Finland; +358 29 516001; kirjaamo@tem.fi; http://www.tem.fi/

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_In the Six City Strategy efficient urban services are built in three focus areas: Open innovation platforms, Open data and interfaces and Open participation and customership. All development work strives towards communality, openness and accessibility. Source: 6AIKA [https://6aika.fi/](https://6aika.fi/)_
The Latvian single multi-fund Operational Programme "Growth and Employment" (OP) aims at achieving key national development priorities along with the "Europe 2020" objectives. By combining support from the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF) and the specific allocation for the Youth Employment Initiative (YEI), the OP will provide a significant support to the economic growth and employment, with a particular focus on the competitiveness of Latvia’s economy.

Funding priorities

The OP will focus on the following priorities:

- **10.58%** of the total OP allocations are envisaged to support RTD and innovation in Latvia, helping the country reach its national Europe 2020 target of 1.5 % of the GDP invested in RTD (0.66% in 2012). In particular, the OP contribution is expected to increase Latvia’s innovation potential by having the share of innovative SMEs increased to 40% (from 29.9% in 2010) (priority axis 1).
- **3.91%** of the total OP allocation is aimed at promoting information society by ensuring the accessibility of high-speed broadband connection to at least 80% of Latvian households, developing e-services, e-solutions, e-commerce (priority axis 2). In particular it will support the broadband network development in rural areas with at least 30 Mbps to address the existing digital divide.
- **7.11%** of the OP resources are allocated to supporting the competitiveness and innovation of SMEs (priority axis 3) by creating the necessary preconditions for private investments, and by creating new enterprises and jobs in the national and regional development centres. Under this priority axis, the ESF will support strengthening the institutional capacity of public administration and judiciary to create a better environment for business and less corruption.
- **10.88%** of the OP funding is aimed at supporting the shift towards a low-carbon economy in all sectors (priority axis 4). Together with investments in energy efficient economy, these funds will contribute to reaching Latvia's national Europe 2020 target of renewable energy share of 40% (35.8% in 2012) by focusing on energy efficiency measures in housing and enterprises and supporting the use of RES in district heating, as well as contributing to the development of low-carbon transport.
- **14.1%** of the OP allocation will be spent on the measures dedicated to environment, sustainable use of natural resources and adaptation to climate change (priority axis 5), including investments to ensure the fulfilment of the EU environmental acquis requirements.
- **26.25%** of the OP funding is aimed at development of sustainable and efficient transport infrastructure (priority axis 6). Priority will be given to investments in the TEN-T rail and road infrastructure. It is planned also to direct financing for connecting urban areas with the TEN-T networks, for reconstruction of regional roads, for environmental protection measures in the Riga airport, for development of multi-modal transport linking the transport network with port areas. Thus, the general objective is to improve mobility in the region and facilitate its economic growth.
- **3.72 %** of the OP resources are dedicated to promoting employment and work force mobility (priority axis 7) with focus on the unemployed with low level of skills and skills that are not relevant for the labour market needs. The OP will provide targeted support for those young people who are not in education, training and employment (NEET), including outreach measures for the non-registered NEET.
- **11.68 %** of the OP resources will be allocated to investments in education, skills and lifelong learning (priority axis 8). ESIF investment will be instrumental for reforms in the higher education through supporting establishment of an internationally recognized accreditation agency, elaborating new joint doctoral study programmes and programmes in EU languages and implementation of result-based governance. ESIF will promote vocational education and training, with focus on work-based learning, support comprehensive career guidance system and a new lifelong learning implementation model (through regions).
• 9.48% of funds will contribute to social inclusion and fight against poverty (priority axis 9) through targeted measures for integration of the disadvantaged in the labor market and society. The OP includes a strong deinstitutionalization component (supported by both ESF and ERDF) which targets transfer to community-based care of children and adults with psycho-intellectual disabilities. ESIF will also promote a better access to health care for the socially and territorially excluded.

• 2.29% of resources of the OP are allocated to technical assistance in order to ensure efficient administration of the EU funding, including support to publicity and information measures as well as evaluations (priority axes 10, 11 and 12).

Regions: Whole Latvia

Funds

• Cohesion Fund (CF): 1,349,414,695.00 €
• Regional Development Fund (ERDF): 2,401,252,452.00 €
• European Social Fund (ESF): 609,544,789.00 €

Thematic priorities

• TA - Technical Assistance
• TO1 - Research and innovation
• TO10 - Education and training
• TO11 - Better public administration
• TO2 - Information and communication technologies
• TO3 - SMEs competitiveness
• TO4 - Low-carbon economy
• TO5 - Climate change and risk prevention
• TO6 - Environment and resource efficiency
• TO7 - Transport and energy networks
• TO8 - Employment and labour market
• TO9 - Social inclusion

Total OP budget: 5,192,801,939.00 €
Total EU contribution: 4,418,233,214.00 €

Managing authorities: Latvijas Republikas Finanšu ministrija; Smilšu iela 1, Rīga; LV-1919, Latvia; +371-67095405; pasts@fm.gov.lv; http://www.fm.gov.lv/

Opening the largest highway route built in Latvia using Cohesion Fund. Source: Baltic news Network
The Lithuanian multi-fund Operational Programme (OP) brings together several key EU investment funds aimed at helping Lithuania’s economic development as well as tackling social exclusion, unemployment and vital issues like energy security. It reflects the goals of the Europe 2020 strategy with a clear emphasis on boosting research and innovation, SME competitiveness, the shift to a low-carbon economy, the promotion of human capital, especially of young people, and the fight against poverty.

Funding priorities

The OP support will substantially contribute to promoting Lithuania's ability to achieve the key EU and national development priorities:

- 10.12% of the total OP allocations are envisaged to boost RTD and innovation in Lithuania, helping the country reach its national Europe 2020 target of 1.9% of the GDP to be invested in RTD (0.9% in 2011). In particular, the OP contribution is expected to foster RDI commercialization and knowledge transfer as well as to effectively stimulate private RDI investments (priority axis 1).
- 3.64% of the total OP allocation is aimed at ensuring the accessibility of high-speed broadband connection for all, developing e-services, e-solutions, e-commerce (priority axis 2).
- 7.92% of the OP resources are allocated to support SMEs’ competitiveness and innovation (priority axis 3).
- 14.48% of the OP funding is aimed at supporting the shift towards a low-carbon economy in all sectors (priority axis 4). Together with investments in resource efficiency and infrastructure, these funds will contribute to Lithuania reaching its national Europe 2020 target of 23.0% of energy deriving from renewable energy sources (20.3% in 2011).
- 12.49% of the OP allocation will be spent on the measures dedicated to environment, sustainable use of natural resources and adaptation to climate change (priority axis 5).
- 17.20% of the OP funding is aimed at removing barriers to the core network infrastructure through modernization and development of transport and energy infrastructure (priority axis 7). The investments in transport will be targeted at increasing the interoperability of different transport modes on the TEN-T network and enhancing regional mobility by connecting secondary and tertiary notes to TEN-T infrastructure, including multimodal nodes. The investments in energy infrastructure will be targeted at improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources. The creation of international energy links will reduce Lithuania’s energy dependence on one provider and ensure a reliable and safe energy supply of energy to citizens.
- 10.86% of the OP resources are dedicated to promoting sustainable and quality employment and supporting labor mobility (priority axis 7), thus contributing to the attainment of the national Europe 2020 target of 72.8% of 20-64 year-olds to be employed (68.7% in 2012) and reducing the number of young people not in employment, education or training.
- 7.99% of the OP resources will facilitate the transition from institutional to community-based care and improve access to social housing and quality of health care services for people at risk of poverty or social exclusion (priority axis 8).
- 9.89% of funds will be invested in the educational system with the objectives of improving pupils’ achievement in general education, the quality and labor market relevance of higher education, vocational education and training as well as improving researchers’ abilities (priority axis 9).
- The OP also aims at improving the Lithuanian business environment by reducing the administrative burden for businesses and improving the quality and efficiency of public services in general (priority axis 10: 2.24%).

Regions: Whole Lithuania
Funds

- **Cohesion Fund (CF)**: 2,048,917,626.00 €
- **Regional Development Fund (ERDF)**: 3,501,411,767.00 €
- **European Social Fund (ESF)**: 1,095,501,471.00 €

Thematic priorities

- TA - Technical Assistance
- T01 - Research and innovation
- T010 - Education and training
- T011 - Better public administration
- T02 - Information and communication technologies
- T03 - SMEs competitiveness
- T04 - Low-carbon economy
- T05 - Climate change and risk prevention
- T06 - Environment and resource efficiency
- T07 - Transport and energy networks
- T08 - Employment and labour market
- T09 - Social inclusion

Total OP budget: 7,887,798,521.00 €
Total EU contribution: 6,709,396,130.00 €

Managing authorities: **Finansų ministerija**; Lukiškių g. 2, LT- 01512 Vilnius; +370 5 2194 437

[http://www.finmin.lt](http://www.finmin.lt)

*The best EU funded projects in Lithuania are labelled as European Sails. Source: Ministry of Finance of the Republic of Lithuania.*
Poland

Poland has 5 national thematic OP-s as well 16 regional operational programmes, from which the most related to climate mitigation and adaptation is the thematic OP on infrastructure and environment.

**OP Infrastructure and Environment**

The Programme envisages a set of concrete measures to support the further shift of Poland towards a more competitive and low-carbon economy that makes efficient use of natural resources, favors low power consumption and advocates a significant reduction of CO² emissions. Important investments in more sustainable transport and energy networks, environmental protection, climate adaptation and mitigation techniques as well as health and culture will nurture a more pro-business environment. They are also expected to significantly improve the living conditions of the 38 million Polish citizens.

**Funding priorities:** The programme provides support on 10 thematic objectives. It mainly concentrates its resources on:

- transport infrastructure (63.88% on thematic objective 7 including 18% for rail);
- low-carbon economy (15% on thematic objective 4);
- climate change adaptation, risk prevention & management and environment protection (more than 12% on thematic objective 5)

**Expected impacts:** The programme defines a number of ambitious goals to be achieved by the end of the programming period, in particular:

- Increase in the share of renewable energy in gross final consumption to 15%;
- Reduction of greenhouse gas emission by 20.6% compared to 1990 levels;
- 6,500 kilometers of new, extended or modernized wastewater network;
- 100% of Natura 2000 sites covered by management plans;
- 120 new or modernized wastewater treatment plants;
- Decrease of travel time by road and rail between the main Polish cities to 3.7 hours;
- Construction and modernization of 591 kilometers of gas pipelines
- 522 kilometers of reconstructed or upgraded railway;
- 167 new or modernized items of railway rolling stock;
- 86 kilometers of new or improved metro and tram lines.

**Regions:** Whole Poland

**Funds**

- **Cohesion Fund (CF):** 22,507,865,679.00 €
- **Regional Development Fund (ERDF):** 4,905,881,206.00 €

**Thematic priorities**

- TA - Technical Assistance
- TO4 - Low-carbon economy
- TO5 - Climate change and risk prevention
- TO6 - Environment and resource efficiency
- TO7 - Transport and energy networks
• **TO9 - Social inclusion**

**Total OP budget:** 32,266,939,058.00 €  
**Total EU contribution:** 27,413,746,885.00 €

**Managing authority:** Ministry of Infrastructure and Development; ul. Wspólna 2/4; 00-926 Warsaw; +48 22 273 78 00; [http://www.popt.gov.pl](http://www.popt.gov.pl)

*Type 120Na "Swing" trams at Mlociny Transport Node. EU Structural Funds used for upgrading transport in Polish cities. Source: EMTA*
Sweden

Sweden has 10 national operational programs targeting both the regions and thematic areas. From those most relevant are OIPs targeting investment and growth as well as SMEs.

National regional fund programme for investments in growth and jobs 2014-2020

The national ERDF programme complements the regional programmes. It promotes cross-regional cooperation and stimulates the development of multi-level governance across the regions. The programme makes available a set of financing tools to boost investments in the low-carbon economy, SMEs as well as research and innovation, including support to the establishment of the European Spallation Source, a large research project of European importance in the field of neutron science.

Funding priorities

- Improve enterprises' access to financing in the low-carbon sectors and improve energy efficiency in SMEs
- Increase SMEs' access to financing through financial instruments
- Support the setting up of the European Spallation Source and promote research and innovation cooperation across the Swedish regions

Expected impacts

- 1,720 enterprises receiving support
- 150 scientists working with the ESS in Sweden
- 70 enterprises cooperating with research institutions
- Increased investment volumes in risk capital, especially in the fields of energy and environmental technology

Regions: Whole Sweden

Funds: Regional Development Fund (ERDF): 133,244,750.00 €

Thematic priorities:

- TA - Technical Assistance
- TO1 - Research and innovation
- TO3 - SMEs competitiveness
- TO4 - Low-carbon economy

Total OP budget: 266,489,500.00 €
Total EU contribution: 133,244,750.00 €

Managing authorities: Tillväxter; Box 4044, SE - 10261 Stockholm; +46 8 681 91 00; tillvaxter@tillvaxter.se; http://www.tillvaxter.se

Community-led local development programme with support from ERDF and ESF 2014-2020

The programme is focused on strengthening the entrepreneurship in local areas of development as well as enhancing the employment rate in SMEs.
Funding priorities

- Support local possibilities and development potential through cooperation
- Increase the number of new enterprises
- Development of existing companies in order to increase the level of employment

Expected impacts

- 600 companies involved in local development all around the country
- 200 projects in urban areas with more than 5000 inhabitants
- 150 projects focused on enhancing the links between urban areas and rural areas or urban areas and intermediate areas

Programme text Regional- och socialfondsprogram för lokalt ledd utveckling

Regions: Whole Sweden

Funds

- Regional Development Fund (ERDF): 8,504,984.00 €
- European Social Fund (ESF): 8,343,266.00 €

Thematic priorities

- TA - Technical Assistance
- TO9 - Social inclusion

Total OP budget: 33,696,500.00 €
Total EU contribution: 16,848,250.00 €

Managing authorities: Jordbruksverket, Vallgatan 8; SE - 551 82 Jönköping; +46-36-15 50 00; jordbruksverket@jordbruksverket.se; http://www.jordbruksverket.se
Other EU funding instruments

LIFE

The LIFE Programme for the Environment and Climate Change 2014-2020 is divided into two sub-programmes: environment and climate action. LIFE Climate Action will support projects in the development of innovative ways to respond to the challenges of climate change in Europe.

Supporting a low-carbon, climate-resilient economy

The Climate Action sub-programme will provide €864 million in co-financing for climate projects between 2014 and 2020. Its main objectives are to:

- Contribute to the shift towards a low-carbon and climate-resilient economy
- Improve the development, implementation and enforcement of EU climate change policy and legislation
- Support better environmental and climate change governance at all levels
- Support the implementation of the 7th Environment Action Programme
**Three priority areas**

LIFE Climate Action supports public authorities, non-governmental organisations and private actors, especially small and medium-sized enterprises, in implementing low-carbon and adaptation technologies and new methods and approaches.

The programme focuses on three priority areas:

<table>
<thead>
<tr>
<th>Priority area</th>
<th>Focus</th>
</tr>
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<tbody>
<tr>
<td>Climate change mitigation</td>
<td>Reducing greenhouse gas emissions</td>
</tr>
<tr>
<td>Climate change adaptation</td>
<td>Increasing resilience to climate change</td>
</tr>
<tr>
<td>Climate change governance and</td>
<td>Increasing awareness, communication, cooperation and dissemination on</td>
</tr>
<tr>
<td>information</td>
<td>climate change mitigation</td>
</tr>
</tbody>
</table>


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**INTERREG**

**INTERREG Baltic Sea Region Program**

The overall objective of the Programme is to strengthen integrated territorial development and cooperation for a more innovative, better accessible and sustainable Baltic Sea Region. The Programme promotes transnational cooperation and integration through projects that address common challenges and opportunities in the region. The Programme also supports the implementation of the EU Strategy for the Baltic Sea Region.

The Programme is designed to tackle issues which cannot sufficiently be dealt with by individual countries. Challenges that require a joint response by partners from several countries from the Baltic Sea Region include improving water quality and increasing maritime safety and security.

The Programme invests in the institutional capacities of public authorities from local, regional and national levels, research and training institutions, sectoral agencies and associations, as well as non-governmental organisations and enterprises. Improved institutional capacity is understood as:

- enhanced institutionalised knowledge and competence;
- improved governance structures and organisational set-up;
- more efficient use of human and technical resources
- better ability to attract new financial resources; and
- increased capability to work in a transnational environment.

**Funding priorities**
The programme will focus on the following four priorities:

1. Capacity for innovation
2. Efficient management of natural resources
3. Sustainable transport
4. Macro-regional cooperation

Some of the expected results

- increased capacity of public authorities, research and training institutions, sectoral agencies and associations, as well as non-governmental organisations and enterprises for more innovation, to manage natural resources efficiently and to make transport more sustainable
- 230 enterprises cooperating with research institutions
- 10 newly developed market products and services
- €8 million of private investments unlocked in research & development
- €45 million of investments planned transnationally

Regions

- Denmark
- Estonia
- Finland
  - Germany (BERLIN; BRANDENBURG; BREMEN; HAMBURG; MECKLENBURG-VORPOMMERN; Lüneburg; SCHLESWIG-HOLSTEIN)
- Latvia
- Lithuania
- Poland
- Sweden

Funds: Regional Development Fund (ERDF): 263,830,658.00 €

Thematic priorities

- TA - Technical Assistance
- TO1 - Research and innovation
- TO11 - Better public administration
- TO6 - Environment and resource efficiency
- TO7 - Transport and energy networks

Total OP budget: 333,414,456.00 €
Total EU contribution: 272,630,658.00 €

https://www.interreg-baltic.eu/home.html

Managing Authority (MA)/Joint Secretariat (JS) Rostock c/o Investitionsbank Schleswig-Holstein (IB.SH)

Postal & visitor address: Grubenstrasse 20; 18055 Rostock, Germany; Tel: +49 381 45484 0; Fax: +49 381 45484 5282; E-mail: info@interreg-baltic.eu

Joint Secretariat (JS) branch office Riga c/o State Regional Development Agency

Postal & visitor address: Alberta Iela 10; LV-1010, Riga, Latvia; room- 401 (4th floor); Mobile +371 2 648 05 54
The Cooperation programme addresses some of the important cross-border challenges which are linked to the implementation of Europe 2020 in coastal regions of the participating member states.

A strong focus of the programme is on environmental measures, including investments in green technologies to reduce the pollution discharges into the Baltic Sea. The programme will also support natural and cultural heritage in order to further develop sustainable tourism in the region. The cooperation programme will also support SMEs with regard to internationalizations and transfer of innovation, and will support cross-border labor mobility. It will also help to make transport service in the South Baltic region more efficient and more environmentally friendly. Actions in these key areas will be complemented by efforts to foster the cooperation capacity of local actors through participation in cross-border networks.

The programme will develop and implement joint solutions for joint problems. Investments in infrastructure will be small-scale and in many cases of a pilot nature.

The programme will make a significant contribution to the implementation of the EU Strategy for the Baltic Sea Region.

**Funding priorities:** The Programme will focus on four main priorities:

- Strengthening international activeness and innovation capacity of the south Baltic blue and green economy
- Exploiting the environmental and cultural potential of the South Baltic area for the blue and green growth
- Improving cross-border connectivity for a functional blue and green transport area
- Boosting human resource capacities for the area's blue and green economy
- Improve the cooperation capacity of local South Baltic area actors through participation in cross-border networks

**Expected impacts**

- Increased presence of blue and green sector SMEs from the South Baltic area in international markets; increased innovation capacity of blue and green sector SMEs.
- Increased use of green technologies, decrease of pollution discharges into the Baltic Sea, better developed and more attractive destinations for sustainable tourism, more visitors to the region.
- Improved and more environmentally sustainable passenger and intermodal cargo services in the South Baltic area.
- Better prepared labour force for workplaces in blue and green sector companies.
- More involvement of the local community actors in cross-border cooperation networks.

**Regions**

- Denmark
  - Hovedstaden
  - Sjælland
- Germany
  - MECKLENBURG-VORPOMMERN
- Lithuania
- Poland
  - Zachodniopomorskie
  - Warmińsko-Mazurskie
Funds: Regional Development Fund (ERDF): 82,978,784.00 €

Thematic priorities

- TA - Technical Assistance
- TO11 - Better public administration
- TO3 - SMEs competitiveness
- TO6 - Environment and resource efficiency
- TO7 - Transport and energy networks
- TO8 - Employment and labour market

Total OP budget: 102,934,671.00 €

Total EU contribution: 82,978,784.00 €

https://southbaltic.eu/

Joint Secretariat; Al. Grunwaldzka 186 (GARNIZON); 80-266 Gdańsk, Poland; tel. +48 58 746 38 55; fax. +48 58 761 00 30; general email: southbaltic@southbaltic.eu

Interreg V-A - Finland-Estonia-Latvia-Sweden (Central Baltic)

Territorial co-operation

The cooperation programme addresses a number of challenges linked to the implementation of the Europe 2020 strategy in coastal regions of the participating Member States.

The programme's main focus will be on enhancing the competitiveness of SMEs and promoting entrepreneurship, promoting the sustainable use of common resources (supporting sustainable tourism, reducing pollution of the Baltic Sea, improving urban environment) and improving transport flows of people and goods. In addition, the programme will also support cross-border vocational education and training schemes, and will strengthen disadvantaged communities (through small-scale people-to-people projects).

The programme will develop and implement joint solutions for joint problems. Investments in infrastructure will be small-scale and in many cases of a pilot nature.

The programme will make a significant contribution to the implementation of the EU Strategy for the Baltic Sea Region.

Funding priorities: The programme will focus on the following four priorities:

1. Competitive economy
2. Sustainable use of common resources
3. Well-connected region
4. Skilled and socially inclusive region

Some of the expected results

• 150 new enterprises supported through training, advisory services, networking
• 120 000 more visitors to supported sites of cultural and natural heritage
• Reduced inflow of nutrients, hazardous substances and toxins into the Baltic Sea
• Improved services in 15 small ports
• 5 000 people participating in joint education and vocational training schemes

Regions

• Estonia
• Finland
  o LÄNSI-SUOMI
  o Helsinki-Uusimaa
  o Etelä-Suomi
  o ÅLAND (NUTS 1)
  o ÅLAND
• Latvia
• Sweden
  o Östra Sverige
  o Stockholm
  o Östra Mellansverige
  o Småland med öarna
  o Norra Mellansverige

Funds: Regional Development Fund (ERDF): 122,360,390.00 €

Thematic priorities

• TA - Technical Assistance
• TO10 - Education and training
• TO3 - SMEs competitiveness
• TO6 - Environment and resource efficiency
• TO7 - Transport and energy networks

Total OP budget: 160,276,623.00 €

Total EU contribution: 122,360,390.00 €

http://centralbaltic.eu/

Managing Authority, Joint Secretariat and Audit Authority c/o Regional Council of Southwest Finland
Visiting address: Ratapihankatu 36 (2nd floor), Turku, Finland
Mailing address: P.O. Box 273, 20101 Turku, Finland; Phone: +358 40 550 8408
E-mail: info@centralbaltic.eu
EU ETS Auctioning revenues

Auctioning is the default method of allocating allowances within the EU emissions trading system (EU ETS). This means that businesses must buy an increasing proportion of allowances through auctions. In 2013, over 40% of the allowances were auctioned. Over the period 2013-2020, the share auctioned will be higher: it is estimated that up to half of the allowances may be auctioned.

Two auction platforms are currently in place: The European Energy Exchange (EEX) in Leipzig is the common platform for the large majority of countries participating in the EU ETS. EEX also acts as Germany’s auction platform and ICE Futures Europe (ICE) in London, which acts as the United Kingdom’s platform.

The auctioning of allowances is governed by the EU ETS Auctioning Regulation. This covers the timing, administration and other aspects of auctioning to ensure it is conducted in an open, transparent, harmonized and non-discriminatory manner. The Auctioning Regulation seeks to put into practice several criteria which the revised EU ETS Directive states auctions must meet, such as predictability, cost-efficiency, fair access to auctions and simultaneous access to relevant information for all operators.

In sectors, other than power generation, a transition to auctioning takes place progressively. Manufacturing industry received 80% of its allowances free of charge in 2013, but this will decrease annually to 30% in 2020, other than for sectors deemed to be exposed to carbon leakage. Allowances not allocated for free are to be auctioned. Given the significant weight of power generation in the EU ETS, and even with partial free allocation in eight Member States, more than 40% of the 2013 annual allowances were auctioned. This share will increase in the following years, as the volume of allowances allocated for free decreases faster than the cap.

In total, the Commission estimates that 57% of the total amount of allowances will be auctioned during 2013-2020, while the remaining allowances are available for free allocation. The Commission’s proposal for revision of the EU ETS Directive foresees that the share of allowances to be auctioned will remain the same after 2020. In the second trading period (2008-2012), no more than 4% of the allowances were auctioned. In the aviation sector, 15% of allowances in circulation will be auctioned.

In the context of the 2030 climate and energy framework, EU leaders decided in October 2014 that free allocation shall not expire, but the share of allowances to be auctioned will not reduce during the next decade. Latest information on the exact amounts to be auctioned can be found on the websites of the auction platforms https://www.eex.com/en/ and https://www.theice.com/emissions/auctions.

Pursuant to Article 10(1) of the ETS Directive,

- **88%** of the allowances to be auctioned in 2013 to 2020 are distributed to the EU Member States based on their share of **verified emissions** from EU ETS installations in 2005 or the average of the 2005-2007 period, whichever one is the highest;
- **10%** are allocated to the **least wealthy EU member states** as an additional source of revenue to help them invest in reducing the carbon intensity of their economies and adapting to climate change;
- **The remaining 2%** is given as a ‘Kyoto bonus’ to nine EU Member States which by 2005 had reduced their greenhouse gas emissions by at least 20% of levels in their base year or period. These are Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia.
EU leaders have decided that during the next decade

- 90% of the allowances to be auctioned will be distributed to the EU Member States based on their share of verified emissions, and
- 10% will be allocated to the less wealthy EU Member States for the purposes of solidarity, growth and interconnections.

The three EEA-EFTA countries will also auction allowances in accordance with the same principles as the EU Member States.

Fluctuations of the ETS carbon price in 2016. Source: Vertis

The revised EU ETS Directive provides that at least 50 % of auctioning revenues or the equivalent in financial value of these revenues should be used by Member States for climate and energy related purposes

Table: EU ETS auctioning revenues in million Euros 2013-2015

<table>
<thead>
<tr>
<th>Country</th>
<th>2013-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>2650</td>
</tr>
<tr>
<td>Denmark</td>
<td>175</td>
</tr>
<tr>
<td>Estonia</td>
<td>47</td>
</tr>
<tr>
<td>Finland</td>
<td>224</td>
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<tr>
<td>Lithuania</td>
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<td>Latvia</td>
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<td>Poland</td>
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<tr>
<td>Sweden</td>
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<tr>
<td>Russia</td>
<td>0</td>
</tr>
<tr>
<td>EU-28</td>
<td>11718</td>
</tr>
</tbody>
</table>

International Financial Institutions

The heads of the world’s leading international financial institutions, at UNFCCC Convention of Parties in Copenhagen on 9th of September 2009, called for a comprehensive agreement to combat climate change and agreed to further coordinate their own efforts to help achieve the meeting’s ambitious goals. African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, World Bank Group and International Monetary Fund also committed their organisations to the use of technical assistance and funds to further support their environmental goals. The leaders of IFI’s reiterated their commitment to help developing nations adapt to climate change and to facilitate the development and transfer of climate-friendly technology and knowledge according to the needs of individual countries.

The adoption of the Sendai Framework for Disaster Risk Reduction (2015-2030) that aims to achieve substantial reduction of disaster risks and losses; the Addis Ababa Action Agenda, which provides a foundation for implementing the global sustainable development agenda and calls on developed countries to implement their commitments to the goal of mobilizing USD 100 billion of climate finance per year for developing countries by 2020; and the adoption of a set of 17 Sustainable Development Goals that aims to end poverty, protect the planet, and ensure prosperity for all. These milestones have set the tone for how institutions like the multilateral development banks (MDBs)—including the African Development Bank (AfDB), the Asian Development Bank (ADB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank Group (IDBG), and the World Bank Group (WBG)—prioritize their actions and operate in their client countries.

The Paris Agreement, which was negotiated by representatives of 195 countries and was unanimously adopted in December 2015, is a breakthrough by the international community in resolving climate change. This is the first climate change agreement that includes commitments by all signatories, in the form of Nationally Determined Contributions. Countries have committed to undertake actions or achieve domestic targets with a view of holding the increase in global average temperature to below 2 degrees Celsius, and pursue efforts to limit it to 1.5 degrees Celsius. Countries also plan to increase their ability to adapt to adverse impacts of climate change, and foster climate change resilience. Many developing countries stress that climate finance is vital to their ability to fully deliver on their contributions and increase their level of ambition over time. For the MDBs, the Paris Agreement becomes the foundation for their contribution to efficient and effective low-carbon and climate-resilient development.

For the Baltic Sea Region, the European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), Nordic Investment Bank (NIB) and its environmental arm, the Nordic Environment Financing Corporation (NEFCO) are most relevant sources for financing climate action in the region.
Created in 1958, shareholders: 28 EU Member States. Bank operations are driven by EU policy and around 90% of lending is within the EU. Operates outside EU through specific Mandates. EIB’s financing supports EU policy priorities and objectives (climate change, infrastructure, environment, support for SMEs, innovation & skills, regional development, etc.). Climate action is a horizontal objective, i.e. it is integrated within the other priority objectives. Complementing EIB’s volume-driven approach, EIB’s 2015 Climate Strategy will help implement the Paris Agreement inside and outside the EU by focusing on three key-areas: Reinforcing the impact of climate financing – exceeding 25% of global lending for Climate Action – and identifying High Impact; Building resilience to climate change; Further integrating climate change considerations across EIB standards, methods and processes.

In 2015, EIB delivered EUR 20.7 billion to specific climate action projects and investments:

- Exceeded the 25% financing target towards climate action.
- Remained the largest MDB in terms of support to climate action.
- EUR 2.2bn were channeled outside the EU.

Mitigation – addressing a malicious global problem

- Renewable Energy – wind, sun, geothermal, hydro etc.
- Energy Efficiency – buildings, industry, transport,
- Modal shift in transport to lower carbon modes
- Research & development in EE&RE technologies
- Biological sequestration – afforestation and reforestation
- Other

Adaptation – a complicated local problem (often water-related...)
• Adaptation: Changes/modification to projects/systems that help cope with climate change – these are incremental actions or activities to address climate change impacts – these are the climate action components - rarely the whole project. The system or project that has been adapted is sometimes called “climate resilient” … in the future – nearly everything we finance will need to be analyzed against this requirement – this will be the “new normal”.

How to receive EIB support:

Small and medium sized enterprises (with fewer than 250 employees) and Mid-Caps (with 250-3 000 employees) receive intermediated loans towards investment projects costing up to EUR 25m (and occasionally EUR 50m).

Local authorities also receive intermediated loans towards investment projects costing up to EUR 25m.

Contact our network of local partners for more information. Our funding is channeled through the intermediaries which set the loan conditions.

http://www.eib.org/products/lending/intermediated/list/index.htm

Local authorities can also access urban development technical assistance through the JESSICA programme and can maximise investment for sustainable energy via the ELENA scheme. New EU Member States can receive infrastructure project advice under the JASPERS programme.

EIB lend also directly to major projects towards investment projects costing in excess of EUR 25m. To receive backing, these projects must further EU policy goals.

EIB attracts private finance into residential energy efficiency modernization via a guarantee scheme funded by the Lithuanian Government. The Lithuanian Leverage Fund, a guarantee scheme funded with EUR 100 million of EU Structural and Investment Funds and national resources, comes in support of energy efficiency investments. Source: Lithuanian Ministry for Finance.
The European Bank for Reconstruction and Development is an international financial institution founded in 1991. Headquartered in London, the EBRD is owned by 66 countries from five continents, as well as the European Union and the European Investment Bank.

Reflecting the needs of its countries of operations and an increased focus on environmental sustainability in the context of the Sustainable Development Goals and COP21, and in line with the strategic directions set out in the Strategic and Capital Framework 2016-2020 (BDS15-13) approved at the 2015 Annual Meeting, bank has developed a Green Economy Transition (GET) approach for the EBRD. The GET approach aims to increase the Bank’s green financing to around 40% of total EBRD financing over the SCF period up from a 25% target during the CRR4 period. Specific budget implications will be considered in the context of the upcoming Strategy Implementation Plan 2016-2018. The Bank will pursue an active approach to mobilizing funding for the GET, by further developing the strong relationships established with bilateral donors supporting the green activities of the EBRD, with the EU and with multilateral funds. The GET approach builds on a record of delivery over the past 10 years starting with the launch of the Sustainable Energy Initiative in 2006 and widened to the Sustainable Resource Initiative in 2013. The cumulative SRI/SEI track record as of mid-June 2015, includes: EBRD financing of €17.2 billion (€18.3 billion as at end August 2015); 977 projects (993 projects as at end August 2015); total project value of €94.6 billion; SRI water and materials efficiency related ABI of €821 million in 2013 and 2014; and €602 million invested since 2011 in climate resilience/adaptation measures in 99 Bank Projects.

(Source: [http://www.ebrd.com/cf?1=1&filterKeyword=Climate%20finance%20news%20and%20updates](http://www.ebrd.com/cf?1=1&filterKeyword=Climate%20finance%20news%20and%20updates)).

Over the five-year Strategy and Capital Framework period (2016-2020), EBRD activities under its Green Economy Transition approach are projected to lead to: EBRD GET financing of up to €18 billion with annual GET financing reaching over €4 billion by 2020; based on historical leverage of EBRD climate finance, these would mobilize another €60 billion for a total project value up to €78 billion; and driven by the EBRD business model, between half and two-thirds of GET financing would be expected to be in the private sector.

EBRD provides loans, equity investments and guarantees.

In Estonia, EBRDs focus is on supporting investments in energy efficiency and renewable energy, improving the competitiveness of the export sector and supporting cross-border investments by Estonian companies. 82 projects financed with 104 million EUR current portfolio of projects and 616 million EUR cumulative investments made to date.

In Latvia, focus is on supporting investments in energy security and energy efficiency, strengthening the financial sector and improving the competitiveness of the export sector. 79 projects supported with 192 million EUR of current portfolio of projects and 642 MEUR cumulative investment.

In Lithuania, EBRD focuses on supporting investments in renewable energy and energy efficiency, improving the competitiveness of the export sector and support the strengthening of local banks. 81 projects in Lithuania to date with 131 MEUR current and 701 MEUR cumulative investment.
In Poland, focus is on promoting the low carbon economy, enhancing the private sector’s role in the economy and assisting in the development of a sustainable financial sector and capital markets. 387 projects in Poland to date with 2 888 MEUR current portfolio and 8 645MEUR of cumulative investment.

In Russia, due to international sanctions, new investments planned, but EBRD remains present in Russia to support existing projects and our clients. All in all, there has been 788 projects in Russia to date, with 3 330 MEUR current and 24 887 EUR cumulative investment by EBRD. The Bank’s operational approach, following guidance from a majority of Directors, is currently not to undertake any new business in the country.

The EBRD is helping deliver state-of-the-art flood defenses to St Petersburg to protect the coastal city from flooding. Source: EBRD.

EBRD investments in private sector projects can range from €5 million - €250 million. The average amount is €25 million.

The EBRD's loans are structured with a high degree of flexibility to provide loan profiles that match client and project needs. This approach determines each loan currency and interest rate formula.

The basis for a loan is the expected cash flow of the project and the ability of the client to repay the loan over the agreed period. The credit risk can be taken entirely by the Bank or may be partly syndicated to the market. A loan may be secured by a borrower's assets and/or it may be converted into shares or be equity-linked. Full details are negotiated with the client on a case-by-case basis.

Loan features:

Minimum €5 - 15 million, although this can be smaller in some cases.
Fixed or floating rate.
Senior, subordinated, mezzanine or convertible debt.
Denominated in major foreign or local currencies.
Short to long-term maturities, from 5 to 15 years.
Project-specific grace periods may be incorporated.
Loans for smaller projects
Projects that are too small to be financed directly by the EBRD can still benefit from our investments. The EBRD supports local commercial banks, which in turn provide loans to SMEs and municipalities. Tools that may be available include credit lines, bank-to-bank loans, standby credit facilities and equity investments in the local banks.

MSMEs should contact local banks directly to access finance and check local requirements and investment limits. Loans to micro, small and medium businesses are available from these banks across the EBRD region.

Businesses looking to obtain loans through local banks should provide:

- Sound business plans for establishing or expanding a company’s business.
- Solid management with a proven track record.
- Products that are competitive in the marketplace.
- Information on owners/partners.
- Financial history.
- Security in the form of pledges, mortgages, etc.

Funds provided must be used in strict accordance with the aims stated in the original business plan. In line with the EBRD’s mandate, banks ensure that all proposals pay due regard to environmental issues. Funding cannot be provided to majority state-owned companies or for government-guaranteed projects. In addition, equity contributions, either in existing or new business, of around 35% are often required.


NIB

NIB is the International Financial Institution of the Nordic and the Baltic countries. The Bank adds value and complements commercial lending to help ensure sustainable growth. NIB only finances specific investment projects that fulfil the Bank’s mission. According to the NIB Strategy, in order to improve competitiveness of its member countries, the NIB-financed projects should support productivity growth through technical progress and innovation; development of human capital; improvements in infrastructure and increased market efficiency. In terms of the environment, NIB lends to projects that lead to improved resource efficiency; development of a competitive low carbon economy; protection of the environment and its ecosystem services and development of clean technology. While the focus of NIB’s activities is on its membership area, the Bank also operates in selected non-member countries in the Baltic Sea region and emerging markets. NIB acquires the funds for its lending by borrowing on the international capital markets.

NIB is part of the Nordic Finance Group, consisting of four international financial institutions located in the same block in Helsinki, Finland. The institutions within the group offer different types of financing and competences. In addition to NIB, the following institutions belong to the group:
Nordic Development Fund (NDF) - a multilateral development finance organization, providing grant financing for climate projects in poor developing countries.

Nordic Environment Finance Corporation (NEFCO) - a risk capital institution financing environmental projects in Central and Eastern Europe.

Nordic Project Fund (Nopelf) - an organization that works to strengthen the international competitiveness of small and medium-sized enterprises by providing loans on favorable terms for co-financing feasibility studies.

In 2016, NIB reached all-time highs with EUR 4.4 billion in agreed loans and EUR 3.4 billion in disbursed loans. The Bank also raised EUR 6.7 billion in new funding and continued to issue NIB Environmental Bonds. Despite the low interest rates, NIB made a profit of EUR 212 million (EUR 215 million in 2015). Most the environmental loans agreed in 2016 related to projects promoting climate change mitigation in the member countries. These comprised loans to improve energy efficiency of public and commercial buildings, including one green R&D building, and public rail transport infrastructure. Loans were also agreed for renewable energy generation projects in hydropower, biomass-fueled heat and power plants for municipalities and as part of new pulp mills. Energy projects financed by NIB in 2016 will add 1.5 TWh annually to renewable energy generation. NIB estimates that the loans agreed in 2016 help to reduce CO2 emissions by 280,000 tons annually, prorated to NIB’s share of the financing. The percentage of NIB’s total lending volume allocated to climate change mitigation projects amounted to 22%. NIB also financed projects that will increase CO2 emissions to air from fossil fuels. The added CO2 impact resulted in an increase of 6,000 tons of CO2.

Applications for loan should be directed to NIB’s Lending Department. There are no standard forms for a loan application.

All projects considered to fulfill the eligibility criteria, i.e. improving competitiveness and/or the environment, are subject to an objective analysis, including an environmental analysis to ensure that the project is in line with sound banking principles. prorated to NIB’s share of the financing.

https://www.nib.int/loans/loan_products
NIB has allocated EUR 500 million to be invested in green bonds issued by companies or municipalities in its member countries. The investments will be used to finance projects aimed at improving the environment and mitigating climate change, in conformity with NIB’s mandate criteria.

NIB intends to buy green bonds issued to finance projects that meet the Bank’s criteria for environmental investments. The selection criteria for investing in green bonds will be based on an issue’s market merits as well as its value for improving the environment, including the mitigation of climate change. NIB has agreed to cooperate with Handelsbanken, Nordea and SEB as arrangers for green bond issuing. For further information, please contact: Mr Thomas Wrangdahl, First Vice-President and Head of Lending at NIB, at +359 10 618 0226, thomas.wrangdahl@nib.int

NEFCO

The Nordic Environment Finance Corporation (NEFCO) is an international financial institution, which was established in 1990 by the five Nordic countries Denmark, Finland, Iceland, Norway and Sweden. NEFCO finances a wide range of environmental projects mainly in Eastern Europe in order to generate positive environmental benefits for the Nordic region. NEFCO provides financing for projects aimed at reducing environmentally harmful emissions and discharges, such as greenhouse gases and toxic pollutants. Currently, NEFCO’s portfolio contains over 500 projects.

NEFCO is involved in a number of activities related to climate change mitigation and adaptation. They include the management of two carbon facilities on behalf of public and private sector investors, with combined funding resources of almost EUR 150 million, and the management of a grant fund, climate facility, aimed at promoting technology innovation of EUR 22 million.
In October 2017, NEFCO, as fund manager for the Arctic Council Project Support Instrument (PSI), and the Conservation of Arctic Flora and Fauna (CAFF), the biodiversity working group of the Arctic Council, have signed a grant agreement to improve the status of declining Arctic breeding migratory bird populations. Source; NEFCO

NEFCO was a very early starter in the project-based carbon market. Through the multilateral energy cooperation in the Baltic Sea Region (BASREC), NEFCO took the initiative to set up a pioneering regional carbon fund – the Baltic Sea Region Testing Ground Facility (TGF) – for the procurement of products of the Joint Implementation (JI) mechanism. TGF was established in 2003, before the Kyoto Protocol and the EU Emission Trading System (EU ETS) came into force, and was the first multi-donor carbon fund outside the World Bank Group.

The first participants in TGF were the Nordic governments and Germany, but the fund converted itself into a Public-Private Partnership by welcoming nine private participants, primarily from the energy sector, that were seeking compliance units to meet their obligations under the EU ETS. It was ultimately capitalized at EUR 35 million. TGF ended its activities in 2015.

Building on the capacity and competence it had acquired through its management of TGF, NEFCO established a global Public-Private Partnership carbon procurement vehicle in 2008 for long-term purchasing of greenhouse gas emission reductions under the JI and the Clean Development Mechanism (CDM) up to 2020 – the NEFCO Carbon Fund (NeCF). In 2012, NeCF was capitalized at EUR 165 million. After the price collapse in 2011/12, NeCF’s activities were consolidated and the active procurement reduced.

In response to a wish for the Norwegian government to ensure the continued emission reduction activity of existing, but vulnerable, CDM projects, due to the prevailing market, and at the same time
assist Norway in meeting its Kyoto II commitments in a cost-effective way, a new global carbon vehicle – the NEFCO Norwegian Carbon Procurement Facility (NorCaP) – was established in 2013 with NEFCO as the Facility Manager.

NorCaP was able to mobilize and direct funds to projects rapidly, thereby preventing GHG emissions in the short term. The facility launched a first call for proposals within months of being established. Ten projects or bundles of vulnerable projects were successfully contracted and the first credits received within one calendar year. In December 2014, a second joint call for proposals under NorCaP and NeCF was launched, with a set-aside for CDM projects, including Programmes of Activities (PoAs) in least developed countries (LDCs).

NorCaP attracted significant interest from project developers, with almost 350 project proposals, demonstrating that strong demand remained in the market. NorCaP also showed that emission reductions can be sourced cost-effectively.

By the end of 2015, NorCaP had already reached its procurement target of some 30 million CERs and NorCaP and NeCF are not actively procuring at this point in time. NorCaP’s portfolio includes contracted projects in Latin America and Africa. The purchases under this facility encompass some of the biggest single interventions managed by NEFCO within the last five years.

In a joint Nordic effort to promote technology innovation through leveraging of private investments within areas susceptible to climate change in the developing world, including many LDCs, NEFCO has been the fund manager of a grant facility since 2009, the Nordic Climate Facility (NCF), which is funded by the Nordic Development Fund (NDF). This facility also operates on a call basis, but with each call focusing on a specific climate change theme. Six calls have been launched since 2009. NEFCO is responsible for the management and disbursement of funds to NCF projects contracted under the first four calls, whereas the NDF has taken over these functions from the fifth call onwards.

Through its involvement in the implementation of projects under NCF, NEFCO has built a considerable network and hands-on climate finance expertise in developing countries, LDCs included.

NeCF, NorCaP and NCF represent a portfolio of approximately 45 ongoing climate projects spread across different sectors in some 30 countries and, over the years, an aggregate of some EUR 300 million climate funds, including TGF, under NEFCO’s management.

The following sources of funding are available in the form of loans and equity:

- **Investment Fund** – loans and equity on market terms up to EUR 5 million per project.

- **Investment Fund** - byer credits to environmentally sound investments and deliveries of goods and related services.

- **Cleaner Production Facility** – loans to both private and public enterprises on favourable terms up to EUR 500,000 per project.

- **Facility for Energy Saving Credits** – loans to municipalities in Belarus, Russia and Ukraine on favourable terms up to EUR 400,000 per project.
Agri Credit Facility – small scale loan financing for investments in manure handling systems at farms in Belarus, Russia and Ukraine.

https://www.nefco.org/work-us/our-services/climate-funds

Baltic Sea Action Plan Fund of NEFCO aims to help restore the ecological status of the Baltic Sea. The fund provides grants and financing for projects from both public and private entities operating in the agricultural and wastewater treatment sectors, as well as those working to reduce hazardous waste in the Baltic Sea catchment area. A key purpose of the fund is to facilitate and speed up the preparation of projects certain to bring a profit.

The fund provides grant financing for the following:

- funds for project preparation and development, including feasibility studies, development of business ideas, and cash-flow models
- technical assistance for institutional support, that is, training and support needed for project preparation, development and implementation;
- improving efficiency and quality in project implementation through, for example, supporting the acquisition of equipment for demonstration purposes.

Project developers, both from the public or private sector operating in the agricultural and wastewater treatment sectors are eligible for funding if they are working to reduce hazardous waste in the Baltic Sea catchment area. For additional information, please contact Senior Adviser Anja Nystén by e-mail at anja.nysten@nefco.fi or by phone on +358 10 6180 663.
Various regional and national funding sources

There are number of smaller funding sources in the Baltic Sea Region providing support to different actors besides large variety of priorities for also for the projects aiming reduction of greenhouse gas emission and reducing vulnerability of the society to negative consequences of the climate change.

The Baltic Funding inventory includes more than 300 funding instruments. They cover public and private funding sources from all Baltic Sea countries (Germany, Poland, Denmark, Sweden, Finland, Estonia, Lithuania and Latvia), including the non-EU countries such as Norway and Russia. In addition, EU-wide funding programmes are included. This is not a complete, exhaustive inventory, but a “partial picture” of the situation of funding sources in November 2015.

If you have idea for and need external funds to implement the project, you maid find solution by searching [http://funding.balticsea-region.eu/list-of-instruments.php](http://funding.balticsea-region.eu/list-of-instruments.php).

The CBSS Project Support Facility (PSF) was created at the 9th Baltic Sea States Summit in Stralsund, Germany, on 30 – 31 May 2012. During the first PSF period (2013-2015, with additional funding based on voluntary contributions of the CBSS Member States in 2016) 23 projects were funded. The main purpose of the CBSS PSF is to co-finance the development and implementation of Baltic Sea Region (BSR) cooperation projects contributing to CBSS long-term priorities, bringing added value for the Baltic Sea Region, showing impact in regional cooperation and fostering sustainable partnerships. The total amount of the CBSS PSF for three years is one million euro. The projects should be transnational in character and aim to have a sustainable outcome. The maximum amount of co-financing granted is 65 000 euros. The project proposals may be initiated by a variety of legal entities of CBSS Member States, as well as CBSS Expert Groups and CBSS Networks. More information on calls can be found from [http://www.cbss.org/project-support-facility/](http://www.cbss.org/project-support-facility/).

Referred documents:

COWI. Mainstreaming of climate action into ESI Funds. May 2016.

COWI. Mainstreaming adaptation into ESIF. April 2017

GREEN ECONOMY TRANSITION APPROACH. EBRD

IPCC. Climate Change 2014. Impacts, Adaptation, and Vulnerability. Summary for Policymakers

NEFCO’s Investment Fund Brochure

NIB Annual Report 2016

The European Investment Bank in the Baltic Sea Region