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Strand	A

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

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

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

The Programme area covers the western and southern part of Latvia and northern part of Lithuania, and includes three Latvian regions: Kurzeme, Zemgale, Latgale and 5 Lithuanian regions: Klaipėda, Telšiai, Šiauliai, Panevėžys and Utena counties¹. The Programme area covers the same NUTS 3 regions (with an exception of Kaunas County) as in the 2014 - 2020 programming period, thus ensuring coherence and continuity.

The Programme area covers 72 067 square kilometres, of which 38 890 square kilometres are in Latvia and 33 177 square kilometres are in Lithuania, which amounts to 1.7% of the total land area of the European Union². The land border between the two countries is 588 km long. The total population of the Programme area is 1.8 million inhabitants, of which 1.1 million people live in Lithuania and 731 thousand people live in Latvia (2019).

According to the urban-rural typology by Eurostat³ (2020), all regions in the Programme area are intermediate, except for Zemgale which is predominantly rural. The largest urban

¹ The related Programme area description will be specified in June 2021 after the municipal elections in Latvia.

² The data here and elsewhere in the text refer to the situation in Latvia before the administrative-territorial reform adopted in 2020 and implemented in 2021.

³ Urban-rural typology by Eurostat (2020), available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Territorial_typologies_manual_-_urban-rural_typology#Classes_for_the_typology_and_their_conditions

settlements in the Programme area are Daugavpils, Liepāja, Jelgava, Ventspils, Rēzekne and Jēkabpils in Latvia, and Klaipėda, Šiauliai, Panevėžys, Telšiai and Utena in Lithuania.

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

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

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

1.2. Joint programme strategy: Summary of main joint challenges⁴, taking into account economic, social and territorial disparities as well as inequalities, joint investment needs and complimentary and synergies with other funding programmes and instruments, lessons-learnt from past experience and macro-regional strategies and sea-basin strategies where the programme area as a whole or partially is covered by one or more strategies.

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

1. The mission statement

Programme Vision:

Latvia and Lithuania cross border region is an attractive place for people living, studying, working and visiting.

Programme Mission:

The Programme supports sustainable and modern / up-to date solutions for joint growth and development, attracting travellers and tourists visiting and observing our natural and cultural values, making local inhabitants willing to stay as well as welcoming new-comers to come and build their future in the border area.

2. Summary of main joint challenges to be addressed by the Programme

During the programming process the pre-filter of cross-border cooperation needs was carried out in consultations with the stakeholders on each side, taking into account the national and regional planning documents and development priorities, particularly in relation to the cross-border cooperation issues.

Then socio-economic territorial analysis has been prepared jointly by the Programme bodies, Joint Programming Committee (JPC) and relevant stakeholders. The thematic scope of the Programme was verified in the survey where local and regional stakeholders of both countries participated. In the survey the respondents indicated cross-border cooperation needs and necessary directions of support, as well as outlined future intentions and potential for joint activities. The possibilities of joint activities were discussed also in the focus group, that involved representatives from NGOs.

Also, the results from the evaluation of the Interreg V-A Latvia – Lithuania Cross-Border Cooperation Programme 2014 -2020 (Programme 2014 – 2020) were considered in the programming process. The Programme 2014 – 2020 contributed significantly to the

⁴ Three major statistical sources were used for writing this section: Eurostat (ec.europa.eu/eurostat), Central Statistical Bureau of Latvia (www.csb.gov.lv) and Lithuanian Department of Statistics (www.stat.gov.lt). Additional information sources are included in footnotes in the text.

environmental protection and promotion of joint tourism products. The institutional cooperation facilitated efficiency and design of new public services, as well as development of joint social initiatives with further cross-border potential. These incentives are considered highly relevant for continuation and future interventions of the new Programme. Under the Programme 2014 – 2020 long-lasting cooperation links between local and regional actors of both countries were established, that provide a basis for joint development activities and addressing common challenges further on. Further, it would be important to promote synergies between the implemented ideas and their scale-up with a wider cross-border impact. In addition, it is necessary to assess the experience of existing common initiatives and exchange best practices encouraging higher potential and advancement of cross-border cooperation. Efforts should be devoted to attracting newcomers to the Programme in order to broaden and accumulate greater added value of the cross-border cooperation. Maintaining the previously established cross-border cooperation links is crucial in recovering from the COVID-19 outbreak and promotion of local socio-economic development.

As the results of the territorial analysis, the survey and stakeholder consultations, main joint challenges and the thematic scope (particular, Policy Objectives and Specific Objectives) of the Programme have been specified. Accordingly, main conclusions on joint challenges are further described in the following main fields: (1) the demographics, territory and governance, (2) the nature and climate, (3) the social inclusion and (4) tourism.

2.1. Demographics, territory and governance

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

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

According to the urban-rural typology by Eurostat⁵ (2020), all regions in the Programme area are intermediate, except from Zemgale, which is classified as predominantly rural. The Programme area includes a significant part of the Baltic Sea coastline. The largest urban settlements in the Programme area include: in Latvia - Daugavpils (82.6 thousand inhabitants), Liepāja (68.5 thousand inhabitants), Jelgava (56.0 thousand inhabitants), Ventspils (33.9 thousand inhabitants), Rēzekne (27.6 thousand inhabitants) and Jēkabpils (21.9 thousand inhabitants); in Lithuania – Klaipėda (147.9 thousand inhabitants), Šiauliai (100.1 thousand inhabitants), Panevėžys (87.1 thousand inhabitants), Telšiai (around 24 thousand inhabitants) and Utena (around 25 thousand inhabitants).

Changes in the population structure, in particular aging society, increase the demographic burden on the working age population especially in rural communities. In Latvia in 2020 over

⁵ Urban-rural typology by Eurostat (2020), available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Territorial_typologies_manual_-_urban-rural_typology#Classes_for_the_typology_and_their_conditions

20%⁶ of the population is over retirement age with the highest ratio in Latgale (22.3%), Kurzeme (21.5%) regions and lowest in Zemgale region (19.9%). In Lithuania this ratio is similar. In Lithuania in 2020 19.9%⁷ of the population was over retirement age. In the Programme area this ratio fluctuates from 19.3% in Klaipeda, 20% in Telšiai to 21.4% in Šiauliai, 23.2% in Panevėžys and 24.6% in Utena counties. Since a significant part of the Programme region is rural, these ageing tendencies create particular challenges to the farming sector where the largest part of small farmers tend to be over the age of 55.

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

The GDP per capita in the Programme area is 11 169 euro (2018). From 2014 to 2018 the GDP per capita has risen significantly by 23%. It has been rising faster in Lithuania (by 18.6%) than in Latvia (by 15.1%). The GDP per capita in the Programme area is 45% higher on the Lithuanian side (12 810 euro) compared to the GDP per capita on the Latvian side (8 804 euro). The highest GDP per capita is in Klaipėda County (15 677euro, 100% of national GDP per capita in Lithuania), whereas the lowest values of GDP per capita are recorded in Latgale (7 133 euro, 47% of national GDP per capita in Latvia), Zemgale (8 743 euro, 58% of national GDP per capita in Latvia) and Utena County (9 414 euro, 60% of national GDP per capita in Lithuania).

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

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

Regional and local institutions and actors on both sides of the border encounter similar challenges in order to maintain quality and accessibility of public services despite the changes in population structure and its flows, in particular, population flows from rural areas to larger centres, aging and decreasing population especially in rural and remote areas. Sparsely populated, remote or border areas in comparison to more urban territories tend to have fewer local education or job opportunities, have difficulties in accessing public services or transport services, insufficient coverage of social and health services or lack of cultural venues and leisure activities⁸.

There are also various internal migration tendencies that affect population structure. Migration of young people to cities from more remote areas pose risks of losing talents and potential

⁶ National level data

⁷ National level data

⁸ National Development Plan Latvia, 2020; National Progress Plan of Lithuania for 2021-2030

entrepreneurs thus endangering rural vitality in the coming decades⁹. At the same time there are also reverse processes where due to the high costs of urban living people are leaving inner city areas in search of more affordable living space in suburbs, smaller towns, or the countryside. This effect is observable more in the rural areas closer to cities and urban centres in both countries¹⁰. In the context of these trends the existing role and potential of regional and local centres is changing, requiring for new solutions and extended cooperation to fulfil the various services and functions. Cooperation across the border between institutions in finding major obstacles, identifying potential joint functional areas may provide new solutions for these increasingly complex processes.

A growing trend to compensate for accessibility of physical services is increased use of ICT facilitated services. Demand for remote services is particularly accelerated during the COVID-19 pandemic lockdown. In the previous planning period various efforts under the mainstream EU funds programs in both countries were made to create digital and remotely accessible services. However, in Latvia demand and use of e-services still is lower than expected¹¹. One of the reasons is related to the quality and accessibility of these services. An emerging tendency in the public administration is to apply various user-oriented methods in planning and designing public services e.g. service design, design thinking etc. These approaches stress and prefer the user perspective instead of the sole perspective of the service provider. Use of services may also be fostered by improved accessibility of information regarding services available on the other side of the border.

It is also important to make good use of local development initiatives, community-based initiatives, to involve the non-governmental sector in the provision of services. Active participation of local residents in various community initiatives is very important for the development of any region. In the Programme area there are various initiatives related to the involvement of citizens in development of public services, planning of multifunctionality of public infrastructure as well as fostering participatory budgeting processes. Sharing of experience and best practice may improve and help to spread these initiatives that would increase accountability, promote efficiency and better use of financing. Hence, as a result trust towards the local and regional authorities should be increased.

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

Previous experience of projects implemented

⁹ ESPON, 2016 - “Shrinking rural regions in Europe - Towards smart and innovative approaches to regional development challenges in depopulating rural regions”, Policy Brief, ESPON, 2016, available at: <https://www.espon.eu/sites/default/files/attachments/ESPOLPolicyBriefonShrinkingRuralRegions.pdf>

¹⁰ *ibid.*

¹¹ Impact evaluation of EU funds investments in ICT in 2007-2013 planning period. PWC, 2018.

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

Main joint challenges related to demographics, territory and governance:

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

The Programme will address the defined joint challenges through the Programme priority 1 “Capacity building and people-to-people cooperation” which corresponds to the ISO 1 “A better cooperation governance for Europe”, SO (f) “Other actions to support better cooperation governance”.

Joint investments needs and focus of cross border cooperation

Acknowledgement of joint challenges and necessity to improve the capacity of public institutions to deal with those provide common ground for cross-border cooperation of public institutions and entities at local and regional level, in rural areas and cities. Cooperation at municipal and regional level between public institutions and entities is becoming increasingly important, due to the present limited direct economic relationships, to retain cross-border ties and relations.

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

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

2.2. Nature and climate

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

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

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

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

The ecological quality of lakes and rivers in Lithuania is estimated above the EU average. However, around half of Lithuanian surface water bodies are not reaching good ecological status (51% of rivers and 40% of lakes). The ecological quality of lakes and rivers in Latvia is estimated below the EU average, 79% of rivers and 77% of lakes are not reaching good ecological status. Pressures causing significant negative impacts on water bodies, such as eutrophication and loss of biodiversity, are mainly nutrient and chemical pollution from wastewater treatment plants, agricultural land and managed forests (European Environment Agency, 2018)¹³.

The effects of climate change in the Programme area include extreme weather risks (high risk of storm, snowfall, and drought), fluvial and coastal flooding risks (significant risk in Latvia and high risk in Lithuania) and forest-fire risks (significant risk in Latvia and high risk in Lithuania), which are rapidly increasing in the last decade. Coastal erosion, caused by rising sea level and increased storminess, is a particularly severe problem in Latvia and Lithuania and can have severe consequences on tourism and recreation sector. Climate change also leads to

¹² Dabas aizsardzības pārvalde (2020),

https://www.daba.gov.lv/public/lat/iadt/par_ipasi_aizsargajamam_dabas_teritorijam/

¹³ <https://www.eea.europa.eu/publications/state-of-water/>,

https://tableau.discomap.eea.europa.eu/t/Wateronline/views/WISE_SOW_Status/SWB_Status_Category?:embed=y&:showAppBanner=false&:showShareOptions=true&:display_count=no&:showVizHome=no

the spread of non-indigenous species and plant, animal and human diseases, decreasing the resilience of the socio-ecological systems (CASCADE, 2020¹⁴; DR REGIO, 2019)¹⁵.

The European Green Deal Strategy¹⁶, with an emphasis on a circular economy, highlights the need for the society to change towards more sustainable and green behaviours and to recognise the environmental challenges. However, only 43% of inhabitants in Latvia and 54% of inhabitants in Lithuania have taken personal action to fight climate change, which is below the EU average of 60% (Eurostat, 2019)¹⁷. In order to stimulate the transition and achieve the ambitious sustainability and green goals, it is necessary to put efforts toward educating the society on environmental values, sustainable principles and develop common new framings how people interact and depend upon the environment.

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

Previous experience of projects implemented

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

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

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

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

¹⁴ <https://www.cascade-bsr.eu/news/overview-climate-risk-drivers-hazards-and-consequences-baltic-sea-region-published>

¹⁵ Border Orientation Paper Latvia-Lithuania, DG REGIO, 2019.

¹⁶ European Commission. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The European Green Deal. Brussels, 11.12.2019

¹⁷ https://ec.europa.eu/clima/citizens/support_lv

capacity building and development of a common framework for integrated transboundary management and development of other green areas.

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

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

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

Main joint challenges related to climate change and nature preservation:

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

The Programme will address the defined joint challenges through the Programme priority 2 “Green, resilient and sustainable development”, which corresponds to the PO 2 “A greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation and risk prevention and management, and sustainable urban mobility”:

- *SO (iv) “Promoting climate change adaptation and disaster risk prevention, resilience, taking into account eco-system based approaches”;*
- *SO (vii) “Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution”.*

Joint investments needs and focus of cross border cooperation

From the environmental ecosystem perspective, the Programme area is relatively homogeneous where environmental and climate change challenges that adversely affect the environment and nature have negative effects not only on particular settlements or regions, but usually have a significant impact on the larger cross-border territory. The cross-border cooperation will allow for establishment of networks and wider analytical capacity to ensure a holistic and systems-

based view on environmental impacts and climate change risks, develop new common frameworks for smart and sustainable management, preservation and restoration of the natural capital in order to strengthen the overall resilience of the Programme cross-border area. Cross border cooperation would provide contribution towards integration of environmental protection, climate change adaptation and sustainable development through joint planning and new knowledge development. Programme area shares the Baltic Sea coastline and coastal waters as well as four river basin areas, which highlights the need for promoting joint solutions for sustainable water management. The common river basins face pollution problems caused by humans and various industries, that cause negative effects on the ecosystem and biodiversity in the Programme area. Covered regions cannot apply just single solutions as in such way they just treat part of the consequences of the pollution. Instead joining forces and capacities are necessary to develop new frameworks and approaches to eliminate or reduce the causes of pollution and set-up appropriate and unified pollution monitoring systems. Also, cross-border cooperation has high potential to improve joint management and access to natural capital (e.g. lakes, river basins, fish stock) and protected areas (e.g. nature parks). Common efforts on both sides of the border are needed to enhance the improvement of green areas, the development of green infrastructure and nature based solutions, thus safeguarding of ecosystem services, protecting nature and adapting to climate change.

2.3. Social inclusion

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

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

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

These data clearly demonstrate the challenges that the Programme area is facing in terms of economic and social cohesion, particularly in the bordering regions. Thus, a significant share of inhabitants in both countries remain at risk of poverty, having low income in comparison to other residents. The at-risk-of-poverty rate in Latvia is 21.6% and in Lithuania 20.6% (2019)[1]. Regional data in Latvia show that the at-risk-of-poverty rate in Latgale (35.9%) and Kurzeme (27.9%) is higher than the national average (21.6%), whereas in Zemgale it is slightly lower (20.7%). In Lithuania, the at-risk-of-poverty rate is much higher in rural areas (27.9%) than in the large cities Vilnius, Klaipėda, Šiauliai, Panevėžys (14.0%).

Moreover, the COVID-19 outbreak has created a negative impact on the employment situation. In Latvia, the unemployment level increased from 7.0% in February 2020 to 9.1% in March 2021; In Lithuania the unemployment level increased from 6.3% in February 2020 to 8.9% in March 2021. Vulnerable populations are doubly affected by the crisis. First, because they are often more at risk from a health standpoint. Second, because they are particularly hard hit by

the economic crisis¹⁸. Furthermore, the strongest impact of COVID19 crisis is expected in the medium term, and COVID-19's second wave adds to the uncertainty. In this respect, local governments, which are closer to the population, play a crucial role in social protection of the most fragile groups, which are physically and economically more exposed to the pandemic¹⁹.

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

The disparities between the capital cities and regions, as well as between urban areas and rural territories are increasing, creating territorial inequalities in terms of welfare, jobs, education, healthcare and other services. As a result, internal migration flows in Latvia and Lithuania move from the periphery to the capital city and its surroundings, whereas the external migration is oriented towards the old EU member states. Due to inequalities in wellbeing and in development opportunities, Programme regions are losing the working-age population and experiencing “brain drain” of qualified labour force. While there is a growing share of the silver economy and a quest to “live agelessly”, there is also growing demand for health and social services. Availability of social services is still suboptimal vis-à-vis increasing demand, and social service providers lack of human resources, especially community based social services²⁰, despite previous efforts made. Also, the adult participation in learning remains lower than in the EU on average (10.8%); in Latvia 7.4% of adults and in Lithuania 7.0% of adults participated in lifelong learning in 2019²¹, which enforces the long-term problems regarding availability of qualified work-force in the fast changing economic realm, especially given the transition to digitalisation underway. The challenges are not evenly distributed, since there are differences in development potentials, opportunities and constraints, especially at the border areas, that are economically, socially and demographically extremely vulnerable.

Previous experience of projects implemented

The Programme 2014 – 2020 has supported several projects in this area in order to reduce social exclusion of various target groups, e.g. to develop elderly care services and availability of services for people with special needs; to provide help for disabled children suffering from social deprivation/inferiority/disadvantage and develop their social skills, and improve their quality of life; to develop interactive educational space for social integration of children from disadvantaged families, who do not have access to IT at home; to help youth at risk – young people from socially deprived families, early school dropouts, youngsters with addictions or criminal records; to combat social exclusion of people with disabilities, at risk children, youth and elderly people, etc. Project participants confirmed that all services designed and delivered

¹⁸ <http://www.oecd.org/coronavirus/policy-responses/the-territorial-impact-of-covid-19-managing-the-crisis-across-levels-of-government-d3e314e1/#section-d1e3035>

¹⁹ <http://www.oecd.org/coronavirus/policy-responses/the-territorial-impact-of-covid-19-managing-the-crisis-across-levels-of-government-d3e314e1/#section-d1e3035>

²⁰ <https://www.kurzemesregions.lv/wp-content/uploads/2019/07/KPR-DI-plans-grozits-apstipr-072019.pdf>;
https://www.lpr.gov.lv/wp-content/uploads/2019/latgales-planosanas-regiona-deinstitucionalizācijas-plans-2017-2020-gadam-ar-grozījumiem-apstiprinats-socialo-pakalpojumu-attīstības-padome-2019-gada-27-decembri/LPR-DI-plans_ar-grozījumiem_nr.-2_2019.pdf; <https://www.zemgale.lv/attīstības-planosana/planosanas-dokumenti/category/41-zemgales-planosanas-regiona-deinstitucionalizācijas-plans-2017-2020>

²¹ National level data

under the projects are highly demanded by the beneficiaries, as there are no alternatives in place, hence the projects fill in gaps in the current system and help to improve the overall social inclusion of the vulnerable groups.

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

Main joint challenges related to social inclusion:

- Insufficiently developed, adapted and accessible social services (including, for elderly facing disabilities, social deprivation and disadvantages), particularly in the least developed, distant border areas of the Programme territory;
- Underdeveloped and/or ineffective solutions for integration of disadvantaged social groups (including, youth and long-term unemployed) into the labour market, that are worsened by the COVID-19 crisis;
- Lack of capacity and know-how of organisations involved in provision of social services to develop more efficient and proactive services;
- Lack of awareness and existing stereotypes about the disadvantaged social groups and their possibility to integrate into society.

The Programme will address the defined joint challenges through the Programme priority 3 “Fair and inclusive society”, PO4 “A more social and inclusive Europe implementing the European Pillar of Social Rights”, SO (iii) “Promoting the socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups including people with special needs, through integrated actions including housing and social services”.

Joint investments needs and focus of cross border cooperation

In this context the Programme may provide relevant, albeit, indirect support to address these global challenges and help the Programme area transform into resourceful, resilient, collaborative and inclusive communities. Accessibility and availability of social services, building on internal resources of the communities, are crucial factors to diminish social vulnerability of certain social groups, e.g., elderly people, children from disadvantaged families, people with disabilities, and rural population, who risk economic and social exclusion. Such ambitious goals can be attained by relevant policy instruments at the national level, but the Programme can contribute towards these aims by enabling initiatives that advocate for social inclusion and integration of these groups, develop new services and instruments, pilot and test new solutions, while also building capacities of all involved stakeholders.

The Programme efforts should be focused to help reverse the depopulation of the Programme regions, and to improve conditions of people living there. Hence, it is proposed to focus on youth, incl., unemployed, socially vulnerable, economically deprived and geographically restricted youth, to improve their social cohesion and social mobility. Given the high percentage of the population over the retirement age and the overall demographic trend of aging society, the Programme should also address the needs of these social groups, especially in the areas where services are not available/ are sub-optimal due to the low population density and geographical distances from the economical centres (e.g., mobile services). The Programme could also help pre-retirement and post-retirement population join the silver economy - while economic activity is an important factor to reduce the risk of poverty, it can also significantly contribute towards social inclusion of those involved, since activity increases social, human and financial capital of participants.

Implementation of a cross-border cooperation approach that could lead to cross-border spillovers, hybridisation and the invention of new ways of doing and thinking - confrontation

over different standards, procedures, administrative cultures can lead to development of innovative practices and workable arrangements that combine or reinterpret some aspects from the national systems.

In this context new and improved solutions should be explored, involving a broad spectrum of stakeholders. E.g., social enterprises may be considered as instruments to address this need, among others. Still importance of collaboration and networking between local and regional authorities, local action groups and other societal incentives for promotion of social entrepreneurship is not sufficiently recognized, and there is comparatively low number (52 in 2019²²) of the social enterprises in the Programme area. These and similar initiatives can provide added value within the least developed, distant border areas of the Programme territory, that face difficulties to ensure access to services. In this respect the stakeholders of the social entrepreneurship eco-system may develop common solutions to fulfil this gap on both sides of the border²³, along with other stakeholders from the public and private sector.

2.4. Tourism

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

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

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

Tourism has played an increasing role in economies of the Programme area. Thus, in 2019, the contribution of travel and tourism to national GDP was 7.6% in Latvia and 5.5% in Lithuania. In terms of employment, travel and tourism accounted for 8.3% of employment in Latvia and 5.8% of employment in Lithuania (World Travel & Tourism Council, 2020). In 2019, 533 thousand foreign tourists visited the Programme area. Almost half of the foreign tourists that visited the Programme area went to Klaipėda County (46%). Kurzeme welcomed 18% of tourists, Šiauliai County 11% of tourists and Latgale 9% of tourists that arrived in the Programme area.

²² SAFEGE Baltija (2021), State of Play of the Social Entrepreneurship sector. Report of the Interreg V-A Latvia-Lithuania Cross Border Cooperation Programme Region. Ministry of Environmental Protection and Regional Development of the Republic of Latvia

²³ SAFEGE Baltija (2021), State of Play of the Social Entrepreneurship sector. Report of the Interreg V-A Latvia-Lithuania Cross Border Cooperation Programme Region. Ministry of Environmental Protection and Regional Development of the Republic of Latvia

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

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

Also, despite rich heritage and resources, tourism services, particularly interactive services, are not sufficiently developed. Tourists, similar to society in general, become more ICT oriented and use different IT solutions. Various studies^{24,25,26}, stress the great potential of use of IT solutions in creating new attractions for tourists or creating new modern solutions for promoting local tourism attractions to motivate the tourists to stay for more days within the Programme area. Interactive, audio, video and 3D solutions that present information about tourism destinations, objects, sites and attractions of cultural and historical heritage may widen the interactive content with new tourism offers, cover larger geographical areas and ensure better accessibility to tourism objects for persons with disabilities. IT solutions enable possibilities to update intangible tourism offer regularly in such allowing to attract returning or “repeat” tourists and offer new tourists experience²⁷.

Furthermore, the immediate effects of COVID-19 crisis on the tourism sector are dramatic, and the long-term effects are still unknown. Accommodation, entertainment and recreation are among the economic activities most affected. In Latvia, the number of foreign tourists decreased by 63% and in Lithuania by 73%²⁸ in 2020 compared to 2019. There is a need for support to strengthen local tourism service providers, promote joint tourism offers and attract foreign tourists in order to stabilise the tourism sector after COVID-19 outbreak.

²⁴ Jung, T., tom Dieck, M. C., Moorhouse, N., & tom Dieck, D. (2017, January). Tourists' experience of Virtual Reality applications. In 2017 IEEE International Conference on Consumer Electronics (ICCE) (pp. 208-210). IEEE.

²⁵ Jiménez-Barreto, J., Rubio, N., Campo, S., & Molinillo, S. (2020). Linking the online destination brand experience and brand credibility with tourists' behavioral intentions toward a destination. *Tourism Management*, 79, 104101.

²⁶ Jeong, M., & Shin, H. H. (2020). Tourists' experiences with smart tourism technology at smart destinations and their behavior intentions. *Journal of Travel Research*, 59(8), 1464-1477.

²⁷ Caldeira, A. M., & Kastenholz, E. (2018). Tourists' spatial behaviour in urban destinations: The effect of prior destination experience. *Journal of Vacation Marketing*, 24(3), 247-260.

²⁸ <https://www.lithuania.travel/en/news/tourism-statistics>

Moreover, the COVID-19 also can be considered as an opportunity to reflect, reinterpret and reset the industry to create a healthier, more sustainable approach. E.g., during the COVID-19 outbreak the demand has increased for natural recreational possibilities, incl., tourism paths, roads, and tracks within ecologically significant and specially protected natural areas. Nature territories, including protected areas and nature parks, can also contribute to addressing health challenges, incl., mental health. They have already been recognised as “preventative health care centres” and “health hubs” for reducing stress and maintaining everyday well-being, as well as by providing spaces for effective treatment and rehabilitation. An increasing number of health-related activities are taking place in these areas²⁹.

The current crisis has also brought more recognition and appreciation for sustainable way of living and working. There is an increasing recognition of quality over quantity, and demand for more inclusive economic systems and activities, which serve people and the planet. Achievement of these ambitions is a long journey – one that involves all stakeholders. In this respect the Programme can provide space for evaluation of practices, advocate for change of consumers’ behaviour, social perceptions, and provide instruments for designing sustainable solutions that serve the national economies, local stakeholders and communities. It is essential that the industry and stakeholders do not just focus on the existing needs of tourists, but rather on the development of tourism destinations, assuming sustainability principles and preserving available natural capital, landscapes and biotopes³⁰. Value creation and knowledge development in tourism are considered key challenges that would provide economic value, while also creating value for society.

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

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

Previous experience of projects implemented

Various tourism sector stakeholders have previous cooperation links established within the Programme 2014 – 2020 which is considered as a benefit. This Programme shall stimulate initiatives that create common cooperation models, development and promotion of common tourism products. The cross-border cooperation shall enable creation of longer and more diverse tourism routes and destinations, that encourage people to stay longer (with overnights for at least 2 days) in the Programme area, thus increasing regional economic potential from the tourism and other related business sectors.

The cross-border projects may position tourism destinations and products to specific (niche) groups of travellers and tourists, for instance, sports tourists, creative tourism, “history-experience catchers”, “culinary-experience travellers”, groups of seniors, families with small children, etc. Such specific positioning of tourism destinations and tourism offer will allow for

²⁹ ten Brink P., Mutafoğlu K., Schweitzer J.-P., Kettunen M., Twigger-Ross C., Kuipers Y., Emonts M., Tyrväinen L., Hujala T., Ojala A. (2016) The Health and Social Benefits of Nature and Biodiversity Protection – Executive summary. A report for the European Commission (ENV.B.3/ETU/2014/0039), Institute for European Environmental Policy, London / Brussels.

³⁰ Tambovceva, T., Atstaja, D., Tereshina, M., Uvarova, I., & Livina, A. (2020). Sustainability challenges and drivers of cross-border greenway tourism in rural areas. *Sustainability*, 12(15), 5927.

more precise reach-out of specific groups of travellers. Also, this allows for development and promotion of specific tourism offers appropriate for each season, thus decreasing the negative effects of seasonality in the tourism sector.

Main joint challenges related to tourism:

- Low competitiveness and added value, and insufficient positioning of cross-border tourism offer and infrastructure;
- Lack of joint efforts to promote the Programme region as an attractive tourism destination and, particularly, weak recognition of the Programme region within international tourism arena;
- Insufficient cooperation and connection links with international tourism networks and transport modes of travellers, in particular in Baltic Sea Region and Northern Europe;
- Insufficient use of nature and cultural heritage for development of sustainable tourism to increase the livelihood of local communities;
- Local communities and stakeholders (e.g., craftsmen, artisans, rural producers, etc.) not sufficiently equipped and involved in development and provision of tourism services, especially, using modern and interactive technologies.

The Programme will address the defined joint challenges through the Programme priority 4 “Economic potential of tourism and heritage”, which corresponds to the PO 4 “A more social and inclusive Europe implementing the European Pillar of Social Rights”, SO (vi) “Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation”.

Joint investments needs and focus of cross border cooperation

Since different tourism and heritage objects within the Programme area are not sufficiently integrated (e.g., in one route or network, in a joint tourism package or offer), the tourists within the Programme area visit only one or few, the most popular tourism destinations, instead of travelling through well planned and promoted tourism routes that are equipped with the necessary catering, accommodation and other tourism services. New offers need to be developed that look beyond the traditional and overexploited objects, in order to include new, small scale operators and communities that can offer unique and tailored experiences. In this respect solutions have to be found jointly, for instance developing and promoting attractive joint tourism service packages that motivate tourists to experience new tourism opportunities and destinations in less demanded and vulnerable local rural areas.

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

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

3.Complementarity and synergies with other support

The Programme strategy addresses territorial challenges shared across the Programme area and leverages its development potentials. The strategy reflects the common challenges, needs and potentials that can be effectively tackled through cooperation in this cross-border region.

The Programme will contribute to the implementation of strategic documents of the European Union, Latvia and Lithuania. The Programme will support the delivery of the EU Strategy for the Baltic Sea Region, in particular the objectives “Increasing prosperity” and “Saving the sea”. In terms of policy areas, the Programme will contribute to areas “Tourism”, “Culture”, “Health” “Hazards” and “Secure”.

The Programme will contribute to the implementation of national strategies of Latvia – National Development Plan for 2021-2027, Latvia’s Sustainable Development Strategy until 2030 “Latvia 2030” and regional strategies. Latvia's National Development Plan for 2021-2027 (NDP2027) is the main medium-term national development planning document. It contains four strategic goals - equal opportunity, productivity and income, social trust and regional development. According to the NDP2027, regional development is the basis for the long-term balanced growth of the country that reduces socio-economic disparities between the regions, creates preconditions for new jobs and promotes the uniqueness of each region. Priority “Quality Living Environment and Regional Development” foresees that Latvia transitions to a climate-neutral economy, improves the quality and accessibility of key services (transport, housing, electricity and digital services) in all regions, protects biodiversity and maintains a clean and high-quality environment.

The Programme will also contribute to the implementation of national strategies of Lithuania – National Progress Program 2021-2030, National Progress Strategy “Lithuania 2030” and regional strategies. “Lithuania 2030” focuses on three areas: smart society, smart economy and smart governance. In terms of regional development, “Lithuania 2030” aims to ensure high quality of life and job opportunities for all residents of the country, regardless of where the person lives. National Progress Program 2021-2030 is an umbrella document that includes 10 strategic goals and three horizontal principles: sustainable development, innovation (creativity) and equal opportunities for all. The strategic goal “To ensure sustainable and balanced development of the territory of Lithuania and to reduce regional exclusion” strives for a geographically balanced economic development by attracting investments that create quality jobs in the regions and by promoting teleworking and mobile forms of work. The priority also aims at ensuring high-quality public services and public service infrastructure for all Lithuanian citizens, and fostering a new generation of integrated, community-based services.

The Programme is complementary to the EU funds Operational Programmes of both countries, as it provides a specific emphasis on the added value of the cross-border cooperation. Thus, it has the potential to support unique local or regional joint initiatives that address common challenges in both countries. The Programme will have synergies with other Interreg programmes in the area ensuring wider scale of cross-border and transnational cooperation initiatives and solutions. This synergy demonstrates the high potential of the cross regional cooperation in addressing joint challenges beyond the boundaries of this Programme area.

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

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

Table 1

Selected policy objective or selected Interreg-	Selected specific objective	Priority	Justification for selection

specific objective			
ISO	(f) Other actions to support better cooperation governance	1. Capacity building and people-to-people cooperation	<p>The analysis in relation to the needs and problems of ISO are described in detail within section “Demography, territory and governance”, the main needs and opportunities are summarised below:</p> <ul style="list-style-type: none"> • Regional and local institutions and actors on both sides of the border encounter similar challenges caused by changes in population structure, ageing, population flows from rural areas to larger centres, and decreasing population especially in rural and remote areas. These processes create a pressure on authorities to maintain quality and accessibility of public services. • Acknowledgement of joint challenges and necessity to improve the capacity of public institutions, provide common ground for cooperation of public institutions and entities at local and regional level, in rural areas and cities. • New territorial and thematic settings for local and regional authorities in the Programme area pose new challenges and require additional administrative capacity that can be addressed via cross border cooperation. • Insufficient capacity and cooperation among local and regional institutions were indicated among the most important challenges by the stakeholders participating in the survey (2020)³¹. • More active involvement of society in decision making at the local level is required in order to increase trust. Therefore, good practices of society involvement and multilevel governance may be shared and disseminated across the border. • Programme area unites different ethnic groups with their traditions that have created a unique socio-cultural area with specific values. Preservation of these values, their contextualization, translation in new applications and sharing with wider audiences via people-to-people collaboration provides the most prominent networking potential

³¹ Survey of the stakeholders on the cross border challenges and needs of Latvia-Lithuania cross border cooperation programme (2021-2027)

			<p>between individuals and communities in the Programme area.</p> <p>Cross-border cooperation is necessary for establishment of joint networks and common analytical capacity to ensure a holistic and systems-based treatment of common demographic and socio-economic challenges, maintaining accessibility of qualitative public services and preserving unique socio-cultural environment and active citizenship by people-to-people activities, especially in remote areas.</p>
PO2	(iv) Promoting climate change adaptation, risk prevention and disaster resilience	2. Green, resilient and sustainable development	<p>The analyses in relation to problems and needs of this PO2/SO(iv) are described in detail within section “Nature and climate”, the main needs and opportunities are summarised below :</p> <ul style="list-style-type: none"> • The effects of climate change in the Programme area include extreme weather risks, fluvial and coastal flooding risks and forest fire risks. Climate change also leads to coastal erosion, caused by rising sea level and increased storminess, and the spread of non-indigenous species and diseases. • There is a need for closer cooperation, mutual learning and transfer of good practices regarding the adaptation to climate change and the prevention of disaster risks. • Joint monitoring activities may enhance knowledge of climate impacts and facilitate a holistic and systems-based approach to climate change in the cross-border area. • Cooperation among emergency services should be strengthened to build disaster resilience. <p>Cross-border cooperation is necessary for establishment of joint networks and common analytical capacity to ensure a holistic and systems-based view to treat common environmental and climate change risks, disasters and their negative impacts.</p>
PO2	(vii) Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas,	2. Green, resilient and sustainable development	<p>The analysis in relation to problems and needs of this PO2/SO(vii) are described in detail within section “Nature and climate”, the main needs and opportunities are summarised below:</p> <ul style="list-style-type: none"> • The Programme area is rich with the natural capital and a rich biodiversity. However, pollution is causing a loss of biodiversity and decline in the quality of the ecosystem. Sustainable management (including

	and reducing all forms of pollution		<p>protection, preservation and restoration) of the available natural capital is hampered by a lack of joint management solutions. There is a need to more effectively reduce negative impacts on ecosystems, mutually learn, transfer best practices and exchange of information.</p> <ul style="list-style-type: none"> • Cross-border cooperation has high potential to improve joint sustainable management and access to natural capital (e.g. lakes, river basins, fish stock) and protected areas, safeguarding of ecosystems, conservation and management of biodiversity. The cooperation for the prevention of environmental risks and for planning, development and management of related green infrastructure and nature-based solutions should be strengthened. • There is a high potential to protect nature by developing joint solutions how to manage, preserve and restore valuable nature capital. • Development and improvement of existing (green) small scale infrastructure would make the Programme area more attractive for residents, visitors, recreation and entrepreneurship purposes. <p>Cross-border cooperation is necessary for establishment of joint networks and common analytical capacity to ensure joint approaches and solutions in order to preserve common and cross-border natural, environmental resources and green areas.</p>
PO4	(iii) Promoting the socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups including people with special needs, through integrated actions including housing and social services	3. Fair and inclusive society	<p>The analysis in relation to problems and needs of this PO4/SO(iii) are described in detail within section “Social inclusion”, the main needs and opportunities are summarised below:</p> <ul style="list-style-type: none"> • The Programme region faces challenges related to depopulation, aging society, higher than national average unemployment and poverty level, - these processes are particularly topical in rural, remote and border areas. Thus, communities in these areas have less access to social, health and education services. • The COVID-19 crisis has triggered new, emerging needs, particularly, for youth and pre-retirement and post-retirement population. Service providers and public authorities operate with limited resources, and lack capacity and know-how to develop more efficient, accessible and diverse services.

			<ul style="list-style-type: none"> • Programme can help to address these challenges and support initiatives, that can lead to cross-border spillovers, hybridisation and the invention of new ways of doing and thinking - confrontation over different standards, procedures, administrative cultures can lead to development of innovative practices and workable arrangements that combine or reinterpret some aspects from the national systems. As a result, more efficient and diverse social services could be developed that are relevant to remote areas. <p>Cross-border cooperation is necessary for establishment common capacity and expertise to develop joint approaches and cross-border innovative and workable solutions relevant to particular disadvantages groups in remote areas, and also, for the cross-border initiatives that facilitate the development of the social entrepreneurship within the Programme area.</p>
PO4	(vi) Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	4. Economic potential of tourism and heritage	<p>The analysis in relation to problems and needs of this PO4/SO(vi) are described in detail within section “Tourism”, the main needs and opportunities are summarised below:</p> <ul style="list-style-type: none"> • The diverse natural and cultural heritage in the Programme area offers good preconditions for the development of tourism, promotion of economic activity and creation of jobs. • Until the Covid-19 pandemic, the number of tourists was increasing in the Programme area. However, the number of nights spent in the Programme area remains rather low. New cross-border tourism offers need to be developed that look beyond the traditional and overexploited objects and offer unique and tailored experiences based on the local cultural and natural heritage and provided by the local communities. • Development of new sustainable tourism products, creation of integrated cross-border tourism offers and joint marketing activities has high potential to raise the competitive advantage of tourism in the Programme area and facilitate the recovery from the COVID-19 crisis. Innovative solutions should be developed by using IT. • There is a high potential to protect nature by preserving and improving access to valuable nature objects, green and protected areas in

			<p>environmentally friendly ways via cycling infrastructure, educational (study) and walking paths. Focus shall be upon sustainable solutions minimizing the negative environmental impact of visitors in these sites.</p> <ul style="list-style-type: none"> • Conservation, preservation and development of cultural and historical heritage sites (incl. small-scale investments) will strengthen the role of tangible and intangible heritage in the economic development of local communities. • The cross-border cooperation will enhance the development of joint solutions for combating the collapse of the tourism sector and pivoting this industry to recovery and new growth opportunities on a wider scale. <p>Cross-border cooperation is necessary for establishment of joint networks and common cooperation capacity for developing, promoting and position of cross-border (joint) tourism offers and destinations, increasing recognition of the Programme area within the international tourism arena and facilitating joining efforts for recovery from the Covid-19 outbreak.</p>
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2. Priorities

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

2.1. Title of the priority (repeated for each priority)

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

1. Capacity building and people-to-people cooperation

2.1.1. Specific objective (repeated for each selected specific objective)

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

(f) Other actions to support better cooperation governance

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

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

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

Indicative activities for support:

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

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

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

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

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

For the INTERACT and ESPON programmes:

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

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

Not applicable.

2.1.3. Indicators

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

Table 2: Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
1.	(vi)	RCO84	Pilot actions developed jointly and implemented in projects			
1.	(vi)	RCO 87	Organisations cooperating across borders			

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
1.	(vi)	RCR104	Solutions taken up or						

			upscaled by organisations						
1.	(vi)	RCR 84	Organisations cooperating across borders after project completion						

2.1.4 Main target groups

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

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

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

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

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

2.1.6 Planned use of financial instruments

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

The Programme is not planning to use financial instruments.

2.1.7 Indicative breakdown of the EU programme resources by type of intervention

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

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	(f)	172 Cross-financing under the ERDF (support to ESF+-type actions necessary for the implementation of the ERDF part of the operation and directly linked to it)	5 005 355,14
1	ERDF	(f)	179 Information and communication	123 758,78
1	ERDF	(f)	180 Preparation, implementation, monitoring and control	233 552,92
1	ERDF	(f)	181 Evaluation and studies, data collection	78 755,58

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	(f)	01 Grant	5 441 422,42

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

Priority No	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	(f)	18 Cities, towns and suburbs	5 441 422,42

2.2. Title of the priority (repeated for each priority)

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

2. Green, resilient and sustainable development

2.2.1. Specific objective (repeated for each selected specific objective)

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

(iv) Promoting climate change adaptation, risk prevention and disaster resilience

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

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

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

Indicative activities for support:

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

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

It is expected that in the result of activities implemented by projects would be enhanced knowledge of climate impacts, would be transferred good practices regarding the adaptation to climate change, would be strengthened cooperation among emergency services, as well as would be increased awareness among society regarding climate change and pro-environmental behaviour.

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

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

For the INTERACT and ESPON programmes:

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

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

Not applicable.

2.2.3. Indicators

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

Table 2: Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
2.	(iv)	RCO84	Pilot actions developed jointly and implemented in projects			
2.	(iv)	RCO 87	Organisations cooperating across borders			

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
2.	(iv)	RCR104	Solutions taken up or upscaled by organisations						
2.	(iv)	RCR 84	Organisations cooperating across borders after project completion						

2.2.4 Main target groups

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

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

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

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

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

2.2.6 Planned use of financial instruments

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

The Programme is not planning to use financial instruments.

2.2.7 Indicative breakdown of the EU programme resources by type of intervention

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

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	(iv)	058 Adaptation to climate change measures and prevention and management of climate related risks: floods and landslides (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	2 200 000,00
2	ERDF	(iv)	059 Adaptation to climate change measures and prevention and management of climate related risks: fires (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	2 200 000,00
2	ERDF	(iv)	060 Adaptation to climate change measures and prevention and management of climate related risks: others, e.g. storms and drought (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem based approaches)	2 200 000,00
2	ERDF	(iv)	180 Preparation, implementation, monitoring and control	574 992,98

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	(iv)	01 Grant	7 174 992,98

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

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	(iv)	18 Cities, towns and suburbs	7 174 992,98

2.3. Title of the priority (repeated for each priority)

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

2. Green, resilient and sustainable development

2.3.1. Specific objective (repeated for each selected specific objective)

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

(vii) Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution

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

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

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

Indicative activities for support:

- Actions aimed at safeguarding, maintaining and restoring of ecosystems and protection and preservation of cross-border biodiversity and key species;

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

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

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

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

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

For the INTERACT and ESPON programmes:

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

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

Not applicable

2.3.3. Indicators

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

Table 2: Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
2.	(vii)	RCO84	Pilot actions developed jointly and implemented in projects			
2.	(vii)	RCO 87	Organisations cooperating across borders			

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
2.	(vii)	RCR104	Solutions taken up or upscaled by organisations						
2.	(vii)	RCR 84	Organisations cooperating across borders after project completion						

2.3.4 Main target groups

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

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

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

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

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

2.3.6 Planned use of financial instruments

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

The Programme is not planning to use financial instruments.

2.3.7 Indicative breakdown of the EU programme resources by type of intervention

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

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	(vii)	079 Nature and biodiversity protection, natural heritage and resources, green and blue infrastructure	7 174 992,98
2	ERDF	(vii)	180 Preparation, implementation, monitoring and control	574 992,98

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	(vii)	01 Grant	7 174 992,98

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

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	(vii)	18 Cities, towns and suburbs	7 174 992,98

2.4. Title of the priority (repeated for each priority)

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

3. Fair and inclusive society

2.4.1. Specific objective (repeated for each selected specific objective)

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

(iii) promoting the socioeconomic inclusion of marginalised communities, low income households and disadvantaged groups, including people with special needs, through integrated actions, including housing and social services

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

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

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

Indicative activities for support:

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

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

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

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

It is foreseen that activities implemented under this Programme specific objective will contribute to the Action 1 "Promoting active and healthy ageing to address the challenges of demographic change" and Action 3 "Increasing stakeholder and institutional capacity to tackle regional health challenges" of EUSBSR Policy Area "Health".

For the INTERACT and ESPON programmes:

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

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

Not applicable.

2.4.3. Indicators

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

Table 2: Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
3.	(iii)	RCO84	Pilot actions developed jointly and implemented in projects			
3.	(iii)	RCO 87	Organisations cooperating across borders			
3.	(iii)	RCO70	Capacity of new or modernised social care facilities (other than housing)			

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
3.	(iii)	RCR104	Solutions taken up or upscaled by organisations						
3.	(iii)	RCR 84	Organisations cooperating across borders after project completion						
3.	(iii)	RCR 74	Annual users of new or modernised social care facilities						

2.4.4 Main target groups

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

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

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

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

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

2.4.6 Planned use of financial instruments

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

The Programme is not planning to use financial instruments.

2.4.7 Indicative breakdown of the EU programme resources by type of intervention

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

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
3	ERDF	(iii)	163 Promoting social integration of people at risk of poverty or social exclusion, including the most deprived and children	5 435 600,74
3	ERDF	(iii)	180 Preparation, implementation, monitoring and control	435 600,74

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
3	ERDF	(iii)	01 Grant	5 435 600,74

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

Priority No	Fund	Specific objective	Code	Amount (EUR)
3	ERDF	(iii)	18 Cities, towns and suburbs	5 435 600,74

2.5. Title of the priority (repeated for each priority)

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

4. Economic potential of tourism and heritage

2.5.1. Specific objective (repeated for each selected specific objective)

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

(vi) Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation

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

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

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

Indicative activities for support:

- Development of modern, digital and interactive cross-border tourism products that, also, ensure better conservation and preservation of cultural and historical heritage (including development of cultural/historical heritage sites), strengthen their role in the socio-economic development of local communities and enhance their use in cross-border activities;
- Improving access to valuable nature and environmental objects, nature parks and reserves in sustainable way (cycling, educational and walking paths) communities and enhance their international promotion;
- Enriching the linkage and connectivity of cross-border tourism destinations and offers to international tourism networks and main transport modes of tourists;
- Development of cross-border tourism offers (e.g. related to creative industries, crafts, cultural events, gastronomy, intermediate, etc.) and improvement of their positioning to particular groups of tourists, visitors and travellers, especially motivating overnight stays and returning tourists;
- Joint cross-border solutions to facilitate recovery of tourism industry from Covid-19 outbreak within the Programme area;
- Joint marketing activities and joint efforts for promotion of the Programme region as an attractive tourism destination in the international tourism arena, as well as integration of tourism products and offers of Programme area, developed and improved according to the needs of international customers (travelers), into national and international tourism networks and platforms.

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

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

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

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

For the INTERACT and ESPON programmes:

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

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

Not applicable.

2.5.3. Indicators

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

Table 2: Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
4.	(vi)	RCO 87	Organisations cooperating across borders			
4.	(vi)	RCO 77	Number of cultural and tourism sites supported			

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
4.	(vi)	RCR 84	Organisations cooperating across borders after project completion						
4.	(vi)	RCR77	Visitors of cultural and tourism sites supported						

2.5.4 Main target groups

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

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

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

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

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

2.5.6 Planned use of financial instruments

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

The Programme is not planning to use financial instruments.

2.5.7 Indicative breakdown of the EU programme resources by type of intervention

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

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
4	ERDF	(vi)	171 Enhancing cooperation with partners both within and outside the Member State	6 522 720,89
4	ERDF	(vi)	180 Preparation, implementation, monitoring and control	522 720,89

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
4	ERDF	(vi)	01 Grant	6 522 720,89

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

Priority No	Fund	Specific objective	Code	Amount (EUR)
4	ERDF	(vi)	18 Cities, towns and suburbs	6 522 720,89

3. Financing plan

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

3.1 Financial appropriations by year

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

Table 7

Fund	2021	2022	2023	2024	2025	2026	2027	Total
ERDF (territorial cooperation goal)	680 488	680 488	7 888 820	7 865 069	6 366 591	5 257 351	3 010 923	31 749 730
IPA III CBC ³²	0	0	0	0	0	0	0	0
NDICI- CBC ¹	0	0	0	0	0	0	0	0
IPA III ³³	0	0	0	0	0	0	0	0
NDICI ²	0	0	0	0	0	0	0	0
OCTP ³⁴	0	0	0	0	0	0	0	0
Interreg Funds ³⁵	0	0	0	0	0	0	0	0
Total	680 488	680 488	7 888 820	7 865 069	6 366 591	5 257 351	3 010 923	31 749 730

³² Interreg A, external cross-border cooperation

³³ Interreg B and C

³⁴ Interreg C and D

³⁵ ERDF, IPA III, NDICI or OCTP, where as single amount under Interreg B and C

3.2 Total financial appropriations by fund and national co-financing

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

Table 8

Policy objective No	Priority	Fund (as applicable)	Basis for calculation EU support (total eligible cost or public contribution)	EU contribution (a)=(a1)+(a2)	Indicative breakdown of the national counterpart		National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	Contributions from the third countries (for information)
					without TA pursuant to Article 27(1) (a1)	for TA pursuant to Article 27(1) (a2)		National public (c)	National private (d)			
ISO	Priority 1	(funds above) as		5 441 230,00	5 005 355,14	435 874,86	1 088 246,00			6 529 476,00	20,00	0
PO2	Priority 2	(funds above) as		14 350 000,00	13 200 000,00	1 150 000,00	2 870 000,00			17 220 000,00	20,00	0
PO4	Priority 3	(funds above) as		11 958 500,00	11 000 000,00	958 500,00	2 391 700,00			14 350 200,00	20,00	0
	Total	All funds		31 749 730,00	29 205 355,14	2 544 374,86	6 349 946,00			38 099 676,00	20,00	0
		ERDF		31 749 730,00	29 205 355,14	2 544 374,86	6 349 946,00			38 099 676,00	20,00	0

¹ Interreg A, external cross-border cooperation.

² Interreg B and C.

³ Interreg B, C and D.

⁴ ERDF, IPA III, NDICI or OCTP, where as single amount under Interreg B and C.

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

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

The drafting of the Programme was organised in compliance with partnership approach described in Commission delegated act 240/2014 of 7 January 2014, where partnership implies close cooperation between public authorities, economic and social partners and bodies representing civil society at national, regional and local levels throughout the whole programme cycle consisting of preparation, implementation, monitoring and evaluation.

Development Instruments Department of the Ministry of Environmental Protection and Regional Development of the Republic of Latvia as future Managing Authority (MA) and Joint Secretariat (JS) of the Programme together with JPC coordinated process of Programme's preparation.

Preparation process started in 2019 when two meetings (in February in Vilnius, Lithuania and in September in Biržai, Lithuania) between the National Authority of the Republic of Latvia (functions fulfilled by the Ministry of Environmental Protection and Regional Development of the Republic of Latvia) and the National Authority of the Republic of Lithuania (functions fulfilled by the Ministry of Interior of the Republic of Lithuania) were held. During the meetings a preliminary time plan and necessary steps of the programming process were scheduled by the National Authorities, as well as main changes in regulatory framework discussed.

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

Therefore, as the first step, both aforementioned National Authorities nominated permanent JPC members and their deputies representing national and regional levels from each Member State. National Authorities ensured that nominated members geographically cover proposed Programme territory, as well as by their functions, responsibilities and competences represent not only relevant fields, but also wide range of potential Programme beneficiaries. Representative from the EC participated in the work of the JPC as an observer. Thus one of the key tasks of the representatives of the national delegations of the both countries in the JPC throughout the whole programming cycle has been to exchange information regarding development of the Programme to relevant partners working in certain fields on national level and come back with proposals to be discussed within the JPC and taken into account during programming process.

Both National Authorities launched early stage consultations with the main aim to collect first ideas for the Programme architecture, as well as to build strong foundation for cooperation and consultation channels. Prior starting the programming process the Consultative working group (CVG) was formed by the National Authority of the Republic of Latvia, consisting of representatives of regional level and line ministries. The CVG is an advisory group, it consulted the National Authority on the possible policy objectives, specific objectives and relevant activities to be introduced into the Programme in accordance with national and regional planning documents and strategies.

The National Authority of Lithuania also has coordinated the preparation of the joint opinion on the possible policy objectives, specific objectives and relevant activities by involving.

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

The 1st meeting of JPC took place on 25 February 2020 during which rules of procedure of the JPC were agreed, draft legal framework and Programme area were discussed, opinions of both delegations on possible policy objectives, specific objectives and types of actions were exchanged, as well as indicative programming timeline was agreed on. The JPC decided that the Programme strategy will be developed by external expertise and authorised the Ministry of Environmental Protection and Regional Development of the Republic of Latvia to elaborate the terms of reference and to launch the procurement procedure. Procurement procedure resulted in October 2020 and the company Safege Baltija was selected to work on Programme strategy.

The 2nd JPC meeting took place online on 30 June 2020 during which the JPC appointed the Ministry of Environmental Protection and Regional Development of the Republic of Latvia as the MA and discussed several draft sections of Programme document.

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

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

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

The results of the survey were analysed and discussed during the 4th JPC meeting on 29 January 2021. Based on the survey results and the summary of the most demanded areas of intervention is more demanded by the relevant partners, a proposal for the Programme thematic scope was designed and draft Programme strategy prepared. To ascertain that the designed Programme thematic scope indeed corresponds to the demands of the prospective project implementers, challenges and indicative Programme's interventions identified by external experts, on 27 May 2021 the focus group involving 38 representatives from Latvia and Lithuania (NGOs, government institutions, Research & education institutions, local authorities and Programme bodies) was organised. The results of focus group were taken into account by defining more precise focus and scope for cross border cooperation challenges, target groups and indicative activities.

Between JPC meetings exchange of opinions and decision taking was ensured via JPC written procedures.

Discussions between National Authorities and the MA were organised in form of Joint Task Force meetings (in total 3 online meetings took place).

To ensure smooth transition from the Programme preparation to its implementation, as well as to secure that decisions taken by Monitoring Committee (the MC) of the Programme meet the aim of the Programme, it is planned to involve in the MC a balanced representation of the relevant authorities, including intermediate bodies, and representatives of the programme partners referred to in Article [6] of Regulation (EU) [new CPR], which participated in the Programme's preparation. Members of the MC will have a voting rights (one vote per delegation) and representatives of the EC and the MA/JS will participate in an advisory capacity.

Monitoring function will be covered by the MC, that will be set up within three months of the date of notification of the EC decision adopting the Programme. Details concerning the submission of applications, assessment, selection and eligibility requirements of projects will be approved by the MC and described in the Programme manual, which will be a legally binding document for the project applicants, project implementers and Programme management bodies. The MC shall meet at least once a year and shall review all issues that affect the Programme implementation progress towards achieving its objectives. The MA shall publish a list of the members of the MC on the website referred to in Article 29(2).

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

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

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

Objectives

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

- The programme is recognized for its commitment to better Interreg governance, a greener, low-carbon, resilient and more social Europe;
- the organisations relevant for reaching the specific objectives of the Programme are informed about the funding opportunities and receive all required information and support for preparing the appropriate applications;
- the project partners receive clear and timely information about the project implementation process and have all the necessary information and support to reach the indicators and objectives set in the project;

- general public is aware of the results and benefits achieved by the Programme and supported operations showing positive impact and added value of cross-border cooperation and the EU intervention;
- media and influencers receive Programme news and are invited to events;
- stakeholders, policy and decision-makers are informed about the Programme as an important instrument for the benefit of the Programme area;
- timely and efficient communication among the implementing bodies of the Programme, social and economic partners, the EC and public authorities of Latvia and Lithuania is ensured.

Target audiences

True, accurate, audience-oriented and updated information will be delivered to the following main target audiences:

- potential applicants and partners. The communication activities will be targeted to both new and past applicants and partners operating in the Programme area.
- media and influencers;
- general public living in the Programme area;
- stakeholders, policy and decision-makers;
- Programme bodies, social and economic partners, the EC and public authorities of Latvia and Lithuania.

Communication channels and Social media outreach

The following communication channels will be used:

- Website. The MA will ensure that, within 6 months of the Programme approval, there is a website where information about the Programme objectives, activities, available funding opportunities and achievements is available. Website content and structure will be audience-oriented to pass valuable information about the Programme implementation, financial support, funding opportunities, supporting materials, etc. in clear and concise way. Existing domain www.latlit.eu shall be used.
- Social media platforms. The most popular social media platforms will be used to contribute to the visibility of activities related to operations supported by the Programme.
- Events: seminars/webinars/workshops/public events/etc.
- Digital and printed materials: supporting/promotional/informative materials/newsletters/etc. To grant faster and easier approach to compliance with Programme's communication requirements, the Communication guidelines for project partners will be developed by the JS in cooperation with the MA and the MC.
- Direct communication: on-spot/remote consultations/etc.

Relevant indicators for monitoring and evaluation

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

- number of potential applicants received information about funding opportunities within the relevant Programme implementation period;
- number of unique and recurrent visitors of the website per year;
- number of social media accounts regularly updated with Programme and project news;
- number of subscribers/followers on the social media per year and engagement rate;
- number of informative events delivered to project partners per year;

- number of project partners attending seminars per year;
- appreciation rate of project partners receiving consultations on the project implementation process per year;
- number of public events delivered to general public per year;
- number of media clippings per year.

In accordance with the Programme implementation phase, specific communication measures, targets for indicators and budget will be included in respective plans for each year to ensure timely and efficient implementation of Programme's visibility, transparency and communication activities. Respective plan will be prepared by JS in cooperation with MA and NAs and approved by the MC. The MC will examine the implementation of communication and visibility actions.

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

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

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

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

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

The indicative budget of small – scale project will be up to EUR 200 000 ERDF and duration – up to 1 year. It is planned to maximize the use of simplified cost options, thus significantly decreasing the administrative burden for project partners.

7. Implementing provisions

7.1. Programme authorities

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

Table 10

Programme authorities	Name of the institution	Contact name	E-mail
Managing authority	The Ministry of Environmental Protection and Regional Development of the Republic of Latvia, Development Instruments Department		
National authority (for programmes with participating third or partner countries, if appropriate)	The Ministry of Environmental Protection and Regional Development of the Republic of Latvia, Development Instruments Department (National Authority of Latvia) Ministry of the Interior of the Republic of Lithuania, Regional Policy Department (National Authority of Lithuania)		
Audit authority	The Ministry of Environmental Protection and Regional Development of the Republic of Latvia, Audit Department		

Group of auditors representatives	The Ministry of Environmental Protection and Regional Development of the Republic of Latvia The Ministry of the Interior of the Republic of Lithuania		
Body to which the payments are to be made by the Commission	The Ministry of Environmental Protection and Regional Development of the Republic of Latvia		

7.2. Procedure for setting up the joint secretariat

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

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

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

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

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

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

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

The JS and the Contact point in Lithuania tasks are financed from the technical assistance budget.

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

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

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

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

- The MA shall ensure that any amount paid as a result of an irregularity is recovered from the Lead partner.

– If the MA does not succeed in securing repayment from the Lead partner, the Member State on whose territory the project partner concerned is located shall reimburse the MA for the amount unduly paid to that partner. Once the Member State has reimbursed the MA any amounts unduly paid to a partner, it may continue or start a recovery procedure against that partner under its national law.

Where a Member State has not reimbursed the MA any amounts unduly paid to a partner, those amounts must be subject to a recovery order issued by Commission which must be executed, where possible, by offsetting against amounts due to the Member State under subsequent payments to the same Programme. Such recovery shall not constitute a financial correction and shall not reduce the support from the ERDF to the respective Programme. The amount recovered shall constitute assigned revenue in accordance with Article [177(3)] of Regulation (EU, Euratom) [FR-Omnibus].

– In case of financial corrections arising from the systemic error in both Member States or where the “responsible owner” of irregularity could not be identified, Member States jointly bear the financial consequences, whereby each Member State is responsible in proportion to the ERDF paid out to project partners per Member State. In case if financial correction arise from systemic error in one of the Member States, the respective Member State bears the financial consequences. Systemic and other errors detected on Programme level leading to consequences such as financial corrections or interruption/suspension of payments on Programme level might also affect the project level. Responsibilities and actions of the Programme authorities in such case in more detail will be described within the respective Programme documentation.

– In case of irregularities that result from fault or negligence by the MA, the JS or the AA, the Member State hosting the MA, the JS or the AA shall be responsible for reimbursing the amount concerned to the budget of the EU.

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

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

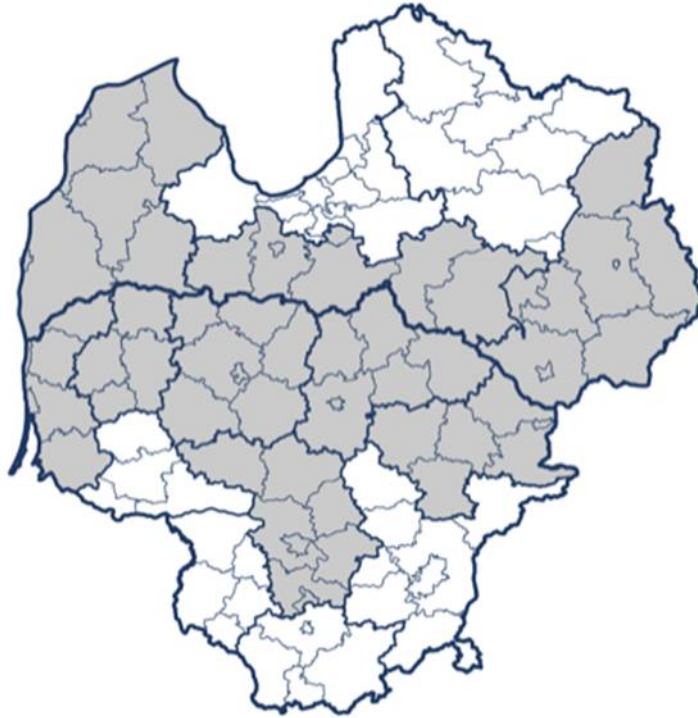
Table 11: Use of unit costs, lump sums, flat rates and financing not linked to costs

Intended use of Articles 94 and 95	YES	NO
From the adoption the programme will make use of reimbursement of the Union contribution based on unit costs, lump sums and flat rates under priority according to Article 94 CPR (if yes, fill in Appendix 1)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
From the adoption the programme will make use of reimbursement of the Union contribution based on financing not linked to costs according to Article 95 CPR (if yes, fill in Appendix 2)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

APPENDICES

Map 1: Map of the programme area

Map of the programme area



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