



# BORDERLESS OPPORTUNITIES



**Frontpage:**

Ice sculpting, ICEHOTEL, Jukkasjärvi. Photo: Hans-Olof Utsi

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*The overall goal of Inter-reg Nord 2014-2020 is to strengthen the competitiveness and attractiveness of the programme area.*

# INTRODUCTION

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*Interreg VA Nord is an EU programme that supports cross-border cooperation in order to enhance economic and social development in the period 2014-2020. The programme covers northern Sweden, northern Finland, northern Norway and Sápmi. The region has had similar Interreg programmes for cross-border cooperation since 1995, and this programme is the fourth in the scheme.*

## GOALS AND OBJECTIVES

*The overall goal of Interreg Nord 2014-2020 is to strengthen the competitiveness and attractiveness of the programme area. To achieve the overall goal, the region's development needs to take place in an economically, socially and environmentally sustainable manner.*

We intend to achieve this through cross-border cooperation that will address the common challenges identified in the border regions and make use of under-utilised opportunities in the border areas. At the same time, the collaborative process needs to be strengthened which will generally foster harmonious development within the EU and its neighbouring countries. It is therefore of benefit to have as much cooperation as possible between Sweden, Finland and Norway. The identified benefits that the projects could achieve include:

- Establishing structures for long-term and stable cooperation.
- Learning through the transfer of methods, models, data, knowledge as well as ideas and visions.
- Solutions to common problems that can be solved better or faster through cross-border cooperation.
- Creating critical mass - the pooling of resources to create a larger common potential than is available within the individual region or country.

- Building networks among local and regional administrations, businesses and research institutes.
- Development of facilities and clusters for cross-border research and innovation, labour market integration, and cooperation between universities and industry.
- Building common conditions for the region to further develop a resource-efficient, environmentally friendly, competitive and low-carbon society.
- Creating a shared vision and approach to preserve and protect our natural areas. This provides us with better opportunities to work together to combat climate change in the region.

For small countries to become more competitive, the increasing globalization requires them to cooperate regionally. The Nordic countries have a long tradition of cooperation, but the actual cross-border cooperation in question here has still not been achieved. The northern parts of Sweden, Norway and Finland are united by historically shared values, but the linguistic and cultural barriers might inhibit further effective information exchange and business activities across borders. Therefore, the Nord programme aims to influence attitudes and approaches, which will minimize the obvious border obstacles that exist for the cooperation projects, and to promote cross-border projects in order to be able to develop the region together in an innovative,

sustainable and inclusive way. The goal is that different development areas will combine to form a complementary structure, where each element is regarded as a key part of an attractive and prosperous region.

The Nord programme covers part of the Arctic, a region that offers both

challenges and opportunities that may affect the lives of future generations of European citizens. The contents of the thematic objectives chosen for the Nord programme are in line with the objectives of the Europe 2020 strategy and elements of the EU Strategy for the Baltic Sea

Region. The programme focuses on economic growth based on knowledge, innovation and business development in an environment that is greener and more resource-efficient and which stimulates higher employment and greater social and territorial cohesion.

## PROGRAMME AREA AND CRITERIA

The Nord programme is divided into two geographical sub-areas, sub-area Nord and sub-area Sápmi. Sub-area Nord encompasses Nordland, Troms and Finnmark counties in Norway, Norrbotten county and Norsjö, Malå, Skellefteå and Sorsele municipalities in Västerbotten county in Sweden, and Lapland, Norra Österbotten and Mellersta Österbotten regions in Finland.

Sub-area Sápmi encompasses Finnmark, Troms, Nordland, Nord-Trøndelag, Sør-Trøndelag counties and part of Hedmark county (Elgå Reinbete district) in Norway, Norrbotten, Västerbotten, Jämtland and Västernorrland counties and part of Dalarna county (Idre Sameby area) in Sweden, Lapland, Norra Österbotten and Mellersta Österbotten in Finland. Västernorrland county has been added to the program area for sub-area Sápmi. In the previous programme period, Västernorrland was considered as a 20% area. The southernmost Sámi villages in Västerbotten and the northern Sámi villages in Jämtland use annual pastures in Västernorrland for winter grazing. Traditionally, the Sámi have always moved about and lived on these lands. Many Sami have become permanent residents in the area and today they are the descendants of the reindeer-herding Sámi.



The Nord programme's preconditions and requirements are unique in many ways, and the programme's design is essentially common to both sub-areas. The unique circumstances and the objectives for the Sápmi sub-area are described separately in the priority areas.

There are three horizontal criteria that the EU integrates into its development strategy for Europe, namely; sustainable development, equal opportunities and non-discrimination, and gender equality. In the Nord programme, these criteria will be integrated into all priority areas and selected targets. For the Nord programme, the Sami languages play a central role in Sami society. To highlight the importance of the Sami language and promote its use, the Sami languages are also included as a horizontal criterion for the Sami projects within the Sápmi sub-area.

All cross-border cooperation programmes must prioritise the areas in which the programme can best contribute and where the greatest opportunities exist for cross-border cooperation. The choice of priorities must concentrate on a maximum of 4 themes for 80% of the funds. Analyses have shown that all regions in the programme area, both sub-area Nord and sub-area Sápmi, have the greatest need and the best opportunities to work across border within the following themes:

- Strengthening research, technological development and innovation
- Increasing the competitiveness of small and medium-sized enterprises.
- Protecting the environment and promoting the sustainable use of resources.
- Promoting employment and the mobility of labour.

The Nord programme has chosen to call these themes the priority areas. The following is a description of the priority areas and the results that are desired within each area.





*One of the region's challenges, similar to other industrialized countries, is the ageing population that requires new common areas of development in research and development (R&D) in the region. There are major information requirements needed within the public sector to meet future challenges in a welfare society. But there is also a need for new, innovative solutions in the region's basic industries. To strengthen cross-border cooperation, together with the private and public sectors new solutions will be developed, e.g. through new technologies, new products and services for small and medium-sized enterprises, known as SMEs.*

**PRIORITY-  
AREA**

**1**

# RESEARCH AND INNOVATION

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Increased international cooperation is particularly important to develop the region, including strengthening the process of open innovations. International cooperation can also be strengthened combined with the EU strategy for the Baltic Sea region and the EU research and innovation programme, Horizon 2020. The ability to interact with the outside world provides access to a larger critical mass of players and skills, and consequently, strengthen the capacity of innovations. This can contribute to sustainable development, from both a local and global perspective, as well as building the universities' and research institutions' capability to participate in European research programmes. It is also vital to stimulate the capacity of industry to innovate. This can be made by promoting knowledge development, especially among SMEs, as well as improving the companies' ability to profit from new knowledge developed by universities and research institutes.

The EU strategy for innovative, sustainable and inclusive growth requires that the regions should deliver clear areas with comparative advantages for the region, which also create local, regional and European added value<sup>1</sup>, i.e. focus areas. One applicable method to strengthen the region's focus areas (see Section 2.3) are so-called intersection points. Research has shown that when an area of expertise or an industry intersects another area, new innovations occur, that is, innovative leaps. There is thus an opportunity for future innovation by facilitating meetings within and between sectors and various types of companies, organizations and areas of expertise. Points of intersection can also contribute to improved gender equality, especially when traditionally female and male sectors meet.

Innovation in this context means that the concept, which previously encompassed technological products and processes, has been expanded to also include services, experiences, modes of organization, marketing and ways to tackle social challenges together. Innovations arise when different actors collaborate and interact<sup>2</sup>.

Both women and men develop innovations in both public and private sectors. An innovation is a new idea, such as a product, solution or service, but the innovation is only designated as such when it has been put to use in a commercial market, or implemented into an actual business.



Open innovation has a transboundary or cross-border approach that has become increasingly important when working with innovation. It means that the work is performed in collaboration with external stakeholders, including researchers, public and non-profit operators, users, customers and entrepreneurs from various industries. The process for developing innovations has thus become less self-contained and increasingly makes use of skills from outside when organized. It is important for active companies, authorities, organizations, universities and research institutes in the region, as well as the region's development as a whole, to participate in and preferably lead this development. This is particularly important given the sparse population structure and the large distances to major markets that are typical for the region.<sup>3</sup>

An innovation does not have to be a major, radical solution with global reach. It can just as easily be an incremental innovation, such as a small change in a product, process or service that is used by a smaller company or organization. Radical innovations are completely new innovations that transform businesses and communities, while incremental

Note 1

Flagship initiative in the Europe 2020 Innovation Union SEK(2010) 1161, page 3.

Note 2

SNIS Swedish National Innovation Strategy, 2013.

Note 3

Chesbrough, H.W. (2003). The era of open innovation. MIT Sloan Management Review, 44 (3), 35-41.

Note 4

[www.nordcinnovation.org/sv/innovation/vad-ar-innovation/](http://www.nordcinnovation.org/sv/innovation/vad-ar-innovation/)

innovations are characterized by gradual and continuous changes.<sup>4</sup> Incremental innovations can have major significance for the overall innovation potential in society and can thus lead to radical innovations. The everyday innovations, with the breadth described by the innovation concept, can primarily be regarded as incremental innovations. These will continue to occur throughout the region, not only in the region's universities, and they are therefore important for how the innovation support system is designed in the future. However, the two forms of innovation are based on different forms of development logic and they therefore require different resources and support structures. Radical innovations are preferably developed within dense clusters and knowledge-intensive environments with good access to venture capital – e.g. environments that are often found near universities, colleges and research institutes. Incremental innovations, which are often based on intelligent copying, can successfully be developed in sparser environments and promoted by cross-border regional cooperation within what is known as the knowledge triangle, where research and education collaborate closely with established corporate resources to develop completely new solutions. The interaction gives access to a greater critical mass, with more actors and more skills. This can help to provide better conditions for sustainable development, from a local, regional and global perspective. It can also contribute to capacity building of the universities', research institutions' and the business community's ability to participate in the EU innovation and research programme, Horizon 2020.

### Unique within Sápmi.

From a Sami perspective, it is extremely important to strengthen applied research in order to promote production etc. for the growth of Sami industries. Cross-border cooperation is therefore required between research and educational institutions to allow researchers access to Sami enterprises. There are excellent opportunities to transfer experience from research and development to Sami enterprises. There is scope to work with innovations that can be unique and could lead to new growth opportunities. The requirements for change and development of the Sami enterprises mean that research and innovation could result in important skills and competences for all those living in Sápmi.



Photo: Jörgen Wiklund, Scandinav bildbyrå

## SPECIFIC GOALS

*By prioritising research and innovation, the programme area's resources can be optimised in order to develop innovative environments and venues within the region. In this way, the innovation environments can be linked together to generate a greater critical mass, especially within confined and highly specialized areas.*

Furthermore, the Nord programme can contribute to a more collaborative cross-border innovation support system that can develop the innovative potential in the region. The fact that different conditions exist for researchers, research institutions and companies on each side of the border can create added value due to these differences. The goal is to develop new cross-border innovations and to improve SMEs' opportunities to take part and interact across borders with research and innovation environments in the region.

## THE FOLLOWING OBJECTIVES HAVE BEEN IDENTIFIED FOR THE NORD PROGRAMME



### **Companies' ability to commercialize innovation has been enhanced within the region's priority areas.**

Companies' participation in knowledge development in universities and research institutions needs to be facilitated, for example through structures that encourage the transfer of knowledge between companies and research environments. Enhanced innovative capacity among the region's companies means that more products and services can be developed, commercialized or implemented for a wider, international market.

Innovative environments should not only consist of a forum where innovators, entrepreneurs, students, researchers, engineers, business developers, etc. can meet, but should also consist of an environment where expertise and inspiration will be provided within the innovation area. Ultimately, these environments must serve as creative laboratory environments that foster collaboration between universities/research centres, industry, government and society generally, so that more cross-border products and services can be launch onto the market quickly. It is important to encourage innovative capacity in industry and to develop structures that encourage cross-border transfer of knowledge between companies and R&D environments. Through strategic, long-term investments in R&D, the public sector can collaborate with industry and better meet the needs of the region. What is more, they can also develop competitive products and services for a wider, international market.

The overall result that the programme intends to achieve is to increase the share of actors engaged in innovation activities in the region.



### **Actors in the innovation system have enhanced their ability to participate in the European research arena aligned with the region's priority areas.**

Essential for the development of an innovation capability is the ability to interact with the outside world. The interaction provides access to a greater critical mass, with more actors and more skills. This can help provide better conditions for sustainable development, from a regional and global perspective. Furthermore, it can contribute to capacity building of the universities', research institutions' and the business community's ability to participate in the EU innovation and research programme, Horizon 2020.

Networking and the development of strategic alliances between research institutions is the basis for long-term, cross-border cooperation. The existing potential for research and technological development can be utilised more effectively if a regular and systematic dialogue is established between the key stakeholders in the programme area. Regional benefits for the border areas can be achieved when the research is linked to business cooperation.

The overall result that the programme is intended to achieve, or this objective, is that the region's actors shall have more applications awarded by the EU innovation and research programme, Horizon 2020.



Photo: Jennifer Sköld

## INITIATIVES THAT CAN RECEIVE SUPPORT WITHIN THE PRIORITY AREA

*It is important, because of the long distances to major markets, to stimulate and encourage participation by companies, authorities, organizations, universities and research institutes in cross-border innovation systems in the sparsely populated parts of the region, in order to benefit the region's development as a whole. Open, cross-border innovation will help to involve more actors with different resources, gender and ethnic origin, as well as a stimulating cross-fertilization between ideas from different industries, regions, nations and internationally.*

Here are some examples of cross-border initiatives for the priority area:

- Initiatives that develop forums for different industry and sector meetings.
- Activities that enable the commercialisation of research.
- Initiatives that encourage and enable entrepreneurship, invention and product development, including ecological business development.
- To ensure increased utilization of research, ideas and knowledge in existing and new businesses.

To enable strong research, technological development and innovation, an improved and enhanced cross-border cooperation is required between universities, research institutes, industry, government and the society. Some examples of cross-border initiatives for the priority area are:

- The creation of more innovative environments serving as physical and virtual forums, as well as creative laboratories for innovative work. These needs to be versatile, inclusive and original environments for everyone.
- Activities to stimulate the development of innovation systems and to open innovation-systems.

Increased international cooperation is particularly important to develop the region, including strengthening the process on open innovations. International cooperation can be strengthened in synergy with the EU strategy for the Baltic Sea region and the EU research and innovation programme, Horizon 2020, for example through measures such as:

- Initiatives that contribute to expanding the cross-border knowledge triangle (i.e. collaboration between education, research and innovation) within the region's priority areas.
- Cross-border initiatives that reinforce the ability of universities, research institutions, polytechnics, colleges, businesses and the public sector to participate in Horizon 2020 within the region's priority areas.
- Activities that enhance methodological development and dissemination of knowledge considering gender and diversity issues in the innovation support system. This is to increase the participation of young adults, women and foreign-born actors in the innovation processes and innovation systems of the region.

**The main target groups for the activities are:**

Universities, colleges, polytechnics and research institutions, as well as the public sector and industry.

**The main beneficiaries are:**

Universities, colleges, polytechnics and research institutions, along with the public sector and industry.

**Activity indicators for priority area 1**

Number of enterprises receiving support.

Number of enterprises participating in cross-border, transnational or interregional research projects (Total number, number of firms owned by women and men respectively, and mixed ownership.)

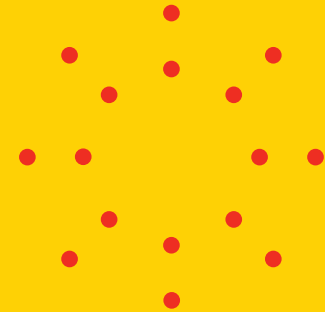
Number of participating actors in initiatives leading to new products, services or methods.

Private investment matching public support in innovation or R&D projects. (EURO)

Number of enterprises supported to introduce new to the market products.

Number of enterprises supported to introduce new to the firm products.

Number of applications to Horizon 2020 within the region's focus area.





Parachute training in the subarctic environment. Photo: Kent Norberg

## GUIDING PRINCIPLES FOR THE SELECTION OF PROJECTS

*A common intention for all the projects is that they will contribute the implementation of Europe 2020 and that their content should conform to the programme's focus and other formal application conditions. The following criteria are seen as principles for project selection in the priority area.*

Note 5

Flagship initiative in the Europe 2020 Innovation Union SEK(2010) 1161, page 3.

Note 6

The focus is similar to Smart specialization, which identifies the unique characteristics and resources of the various regions, and where each region's specific competitive advantages and development potential are highlighted. It also means that you gather the regional resources around some areas.

### Inter-regional added value

The projects funded by the programme must have clear inter-regional added value within the geography of the Nord programme. It is also desirable that all three nations cooperate as far as possible.

### Result-oriented

All projects must have a clear intervention logic (effect chain). This means that a project needs to contribute to achieve the specific objective to which the project belongs. Applicants must describe the link between the project's activities, outputs (direct results) and impacts. The effect chain must be clear and logical and must contain measurable targets.

### EU strategy for the Baltic Sea Region

There are a number of potential areas of cooperation within the framework of the EU macro-regional strategy for the Baltic Sea region that can be linked to the Nord programme.

### Horizontal criteria as a tool for growth

The horizontal criteria, outlined in the last chapter, has to be considered in the projects. These criteria are sustainable growth, equal opportunities and non-discrimination, gender equality and the Sami language (especially for the Sami projects).

### Lasting effects

Projects should strive to establish permanent cooperative structures and to ensure that the project outcomes achieve long-term and lasting changes within the priority areas of the programme.

**There are also specific principles** for the selection of projects within this priority area. The EU strategy for innovative, sustainable and inclusive growth requires that the regions should deliver clear areas with comparative advantages for the region creating local, regional and European added value.<sup>5</sup> The Nord programme shall support and stimulate development within these areas of strength. The programme will focus<sup>6</sup> on seven focus areas in order to achieve the objectives within the prioritised area. This is something that has been used successfully during the previous programme period. In the selection of projects within this priority area, the focus areas will have a particular weight, in both the Nord and Sápmi sub-areas. *Priority here is given to project ideas that come from the innovation system.*

# THE FOCUS AREAS ARE:

## **Business development in Sápmi**

The development of Sami businesses must be based on Sami culture, traditional Sami knowledge and sustainable development. Ecological sustainability and protection of natural resources is a key part of the Sami culture's development and survival. Preservation of the substantial environmental and cultural values existing in the mountain, forest and coastal areas are best guaranteed by ecologically and economically viable Sami businesses. The Sami businesses are fundamentally based on the use of renewable natural resources. Their survival is therefore dependent on preserving the milieu. the environment.

## **Testing activities**

Testing activities is an area with growth potential, in which the region's natural and Arctic conditions, combined with a high level of skills and technology. It represents competitive advantages that can form a basis for many business ideas emanating from location-bound resources such as cold climate and Arctic conditions. The programme area features unique opportunities to conduct cold climate testing, with access to large sparsely populated areas with a stable winter climate, e.g. snow, coldness and darkness.

## **Collaboration between basic industries and SMEs**

The region has high-tech industry in mining, oil and gas, as well as timber and forestry, etc. The demand of the basic industry for technology and service development can also help strengthen the competitiveness of the region's SMEs. SMEs can reach a larger market by developing their products and services for the needs of the basic industries. The collaboration between the basic industry/process industry, research and SMEs creates essential requirements for the region to hold a global position in knowledge-intensive industrial development. The programme area has a unique growth potential and a great opportunity for further refinement of local products through its access to natural resources as well as its industry and R&D expertise.

## **Service businesses in the service sector**

Service development, in both the private and public sectors, is a growth area with major potential for regional, national and international development. Cooperation between universities, industry and the public sector stimulates innovation, development of ideas, intrapreneurship and entrepreneurship in e.g. health care, social care and wellness. To achieve success, sustained efforts to change attitudes is required, in which the development of concepts and entrepreneurship is encouraged and supported.



### **Cultural and creative industries**

Cultural and creative industries, such as tourism, have experienced an increase in demand, and have a positive impact on the regional development. The nature, culture and history of the region, along with good communications, Arctic conditions, security and stability, provide excellent opportunities to create high quality products and experiences. Digital media, adventures, design, art, architecture, film and dance are further examples of cultural and creative industries. The preconditions for developing these industries are extremely good, by the use of resources and propelling forces in the region, not least among young people. The combination of new technology, information and communication technology, as well as research and innovation, promote new business concepts. The development of new business, which provide excellent opportunities for the cultural and creative industries to be competitive in an international perspective.

### **Digital service industries**

Digital service industries develop tools, products and services that connect the region internally and globally. There is a major potential in the region for development and implementation of new products and applications. On one hand to develop accessibility in sparsely populated areas, and on the other to stimulate entrepreneurship, innovation and cooperation between private and public actors. The demand in e-health and tele-medicine development consider innovative solutions and answers of how the demographic challenges can be met. Efforts in new technology and innovation systems in knowledge-based segments enables the development of advanced services as well.

### **Energy and environmental technology/ Clean Tech**

Energy and environmental technology/Clean Tech has market potential in the region, not least due to the availability of hydroelectric power, wind power and forestry. The environmental technology sector is extensive and includes everything from biomass and waste technologies to recycling. The opportunities to expand industries through the development of new technologies and new companies means that jobs can be safeguarded. The region will gain new growth opportunities by the development of renewable energy sources, primarily through investments in bio-energy. An increased use of renewable energy, and reduced environment-related pressures, are also important for a green development in maritime locations. Efforts promoting efficient energy consumption and energy supply are essential for an increased regional competitiveness.



PRIORITY-  
AREA

2

# ENTREPRENEU

*The competitiveness of the small and medium-sized enterprises (SMEs) in the programme area is increasing, partly in order to meet the needs of industry and investments, but also in order to deal with increased globalization. However, the SMEs consist primarily of micro enterprises, that is, companies with fewer than 10 employees, which therefore have difficulties competing on international markets. As a result, strengthened internationalization of SMEs is essential to help them become more competitive.*



# URSHIP

Through increased collaboration across national borders, the region's businesses can access knowledge, resources and information, which will in turn develop their commercial activities and strengthen their positions, both in neighbouring markets and outside the region. The region is experiencing increasing global competition and an accelerating need to adapt, which requires increased competitiveness among

the companies in the region.

The Norwegian industrial investments have largely been conducted in northern Norway, which demonstrates that the industry in the north part of the country is very capital-intensive and creates economic activity in areas such as construction industry. It is also expected that the growth in the industrial sector will continue to increase. In Sweden and

Finland including Sápmi, on the other hand, services, tourism and the creative and cultural industries are the growing sectors. These sectors have the opportunity to work together across national boundaries, to find new business models that combine, complement or develop existing business activities to enhance the SMEs' competitiveness, both within and outside the region.

Increased regional entrepreneurship is a prerequisite for increased growth and development within the programme area. The business structure needs to be diversified in order to improve competitiveness, so that e.g. businesses can learn from each other and withstand cyclical fluctuations. Regions with a diversified commercial sector also become less dependent on large, individual employers. Over the past 20 years, the key to economic growth and competitiveness has shifted from workers and capital to human resources and skills<sup>7</sup>. Information and knowledge are thus regarded as strategic resources. In this context, entrepreneurial businesses<sup>8</sup> (i.e. companies that are proactive, innovative and risk-taking) are important because they often combine R&D with other production factors, and have hence the ability to discover and utilise new opportunities.

Many SMEs have small and limited resources to create a sustainable competitive advantage. This is most significant in innovative, high-tech and/or knowledge-intensive companies. As a result, they need to engage in collaborative work and exchange with other external contacts.<sup>9</sup> New and original ideas are often created in networks of heterogeneous enterprises<sup>10</sup> with specialized knowledge, skills and/or resources complementing or substituting limited resources of other companies. The benefit of a diversified network can thus lead to unique competitive advantages improving the performance of the companies.<sup>11</sup> They can, for example, jointly create a resource difficult to imitate, increase their innovativeness or facilitate their entry into new markets. There are four main types of contacts which are considered important for companies to collaborate with in order to improve their performance. These are other companies,

universities and research institutes, venture capitalists and business organizations.<sup>12</sup> Another important prerequisite to promote a developed industry in the programme area is the elimination of various border barriers. This is, to improve cross-border cooperation and a complementary support structure of business development on both sides of the border.

By emphasizing the priority area of entrepreneurship, the resources of the program area can be optimized in order to develop competitive and international enterprises. The aim is to attain more cross-border cooperation so that knowledge and resources are taken care of and developed further between the companies. The region's SMEs are important for the commercialization of new knowledge and technologies due to their entrepreneurial characteristics and innovative approach. SMEs' innovation and competitiveness are crucial for maintaining and creating new jobs as well as for revitalizing the regional industry.

### Unique to Sápmi

The majority of companies in Sami industry are micro-enterprises, in which Sami culture and traditional knowledge forms the basis of the Sami business. Sami businesses could include traditional reindeer herding, hunting, fishing and "duodji" (traditional Sami handicrafts). But there are also new areas of business ranging from product processing, tourism, interpretation to design, music and media production. Moreover, the companies are often composed by seasonal combinations of different activities. It is therefore important to collaborate in an organized manner across borders, and based on the function of the businesses, to increase the development of the industry. This result in micro-enterprises attaining increased competence and becoming more competitive, even on international markets.

#### Note 7

Landström, H. (2008). Entrepreneurship research: a missing link in our understanding of the knowledge economy. *Entrepreneurship research*, 9(2), 301-322.

#### Note 8

Miller, D. (1983). The correlates of entrepreneurship in three types of firms. *Management Science*, 29, 770-791.

#### Note 9

Cooper, A. C. (2002). Networks, alliances, and entrepreneurship. In M. A. Hitt, R. D. Ireland, S. M. Camp and D. L. Sexton (Eds.), *Strategic entrepreneurship: creating a new mindset* (pp.203-222). Oxford: Blackwell.

#### Note 10

Burt, R. S. (2004). Structural holes and good ideas. *American Journal of Sociology*, 110(2), 349-399.

#### Note 11

Davidsson, P., & Honig, B. (2003). The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing*, 18(3), 301-331.

#### Note 12

Lee, C., Lee, K., & Pennings, J. M. (2001). Internal capabilities, external networks, and performance, a study on technology-based ventures. *Strategic Management Journal*, 22, 615-640.

A vibrant green aurora borealis (northern lights) is visible against a dark, starry night sky. The aurora's light trails down from the upper right towards the bottom of the frame. Below the aurora, the dark silhouette of a mountain range is visible against a slightly lighter green background.

## SPECIFIC GOALS

*An evaluation of the previous programme period showed that the majority of companies, regardless of their size or industry, expected to obtain access to new knowledge and skills by participation in the programme. The companies also stated that they have acquired new contacts and partners through the collaborative projects. These developed contacts and skills increases the level of trust between companies, which is a good basis to develop their cooperation to the next level. However, in order to create added value contributing to the development of new knowledge, innovations, and new methods, services or products, the projects also need to establish mechanisms where they “learn from each other” or “learn together”.*

## THE FOLLOWING OBJECTIVES HAVE BEEN IDENTIFIED FOR THE NORD PROGRAMME



### **Increased proportion of SMEs with cross-border business models.**

The programme area needs to develop a strong, lasting and competitive business sector focused on sustainable growth. The companies' creativity and commitment are essential to creating innovation contributing to the prosperity of the region. To achieve this, a business environment promoting positive attitudes towards entrepreneurship is required as well as conditions for more cross border business models, i.e. cross-border business collaboration, where skills and resources between companies are maintained and further developed. In this context, it is important to implement efforts stimulating more groups of people, particularly youth, women and individuals with foreign backgrounds, to become more entrepreneurial. This can be achieved by working with alternative business models, social entrepreneurship and social innovations generating opportunities for new and diverse ideas and business models.

Cross-border collaboration, resulting in greater access to skills, knowledge and technology for new business model development and increased internationalization, need to learn from each other. The growth and development of the region benefits from active learning, promotion of information and knowledge exchange, access to new contacts and markets, as well as the development of new ideas. In order to develop new cross-border business models, i.e. new services, products or methods that are jointly developed across borders, it is important that more business-oriented partnerships are developed within and between companies in different sectors as well as together with industry, public organizations and universities. An increased competitiveness of the region's SMEs will strengthen their position on the market.

The overall result that the programme intends to achieve is an increased share of SMEs with business cooperation across borders within the programme's focus areas.



### **Increased export among SMEs in the region.**

Because the national market is in many cases is far too limited, the region's SMEs can through cross-border cooperation get access to specific resources, expertise and contacts, among other things, to help them to reach out to international markets. Moreover, the companies can also develop new business models together across the national borders combining, complementing or developing the existing businesses. This, in turn, increases their competitiveness, both within and outside the region. Export orientated businesses with an international perspective, i.e. good knowledge of international issues and international networks, are important for the renewal of the trade and businesses as well as the labour market and economic growth in the region.

The overall result that the programme intends to achieve is to increase the share of exporting companies..



Photo: County Administrative Board

# INITIATIVES THAT CAN RECEIVE SUPPORT WITHIN THE PRIORITY AREA

*An important prerequisite for promoting a developed industry in the programme area is to eliminate various border barriers in order to promote cross-border cooperation. A complementary structure is also required on both sides of the border in order to support business development.*

The use of diversified networks in businesses' commercial operations can create unique competitive advantages that improve the performance of enterprises.<sup>14</sup> For example, companies in cross-border collaboration can create new products, services and methods, increase their innovativeness and/or facilitate entry into new markets. Good and experienced methods, leading to better knowledge, understanding and practical experience, are believed to have a major impact on the competitiveness in both existing and new ventures.

This priority area supports efforts facilitating increased cross border cooperation between industries, sectors and companies in order to achieve increased competitiveness among the region's SMEs. Also cross-border initiatives stimulating entrepreneurship, innovation and increased internationalization of companies are supported. Cross-border cooperation, activity, or other measures, refers to various actors' cooperation across transnational borders with the aim of developing products, services and methods or other factors that will increase the competitiveness of the region's SMEs.

Some examples of cross-border initiatives for the priority areas are:

- Development of economic activities within the programme's focus areas.
- Collaboration for further development and growth of various industries, including combined businesses and Sami businesses.
- Collaboration for knowledge transfer and development of new business models.
- Business cooperation in the area of market development in global and local markets.
- Utilization of subcontracting business among the region's SMEs.
- Initiatives that support entrepreneurship with the intention of commercializing new ideas.

## Unique to Sápmi

- Initiatives for business developing activities, such as trade organizations..

Note 14

Davidsson, P., & Honig, B. (2003). The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing*, 18(3), 301-331.

**The main target groups for the activities are:**

Public organizations at local, regional and national levels, universities and colleges, education actors/organisations, business promoting actors, industry, cluster and industry associations and NGOs.

**The main beneficiaries are:**

The business community, public sector, business promotion actors, cluster and industry associations and NGOs.

**Activity indicators for priority area:**

Number of enterprises receiving support.

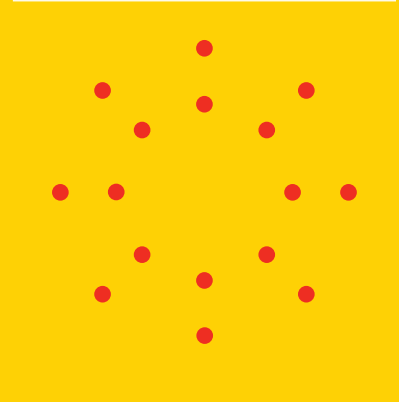
Number of enterprises receiving non-financial support.

Private investment matching public support to enterprises (grants). (Euro)

Participation in business development initiatives (total number, women/men, young people aged 16-24).

Participation in competence development initiatives for SMEs' internationalization (total number, women/men).

Participating companies in cross-border marketing efforts for internationally oriented companies. (total number, companies owned by women/men, mixed ownership).



The Mirrorcube, Treehotel in Harads. Photo: Peter



# GUIDING PRINCIPLES FOR THE SELECTION OF PRIORITIES

*A common intention for all the projects is that they will contribute to the implementation of Europe 2020 and that their content should conform to the programme's focus and other formal application conditions. The following criteria are seen as principles for project selection in the priority area.*

## **Inter-regional added value**

The projects funded by the programme must have clear inter-regional added value within the geography of the Nord programme. It is also desirable that all three nations cooperate as far as possible.

## **Result-oriented**

All projects must have a clear intervention logic (effect chain). This means that a project needs to contribute to achieve the specific objective to which the project belongs. Applicants must describe the link between the project's activities, outputs (direct results) and impacts. The effect chain must be clear and logical and must contain measurable targets.

## **EU strategy for the Baltic Sea Region**

There are a number of potential areas of cooperation within the framework of the EU macro-regional strategy for the Baltic Sea region that can be linked to the Nord programme.

## **Horizontal criteria as a tool for growth**

The horizontal criteria, outlined in the last chapter, has to be considered in the projects. These criteria are sustainable growth, equal opportunities and non-discrimination, gender equality and the Sami language (especially for the Sami projects).

## **Lasting effects**

Projects should strive to establish permanent cooperative structures and to ensure that the project outcomes achieve long-term and lasting changes within the priority areas of the programme.

**There are also specific principles** for the selection of projects within this priority area. The EU strategy for innovative, sustainable and inclusive growth requires that the regions should deliver clear areas with comparative advantages for the region creating local, regional and European added value.<sup>15</sup> The Nord programme shall support and stimulate development within these areas of strength. The programme will focus<sup>16</sup> on seven focus areas in order to achieve the objectives within the prioritised area. This is something that has been used successfully during the previous programme period. In the selection of projects within this priority area, the focus areas will have a particular weight, in both the Nord and Sápmi sub-areas. *Priority here is given to project ideas that come from the business community.*

Note 15

Flagship initiative in the Europe 2020 Innovation Union SEK(2010) 1161, page 3.

Note 16

The focus is similar to Smart specialization, which identifies the unique characteristics and resources of the various regions, where each region's specific competitive advantages and development potential are highlighted. It also means that you gather the regional resources around some areas.

# THE FOCUS AREAS ARE:

## **Business development in Sápmi**

The development of Sami businesses must be based on Sami culture, traditional Sami knowledge and sustainable development. Ecological sustainability and protection of natural resources is a key part of the Sami culture's development and survival. Preservation of the substantial environmental and cultural values existing in the mountain, forest and coastal areas are best guaranteed by ecologically and economically viable Sami businesses. The Sami businesses are fundamentally based on the use of renewable natural resources. Their survival is therefore dependent on preserving the milieu.

## **Testing activities**

Testing activities is an area with growth potential, in which the region's natural and Arctic conditions, combined with a high level of skills and technology. It represents competitive advantages that can form a basis for many business ideas emanating from location-bound resources such as cold climate and Arctic conditions. The programme area features unique opportunities to conduct cold climate testing, with access to large sparsely populated areas with a stable winter climate, e.g. snow, coldness and darkness.

## **Collaboration between basic industries and SMEs**

The region has high-tech industry in mining, oil and gas, as well as timber and forestry, etc. The demand of the basic industry for technology and service development can also help strengthen the competitiveness of the region's SMEs. SMEs can reach a larger market by developing their products and services for the needs of the basic industries. The collaboration between the basic industry/process industry, research and SMEs creates essential requirements for the region to hold a global position in knowledge-intensive industrial development. The programme area has a unique growth potential and a great opportunity for further refinement of local products through its access to natural resources as well as its industry and R&D expertise.

## **Service businesses in the service sector**

Service development, in both the private and public sectors, is a growth area with major potential for regional, national and international development. Cooperation between universities, industry and the public sector stimulates innovation, development of ideas, intrapreneurship and entrepreneurship in e.g. health care, social care and wellness. To achieve success, sustained efforts to change attitudes is required, in which the development of concepts and entrepreneurship is encouraged and supported.

### **Digital service industries**

Digital service industries develop tools, products and services that connect the region internally and globally. There is a major potential in the region for development and implementation of new products and applications. On one hand to develop accessibility in sparsely populated areas, and on the other to stimulate entrepreneurship, innovation and cooperation between private and public actors. The demand in e-health and tele-medicine development consider innovative solutions and answers of how the demographic challenges can be met. Efforts in new technology and innovation systems in knowledge-based segments enables the development of advanced services as well.

### **Cultural and creative industries**

Cultural and creative industries, such as tourism, have experienced an increase in demand, and have a positive impact on the regional development. The nature, culture and history of the region, along with good communications, Arctic conditions, security and stability, provide excellent opportunities to create high quality products and experiences. Digital media, adventures, design, art, architecture, film and dance are further examples of cultural and creative industries. The preconditions for developing these industries are extremely good, by the use of resources and propelling forces in the region, not least among young people. The combination of new technology, information and communication technology, as well as research and innovation, promote new business concepts. The development of new business, which provide excellent opportunities for the cultural and creative industries to be competitive in an international perspective.

### **Energy and environmental technology/ Clean Tech**

Energy and environmental technology/Clean Tech has market potential in the region, not least due to the availability of hydroelectric power, wind power and forestry. The environmental technology sector is extensive and includes everything from biomass and waste technologies to recycling. The opportunities to expand industries through the development of new technologies and new companies means that jobs can be safeguarded. The region will gain new growth opportunities by the development of renewable energy sources, primarily through investments in bio-energy. An increased use of renewable energy, and reduced environment-related pressures, are also important for a green development in maritime locations. Efforts promoting efficient energy consumption and energy supply are essential for an increased regional competitiveness.



PRIORITY-  
AREA

3

# CULTURE AND ENVIRONMENT

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Kolt, nordfinsk. Photo: Helena

## Culture and heritage

The cultural and natural wealth of the programme area is an important part of the region's community and attractiveness, and is a resource that the region can utilize to develop and profile the region. The culture is also an important driving force to strengthen people's creativity and to create local and regional cohesion. As important as it is to communicate and bring the regional community into life through language, traditions and cultural heritage, as important it is to create preconditions for the development of future common cultural heritage.

Earlier cross-border projects within this area have helped to highlight the region's culture and heritage simultaneously as a large number of people have been involved in this cooperation. The projects have also contributed to achieve greater regional cohesion and, therefore, it is important that the opportunities for a continued exchange of culture and experience also are included in this programme. In this context, it is vital that the initiatives are achieved for everyone, regardless of gender and ethnicity.

## Nature and environment

The programme area is also characterized by major natural assets with a geography that includes a variety of habitats with rich fishing and wildlife and a unique flora and fauna. The natural environment and its diversity offers the region's inhabitants and visitors unique opportunities for nature-related experiences and activities. An analysis of the programme area shows that the maintenance of diverse natural areas within the programme area varies between different countries, and there are few transnational networks. During previous programme periods, much of the environmental work was undertaken under the term cross-border cooperation between authorities. This collaboration mainly focused on the identification of natural areas' status for conservation and restoration of areas affected by human activities.

According to the EU 2020 environmental action programme, the member states must protect, conserve and enhance their environmental capital.<sup>17</sup> Assessments

conducted in the EU show that biodiversity within the EU continues to be depleted, and most ecosystems are severely degraded.<sup>18</sup> The natural environment in the programme area is currently in a relatively good condition. It is, thus, important that the region manages to preserve these areas when the general trend is moving in a negative direction. Experience from previous programmes shows that there are still opportunities to restore a number of natural habitats altered by human activities, something which is no longer possible in many areas of Europe. It has also been recognised that such efforts have the greatest impact when the work is performed across borders and sectors. Especially given that the natural capital of the Arctic region forms the basis for the tourist industry and is a prerequisite for the existence of Sami businesses.

There has been particular focus on shared rivers and their catchment areas. Although the focus may have been on the same river and its geographical environment, the working methods and use of land may be completely different on each side of the river, i.e. the national border. The EU water policy, with the associated framework directives for water and flooding, require a common collaboration and management across borders. Experience shows that there is a continued need for cross-border initiatives concerning the care of neighbouring rivers and their catchment areas. According to the EU Strategy for the Baltic Sea region, many environmental challenges can be solved through closer cooperation between the countries. The method in which the region utilises its natural resources, including land and water resources, is crucial for safeguarding long-term biodiversity, resource management, well-being of the people and the recreational value of nature.

## Resource efficiency

Increased extraction of raw materials and energy resources can also pose a threat to the region's particu-

Note 17

European Parliament and Council proposal for a decision on a general union environment action programme to 2020, final 2012/0337 (COD).

Note 18

European Environmental Agency's Technical Report No 12/2010.

lar environmental and climatic conditions. The programme area is located in a geographically remote area with intermittent darkness and a cold climate. This entails, among other things, a high consumption of energy resources. Economic development generally results in increased resource consumption and environment-related pressures. It is therefore important that to have eco-friendly public functions to create green growth. Previous scientific findings, and societal development strategies, relevant to other European countries are not necessarily applicable in northern territories. Climate change scenarios presented in EU 2020 and the Baltic Sea Strategy will, for instance, differ. Many resource efficient and eco-friendly solutions will, in addition, require cross-border cooperation and regional development to minimize problems associated with the location of the arctic region, such as cold weather and long distances to travel.

Note 19

Development of Internal Waste Market in North Calotte, final Report 31/10/2011.

Note 20

IEE project Performance Indicators, Report for EACI 06/12/2012.

Experiences from the previous programme period have demonstrated public actors' willingness to cooperate and the benefits that can be derived in terms of cross-border resource efficiency in various public functions. The region's municipalities are at different stages of development and there are remaining challenges in areas such as transport optimization, handling of household waste<sup>19</sup> and energy optimization in society etc. However, the greatest challenge is to improve the levels of expertise and awareness within the municipalities. It is vital that the region increases its attractiveness through development of society in a resource-efficient way. Through the exchange of experiences across sectors and national borders, more environmentally friendly economic growth can be achieved within both the public and private sectors<sup>20</sup>. Transforming the area's economic conditions into resource-efficient, environmentally friendly, competitive and low-carbon alternatives conforms to the EU 2020 and the Baltic Sea Strategy. The goal of the Nord programme is to enhance the levels of expertise and knowledge in the environmental field. This also takes into account the Arctic dimension of the maritime area strategy for the Arctic Ocean.

## Unique to Sápmi

Since prehistoric times, the Sami have lived in the Sami settlement areas and managed the land and water with great respect and care. The traditional forms of Sami trade and industry have always been based on a long-term perspective and sustainable use of natural resources. If the natural conditions in a certain area was declined, there were opportunities to use alternative resources to allow recovery of the threatened resources. Sami language is an expression of their approach to nature and to each other. It is a necessary tool for the knowledge transfer from generation to generation.

The Sami's ability to cope with changes and continued development depend on a number of factors. A sustainable natural environment, with biodiversity and an intact, coherent landscape are some of the essential prerequisites for a sustainable and long-term development of the Sami community. The nature is increasingly subjected to seriously damage

that cannot be resolved in a foreseeable future. The land has been changed due to the expansion of forestry, hydroelectric power utilisation and, more recently, wind farms and mining. In Sápmi, an alarming rate of climate change has been observed for many years. Sami society has experienced many changes. However, the Sami population has managed to tackle these changes without their culture disappearing. But every intervention in nature, which the Sami are totally dependent upon, increases the risk of adverse effects on Sami culture.

Regarding cross-border cooperation within Sápmi, the ambition during the previous programme period has concerned strengthening and developing the Sami language among other things. The experiences have been positive. Joint initiatives in areas such as education, education materials and linguistic environments have been important long-term efforts to preserve and strengthen the

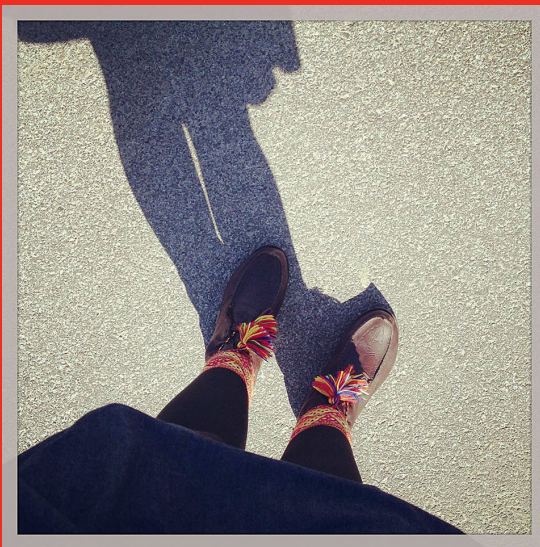
Sami language. Furthermore, these initiatives have established forums where children and adolescents, in particular, have been able to develop their language skills and meet Sami children and adolescents in other countries. These meeting places have also been important for the development of their own identity and a cross-border Sámi region.

Another key part of the cross-border cooperation is to document and highlight the Sami cultural heritage and landscape in order to prevent sensitive environments from being neglected and thus possibly destroyed forever, for example through exploitation of various kinds. It is also important to develop Sami historical accounts through traditional archaeological methods and qualitative historical approaches in a context where the Sami make use of certain areas of land on both sides of the current national borders. Earlier historical accounts have been very general, and sometimes even inaccurate. It is also



## SPECIFIC GOALS

*The programme area requires cross-border cooperation to preserve, promote and develop cultural heritage, but also to harmonize working methods employed to preserve, implement and restore the region's natural areas and its habitats. Similarly, many resource-efficient and environmentally friendly solutions require exchanges and development across regional borders.*



important to create arenas and networks where female reindeer herders can gather, practice and discuss traditional ecological knowledge and make sustainable use of natural resources. This is important to be able to pass these skills on to the next generation and to other arenas in society as well. The cross-border cooperation in Sápmi is, additionally, a prerequisite for building a stronger Sami region and identity.

The programme area's resources can be optimized and potential added value can be created by prioritizing the region's culture and environment, whereby:

- More people will be able to take part of the region's rich culture and cultural heritage, while cooperation will also increase the visibility and attractiveness of the region.
- Cultural cross-border cooperation develop and strengthen collaborative relationships and the community throughout the programme area.
- Joint efforts to increase the use of the Sami language will provide improved opportunities to maintain a living language.
- Cross-border cooperation provides a better qualification to work on common Sami issues from a holistic perspective.
- Through cross-border cooperation the region's environmental favourable status and restoration will achieve greater impact.
- The region's Arctic conditions provide common circumstance to develop joint solutions for future social challenges related to green growth and resource efficiency.

## THE FOLLOWING OBJECTIVES HAVE BEEN IDENTIFIED FOR THE NORD PROGRAMME



### **The region's culture and heritage have become stronger and more vital.**

The concepts of natural and cultural heritage refer to unique ancestral cultural and natural environments. It is important to protect them from destruction and degradation so that these environments can be passed on from generation to generation.<sup>21</sup> The concept of cultural heritage encompasses both tangible and intangible assets. It includes traditions, language, artistic works, historical monuments, archives and other collections of objects, as well as cultural environments and landscapes that are transmitted from generation to generation.<sup>22</sup>

The programme includes three countries with indigenous peoples, which means that there are many cultures and various languages. This, in itself, is an asset that the programme area should seek to take advantage of. For example, the region's heritage and cultural characteristics can inspire the development of new attractions. The region needs to work together to find new cross-border solutions highlighting and contributing to the significance of the region's rich culture and heritage, and ensuring that these are passed on to future generations. Especially in the border areas and in Sápmi, there is potential for joint efforts to strengthen and preserve natural and cultural assets which, in the long-term, could provide a basis for development and growth.

#### **Unique to Sápmi**

For the Sami people it is important to strengthen and develop the Sami culture and Sami society. Documentation and protection of Sami cultural heritage and cultural landscape, as well as the continuation of their traditions and customs, will help the Sami culture to be strengthened and to be forwarded. In Sami culture, new forms of expression have emerged in recent decades, which result in new opportunities to create work and living from the Sami culture.

The overall result that the programme intends to achieve is to increase awareness of the region's cultural heritage.



### **Unique goals for Sápmi: Strengthened Sami language within the Sami population.**

Due to its strong links to Sami culture and identity, the Sami language is particularly important for the continuity and communication of the Sami culture. The programme area encompasses a large part of the traditional Sami region – Sápmi, which means that the programme is an important resource for the preservation and development of Sami culture, especially the Sami language. To develop and maintain the language is therefore a key part of cross-border cooperation, where joint efforts in strategic initiatives are essential.

The overall result that the programme intends to achieve is to increase the use of the Sami language in various forums.





### **Improved conservation status of natural environments.**

One of the challenges in environmental cross-border work is to establish “ecologically coherent” networks contributing to the achievement of favourable status for the biodiversity of the region. The programme strives to achieve a favourable status for our natural environment and a good ecological status for aquatic ecosystems, in accordance with the European Habitat Directive and the Water Framework Directive. Ecologically coherent networks can encompass both protected and other natural land, air and water environments. Harmonizing the countries’ methodology and knowledge regarding the management of natural environments will benefit ecosystems’ conservation status and provide better opportunities for environmental restoration areas.<sup>23</sup> In order to enable a common methodology to be employed, there must be knowledge of each country’s environmental legislation and regulatory instruments. From a tourism and reindeer husbandry perspective, it is also important to develop common methodologies for transnational ecosystems that can be made available to commercial use. Furthermore, it is important to implement methods and practices that have been developed in partnership.

The overall result that the programme intends to achieve is maintain the conservation status for the region’s natural environment.

### **The knowledge and expertise about green growth and resource efficiency in the region has increased in the public sector.**

In order to create favourable market conditions and to promote green growth in the region, the programme area’s social functions must be resource efficient and environmentally friendly. This requires increased environmental awareness and expertise among key personnel in the public sector, particularly within the various municipal divisions, in order to implement eco-friendly decisions in community development. Because countries have different institutional structures for different development issues in society, the concept of the public sector can refer to both municipalities and other public authorities that have regional subject-specific authority. Based on the area’s Arctic conditions, the region’s municipalities must create local and trans-national structural solutions that provide an enhanced level of resource efficiency and the promotion of green growth. Given that levels of knowledge and expertise can vary a lot between municipalities, much can be achieved through the cross-border exchange of experience. Environmental-friendly solutions, and better resource management, throughout the life cycle are the prerequisites for green growth.

The overall result that the programme intends to achieve is to increase awareness in the regions about circular economy.

Note 21

UNESCO Convention on the Protection of the World Cultural and Natural Heritage.

Note 22

National Heritage Board.

Note 23

Connectivity across national boundaries, (EEA May, 2013).



## INITIATIVES THAT CAN RECEIVE SUPPORT WITHIN THE PRIORITY AREA

### **Culture and heritage**

Despite the long tradition of cooperation, there is still a need to further develop and broaden cooperation between the countries. Cooperation and relationships must be deepened and developed so that more actors and individuals have the opportunity to participate in cross-border cooperation. In this regard, culture and the common cultural heritage can act as a driving force for cross-border cooperation as well as contribute to broader engagement, local and regional community and a sense of belonging.

Within this area, the emphasis is on promoting measures that contribute to long-term sustainable development and maintaining the common cultural heritage. Nurturing, transferring and applying traditional knowledge, especially the Sami cultural heritage, is vital for the region. Cross-border cooperation initiatives that attracts people tend to strengthen the region's culture and heritage, most notably between indigenous peoples, which is of particular importance.

For the Sápmi region, and sub-area, support can preferably be provided for cross-border cooperation with the Sami in the Kola Peninsula in Russia, and also with indigenous people throughout the world, provided that it benefits the programme area. The Sami live in Norway, Sweden, Finland and Russia, and it is important that the cooperation that already exists between them continues. It is also important that indigenous people in the world can collaborate on some common issues, especially given the interest in utilisation of natural re-

sources in the Arctic region which may potentially affect indigenous peoples living in the area.

### **Some examples of cross-border initiatives for the priority are:**

- Measures contributing to the development of future common heritage and communities among the inhabitants of the region, especially among young people.
- The use of new technological solutions to highlight the region's culture and heritage.
- Measures for documenting and processing the cultural heritage for future product and service development, including the use of information and communication technology.

### **Unique to Sápmi**

- Measures which contribute to active Sami language development and increased cultural awareness of the Sami culture and the Sami conditions, as well as the management of Sami cultural monuments and other resources.
- Development of thematic cooperation projects on common issues with other indigenous people about traditional knowledge, etc.

## Nature and environment

The region has a large supply of raw materials and energy sources for industry. A large part of the prosperity that the region has today is based on the use of natural assets such as forests, water, ores, minerals, fish, oil and gas. Several of these natural resources are located in areas that are important to Sápmi based on high natural and cultural values. The manner in which the region utilises its natural resources, including land and water resources, is crucial for safeguarding long-term biodiversity, resource management and for the population's well-being and the recreational value of nature.

The programme area also contains a large number of different ecosystems with peculiar biodiversity. The area's lakes and watercourses must be ecologically sustainable and their variety of habitats must be preserved. The mountains and coastal environments are unique in terms of their biological diversity, recreational value, and natural and cultural assets. The programme area needs to harmonize their working methods in order to preserve, implement and restore the programme area's natural areas and habitats. The concept of natural environments refers to both land and aquatic environments. Within this priority area, measures can be implemented to improve and maintain the conservation status of the region's natural soil, air and water environments. We can achieve better conservation of our natural environments by creating, developing, and implementing new cross-border methods for the conservation and restoration of natural areas and their habitats. In some situations, the differences and requirements in national regulations must be investigated in order to conform to national legislation or practices. An important aspect for the programme area is e.g. rivers that form international borders, where we know that working practices on either side of the river are different. From the point of view of the natural environment, it is essential that the management of natural areas is harmonized as far as possible between countries. There are also opportunities for transnational exchange of experiences and joint efforts regarding the restoration of natural environments and their habitats.

## Activity indicators for priority area 3

Participation in initiatives to highlight the region's cultural heritage. (total number, women/men, young people aged 16-24).

Participation in initiatives to promote development of Sami culture and Sami conditions. (total number, women/men).

Participation in activities contributing to increased use of the Sami language. (total number, women/men).

## Resource efficiency

In order to achieve a higher level of environmental awareness and resource efficiency in the programme area, the level of knowledge must be raised in the public sector, in the municipalities and among their residents. Many resource-efficient and environmentally friendly solutions also need cross-border exchanges and development, not least because of the programme area's Arctic and geographical location with a cold climate and long distances. Given that most of the initiatives and decisions for social change that improves the efficiency of resources are made at the local level, it is important that key personnel have a high level of expertise regarding current developments leading to environmentally friendly growth. By sharing experience across sectors and countries, more environmentally friendly economic growth can be created in the region's municipalities. A high level of expertise in municipal activities will contribute to processes and technical solutions that are more environmentally friendly and more sustainable than at present. Initiatives to increase knowledge and expertise can be implemented in a range of municipal sectors. For example, there are several municipal activities where energy efficiency is a key issue. This includes measures to develop knowledge of an eco-friendlier waste sector, more efficient energy consumption, the development of sustainable transport solutions and the use of IT services within the community. The programme area possesses various levels of knowledge and expertise that are adapted to the cold climate, which provides favourable conditions for cross-border cooperation. Considering the programme area's specific physical conditions, it is important to exchange experience and knowledge within the region.

### The main target groups for the activities are:

Public organizations, educational institutions, NGOs, businesses.

### The main beneficiaries are:

Public organizations and NGOs.

Surface area of habitats supported in order to attain a better conservation status. (hectare).

Participation in measures developing knowledge or competence that contribute to green growth and resource efficiency. (total number of women/men).

# GUIDING PRINCIPLES FOR THE SELECTION OF PRIORITIES

*A common intention for all the projects is that they will contribute to the implementation of Europe 2020 and that their content should conform to the programme's focus and other formal application conditions. The following criteria are seen as principles for project selection in the priority area.*

## **Inter-regional added value**

The projects funded by the programme must have clear inter-regional added value within the geography of the Nord programme. It is also desirable that all three nations cooperate as far as possible.

## **Result-oriented**

All projects must have a clear intervention logic (effect chain). This means that a project needs to contribute to achieve the specific objective to which the project belongs. Applicants must describe the link between the project's activities, outputs (direct results) and impacts. The effect chain must be clear and logical and must contain measurable targets.

## **EU strategy for the Baltic Sea Region**

There are a number of potential areas of cooperation within the framework of the EU macro-regional strategy for the Baltic Sea region that can be linked to the Nord programme.

## **Horizontal criteria as a tool for growth**

The horizontal criteria, outlined in the last chapter, has to be considered in the projects. These criteria are sustainable growth, equal opportunities and non-discrimination, gender equality and the Sami language (especially for the Sami projects).

## **Long-term effects**

Projects should strive to establish permanent cooperative structures and to ensure that the project outcomes achieve long-term and lasting changes within the priority areas of the programme.

## **In addition to these general principles, there are also specific principles for project selection within the priority area:**

- Regarding the region's culture and heritage, projects creating conditions that contribute to the development of cultural, creative and Sami businesses will be prioritized.
- Concerning the environment, projects contributing to increased resilience of the ecosystem will be prioritized. This is to strengthen nature capital and provide cost effective alternatives in order to restrict and adapt to climate change and disaster risk management.
- In terms of resource efficiency, projects that contribute to increased efforts reducing climate effects and an improved adaptation to climate change will be prioritized.

The specific principles will have a guiding role for the prioritization of projects in these areas and for projects in both sub-area Nord and Sápmi.

PRIORITY-  
AREA

4

# COMMON LABOUR MARKET

*Issues regarding employment and labour mobility are increasingly recognised as strategically important issues for the future of the region. Currently, there are major expansions and large investments being made in certain sectors, which is creating an increased demand for skilled labour and access to appropriate knowledge. There are, therefore, great opportunities to work transnationally with common employment initiatives to jointly promote labour mobility. Due to the region's large and geographically peripheral area, cooperation is particularly important. The sparse population and long distances between communities leads to large labour markets with various conditions to provide skills and businesses development.*

Youth unemployment in the region is relatively high in relation to the overall level of unemployment. There are large groups of well educated, qualified young people who have difficulties finding employment in the region. Moreover, the proportion of young people who are neither in employment nor in education beyond compulsory primary and secondary education (known as NEETs – Not in Education, Employment, or Training) is increasing throughout the programme area. Foreign-born, who are currently outside the labour market, are also an important labour resource in the region. The situation on the labour market is clearly different between domestic and foreign-born workers, since unemployment is higher for foreign-born compared to native-born.<sup>24</sup> As this problem is similar throughout the programme area, transnational exchange of experiences is required between the actors on the labour market.<sup>25</sup> These efforts are in line with the Europe 2020 strategy for an inclusive growth stimulating an economy with higher employment and increased social and territorial cohesion.

Note 24

Thomas Ejdemo, Nils-Gustav Lundgren, (2013), 41 000 anställningar till och med 2025, LTU.

Note 25

Olli Segendorf Asa, Nordic Council of Ministers (2013) Unga i arbete i Norden [Young people in work in the Nordic countries]. (The report covers all Nordic countries, as there are no statistics available exclusively for the programme area).

Note 26

Dialogunderlag inför framtagande av: En nationell strategi för regional tillväxt attraktionskraft 2014–2020, Government Offices of Sweden.

Note 27

Thomas Ejdemo, Nils-Gustav Lundgren, (2013), 41 000 anställningar till och med 2025, LTU.

Note 28

Swedish Agency for Economic and Regional Growth, Report 0155 (2013), The Road to the Baltic Sea Region, the Swedish implementation of the EU strategy for the Baltic Sea region.

The purpose of the Europe 2020 strategy to increase employment is partly based on future demographic changes that will affect many European countries in the coming decades. That is, reduced workforce due to large groups of senior citizens approaching their retirement age. These demographic changes also place high demands on public services in terms of healthcare, at the same time as there will be large numbers of retirements particularly within the public sector. The demographic trend can, on the other hand, be considered as an opportunity leading to increased demand, creating more jobs through new innovative services and products.<sup>26</sup>

As a result of the ageing population, a larger proportion of retired than young people entering the labour market, as well as high unemployment among youth and foreign-born in large parts of the region, there is a major requirement for matchmaking and validation of skills for youth and foreign-born.<sup>27</sup> By prioritizing this area the programme can promote and contribute to enhanced cooperation developing cross-border solutions for employment and labour mobility, in line with the EU Strategy for the Baltic Sea Region<sup>28</sup>. There is thus both a potential and a need for this matter that has not occurred in previous programme periods.

## Unique to Sápmi

Knowledge transfer with links to Sami business activities, culture and traditions are some of the basic prerequisites for the preservation of the Sami culture and identity. Sami educational institutions and other Sami organizations are important mediators of knowledge and culture as well as for the development of competence. The need for knowledge and training in different fields is similar for the countries in Sápmi. Cross-border vocational training programmes for young adults help to support efforts strengthening Sami business, language and culture. A continued dialogue and cooperation can be established between the countries through cross-border training programmes, workshops, exchange of experience and networking. This, in turn, can strengthen indigenous peoples' possibility to influence issues affecting their lives and culture.



Photo: Kent Norberg



## SPECIFIC GOALS

*This priority area has not been particularly prioritized area during the previous programme period. Issues related to the labour market and skills have, however, been included in all previous priority areas. By prioritizing this area, employment and labour mobility across borders will be promoted.*

The programme area suffers from labour shortages while, at the same time, young people and foreign-born face higher levels of unemployment. Cross-border cooperation can increase access to knowledge and various skills within several areas and industries, and

new or expanded networks can be promoted by a larger critical mass. In addition, a larger and more diversified labour market will contribute to increased opportunities for actors in both public and private sector labour markets as well as for the workforce.

## THE FOLLOWING OBJECTIVES HAVE BEEN IDENTIFIED FOR THE NORD PROGRAMME



### **Cross-border mobility in the labour market has increased.**

Experience from the projects undertaken during the previous programme period concerning labour market and employment have, among other things, focused on internships, vocational skills development initiatives and identification and elimination of border barriers. The projects have been run by actors from both private and public sectors. Initiatives during this programme period can, for example, be realized in cooperation with actors operating with employment, matching or other issues in the labour market.

By working with this priority area, the programme can provide a transnational perspective to support mobility across borders. In this way, access to a larger and more diversified labour market area with a widened and expanded supply of labour can be obtained. The region has considerable differences regarding employment and access to labour. In addition, the programme area has a differentiated business structure, which encourages transnational cooperation and increased mobility. With common resources, the region can collaborate to contribute to better alignment of the requirements and capacities in the labour market.

A greater continuity and sustainability can be achieved by cross-border employment initiatives, such as matching, experience exchange, meeting places and apprenticeships, which also contributes to the supply of skilled workforce in the region. These initiatives also generate opportunities for people in the labour market who have neither found employment nor engaged in education after primary and secondary school (i.e. NEETs). These young people could also be suitable resources of labour and competence for small and medium enterprises in the region.

The overall result that the programme intends to achieve is an increased proportion of inquiries about employment-related commuting across borders.



### **Unique goals for Sápmi Strengthened skills and knowledge development in Sami enterprises.**

Knowledge transfer, with links to Sami trade and business along with culture and traditions, are some of the basic prerequisites for the preservation of the Sami culture and identity. The Sami educational institutions, and other Sami organizations, are important when imparting knowledge and culture as well as developing skills.

The need for knowledge and training within different fields is similar for all the countries in Sápmi. Cross border training promotes the efforts to strengthen Sami enterprises. A continued dialogue and cooperation between the countries can be established through cross-border training programmes, workshops, exchange of experience and networking. In addition, conditions for the indigenous population's opportunities to develop both traditional and new industries would also be enhanced.

The overall result that the programme intends to achieve is to establish more training opportunities in Sami enterprises..



## INITIATIVES THAT CAN RECEIVE SUPPORT WITHIN THE PRIORITY AREA

*An important prerequisite for increased employment in the programme area is to promote cross-border mobility of the workforce. Working across borders provides greater access to labour resources, which consequently, increases the availability of skilled workers to match with the job opportunities.*

Likewise, will opportunities for people outside the labour market, such as foreign-born, youngsters and NEETs, who have neither gained a foothold in the labour market nor continued their studies after compulsory education, be created. Since the situation is similar for these people throughout the region, pre-conditions promoting employment could be established through complementary structures between the countries.

The differences in the business structure and geography etc. represent an opportunity to utilise the exchange of experience and the identification of good examples to learn from each other, and thereby increase and strengthen regional cooperation. Cross-border exchange of experiences can also contribute to a change of attitudes and an increased awareness of the opportunities, as well as the added values, generated by cross-border cooperation.

### **Some examples of cross-border initiatives for the priority are:**

- Initiatives for matching the workforce to the requirements of the labour market in the programme area, both in public and private sectors, to support the major needs of recruitment. For example, in form of trade fairs, study tours, etc.
- Initiatives promoting the exchange of experiences and learning that would help people outside the labour market, such as youth and foreign-born, to become established on the labour market. For example, in form of conferences, workshops, field trips and more.

### **The main target groups for the activities are:**

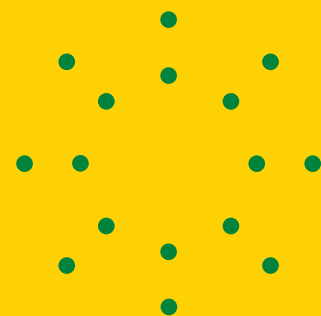
Public and private actors in the labour market and employment, education actors, business stakeholders, people available for matching in the labour market, young people, foreign-born.

### **The main beneficiaries are:**

Public and private actors in the labour market and employment, actors within education, business actors, NGOs.

### **Unique measure for Sápmi**

Initiatives that contribute to skills development creating more jobs through the exchange of experience between Sami companies, organizations and institutions. This could, for instance, be joint vocational training courses, workshops, internships and study visits to other established companies, who can act as mentors, especially for young people or entrepreneurs who are in a launching phase.



### **Activity indicators for priority area 4**

Number of participants in cross-border mobility initiatives.

Number of participants in cross-border competence initiatives in Sami enterprises.



## GUIDING PRINCIPLES FOR THE SELECTION OF PRIORITIES

A common intention for all the projects is that they will contribute to the implementation of Europe 2020 and that their content should conform to the programme's focus and other formal application conditions. The following criteria are seen as principles for project selection in the priority area.

### **Inter-regional added value**

The projects funded by the programme must have clear inter-regional added value within the geography of the Nord programme. It is also desirable that all three nations cooperate as far as possible.

### **Result-oriented**

All projects must have a clear intervention logic (effect chain). This means that a project needs to contribute to achieve the specific objective to which the project belongs. Applicants must describe the link between the project's activities, outputs (direct results) and impacts. The effect chain must be clear and logical and must contain measurable targets.

### **EU strategy for the Baltic Sea Region**

There are a number of potential areas of cooperation within the framework of the EU macro-regional strategy for the Baltic Sea region that can be linked to the Nord programme.

### **Horizontal criteria as a tool for growth**

The horizontal criteria, outlined in the last chapter, has to be considered in the projects. These criteria are sustainable growth, equal opportunities and non-discrimination, gender equality and the Sami language (especially for the Sami projects).

### **Lasting effects**

Projects should strive to establish permanent cooperative structures and to ensure that the project outcomes achieve long-term and lasting changes within the priority areas of the programme.

### **In addition to these general principles, there are also specific principles for project selection within the priority area:**

The main principle is that projects should contribute to a common labour market based on the requirements of the labour market, primarily in the programme's focus areas.

The focus areas will have a leading function for the prioritization of projects in this priority area and for projects in both sub-area Nord and Sápmi.

# THE FOCUS AREAS ARE:

## **Business development in Sápmi**

The development of Sami businesses must be based on Sami culture, traditional Sami knowledge and sustainable development. Ecological sustainability and protection of natural resources is a key part of the Sami culture's development and survival. Preservation of the substantial environmental and cultural values existing in the mountain, forest and coastal areas are best guaranteed by ecologically and economically viable Sami businesses. The Sami businesses are fundamentally based on the use of renewable natural resources. Their survival is therefore dependent on preserving the milieu.

## **Testing activities**

Testing activities is an area with growth potential, in which the region's natural and Arctic conditions, combined with a high level of skills and technology. It represents competitive advantages that can form a basis for many business ideas emanating from location-bound resources such as cold climate and Arctic conditions. The programme area features unique opportunities to conduct cold climate testing, with access to large sparsely populated areas with a stable winter climate, e.g. snow, coldness and darkness.

## **Service businesses in the service sector**

Service development, in both the private and public sectors, is a growth area with major potential for regional, national and international development. Cooperation between universities, industry and the public sector stimulates innovation, development of ideas, intrapreneurship and entrepreneurship in e.g. health care, social care and wellness. To achieve success, sustained efforts to change attitudes is required, in which the development of concepts and entrepreneurship is encouraged and supported.

## **Collaboration between basic industries and SMEs**

The region has high-tech industry in mining, oil and gas, as well as timber and forestry, etc. The demand of the basic industry for technology and service development can also help strengthen the competitiveness of the region's SMEs. SMEs can reach a larger market by developing their products and services for the needs of the basic industries. The collaboration between the basic industry/process industry, research and SMEs creates essential requirements for the region to hold a global position in knowledge-intensive industrial development. The programme area has a unique growth potential and a great opportunity for further refinement of local products through its access to natural resources as well as its industry and R&D expertise.

A young man and woman are smiling and working on a project in a workshop. The man is in the foreground, looking down at his work, while the woman is behind him, also smiling. The background is a bright yellow wall.

### **Digital service industries**

Digital service industries develop tools, products and services that connect the region internally and globally. There is a major potential in the region for development and implementation of new products and applications. On one hand to develop accessibility in sparsely populated areas, and on the other to stimulate entrepreneurship, innovation and cooperation between private and public actors. The demand in e-health and tele-medicine development consider innovative solutions and answers of how the demographic challenges can be met. Efforts in new technology and innovation systems in knowledge-based segments enables the development of advanced services as well.

### **Cultural and creative industries**

Cultural and creative industries, such as tourism, have experienced an increase in demand, and have a positive impact on the regional development. The nature, culture and history of the region, along with good communications, Arctic conditions, security and stability, provide excellent opportunities to create high quality products and experiences. Digital media, adventures, design, art, architecture, film and dance are further examples of cultural and creative industries. The preconditions for developing these industries are extremely good, by the use of resources and propelling forces in the region, not least among young people. The combination of new technology, information and communication technology, as well as research and innovation, promote new business concepts. The development of new business, which provide excellent opportunities for the cultural and creative industries to be competitive in an international perspective.

### **Energy and environmental technology/ Clean Tech**

Energy and environmental technology/Clean Tech has market potential in the region, not least due to the availability of hydroelectric power, wind power and forestry. The environmental technology sector is extensive and includes everything from biomass and waste technologies to recycling. The opportunities to expand industries through the development of new technologies and new companies means that jobs can be safeguarded. The region will gain new growth opportunities by the development of renewable energy sources, primarily through investments in bio-energy. An increased use of renewable energy, and reduced environment-related pressures, are also important for a green development in maritime locations. Efforts promoting efficient energy consumption and energy supply are essential for an increased regional competitiveness.



# IMPLEMENTING PROVISIONS

FOR THE COOPERATION PROGRAMME

# RELEVANT AUTHORITIES AND AGENCIES

## Managing Authority

The County Administrative Board in  
Norrbotten,  
Enheten för Gränsregional Utveckling  
Stationsgatan 5, 971 86 Luleå, Sweden  
Tel: +46 10 225 50 00. Fax: + 46 920 22 84 11  
E-mail: [norrbotten@lansstyrelsen.se](mailto:norrbotten@lansstyrelsen.se)  
[www.lansstyrelsen.se/norrbotten](http://www.lansstyrelsen.se/norrbotten)  
[www.interregnord.com](http://www.interregnord.com)

## Audit Authority

The Swedish National Financial  
Management Authority,  
Department EU Audit  
PO box 45 316, 104 30 Stockholm,  
Sweden  
Tel: +46 8 690 43 00. Fax: +46 8 690  
43 50  
E-mail: [registrator@esv.se](mailto:registrator@esv.se)  
[www.esv.se](http://www.esv.se)

## First Level Control

Sweden: County Administrative Board in  
Norrbotten County  
Finland: Ministry of Employment and the  
Economy  
Norway: Troms county

## Audit of projects

Sweden: Swedish National  
Financial Management Authority  
Finland: Ministry of Finance  
Norway: Troms county

# MANAGEMENT AND CONTROL SYSTEM

## Implementing Organisation

The following bodies have been established to implement the programme:

- Managing Authority
- Monitoring Committee
- Steering Committees
- Joint Secretariat
- Infopoint
- Audit Authority

## Managing Authority

The Managing Authority (MA) shall ensure that the management and implementation of the programme takes place correctly and effectively. The MA will work actively to ensure that the objectives set out in the programme are achieved. The responsibilities of the MA include especially:

- decide whether to support projects based on the steering committees' priorities.
- make payments of the EU-support to the beneficiaries
- prepare and apply for payments from the European Commission.
- prepare and submit the management declaration.
- prepare and submit the annual report to the European Commission.

- provide a system to digitally record and store accounts and data regarding the implementation required for financial administration, monitoring, control, etc.
- establish procedures to ensure that an adequate audit trail of documents is maintained.
- assess whether the beneficiary has the administrative, financial and operational capacity to implement the project.

## Monitoring Committee

The Monitoring Committee (MC) consists of representatives of central and regional/ local administrations, the Sami parliaments, business organizations, social partners and other relevant organizations.

The chairman of the MC represents one of the Member States. The European Commission may participate as an adviser and the (MA) always attends the meetings. Furthermore, the chairmen of the Steering Committees shall be co-opted members of the MC.

The MC shall, together with the MA, ensure the quality and effectiveness of the implementation and the reporting of the implementation.

## Steering Committees

The MC has established two steering committees (SC), one for sub-area Nord and one for sub-area Sápmi. The SCs consists of representatives from the regional and local levels in the programme area. The chairman is represented by the regional level.

The main role of SC is to prioritize projects and review them in the light of the programme's objectives and priorities. The SCs reports to the MC.

## The Joint Secretariat

The role of the Joint Secretariat (JS) is to assist the MA, the SC and the MC in carrying out their respective duties.

The JS is located at the County Administrative Board in Norrbotten, Sweden, and at the Swedish Sami. In addition to the JS, there is an infopoint in Finland at the Regional Council of Lapland. For the Norwegian participation there is a secretariat at Troms County Council and at Nord-Trøndelag County Council.

The Secretariat will provide information to potential beneficiaries regarding the cooperation programme's opportunities and will assist beneficiaries to implement their initiatives.

The infopoint in Finland will provide information to potential beneficiaries and project applicants in Finland about the programme's opportunities. The infopoint will assist beneficiaries to implement their initiatives as well as assist the JS in its work.

### **First Level control**

A national control system has been established in order to verify the legality and regularity of the expenditure declared by each beneficiary in Sweden and Finland. In Sweden, it is the County Administrative Board of Norrbotten who is responsible for the first level control regarding Swedish beneficiaries. Finland has chosen a decentralized system where first level controllers are to be procured by the projects and are located in audit firms around the region. The Ministry of Employment

and the Economy is ultimately responsible for the first level control in Finland.

In Norway, Troms County Council is responsible for conducting inspections in relation to the state budget.

### **Audit Authority**

The Swedish National Financial Management Authority (ESV) is the audit authority that shall establish a group of auditors with representatives from the other countries participating in the programme. Finland is represented by the Ministry of Finance, which is responsible for the audits of activities in Finland.

### **Monitoring and evaluation**

Monitoring and evaluation of the implementation of the programme and the projects will be ongoing during the programme period in order to highlight and improve the re-

sults of the programme. The evaluation will show how the programme contributes to innovative, sustainable and inclusive growth, which are the objectives of the Europe 2020 strategy.

The evaluation work will be carried out by an independent party and will be characterized by methods for follow-up research and theory-driven evaluation in accordance with the commission's guidelines. The process and the short-term and long-term results and effects will be evaluated. In line with the Commission's directive, completed evaluations shall be published in order to reach all those affected by the programme, but also to contribute to a broader learning process and help to ensure that the results are utilized in future work.





### Financing of projects

The co-financing rate for EU support is maximum 65%. For Norwegian beneficiaries, the co-financing rate is 50% from the IR funds. National co-financing is an important principle, not least as a quality assurance measure and a guarantee that there is local and regional ownership and enthusiasm for the programme's priorities.

The business community's participation is essential in order to achieve the Nord programme's objectives and outcomes, especially in priority areas 1 and 2. Private organizations can co-finance and participate as partners in the same way as public organizations, provided that EU and national rules governing state aid are observed. Private and public co-financing generates

EU support in all priority areas. The same applies to Norwegian IR funds.

### IT systems

An electronic system, *Min Ansökan* is used for the implementation of the programme regarding the EU funds. The system is owned and provided by the Swedish Agency for Economic and Regional Growth. The system makes it possible to submit applications for support and apply for payments digitally. Wherever possible, communication between senior advisers, coordinating beneficiaries and programme economists will take place via the electronic system. Norway has an electronic application system called "RF1350" which is used for application for support and payments regarding the IR funds.

### Handling of complaints

Complaints from applicants or beneficiaries about judgements, decisions and processing should initially be directed to the JS or the MA. Complaints about the national control shall be addressed to the responsible body in each country. All complaints will be investigated and answered by the JS or the MA.



## ALLOCATION OF RESPONSIBILITY

### **Irregularities and recovery**

The Member States shall investigate and correct irregularities and report these to the Commission. The MA will assist the Member State in this.

The MA will ensure that all amounts incorrectly disbursed are recovered from the coordinating beneficiary. The project's other beneficiaries have to refund all incorrectly disbursed amounts to the coordinating beneficiary. The MA is responsible for ensuring that the incorrectly disbursed amounts are refunded to the Commission.

## USE OF EURO

The currency of the programme is the Euro. An application for EU support must be made in Euro, and all financial accounts must be compiled in Euro. The payments will be made in Euro for Finland and Sweden. The costs in other currencies (SEK) will be converted according to the Commission's monthly average exchange rate applicable to the month in which the financial documentation is submitted for first level control.

Norwegian partners will have their expenses covered by the Norwegian funds in NOK. The Norwegian amounts will be converted to Euro in the coordinating beneficiaries' reports of the entire project to the programme administration. Norwegian amounts should be converted into Euro at a fixed exchange rate of NOK 8.20.



A close-up photograph of a person's legs and feet on a frozen lake. The person is wearing brown winter pants and black boots with red laces. A red pole with a yellow band is visible on the right side. The ice is dark and reflective, showing the person's legs and the pole. The background is a clear blue sky.

# CLARIFICATIONS FOR BENEFICIARIES

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### **Regulatory framework**

The rules regarding e.g. eligible costs are harmonised among the member states, as the rules are largely determined at an EU level for the programming period 2014–2020.

### **Financial accounting**

In order to simplify financial reporting for the projects, the programme allows flat-rate financing for indirect costs, if the implementation of the project gives rise to indirect costs. The flat-rate permitted by the programme is a maximum of 15% of personnel costs.

### **Indicators**

A monitoring system has been prepared with clear guidelines for what the indicators is supposed to identify. This should facilitate both the beneficiaries and the programme administration when it comes to following up the effectiveness of the projects and the programme.

### **Horizontal criteria**

The horizontal criteria must be integrated into the implementation of the project activities and shall not be treated as a separate aspect alongside the work of the project. The horizontal criteria are regarded as a means and a tool to improve and streamline the work for sustainable growth. Tools are provided to project owners to improve their work with the horizontal criteria.

### **Communication**

The programme languages are Finnish and Swedish, and the goal is that certain information will also be made available in Sami. The programme administration will work actively with information issues, mainly through the programme's website, via info points in the regions and at conferences. Training for beneficiaries and other stakeholders will be held regularly throughout the programme period.

# HORIZONTAL CRITERIA

*There are three horizontal criteria that the EU integrates into its development strategy for Europe, namely sustainable development, equal opportunities and non-discrimination, and gender equality. In the Nord programme, these criteria will be integrated into all priority areas and specific goals. For the Nord programme, the Sami languages play a central role in Sami society. Sami languages are thus also included as a horizontal criterion for the Sami projects within the Sápmi sub-area to highlight the importance and use of the Sami languages.*



# SUSTAINABLE DEVELOPMENT

The climate, environmental and energy challenges are transnational, and the environmental conditions in the programme area are highly dependent on the action taken within EU and internationally. For example, the development of the marine environment in the Baltic Sea is largely dependent on the efforts of other countries around the sea, but it does not mean that the Nord programme should disregard this issue.

The above-mentioned challenges are also opportunities for technology, product and service development in all sectors. Market opportunities and improved competitiveness are thus created by the society's requirement for green products, services and systems.

A number of projects, directly aiming at contribution to a better environment, will be implemented within the programme. However, it is important to emphasize that all projects in the Nord programme needs to take account of the horizontal criterion for sustainable development, even if it is not the primary objective of the project.

# EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

Equal opportunities and non-discrimination involves all human differences as valuable assets, irrespective of ethnicity, religious affiliation or belief, gender, sexual orientation, age, gender identity or disabilities. Nurturing people's diverse backgrounds and potential provides better conditions for development and working environments along with increased profitability.

Sustainable growth is positively affected when diversity and inclusion are perceived as assets contributing to progress. When the entire population's potential, knowledge and experience are looked after, the human capital is more effectively utilised. Active efforts to encourage diversity and integration can contribute to growth by attracting immigration to the programme area.

It is important, already at the planning stage of a pro-

ject, to integrate the work of equal opportunities and non-discrimination, so it will not be reduced to something that is added afterwards.

## **The Sami language.**

For the Nord programme, the Sami languages play a central role in Sami society. To some extent, the language carries the history of the people. The language contains expressions for social and economic organization, for myths and Sami perceptions, for attitudes to the environment and for concepts of justice and values. However, the Sami languages are struggling to compete in a global society with many majority languages. To highlight the importance of the Sami language, and to promote the use of it, the Sami languages needs to be included as a horizontal criterion for the Sami projects within the Sápmi sub-area.

# EQUALITY

Gender equality is a prerequisite to achieve growth in all parts of the programme area. In order to establish attractive and competitive regions, the knowledge and ideas of both women and men must be utilized.

Increased gender equality can contribute to growth by attracting immigration to the programme area. The attractiveness of the region is also important from a business perspective, because businesses depend on recruitment of new skills and labour from other regions.

There is a need to enforce gender equality for specific activities in the implementation of the Nord programme, and in the approved projects. The projects will be encouraged to consider the needs and circumstances of both gender. And they need to be aware of the consequences that various initiatives may have for both women and men. Working with gender can, for instance, entail gender perspective analyses, statistics and a review of gender representation in different contexts, both within the project and among the project's target groups. Various evaluations show that gender equality must be integrated at the planning stage of a project and should not be reduced to something that is added afterwards. The secretariat will, during the application process, actively provide support and advice on how to integrate gender equality into the projects.

More information is available on the programme's website for those who would like to learn more about how Min ansökan works, about the project handbook and co-financing, etc.:

[www.interregnord.com](http://www.interregnord.com)

## FINANCING PLAN

	EU support	National co-financing (public and private)	Total funding	EU support in %	Norwegian IR funds	Total Norwegian financing	IR support in %	
Priority area 1: Research and innovation	11,340,000	6,106,200	17,446,200	65%	2,338,299	4,676,598	50%	
Priority area 2: Entrepreneurship	12,975,240	6,986,668	19,961,908	65%	2,684,713	5,369,426	50%	
Priority area 3: Culture and environment	11,340,000	6,106,200	17,446,200	65%	2,338,299	4,676,598	50%	
Priority area 4: Common labour market	3,360,000	1,809,200	5,169,200	65%	692,829	1,385,658	50%	
Technical assistance	2,936,630	2,936,630	5,873,260	50%	606,226	1,212,452	50%	Total funding:
<b>TOTAL</b>	<b>41,951,870</b>	<b>23,944,898</b>	<b>65,896,768</b>		<b>8,660,366</b>	<b>17,320,732</b>		<b>83,217,500</b>

# Interreg Nord

Europeiska regionala utvecklingsfonden



EUROPEISKA  
UNIONEN