



Options for the third call(s) for applications based on the Programme countries' perspectives

Background information

In preparation for the Task Force meeting scheduled for 4 October, the MA/JS has reached out to the Monitoring Committee members to gather the insights of the Programme countries on the third call(s) for applications for core and/or small projects.

The Programme countries provided feedback to the following questions:

- Which climate-related topics could be addressed in Priorities 2 and/or 3 of the Programme to meet the targets set for the Programme in terms of contributing to the climate objectives of the EU?
- Considering that there may be limited or no funding remaining in Priority 2 after the call for core projects tackling the challenge of hazardous submerged objects and dumped munition in the Baltic Sea, would you support the reallocation of funds from Priority 3 to Priority 2 to allow addressing the climate targets through projects in both priorities?
- What should the thematic focus of the third call(s) in Priority 1 be?
- Should the third call(s) be open for both core and small projects? Or only for one type? Do you see a specific role for both or one of these project types?
- Do you have any further suggestions or recommendations for the upcoming call(s)?

The complete overview of the answers is presented in the supporting document “AP1a.1_Overview of MC inputs on the third call(s)”.

The MA/JS has prepared this document, drawing on valuable and diverse insights from the Programme countries. At the same time, the MA/JS acknowledged the Programme's responsibility to uphold its commitment to the EU's climate change objectives set out in the Programme Document. Whenever relevant the focus of the call(s) also reflects the wording of the codes of intervention based on which the Programme's contribution to the EU's climate change objectives is calculated.

The results of the above process encompass the options for the third call(s) for applications as outlined below. The options are organised into three components:

1. Thematic scope of the call(s),
2. Allocation of funds to Programme priorities,



3. Timeline of the call(s).

Although we present these three components separately for improved document readability, it's essential to recognise that they are interrelated and should be analysed in conjunction with each other.

1. Thematic scope of the call(s)

Taking into account the perspectives of the Programme countries and the obligations outlined in the Programme, the MA/JS has formulated a proposal concerning the thematic focus of the call.

There is a notable contrast in the proposed thematic focus between Priority 1 and Priorities 2 and 3. In the current proposal Priority 1 is open to applications covering a wide range of subjects as detailed in the Programme Document, with a particular emphasis on several topics of special interest to the Programme countries. On the other hand, to uphold the Programme's commitment to the EU's climate change objectives, Priorities 2 and 3 are exclusively dedicated to project applications related to the issue of climate change.

Despite the more targeted approach in Priorities 2 and 3, the framework still maintains flexibility to accommodate the specific expectations of Programme countries and offers a broad spectrum of options for potential applicants. Given the constraints of available funding and the limited number of projects it can support, the Programme countries may consider narrowing down the focus of the call(s) even further.

Priority 1

The Programme welcomes project applications on any subjects specified in Priority 1 of the Programme Document. Nevertheless, the Programme strongly promotes applications that address the following challenges:

Responding to societal challenges

- Enhancing **disaster preparedness** through active engagement of actors at various levels including civil society e.g. improving societal security or improving the ability to respond effectively to extreme weather events and other disasters,
- Safeguarding **the well-being and safety of communities** e.g. introducing models and services with particular consideration of vulnerable populations or nurturing social and economic initiatives responding to **recent geo-political challenges** tailored to the needs of **specific territories and population groups**,
- Providing **support to businesses undergoing transition** e.g. offering assistance to the creative and cultural sector or reducing the dependency of the Baltic Sea region on global supply chains.



Harnessing digitalisation potential

- Introducing **state-of-the-art technologies** and tools in the management of **public services** e.g. development of smart health solutions or inclusive social service aimed at promoting social welfare,
- Deploying **digital monitoring** to swiftly identify challenges and enable more rapid and effective responses e.g. in the field of **biodiversity and climate change**,
- **Improving cyber security** as a critical component of digital transformation efforts to safeguard digital assets and ensure the secure adoption of digital technologies.

Priority 2

The currently available ERDF funds of 5.9 million euros in Priority 2 and up to 0.2 million euros Norwegian funds have been earmarked for the targeted call on the issue of hazardous submerged objects and dumped munitions in the Baltic Sea. Should the Monitoring Committee decide to commit the majority of these funds to the applications in the aforementioned call, it would only be possible to initiate further calls for applications in Priority 2 if the Monitoring Committee reallocates funds to this priority.

The Programme exclusively considers project applications addressing the topic of climate change within the thematic framework of priority 2 as set out in the Programme Document. Within this thematic scope, the Programme strongly promotes applications that address the following challenges:

- Preventing and managing climate-related risks, such as **enhancing water management** e.g. mitigating the impacts of **natural disasters like droughts and floods** through ecosystem-based approaches adjusted to the specificities of the territories,
- Developing **climate-friendly and digital maritime transport and port operations** e.g. introducing common environmental standards or developing clean, digital, eco-efficient solutions on ships and in ports to reduce emissions,
- Introducing **coastal management measures** with a primary goal of mitigating and adapting to climate change while minimising carbon emissions e.g. land-use planning that takes into account sea-level rise projections and the need to protect coastal communities, infrastructure, and natural habitats.



Priority 3

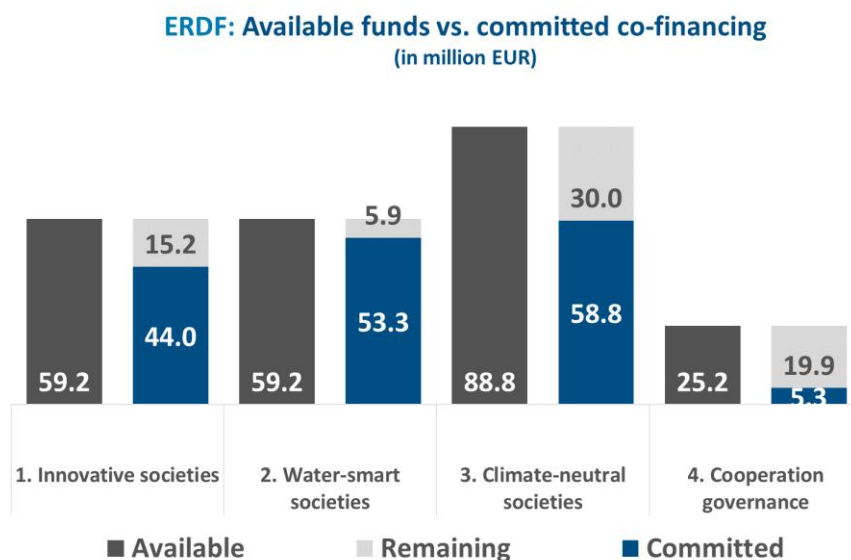
The Programme exclusively considers project applications addressing the topic of climate change within the thematic framework of priority 3 as set out in the Programme Document. Within this thematic scope, the Programme strongly promotes applications that address the following challenges:

- Adopting better integrated and more systemic approaches to **planning processes** in **sectors key to mitigating climate change** (e.g. infrastructure for alternative fuels, green urban logistic systems, infrastructure for renewable energy),
- Mainstreaming climate-conscious perspective through **participatory and inclusive approaches** e.g. ensuring fair transition and combating energy poverty or developing accessible mobility solutions with the needs of the most vulnerable users and territories in mind,
- Implementing effective strategies to combat climate change by improving **the generation, distribution, utilisation and storage of energy** through e.g. smart energy systems or utilisation of harbours as green energy hubs,
- **Promoting circular practices** as a means to address climate change e.g. **supporting businesses and communities** in taking up circular approaches.



2. Allocation of funds to Programme priorities

Available ERDF funds after the first and second calls for small and core projects



Note: Please be aware that the currently available ERDF funds of 5.9 million euro in Priority 2 and up to 0.2 million euro Norwegian funds have been specifically designated for the targeted call 3.1 aimed at supporting core projects that address the issue of hazardous submerged objects and dumped munitions in the Baltic Sea.

The flexibility offered by the Interreg Regulation

Article 19 (5) of Regulation (EU) 2021/1059 offers flexibility to deviate from the original programme allocations without the need to formally amend the programme document.

*(5) **Following the consultation of and the approval by the monitoring committee** and in compliance with Article 8 of Regulation (EU) 2021/1060, the managing authority **may transfer** during the programming period an amount of **up to 10 % of the initial allocation of a priority** and **no more than 5 % of the programme budget to another priority** of the same Interreg programme.*

Such transfers shall not affect previous years.

*The transfer and related changes shall not be considered substantial and shall not require a decision of the Commission amending the Interreg programme. They shall, however, comply with all regulatory requirements. The managing authority shall **submit to the Commission the revised table** referred to in **point (f)(ii) of Article 17(3)** together with any related changes in the programme.*

Point (f)(ii) of Article 17(3) → **Financial table 8**

*(ii) **a table specifying, for each priority, the total financial allocation by the ERDF and, where relevant, by each external financing instrument of the Union by priority and the national co-financing and whether the national co-financing is made up of public and private co-financing***



MA/JS interpretation of Article 19(5) of the Interreg Regulation

The article leaves some scope for interpretation. However, when discussing this article at the recent *Interact Finance Staff Network Meeting* on 21 September, the joint interpretation from the Interreg community was as follows: **10% maximal transfer per priority; the sum of all transfers shall not amount to more than 5% of the programme budget.**

For example, 10% of priority 3 would equal EUR 9.6 million (or EUR 8.9 million available for projects). This is less than 5% of the programme budget (EUR 12.5 million of the total budget, EUR 11.6 million excluding TA). Theoretically, the difference to the maximum 5% of the programme budget (EUR 2.9 million of the total budget, EUR 2.7 million excluding TA) could still be transferred from another priority.

The following table serves as an overview of our programme finances to illustrate the calculation of 5% and 10%. All figures are shown in million Euro.

Programme Document, Table 8	Total ERDF budget (including TA)	10% of ERDF budget (including TA)	Total ERDF budget (excluding TA)	10% of ERDF budget (excluding TA)
Priority 1	63.9	6.4	59.2	5.9
Priority 2	63.9	6.4	59.2	5.9
Priority 3	95.9	9.6	88.8	8.9
Priority 4	27.2	2.7	25.2	2.5
Total	250.9	25.1	232.4	23.2

MA/JS proposals

The following tables show three options which respond to the Programme countries' perspectives on the third call. It is to be noted that:

- All figures are shown in million euros and refer to the ERDF fund only.
- The column "Remaining after 3.1" (=> Call 3.1) does not consider funds in priority 2, because the entire remaining ERDF budget in this priority is already earmarked for applications handling hazardous submerged objects and dumped munitions in the Baltic Sea.
- The column "10% reallocation max" refers to the maximum amount transferable by priority according to the MA/JS interpretation of Article 19(5) of the Interreg Regulation.
- Figures in red font show where the funds come from; green shows the amount transferred to priority 2.
- The total budget "available for 3.2" is split between core and small projects (ratio: 90% core vs. 10% small); Background: the present ratio of small projects in all calls so far deviates between 5% and 9% per priority; on average it equals 7.2%.

**Option 1 – No reallocation of budgets (ERDF amounts without TA)**

Priority	Remaining after 3.1	10% reallocation (max)	No reallocation	Available for 3.2	thereof Small projects	thereof Core projects
1	15.2	-	-	15.2	1.5	13.7
2	-	-	-	-	-	-
3	30.0	-	-	30.0	3.0	27.0
Total	45.2			45.2	4.5	40.7

Option 2 – Transfer of 10% from Priority 3 (ERDF amounts without TA)

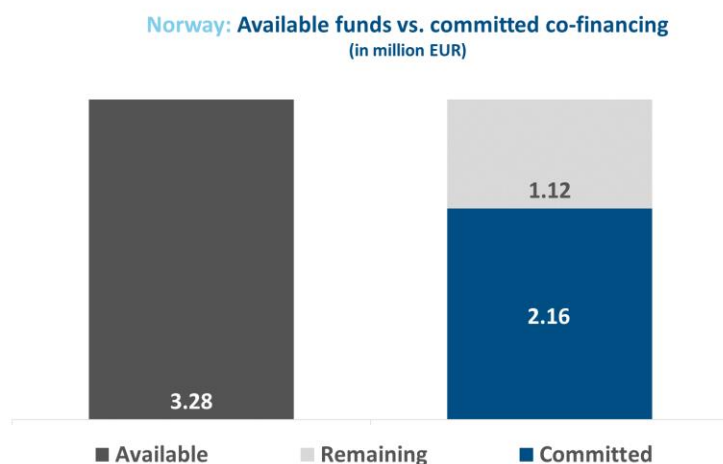
Priority	Remaining after 3.1	10% reallocation (max)	10% reallocation from P3 to P2	Available for 3.2	thereof Small projects	thereof Core projects
1	15.2	5.9	-	15.2	1.5	13.7
2	-	-	8.9	8.9	0.9	8.0
3	30.0	8.9	-8.9	21.1	2.1	19.0
Total	45.2			45.2	4.5	40.7

Option 3 – Transfer of 5% of the total programme budget on a pro-rata basis from Priority 1+3 (ERDF amounts without TA)

Priority	Remaining after 3.1	10% reallocation (max)	Pro-rata reallocation of P1+P3 to P2 (equals 5% of programme budget)	Available for 3.2	thereof Small projects	thereof Core projects
1	15.2	5.9	-4.6	10.6	1.1	9.5
2	-	-	11.6	11.6	1.1	10.5
3	30.0	8.9	-7.0	23.0	2.3	20.7
Total	45.2			45.2	4.5	40.7



Available Norwegian funds after the first and second calls for small and core projects



Note: The allocation of funds by priority is always indicative in the case of Norwegian project partners.

3. Timeline of the call(s)

Considering the diverse perspectives of the Monitoring Committee members, the MA/JS presents two options for the timelines for the calls:

- Option 1 Small project call following core project call
- Option 2 Simultaneous small and core project calls

The presented options are based on the following considerations:

- The Programme is currently managing 85 projects with a mix of 55 core projects and 30 small ones.
- The schedule for the completion of projects stemming from the finalised calls is as follows:

Call	End of the implementation phase	Final report
S1: First call for small projects	30 September 2024	1 January 2025
C1: First call for core projects	31 December 2025	1 April 2026
S2: Second call for small projects	31 July 2025	1 November 2025
C2: Second call for core projects	31 October 2026	1 February 2027

- The ongoing projects currently demand substantial resources and the attention of the MA/JS. In 2024, the MA/JS anticipates handling 167 reports, whereas in 2025 159 with peak times in February-April and



June-August. During the years 2024 and 2025, the MA/JS will also intensify activities aiming at the promotion of ongoing projects as well as initiate the project platforms in Priority 4.

- In order to offer consultations to applicants to the third call(s), the MA/JS requires ample time. Subsequent to these consultations, the projects require sufficient time to incorporate the suggestions provided by the MA/JS. Despite the encouragement to submit project ideas as early as possible, the experience of the past calls was that the majority of ideas were only submitted on the day of the deadline.

Option 1 – Small project call following core project call

Core project call	
Launching of the call	17 January 2024
Deadline for project idea forms	17 April 2024
Deadline for complete applications	21 June 2024
Documents available for the MC	15 October 2024
MC meeting	5-6 November 2024
End of implementation	February 2028
Reflections on the thematic scope of the small project call, Final agreement on the Announcement Note	
Small project call	
Launching of the call	19 March 2025
Deadline for project idea forms	30 April 2025
Deadline for complete applications	25 June 2025
Documents available for the MC	15 October 2025
MC meeting	5-6 November 2025
End of implementation	February 2028

Option 2 – Simultaneous small and core project calls

Core & small project call	
Launching of the call	17 January 2024
Deadline for project idea forms	17 April 2024
Deadline for complete applications	21 June 2024
Documents available for the MC	6 December 2024
MC meeting	22-23 January 2025
End of implementation	Small: April 2027 Core: April 2028



Note: The MA/JS has devised timelines based on the expectation of receiving a maximum of 80 core applications and 30 small applications. In the event that the Programme receives a greater number of applications than anticipated, the MA/JS reserves the flexibility to make adjustments to the timeline.

When considering **option 1**, the Task Force members might want to take into account that conducting the small project call following the core project call can enhance communication with applicants regarding the focus of the call and the requirements of different project types. Moreover, it has the potential to sustain applicants' interest in the Programme for an extended period and decrease the perception of a funding gap. Additionally, it improves the accessibility of MA/JS resources for individual applicants and ongoing projects. This approach also entails evaluating the project portfolio after the core project call, enabling targeted adjustments to the small project call by the MC to address gaps and respond to emerging needs in Programme countries. Likewise, when evaluating **option 2**, Task Force members may want to consider that simultaneously conducting small and core project calls can offer greater flexibility. This flexibility allows the Monitoring Committee to reallocate funds between different project types as needed during decision-making. It may also allow applicants to make a choice between the two available project types, aligning better with their project concept.