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

## **1.1 Programme area**

Interreg Aurora programme covers a total area of about 570,000 km<sup>2</sup> and encompasses the following NUTS III regions:

### ***Sub-area Aurora***

FINLAND: Lapland, North Ostrobothnia, Central Ostrobothnia, Ostrobothnia, South Ostrobothnia

SWEDEN: Norrbotten, Västerbotten, Västernorrland

NORWAY: Nordland, Troms and Finnmark

### ***Sub-area Sápmi:***

FINLAND: Lapland, Northern Ostrobothnia and Central Ostrobothnia.

In addition to the official area of the Sami homeland (the areas of the municipalities of Enontekiö, Inari and Utsjoki, as well as the area of the reindeer owner's association of Lapland in Sodankylä), the geographical area of the sub-area Sápmi covers the entire region of Lapland, and the regions of North Ostrobothnia and Central Ostrobothnia.

SWEDEN: Norrbotten, Västerbotten, Västernorrland and Jämtland, as well as Idre Sameby in Dalarna.

NORWAY: Troms and Finnmark, Nordland, and Trøndelag as well as parts of Innlandet (Elgå Reinbeitedistrikt).

## **1.2 Joint programme strategy: Summary of main joint challenges**

### **Joint, overarching challenges in the Aurora region**

The overall goal of the Interreg Aurora programme is to encourage cross-border collaboration, thereby strengthening the programme area's competitiveness, sustainability and attractiveness through social inclusion, digitalisation and green transition.

Increased globalisation requires regional cooperation between small countries in order for them to be more competitive. The Nordic countries have a long tradition of cooperation, and the northern parts of Sweden, Norway and Finland are united by historical common values, but the linguistic and cultural barriers can hinder a continued effective exchange of information and business activities across borders. The Interreg Aurora programme therefore strives to influence attitudes and approaches to minimise tangible and mental border obstacles in collaborative projects, and to promote cross-border projects that develop the region together in a smart, sustainable and inclusive manner. The ambition is for different thematic areas to form together a complementary structure, where each component is seen as an important part of an attractive, prosperous and connected region.

The area is vast and accommodates a mixture of sparsely populated areas in the north and more highly populated areas in the south. The demographic development in the area will likely experience an overall population decrease, although some (mainly) coastal areas have a forecast of growth. The population is ageing, causing a smaller proportion to be of working age over time, especially in rural regions. This, among other things, leads to inferior conditions of being able to meet the business community's need for labour, to maintain a satisfactory range of services, and to achieving a critical mass.

The critical mass is important to be able to transfer knowledge, influence people or carry out certain processes that are important for the socially and ecologically sustainable development of the region. An important structural challenge is the highly gender-segregated labour market in the programme area. Traditional, gender-specific choices largely determine the occupational choices of women and men. It is thus important with an inclusive approach in programme activities.

### *Sápmi*

The Sami are an indigenous people of Finland, Norway, Sweden and north-western Russia. Although the Sami are divided by the formal borders of states, they are one people, united by cultural and linguistic bonds and a common identity. The Sami people have, as an indigenous people, the right to self-determination both at the national level and across borders and the right to live as Sami people.

The Sami people have their own culture, social life, history, traditions, industries, their own languages and their own visions for the future. It is important that the Sami culture; the Sami languages, the Sami industries and the Sami community life may develop and live on. The Nordic countries voted in favour of adapting the UN Declaration on the Rights of Indigenous Peoples, which creates security for Sami culture with a real influence on the economic, social and cultural development in Sápmi. The demographic development in the Sami area follows the same pattern as other rural areas in the north.

The programme area covers the traditional Sami region - Sápmi - which means that the programme is an important resource for the safeguarding and development of the Sami culture, livelihood, industries, and above all, the Sami languages.

### **Research, development, and innovation**

Of almost 8,000 research and development FTEs (man years/full time equivalents) in the private sector in the programme area, half are located in the Oulu region in North Ostrobothnia. Oulu, with one of the major universities in Finland, has spawned a significant increase in R&D (research and development) even outside the university. However, the numbers on research and development expenditure should be treated with some care, as the split between private sector, public sector and university sector expenditures might differ between the countries in statistical data.

On the European innovation scoreboard, the Interreg Aurora programme area falls into the "Strong Innovator" category, which is below the Innovation Leader regions in Europe but above the average European innovation performance. North Norway is characterised as a strong innovator by Regional Innovation Scoreboard. In Finland, North and East Finland (including e.g., Lapland, Northern Ostrobothnia, Central Ostrobothnia) is characterised as Strong+ innovator whereas West Finland (Ostrobothnia, Southern Ostrobothnia) as Leader – innovator. In Sweden, Övre Norrland (Norrbotten, Västerbotten) is considered as Strong+ whereas Mellersta Norrland (incl. Västernorrland) is a Moderate+ innovator.

There are a number of research institutes and higher education institutes in the region, which have an impact on the focus of both large and small communities. With the use of digitalisation, the region can become independent of the long distances and thus use the technology so that all parts of the region can take part in the knowledge development of different research actors. One result of this is that several of the research and higher education institutes have been able to position themselves in specific areas, despite small research environments, and as such, are important for the development of the region. These research environments need to be emphasised and highlighted at both the Nordic and European levels as they can be overlooked due to their small size. To develop larger

environments within research and innovation, the universities and research centres in the programme area have the opportunity to create synergies with the EU strategy for the Baltic Sea Region (EUSBSR).

The programme has seven broad areas that are believed to have the capacity to create overlaps in the smart specialisation strategies and cross-border added value in the programme. Working with smart specialisation means that we are building stronger trade and industry based on the county's natural conditions. These areas are:

- **Industry** connected to manufacturing and natural resources such as forestry, and hydropower, bio economy and new products, sustainable mining, circular economy, and smart food
- **Space technology** connected to remote sensing and retrieval of satellite data, drones in both industry and the public sector, services, and products
- **Energy technology** such as energy storage, hybrid solutions, smart grid and energy production
- **Test activities** such as testbeds of know-how and technology in Arctic conditions.
- **Health and healthcare** such as e-health, healthcare, health, and wellness
- **Digitalisation** such as digital solutions, service and system solutions
- **Transport** such as developing sustainable logistics chains, digital solutions and services and low carbon transport technologies

Smart specialisation strategy is a process that will be continuously updated. To see all areas of specialisation, the reader is directed to read each region's smart specialisation strategy.

To more clearly demonstrate the importance of research outside the most central regions at EU level, the northern sparsely populated areas need to highlight opportunities to focus on the needs of local industries and develop close relationships that make it possible to innovate in small, scattered R&D teams. The area can show how this type of activity complements the larger centrally located research institutions that the EU has focused on. The Interreg Aurora programme should function as a platform and a first step towards international research programmes such as e.g., Horizon Europe and Life.

### *Sápmi*

The Sami research institutions are small with limited resources and capacity but with great competence on Sami society, businesses, languages, environmental science and Sami handcraft. Different national universities conduct research on Sami issues. Nevertheless, the dedicated research institutes need to be strengthened for the Sami to have an ownership over the research results. There is no official statistical data on the range of the Sami business sector and trades, nor data about Sami companies.

### **Entrepreneurship**

Although there are some large and important companies in the Aurora area, the vast majority of enterprises (99%) are small, with less than 50 employees. A large fraction of the small companies are personal enterprises with no employees at all. Almost all new enterprises have none or at most a few employees. The Aurora region's micro-, small- and medium sized enterprises (MSME's) and start-ups are a key to the twin transition to a green economy, to creating decent jobs, and to supporting our communities. To support them in realising their full potential, we need to make the region the most attractive place to start and grow a business.

The large proportion of MSMEs means that companies must collaborate across borders to gain access to knowledge and other resources to strengthen their competitiveness on the market. Increased collaboration between both new and developed companies, as well as across industrial sectors, is particularly important to find new business opportunities and develop collaboration for increased profitability.

Companies in the region need to take advantage of the opportunities that exist in new markets and thus it will be important to minimise border obstacles. Future opportunities for increased competitiveness can also be achieved through skills development, product development and further processing of products. A good capacity for innovation and renewal is crucial for regional competitiveness. Prerequisites for the development of regional cross-border innovative environments thus need to be strengthened, as well as the promotion of entrepreneurship and the degree of internationalisation of companies and the development of a more diverse business community that includes new industries, and through new business models, women entrepreneurship and diversity in entrepreneurship.

There are still marked differences between gender in entrepreneurship, board memberships and leadership positions in companies. About 70% of entrepreneurs in the Swedish and Finnish parts of the programme area are men. However, the gender differences are much more marked in stock companies than in personal enterprises. In Northern Norway, 63% of new personal enterprises are being started by men, and 80% of CEOs and board members of stock companies are men.

Entrepreneurship has an important role to play in encouraging under-represented groups to see entrepreneurship as a good career opportunity. When there is a clear link between industry, businesses, networks in the programme area, or societal challenges related to the world in which young individuals will grow up, young people's interest in working with entrepreneurship and business is strengthened. Research shows that this has the potential to increase women's interest in science, technology and innovation.

Organisations promoting youth entrepreneurship are seeing a growing need to work in a more targeted way with sustainable entrepreneurship and circular economy, whose business models are based on reusing, repairing and treating waste as a resource - doing more with less. Young entrepreneurs thus need to be supported with knowledge and resources to identify concrete problems and come up with sustainable solutions.

MSMEs in the programme area are experiencing consequences of the Covid-19 pandemic. This affects the entire scope of the business community but has not least affected the tourism industry. The tourism industry has also been particularly important for a varied labour market and for maintaining attractive services and cultural offers, which are often larger than the local population indicates. This has resulted in a specific effort in the Aurora programme to tackle the challenges due to Covid-19 within the culture and tourism sector.

### *Sápmi*

Traditional Sami livelihoods like reindeer herding, fishing, *duodji* (Sami handcraft), and agriculture are the cornerstones of the Sami culture and important for employment in Sápmi. The Sami area has a low percentage of private businesses. Public sector is important for employment, particularly in municipalities with Sami institutions. Most of the private businesses are micro companies with one or two employees.

## **Climate change adaptation and risk prevention**

Climate change doesn't know borders. The green transition and sustainable use of natural resources and adaptation to a different climate, as well as international initiatives such as the EU Green Deal, the EU climate change strategy and EU strategy on adaptation to climate change, are highly prioritised. Since the area is partly very industrial it has a significant effect on the programme area. To prevent and adapt to issues like the impact of climate change on, for example, biodiversity, traditional livelihoods, and the risk of increased incidence of fires and extreme weather conditions, we need broad partnerships and benefits from cross-border cooperation and collaboration.

The industry structure in the Interreg Aurora region presents a combination of sustainable utilisation of natural resources and initiatives to promote advanced technology. The sustainable use of natural resources needs to be defined and developed in the context of and in relation to other livelihoods e.g., tourism and traditional Sami livelihoods.

Climate change is affecting all sectors of society, not least those sectors that are wholly or partly dependent on functioning ecosystems and ecosystem services, such as tourism, agriculture, forestry, and Sami traditional livelihoods. Actors in the Aurora region need to find ways to adapt to the new reality of a rapidly changing climate while still ensuring the survival of their livelihoods.

Cultural and natural heritage can also be affected and damaged by climate related events, with UNESCO having identified climate change as one of the main risks to World Heritage. The World Heritage Committee suggests making a plan for adaptation to a changing climate, with the World Heritage Sites potentially being pilot environments for innovative solutions and climate research on natural and cultural heritage, and for developing tools and risk management plans to support management that can benefit other natural and cultural environments.

### *Sápmi*

The abovementioned impacts of climate change on the Arctic and its environment also affect the Sami society, Sami culture and well-being, and traditional livelihoods such as reindeer herding, fishing and hunting. Commercial and extensive use of Sami lands and waters for industry, infrastructure and extraction of natural resources are already imposing great challenges to the Sami people and their rights. The impacts of climate change as cumulative effects must therefore be understood in this context and addressed accordingly.

The consequences of climate change and the threats and challenges they create are experienced by Sami reindeer herders, fishers, and hunters first-hand on a daily basis. One example is unreliable (thin, irregular or non-existent) ice sheets on lakes and rivers which prevents or increases risks when fishing and using the ice for transportation. Another example is the increased practice of reindeer herders having to supplementarily feed reindeers in enclosed pens during winter due to ice-covered grazing lands - a practice deviating from traditional free-range reindeer herding. Increasing temperatures moves the tree line further up the mountains and thus decreases the space and habitat for mountainous species in the Scandes. Cross-border collaboration to develop Sami climate change adaptation plans and strategies to assess and avoid risks are ways to address these challenges.

Living close to nature and working in the Arctic landscape, indigenous peoples such as the Sami are not only witnesses to the effects of climate change. They are also experts on how to address these effects and undertake measures to adapt to and prevent them. Although *árbediehtu* (Sami traditional knowledge), which includes Sami values, practices and holistic understanding of the interlinkages between people and nature/environment, plays a key role in mitigating and adapting to climate



change, it is not currently recognised or included adequately in decision-making or the development of climate policies and strategies.

### **Protection and preservation of biodiversity and green infrastructure**

There is a large number of Natura 2000 sites and nationally designated areas of protection, including several important trans-border natural areas and connected cross-border ecosystems in the region. There are also a large number of 'Ramsar' sites (internationally important wetlands) within the region, including both coastal and inland sites in all three countries. However, most of the area is not protected by law or voluntary provisions.

The Aurora region includes substantial terrain, which is rated high on the Wilderness Quality Index, with northern Norway, Sweden (Norrbotten) and Finland (Lapland) in particular containing large areas that are part of the top 10% of the unmanaged areas in Europe.

There are multiple rivers and water courses that ultimately (in almost all cases) flow into either the Baltic Sea via the Gulf of Bothnia or, in fewer cases, into the Barents and Norwegian Seas, and thus are of key importance to the quality of the surrounding seas.

Around the Baltic Sea in the programme area and in the border region between Norway and Finland, the rivers have a high recreational benefit for the sport fishing and for the tourism industry, because of the unregulated rivers without hydropower plants. On account of these regulations e.g., the Torne and Kalix rivers together produce 90% of the wild salmon stock in the whole Baltic Sea.

Changes in vegetation and the presence of invasive species can lead to unforeseen changes in the behaviour and movement patterns of animals this in turn can have effects on e.g., agriculture and forestry, as well as outdoor life and tourism industry.

The programme's total contribution to the biodiversity objective is estimated to 13,91% inclusive TA (14,89% exclusive TA).

#### *Sápmi*

Biodiversity and healthy ecosystems are crucial to Sami ways of life, culture, languages, food systems, health and wellbeing and livelihoods. Fragmentation of green infrastructure, decrease of habitats, flora and fauna, invasive species such as the contorta pine affect all of Sami society. Especially visible are the impacts of biodiversity loss on reindeer herding, hunting and fishing as important parts of Sami culture and sustenance, food security and related rights.

A long-term perspective and a sustainable way of life have always been the basis for the traditional livelihoods. Through combined use of traditional and modern trades and intergenerational transmission of traditional knowledge, this is still embedded in the Sami land use and culture. Sami customary sustainable use and *árbediehtu* are thus important contributions to land and water biodiversity conservation and protection and must be recognised as such in decision-making and management related to biodiversity.

Areas managed by the Sami under various types of tenure or access regimes are facing growing resource extraction, commodity production and transport and energy infrastructure, with various consequences for local livelihoods, health and well-being. Strengthening of inclusive governance models and community-based management as well as safeguarding Sami land rights are key to the protection and preservation of biodiversity and green infrastructure.

### **Transportation and traffic chains**

The Aurora region has the potential to achieve a substantial reduction of CO2 emissions from the

mobility in its cities, towns and hinterland areas by switching to renewable fuels, developing smart solutions and increasing the overall efficiency of the transport system. Ensuring the smooth movement of people and goods in and across urban and hinterland areas while reducing the carbon footprint by increased efficiency, integrated transport modes and digital solutions is essential for the sustainable economic and social development of the Aurora region.

A transition to more climate-friendly modes of transport within urban areas and between urban centres and hinterlands for both raw materials, goods and passengers means that the entire transport chain can adapt to the same emission-reducing goal. The need to change to green and alternative fuels and to develop efficient multimodal mobility is also pointed out in the European Green Deal.

Even in the sparsely populated areas, most of the population, businesses and industries are concentrated in urban areas. Most of the travel and transport is within these urban areas, between hinterland and the cities, or commutes into cities.

The way we use transport is rapidly changing; we need sustainable and green innovations in order to reduce the CO<sub>2</sub> emissions from the regional transport system and new concepts for combining different means of transport in order to increase multimodality and efficiency. We want to develop our region and retain the current population as well as making it possible for more people to live and work here. This includes encouraging people to live in rural areas in order to turn around the rural decline and increase attractiveness. Accessibility in the form of efficient urban-hinterland connections is essential for this scenario to work.

Even though the Aurora region is sparsely populated and has few urban nodes, the region is on the rise and there is a will to develop and prosper. The region is in many ways a frontrunner for the green transition, with its emphasis on environmentally friendly technologies, digitalisation, and Arctic knowledge. To promote this development, we need to ensure a green, efficient and intelligent transport system and strong, connected urban areas that are functioning in our own context: the vulnerable Arctic region.

### **Education, training and lifelong learning**

The counties in the programme area lag behind the rest of their respective countries when it comes to people with higher education. There is a large difference in the educational level between urban and intermediate municipalities, where institutions for higher education are located, and rural municipalities. The proportion of people with a higher education (completed in Norway/Finland, started in Sweden) is 15-25% higher in the most urban municipalities than in the most rural. Across the region, women are more highly educated than men.

In order to meet future opportunities and challenges, based on technology, globalisation, urbanisation, environmental responsibility and demography, it is necessary that the labour market can be adapted. The region's business, public sector, labour market, education and integration stakeholders must thus work together to ensure that the right skills are available. Structural transformations always place demands on the workforce's adaptability in the existing workplace, on the conditions for the individual's adaptation and on labour market policy.

The region is characterised by long distances to education centres and activities should encourage the educational providers to focus on improving access to cross-border education e.g. in remote areas, by providing digital learning environments and methods.

Uncertainty about languages, negative perceptions about working cultures in the neighbouring country, lack of knowledge about labour markets in other countries, lack of social networks across the border, and confusion about the rules that apply as a cross-border commuter and/or a fear of

encountering border obstacles hinder regional migration and employment. Additionally, the rapid shift towards a climate neutral Europe and digital transformation leads to many sectors undergoing technological change. Digital skills are now needed for virtually all jobs.

The transition to a low carbon and circular economy means creating and adapting to new business models and job profiles. Developed and diverse skillsets enable people to adapt to unforeseen changes. The ability to develop sustainable and innovative cross-border business models also places demand on competencies in inclusion, attitudes and culture in businesses, and that a diversity of skills, experiences and differences are utilised as assets and opportunities for strengthened competitiveness and attractiveness.

### *Sápmi*

The Sami strive to have control and influence over the Sami traditional knowledge, *arbediehtu*, which is a matter based on international law and its regulations on self-determination. *Arbediehtu* is one of the core elements for the Sami culture, languages, Sami business and health care and the need for knowledge and education is similar for the entire Sami area.

According to experiences from previous Interreg Nord programmes the educational cross-border cooperation within Sápmi is needed. This is in part to enhance and sustain the quality of Sami educations and partly to find out the cross-border synergies and increase efficiency for Sami educational organisations.

The Sami languages are identity markers and carriers of attitudes, knowledge and experiences, and are therefore an important area of development for Sami society. Sami languages are not constrained by national borders and they have common challenges for survival. The Sami areas are in huge need of competence in the different Sami languages and cultures, particularly in the public sector like healthcare and education for all ages. The possibilities to receive higher education taught in different Sami languages and adapt to the needs of the labour market are limited.

### **Culture and sustainable tourism**

Creating a desire to travel for national and international visitors, the tourism industry contributes to maintaining important infrastructure and to the development of viable and attractive local societies. The industry is an important engine for job creation, services and housing in many of the regions in the Aurora programme area.

The recent dramatic downturn of international tourism caused by the Covid-19 pandemic puts tourism in a new, unexpected situation. For example, in the Interreg Nord area, during the year 2020, the number of overnight guests decreased by 30%. After Covid-19 subsides, it will be even more important to rethink tourism in a sustainable way, which will take into account both the local communities and environmental values.

Sustainable tourism is a tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and local communities. Tourism prior to the coronavirus crisis developed rapidly, albeit in different growth paces across the programme area. While tourism brings important benefits to many northern communities, the potential risks to the delicate Arctic environment and to traditional ways of life through over-tourism at certain destinations cannot be ignored.

The attractive but fragile Arctic climate and environment, natural phenomena and cultural diversity are the key factors that attract tourists to the region. Tourism and culture sectors create opportunities for employment.

Culture and arts support social development in communities, increasing the feeling of belonging and the social identity in many kinds of associations and networks. In addition to increasing employment, arts and culture have a non-economic integral value to human beings. It is important to support opportunities for societal wellbeing, whether they are provided by leisure time interest groups or produced professionally.

Some of the prerequisites for further developing sustainable tourism lie in increased professionalisation, marketing and the availability of experiences. Accessibility is still an important factor for the development of tourism: not only for the export but also for the local communities and domestic tourism.

Culture covers all arts and artistic impressions, habits and traditions: cultural history, heritage, and environment; dance; theatre; music; visual and performing arts; language; literature; film; museums; and archives. Contemporary cultural industry is today characterised by easy access with broad visibility, with digitalisation and artificial intelligence used as tools.

Intangible cultural heritage can include traditions, customs, and usages that have been passed down through generations, such as various forms of crafts, rituals, music, and stories. Intangible cultural heritage is beyond national borders; it is constantly alive and changing.

The programme includes three countries with indigenous people and minority language groups with multiple cultures and languages. This in itself is an asset that the programme area should seek to benefit from. The culture of the Aurora region is also an important driving force to strengthen people's creativity and create local and regional cohesion. Just as it is important to communicate and animate the regional community in language, traditions, and cultural heritage, it is also important to create preconditions for the development of future common cultural heritage.

Traditional livelihoods and utilisation of nature are integral part of cultural values, and the loss of traditional knowledge is seen as a prominent threat and challenge in the programme area, especially in a shrinking and aging society. Attractive, vital local communities where people want to live are composed of diverse cultural offerings, including nature, art, and locality. The joint action creates a sense of togetherness which fosters social inclusion. Culture in the programme area is already transnational: created by and continuously modified by cross-border networks. In the region, there are conditions for artistic creations that explore new areas, transcend boundaries and make various aspects of our existence visible.

Cultural and creative industries can include architecture, visual arts, media and communication agencies, arts and crafts, photography, film and TV, literature, music, press, performing arts, games and gamification, and tourism.

Companies in the cultural and creative sector contribute to new possibilities and the development of other industries such as nature-based industries. They are also strengthening the conditions for the companies in the tourism industry by contributing to attractiveness and experience values in places. The creative industry and innovation have a strong impact on economic growth in the Aurora region and is important for expanding the labour market, contributing to equality, increasing the power of innovation and diversification, strengthening the region's business life and contribute to attracting a variety of talents and professionals to the region.

### *Sápmi*

The Sami tourism and experience industry is growing both locally and globally and the Sami hospitality industry has great development potential. There is generally a strong will for an increased Sami involvement in tourism that produces attractive fishing, eco-, cultural and nature tourism of

high quality and with sustainability and consideration for nature's resources in focus. That is why it is important to ensure the quality of Sami tourism and its products.

Development of *arbediehtu* means, transferring the knowledge, which is linked to the traditional Sami livelihood, within Sami businesses and livelihoods. The central part in this transformation is also the Sami languages and the interaction with nature. *Arbediehtu* is the core element for the Sami culture, languages and for the Sami businesses.

### **Building the fundamentals for cross-border cooperation**

Cross-border cooperation cannot be done in isolation. There is a need for dedicated cross-border strategies, which are based on reliable data for cross-border regions, which is politically supported, and which has undergone a wide consultation with relevant stakeholders. It is a useful exchange forum and a necessary step for sustainable and structural cooperation. According to the socio-economic analyses, the structure of the institutional capacity in the programme area is varied. Due to the long distances, lack of critical mass, and ageing population, cross-border cooperation is the key element to strengthen the institutional capacity in the area. During the stakeholder hearings of the programme, the public organisations (e.g., universities and municipalities) addressed their interests and ambitions to deepen their cross-border collaboration.

Civil society builds bridges between citizens and authorities and plays a major role in development processes by promoting reforms and guaranteeing inclusive processes. People-to-people projects could be good instruments to involve civil society for regional development.

Good and efficient catalysts in the cross-border cooperation and cross-border development are the cross-border entities and committees of the Aurora region. Those organisations possess valuable knowledge of cross-border impediments and ideas for further development steps towards better cross-border governance.

Cross-border accessibility is still a major barrier across most EU borders, yet cross-border accessibility is a prerequisite for functioning cross-border regions. In the sparsely populated Aurora region with its long distances, cross-border connectivity is not yet sufficiently developed. Legal and administrative frameworks from both sides of the borders make the creation of joint solutions for improving mobility across national borders a challenging task. The relevant Border Orientation Papers point out the importance of the improved connectivity, especially east-west connections, and this is still an important theme for the Aurora programme. There is also a need for increased cooperation between regional and national authorities in order to achieve an accessible and attractive region.

The Covid-19 pandemic has shown that we are not fully capable of making coherent decisive actions to deal with the crisis. The challenges we have been faced with during the Covid-19 pandemic are reminiscent of each other and therefore it is useful to examine how the collaboration could be further deepened.

Through the experiences from the previous programmes, it has proved challenging to make real changes in the cross-border cooperation concerning, for instance, the labour market and health issues. This is largely due to administrative and legal obstacles and a lack of common understanding. Previous programme and stakeholder analyses have also shown that there is a high threshold for each other's educational systems. We are still not fully accepting each other's curricula and certificates, which is one of the fundamentals for the common labour market.

In order to have good public policies, these should be based on evidence, such as data, statistics, studies, and mapping. While the data and statistics are generally available at national level, it is not

always the case at regional and local levels and even less so at the cross-border local level. In addition, the regional data available is seldom uniform and comparable between the cross-border regions. Harmonising data across borders is necessary for a well-functioning society in the broadest sense of that term. It can also be crucial for understanding the impact of stopping mobility and cross-border commuting. At present, we do not even have reliable statistics on border commuting.

### *Sápmi*

The Sami people have made significant efforts to maintain and strengthen their self-governance and bonds across the national boundaries and to advance their interests as one people, as demonstrated by the establishment of the Sami Parliaments and through the development of cross-border institutions and initiatives such as the Sami Parliamentary Council (SPC) - a cooperative body for the Sami Parliaments of Finland, Sweden and Norway - and the Saami Council - a non-governmental organisation that promotes the interests and human rights of the Sami people across borders.

Despite these initiatives, the Sami Parliaments are mainly advisory bodies with limited autonomy and decision-making power, with the political influence of the Sami Parliaments varying between the three countries. The limited resources of Sami organisations are a significant obstacle towards increasing involvement in different political, economic and administrative processes at all levels. Furthermore, there are differences between the countries which might limit cross-border cooperation even in traditional areas of cooperation. Ongoing barriers such as administrative and legal obstacles persist in the cross-border cooperation between Finland, Norway and Sweden on the matters affecting Sami groups, e.g., with traditional livelihoods, education and social and health care services. There is also no sufficient data about Sami well-being or fulfilment of rights and there is a lack of statistics on the educational level of the Sami population.

### **Lessons learnt**

The overall goal with the two programmes Nord and Botnia-Atlantica 2014- 2020 was to strengthen the competitiveness and attractiveness of the respective programme area. The two programmes differed from other European regions due to its Arctic features with cold climate, polar nights, vast natural areas and abundance of natural resources. Challenging conditions, but on the other hand opportunities for innovative and creative cross-border cooperation.

One geographical difference between the former two programmes was that while in Nord there were land-borders between the three participating countries, there was a sea-border between Finland and Sweden in the Botnia-Atlantica programme and no border between Norway and Finland. The difference in geography between the north and south of the new programme area of course affects the type of cooperation that can be realised in the different parts of the programme geography, and how the cooperation is brought forward. For example, when looking at cooperation related to health-care, in the north you can bring patients cross-border for health-care, while in the south cooperation is more on a strategic level for example how to use the ambulance-helicopters cross borders and how to exchange experience when it comes to treating patients etc.

A great number of applications during the calls, indicates the need and interest for cross-border cooperation in the programme area. Actors in the innovation system, as well as environmental authorities, have enhanced their capacity to participate in different initiatives on the European level. In the former Nord-programme SMEs have successfully been involved in project implementation, both in research and innovation cooperation and for example by creating a joint tourism brand – Visit Arctic Europe, which gave valuable experiences and know-how about joint products and joint digital marketing. Example of a creative cluster of SMEs that has been working cross border in former Botnia-Atlantica is a cluster within the gaming industry.

Both programmes have also worked actively to develop the common cultural heritage, for example by highlighting the World Heritage sites of the programme areas.

The former two programmes have had slightly different approaches to environmental issues, but both have been successful tools for environmental actors to develop common initiatives. By cross-border cooperation the environmental favourable status and restoration have achieved a greater impact. Cooperation in biotech has also been of great importance for the area.

In the Nord-programme cross-border cooperation in joint labour market initiatives have increased access to networks, knowledge and various skills within several areas and industries. This has not been an area of cooperation in Botnia-Atlantica (the lack of land-border between Finland and Sweden can be an explanation for this) that instead has had projects in transport in order to support the important link from Norway to Finland in the programme area.

According to the evaluation of the Nord-programme (Kontigo 2018) there is a good balance in the project portfolio between innovative projects, driven by small and creative actors and projects with larger, more experienced actors and cluster initiatives. The projects in the programme have had a clear and active cross-border perspective with partners working with common goals and joint communication.

The Botnia-Atlantica programme has generated results in line with the ambitions that were set in the programme document. On a general level the results are above all development of methods, increased knowledge and cross-border networks, which is one important contribution from the programme according to the evaluation of the programme (Oxford 2020). One conclusion from the evaluation was that projects that were clearly defined thematically, geographically and/or has clearly defined their target groups, more easily reached their goals.

The sub-area Sápmi, a part of the former Nord-programme, holds the only indigenous people of the European Union, the Sami people. Interreg has made an important contribution to developing structured cooperation between the Sami populations and strengthened the cross-border Sami community. Through the programme the Sami actors have got opportunities to solve their common challenges for example by enhancing the visibility of the Sami languages, cultural heritage and traditional knowledge as well as developing joint educational initiatives for the needs of Sami industries.

The Nord-programme has had difficulties in receiving Sami applications/projects within the fields research and innovation as well as entrepreneurship. The few Sami projects within entrepreneurship have dealt with tourism, cooperation between museums and development of methodologies for reindeer slaughter.

The implementation of the two former programmes has achieved successful results and the quality of projects has been on a high level. The structure of the programmes has been able to predict the most important development areas for the regions.

### **Implementing EU strategies**

The Interreg Aurora programme 2021-2027 has an important function in linking the Green Deal strategy with national plans and the regional and local development plans in northern Sweden, Finland and Norway. The Interreg Aurora programme also has a number of potential areas for cooperation that can be linked to the EU's macro - regional strategy for the Baltic Sea (EUSBSR) Region and The Joint Communication on an integrated EU policy for the Arctic. Part of the Interreg Aurora programme covers the Arctic, an area that offers both challenges and opportunities that may affect the lives of European citizens in future generations. With these challenges and opportunities

also comes a responsibility where the EU wants to contribute responsibly through its funding programmes.

Through the Interreg Aurora programme, the EU can, among other things, promote the sustainable development of the region's environment, natural and cultural heritage and contribute to a good living environment for residents in the region.

The programme will implement the revised Action Plan of the EU strategy for the Baltic Sea Region. Actions in the Interreg Aurora programme are often cross-sectoral and their scope can serve several EUSBSR objectives, sub-objectives and policy actions.

### **Arctic cooperation and synergies between other programmes**

The contribution of EU programmes to the goals of the EU integrated policy on the Arctic builds on the joint communication on the EU Arctic Policy (2016) that sets out mechanisms for enhancing the collaboration and coordination between different programmes. One concrete mechanism is a network of managing authorities and stakeholders of the regional development programmes in the Arctic, the network has been coordinated by the Northern Periphery and Arctic programme.

Both Interreg Botnia-Atlantica and Interreg Nord have been active in the network during the past programme period and Interreg Aurora will continue with the cooperation even in the next programme period. The success of the Arctic network is dependent on the active involvement by all the programmes working in the Arctic. In the new programme period third countries participating as equal partners in the Arctic programmes should be closer involved in the Arctic cooperation.

The cooperation has so far facilitated exchange of information, joint and coordinated programme events and representation at larger Arctic and European conferences. Another positive example of the cooperation has been the yearly Arctic Award -project competition, an important and positive way of enhancing visibility and awareness of the cross-border cooperation in the Arctic and sub-Arctic. Within the Arctic Cooperation network, the programmes have shared information on applications received in each call. This has ensured identification of potential overlaps as well as positive synergies between projects. The established method of sharing information regarding applications will be applied in the 2021-2027 programme period.

During the programming process the managing authorities for the Arctic programmes have met regularly and exchanged experiences concerning the processes, for example choice of policy objectives and management-related questions. This has been very valuable and ensures future cooperation within the Arctic cooperation network.

In addition to the Arctic programmes there will be synergies between the Interreg Aurora programme and other regional and national programmes and initiatives, for example through exchange of experiences and common meetings. The cooperation between all these programmes and initiatives is especially important when launching the programmes as well as under the implementation phase.

The Interreg Aurora programme will to some extent overlap both the geography and the priorities of some national and regional ERDF-programmes as well as other Interreg programmes.

The main risk for overlaps between Interreg Aurora and the national and regional ERDF-programmes is within PO1 (SO1 and SO3). The national and regional ERDF-programmes are connected to the regional development strategies and smart specialization strategies. Within ERDF, projects do have the opportunity to add a so-called transnational component to the content of the existing project. However, the cross-border effects are not predominantly focused in the regional and national ERDF-programmes.



The Aurora programme has established Regional Input Groups (RIGs) consisting of regional representatives from all regions and the Sami Parliaments in the programme area. The establishment of RIGs is a mechanism that will ensure identification of synergies and complementarities as well as potential overlaps with other programmes.

The fact that there are national websites in all three programme countries presenting the Interreg programmes, their calls and projects is another coordination mechanism that will help identify synergies between programmes.

The Arctic Five network, consisting of the five northernmost universities in Sweden, Finland and Norway, as well as the Kvarken region universities cooperates within research and development in the Interreg Aurora programme area. The fact that the universities cooperate in these networks ensures a certain level of quality in the projects and minimizes the risk of overlaps.

There is also a risk for overlaps with Interreg Northern Periphery and Arctic-programme, Interreg Sweden-Norway and with Interreg Next programmes Kolarctic and Karelia. The well-functioning cooperation between the managing authorities in Arctic cooperation-network and with Interreg Sweden-Norway ensures that there is a minor risk for overlaps and double-financing of similar operations.

Programmes like Digital Europe, Just Transition Fund and ERASMUS to some extent have a similar scope as the Aurora programme. However, these programmes are more focused and specified within their respective fields. Projects financed by the Aurora programme are foreseen to build a base that have potential to result in applications to these programmes.

The approach of Interreg Aurora is that all projects must have a cross-border added value. This aspect is crucial in the assessment and selection of projects. Projects with a regional or national character cannot be granted funding from Interreg Aurora. In some respect it is positive with overlaps between national, regional and cross- border programmes. The overlaps create synergies and cross-sectoral cooperation and work as a platform and a first step for example towards international research programmes.

### **Horizontal principles for the transition to sustainable development**

Sustainable development is an overarching goal in Interreg Aurora. The programme has an important function in pursuing objectives and encouraging projects in line with the UN Sustainable Development Goals in Agenda 2030 and the Green Deal strategy. It is essential that sustainable development is viewed as a whole, the transition to a sustainable society requires new forms of cooperation and practices. As the program includes development measures in innovation, digitalisation, culture and social inclusion, it also provides good conditions for participation in the "A New European Bauhaus" initiative.

The three dimensions of sustainable development, social, ecological and economic sustainability, will therefore be taken into account as horizontal principles. The aspects are equally important and mutually reinforcing.

Ecological sustainable development is about long-term preserving the earth's ecosystems, limiting negative environmental impacts and conserving natural resources so that they are sufficient for future generations. It is about using our collective resources in a way that maintains the state of nature, promotes human health now and in the future, and adapts consumption to environmental constraints.

Social sustainability means promoting a society that respects the fundamental rights of all people and fostering a fair, equal, and inclusive society. It is a society with a high level of tolerance and a

focus on the equal value of people, which means that people trust each other and are involved in the development of society.

Economic sustainability means using, caring for and maintaining resources to create long-term sustainable economic value in society. It means more sustainable and competitive businesses and more jobs, where growth goes hand in hand with sustainable development. Economic sustainability is about managing and developing human and material resources, without causing negative impacts on ecological or social sustainability.

Sustainable development shall be mainstreamed in programming at all stages, in preparation, implementation and follow-up, aiming for the long-term outcome of a resource efficient, attractive, competitive, and vibrant future for the Aurora region. In cross-border collaboration actors will thus invest in a sustainable society and business models. This should drive the growth of the region and requires innovation and new cross-border collaborations and partnerships to solve complex challenges.

Projects should therefore strive for a performance with low carbon footprint, with equal opportunities for men and women, safeguarding non-discrimination, and inclusion of underrepresented groups, including indigenous peoples and other culturally and linguistically distinct groups originating from the programme area.

In implementing the programme, the managing authority will promote the strategic use of public procurement to support strategic objectives (including professionalisation efforts to address institutional capacity gaps). Beneficiaries should be encouraged to pay more attention to quality and life-cycle cost criteria. Where possible, environmental (e.g. green public procurement criteria) and social aspects and incentives for innovation should be included in the public procurement procedures.

The horizontal principles according to article 9 of the common provision regulation will be respected and therefore the transition to a sustainable society is seen as an assessment criterion, determining how the information provided by the projects in the funding applications is assessed. Projects with a negative impact on sustainable development, equal opportunities, anti-discrimination, and gender equality will not be funded.

A basic requirement is that the projects contribute to the global goals: Gender equality (Goal 5); Reduced inequality (Goal 10); Implementation and global partnership (Goal 17).

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

Table 1

PO/ISO	SO	Priority	Justification for selection
Policy objective 1. A smarter Europe by promoting innovative and smart economic transformation	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	1-Smart and sustainable growth	<p>The R&amp;D expenditure and share is lower than in the metropolitan regions of Finland, Sweden, and Norway. It is important to strengthen the development around R&amp;D, but also important that SMEs invest more in R&amp;D.</p> <p>The value of the cross-border cooperation is to build critical mass combining resources to create a greater common potential than exists within the individual region, use each other's competence and complementarities, transfer knowledge and skill across the borders, develop and strengthen networks, build new knowledge and skill together to promote the transition to a green and sustainable economy.</p> <p>The programme should prioritize activities to develop Sami businesses through R&amp;D. Sami businesses have a need for development so they can reach bigger markets. Target groups in the programme must also include micro businesses.</p> <p>The Sami people are defined as one people. The country borders feel like an unnatural separation between Sami communities. To preserve and develop Sami livelihood, businesses, culture, traditions and language, the value is much greater through cross-border cooperation than through regional and local initiatives.</p> <p>Examples of possible activities:</p> <ul style="list-style-type: none"> <li>• Cooperation between research institutes, higher education institutes, businesses and/or public sector to create cross-border knowledge networks enhancing the green and digital transitions</li> <li>• Usage of shared regional research infrastructures through cross-border cooperation to enhance the uptake of advanced technologies and the development of innovative products, services, and methods as well as new business models and opportunities</li> <li>• Cooperation between research institutes, higher education institutes, businesses and/or public sector to strengthen the exploitation of applied research in SMEs and/or public sector</li> <li>• Development of arenas, programmes, tools, and methods for supporting technology transfer, soft knowledge and cooperation between enterprises, research centres and higher education sector</li> <li>• Stimulation to create a critical mass in the region that can reach out to EU programmes such as Horizon Europe</li> </ul> <p>The activities will be supported by grants. No financial instruments or other tools offered in the regulations are foreseen. Grants are more appropriate considering the character of the supported activities.</p>

<p>Policy objective 1. A smarter Europe by promoting innovative and smart economic transformations</p>	<p>Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments</p>	<p>1-Smart and sustainable growth</p>	<p>Micro, small and medium-sized enterprises in different industries have different needs when it comes to internationalisation and exportation. It's therefore very important that public sector export-supporting organisations are able to help businesses, and are available, regardless of where in the region the businesses have their operations.</p> <p>The region's trade and industry consist largely of small enterprises, even so-called micro-enterprises with fewer than ten employees. To improve their competitiveness in the market, they need collaboration to gain access to know-how and other resources that they themselves lack.</p> <p>Entrepreneurship has an important role to play in encouraging under-represented groups to see entrepreneurship as a good career opportunity and entering the labour market.</p> <p>The Sami area is in need of a more diversified competence and business structure to provide jobs for the young Sami population. The Sami area has a low percentage of private businesses. Traditional Sami industries like reindeer herding are important in some core Sami municipalities. There is a need for a more diversified business structure in Sápmi.</p> <p>Examples of possible activities:</p> <ul style="list-style-type: none"> <li>• B2B cooperation strengthening the uptake and use of technologies and advanced systems related to e.g., robotics, IoT, open data, cyber security, 3D-printing, data-analytics</li> <li>• Knowledge building activities and advice increasing the preparedness of SMEs to internationalize and grow</li> <li>• Activities linking companies based on complementarity competencies to enhance the innovation capacity and/or the formation of cross-border value chains</li> <li>• Cross-border cooperation between clusters adding complementary competencies</li> <li>• Cross-border cooperation between start-up hubs and business accelerators and virtual incubators adding complementary competencies</li> </ul> <p>The activities will be supported by grants. No financial instruments or other tools offered in the regulations are foreseen. Grants are more appropriate considering the character of the target groups.</p>
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<p>Policy objective 2. A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management</p>	<p>Promoting climate change adaptation and disaster risk prevention, resilience, taking into account ecosystem-based approaches</p>	<p>2- Green and sustainable transition</p>	<p>Climate change doesn't know borders. The green transition and sustainable use of natural resources and adaptation to a different climate are highly prioritised in the programme area and since the area is partly very industrial it has significant effect on the programme area.</p> <p>To prevent and adapt to issues like the impact of climate change on biodiversity, blue and green economy, traditional livelihoods, the risk of increased incidence of fires and extreme weather conditions and coherent risks, broad partnerships and cross-border cooperation and collaboration are needed.</p> <p>Examples of possible activities:</p> <ul style="list-style-type: none"> <li>• Awareness raising and communication about climate change in the programme region, since the northernmost parts of Europe will be more severely affected by climate change. The cross-border added value of these activities comes from the fact that the climate and environment are joint responsibilities and joint resources. In addition to this the Aurora region is so sparsely populated that coordination and cooperation of resources are necessary to achieve results.</li> <li>• Designing, adapting methods and methodologies</li> <li>• Experience exchange and learning as result of joint implementation</li> <li>• Exchange of best practises</li> <li>• Development of climate adaptation strategies and plans, risk, and vulnerability analyses</li> <li>• Increased cooperation between research and locally based monitoring</li> <li>• Implementation of technologies, digital solutions, tools to cope with climate change and reduce climate impact and carbon emission</li> <li>• Involvement and engagement of local and regional stakeholders in policy work, decision-making processes (on national and regional level)</li> <li>• Nature based solutions such as restoration of e.g., wetlands, peatlands, mires, rivers</li> </ul> <p>The activities will be supported by grants. No financial instruments or other tools offered in the regulations are foreseen. Grants are more appropriate considering the type of supported projects.</p>
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<p>Policy objective 2. A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management</p>	<p>Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution</p>	<p>2- Green and sustainable transition</p>	<p>There is a large number of designated areas of protection, including several important trans-border natural areas and connected cross-border ecosystems in the region. However, most of the area is not protected by law or voluntary provisions.</p> <p>There are multiple rivers and water courses that ultimately (in almost all cases) flow into either the Baltic Sea via the Gulf of Bothnia or, in fewer cases, into the Barents and Norwegian Seas, and thus are of key importance to the quality of the surrounding seas. Also, reduction of air pollution is an important tool for sustaining the biodiversity in the sensitive Arctic nature.</p> <p>Around the Baltic Sea in the programme area and in the border region between Norway and Finland, the rivers have a high recreational benefit for the sport fishing and for the tourism industry, because of the unregulated rivers without hydropower plants.</p> <p>Changes in vegetation and the presence of invasive species can lead to unforeseen changes in the behaviour and movement patterns of animals. This in turn can have effects on agriculture and forestry, as well as outdoor life.</p> <p>Examples of possible activities:</p> <ul style="list-style-type: none"> <li>• Data collection, surveys, inventory</li> <li>• Analysis, scenarios, plans</li> <li>• Designing and adapting methods</li> <li>• Joint plans and strategies</li> <li>• Knowledge and best practice building and exchange, joint implementation</li> <li>• Harmonisation of working methods, guidelines</li> <li>• Development of joint sustainable management strategies</li> <li>• Restoration, conservation, and increased connectivity</li> <li>• Methods for including stakeholders with traditional knowledge in nature management and decision-making</li> </ul> <p>The activities will be supported by grants. No financial instruments or other tools offered in the regulations are foreseen. Grants are more appropriate considering the character of the supported activities.</p>
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<p>Policy objective 2. A greener, low-carbon Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate adaptation and risk prevention and management</p>	<p>Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy</p>	<p>2- Green and sustainable transition</p>	<p>The focus of the objective is reduction of CO2 emissions and a more resource efficient transport system, through smart multimodal mobility, alternative fuels and electrification solutions. All actions under this specific objective shall have CO2 reduction as its main goal.</p> <p>Measures to reduce the carbon dioxide emissions from urban mobility and transports are needed in order to reduce the Aurora region’s carbon footprint, since mobility and transport is one of the main sources of CO2 emissions.</p> <p>The Aurora region needs to invest in the development and testing of technologies such as alternative fuels, electrification and digital multimodality solutions that contribute to reducing carbon dioxide and nitrogen dioxide emissions in the region and primarily in the urban environments that exist. This needs to be done jointly in the area because competence and resources need to be coordinated but also because the emissions do not stop regionally and because there are common urban environments.</p> <p>There are not enough urban areas in the Aurora region to function separately, so cooperation is needed in order to ensure a well-functioning region. There are also vast sections of hinterland that need to be reachable. The much-needed technological solutions for a greener transport system require networking, knowledge exchange and cross-border cooperation in order to solve the problems that are unique for our Arctic region. Examples of possible activities:</p> <ul style="list-style-type: none"> <li>• Cross-border analysis, simulations, and surveys on CO2 reduction measures and modal shifts</li> <li>• Green and multimodal cross-border mobility roadmap development</li> <li>• Plans, drawings, and designs for green and smart mobility solutions</li> <li>• Coordination of smart mobility plans and transport services for cross border functional regions.</li> <li>• Planning and implementation of digital solutions and processes for decreased CO2 emissions.</li> <li>• Small scale pilot actions enabling lower CO2 emissions transport systems, electrification solutions, renewable fuel solutions, more efficient vehicles etc.</li> <li>• Experience exchange activities as joint seminars, study visits, surveys, and trainings</li> </ul> <p>The form of support is grants, seen as most suitable regarding the character of the activities. No financial instruments or other tools offered in the regulations are planned.</p>
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<p>Policy objective 4. A more social Europe implementing the European Pillar of Social Rights</p>	<p>Improving equal access to inclusive and quality services in education, training and lifelong learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training</p>	<p>3 – Education, culture and sustainable tourism</p>	<p>The area is likely to experience an overall population decrease, and the population is also ageing. There is a need for an increased and educated workforce and an entrepreneurial mind-set. High dropout rates, high numbers of people with basic levels of education, long distances to high schools and universities, and outmigration are some of the challenges.</p> <p>Joint development of an attractive and high-quality education area can attract people to come, return and stay. This involves education, training, and lifelong learning of employees through cross-border and cross-sectoral clusters or platforms in order to increase capabilities, competence, and skills for a changing working life, as well as upskilling unemployed individuals with competence. Labour market participation is somewhat lower compared to the country average.</p> <p>Unemployment rates are on par with national averages as a whole. The demographic development in the Sami area follows the same pattern as other rural areas in the north. The Sami area is in need of a more diversified competence and business structure to provide jobs, especially for the young Sami population.</p> <p>There is also a need to transfer the knowledge within Sami businesses and livelihood that is linked to the traditional Sami livelihood. The central part in this transformation is the Sami languages and the interaction with nature. The program makes it possible to break down border barriers in order to jointly both utilize and develop new skills.</p> <p>Examples of possible activities:</p> <ul style="list-style-type: none"> <li>• Diversifying, updating, or harmonising the different types of training provision and qualifications</li> <li>• Benchmarking and improving services and methods of career counselling</li> <li>• Joint efforts in the event of rapid changes in the labour market</li> <li>• Encourage companies, workers, and educational institutions to participate in lifelong learning</li> <li>• Common efforts to attract a diversity of labour to choose the region as a place to work, study and live in</li> <li>• Developing new or transforming previous training to virtual format</li> <li>• Develop cross-border education and training supporting entrepreneurship and business skills</li> <li>• Language nests / baths</li> </ul> <p>The activities will be supported by grants. No financial instruments or other tools offered in the regulations are foreseen. Grants are more appropriate considering the character of the target groups.</p>
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<p>Policy objective 4. A more social Europe implementing the European Pillar of Social Rights</p>	<p>Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation</p>	<p>3 – Education, culture and sustainable tourism</p>	<p>The area is characterised as a multi-ethnic and multicultural melting pot. The Sami culture and languages are important parts of this heritage that need to be sustained and developed for a functional area. The area has a rich and unique natural and cultural heritage. Traditional livelihoods and utilisation of the nature are integral parts of cultural values, and loss of traditional knowledge is seen as prominent.</p> <p>The new geography of the programme area brings new possibilities for cooperation regarding cultural heritage. However, due to vast distances and a lack of precedence in this area, collaboration across borders must be enhanced and broadened.</p> <p>The Covid-19 pandemic brings new challenges to tourism, particularly recovery, stabilisation, and adjustment for a new reality. The area provides for developing cross-border sustainable tourism concepts while at the same time respecting and promoting cultural heritage and involving and engaging local stakeholders and citizens.</p> <p>Examples of possible activities:</p> <ul style="list-style-type: none"> <li>- cross-border collaboration, partnerships, knowledge exchange and joint solution and competence-enhancing initiatives</li> <li>- joint cross-border products, services, and marketing</li> <li>- joint cross-border accessibility and mobility solutions</li> <li>- cross-border activities to reinforce the resilience and diversification of tourism and culture sectors</li> <li>- SMEs cross-border activities, which will strengthen social enterprises and social innovation</li> <li>- Diversification of the tourism sub-sectors</li> <li>- Cross-border activities, which are contributing to the livelihoods of local and regional communities</li> <li>- RDI cross-border collaboration in tourism and culture sector development</li> <li>- Cultural clusters that contribute to the development of creative industries <ul style="list-style-type: none"> <li>• Strengthen the development of cultural tourism by making available and / or visible the culture and cultural heritages</li> <li>• Develop culture and creative industries through refined or new cross-border products, methods, services, and networks</li> <li>• Development of nature-based tourism by enhancing common and cross-border solutions</li> </ul> </li> </ul> <p>The activities will be supported by grants. No financial instruments or other tools offered in the regulations are foreseen. Grants are more appropriate considering the character of the target groups.</p>
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<p>Interreg Specific Objective (ISO) 1. Better Cooperation Governance</p>	<p>Other actions to support better cooperation governance</p>	<p>4 –Better and more sustainable cross-border cooperation</p>	<p>The Aurora programme region is new, large, and composed of two former Interreg programme areas, with the region having common fundamentals for cooperation. To build both a common understanding and shared strategies are important basic elements for further sustainable development in the region. Increasing trust and capacity building in the region are also crucial essentials for good collaboration, as well as the alleviation of cross- border obstacles.</p> <p>There is a need to both strengthen Sami institutions and to build their capacity, and a need for activities to strengthen Sami governing institutions and tackle obstacles that hinder cross-border cooperation in Sápmi.</p> <p>Based on the socio-economic analyses, feedback from the stakeholders, through the public events and publications during the programming, as well, based on previous experiences, Interreg Aurora has gotten broad signals of many issues according to better cooperation governance.</p> <p>All relevant specific objectives are equally pertinent for building common fundamentals for cooperation in the Aurora program region.</p> <p>Examples of possible activities:</p> <ul style="list-style-type: none"> <li>• Cross-border strategies that strengthen regional capacity</li> <li>• Feasibility studies for large cross-border regional investments</li> <li>• Joint connectivity studies and strategies</li> <li>• Action plans</li> <li>• Cross-border governance projects for better regional functionality and enhancing capacity</li> <li>• Initiatives on identifying and eliminating legal and administrative obstacles and implementing recommendations of these initiatives</li> <li>• Clustering participation and find synergies within the Arctic Cooperation, by cooperation with ongoing projects in other Arctic Cooperation programmes.</li> <li>• Data and statistics related to the regions and Sami groups</li> <li>• Long term statistical solutions</li> <li>• People to people projects in trust building</li> <li>• Institutional capacity building</li> </ul> <p>The activities will be supported by grants. No financial instruments or other tools offered in the regulations are foreseen. Grants are more appropriate considering the character of the supported activities.</p>
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## **2 Priorities**

### **2.1 Smart and sustainable growth**

#### **2.1.1 PO 1- Specific objective 1 – Developing and enhancing research and innovation capacities and the uptake of advanced technologies**

##### **2.1.1.1 Related type of action, and their expected contribution to those specific objectives and to macro-regional strategies and sea-basins strategies, where appropriate**

Cross-border cooperation dealing with research and innovation activities in SMEs, including networking, should contribute towards the transition to a climate-neutral and circular economy that takes care of the environment and biodiversity, yet which also promotes programme area's competitiveness. There are strong industrial and research environments in the programme area that can develop, test and market sustainable solutions based on expertise in the programme area. This provides a good starting point for a green transition in our private and public sector. Together these actors have both resources and expertise that will contribute to the EU's Green Deal. Under A smarter Europe this includes sectors such as blue and green technology, transportation, energy, food processing, forestry, manufacturing, and construction. This policy objective will act in accordance with, and cover several, policy actions in the EUSBSR such as PA Innovation, PA Transport, PA Energy, PA Safe and PA Health.

Interreg Aurora will promote cooperation between enterprises based on complementary strengths through exploring how to boost innovation by promoting new partnerships, across the wider programme area. Smart specialisation is an innovative approach that aims to boost growth and jobs, by enabling each region to identify and develop its own competitive advantages. Through its partnership and bottom-up approach, smart specialisation brings together local authorities, academia, businesses and the civil society, working for the implementation of long-term growth strategies supported by EU funds. The programme's region needs to build a critical mass to foster the potential for sustainable growth by focusing on cooperation in innovation on core areas of comparative advantages in line with, for example, the regional smart specialisation strategies.

Digitalisation, new technologies and green transitions give rise to an urgent need for new knowledge in SMEs and thus for more cooperation and knowledge transfer. The programme's activities should facilitate dialogue so that higher education, research institutes and businesses can develop innovative driven projects. There is a need to strengthen business-driven R&D actions and applied research, which seek to enhance the development of SMEs and increase the level of commercialisation.

Civil society also plays an important role in open innovation. Civil society gives a voice to different groups of people, supplies various services to members and society, and is an innovator of pioneering solutions to societal and organisational challenges.

There are high-level universities, research institutes and other knowledge institutions in the programme area. The Aurora programme can promote research and innovation activities in public research centres, higher education and centres of competence including networking. The cooperation between universities in Norway, Sweden and Finland is particularly important. The ripple effects are great, not only for education and access to a competent workforce, but also for Research and Innovation (R&I), development and value creation. Activities should enhance sustainable cross-border cooperation based on strengths, needs and complementarities in R&D and education using the regional specialisation strategies as a point of departure towards a circular economy.

There is a great need for cross-border collaboration within R&I in our region to establish a joint regional R&I system in which the institutions have complementary competence and knowledge. These institutions are individually small in an international context, where they have to compete with large European research and innovation communities for research funding. Interreg Aurora will stimulate to create a critical mass in the region that can reach out to programmes such as Horizon Europe. Through projects funded from Interreg Aurora, the partners can build institutional capacity, trust and a structure that enables them to invest in major research projects internationally.

The vast programme area represents regions with unique challenges, but also regions that are similar with the same challenges in some industries. There is a need in the regions to develop these industries through strategic cooperation. The programme area has great opportunities to contribute within system solutions, bioeconomy, metals, and minerals that are important for implementing the green transition.

The programme should stimulate the development of a strong value chain from raw materials to finished products, such as with the utilisation of minerals in battery industry.

Data is important for value creation and the development of new services, products, processes, and business models. Projects seeking to strengthen data driven development in the program area are encouraged. Activities may e.g focus on themes such as Internet of Things, satellite and positioning data, connectivity, data analytics, robotics, artificial intelligence, cybersecurity, and safe utilisation of data.

Technology transfer and cooperation are needed in order to speed up the process leading to new products and services being introduced on the market. The development cycles need to be enhanced though facilitating R&D activities and investments. In addition to high competence, this requires a strong research environment offering testing, verification, and piloting possibilities for both companies and HEIs. Access to international networks and cooperation with state-of-the-art research and innovation environments is crucial for sustainable growth of the regional economy.

Technology development provides new opportunities for competitiveness and welfare in the programme area. Digital services and communication technology can to a greater extent offset the disadvantages associated with long distances and contribute to increasing economic activity.

Businesses in the area have a large import and export dependency and comparatively great distances to their market outlets. To create competitive conditions for the business sector, it is important to focus on finding innovative solutions to problems related to accessibility and transport efficiency in the programme area. Enhancing the coordination of cross-border connections can also contribute to more sustainable and greener transports in the area. There is a need for developing sustainable logistics chains and transport patterns by focusing research on digital solutions and services and low carbon transport technologies.

### *Sápmi*

The Sami research institutions are small with limited resources and capacity, but with great competence on Sápmi. Different universities conduct research on Sami issues, but to develop Sami businesses, there is a need for greater networking between Sami actors, building the structures for R&I in Sami businesses and promoting cooperation.

Interreg Aurora should support activities in Sápmi to contribute to the establishment of a local

innovation network at the intersection between business and academia, between science and traditional knowledge, and between tradition and the contemporary. The goal is to create economic development for reindeer husbandry and coastal industries, new business opportunities, and increased knowledge about indigenous peoples. Strengthening innovation in Sami communities is needed to build competitiveness and good knowledge centres in Sápmi.

In the implementation of the programme, activities that potentially contribute to The New European Research Area (ERA) and its policy objectives to accelerate the green transformation and to increase competitiveness. Regions' potential to increase the performance of their R&I system towards excellence should be encouraged and supported, building on dedicated Horizon Europe and complementarities with smart specialisation strategies under Cohesion Policy.

More information about possible actions can be found under chapter 1.3.

The types of actions have been assessed as compatible with the Do No Significant Harm (DNSH) principle since they are not expected to have any significant negative environmental impact due to their nature.

## 2.1.1.2 Indicators

Table 2: Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
1	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	RCO07	Research organisations participating in joint research projects	Research organisations	2	35
1	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	RCO10	Enterprises cooperating with research organisations	Enterprises	0	48
1	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	RCO116	Jointly developed solutions	Solutions	0	21
1	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	PSO01	Applications submitted to EU programmes	Applications	0	10

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Base-line	Ref. year	Final target (2029)	Source of data	Comments
1	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	RCR 03	Small and medium-size enterprises (SMEs) introducing product or process innovation	Enterprises	0	2021	16	NYPS	
1	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	RCR 104	Solutions taken up or up-scaled by organisations	Number solutions	0	2021	11	NYPS	
1	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	PSR 01	Number of approved applications to EU programmes	Approved applications	0	2021	2	NYPS	

### **2.1.1.3 The main target groups**

The long distances to major markets stimulate and encourages participation by companies, authorities, organisations, universities, and research institutes in cross-border innovation systems in the sparsely populated parts of the region, 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 stimulating cross-fertilisation between ideas from different industries, regions, and nations.

The main target groups for the activities are SMEs, micro enterprises, higher education, colleges, polytechnics and research institutions, the public sector, and civil society.

The main beneficiaries are universities/HEI, colleges, polytechnics, and research institutions, along with the public sectors, industries, and civil society.

Renewal, economic growth, and the transition to a sustainable society in the Aurora region is best created by a diversity of women and men. When designing initiatives, a particular focus should be on ensuring that efforts contribute to the inclusion of under-represented groups such as women and minority groups and to ensuring that these efforts reach a broad range of organisations and companies. This will increase innovation, attractiveness and competitiveness within companies and organisations. Active gender equality and diversity increase innovation capacity, resource efficiency and the ability of sectors and industries to attract and retain skills. With a gender equality and diversity perspective and forms of collaboration that bring new perspectives, good conditions are created for developing sustainable solutions to societal challenges both regionally and globally.

In order for efforts to have the desired effects in the contribution of the sustainable development goals (SDG's), the region's actors must strive for knowledge-driven change where gender equality and inclusion are mainstreamed in planning, implementation, and follow-up. This means that gender statistics should be integrated into the project chain, from challenges to described interventions and desired end state. The whole project chain should link to gender imbalances of women and men in industries and sectors and interventions should contribute to closing the gap.

All projects under this priority shall focus on enhancing research and innovation capacities and the uptake of advanced technologies that are exclusively directed towards the greening of the region's industries.

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

Not planned

### **2.1.1.5 Planned use of financial instruments**

The application of financial instruments (Article 59(2)(a) and (b) of Regulation (EU) 2021/1060) is not planned in this specific objective and sufficient reflows will not be expected. The projects will not generate any profit during the support.

### 2.1.1.6 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	010 Research and innovation activities in small and medium-sized enterprises, including networking	7 573 163
1	ERDF	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	012 Research and innovation activities in public research centres, higher education and centres of competence including networking (industrial research, experimental development, feasibility studies)	7 361 800
1	ERDF	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	029. Research and innovation processes, technology transfer and cooperation between enterprises, research centres and universities, focusing on the low carbon economy, resilience and adaptation to climate change	7 361 800

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	01 Grant	22 296 763

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

Priority No	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	Developing and enhancing research and innovation capacities and the uptake of advanced technologies	33 Other approaches – No territorial targeting	22 296 763



## **2.1.2 PO 1 - Specific objective 3 - Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments**

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

The programme area needs to develop a strong and competitive business sector focusing on sustainable growth, green transition, and social inclusion. To boost competitiveness and the transition towards sustainable development in the programme area it is important that enterprises integrate diversity, gender equality, circular economy, and sustainable solutions in their business models. Knowledge and capacity for this needs to be strengthened. Through increased cross-border cooperation within SME business development and internationalisation, the region's businesses can access knowledge and resources, which in turn will develop their commercial activities and strengthen their positions internationally. The region is experiencing increasing global competition and an accelerating need to adapt, which requires increased competitiveness among the companies in the region. This policy objective will act in accordance with and cover several policy actions decided by the EU strategy for the Baltic Sea Region such as PA Bio-economy, PA Safe, PA Nutri, PA Energy, PA Tourism and PA Health.

Focusing on entrepreneurship is important in developing SMEs towards internationalisation and reaching new markets. Through promoting entrepreneurship under-represented groups can see entrepreneurship as a good career opportunity. Through networking, business development and marketing work, an increase in the degree of business collaboration across borders, with the goal of improving joint competitiveness in a global market is important.

To be able to compete on an international market, we need to increase the level of commercialisation and venture capital expertise, thereby increasing networking and information transfers and turning our competences into new products and services.

Our business structure consists largely of SMEs and micro-enterprises with limited financial and personal resources when it comes to further developing through digitalisation and innovation. Strengthening company clusters including micro-enterprises by cross-sectoral networking and integrating value chains is important. At the same time, to develop the region, one is dependent on using a larger part of the natural resources found here. A greater degree of further processing in the region is important to create a resilient and competitive business community through entrepreneurship, research and innovation. In particular, our region has an advantage in a green and blue economy. By coordinating efforts at regional and cross-border levels, one can create a critical mass on access to raw materials and knowledge networks.

Digitalisation concerns all parts of industry and the public sector, such as product development, production, business systems, interaction with subcontractors and customers, and the relationship with employees. For instance, virtual incubators can connect rural areas internationally in a cost-efficient and effective way. Development is fast, and there are great risks – in terms of competitiveness – of falling behind. In production contexts, digitalisation is strongly connected to automation.

The programme area faces challenges that have to be solved for the programme area to be able to

participate in and lead digital transformation. Advanced technology development with industrial applications, new business models, and the ability to change the organisation and develop staff competence are required for the utilisation of new technology to be possible. To improve businesses' abilities to utilise digitalisation's opportunities. In the Aurora programme digitalisation is a smaller part, the main objective is business development where digitalisation is a tool.

There is a need to increase the level of digitalisation in manufacturing SMEs in different sectors. Actions targeting the uptake and use of new digital technologies related to industry are needed. Likewise, it is important to strengthen the capacity of SMEs to create new ways of operating, evaluate existing production methods and engage in innovation processes. Finally, increasing the development of new services and business models based on data within manufacturing SMEs is important for improving productivity, economies of scale, and levels of technology.

Building a critical mass is vital for our SMEs and micro-enterprises in order for them to be competitive in a global market. Strengthening the cross-sectorial cooperation between SMEs through developing innovation cluster support and new as well as existing business networks primarily benefiting SMEs will be a priority area in the programme.

Collaboration in clusters has the purpose of creating good conditions for growth and renewal. There are results that show that businesses that are part of cluster organisations grow faster than other businesses. For a cluster to be competitive there must be systems around it that support and collaborate with it. The programme particularly encourages cooperation between clusters to build on complementarities. Great potential lies in the merging of specific competencies in different clusters in order to create new knowledge networks and areas of strength in the regions.

The programme area is characterised by small home markets for the companies. Moreover, cooperation networks, partnerships and added value created between different companies in the value chain will become increasingly important for building competitiveness in the future. Therefore, it is important to increase cooperation between companies in the programme area. Actions targeting the creation of critical mass, supporting internationalisation, promoting growth and productivity of companies, stimulating access to new knowledge networks and business contacts, and increasing the capacity among SMEs to find ways to new international markets, are central.

### *Sápmi*

The majority of companies in Sami industry are micro-enterprises, in which Sami culture and traditional knowledge form 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, and translation through to design, music, and media production.

Moreover, the companies are often composed of seasonal combinations of different activities. It is therefore important to collaborate in an organised 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.

In Sami areas, the tourism industry is contributing to ever greater economic development. Experiences based on traditional Sami culture and ways of life have significant attraction value in the tourism market and are in demand by more and more people. Interreg Aurora must stimulate the cooperation between private and public actors working purposefully to develop Sami tourism as a

business and value creation. The development of Sami and reindeer husbandry-based tourism must take place with the industry itself as an active premise supplier. Involved actors must ensure a strong awareness that Sami culture is not abused in tourism contexts. It is important that branch organisations are established that work with the traditional Sami businesses before enabling the businesses to establishing clusters.

More information about possible actions can be found under chapter 1.3.

The types of actions have been assessed as compatible with the DNSH principle since they are not expected to have any significant negative environmental impact due to their nature.

## 2.1.2.2 Indicators

Table 2: Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
1	Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	RCO 87	Organisations cooperating across borders	Organisation	3	36
1	Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	RCO 116	Jointly developed solutions	Solution	0	12
1	Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	RCO 83	Strategies and action plans jointly developed	Strategy/action plan	1	11

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
1	Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	RCR 84	Organisations cooperating across borders after project completion	Organisation	0	2021	18	NYPS	
1	Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	RCR79	Joint strategies and action plans taken up by organisations	Joint strategy/ action plan	0	2021	11	NYPS	

### **2.1.2.3 The main target groups**

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.

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 internationalisation of companies are supported. Cross-border cooperation, activities, or other measures refer 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.

The main target groups for the activities are: Public organisations at local, regional, and national levels, universities and colleges, education actors/organisations, business-promoting actors, industry, clusters, industry associations, and NGOs.

The main beneficiaries are the business communities, public sector, business promotion actors, cluster and industry associations, NGOs, and civil society.

Renewal, economic growth, and the transition to a sustainable society in the Aurora region are best created by a diversity of women and men. When designing initiatives, a particular focus should be on ensuring that efforts contribute to the inclusion of under-represented groups such as women and people with a foreign background and to reaching a broad range of organisations and companies. This will increase innovation, attractiveness and competitiveness within companies and organisations. Active gender equality and diversity work increases innovation capacity, resource efficiency and the ability of sectors and industries to attract and retain skills. Importantly, they bring new perspectives, and good conditions are created for developing sustainable solutions to societal challenges both regionally and globally.

In order for efforts to have the desired effects in the contribution of the SDGs, the region's actors must strive for knowledge-driven change where gender equality and inclusion are mainstreamed in planning, implementation, and follow-up. This means that gender statistics should be integrated into the project chain, from challenges to described interventions and desired end state. The whole project chain should link to gender imbalances of women and men in industries and sectors and interventions should contribute to closing the gap.

All projects under this priority shall focus on strengthening sustainable development of the industries.

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

Not planned

### **2.1.2.5 Planned use of financial instruments**

The application of financial instruments (Article 59(2)(a) and (b) of Regulation (EU) 2021/1060) is not planned in this specific objective and sufficient reflows will not be expected. The projects will not generate any profit during the support.

### 2.1.2.6 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	021 SME business development and internationalisation, including productive investments	8 363 195
1	ERDF	Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	026 Support for innovation clusters including between businesses, research organisations and public authorities and business networks primarily benefiting SMEs	4 566 925

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	01 Grant	12 930 120

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

Priority no	Fund	Specific objective	Code	Amount (EUR)
1	ERDF	Enhancing sustainable growth and competitiveness of SMEs and job creation in SMEs, including by productive investments	33 Other approaches – No territorial targeting	12 930 120

## **2.2 Green and sustainable transition**

### **2.2.1 PO 2 - Specific objective 4 - Promoting climate change adaptation, disaster risk prevention, and resilience, taking into account eco-system-based approaches**

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

The increase in climate related disasters in recent years are clear examples of the effects of climate change. To deal with this in the future and to create opportunities to develop sustainable societies throughout the region, knowledge needs to be increased and actions need to be taken, regarding which climate effects and adaptation measures are suitable for different sectors in the society. The programme will act in accordance with the EU strategy on adaptation to climate change and will act in accordance with the EUSBSR with regards to disaster risk prevention and resilience such as PA Nutri, PA Hazards and PA Bioeconomy.

Through the work done on national and regional climate adaptation plans and strategies, there is an opportunity for exchange of experience and find out and work together with common challenges and solutions, expertise and information on climate change, impacts, adaptation, and resilience. Effective implementations of strategies and plans presuppose that those actors and the public gain a greater knowledge of how the climate will be affected and what adaptation measures are needed in a multi-generational perspective.

The use of new technologies and digital tools such as drones, virtual and augmented reality sensors, artificial intelligence, big data, and Internet of Things, is a great opportunity, especially for the monitoring and surveillance of the effects of climate change. Methods for, and testing of, these tools will be important activities.

Including climate change adaptation issues in risk and vulnerability analyses for various activities is a way of creating a picture of the measures that may need to be implemented to manage and prevent risks associated with climate change.

Additionally, interventions like cross-border knowledge sharing on methods can help to improve the resilience and sustainability of sectors such as agricultural and forestry practices to an increased frequency of extreme weather conditions.

With regard to climate-related risks around environmentally dangerous activities and polluted areas, future adaptation work should focus on clarifying risks regarding ongoing and discontinued operations, pollution risks in the event of floods and erosion, and establishing strategies and measures to minimise risks to humans, societies and the environment. New monitoring solutions could also be developed and implemented to monitor the environmental impact of the different industries.

Climate change will affect urban as well as rural areas in the region. Sharing best practices and developing new methodologies and scenarios for adapting regional and urban spatial planning to rising water levels, more frequent heavy downpours and droughts will be important.

The region has a lot of different types of protected areas such as national parks, world heritage sites, and Natura 2000. Research on how the climate change affects these areas and sites and hence, how the management of them need to adapt, are important activities. Exchanging knowledge and best practices can result in common solutions.

Parts of the region is strongly affected by a long tradition of draining wetlands for natural resource exploitation, more productive forestry and using peatlands for energy production. Restoration of

mires, peatlands and wetlands is a tool to increase carbon storage, reduce CO<sub>2</sub>-emissions, prevent forest fires, and increase local biodiversity. Restoring also reduces the risk of drought affecting groundwater levels so that drinking water resources are at risk of being polluted or depleted.

All business sectors in the region will be affected by the changing climate. Interventions focused on developing knowledge and methods for adapting to the changing climate while preserving and developing the livelihoods are important.

There is a vast cross-border added value of activities that coordinates strategic rescue services with regards to climate related accidents such as landslides, flooding, fires, but also of projects that increase the common knowledge of best practice for handling and preventing of such accidents.

### *Sápmi*

The Sami society with its culture and livelihood where reindeer husbandry is a key part, is already affected by climate change. The Sami livelihoods and their conditions for climate adaptation must be understood in a cross-border context and with regard to the combined effects of various influencing factors. One tool for this is climate adaptation plans. Interdisciplinary and cross-border analysis on risks, needs, measures and solutions related to climate change would enhance the effectiveness of plans, strategies, and actions.

In order to adapt to the climate change, an increased flexibility in the management of reindeer herding is needed. This could ensure increased access to and quality of reindeer grazing lands and safe passages for herding (alternative routes due to weak ice in the winter). The climate change results in ice covering grazing lands and tree hanging lichen. The difficulties of finding enough food for the reindeer results in reindeer herding communities having to keep their reindeers fenced in, in order to feed them. This is not in line with traditional reindeer herding methods and increase the risk of disease among the animals as well as having other negative health impacts. Mapping of lichen grazing lands could be one method of reducing the consequences. Common methodologies for field inventory need to be developed. Cross-border cooperation, exchange of experiences and best practices and finding common solutions on winter feeding of reindeers are also important.

An increased cooperation between research and locally based monitoring, to study the effects of climate change, including the cumulative effects of climate change in addition to effects caused by competing land use, impacts on cultural landscapes, impacts on Sami cultural heritage, could result in improved impact assessment methods. Research on climate change related diseases in reindeer may also be of interest.

The use of technologies, digital solutions and tools such as GPS transmitters, GIS-systems, drones, bio-fuel, Internet of Things, for Sami traditional livelihoods could reduce the risks connected to climate change and help reduce negative climate impact and CO<sub>2</sub> emission.

To increase synergies and speed up the implementation of the Paris agreement one intervention could be to enhance the involvement and engagement of knowledge holders in policy work and decision-making processes.

Promoting and increasing the utilisation of *árbediehtu* (Sami traditional knowledge) relating to climate change and adaptation by collecting and documenting traditional knowledge, trainings and workshops to support intergenerational transmission, producing curricula, education, training and information materials, could also be a valuable asset in the adaptation to the effects of the changing climate.

More information about possible actions can be found under chapter 1.3.



The types of actions have been assessed as compatible with the DNSH principle since they are not expected to have any significant negative environmental impact due to their nature.

### 2.2.1.2 Indicators

Table 2: Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
2	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	RCO 83	Strategies and action plans jointly developed	Strategy/action plan	2	13
2	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	RCO 84	Pilot actions developed jointly and implemented in projects	Pilot action	0	3
2	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	RCO 87	Organisations cooperating across borders	Organisation	4	24
2	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	RCO 116	Jointly developed solutions	Solution	0	5

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Ref. year	Final target (2029)	Source of data	Comments
2	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	RCR 79	Joint strategies and action plans taken up by organisation	Joint strategy / action plan	0	2021	5	NYPS	
2	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	RCR 84	Organisations cooperating across borders after project completion	Organisation	0	2021	10	NYPS	

### **2.2.1.3 The main target groups**

The purpose of the objective is to develop and coordinate system functions, increase the range of services and strengthen stakeholder collaboration.

The main target groups are micro, small and medium-sized enterprises, the civil society and Sami community.

The main beneficiaries are public organizations, academia and other research and education actors, economic associations, and the civil society.

Renewal, economic growth, and the transition to a sustainable society in the Aurora region is best created by a diversity of women and men. When designing initiatives, a particular focus should be on ensuring that efforts contribute to the inclusion of under-represented groups such as women and people with a foreign background and to reaching a broad range of organisations and companies. This will increase innovation, attractiveness and competitiveness within companies and organisations. Active gender equality and diversity work increases innovation capacity, resource efficiency and the ability of sectors and industries to attract and retain skills. With a gender equality and diversity perspective and forms of collaboration that bring new perspectives, good conditions are created for developing sustainable solutions to societal challenges both regionally and globally.

In order for efforts to have the desired effects in the contribution of the SDG's, the region's actors must strive for knowledge-driven change where gender equality and inclusion are mainstreamed in planning, implementation and follow-up. This means that gender statistics should be integrated into the project chain, from challenges to described interventions and desired end state. The whole project chain should link to gender imbalances of women and men in industries and sectors and interventions should contribute to closing the gap.

General measures of precaution should too be taken to make sure that e.g. local negative impacts are avoided.

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

Not planned

### **2.2.1.5 Planned use of financial instruments**

The application of financial instruments (Article 59(2)(a) and (b) of Regulation (EU) 2021/1060) is not planned in this specific objective and sufficient reflows will not be expected. The projects will not generate any profit during the support.

### 2.2.1.6 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	058 Adaptation to climate change measures and prevention and management of climate related risks: floods and landslides (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem-based approaches)	2 516 868
2	ERDF	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	059 Adaptation to climate change measures and prevention and management of climate related risks: fires (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem-based approaches)	2 516 868
2	ERDF	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	060 Adaptation to climate change measures and prevention and management of climate related risks: others, e.g. storms and drought (including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem-based approaches)	2 516 868
2	ERDF	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	061 Risk prevention and management of non-climate related natural risks (i.e. earthquakes) and risks linked to human activities (e.g. technological accidents), including awareness raising, civil protection and disaster management systems, infrastructures and ecosystem-based approaches	1 258 434
2	ERDF	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	064. Water management and water resource conservation (including river basin management, specific climate change adaptation measures, reuse, leakage reduction)	1 258 434

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	01 Grant	10 067 472

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

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	Promoting climate change adaptation and disaster risk prevention, resilience taking into account eco-system-based approaches	33 Other approaches – No territorial targeting	10 067 472

## **2.2.2 PO 2 - Specific objective 7 - Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution**

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

In order to preserve the region's valuable natural resources for future generations, efforts are needed to raise awareness about the sensitive Arctic nature and increase understanding of biodiversity and ecosystems. The region's unique and varied nature, with its biotopes and species, are a joint responsibility, and a joint cross-border commitment for protection, preservation and restoration of human interference is required. Key efforts include mitigating the pollution of water and air, protecting and enhancing biodiversity, and remedying the effects of climate change. The programme will act in accordance with the EU biodiversity strategy for 2030, the EU's Habitats directive and the EUSBSR with regards to reduction of nutrient emissions such as PA Nutri, PA Hazards, PA Bioeconomy.

Healthy ecosystems provide the region with a variety of valuable, economically important goods and ecosystem services such as clean water and air, carbon storage, recreation, and food, as well as being a major pull factor for the tourism industry. It is also crucial for the wellbeing for inhabitants in the region. The functioning ecosystems also play a central role in fighting climate change impacts by protecting against floods and other environmental disasters. A strong and resilient nature is also the basis for Sami livelihood, culture, and business development.

The climate change is affecting movement patterns and habitats of different animals. Hence, the behaviour of those animals and the risk of conflicts with people and economic interests increase. The disruption of natural food chains might cause unexpected behaviour in predators and other animals. Exchange of best practice are important to find effective management and, where possible, coexistence methods.

Cross-border cooperation within nature management need to be strengthened as joint preparedness is a prerequisite for reducing the vulnerability of existing ecosystems and dealing with future environmental challenges. Species management (including predators, invasive species and mobile natural resources), cooperation between nature reserves, and cooperation between world heritages are important themes for cross-border activities.

By promoting restoration of key habitats and nature types such as wetlands, damage to the ecosystem can be reversed. This is important both from a biodiversity as well as a climate change perspective. Wetland and peatland restoration have the added benefit of being an efficient practice for carbon sequestration. Actions include developing methods for evaluating which wetlands, peatlands and habitats are suitable for restoration, guidelines for different kinds of restoration efforts, methods for natural carbon sequestration, change of knowledge and best practice etc.

Nature management such as the use and conservation of natural resources and protection of species can cause friction with inhabitants and landowners. When planning biodiversity conservation or restoration efforts, important livelihoods such as forestry, agriculture, fishing and reindeer herding need to be taken into consideration in order to reduce the risk for potential conflicts. Information, participation processes and efforts for raising awareness are important tools for preventing conflicts, as well as increasing the knowledge about the importance of biodiversity and healthy ecosystems.

Water management in the Bothnian Bay, rivers and lakes is a common cross-border concern that requires a joint commitment. Pollution from mining, agriculture, and leakage from acidic soils are contributing negative factors. The biodiversity of the water areas is an important cross-border theme, which also effects tourism, fishing, and agriculture. Waterways connected to the big rivers are

important when it comes to reducing leakage into the rivers and sea. Water management is also important from a Sami perspective. Through cross-border collaboration, increased capacity water management can be achieved, including knowledge building, inventory, planning and method development and restoration efforts.

Green infrastructure, based on the protection, conservation and restoration of nature, is a tool for achieving positive ecological, economic and social effects. Developing green infrastructure is one approach for responding to challenges such as reducing the ecological and carbon footprint, introducing measures for carbon sequestration, improving human health and well-being, and adapting to climate change. Spatial planning for green infrastructure in both urban and rural areas is a potential theme for cross-border cooperation, including cross-border exchanges and harmonisation of working methods.

### *Sápmi*

For the traditional Sami way of life, which is entirely dependent on a harmonious relationship with nature, functioning ecosystems and a strong biodiversity are crucial. Adaptive ecosystem-based management of natural resources, habitats and species in cooperation with the Sami communities and knowledge holders contribute to a sustainable and inclusive approach.

A functioning green infrastructure is the prerequisite for reindeer husbandry, nature and Sami culture. Reindeer husbandry is key to maintain and increase the biodiversity in the mountainous and boreal areas. For example, mountainous birch forest grazed by reindeer are brighter and less dense which support the diversity of herbs and other species. Working actively with green infrastructure can contribute to long-term sustainable landscapes and reverse the negative trend of declining biodiversity.

Raising awareness of and using Sami traditional knowledge and livelihoods as well as participation and involvement of Sami knowledge holders in decision-making and nature management can contribute to an increased understanding and appreciation of nature and its valuable resources. Actions include establishing and management of green infrastructure such as passages and wildlife fences, restoration of wetlands and grazing lands, conservation strategies, development of inclusive methods and processes, guidelines, documentation etc.

More information about possible actions can be found under chapter 1.3.

The types of actions have been assessed as compatible with the DNSH principle since they are not expected to have any significant negative environmental impact due to their nature.

### 2.2.2.2 Indicators

Table 2: Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
2	Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	RCO 83	Strategies and action plans jointly developed	Strategy/action plan	1	15
2	Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	RCO 84	Pilot actions developed jointly and implemented in projects	Pilot action	0	3
2	Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	RCO 87	Organisations cooperating across borders	Organisation	2	28
2	Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	RCO 116	Jointly developed solutions	Solution	0	5

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Ref. year	Final target (2029)	Source of data	Comments
2	Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	RCR 79	Joint strategies and action plans taken up by organisation	Joint strategy / action plan	0	2021	5	NYPS	
2	Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	RCR 84	Organisations cooperating across borders after project completion	Organisation	0	2021	8	NYPS	



### **2.2.2.3 The main target groups**

The purpose of the objective is to develop and coordinate system functions, increase the range of services and strengthen stakeholder collaboration.

The main target groups are the civil society, micro, small and medium-sized enterprises, and the Sami community.

The main beneficiaries are public organisations, academia and other research and education actors, economic associations and the civil society.

Renewal, economic growth and the transition to a sustainable society in the Aurora region, is best created by a diversity of women and men. When designing initiatives, a particular focus should be on ensuring that efforts contribute to the inclusion of under-represented groups such as women and people with a foreign background and to reaching a broad range of organisations and companies. This will increase innovation, attractiveness and competitiveness within companies and organisations. Active gender equality and diversity work increases innovation capacity, resource efficiency and the ability of sectors and industries to attract and retain skills. With a gender equality and diversity perspective and forms of collaboration that bring new perspectives, good conditions are created for developing sustainable solutions to societal challenges both regionally and globally.

In order for efforts to have the desired effects in the contribution of the SDGs, the region's actors must strive for knowledge-driven change where gender equality and inclusion are mainstreamed in planning, implementation and follow-up. This means that gender statistics should be integrated into the project chain, from challenges to described interventions and desired end states. The whole project chain should link to gender imbalances of women and men in industries and sectors and interventions should contribute to closing the gender equity gap.

General measures of precaution should too be taken to make sure that e.g., local negative impacts are avoided.

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

Not planned

### **2.2.2.5 Planned use of financial instruments**

The application of financial instruments (Article 59(2)(a) and (b) of Regulation (EU) 2021/1060) is not planned in this specific objective and sufficient reflows will not be expected. The projects will not generate any profit during the support.

## 2.2.2.6 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	077. Air quality and noise reduction measures	567 339
2	ERDF	Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	078 Protection, restoration and sustainable use of Natura 2000 sites	5 389 713
2	ERDF	Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	079 Nature and biodiversity protection, natural heritage and resources, green and blue infrastructure	5 389 713

Table 5: Dimension 2 – form of financing

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	01 Grant	11 346 765

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

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	Enhancing protection and preservation of nature, biodiversity and green infrastructure, including in urban areas, and reducing all forms of pollution	33 Other approaches – No territorial targeting	11 346 765

### **2.2.3 PO 2 - Specific objective 8 -Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy**

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

The focus of the objective is reduction of CO<sub>2</sub> emissions and a more resource efficient transport system, through smart multimodal mobility, alternative fuels and electrification solutions. All actions under this specific objective shall have CO<sub>2</sub> reduction as its main goal in a long-term perspective.

The Aurora program will focus only on soft measures such as plans, best practices, pilot studies etc whereas relevant regional and national programs will contribute with hard measures such as investments in necessary infrastructure, upgrades of the transport system etc.

Measures to reduce the carbon dioxide emissions from mobility and transports are needed in order to reduce the Aurora region's carbon footprint, since mobility and transports are one of the main sources of CO<sub>2</sub> emissions. In the Aurora region it is important to protect the fragile environment by moving towards making the mobility and logistics systems greener and more sustainable.

The Aurora region needs to invest in the development and testing of technologies and plans that, through multimodality, contribute to reducing carbon dioxide emissions in the region, in the urban and hinterland environments that exist. This needs to be done jointly in the area because competence and resources need to be coordinated but also because the emissions do not stop regionally and because there are connected urban environments such as Haparanda-Tornio, Mo i Rana-Umeå-Vaasa, Kiruna-Narvik and Oulu-Luleå-Tromsø, which are supported by existing mobility plans.

In the sparsely populated, cold climate Aurora region, there is a need to use resources (financial as well as know-how) efficiently. The programme area has scarce resources in human and economic capital and there aren't many urban nodes in the area.

Nevertheless, most of the travel and transport in the area is within urban areas or between the rural hinterland and cities. Hence, it's important to develop the region's transportation system towards multi-modality and climate neutrality.

There is a need for testing and verifying green multi-modal solutions. The Arctic as a test-field can provide green solutions that are important for not only the circumpolar area, but also other sparsely populated areas around Europe. This also include developing of sustainable and carbon-neutral supply chains of primary resources.

In order to increase competitiveness and continue to create growth in the region, while contributing to the green transformation, businesses must be able to solve their logistics needs in a cost-effective and climate-friendly way. Cross-border cooperation regarding the development of green multi-modal solutions for goods and passenger traffic is a necessity, especially to promote less carbon intense transports in urban areas and hinterlands.

Urban mobility is closely related to other EU policies such as energy, climate change, air quality, economy, social equity and accessibility, innovation, IT deployment, and smart cities, such as EUSBSR PA Transport. The EUSBSR stresses the need to increase efficiency, and to minimise the environmental impact of mobility systems. Clean mobility solutions require a close link between the transport and energy sectors. It also includes autonomous mobility, energy storage and smart grids. Large scale investments in access to alternative fuels such as hydrogen and biogas, could greatly

benefit from a cross-border coordinated piloting approach in order to achieve maximum use and efficiency. The transport system needs to be harmonised in order to ensure a smooth flow of goods and passengers, which is key for decreasing CO<sub>2</sub> emissions and maintaining and increasing the region's attractiveness.

Interventions that expand the use of digital tools and solutions such as data analysis, scenarios, intelligent transport monitoring, in order to minimise time, cost and CO<sub>2</sub> emissions, are important tools for taking the green transformation in the transport chain forward. Carbon-neutral transport solutions, which work in cold climate developed in the Aurora region will probably also sustain other harsh circumstances. Efficient digital solutions are needed in order to ensure environmentally sustainable, obstacle free and streamlined movement.

Feasibility studies, optimisation, best practice and knowledge exchange on carbon dioxide reducing methods and technologies are necessary for speeding up the green transition. The transition from diesel and gasoline to bio-, hydrogen-, hybrid- and electric-powered vehicles will reduce the in-use emissions of a single vehicle during operation. However, there is also a significant impact on the environment of how effectively the vehicle is controlled or operated during its life cycle. In a region with an ageing population, well-functioning public transport systems and innovative solutions such as autonomous vehicles are important for a functioning society. The aspect of adding to a functioning society also includes a younger generation of inhabitants that don't necessarily want to own a car and therefore are in need of well-functioning public transports, shared autonomous vehicles etc. Green technologies need to be implemented in the whole region, in order to get better results with regards to the climate.

Cross-border cooperation is needed in order to have access to the needed resources for developing efficient solutions and in order to speed up the green transition. Done in every region by itself it would be ineffective, since the individual regions are too small and sparsely populated. The much-needed technological solutions for a greener transport system requires networking, knowledge exchange and cross-border cooperation in order to solve the problems that are unique for the Arctic region.

The development of smart solutions for fast charging of electric cars, electric aviation solutions and other electric solutions has the potential to contribute to the reduction of the carbon footprint in the urban areas, as nodes such as airports and transshipment terminals often are located close to city centres. Additionally, the development and testing of different types of sustainably produced biofuels, such as biogas from wastewater or catering waste can contribute to the development of a circular economy. The development and testing of climate efficient solution will be applied in urban centres and hinterland connections in the region. The aim will be to explore different solutions, carry out feasibility studies, pilot actions, instead of actual investments.

Studies and strategic plans for developed access to alternative fuels such as hydrogen, biogas, and electricity is a key to developing a more carbon dioxide efficient transport system. Additionally, decentralised production of alternative fuels needs to be tested and developed.

Smart multimodality mobility is an integrated seamless system consisting of the co-ordinated use of two or more modes of transport for efficient movement of passengers and freight. Multimodality, including how to move smoothly across the borders by buses, trains, electric vehicles, is a tool for making travel chains more efficient and more carbon neutral. Access to sustainable, cross-border, multimodal transports for passengers (tourists as well as inhabitants) are important for the image of the region.

More information about possible actions can be found under chapter 1.3.

The types of actions have been assessed as compatible with the DNSH principle since they are not expected to have any significant negative environmental impact due to their nature.

### 2.2.3.2 Indicators

Table 2: Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
2	Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	RCO 83	Strategies and action plans jointly developed	Strategy/action plan	1	10
2	Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	RCO 84	Pilot actions developed jointly and implemented in projects	Pilot action	0	3
2	Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	RCO 87	Organisations cooperating across borders	Organisation	2	18
2	Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	RCO 116	Jointly developed solutions	Solution	0	3

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Ref year	Final target (2029)	Source of data	Comments
2	Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	RCR 79	Joint strategies and action plans taken up by organisation	Joint strategy / action plan	0	2021	3	NYPS	
2	Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	RCR 84	Organisations cooperating across borders after project completion	Organisation	0	2021	6	NYPS	

### **2.2.3.3 The main target groups**

The purpose of the objective is to develop and coordinate system functions, increase the range of services and strengthen stakeholder collaboration.

The main target groups are the civil society and micro, small and medium-sized enterprises.

The main beneficiaries are public organizations, academia and other research and education actors, economic associations and the civil society.

Renewal, economic growth and the transition to a sustainable society in the Aurora region, is best created by a diversity of women and men. When designing initiatives, a particular focus should be on ensuring that efforts contribute to the inclusion of under-represented groups such as women and people with a foreign background and to reaching a broad range of organisations and companies. This will increase innovation, attractiveness and competitiveness within companies and organisations. Active gender equality and diversity work increases innovation capacity, resource efficiency and the ability of sectors and industries to attract and retain skills. With a gender equality and diversity perspective and forms of collaboration that bring new perspectives, good conditions are created for developing sustainable solutions to societal challenges both regionally and globally.

In order for efforts to have the desired effects in the contribution of the SDG's, the region's actors must strive for knowledge-driven change where gender equality and inclusion are mainstreamed in planning, implementation and follow-up. This means that gender statistics should be integrated into the project chain, from challenges to described interventions and desired end state. The whole project chain should link to gender imbalances of women and men in industries and sectors and interventions should contribute to closing the gap.

All projects funded under this priority shall focus on contributing to the development of a sustainable transport system of the programme area.

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

Not planned

### **2.2.3.5 Planned use of financial instruments**

The application of financial instruments (Article 59(2)(a) and (b) of Regulation (EU) 2021/1060) is not planned in this specific objective and sufficient reflows will not be expected. The projects will not generate any profit during the support.

### 2.2.3.6 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	081 Clean urban transport infrastructure (*Clean urban transport infrastructure refers to infrastructure that enables the operation of zero-emission rolling stock)	2 558 584
2	ERDF	Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	085. Digitalisation of transport when dedicated in part to greenhouse gas emissions reduction: urban transport	1 918 938
2	ERDF	Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	086 Alternative fuels infrastructure (*If the objective of the measure is in line with Directive (EU) 2018/2001)	1 918 938

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	01 Grant	6 396 460

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

Priority No	Fund	Specific objective	Code	Amount (EUR)
2	ERDF	Promoting sustainable multimodal urban mobility, as part of transition to a net zero carbon economy	33 Other approaches – No territorial targeting	6 396 460



## **2.3 Education, culture and sustainable tourism**

### **2.3.1 PO 4 - Specific objective 2 - Improving equal access to inclusive and quality services in education, training and life-long learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training**

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

The ambition of the priority is to strengthen the region's skills supply. Activities should enable more cross-border employment opportunities, stimulate efforts to bring more people into work, and improve productivity. To maximise the cross-border impact and effectiveness, activities should promote concerted efforts to retrain, attract and retain people to increase the labour and skills supply in the Aurora region. To achieve this the region needs a strong and wide range of educational providers. These actors can effectively contribute to a well-functioning supply of skills and lifelong learning in cross-border networks and alliances, by cooperation in response to SMEs' and organisations' need for skills. This policy objective will act in accordance with, and cover several, policy actions such as PA Education, decided by the EU strategy for the Baltic Sea Region.

There should be strengthened cross-sectoral collaboration and dialogue between educational providers, micro businesses, SMEs, the public sector, civil society and educational actors to improve skills supply, onsite or online education, lifelong learning and joint marketing of career opportunities for all in the Aurora region.

To meet the needs for education and training and retraining, accessibility and uptake of education must be encouraged. There is a need to increase the efficiency and flexibility in life-long learning at different phases. The programme will also encourage to exchange knowhow and harmonisations of working methods for distance learning and use of digitalisation in education in the remote areas.

Creating employment and enabling establishment could enhance the implementation of internal competence development of existing staff, which can lead to a change of profession or career development. This in turn opens up for the recruitment of those who are further away from the labour market, as well as preventing unemployment. In the long run, there is a gradual transfer of staff within the organisation or company and the need for new recruitments arises.

Future changes in the labour market will require higher levels of education and valuable digital skills. The Aurora region must develop a diverse and high-quality cross-border education area to attract people – both returnees and new immigrants - to learn, retrain, and live here. It is also important to develop and harmonise the knowhow and working methods for better quality for education, lifelong learning and for labour market among the vulnerable groups, e.g. persons with disabilities, NEET, dropouts, young people in particular with different background, cultures and ethnicities.

Efforts are needed to create demand-driven commissioned education and training by companies and organisations aggregating their skills needed, for example by cluster formations or other types of collaboration and networks. The training can be carried out by different types of intermediate actors at local and regional level for cross-border purposes.

Promoting the supply of skills in key competencies as well as for basic broad competencies increases the possibility that adjustments and lifelong learning are matched to the region's business structure

and labour market. A way of developing the labour market and equipping people in micro and SMEs and other organisations with new skills or work could be by creating capacity among the actors through collaborative projects and skills-enhancing initiatives within the programme.

Collaborative actions can also involve common labour markets, synchronising or creating common certifications, professional certificates and validation requirements, and collaboration between training providers to reach a larger number of individuals and ensure that the right skills are available. Efforts should promote knowledge of gender equality and inclusion as well as economic and ecological sustainability as important factors for both attractiveness and competitiveness.

Through skills development, the development of educational materials and cross-border cooperation and relationship building, promoters of youth entrepreneurship and business can help drive the transition to a sustainable society. Entrepreneurship and a dynamic approach in order to strengthen entrepreneurial skills should be enhanced through skills development and experience and training exchanges through cross-border and cross-sectoral collaboration.

Supporting actors should ensure that young people are given the conditions to develop their entrepreneurship and get a realistic perception of what entrepreneurship entails.

### *Sápmi*

In the sub-area Sápmi there is a need for diverse education, such as Sami languages, traditional food culture, duodji, and interpretation. The Sami educational institutions and other Sami organisations are important when imparting knowledge and culture as well as developing skills. For further development of the Sami education, it is also important to collaborate with other educational institutions in the Aurora region. A continued dialogue and cooperation between the countries can be established 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.

Development of the cross-border education, lifelong learning and training within Sami society must be based on traditional Sami knowledge, árbediehtu, and sustainable development.

Cross-border actions for Sami languages should be broadly varied to cover all Sami languages, ages, and sectors. Experiences have been shown that cross-sectoral actions will give long lasting effects.

More information about possible actions can be found under chapter 1.3.

The types of actions have been assessed as compatible with the DNSH principle since they are not expected to have any significant negative environmental impact due to their nature.

### 2.3.1.2 Indicators

Table 2: Output indicators

Priority	Specific objective	ID [5]	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
3	Improving equal access to inclusive and quality services in education, training and life-long learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training	RCO 84	Pilot actions developed jointly and implemented in projects	Pilot actions	0	3
3	Improving equal access to inclusive and quality services in education, training and life-long learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training	RCO 87	Organisations cooperating across borders	Organisation	2	14

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Ref year	Final target (2029)	Source of data	Comments
3	Improving equal access to inclusive and quality services in education, training and life-long learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training	RCR 84	Organisations cooperating across borders after project completion	Organisation	0	2021	5	NYPS	
3	Improving equal access to inclusive and quality services in education, training and life-long learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training	RCR 104	Solutions taken up or up-scaled by organisations	Number of solutions	0	2021	2	NYPS	

### **2.3.1.3 The main target groups**

The main beneficiaries are private, public, and civil society organisations linked to and/or providing educational services and/or learning opportunities, which can include public actors, academia, research and education actors, micro, small and medium-sized enterprises, economic associations and non-governmental organisations.

The main target groups are the ones benefitting from the results of the projects like job seekers and unemployed looking for new skills or career counselling, minority language groups and vulnerable groups like young people entering in the labour market or young people in particular with different background, cultures and ethnicities, people with foreign background and ageing population. The secondary target group could be policy makers, decision makers and individuals taking part in actions.

Renewal, economic growth and the transition to a sustainable society in the Aurora region, is best created by a diversity of women and men. When designing initiatives, a particular focus should be on ensuring that efforts contribute to the inclusion of under-represented groups such as women and people with a foreign background and to reaching a broad range of organisations and companies. This will increase innovation, attractiveness and competitiveness within companies and organisations. Active gender equality and diversity work increases innovation capacity, resource efficiency and the ability of sectors and industries to attract and retain skills. With a gender equality and diversity perspective and forms of collaboration that bring new perspectives, good conditions are created for developing sustainable solutions to societal challenges both regionally and globally.

In order for efforts to have the desired effects in the contribution of the SDG's, the region's actors must strive for knowledge-driven change where gender equality and inclusion are mainstreamed in planning, implementation and follow-up. This means that gender statistics should be integrated into the project chain, from challenges to described interventions and desired end state. The whole project chain should link to gender imbalances of women and men in industries and sectors and interventions should contribute to closing the gap.

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

Not planned

### **2.3.1.5 Planned use of financial instruments**

The application of financial instruments (Article 59(2)(a) and (b) of Regulation (EU) 2021/1060) is not planned in this specific objective and sufficient reflows will not be expected. The projects will not generate any profit during the support.

### 2.3.1.6 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
3	ERDF	Improving equal access to inclusive and quality services in education, training and life-long learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training	140 Support labour market matching and transitions	4 894 682

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
3	ERDF	Improving equal access to inclusive and quality services in education, training and life-long learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training	01 Grant	4 894 682

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

Priority no	Fund	Specific objective	Code	Amount (EUR)
3	ERDF	Improving equal access to inclusive and quality services in education, training and life-long learning through developing accessible infrastructure, including by fostering resilience for distance and on-line education and training	33 Other approached – No territorial targeting	4 894 682

## **2.3.2 PO 4 - Specific objective 6 - Enhancing the role of culture and sustainable tourism in economic development, social inclusion, and social innovations**

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

The programme's ambition is to strengthen sustainable tourism, culture, and livelihoods in the region through cross-border collaboration and knowledge exchange between the research and educational organisations, society, businesses, and third sector. All projects funded under this priority shall focus contributing to the development of a sustainable enhancing of the role of culture or sustainable tourism in the programme area. All projects funded also under cultural cities need to be demand based for example interest of local communities and visitors to avoid investing in the renovation of cultural cities that would remain unused or abandoned. This policy objective will act in accordance with, and cover several, policy actions such as PA Tourism and PA Culture decided by the EU strategy for the Baltic Sea Region.

Companies and organisations in the tourism and the culture sectors have been severely impacted due to the pandemic crisis. Recovery, stabilisation, and sustainable change are the most critical issues for the survival of these sectors.

The tourism industry has the potential to develop by enhancing the quality of tourism and culture. Competence of companies and organisations in sustainable and digital solutions contribute to increased international competitiveness. The region's nature, culture, and history provide good opportunities to create high-quality products and experiences.

The Aurora area has a fragile and valuable nature. Nordic nature and the natural phenomena attract various tourist segments to visit the area, but the development of easy access to nature is still needed. Though, there is big variation between the local destinations in the programme area. The further development of tourism has to be made with a concept of the transition to a circular economy through increased resource efficiency and without over-exploitation of the local ecological environment. To avoid over-exploitation makes the cross-border cooperation and development of digitalisation within the tourism sector even more important than ever. To find out common solutions to manage tourism flows and to offer different options for visitors will make destinations more resilient and decrease the seasonality.

Authentic, cultural, and ecologically sustainable tourism are the unique selling points for the region. Culture and tourism have a mutually beneficial relationship. Tourism provides an important means of valorising culture and creating income that can support and strengthen cultural heritage, cultural production, and creativity. Tourism and culture can make places more attractive as well as increase their competitiveness as locations to live, visit, work, and invest in.

The citizens in our community are equally important for the tourism as the place we are promoting. Local entrepreneurs together with the whole community have a key position in developing the tourism eco-system. The whole Aurora region needs to broaden its cross-border business structure and investments in cultural, creative and tourism industries to develop diversification. Today's and tomorrow's visitors require bespoke solutions, which are also ecologically accepted and socially integrated.

Collaboration within industries helps to establish and develop cross-border partnerships, and collaboration with other sectors is important to create new holistic business models for all year-round businesses. The programme area hosts several RDI institutions with focuses on tourism, culture, and business development, and they should work closely with the transition within industries.

The Aurora region has the potential to attract tourists to several destinations which are situated in different countries. This requires joint cross-border marketing and strengthened cross-border accessibility and mobility solutions.

The region needs to work together to find new cross-border solutions which highlight and utilise the region's rich culture and heritage and ensure that these are passed on to future generations. There is potential for joint efforts to strengthen and preserve cultural assets which, in the long-term, could provide a basis for development and growth.

The actions should be taken to make the region's culture, cultural heritage and intangible cultural heritage more visible. Language has the important role of preserving culture and cultural heritage, and therefore the actions should take account of linguistic differences and developments. There is also a need for actions to transfer knowledge and to revitalise intangible cultural heritage, which could also be linked to the geographical sites' profiling. The Interreg Aurora programme does not promote single cultural events, unless they are in connection to larger piloting actions.

The region needs to broaden its business structures and investments in cultural and creative industries to develop diversification. They create jobs and demonstrate above-average growth - particularly for young people - while also strengthening social cohesion. In the programme area, there is a possibility to create new joint innovative services and products in cultural and creative industries, and they also play an important role in developing digitalisation and digital innovation. Cultural creative cross-border partnerships and networks strengthen the sector and support export initiatives. Also, by increased collaboration between culture, business, academia, and society the region will be strengthened and provide development and growth.

### *Sápmi*

The Interreg Aurora programme sub-area *Sápmi* supports to safeguard the Sami languages, *árbediehtu* (knowledge transfer), Sami culture, and Sami traditional industries. Sami tourism has to be based on authenticity and genuine Sami values. A great growth potential lies of development of Sami products and experiences, for example in Sami food and *duodji*. Using digitalisation and AI will make Sami culture more visible and easier to access for users, with respect for environmental aspects.

For the Sami, it is important to strengthen and develop the Sami culture, cultural heritage, and Sami languages, and also preserve what is unique for the Sami community. To contribute to the strengthening, development, and progression of the Sami culture, there are needs for documentation and protection of Sami cultural monuments and Sami cultural landscapes, as well as the continuation of traditions and customs.

By making the Sami accessible and visible, a positive outcome is created for future generations. Languages as well as culture are dynamic, leading to the constant emerging of new areas for the use of Sami languages, which are necessary for the languages to survive into the future. A central part of the cross-border work is joint and strategic efforts to preserve and develop the Sami languages and not only with synergies with educational institutes but also by peer learning, by *árbediehtu*.

Based on Sami traditions, new forms of expression have emerged in recent decades which has led to new development opportunities to work with and live off in the Sami area.

More information about possible actions can be found under chapter 1.3.

The types of actions have been assessed as compatible with the DNSH principle since they are not expected to have any significant negative environmental impact due to their nature.

### 2.3.2.2 Indicators

Table 2: Output indicators

Priority	Specific objective	ID [5]	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
3	Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	RCO87	Organisations cooperating across borders	Organisation	2	48
3	Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	RCO84	Pilot actions developed jointly and implemented in projects	Pilot actions	0	12

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Base-line	Ref. year	Final target (2029)	Source of data	Comments
3	Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	RCR84	Organisations cooperating across borders after project completion	Organisation	0	2021	16	NYPS	
3	Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	RCR79	Joint strategies and action plans taken up by organisations	Joint strategy/ action plan	0	2021	4	NYPS	



### **2.3.2.3 The main target groups**

The main beneficiaries are local and regional public actors, academia and other educational actors, regional tourism, culture and creative clusters and platforms, micro, small and medium-sized enterprises, economic associations, civil society and NGOs.

The main target groups are the ones benefitting from the results of the projects actions like local communities, policy makers, decision makers, and individuals taking part in actions.

Renewal, economic growth, and the transition to a sustainable society in the Aurora region are best created by a diversity of women and men. When designing initiatives, a particular focus should be on ensuring that efforts contribute to the inclusion of under-represented groups such as women and people with a foreign background and to reaching a broad range of organisations and companies. This will increase innovation, attractiveness and competitiveness within companies and organisations. Active gender equality and diversity work increases innovation capacity, resource efficiency and the ability of sectors and industries to attract and retain skills. With a gender equality and diversity perspective and forms of collaboration that bring new perspectives, good conditions are created for developing sustainable solutions to societal challenges both regionally and globally.

In order for efforts to have the desired effects in the contribution of the SDGs, the region's actors must strive for knowledge-driven change where gender equality and inclusion are mainstreamed in planning, implementation and follow-up. This means that gender statistics should be integrated into the project chain, from challenges to described interventions and desired end states. The whole project chain should link to gender imbalances of women and men in industries and sectors and interventions should contribute to closing the gap.

All projects funded under this priority shall focus on contributing towards the development of a sustainable enhancement of the role of culture and sustainable tourism in the programme area.

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

Not planned

### **2.3.2.5 Planned use of financial instruments**

The application of financial instruments (Article 59(2)(a) and (b) of Regulation (EU) 2021/1060) is not planned in this specific objective and sufficient reflows will not be expected. The projects will not generate any profit during the support.

### 2.3.2.6 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
3	ERDF	Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	165 Protection, development and promotion of public tourism assets and tourism services	9 740 418
3	ERDF	Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	166 Protection, development and promotion of cultural heritage and cultural services	7 613 457

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
3	ERDF	Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	01 Grant	17 353 875

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

Priority no	Fund	Specific objective	Code	Amount (EUR)
3	ERDF	Enhancing the role of culture and sustainable tourism in economic development, social inclusion and social innovation	33 Other approaches – No territorial targeting	17 353 875

## **2.4 Better and more sustainable cross-border cooperation**

### **2.4.1 ISO 1 - Specific objective - Other actions to support better cooperation governance**

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

The programme's ambition is to strengthen local and regional cross-border governance, to increase regional cross-border capacity in the programme area with mutual trust, and to minimise border obstacles. Activities must stimulate common understanding and mutual agreement to further the sustainable development of the Aurora programme area. The thematical focus areas in this priority include building capacity, producing coherent development strategies, reducing administrative and legal obstacles, establishing reliable datasets, and building relations and trust within Arctic cooperation through institutional collaboration and people-to-people actions. This policy objective will act in accordance with and could cover Policy Areas as stated in the Action Plan for the EU strategy for the Baltic Sea Region: PA Innovation, PA Bioeconomy, PA Safe, PA Transport, PA Energy, PA Hazards, PA Bioeconomy, PA Spatial Planning, PA Secure, PA Health, PA Education, PA Nutri, PA Tourism and PA Culture.

The Interreg Aurora programme serves various EU strategies, and particularly the EU Strategy for the Baltic Sea Region and the Joint Communication on the EU Arctic Policy. In addition, there is a need for developing further coherent cross-border regional strategies on the level of functional areas. The strategic documents should be based on robust data, be politically supported, and have undergone a wide consultation with relevant stakeholders. Those regional strategies and action plans can present common guidelines for further joint development, including during the implementation of the Aurora programme. Cross-border cooperation between authorities, such as environmental management, search and rescue, and security, could be supported through the programme.

Coherent strategies together with our neighbours are important for regional development to increase the attractiveness and critical mass of the area. Actions have to be taken to attract people, particularly women and the young, to the North.

In addition, the cross-border entities could facilitate the development of shared strategies, procedures, and sustained mechanisms for cooperation and the alleviation of obstacles. Interreg Aurora can support actions for better regional functionality and enhancing capacity in sectors such as wellbeing and mental health, elderly and health care, and other common challenging areas.

The key element for better functionality in the programme area is improved east-west connectivity. Experiences from previous programmes have shown successful results through the various feasibility studies, which have led to tangible investments and actions. There is still need for further work with coherent planning of better connectivity in the region. It has to be based on reliable data and the competent authorities have to be involved. Joint strategies and joint planning are needed to fulfil the missing links in value chain for example, both for transport and for mobility.

Due to the pandemic, developing collaboration is a crucially fundamental action for the Aurora region. People who live near the borders with their companies, workplaces, or families on different sides of the borders, have to feel safe and be able to trust the governmental and regional collaboration, without compromising their job or family situations during the crisis. To guarantee coherent governance capacity building, the organisations have to work pro-actively to offset the next crisis. Measures have to be taken to create a more decisive functional area. People-to-people

cooperation, which is designed to initiate and promote grassroots contacts and interaction between people, is an important and successful tool for small actors and small projects to build trust in the programme area. People-to-people actions could be any initiatives that are directed towards building mutual trust and understanding across borders.

Strengthening the institutional capacity in the region could also be done by clustering between the four different EU programmes in the Arctic Cooperation. Interreg Aurora sees the possibility for fostering engagement and capitalisation by doing the common actions together with the beneficiaries within the Arctic Cooperation. As an example, ongoing projects in Aurora have the possibility to cooperate with other ongoing projects in other Arctic Cooperation programmes, which could create synergies and added value for the Aurora regions.

Regional and national bodies must show willingness and make actions to minimise border obstacles. The already existing cross-border cooperation has to be empowered to achieve a mutual agreement for simplified regulations in the Aurora programme area. For example, to achieve a common labour market and a more effective health care system, there is still a need to identify legal and administrative obstacles for cooperation and find solutions to minimise those impediments. Additionally, the programme has to actively work for a wider acceptance and harmonisation for each other's curriculums and certificates for upper secondary schools, vocational and higher education. One of the fundamental steps in creating a common labour market in the region is to ensure a common approach for skill certification and recognition of education across borders in the Aurora region.

The Aurora programme also stresses the need to identify the areas where the important cross-border statistics are missing, and to support projects that would fill the eventual gap. Those actions should be done in cooperation between regional actors and national statistical offices by supporting regional data portals. It is important that the collection of data and statistics has a long-lasting and continued approach. Data is an essential resource for economic growth, competitiveness, innovation, job creation and societal progress. For better cross-border cooperation it is important to take advantage of opportunities for open data by using the digital world smart and wisely according to the European Strategy for Data. Common European data spaces will ensure more data becoming available yet keeping the control at the companies and individuals who generate the data.

### *Sápmi*

There is an ongoing need to increase the Sami parliaments' autonomy and self-governance authority and enhance the capacity of Sami institutions and other stakeholders. Moreover, there is a need to enhance and develop formal arrangements to advance the self-determination of an indigenous people across the borders of several states by developing Sami policies that apply beyond the state framework. More efforts are also necessary to raise awareness among national, regional and local authorities and society as a whole about the Sami and about Sami rights, to further advance the Sami culture and prevent hate speech against them.

Sami institutions need to have the necessary capacity and resources in order to provide important services and functions to the Sami people. There is a need for capacity-building in Sami institutions to improve their performance. Since the Sami are one people in four countries, divided by state borders, cross-border perspectives and joint efforts such as joint management strategies and models (for different thematic areas; cultural heritage, nature management) and activities to strengthen pan-Sami/Sápmi governing institutions such as the Sami Parliamentary Council, are needed.

According to the socio-economic analyses there is clearly a lack of institutional capacity in Sami organisations in the programme area. There is a need for capacity-building that focuses on building

awareness and knowledge of the regional, national and international institutional capacities and different financial instruments. Moreover, it is necessary to tackle cross-border tax obstacles and increase and enable cross-border cooperation on Sami health care and social affairs, including child welfare and education.

More information about possible actions can be found under chapter 1.3.

The types of actions have been assessed as compatible with the DNSH principle since they are not expected to have any significant negative environmental impact due to their nature.

### 2.4.1.2 Indicators

Table 2: Output indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Milestone (2024)	Final target (2029)
4	Other actions to support better cooperation governance	RCO 83	Strategies and action plans jointly developed	Joint strategy / action plan	2	16
4	Other actions to support better cooperation governance	RCO 117	Solutions for legal or administrative obstacles across border identified	Solutions	1	10
4	Other actions to support better cooperation governance	RCO 87	Organisations cooperating across borders	Organisation	4	40

Table 3: Result indicators

Priority	Specific objective	ID	Indicator	Measurement unit	Baseline	Reference year	Final target (2029)	Source of data	Comments
4	Other actions to support better cooperation governance	RCR 79	Joint strategies and action plans taken up by organisations	Joint strategy / action plan	0	2021	11	NYPS	
4	Other actions to support better cooperation governance	RCR 82	Legal or administrative obstacles addressed or alleviated	Legal or administrative obstacle	0	2021	5	NYPS	
4	Other actions to support better cooperation governance	RCR 84	Organisations cooperating across borders after project completion	Organisation	0	2021	10	NYPS	

### **2.4.1.3 The main target groups**

The focus areas in this priority include building capacity, producing coherent development strategies, reducing administrative and legal obstacles, establishing reliable datasets, and building relations and trust within Arctic cooperation through institutional collaboration and people-to-people actions.

The main beneficiaries are national, regional and local authorities, cross-border entities, public- and non- governmental organisations (NGO), academia, civil society, and intermediate bodies.

The main target groups are national, regional and local authorities, cross-border entities, public- and non- governmental organisations (NGO), civil society, and intermediate bodies.

Renewal, economic growth and the transition to a sustainable society in the Aurora region is best created by a diversity of women and men. When designing initiatives, a particular focus should be on ensuring that efforts contribute to the inclusion of under-represented groups such as women and people with a foreign background and to reaching a broad range of organisations and companies. This will increase innovation, attractiveness and competitiveness within companies and organisations. Active gender equality and diversity work increases innovation capacity, resource efficiency and the ability of sectors and industries to attract and retain skills. With a gender equality and diversity perspective and forms of collaboration that bring new perspectives, good conditions are created for developing sustainable solutions to societal challenges both regionally and globally.

In order for efforts to have the desired effects in the contribution of the SDGs, the region's actors must strive for knowledge-driven change where gender equality and inclusion are mainstreamed in planning, implementation and follow-up. This means that gender statistics should be integrated into the project chain, from challenges to described interventions and desired end state. The whole project chain should link to gender imbalances of women and men in industries and sectors and interventions should contribute to closing the gap.

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

Not planned

### **2.4.1.5 Planned use of financial instruments**

The application of financial instruments (Article 59(2)(a) and (b) of Regulation (EU) 2021/1060) is not planned in this specific objective and sufficient reflows will not be expected. The projects will not generate any profit during the support.

### 2.4.1.6 Indicative breakdown of the EU programme resources by type of intervention

Table 4: Dimension 1 – intervention field

Priority no	Fund	Specific objective	Code	Amount (EUR)
4	ERDF	Other actions to support better cooperation governance	173 Enhancing institutional capacity of public authorities and stakeholders to implement territorial cooperation projects and initiatives in a cross-border, transnational, maritime and inter-regional context	7 416 186

Table 5: Dimension 2 – form of financing

Priority no	Fund	Specific objective	Code	Amount (EUR)
4	ERDF	Other actions to support better cooperation governance	01 Grant	7 416 186

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

Priority no	Fund	Specific objective	Code	Amount (EUR)
4	ERDF	Other actions to support better cooperation governance	33 Other approaches – No territorial targeting	7 416 186



### 3 Financing plan

#### 3.1 Financial appropriations by year

Table 7

<b><i>Fund</i></b>	<b><i>2021</i></b>	<b><i>2022</i></b>	<b><i>2023</i></b>	<b><i>2024</i></b>	<b><i>2025</i></b>	<b><i>2026</i></b>	<b><i>2027</i></b>	<b><i>Total</i></b>
<i>ERDF</i> <i>(territorial</i> <i>cooperation</i> <i>goal)</i>	0	21 407 476	16 282 911	16 545 477	16 813 294	13 931 843	14 210 481	99 191 482
<b><i>Total</i></b>	0	21 407 476	16 282 911	16 545 477	16 813 294	13 931 843	14 210 481	99 191 482

### 3.2 Total financial appropriations by fund and national co-financing

Table 8

PO No	Priority	Fund	Basis for calculation EU support (total or public)	EU contribution (a)	Indicative breakdown of the EU contribution		National contribution (b)=(c)+(d)	Indicative breakdown of the national counterpart		Total (e)=(a)+(b)	Co-financing rate (f)=(a)/(e)	Contributions from the third countries (for information)
					without TA pursuant to Article 27(1) (a1)	for TA pursuant to Article 27(1) (a2)		National public (c)	National private (d)			
1	1	ERDF	Total	37 692 763	35 226 882	2 465 881	20 296 103	19 687 220	608 883	57 988 866	65%	4 877 847
2	2	ERDF	Total	29 757 445	27 810 697	1 946 748	16 023 239	15 863 007	160 232	45 780 684	65%	3 850 932
4	3	ERDF	Total	23 805 956	22 248 558	1 557 398	12 818 592	12 434 034	384 558	36 624 548	65%	3 080 745
ISO 1	4	ERDF	Total	7 935 318	7 416 186	519 132	42 72 864	4 144 678	128 186	12 208 182	65%	1 026 915
	<b>Total</b>	<b>ERDF</b>	<b>Total</b>	<b>99 191 482</b>	<b>92 702 323</b>	<b>6 489 159</b>	<b>53 410 798</b>	<b>52 128 939</b>	<b>1 281 859</b>	<b>152 602 280</b>	<b>65%</b>	<b>12 836 439</b>

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

To ensure that the programme meets the ambitions, a large number of actors from different levels and sectors, for example public and private organisations, cross-border entities, Sami organisations and NGOs, have been involved in the programme development. It is also of central importance in the implementation of the programme that different perspectives and partners are represented.

During the process of programme writing, several meetings and information sessions have been arranged, both in joint events and separately, in each country in different forms and compositions. Representatives of the participating regions have, in connection with working group meetings, met frequently and continually during the writing process.

At the start of the programming process, an online survey was launched in five different languages, to seek the general public's participation and opinions. The survey was communicated not only through the official webpages for programme regions and management authorities for the ongoing programmes but also through social media, with the intentions of capturing a broad public opinion and reaching civil society, including women and men with various ages, backgrounds and geographies. The respondents selected the most important themes for cross-border collaboration from their perspectives and had the possibility to comment on their general concerns and comments regarding the future of the programme. The answers presented opinions from all three countries and were given in four different languages, including in north Sami.

Once the policy objectives of Interreg Aurora were decided, based on the public opinion and then by programming committee, a large digital conference/hearing, "Stakeholder Forum", was organised on the 11<sup>th</sup> February 2021. Approximately 500 participants from all three countries and from different organisations attended the conference/hearing. Among the participants were partners that represented youth organisations, Sami organisations, NGOs, cross-border entities, and educational organisations. The information about the hearing event had been communicated via the Interreg Nord/Aurora webpages and via social media to reach the civil society and non-governmental organisations.

In addition to these occasions, different types of meetings (information, gathering of views and input) have been arranged with different partners from all three countries. For example, in Lapland nine open stakeholder webinars, under different themes, were organised to obtain feedback from regional actors for both the Interreg Aurora and the Kolarctic 2021-2027 programme development. In South Ostrobothnia a regional follow-up event for the Interreg Aurora conference was organised on the 19<sup>th</sup> February to introduce the programme and to discuss the possible policy objectives and expectations for the programme. In Norway three participating regions organised a joint webinar for three different Interreg programmes to gather wide feedback from the stakeholders. In Sweden, different thematic webinars with possible partners such as e.g., intermediary bodies, research institutions, educational organisations, Sami organisations of Aurora programme was arranged.

Additional consultations with partners of youth organisations, including Sami organisations, in all three countries were held, to secure their opinions and possible participation in the future programme.

The managing authority arranged a "Public Consultation" in April-May 2021, the consultation was arranged in two parts. The first part was an on-line survey concerning the draft version of the programme document and the strategic environmental assessment (SEA)-document. In the second part of the consultation the MA arranged on-line events in all three countries, with information about

the Aurora-programme and about the SEA-document.

Actors and stakeholders from all three countries in the programme area have participated in the programming process through different events, workshops, interviews and by answering questionnaires. Opinions and comments from public hearings and other activities have been considered in the programme document. A list of all organisations that have been involved in public consultations are attached as an annex.

In accordance with the principle of multi-level governance and in accordance with Article 8 of the CPR Regulation, many of the partners involved in the preparation of the program also have different roles in the implementation, monitoring and evaluation of the program. Several of the actors are also found among the project owners or as co-financiers of the projects.

The monitoring committee consists of members from the three participating countries and is represented by regional, local, urban and other public authorities; economic and social partners; civil society; research organisations and universities. In accordance with Article 29 of the ETC Regulation existing EGTC:s shall be a part of the monitoring committee. In the Aurora-programme area there is one EGTC-body, the Kvarken Council, which could be a relevant member of the monitoring committee. The final composition of the monitoring committee is decided by the participating countries. The monitoring committee, together with the managing authority, shall ensure the quality and efficiency of the implementation of the program.

Two steering committees will be established for the program, one for sub-area Aurora and one for sub-area Sápmi. The steering committees will consist of a broad partnership from the program area such as regional, local, urban and other public authorities, economic and social partners and civil society. The task of the steering committees is to make priorities of projects and examine them towards the programme's objectives and priorities. In this work, the steering committees will be assisted by the managing authority and the joint secretariat. The joint secretariat will prepare and submit proposals with justifications included as working documents for the steering committee meetings. The formal decisions are made by the managing authority following the steering committees' recommendations.

The composition of local, regional and central authorities together with other relevant organizations in the monitoring committee and in the steering committees ensures a broad anchoring of the program in the program area and contributes to ensuring support for the program in the region and ensuring partners' participation in implementation, monitoring and evaluation. No organisations will be excluded from participating in the monitoring and/or steering committees due to weak administrative or financial capacity. In addition to participating in the monitoring and the steering committees, the partnership also participates in other ways in various evaluation initiatives, such as evaluation groups, environmental councils, surveys of organizations among other things.

The aim is to have a monitoring and evaluation system that can fulfil learning of projects. Monitoring and evaluation are similar in several ways. Monitoring is what projects do, i.e., the activities and their outcomes. Evaluation is about how the projects implement the project and what the activities lead to in the short and long term, i.e., their results and impacts. To create the conditions to achieve this, this should be further examined:

- Classification and monitoring of the SDG goals to which projects granted contribute.
- Exploring the possibility of evaluation at the call level in the preparation of the evaluation plan for the next programming period.
- A renewed discussion on how to deal with projects that do not live up to their commitments in the application.

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

The programme will use communication and visibility actions as tools to achieve the programme's objectives and the overall vision by:

- making sure that the programme and its funding opportunities is known as attractive and easily approachable to potential applicants from the whole programme area in order to enable innovative cross-border cooperation and new collaborative constellations. Applicants from all NUTS regions in the programme area are represented by 2027 (programme statistics).
- making sure that the programme funds projects that contributes to development of the Sami culture, livelihood, industries, and the Sami languages. The programme is unique as it is the one specific EU programme that is integrated with Sápmi and the indigenous Sami people. The programme will fund projects in all priorities in sub-area Sápmi by 2027 (programme statistics).
- providing efficient support to beneficiaries in their implementation and communication of activities and results for a sustainable development, and the added value of the EU funding to their target audiences and the public. At least 80 % satisfaction with the programme support tools (surveys).
- disseminating the programmes results to the public/the end users, the vision of the programme is to improve life of the EU citizens through cross-border cooperation. A minimum of 100 communication actions by 2027 (programme statistics).
- contributing to raising awareness about the programmes role within the EU Arctic Policy. Facilitating synergies and clustering among Arctic and near-Arctic stakeholders between the different EU programmes within the framework Arctic Cooperation. The programme will organize one clustering call during the funding period and take part in at least 1 joint initiatives per year with the Arctic Cooperation programmes (programme statistics).

The programme will reach out to a large audience both geographically and according to the programme priorities. The communication will target:

- Potential beneficiaries/applicants and beneficiaries/funded projects
- Co-financiers
- Programme bodies
- The institutions of the European union, the Partner States, elected officials, international, national, and regional networks and organizations, regional offices in Brussels, other Interreg and EU-funded programmes, OECD, NGOs, SMEs, public authorities, educational institutions, civil society and other relevant institutions
- Media
- End users/the public

The following communication channels will be used for all target groups:

- Website that meets criteria for accessibility, will be the main source of information about the programme and calls primarily for applicants and beneficiaries but also for all the other interested target groups. The website is including a project database, a result page, and an internal community platform. The website will be linked to the single website portals

providing access to all programmes of the participating countries.

- Social media channels (Facebook, Instagram, YouTube, and the programme will assess whether other platforms are necessary) will be used for a higher user reach, established presence of the programme and accessibility primarily for the end-users/the public and the media.
- Events and meetings, organised by the programme, other EU-funding programmes or third parties. Trainings and seminars, online or in person primarily for applicants and beneficiaries.
- Publications, online or print, audio-visual productions, and online interaction in support of the programme's communication and visibility actions for all target groups.

The programme's communication officer will coordinate the successful and harmonised implementation and work together with all the programme bodies, the national communication coordinator in Sweden and the INFORM EU network of communication officers. The communication officer will establish a regional network with contact points from all participating programme regions and the Swedish, Finnish and Norwegian Sami Parliaments to improve communication and visibility actions. The programme will create a communication guide, to inspire and encourage communication activities. Sustainable communication practices will be implemented in the programme.

Operations of Strategic Importance (OSIs) will receive adequate communication support from the managing authority.

A total planned budget for communication and visibility purposes excluding staff costs, from 2021 until 2029, will be at least 470 000 euro which is 0.3% of the total programme budget in line with the European Commission's recommendation. The budget will be allocated yearly in an annual plan, based on the programs calls and current need for communication, visibility and dissemination activities.

An annual plan for communication and visibility actions will be presented to the monitoring committee. Actions will be evaluated on a regular basis, using external or internal evaluators and a detailed set of indicators to follow and evaluate. Data for evaluation will come from surveys, internal statistics or website and social media channels analytics. Ongoing evaluation of the communication will be included as a part of the programme's overall evaluation strategy.

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

Interreg Aurora will support projects of limited financial volume directly within the programme.

The common provisions regulation (CPR) stipulates that where the total cost of an operation does not exceed EUR 200 000, the contribution provided to the beneficiary from the ERDF shall take the form of simplified cost options (SCOs), taking into account necessary exceptions for state aid regulations. Interreg Aurora will use the SCOs from the regulation such as the lump sum based on a draft budget as well as the 40% flat rate model for projects with limited financial volume.

When the total cost of a project does not exceed EUR 20 000 per participating country, the project will be defined as “a small-scale project”. A small-scale project could be, but will not be limited to, a pre-study or to establish a network for the application of a regular project. It could as well be a small implementing project such as a people-to-people project.

Small-scale projects can be funded under each specific objective and in both sub-areas.

## 7 Implementing provisions

### 7.1 Programme authorities

Table 9

<b>Programme authorities</b>	<b>Name of the institution [255]</b>	<b>Contact name [200]</b>	<b>E-mail [200]</b>
Managing authority	The County Administrative Board of Norrbotten	Iiris Mäntyranta	<a href="mailto:interregaurora@lansstyrelsen.se">interregaurora@lansstyrelsen.se</a>
National authority (for programmes with participating third or partner countries, if appropriate)	Ministry of Local Government and Regional Development (Norway)	Birgitte Sem	<a href="mailto:postmottak@kdd.dep.no">postmottak@kdd.dep.no</a>
Audit authority	The Swedish National Financial Management authority	Johan Sandberg	<a href="mailto:registrator@esv.se">registrator@esv.se</a>
Group of auditors representatives	The Swedish National Financial Management authority Ministry of Finance (Finland)	Johan Sandberg Kari Rouvinen	<a href="mailto:registrator@esv.se">registrator@esv.se</a> <a href="mailto:registry.vm@gov.fi">registry.vm@gov.fi</a>
Body to which the payments are to be made by the Commission	The County Administrative Board of Norrbotten	Iiris Mäntyranta	<a href="mailto:interregaurora@lansstyrelsen.se">interregaurora@lansstyrelsen.se</a>



## **7.2 Procedure for setting up the joint secretariat**

The joint secretariat is set up after consultation with the partner states under the responsibility of the managing authority. Arrangements are already in place at the time of programme submission because implementation arrangements are partially kept from the 2014-2020 programming period (Nord and Botnia-Atlantica programmes).

The joint secretariat will consist of programme officers located in all three participating countries. The officers will be employed by the County Administrative Board of Norrbotten and the County Administrative Board of Västerbotten in Sweden, the Regional Council of Lapland and the Regional Council of Ostrobothnia in Finland and Troms og Finnmarks fylkeskommune in Norway, as well as the Sami Parliaments in Norway, Sweden and Finland. The programme director at the managing authority will also act as the head of the joint secretariat.

The Swedish and Finnish parts of the joint secretariat will be financed from the budget of technical assistance in the framework of the EU-funded budget. The Norwegian part of the joint secretariat will be financed within the framework of the Norwegian funded programme budget.

The managing authority will contract the decentralised implementing bodies. There will be strong organisational ties between the managing authority and the joint secretariat concerning the joint elaboration and the implementation of the programme. The decentralised implementing bodies will work on assignment by the managing authority and not by their respective employer. The function of the secretarial task will be separated from the employers' regular operations.

The joint secretariat, shall mainly assist the managing authority, the monitoring committee, the steering committees as well as the audit authority, in carrying out their respective functions, and primarily being responsible for the below tasks:

- Information/consultation to potential beneficiaries about funding opportunities
- Assessment of project applications
- Start up- meetings for approved projects
- Assist beneficiaries in the implementation of projects
- Assessment of progress/final reports and deal with other following up procedures
- Collect and compile input into programme-level documents
- Contribute to programme-level reporting obligations

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

In accordance with the Interreg regulation, the programme partner countries shall confirm in writing their agreement to the contents of the Aurora 2021-2027 programme. The agreement shall include commitments to provide necessary co-financing for the implementation as well as the commitment for the financial contribution of non-member states.

In case of interruptions or suspensions of payments from the EU Commission or other implementation difficulties, the participating programme partner country or countries concerned will support the managing authority, the Norwegian managing organization or the joint secretariat to clarify the case(s) regarding potential sanctions imposed on the programme.

The managing authority and the Norwegian managing organization shall prevent, detect, and correct and report on irregularities regarding expenditures supported by ERDF-/IR-funding in accordance with article 69.2 of the common provision regulation. Irregularities detected by any programme authority or programme partner country, shall be notified to the managing authority (regarding ERDF-funding) and the Norwegian managing organization (regarding Norwegian IR-funding). The managing authority and the Norwegian managing organization will inform the national controllers (first level controllers), the accounting function, the audit authority or group of auditors, where relevant. The managing authority and the Norwegian managing organization shall ensure that any ERDF/IR amount unduly paid is recovered from the lead partner in accordance with article 52.1 of the Interreg regulation. Project partners shall repay the lead partner any amounts unduly paid. Details on the recovery procedure will be included in the description of the management and control system.

The managing authority shall be responsible for reimbursing the amounts concerned to the general budget of the union in accordance with article 52.3 of the Interreg regulation. The Norwegian managing organization shall be responsible for reimbursing the amounts concerned to the general budget of Norway.

The partner state will bear liability in connection with the use of the programme ERDF and Norwegian IR-funding as follows:

- For project-related expenditure granted to project partners located on its territory, liability will be born individually by each Partner State. Where the lead partner does not succeed in securing repayments from other partners or where the managing authority / Norwegian managing organization does not succeed in securing repayment from the lead partner, the Member State/third country on whose territory the partner concerned is located, shall reimburse the managing authority / Norwegian managing organization any amounts unduly paid to that partner.
- In case of a systemic irregularity or financial correction, the partner state will bear the financial consequences in proportion to the relevant irregularity detected on the respective state territory. Where the systemic irregularity or financial correction cannot be linked to a specific state territory, the state shall be responsible in proportion to the contribution paid to the respective national project partners involved in the programme.
- For the technical assistance expenditure (calculated as a flat rate in accordance with the Interreg regulation), the above principles applicable for project-related expenditure and systemic irregularities / financial corrections may also be applied to technical assistance corrections as they are the direct consequence of project expenditure related corrections.

In compliance with the common provision regulation art 69.2 and annex XII, the member state in

which the irregular expenditure is incurred by the beneficiary and paid in implementing the operation shall be responsible for reporting the irregularity to the Commission. The reporting member state shall inform the managing authority and the audit authority of the programme.

If a partner state does not comply with its duties arising from these provisions, the managing authority and the Norwegian managing organization may suspend payments to the project applicants/partners located on the territory of this partner state. The managing authority will send a letter to the partner state concerned requesting them to comply with their obligations within 3 months. If the concerned partner state's reply is not in line with the obligations, then the managing authority will propose to put this issue on the monitoring committee agenda for discussion and for decision.

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

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

<b>Intended use of Articles 94 and 95</b>	<b>YES</b>	<b>NO</b>
<b>From the adoption programme will make use of reimbursement of eligible expenditure based on unit costs, lump sums and flat rates under priority according to Article 94 CPR (if yes, fill in Appendix 1)</b>		X
<b>From the adoption programme will make use of financing not linked to costs according to Article 95 CPR (if yes, fill in Appendix 2)</b>		X

## Map of the programme area



**Appendix 1: Union contribution based on unit costs, lump sums and flat rates**

Not applicable (see chapter 8)

**Appendix 2: Union contribution based on financing not linked to costs**

Not applicable (see chapter 8)

**Appendix 3: List of planned operations of strategic importance with a timetable**

Interreg Aurora will support Operations of Strategic Importance (OSI). Operations that will be considered as OSIs in the Aurora programme are operations that through cross-border cooperation, in particular initiated by the universities in the Kvarken region and by the Arctic Five University-network, significantly contribute to green transition and sustainable development in the programme area.

The operations will be harmonized with the priorities set out in the regions' development strategies. Interreg Aurora will work as a platform and a first step in particular towards international research programmes.

Applications that include operations of strategic importance can be submitted in every call of the programme, starting with the first call during August 2022 where the first projects are planned to be granted in November 2022. OSIs in the Interreg Aurora programme will be more highlighted and communicated and will receive specific support from the MA's communication team.