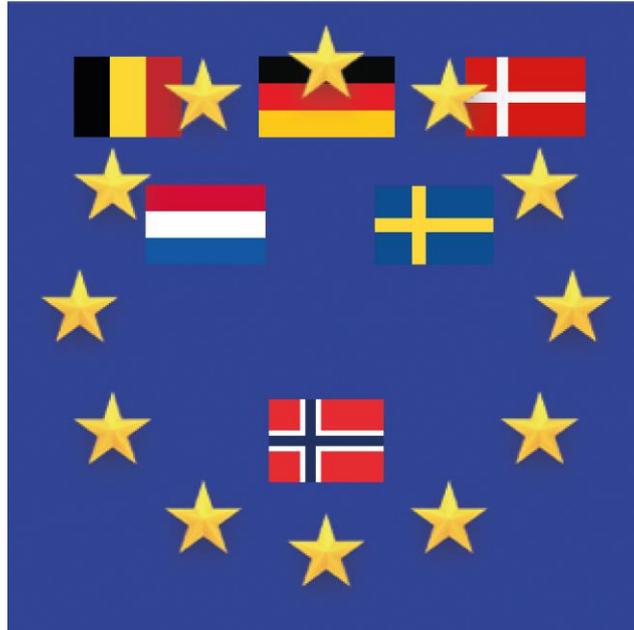


ORIENTATION PAPER

Transnational Cooperation Programme

North Sea Region Programme 2021-2027



Executive Summary

This Orientation Paper is a document of the Commission aimed at launching a discussion on the **North Sea Region Programme 2021-2027 (NSR)** with Member States and third countries concerned. It does not represent the negotiating position of the European Commission, but is destined to provide ideas, options and orientations on the thematic focus of the future programme.

The guiding principles for drawing this Orientation Paper are the following:

1. The **Functional Area** principle: A functional area is generally characterised by interdependencies or links within territories, where functional connections either unite or isolate territories and areas influenced by them. For transnational cooperation, functionalities represent joint characteristics accompanied by common challenges and development potentials. Transnational cooperation is reaching its full potential when there is a strong will to address those challenges jointly.
2. The **Thematic Concentration** principle: In view of the limited budgetary resources and the requirement to focus support in areas where EU funds can achieve the highest benefit, the programme should concentrate on thematic key areas where joint actions can have the biggest impact. In doing so, EU funds would focus on a limited set of objectives and policy areas, thus achieving the highest possible impact, in terms of efficiency of funding and result orientation.

Based on these principles, the European Commission recommends concentrating the available ERDF contribution on:

Policy Objective 1 (a smarter Europe by promoting innovative and smart economic transformation),

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),

Policy Objective 5 (a Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives), and the

Interreg-specific objectives (a better Interreg governance and a safer and more secure Europe).

Under the current architecture, the North Sea region is in overlapping with:

- 3 Transnational programmes (North-West, Baltic Sea Region and Northern Periphery and Arctic (NPA))
- 6 CBC maritime programmes (Two Seas, Botnia-Atlantica, Central Baltic, South Baltic, Öresund-Kattegat-Skagerrak (ÖKS), the maritime part of Germany-Denmark) and several land border programmes in the area (e.g. Germany-Netherlands, Belgium-Germany-Netherlands, Belgium-France, EURegio Maas-Rhein, France-Wallonia-Flanders)

Therefore, the NSR programme does not operate in isolation but is part of a larger complex set of programmes and strategies in the North Sea region, which need to be taken into account when designing the transnational cooperation programme.

There is a need for stronger coordination between the different strands of the Interreg programmes not only during implementation but also especially during preparation of the programmes to avoid negative overlaps in the design of investment priorities and to identify optimal complementarities (“positive overlaps”). This requires appropriate coordination structures and early exchanges on the design of future programmes.

The geography for the future NSR 2021-2027 programme area includes the Member States Belgium (Flanders), Denmark, Germany, the Netherlands and Sweden, as well as Norway as a third country. It is proposed to include all regions in the Netherlands in the next programme period. Further enlargements to other third countries could be taken into consideration in the light of further developments.¹

¹ The potential participation of the UK in the programme depends on the outcome of negotiations on the future relationship.

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A. Introduction

1. This document together with the relevant country reports of the European Semester process set out key characteristics of the transnational North Sea Region programme. It outlines options and recommendations for the programming of future North Sea Region maritime programme (NSR). It will serve as a basis for discussion and to trigger constructive dialogue with Member States and partner countries, programme authorities and the European Commission. It will also provide point of reference for the task forces planning the forthcoming programmes (2021-2027). The paper is based on territorial analysis, lessons learned and the evaluation of the previous periods.
2. This Paper will serve as a basis for discussion between Participating countries, programme authorities and the European Commission on the Transnational Cooperation Programme for the North Sea Region programme 2021-2027 (**NSR**). It does not represent the negotiating position of the European Commission, but is providing ideas, options and orientations on the thematic focus of the future programme. The paper relies on the profound analysis of relevant studies and other documents, and takes into account lessons learned from the previous and current programming periods 2007-2013² and 2014-2020³.
3. The North Sea is one of the most heavily used sea basins in the world supporting fishing, shipping, trade, energy, recreation, defence and dredging. The common marine sea basin means there is a proven rationale and scope for focus on marine and maritime issues, although hinterland/inland areas are also addressed. There are strong connections and share development concerns in the region, and a real need to territorial cooperation on issues such as blue growth, communications, climate change and environmental protection. An example is the fact that the North Sea is an Emission Control Area for air pollution (SOx).
4. A functional area is generally characterised by interdependencies or links within territories, where functional connections either unite or isolate territories and areas influenced by them. For transnational cooperation, functionalities represent joint characteristics accompanied by common challenges and development potentials. Transnational cooperation is reaching its full potential when there is a strong will to address those challenges jointly.
5. The existing cooperation elements in the region include for example the North Sea Commission, initiative for the North Sea Strategy and attempts to investigate the potential for a macro-regional strategy for the region. However, currently there is no sea/basin or macro/regional strategy in force for the programming area.
6. The current programme is well established. Cooperation has developed a strong focus on transnational issues and solutions, which build on shared strengths and opportunities and link fragmented actions. The Programme area, and wider region, have CBC programmes that make their own contribution to development in the region. The Programme also has links to the North Sea Commission.
7. In the document “Reflection Paper towards a Sustainable Europe by 2030” the EU confirms its full commitment to implementation of United Nations 2030 Agenda: “The Sustainable Development Goals (SDGs), together with the Paris Agreement on Climate Change, are the roadmap to a better

² CCI 2007CB163PO055.

³ CCI 2014TC16RFTN005.

world and the global framework for international cooperation on sustainable development and its economic, social, environmental and governance dimensions. The EU was one of the leading forces behind the United Nations 2030 Agenda and has fully committed itself to its implementation.” Therefore, these commitments need to be reflected in the preparations of the future NSR.

B. Challenges and foundation of the functional area of the North Sea region

8. The cooperation area of the 2014-2020 NSR has remained the same as for the 2007-2013 programming period. The participating countries and regions are listed in detail below:

Belgium: Antwerpen, Oost-Vlaanderen, West-Vlaanderen
 Denmark: Entire territory
 Germany: Bremen, Hamburg, Braunschweig, Hannover, Lüneburg, Weser-Ems, Schleswig-Holstein
 Netherlands: Groningen, Friesland, Drenthe, Overijssel, Flevoland, Noord-Holland, Zuid-Holland, Zeeland
 Norway: Entire territory
 Sweden: Sydsverige (Skåne län), Norra Mellansverige (Värmlands län), Småland med öarna (Kronobergs län), Västsverige
 United Kingdom: Tees Valley and Durham, Northumberland and Tyne and Wear, East Yorkshire and Northern Lincolnshire, North Yorkshire, South Yorkshire, West Yorkshire, Derbyshire and Nottinghamshire, Leicestershire, Rutland and Northamptonshire, Lincolnshire, East Anglia, Essex, Kent, North Eastern Scotland, Eastern Scotland, Highlands and Islands

9. The 2021-2027 NSR covers six EU Member States and Norway: the whole of Denmark, Netherlands, and Norway, three provinces of the Flemish Region of Belgium, the north western regions of Germany and the south western area of Sweden. All regions are on or close to the coast of the North Sea itself. The NSR covers an area of some 538,000 km² and approximately 44 million people. The North Sea Region is a patchwork of varied territory extending from the remote islands and fjords at the northern edge of Europe through to the densely packed cities of Europe's core region with its concentrations of research and economic output. It includes some of Europe's most sparsely populated areas and some of its most heavily populated centres. It contains centres of national and regional importance, ranging from capital cities to regional administrative centres and centres of global economic importance.
10. In overall terms, however, the NSR is characterised by the importance of small and medium-sized towns with a particular reliance on towns of less than 20,000 inhabitants. The size and population of NSR cities continues to rise steadily. This is partly because people continue to leave rural areas. The territories covered by the NSR programme have a strong physical connection through shared marine and maritime links. As a centre for trade, energy production, resource extraction, transport and commerce, the North Sea is a valuable reference point for delineating a meaningful functional area.
11. The North Sea Region is a hub for economic growth in Europe, a centre of excellence for major industries and R&D, and central node in major European transport networks.⁴ Areas within the NSR already meet the Europe 2020 target of 3% of GDP to be invested in R&D, e.g. regions in Denmark and Sweden. Within the North Sea Region, the regions of Region Hovedstaden, Sjælland, Midtjylland,

⁴ EC, (2014) Regional Innovation Scoreboard, CEC Brussels , <http://bookshop.europa.eu/en/regional-innovation-scoreboard-2014-pbNBBC14001/>, p. 14

Nordjylland, Hamburg, Östra Mellansverige, Sydsverige, and Västsverige are all amongst the 'innovation leaders' designated by the EU's innovation scoreboard. Innovation leaders have high levels of R&D expenditure in the business sector, SMEs innovating in-house, patent applications and product or process innovators.

12. Marine and maritime sectors are vital parts of NSR economies. The maritime economy in the region has an estimated Gross Value Added of €150 billion and employs more than 850,000 people.⁵ North Sea fisheries provide high quality fish and shellfish and sustain associated industries. Oil and gas are major industries in the region and the North Sea is a vital resource for renewable energy. The North Sea has some of the busiest shipping lanes and largest ports and harbours in the world, making it a global hub for maritime transport and trade.

The current programme area connects the maritime and marine heart of the region and incorporates hinterland and inland development. This "connective capacity" gives the programme and the programme area a distinct role in relation to other forms of cooperation in the area.

13. Netherlands has suggested to include the regions that are not currently participating to NSR to be included in the programme area in the next programme period.

Lessons learned from previous programming periods:

14. Territorial cooperation is well established in the North Sea Region. The current NSR programme builds on Community Initiatives INTERREG IIC 1997-1999 and INTERREG IIIB Neighbourhood Programme 2000-2006 and INTERREG IVB 2007-2013.

15. The **NSR 2007-2013** was centred on four **thematic priorities** (allocation in brackets)⁶:

1. Increase the overall level of innovation taking place across the NSR (21%)
2. Enhancement of the quality of the environment in the NSR (28%)
3. Improvement of accessibility of places in the NSR (28%)
4. Delivery of sustainable and competitive communities (17%)
5. Technical Assistance (6%)

Projects were implemented under four specific programme objectives:

- ad 1. Building on our capacity for innovation
- ad 2. Promoting the sustainable management of our environment
- ad 3. Improving the accessibility of places in the NSR
- ad 4. Promoting sustainable and competitive communities

16. The **NSR 2014-2020** centres on **four thematic objectives (priority axes)** (allocation in brackets)⁷:

1. Thinking growth: Supporting growth in the North Sea Region economies (27%)
2. Eco-Innovation: Stimulating the green economy (25%)
3. Sustainable North Sea Region: Protecting against climate change and preserving the environment (26%)

⁵ DG Mare, 'Blue Growth'

http://ec.europa.eu/maritimeaffairs/policy/blue_growth/infographics/#_North_Sea

⁶ European Territorial Cooperation 2007-2013 – North Sea Region Programme. Total ERDF allocation EUR 138.5 million.

⁷ North Sea Region Programme – Cooperation programme 2014-2020. Total ERDF allocation 167.3 EUR million.

4. Green Transport and Mobility (16%)

5. Technical Assistance (6%)

Projects are implemented under **nine specific objectives (investment priorities)**:

- ad 1. Develop new or improved knowledge partnerships between businesses, knowledge institutions, public administrations and end users with a view to long-term cooperation (post project) on developing products and services
- ad 1. Enhance regional innovation support capacity to increase long-term innovation levels and support smart specialisation strategies
- ad 1. Stimulate the public sector to generate innovation demand and innovative solutions for improving public service delivery
- ad 2. Promote the development and adoption of products, services and processes to accelerate greening of the North Sea Region economy
- ad 2. Stimulate the adoption of new products, services and processes to reduce the environmental footprint of regions around the North Sea
- ad 3. Demonstrate new and/or improved methods for improving the climate resilience of target sites
- ad 3. Develop new methods for the long-term sustainable management of North Sea ecosystems
- ad 4. Develop demonstrations of innovative and/or improved transport and logistics solutions with potential to move large volumes of freight away from long-distance road transportation
- ad 4. Stimulate the take-up and application of green transport solutions for regional freight and personal transport

17. In the 2007-2013 programme period the involvement of private partners within the North Sea Region programme became a key theme as it turned out during the on-going evaluation that projects and private partners benefit from each other. This led to a recommendation: "The NSR Programme should continue with the successful integration of private partners in the next programme period 2014-2020". Among the other recommendations of the evaluation: "The programme should continue with the established cluster projects (also beyond NSR programme) in the next programme period by building on the successful implementation of a cluster facilitator" and "The programme should increase the opportunities for projects to learn from each other". From these we could deduct: Programme's focus should be on developing practical, solutions to shared development concerns, which could imply wider project partnerships involving public, private and research-based organisations.
18. In 2014-2020, the operational evaluations have been contracted, but results are not yet available. The Programme has undertaken an on-going evaluation exercise. However, the on-going evaluation focussed on 'administrative issues'.
19. According to preliminary findings of an evaluation of projects in the 2014-2020 programme cover an array of policy areas and policy levels. All project applications are required to include a description of the policy context in which their project activities are situated; many projects also include in the objectives and/or work packages section of the application an aim or description of activities that will contribute to or influence policy-making in their particular area.

20. While the number of policies relevant to North Sea Region projects is large (over 170 are cited in the applications of those currently running), the overall thematic areas can be roughly aligned with the three main challenge areas identified in the Programme: innovation, environment and transport.
21. In 2019 a programme modification was adopted in which funds from all other priority axes (except Technical Assistance) were transferred to Priority axis 3 (climate change and environment). The transfer was justified by the increased need to address climate change issues in the region and implementation needs (already fulfilled objectives of some priority axes and lower than expected demand in others).
22. The territories covered by the NSR programme have a strong physical connection through shared marine and maritime links. As a centre for trade, energy production, fisheries, transport and commerce, the North Sea is a valuable reference point for delineating a meaningful 'functional' area.
23. The NSR is a functional area defined by the North Sea basin. The current programme area connects the maritime and marine heart of the region and incorporates hinterland and inland development. This 'connective capacity' gives the programme and the programme area a distinct role in relation to other forms of cooperation in the area.

C. Investment objectives linked to the challenges

24. In this section, orientations are presented with respect to the five policy objectives, under which funding of the future NSR can take place.

PO 1: A smarter Europe by promoting innovative and smart economic transformation

25. World leading centres of excellence in biotechnology, service industries, transport, energy, green growth, clean tech, and increasingly the circular economy are also present in the area. World leading innovative industries have developed in parallel to more 'traditional' activities in sectors such as fishing, oil and gas, agriculture and food production. Regionally high levels of R&D expenditure are linked to regional population and specialisation and are pronounced in areas with particular research clusters and specialism, e.g. Region Hovedstaden (health and food).
26. Shifts towards more specialised higher value added activities is a long-term trend, e.g. in blue economy, transport and key areas related to the development of R&D.
27. Regional strengths in R&D, innovation and experimentation to develop new responses to major issues such as, marine plastics, flood risks, opportunities in the circular economy, provide an opportunity to engage transnational and cross-sectoral stakeholders to cooperation. Regions (and their industries) can draw on their collective strengths to carve out new innovation-focused value chain opportunities.
28. SMEs are an important element of the NSR economy. However, while many SMEs are actively engaged in innovation, the percentage of SMEs introducing marketing or organisational innovations is below the EU average in many North Sea Regions except those in Germany, Denmark and Sweden.⁸ SME growth and innovation, as well as internationalisation, is actively supported in the participating

⁸ EC, (2014) Regional Innovation Scoreboard, CEC Brussels , <http://bookshop.europa.eu/en/regional-innovation-scoreboard-2014-pbNBBC14001/>

territories. Regional authorities can work together to cut the costs of support and improve SME access to information, for example on potential suppliers, clients, knowledge institutes, or taxation in networks and clusters elsewhere.

29. North Sea regions have similarities in business structures linked to the sea and the coast and a potential for exchanging experiences and practices based on their smart specialisation strategies.

30. Smart specialisation strategies developed by EU member states and regions are an expression of sound innovation policies and as such are of interest not only to EU member states, but also to non-EU countries willing to improve their innovation ecosystems. The support provided should enable local stakeholders to gain the competences needed for continuing strategy design and implementation in the future in view of cooperation projects in innovation.

31. Exchange of good practices among regions can provide additional insights for the development of innovation ecosystems inside and outside the EU enhancing collaboration in reaching global value chains.

32. **Orientation:** The North Sea Region should develop smart specialisation further, building on the competitive strengths and linking their strengths to new innovation-focussed value chain opportunities of the region, like sustainable resources, state of the art research and competence in human resources, effective and digital production technologies and world-leading design. The focus should be on supporting set of projects to develop, connect or make complementary use of testing and demonstration facilities to accelerate market uptake and scale up of innovation solutions in shared specialisation priority areas.

33. **Orientation:** Many places in the North Sea Region have a strong RDI profile and RDI is certainly an important element of the economy in the North Sea Region. In order to avoid an unnecessary duplication of funding, PO1 in the future NSR should be targeted very carefully to areas that benefit especially from transnational cooperation. In particular, in their smart specialisation priority niche areas so that regions can complement their assets and potentials of business and research reach critical mass and scope to compete together at the global scale. RDI investments to limited, carefully chosen, challenge driven topics that are in line with the main priorities of the programme should be promoted (i.e. related to PO2).

34. **Orientation:** Linked to regional strengths in R&D, innovation and experimentation NSR should continue to develop new responses to major issues such as clean and sustainable transport, marine plastics/litter, flood risks, opportunities in the circular economy and carbon capture, utilization and storage, that can be pursued in a unique way drawing on transnational and cross sectoral stakeholders

35. **Orientation:** The states and regions in the NSR are in the process of developing and rolling out alternative fuels and low-carbon vehicle technologies. The NSR is also well-equipped with renewable energy and spear head technologies – such as wind, hydro and biomass aiming at respecting all relevant environmental provisions – to facilitate a transfer to a low-emission and eventually fossil-free transport system. These investments need to continue. (The implementation/deployment of such new innovations and/or technologies are supported by relevant policy objectives (PO2)).

PO 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

36. Becoming the world's first climate-neutral continent by 2050 is the greatest challenge and opportunity of our times. To achieve this, the European Commission presented the European Green Deal in December 2019,⁹ the most ambitious package of measures that should enable European citizens and businesses to benefit from sustainable green transition. Measures accompanied with an initial roadmap of key policies range from ambitiously cutting emissions, to investing in cutting-edge research and innovation, to preserving Europe's natural environment.
37. Supported by investments in green technologies, sustainable solutions and new businesses, the European Green Deal can be a new EU growth strategy. Above all, the European Green Deal sets out a path for a transition that is just and socially fair. It is designed in such a way as to leave no individual or region behind in the great transformation ahead.
38. A greener, low-carbon Europe demands rethinking energy production, consumption storage and transportation as well as general economic value chains. This is closely linked to UN Sustainable Development Goal number 7 on affordable and clean energy. Changing energy production and consumption habits supports dealing with climate change and air pollution.
39. The North Sea Region is both:
- subject to and contributes to the negative impacts of climate change environmental degradation, and
 - a hub for initiatives to fight climate change and improve the environment.
40. As a highly industrialised and highly populated area, the North Sea Region faces considerable environmental challenges and threats linked to pollution and emissions, the over exploitation of resources, and impacts of climate change. The exact nature and rate of these impacts are uncertain, but rising sea temperature and increasing acidification represent major threats to marine ecosystems coastal communities. A major concern is also the vulnerability of densely populated regions along the Dutch coast to rising sea levels, and related increases in storm surges and flood hazards.
41. The share of renewable energy has increased in the NSR, in large part due to offshore wind energy. Two main drivers of this increase are support schemes for renewable energy technology and shrinking costs. By 2016, the share of renewable energy in gross final energy consumption was very high in some NSR countries, but substantially lower in others: Norway 69.4 percent, Sweden 53.8 percent, Netherlands 6 percent, Germany 14.8 percent, Denmark 32.2 percent and Belgium 8.7 percent.¹⁰ Interconnectivity of the electricity grids throughout the North Sea is the topic of considerable discussion, and would allow the region to make better use of renewable energy production capacities and the various forms of energy transport. Another important issue is Maritime

⁹ The European Green Deal https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en, accessed 18.12.2019

¹⁰ EPRC calculations based on Eurostat: Share of renewable energy in gross final energy consumption, https://ec.europa.eu/eurostat/tgm/download.do?tab=table&plugin=1&language=en&pcode=t2020_31, accessed 23.22.2018

Spatial Planning. The last ministerial meeting of the North Sea Energy Cooperation endorsed a new work programme to address these issues.¹¹

42. Emission of radioactive water from nuclear plants and ship wrecks, oil spill, sewage, air-transported micro plastic, plastic waste from land, fishing boats and cruise ships are some of the threats facing the marine environment and biodiversity. Tackling marine emission and litter is therefore an increasingly important priority.
43. NSR countries are also leaders in R&D and innovation in the circular economy, low carbon technologies, and alternative and renewable energy. The number of green patents submitted between 2001 and 2010, reflects the green technological development of the region, and thus its future capacity for green growth and the further development of the circular economy.
44. Initiatives for a greener and low-carbon Europe support the EU's commitment to the Paris Agreement and UN Sustainable Development Goals (SDG numbers: 7 (Affordable and clean energy), 13 (responsible consumption and production), 13 (climate action), 14 (life below water) and 15 (life on land)).
45. The road to a climate neutral economy would require joint action in following strategic areas: energy efficiency; deployment of renewables; clean, safe and connected mobility; circular economy; bio-economy and natural carbon sinks; carbon capture and storage to address remaining emissions.
46. Progress in major issues such as climate change and the related themes of energy transition and carbon reduction demand large-scale policy interventions and large resources. They are the target of major EU and national government initiatives. Nevertheless, for the North Sea Region there is potential role as transnational cooperation has a proven role in helping to share information among the various stakeholders, public sector, research/academic, business, SMEs and consumers, work could build on this aspect to help support change.
47. **Orientation:** Environmental protection and biodiversity are complex and interrelated. The North Sea Region programme should continue to engage in a flexible, innovative way in this field, enabling it to respond to new challenges, niche/specific concerns in new ways, which has been a strength of the programme in the past.
 - The programme's focus on an eco-system approach to environmental management remains relevant and a good basis to build better integrated actions, and potentially a basis for synergies with other policy initiatives and actions.
 - Climate change adaptation and resilience has particular resonance in coastal and low-lying areas subject to flooding and extreme weather.
 - Developing, piloting, testing, and transferring territorially adapted solutions e.g. in clean renewable energy, flood protection, circular economy, marine environment protection and climate change adaptation (deployment of innovation results).
48. **Orientation:** NSR should continue to build on strength that can be drawn from capacity and experience of working across sectors and territories. Initiatives for circular economy, greener and

¹¹ <https://kefm.dk/media/12744/joint-statement-on-the-deliverables-of-the-energy-cooperation-between-the-north-seas-countries.pdf>

low-carbon Europe need to be included in the future NSR. They also support the EU's commitment to the Paris Agreement and UN Sustainable Development Goals.

- recognised areas of programme strength and potential include: marine environment protection and maritime sectors, blue and green growth, innovative energy and low emission solutions, circular economy, life and biosciences and tackling marine emissions and litter
- Low carbon/green solutions, clean tech and environmental protection is, and should continue to be, a theme cutting across all these areas of intervention. The North Sea region has capacity to advance its competitive position by leading on minimising environmental costs
- In addition, sharing information and best practices between the participating regions on methods such as Carbon Capture, Utilization, and Storage (CCUS) and restoring biodiversity and natural carbon sinks could be considered

PO 3: A more connected Europe by enhancing mobility and regional ICT connectivity

49. Transport is an important issue on the North Sea Region. While there are considerable regional strengths in transport logistics and connectivity, significant regional variations also exist. The South East areas of the North Sea Region have high territorial connectivity to road, rail and airport networks in the centre of Europe. In the north-west of the area, due to a less dense network of railways and roads, air transport becomes more important and plays an important role in connecting the peripheral areas with the largest urban centres in the region.

50. Transport accounts for about 25% of the greenhouse gas emissions in Europe and it is a major source of air pollution in particularly urban areas. International shipping is a large and growing source of emissions. While transport on the one hand is part of the climate problem, it is on the other hand also an important part of the solution. There is untapped potential to reduce shipping emissions cost-effectively through a combination of regulations, technology development, stakeholder cooperation and targeted financial & other incentives.

51. The states and regions in the NSR are in the process of developing and rolling out alternative fuels and low-emission vehicle technologies and infrastructure, which will contribute significantly, to lowering emissions from terrestrial transports. The NSR is also well-equipped with renewable energy and spear head technologies to facilitate a transfer to a low-emission and eventually fossil-free transport system. Furthermore, it is important to link transport interventions with relevant plans and programmes under EU acquis, such as National Energy and Climate Plans, National Air Pollution Control Programmes, Air Quality Plans and Noise Plans.

52. The TEN-T policy (Trans-European Network) is key for promoting free circulation of goods, services and citizens throughout the EU and in the NSR. The TEN-T network is crucial for promoting accessibility, as well as for ensuring quality, efficiency, safety and sustainability of transport operations in the NSR. The network is also important for linking up to third countries and the rest of the world.

53. **Orientation:** Transport interventions are mainly addressed through TEN-T investments and national transport policies, it is proposed that transport investments should target the CEF and EIB instruments. A North Sea Programme will not have the resources to make substantial impacts on key transport development concerns. Also worth noting is that the current programme, and its predecessor, initially struggled to commit its transport funding. Therefore, PO3 is not recommended as a thematic focus for the future NSR programme.

PO 4: A more social Europe implementing the European Pillar of Social Rights

54. Demographic trends and life style changes are drivers for increasing territorial diversity. Current trends such as urbanisation, ageing, migration, changing family & household structures are continuing and effect a growing number of places.

55. Social cohesion in both urban and rural regions is a significant development challenge. Urban areas have concentrated pockets of long-term economic deprivation and complex social problems, including highly marginalised groups. Youth out migration is a problem facing more rural areas and towns and, across the NSR as a whole, demographic ageing and the rapid increase in the old-age dependency ratio is a key concern. The pressure on public services resulting from these trends is an issue across the NSR.

56. Orientation: Challenges in relation to population dynamics and social issues are best tackled by ESF+ funding, in particular within the national and regional programmes under PO4.

PO 5: A Europe closer to citizens by fostering the sustainable and integrated development of urban, rural and coastal areas and local initiatives

57. The NSR incorporates both major city regions in the economic core of Europe and remote, sparsely populated and peripheral regions, particularly in Norway and eastern Denmark. Major urban centres in NSR have seen steady population growth over the period 2000-2014 including in Copenhagen (6 percent), Amsterdam (14 percent) and Oslo (23 percent). Growth projections are set to continue, with anticipated population increase most notably in regions of Belgium and Sweden, and in regions with large urban centres, such as Antwerp, Hamburg, Oslo. Migration is a key driver of population increase since the 1990s.

58. Outside the major cities, a particular shared concern is the development of coastal communities. Shifts in travel and economic patters have had a major long-term impact on these areas and efforts continue to strengthen economic growth, through e.g. promotion maritime heritage, economic diversification, and community led development.

59. The North Sea Programme area includes territories who are globally renowned for their innovative approaches to planning, sustainable urban development and local-led development. However, these can be developed isolation, there may be scope in the future for the programme to support projects that share learning and exchange and develop these initiatives at a transnational scale.

60. For transboundary problems such as air pollution, it could be useful to consider cooperation on pollution reduction and information exchange for authorities and citizens (monitoring, warning systems, air quality index).

61. Orientation: It is suggested that PO5 is addressed primarily within the context of cross-border cooperation programmes. Nevertheless, it should be considered how PO5 might be implemented in the NSR, particularly through projects that share learning and promote exchange in relation to urban, sparsely populated areas or islands cooperation.

INTERREG-specific objectives:Better INTERREG governance and safer and more secure Europe

62. North Sea Region has high levels of administrative capacity building. However, there are possibly some ways of taking forward more coordinative role for the EU programmes in the region. NSR could act as a catalyst for interaction, support synergies and complementarities with relevant programmes in the region (mainstream EU, cross-border and trans-national).
63. The role of Interreg-specific objective “safer and more secure Europe” is relevant as the programme includes cooperation with third countries. Where actions in the fields of border crossing management and mobility and migration management, including the protection of migrants (as described in the European Territorial Cooperation regulation proposal) are relevant in macro-regional level this Interreg specific objective should be considered.
64. **Orientation:** Developing synergies and better coordination between programmes (e.g. mainstream EU, national and cross-border cooperation) in the region should be addressed. The NSR incorporates Member States that are involved in the Baltic Sea Macro-Regional Strategy, notably Denmark and Sweden (+Norway). There are a number of common thematic links between the NSR Programme and this strategy. However, these are coincidental rather than planned interactions. Looking to the future there could be some value in monitoring developments, with a view to linking relevant projects into wider networks.

D. Conclusions for the 2021-2027 period for the cooperation area, including strategic orientations and relationship to macro-regional strategies/sea-basin strategies

65. The NSR’s current geography is based on the North Sea basin, there is no sea basin strategy or MRS in force currently. Inclusion of regions of Netherlands that are not currently participating to the programme needs to be considered.
66. Based on the considerations elaborated in the previous sections for transnational cooperation topics, the following thematic focus of the future NSR is proposed:
- PO1**
- Develop further the NSR work on smart specialisation building on work of the regional strengths
 - Promote RDI activities in the challenge driven fields related to PO2
- PO2 (strongest focus)**
- Development of transnational circular economy systems
 - Develop measures to reduce the air and water pollution of the North Sea Region
 - Promote climate change and adaptation related investments
 - Develop low-emission/green solutions
 - Continue with eco-system approach to environmental management
- PO5**
- Support knowledge sharing and exchange from innovative approaches to planning, sustainable urban development and local-led development and develop these initiatives at a transnational scale, as well as pollution reduction and information exchange for authorities and citizens

Interreg-specific objective of better governance (15%)¹²

- Foster cooperation between regions and programmes

67. The programme should have a greater focus on a limited number of POs, in order to bring added value to cooperation and to maximise impact, efficiency and result orientation. Focusing mainly on PO2 (a greener, low-emission Europe) would bring real benefit to the fight against the climate change around North Sea.
68. Interreg specific objectives will ensure more synergies, more coordinated approach of investments and improved capacities of the stakeholders in the NSR.

¹² See Recital 19 and Articles 14 and 15 (2) of the Proposal for a Regulation COM(2018)374 of 29.5.2018.

Annex 1

PO 2021/2027 Programmes 2014-2020	1 A smarter Europe	2 A greener, low-carbon Europe	3 A more connected Europe	4 A more social Europe	5 A Europe closer to citizens/ Interreg- specific objective
Transnational					
Baltic Sea	TO1	TO6	TO7		TO11
Northern Periphery and Arctic	TO1,3	TO4,6			
North-West Europe	TO1	TO4,6	TO7		
Cross-border					
Interreg V-A SV- FI-NO (Nord)	TO1,3	TO6		TO8	
Interreg V-A SV- FI-NO (Botnia- Atlantica)	TO1,3	TO6	TO7		
Interreg V-A FI- EE-LV-SV (Central Baltic)	TO3	TO6	TO7	TO10	
Interreg V-A SV- DK-NO (ÖKS)	TO1	TO4	TO7	TO8	
Interreg V-A SV- NO	TO1		TO6,7	TO8	
Interreg V-A BE- NL	TO1,3	TO4,6		TO8	
Interreg V-A BE- FR-NL-UK (Two Seas)	TO1	TO4,5,6			
Interreg V-A DE-NL	TO1	TO4			TO11
Interreg V-A BE- DE-NL /EURegio Maas-Rhein)	TO1,3			TO9,10	TO11
Interreg V-A BE- FR (France- Wallonia- Flanders)	TO1,3	TO5,6		TO8,9	
Mainstream					
Belgium (Flanders)	TO1,3	TO4,5,6		TO9	
Denmark	TO1,3	TO4			
Germany	TO1,3	TO4,6		TO9	
Netherlands	TO1	TO4		TO8,9	
Sweden	TO1,3	TO4	TO7	TO8,9,10	TO11

NB: The allocation of the Thematic Objectives (TO) of the 2014-2020 programming period to the proposed Policy Objectives for 2021-2027 has been approximately done based on the following definitions:

- TO1:** Strengthening research, technological development and innovation
- TO2:** Enhancing access to, and use and quality of, information and communication technologies
- TO3:** Enhancing the competitiveness of SMEs
- TO4:** Supporting the shift towards a low-carbon economy
- TO5:** Promoting climate change adaptation, risk prevention and management
- TO6:** Preserving and protecting the environment and promoting resource efficiency
- TO7:** Promoting sustainable transport and improving network infrastructures
- TO8:** Promoting sustainable and quality employment and supporting labour mobility
- TO9:** Promoting social inclusion, combating poverty and any discrimination
- TO10:** Investing in education, training and lifelong learning
- TO11:** Improving the efficiency of public administration

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