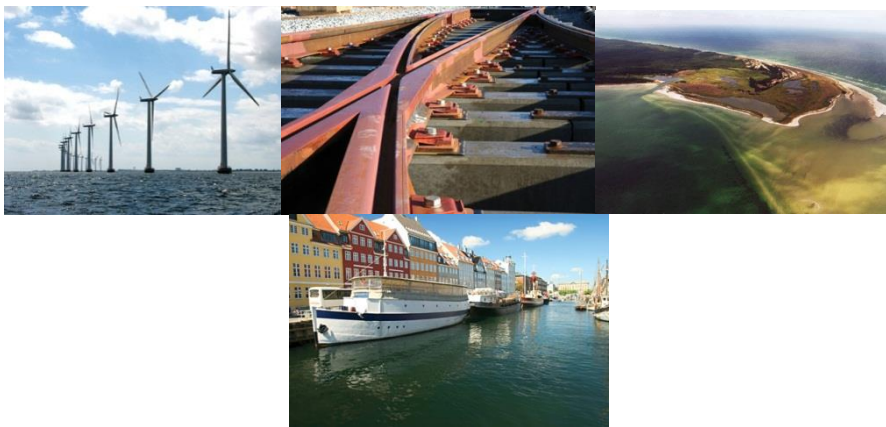




EXECUTIVE SUMMARY* OF THE ANNUAL IMPLEMENTATION REPORT

2013

BALTIC SEA REGION PROGRAMME 2007-2013



**Operational Programme of European Territorial Co-operation
financed by the European Regional Development Fund, European
Neighbourhood and Partnership Instrument and the Government of
Norway**

* The full Annual Implementation Report 2013 can be obtained from the Managing Authority/Joint Technical Secretariat upon request and after approval by the European Commission (expected by September 2014).

Executive summary

By the end of 2013 the portfolio of the Baltic Sea Region Programme 2007-2013 comprised 90 projects approved in five regular and three Extension Stage calls. Of these, 46 projects had finalised their activities and submitted their final reports. The Programme is well on track with achieving and even exceeding the **Programme level and common results** as well as **specific results** in all the four thematic priorities.

The third call for **Extension Stage** projects ended on 8 April 2013 and resulted in two approved projects in priority 2. The Programme's overall Extension Stage portfolio consisted of nine projects, which were all still in their implementation phase in 2013.

By the end of 2013, **Belarusian partners** were involved in 21 of 90 projects. Two projects had not passed the national Belarusian approval procedure. On average, the national approval procedure lasted 14 months, which caused significant delays and reduced the level of the Belarusian partners' involvement in the respective projects.

All **three cluster initiatives** approved by the Monitoring Committee in 2012 - "Baltic cluster for sustainable, multimodal and green transport corridors", "Saving the Baltic Sea Waters" and "Innovation in SMEs" - continued their activities in 2013. These initiatives aim to capitalise the knowledge and results produced in on-going and finalised projects and to increase the visibility of the Programme. The clusters also contributed to a strengthened cooperation of the Programme with the stakeholders of the EU Strategy for the Baltic Sea Region (EUSBSR).

The number of **progress reports of approved projects** decreased as the peak of project implementation was reached in 2012. In total 90 reports (compared to 128 in 2012) were processed. In total, 469 progress reports (including final reports) had been received and more than EUR 136 million paid out to the projects (both finalised and ongoing) by the end 2013.

The **spending on Programme level** further increased. Despite some delays in certification, reporting and monitoring around EUR 46 million ERDF, EUR 1.2 million ENPI and EUR 1.0 million Norwegian national funds were paid out during 2013. The average spending rate of the projects has further increased. Nevertheless, on average about 10% of funds remained unused after finalisation of the projects. These unused funds were partly reused by Extension Stage projects. Since the Programme start, EUR 129.9 million ERDF of EUR 195.6 million ERDF available for projects were paid out (66 %). Furthermore, of EUR 5.6 million of Norwegian funds available for projects, 50% (EUR 2.8 million) were paid out until the end of 2013, and almost 54% of the available ENPI funds for projects (EUR 3.9 million of EUR 7.2 million).

The **spending rate of the Technical Assistance budget** stayed with 78% at a similar level compared to the previous year. The total TA spent for the Baltic Sea Region Programme in 2013 equals EUR 2,136,031.

The year 2013 was challenging regarding the **decommitment targets** because of the switch from N+3 to the N+2 rule. Consequently, the spending target was approximately twice as high as in 2012. Nevertheless, despite some delays in project reporting and notwithstanding repeated payment delays by the European Commission a decommitment was avoided. The Programme cumulatively requested around EUR 137.2 million ERDF by the end of 2013 (priorities 1-5). In 2013 **five interim payment requests** were submitted to the European Commission.

The **EU Strategy for the Baltic Sea Region** continued to play an important role in the Programme implementation in 2013. A total of 49 projects approved by the Programme show a clear link to the EU Strategy. The ERDF funding committed to these projects amounts to EUR 124 million, which is 63% of the ERDF funds available for projects in the Programme. The Programme also supported the start of the **EUSBSR Seed Money Facility** funded by the European Parliament and managed by the Investitionsbank Schleswig-Holstein. With the intention to include seed money funding for developing flagship projects of the EU Strategy in the future Programme, the MA/JTS supported the development of Seed Money Facility procedures and forms. The Programme bodies were also actively involved in workshops of the 4th Annual Forum of the EU Strategy for the Baltic Sea Region (EUSBSR) "Baltic Sea, Baltic Growth, Baltic Environment", where more than 400 stakeholders of the EUSBSR met in Vilnius on 11-12 November 2013.

Two meetings of the Monitoring Committee were held in Tallinn/Estonia as Estonia held the chairmanship in 2013. Major topics of the meetings were the approval of 3rd extension stage call applications, the Annual Implementation Report 2012, the EU Strategy for the Baltic Sea Region, a presentation of the water cluster, and the approval of the Programme's TA for selected services to prepare the successor Programme.

As in the previous year, the Programme carried out an **internal evaluation of operational nature**. This operational evaluation is directly linked to the monitoring of the Programme implementation. Based on a yearly self-evaluation, the financial performance and the management structures were assessed with positive outcomes. Furthermore, the planning of a **strategic external evaluation** to be implemented in 2014 and 2015 was initiated with the aim to analyse the project portfolio with regard to achieved results and produced outputs. A particular focus would be put on the sustainability and added value of project results and the involvement of end-users.

As in previous years, the Programme bodies continued to put special emphasis on **communication and information activities**. Programme staff participated in a large number of regional and Europe-wide events to promote the Programme and its achievements and also contributed with substantial input to events targeting the EU Strategy for the Baltic Sea Region. A series of workshops and trainings addressing finalised projects, Belarusian project partners, and national first level controllers were organised by the Programme. Moreover, three cluster brochures were published in 2013.

Finally, the **programming of the Baltic Sea Region Programme 2014-2020** continued at good speed in 2013. Five meetings of the Joint Programming Committee and Programming Task Force were convened in Berlin and Tallinn, including a workshop. The drafting of the Programme made substantial progress and resulted in the approval of the draft OP by the end of 2013. In addition, the Programme organised three thematic programming workshops in order to discuss the draft priorities of the Programme with relevant stakeholders and thematic experts of the Programme countries. In parallel, the ex-ante evaluation and preparation of the Strategic Environmental Assessment were continued by the external evaluator. Moreover, the management, financial and control system description was prepared, the integration of Belarus and Russia intensively discussed, and the planning of the future monitoring system of the Programme initiated.